

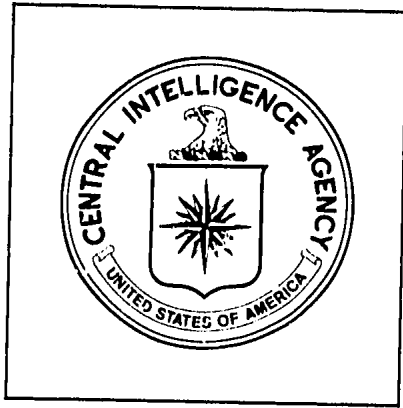
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STAFF NOTES:

Chinese Affairs

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CHINESE AFFAIRS



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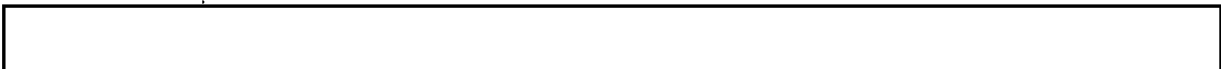
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China Emphasizes Moderation;
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The personnel appointments and policy statements approved by China's Fourth National People's Congress are clearly designed to stress moderation and continuity. The brevity of the congress, the first in a decade, and the initial secrecy in which it was held suggest, however, that leadership differences have not yet been ironed out fully.

The reappointment of Chou En-lai as premier, and the naming of his close ally, Yeh Chien-ying, to the sensitive post of defense minister, underscores Chou's continuing power and prestige as a senior policy maker.

Teng Hsiao-ping, elevated to the Politburo standing committee and named a vice chairman by the Central Committee plenum, which preceded the congress, appears to be Chou's logical successor.

Chairman Mao Tse-tung, who attended neither the plenum nor the congress, has now been away from Peking for over six months. Only once before has Mao been absent from the capital for a longer time, and that was immediately before the onset of the Cultural Revolution when, Mao complained later, he was being circumvented and ignored by political opponents.

Mao's continuing meetings with foreign visitors indicate that his health remains reasonably good and suggests that his absence from Peking may have a political justification. He may, for example, have been upset with the decision to wind down the anti-Lin, anti-Confucius campaign last July. Propaganda articles issued as late as November, which

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may well have reflected the Chairman's personal views, appeared to be calling for a further effort in the campaign, particularly as it related to an assault on the military's political position.

If Mao has remained in the countryside as a political gesture, it is likely that he is "sulking in his tent" and has not been deliberately excluded from the capital.

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The communique issued at the conclusion of the congress makes relatively little mention of Mao personally. The guiding role of "Mao Tse-tung Thought," however, was written into the new constitution and the chairman of the party was designated commander of the armed forces.

All of this suggests that the Chairman is still a very active force in Chinese politics.

The congress approved a list of 12 vice premiers, down from 15 before the Cultural Revolution. Teng Hsiao-ping heads the list, followed by Shanghai party boss Chang Chun-chiao, who gave the report on the revision of the state constitution on behalf of the party Central Committee. This assignment is another indication that Chang is acting in the post of party secretary general, although he has never been publicly identified in that role.

Youthful party vice chairman Wang Hung-wen, who had given the report on the revision of the

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party constitution on behalf of the Central Committee at the Tenth Party Congress in August 1973, did not gain a government post.

Only a single military figure, Peking Military Region Commander Chen Hsi-lien, was included in the list of vice premiers. This contrasts with four who served in this capacity before the Cultural Revolution.

Li Te-sheng, who lost his job as head of the army's political department and was severely criticized last year, has been downgraded and is listed with the ordinary Politburo members. Contrary to previous practice, the defense minister is not now a vice premier. These changes indicate that the military has been further circumscribed in its political role.

Even more striking is the downgrading of the political "left." With the possible exception of Chang Chun-chiao, who rose to prominence during the Cultural Revolution but has long since seemed to have moderated his political views, no easily recognizable leftist was named vice premier. The two most prominent leftists, Chiang Ching and Yao Wen-yuan, both of whom had claims to important government jobs, were passed over.

There are now 29 ministries, compared with the 40 that existed before the Cultural Revolution. Some 15 new ministers were appointed, 6 of whom held vice-ministerial rank before the Cultural Revolution. Two former provincial leaders are now ministers and most of the other new ministerial appointees held high rank before the congress. Most ministers are veteran bureaucrats, a number of whom were severely criticized during the Cultural Revolution.

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The man in the sensitive job of minister of education falls into this category; he was secretary general of the State Council before the Cultural Revolution. Almost none of the ministers could be considered "youthful" or--with the possible exception of the new minister of culture--"leftist."

