

# History of China's Communist Party (1921-2021): A 100-Year Legacy of Success and Forward Vision

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Global Research, July 01, 2021

Region: [Asia](#)

Theme: [History](#)

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*The legendary Chinese success story goes hand-in-hand with the evolution of the Communist Party of China (CPC) and China's Communist Revolution that began in 1945. The foundation of the CPC on 1 July 1921 signaled the end of some 200 years of China's oppression by foreign powers, to western invasions and exploitation, grabbing China's territories and especially her rich natural resources - and to gain trading advantages, including from the riches of China's resources and crafts.*

## Background and History

About two centuries ago, foreign interferences were dominated by illegal **Opium Trade** that eventually culminated in two **Opium Wars**. In the 18th and 19th centuries Western countries, mostly Great Britain, exported opium grown in India to China. In turn, the Brits used the profits from opium sales largely to buy Chinese luxury goods, like porcelain, silk, and tea. These goods were in high demand in the west.

Much of this opium export was illegitimate and created widespread addiction throughout China, causing serious social and economic calamities. The wars were triggered by China's attempting to suppress the trade, that grew tremendously from about 1820 onwards. In early 1839 the Chinese government confiscated and destroyed more than 20,000 chests of opium (chest = about 63.5 kg) — some 1,400 tons of the drug—that were warehoused at Canton (Guangzhou), Guangdong Province by British merchants. By 1838 imports had grown to some 40,000 chests annually.

In July 1839, British sailors killed a Chinese villager. The British government refused to turn the accused over to be judged in Chinese courts. The Brits did not wish its subjects to be tried in the Chinese legal system, and refused to turn the accused men over to the Chinese courts.



The East India Company iron steam ship *Nemesis*, commanded by Lieutenant W. H. Hall, with boats from the *Sulphur*, *Calliope*, *Larne* and *Starling*, destroying the Chinese war junks in Anson's Bay, on 7 January 1841. (Public Domain)

This conflict prompted the first Opium War (1839 - 1842), fought between the UK and the Qing dynasty (1644 to 1912), with the British objective to legalize the opium trade. This did not happen, which led to the Second Opium war (1856 - 1860), also called the Anglo-French war. But China did not win the wars and the nefarious addiction-causing trade continued for several more decades.

China's British forced war-concession to the winner, was to hand over the island of Hong Kong to British administration. In addition, China had to legalize the opium trade and concede a number of trading ports to the Brits, as well as opening travel for foreigners into China and granting residencies for Western envoys to China. And an important concession for a predominantly Buddhist country was that China had to grant freedom of movement to Christian missionaries throughout China.

The wars and the resulting multiple concession of China, prompted an era of unequal treaties between China and foreign imperialist powers, aka, the UK, France, Germany, the United States, Russia and Japan. China was forced to concede many of her territorial and sovereignty rights. These encroachments on Chinese sovereignty weakened and eventually brought down the Qing dynasty, leading to a revolution on October 10, 1911, bringing the **Kuomintang (KMT)** to power. They are also referred to as the Chinese National Party and founded the Republic of China on 1 January 1912.

The founder of the KMT and initial ruler of China after the 1911 revolution, Sun Yat-sen attempted to modernize China along western lines and values - which was not accepted by the Chinese people. The next couple of decades of KMT rule were rather chaotic times, during which Sun Yat-sen was unable to control China which fractured into many regions controlled by warlords. To strengthen its position and to gain back control of the country, the KMT was seeking alliance with the new fledgling Communist Party, forging the first



United Front, but was still unable to control all of China. After Sun Yat-sen died in 1925, Chiang Kai-shek (1887–1975) took over and became the KMT strong man.

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**The creation of the Communist Party of China on 1 July 1921**, was deeply marked by the preceding history. One of the CPC's key objective was that China would never again be dominated by western colonial powers. The CPC became a force to be reckoned with, as it grew stronger by increased solidarity forged throughout communities and regions of China which all pursued the same goal - independence from foreign colonization and exploitation and the creation of a sovereign communist China, with a sovereign socialist economy.