The position of state chairman, which had been held by the disgraced Liu Shao-chi and had figured prominently in the Lin Piao affair, has been abolished. According to Chang Chun-chia's speech, this and other constitutional revisions were designed to strengthen the party's control over the state structure.

The new government constitution, which is less than one third the length of the old one, repeats the fundamentals of moderate economic policies.

--In agriculture, the production brigade, the lowest of the three organizational levels within the commune, remains the basic accounting unit, as has been the case since the failure of the Great Leap Forward.

--Private plots and individual non-collective labor are retained.

--The constitution repeats the standard formulation that agriculture is the economic "base" and industry the "leading factor."

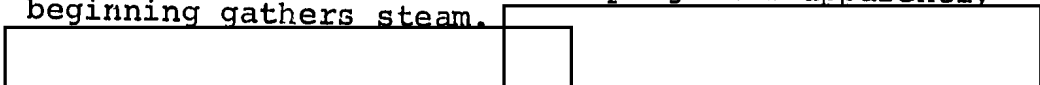
Compromise is evident in articles that guarantee the right to criticize officials and policies through public debates and wall posters and state that revolutionary committees will remain as permanent government bodies. Both provisions appear to be sops to the political left.

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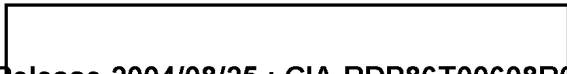
Chang Chun-chiao's speech did provide a hint that there may be friction ahead. He noted that while state enterprises have the form of socialist ownership, in some cases leadership is not in the hands of real Marxists and the worker masses. The implication of this phrase is not clear, but it may mean that new political attacks may develop as the "New Leap" economic campaign now apparently beginning gathers steam.

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The Washington Connection

Relations with the US have been given a good deal of attention by the Chinese since Secretary Kissinger's trip in late November, but the signals in the public media and in private comments by Chinese officials have been mixed.

Immediately after the visit, the Chinese gave some diplomats the impression of dissatisfaction over the results of talks on Taiwan, although Chinese comments seemed short on specifics.

An apparently well-orchestrated campaign, which went further, emerged in early December. It elaborated the themes that China was displeased over the pace of normalization of Sino-US relations and that normalization was directly linked to specific conditions regarding Taiwan. This line was spread widely to journalists and foreign diplomats by leftists in Hong Kong with ties to Peking, by Chinese diplomats abroad, and by officials in Peking. It was, for instance, passed on to Senator Mansfield during his visit to China in mid-December.

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Sometime around mid-December, the views of knowledgeable Chinese officials on Sino-US relations became more tentative. Senior party official Keng Piao and a Foreign Ministry official who deals with American affairs, in separate private conversations, avoided characterizing Sino-US relations or repeating Chinese conditions for normalization even though both were provided ideal opportunities to do so.

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Since then, the Chinese line has turned decidedly positive.

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to underscore the negative aspects of Sino-US relations seemed to fade in late December, and the lines it espoused regarding Taiwan have not been heard since. In mid-January, Foreign Trade Minister Li Chiang downplayed the importance of the huge imbalance in Sino-US trade which favors Washington. He indicated that China did not need an absolute balance and that the PRC planned to continue costly purchases of equipment and technology from the US. Earlier, some Chinese spokesmen had pointed to the trade imbalance as an important irritant in Sino-US relations.

On another plane, Chinese press criticism in December and January of several specific US foreign policies may have added to the impression of some observers that Peking had soured on Washington. In fact, attacks on the US position with regard to Korea, Cambodia, and Third World power in the UN, and on the recently enacted Trade Bill followed well-established Chinese foreign policy lines which have no direct links to Sino-US bilateral relations. Articles on US economic problems that tend to put the US in a negative light have long been a staple of Chinese propaganda and have not increased in frequency or intensity, although they have become more ideological in cast.

Similarly, a more even-handed treatment of the US and USSR in the joint New Year's editorial and recent banquet remarks by Vice Premier Li Hsien-nien and Chiao Kuan-hua are almost certainly unrelated to Peking's view of Sino-US relations.

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[REDACTED] Peking's public remarks dealt with the likelihood of US-USSR competition resulting

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in an outbreak of war--a newly prominent Chinese propaganda theme--which in effect vindicates Peking in its opening toward the West at a time of US-USSR contention. Lastly, a spate of year-end commentary in NCNA contained some of the harshest attacks against Soviet foreign and domestic policy seen in months. The same commentary barely laid a glove on the US.