Site of the first CCP Congress, in the former Shanghai French Concession (CC BY-SA 3.0)

With the support of the west, notably the UK and the United States, the KMT-led government of the Republic of China (ROC) entered in 1927 into a civil war with the forces of the CPC. The war was intermittent, but basically played out in two major phases, until 1949. The first phase can be described as a war of attrition. It lasted until 1937, when due to the Japanese invasion of China, KMT-CPC hostilities were put on hold. Instead, a KMT-CPC alliance fought and defeated the Japanese. This was also called the *War of Resistance against Japanese Aggression (1937-1945)*.

The KMT - CPC civil war resumed with the victory over the Japanese forces, and entered its second, but most violent and decisive final phase from 1945 to 1949. This phase is also called the beginning of the Chinese Communist Revolution, during which the CPC gained the upper hand and finally defeated the Kuomintang on the Chinese mainland.

The leader of KMT (1928 - 1975), Chiang Kai-shek, fled the mainland and established himself and the KMT in what was originally called by her Portuguese discoverers in 1542, *Ilha Formosa* ("beautiful island"), located north of the Philippines and the South China Sea,

some 180 km off the Southeastern coast of China.

In 1895 Formosa became “Taiwan” meaning “foreigners” referring to the early Chinese settlers on the island. Today Taiwan is again integral part of China, since the Treaty of San Francisco (WWII Allied Forces Peace Agreement with Japan, signed on 8 September 1951), when Japan ceased its occupation of Taiwan, returning the island back to China.

Though an integral part of China, Taiwan is still occupied by the KMT Regime, calling it the Republic of China or ROC, the name taken over from KMT’s reign over mainland China until their defeat by the CPC in 1949, which also marked the beginning of the new communist People’s Republic of China (PRC).

This internationally illegal control of Taiwan by the KMT has been going on since 1949, but especially for the last 50 years, when on 25 October 1971, the United Nations General Assembly recognized the PRC, led by the CPC, as “*the only legitimate representative of China to the United Nations*” and removed the representatives of the Chiang Kai-shek ROC regime of Taiwan from the United Nations. Nevertheless, today still 15 nations, including the Vatican, of the 193 UN member nations recognize Taiwan as the official China. Many of them would like to switch to the officially recognized CPC-led mainland China, but are coerced, predominantly by the US and the UK, not to do so.

Over the past several decades, the United States, the UK and other western allies have continually sought to destabilize China by interfering in Taiwan, meaning in China’s internal affairs. The latest such events include the US weapons sale for US\$ 5 billion to Taiwan in December 2020, and earlier this year, the U.S. Ambassador to the Pacific Island of Palau (Palau being one of the states recognizing Taiwan), became the first US envoy to travel to Taiwan in an official capacity, since Washington cut formal ties with Taipei in favor of Beijing in 1979.

In addition, the US is promoting closer relations with Taiwan through the so-called Taipei Act, signed in April 2020, calling for strengthening trade relations and diplomatic ties between the US and Taiwan to bring Taiwan closer into “international space”, meaning politically distancing the island territory from the mainland.

This and other interferences of the US in China’s internal affairs, are attempts at disrupting peaceful co-existence with China. They include the US-provoked trade war with Beijing, during the last almost 4 years; the stationing of about 60% of the American Navy in the South China Sea; the Washington orchestrated interference in Honk Kong, seeking independence from Beijing; and wildly falsified accusation of Human Rights abuses of the Uyghurs in the officially known as the *Xinjiang Uyghur Autonomous Region*, in Northwestern China; as well as similar claims in Tibet.

Thanks to the steadfast leadership of President Xi Jinping of the People’s Republic of China and of the Communist Party of China, these interferences are being dealt with carefully by Beijing, always trying to find diplomatic and non-belligerent solutions.

China is a master in following the paths of non-aggression, while constantly creating and moving peacefully forward – always with the goal of achieving a multipolar world, where people of different nations, regions, races, roots, cultures and believes can prosper peacefully together.



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## Present - and Vision for the Future

Since the foundation of the Communist Party on 1 July 1921, China strove for total independence, and never surrendered to foreign invasions or attempts to influence China's internal, as well as foreign relations policies. What the CPC has attained over the past 100 years is truly remarkable. It comprises not only maintaining internal solidarity, but also and foremost, people's trust in the government, moving peacefully forward, becoming food, health and education-wise autonomous and self-sufficient and, not least, lifting 800 million people out of poverty. No other nation in the world has achieved such extraordinary objectives for their people's well-being.