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New Year's in the Provinces

The turnout in the provinces on New Year's was smaller and was reported in less detail than on National Day, October 1st

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but generally in keeping with the low-key celebration last year. The highlight of the holiday was the identification of two new provincial first secretaries, Chiang Wei-ching in Kiangsi and Liao Chih-kao in Fukien.

Chiang and Liao are veteran civilian cadre with long experience in provincial administration, as are the three other provincial bosses appointed in the last year: Chao Tzu-yang in Kwangtung, Pai Ju-ping in Shantung, and Peng Chung in Kiangsu. Both Chiang and Liao face a tough challenge in asserting their authority in their new provinces. Armed clashes between competing factions have been reported in Kiangsi, and Peking's attempt to settle the dispute by calling rival leaders to the capital for consultations apparently has met with little success. A similar situation exists in Fukien, where rival groups are split over loyalty to the pre - Cultural Revolution first secretary, Yeh Fei, who was rehabilitated 17 months ago.

Chiang's and Liao's status as rehabilitated former first secretaries may further complicate their positions. Some figures who were purged during the Cultural Revolution apparently have had difficulty adjusting when returned to responsible positions. One notable case involves ex-Anhwei boss Li Pao-hua, who proved ineffective in Kweichow because he was afraid to alienate anyone. Moreover, those who have successfully made the transition first rejoined the fray in

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lesser posts and were only later promoted to the top spot. Chiang and Liao are the first to go directly from Peking to a vacant first secretaryship. Peking will undoubtedly monitor their performances closely.

The appointments in Kiangsi and Fukien leave only three provinces without a publicly designated leader: Liaoning, Anhwei, and Hupeh. Liaoning and Anhwei are closely associated with politburo member and party vice chairman Li Te-sheng. Li, who is a military man, was heavily criticized during the anti-Confucius campaign, and for a time his political survival was in question. He still apparently has powerful enemies in Peking, and his presence in Liaoning as Shenyang Military Region commander is probably complicating the appointment of a new civilian first secretary there. This is possibly true in Anhwei as well, where his associate Sung Pei-chang is the ranking party secretary and military man. The badly factionalized politics in Hupeh are probably complicating that appointment.

Accounts of holiday gatherings in other provinces were notably scanty. The whereabouts--and fates--of Heilungkiang first secretary Wang Chia-tao, Shansi first secretary Hsieh Chen-hua, Canton Military Region political commissar Jen Ssu-Chung, and Lanchow Military Region commander Han Hsien-chu remain unclear, since both their home provinces and Peking failed to publish a detailed account of the local festivities. The four senior military men were all under poster attack during the anti-Confucius campaign and were unexpectedly present in Peking on National Day, possibly to answer to central authorities for their past conduct. Three other provincial personalities who were also in Peking last National Day--Sinkiang Military

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NEW YEAR'S CELEBRATIONS IN THE PROVINCES

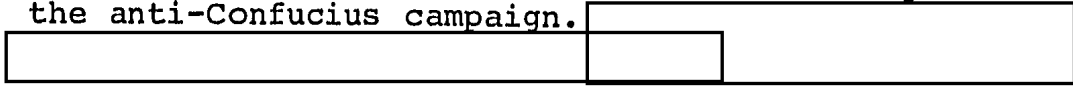
<u>Province</u>	<u>Size of Turnout</u>	<u>Turnout Led By</u>	<u>Comment</u>
STAT Anhwei	Large	Sung Pai-chang, the ranking secretary	
Chekiang			
Fukien	Small	Pi Ting-chun, Foochow MR commander	Liao Chih-kao identified as the new first secretary.
Heilungkiang	Small	Chang Lin-chih, a provincial party secretary	
Honan	Large	Keng Chi-chang, the ranking secretary	
STAT Hopeh			
Hunan	No details of the turnout reported by the province		
Hupeh	No details of the turnout reported by the province		
Inner Mongolia			
STAT Kansu	No details of the turnout reported by the province		
Kiangsi	Small	Chiang Wei-ching	Chiang identified as the new first secretary in Kiangsi.
Kiangsu	Small	Peng Chung	Those in attendance were identified in an unusual manner--as responsible persons of the Revolutionary Committee only; there was no mention of the provincial party committee. To date, Peng, who has been identified as chairman of the Revolutionary Committee, has not been identified as first secretary of the party committee, the more powerful post. In the past, these two jobs have been held concurrently.
Kirin	Small	Chen Chung, a minor municipal official	
Kwangsi	No details of the turnout reported by the province		
Kwangtung	No details of the turnout reported by the province		
Kweichow	Small	Ji Li, a deputy secretary of the party committee	
Liaoning	Large	Li Te-sheng, Shenyang MR commander	
Ningsia	No details of the turnout reported by the province		
STAT Shanghai			
Shansi	No details of the turnout reported by the province		
Shantung	Large	Pai Ju-ping, first secretary	
Shensi	No details of the turnout reported by the province		
Sinkiang	No details of the turnout reported by the province		
Szechwan	No details of the turnout reported by the province		
Tibét	Small	Hsia Yu-hsien, deputy commander Tibet MD	
Tientsin	No details of the turnout reported by the province		
STAT Tsinghai			
Yunnan	No details of the turnout reported by the province		