The CPC has today 91 million members. It is by far the largest single party in the world. In addition, thanks to her leadership, starting with Mao Tse Tung in 1949 and today by President Xi Jinping, China, with a population of 1.4 billion people, has become the second largest economy in the world in absolute terms, and since 2017 already the largest, assessed by the only real measure - the Purchasing Power Parity (PPP). This is an indicator of how much people can buy for their money. Within a few years, China is expected to surpass the currently largest economy, the United States, also in absolute terms.



A political slogan on the wall in Longhua District, it reads: "Holding high the great banner of socialism with Chinese characteristics for the Xi Jinping Era. We should fully implement the of spirit of the 19th CPC National Congress." (CC0)

This is, of course, representing a threat for the country that has declared itself as *THE* Empire of the world, controlling all vital essentials, like energy, food supply and the international monetary system - though faltering, but still dominated by the US-dollar. The self-styled empire is already crumbling. And Washington knows it. Its strongest asset, the US-dollar, is gradually being dismantled. The US-currency has been widely used throughout the world, almost exclusively, to buy vital goods and services, like energy, food and

communication services, as well as for other international trade, but it is losing its weight in the international arena.

The reasons for this are both political and economic. On the economic front, the US have created by their 1913 Federal Reserve Act, a fiat currency without any backing, a currency of which the flow and money mass can be expanded at will. This allowed and still allows Washington to “print” money as per necessities, i.e. to finance extensive wars and conflicts around the globe and to accumulate debts that the US Treasury and Federal Reserve (the totally privately owned US Central Bank), will never be able to pay back.

The US-dollar has absolutely no backing whatsoever. When Washington abandoned in 1971 their self-designed so-called gold-standard (Bretton Woods Conference, 1944), the US-dollar became *de facto* the “new gold standard”, since the gold standard was based on the value of the US-dollar (US\$35 / troy ounce, about 31 grams), instead of on a basket of currencies. Since everybody needed US dollars for their reserves, this gave the US Treasury free range to increase its money supply almost infinitely.

When the US, also at the beginning of the 1970s, negotiated with Saudi Arabia, head of OPEC (Organization of Petroleum Exporting Countries), that all hydrocarbons, petrol gas and coal, should be traded in US-dollars, it gave the US another dollar boost - printing freely dollars in abundance, because the entire world needed US-dollars to buy hydrocarbon energy. Even today about 84% of all energy consumed worldwide consists of hydrocarbons (2019 Forbes).

As a counter-measure, the US promised the House of Saud to always protect Saudi Arabia, and proceeded almost immediately building numerous military bases in Saudi Arabia, from which they are now waging different wars in the Middle East.

Due to this phenomenon of freely generating new US-dollars, creating new debt, the US is by far the most indebted country in the world, with currently US\$ 49.8 trillion debt, compared with a 2020 GDP of about US\$ 21 trillion (Debt - GDP ratio 2.3 = 237% debt over GDP).

There is another important component of US debt, called by the General Accounting Office (GAO), “Unfunded Liabilities”, US\$ 213 trillion (all [figures 16 April 2021: US Debt Clock](#)). These exceptionally high ratios have undoubtedly also to do with incurred covid-debt.

*Unfunded liabilities* are debt obligations that do not have sufficient funds or assets set aside to pay them. These liabilities generally refer to the U.S. government’s debt-service (unpaid interest on debt), or pension plans and their impact on savings and investment securities, as well as health-insurance and social support coverage for soldiers returning from wars.

These astronomical debt figures and an unbacked fiat currency are even further reducing worldwide confidence in the US-dollar. It is clear, the US debt will never be paid-off. The Federal Reserve Chair, Allan Greenspan (1987 - 2006), once answered to a journalist’s question, when will the US pay back her debt: *Never. We just print new money.* So, spoken, so it was and so it is.

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Today and for the last about 10 years the US-dollar has no longer a hydrocarbon trade monopoly, nor are other international contracts primarily established in US-dollars as used

to be the case a couple of decades ago. China, Russia, Iran, Venezuela and others have stopped using the US-dollar and are trading in local currencies and increasingly in Chinese yuan.

Why? – Countries' treasurers around the world started realizing that the dollar is a highly volatile fiat currency, based on nothing, as shown by the above figures. Equally important for the loss of trust in the US-currency is that dollar-denominated international assets and the US banking system are frequently used by Washington to impose draconian, illegal economic sanction on countries that do not follow Washington's dictate, including blocking countries' foreign placed reserve assets. These economic and political realities are signaling the end of the US-dollar hegemony.

The trend of diminishing trust in the US-dollar may increase when China rolls out her digital Renminbi (RMB = people's money) or international Yuan (the terms RMB and Yuan are used interchangeably) which may be used for international trade without touching the international US-dominated SWIFT transfer and US banking system. The Chinese currency being backed by a strong and solid Chinese economy, confidence in the Chinese currency is growing rapidly. Already today, the Chinese currency's use as an international reserve asset is increasing quickly.

While the US Federal Reserve (FED) is also contemplating a new digital currency, it is not clear to what extent it can be detached from the current dollar and its debt burden. In any case, with US international trade waning, and Chinese trade rapidly increasing, it will be very difficult, if not impossible, for a declining empire to catch up with China.

For example, in the first quarter of 2021, China's foreign trade (exports and imports) soared by 29.2%, with Exports jumping 38.7% from the year before, while imports climbed 19.3 percent in yuan terms, according to the General Administration of Customs (GAC).

If anything, these developments – plus the fact that China has been highly successful in overcoming the covid-crisis – within less than 6 months – and putting her industrial apparatus back on line, are testimony for a solid CPC leadership, a sound Chinese economy and fiscal policy. China is the world's only major economy reporting economic growth in 2020, amounting to 2.3% according to the Wall Street Journal. It is what China calls "*Socialism with Chinese Characteristics*" – a feature demonstrating a spirit of constant creation and evolution of the CPC.

These facts will further enhance international trust in the Chinese economy, as well as in the Chinese way of seeking a more equal, more egalitarian and more just multipolar world, where nations may keep their national sovereignty over their internal and external political inclinations, their culture, national resources, monetary policies and foreign relations – and live peacefully together.

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### **CPC and the Chinese Vision**

The New Silk Road, or Belt and Road Initiative (BRI), is President Xi Jinping's brilliant brainchild. It's based on the same ancient principles as was the original Silk Road, adjusted to the 21<sup>st</sup> Century, building bridges between peoples, exchanging goods and services, research, education, knowledge, cultural wisdom, peacefully, harmoniously and 'win-win'

style. On 7 September 2013, President Xi presented BRI at Kazakhstan's Nazarbayev University. He spoke about *"People-to-People Friendship and Creating a better Future"*. He referred to the Ancient Silk Road of more than 2,100 years ago, that flourished during China's Western Han Dynasty (206 BC to 24 AD).

Referring to this epoch of more than two millenniums back, President Xi pointed to the history of exchanges under the Ancient Silk Road, saying, *"they had proven that countries with differences in race, belief and cultural background can absolutely share peace and development as long as they persist in unity and mutual trust, equality and mutual benefit, mutual tolerance and learning from each other, as well as cooperation and win-win outcomes."*

President Xi's vision may be shaping the world of the 21<sup>st</sup> Century. The Belt and Road Initiative is designed and modeled loosely according to the Ancient Silk Road. President Xi launched this ground-breaking project soon after assuming the Presidency in 2013. The endeavor's idea is to connect the world with transport routes, infrastructure, industrial joint ventures, teaching and research institutions, cultural exchange and much more. Since 2017, enshrined in China's Constitution, ***BRI has become the flagship for China's foreign policy.***

BRI is literally building bridges and connecting people of different continents and nations. The purpose of the New Silk Road is *"to construct a unified large market and make full use of both international and domestic markets, through cultural exchange and integration, to enhance mutual understanding and trust of member nations, ending up in an innovative pattern with capital inflows, talent pool, and technology database"*.

BRI is a global development strategy adopted by the Chinese Government. Already today BRI has investments involving more than 150 countries and international organizations – and growing – in Asia, Africa, Europe, the Middle East and the Americas. Since the onset of BRI in 2013, BRI investments have exceeded US\$ 5 trillion equivalent.

BRI is a long-term multi-trillion investment scheme for transport routes on land and sea, as well as construction of industrial and energy infrastructure and energy exploration – as well as trade among connected countries. Unlike WTO (World Trade Organization), BRI is encouraging nations to benefit from their comparative advantages, creating win-win situations. In essence, BRI is to develop mutual understanding and trust among member nations, allowing for free capital flows, a pool of experts and access to a BRI-based technology data base.

At present, BRI's closing date is foreseen for 2049 which coincides with the People's Republic of China's 100<sup>th</sup> Anniversary. The size and likely success of the program indicates, however, already today that it will most probably be extended way beyond that date. It is worth noting, though, that only in 2019, six years after its inception, BRI has become a news item in the West. Remarkably, for six years, the west was in denial of BRI, in the hope it may go away. But away it didn't go. To the contrary, many European Union members have already subscribed to BRI, including Greece, Italy, France, Portugal – and more will follow, as the temptation to participate in this projected socioeconomic boom is overwhelming.

The BRI, also called Belt and Road, or One Belt One Road, is not the only initiative that will enhance China's economy and standing in the world.



After decades of western aggressions, denigrations and belligerence towards China, in a precautionary detachment from western dependence, China is focusing trade development and cooperation on her ASEAN partners. In November 2020, after 8 years of negotiations, China signed a free trade agreement with the ten ASEAN nations, plus Japan, South Korea, Australia and New Zealand, altogether 15 countries, including China.

The so-called *Regional Comprehensive Economic Partnership*, or RCEP, covers some 2.2 billion people, commanding some 30% of the world's GDP. This is a never before reached agreement in size, value and tenor.

The RCEP's trade deals will be carried out in local currencies and in yuan - no US dollars. The RCEP is, therefore, also an instrument for dedollarizing, primarily in the Asia-Pacific Region, and gradually moving across the globe. Moving away from the dollar-based economies may be an effective way to stem against the western "sanctions culture". China is soon rolling-out her new *digital Renminbi (RMB)* or yuan, internationally, as legal tender for inter-country payments and transfers. The digital RMB is primed to become also an international reserve currency, thereby further reducing demand for the US-dollar.

Orientation towards China's internal economic development - so-called horizontal instead of vertical growth - is a strategy to develop local Chinese internal production and infrastructure to build up and enhance Chinese internal capacities and markets and bringing about wellbeing and a better equilibrium between China's vast hinterland and China's prosperous eastern coastal areas.

### **The future belongs to China**

After two thousand years of western "white supremacy", relentless exploitation, colonization, discrimination and outright enslavement of other colored people, other cultures, throughout the world, the time has come to turn the wheel - and to veer the future of mankind into a more peaceful, more just and more egalitarian world.

During the next hundred years and under the leadership of the Chinese Communist Party - China will guide the East into the era of the Rising Sun - prosperity and good health for all.

This new epoch will strive for a multi-polar world, with win-win trade relations, and bringing about new environmental, social and technological challenges, but also a new awakening for a social consciousness and solidarity. A key instrument for achieving major goals for human wellbeing is the Belt and Road Initiative, providing a steady flow of new ideas, creations, cultural exchange and mutual learning. The future focus may be on:

- Renewable sources of energy, based mainly on hydro- and solar power, developed with cutting edge technologies, i.e. capturing solar power with a process of photosynthesis, producing high efficiency energy yields;
- Increasing green areas in urban centers to bring about a balance of natural CO2 absorption and Oxygen production, aiming at zero pollution;
- Protecting the world's rain forests and water resources;
- Keeping natural resources and public services - health, education, food supply, water and sanitation services, electricity, and public transport - in the public domain;
- Promoting biological and multi-crop agriculture;
- Developing Artificial Intelligence (AI) to help increase production and transport

- efficiency and to serve humanity; and
- Adopting public banking as the primary means of socioeconomic development funding, ***Leading humanity to building a community with a shared future for mankind.***

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