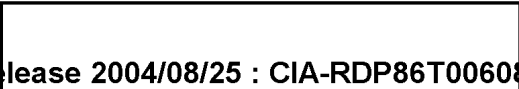
Region commander Yang Yung and Liaoning party figures Mao Yuan-hsin and Chang Shu-te--were back in their respective provinces on New Year's. Unlike the others, they were never mentioned as targets of the anti-Confucius campaign.

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A New Accomplice for Lin Piao?

Chen Hsi-lien, politburo member and commander of the politically sensitive Peking Military Region, was apparently criticized by historical analogy in several articles appearing in major domestic publications last fall. The criticism points up the current effort to further reduce military political power in general and the influence of certain military region commanders in particular.

Both these objectives became a major focus of the anti-Lin, anti-Confucius campaign last July. At that time, posters attacking Chen and politburo member Hsu Shih-yu, who now commands the Canton Military Region, began to appear with some frequency, while poster criticisms of other national and provincial leaders were on the wane. Attacks against Chen and Hsu had not been prominent during the earlier wave of poster criticisms. In the case of Hsu, the poster attacks have continued in his former bailiwick, Nanking. The attacks against Chen and Hsu, and the continued stress on enhancing party control over the military in domestic media, appear to be part of a continuing tug of war between civilian moderates and certain regional commanders and their allies at the center.

One of the themes of the anti-Chen articles is that Han Hsin, a "senior general" in the Han Dynasty who is clearly identified as a Lin Piao figure, plotted with a regional military commander named Chen Hsi. This man's surname is the same character as that of Chen Hsi-lien. Moreover, one article notes that Chen Hsi commanded troops in the state of Chao, north of the capital. Chen Hsi-lien, of course, commanded the Shenyang Military Region in northeast China for years before his rotation

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to Peking. The article also alludes to the fact that the regional commander was in charge of the troops defending the border against the Huns (i.e., the USSR), and that he conspired with the Huns through others to try to overthrow the government. Lin Piao stands accused of conspiring with the Soviets in an attempt to seize power, and the article seems designed to link Chen Hsi-lien with Lin's alleged plot.

The charges, which appeared in October and November, are ominous enough by themselves. They are further underscored, however, by an article in the November *Red Flag* by Lo Ssu-ting. This article attacks, in the strongest terms, persons and groups during the Northern Sung period who wanted to capitulate to the aggressors from the North. One group that received heavy fire was the "big landlord die-hards." Many previous articles in the anti-Confucius campaign have established the parallel between the landlords or feudal princes and the military region commanders.

The charge that Chen Hsi-lien conspired with Lin does not seem to have validity. Chen was one of the first military leaders to reappear after the Lin affair, and he played a major role in the subsequent investigations. Chen may well have favored a less intransigent stance toward the Soviets, however--after all, he bore responsibility for defending Manchuria against Soviet attacks. In this event, his stance in this issue could now be the basis for an effort to undermine his position by linking him--however transparent the real evidence--to Lin. At the least, the effort to brand Chen a covert Lin supporter brings considerable pressure to bear against him, and this may have been the objective in the short term. Numerous reports have been received that the National People's Congress was

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being delayed because of delegate selection problems, especially in limiting the number of military men. The criticisms of Chen and Hsu Shih-yu could have been designed to break this log jam. The attacks on Chen could also have been aimed at undercutting his candidacy for defense minister, a post that was awarded to Yeh Chien-ying at the congress.

Like other civilian and military figures, Chen survived serious political charges in 1974. Now that the National People's Congress has been held, it is likely that Peking will return to the problem of civil-military relations, and it would not be surprising to see the charges against Chen and others revived. While Chen was the only military man to be named a vice-premier--an honor that even the new Defense Minister did not enjoy--his transfer from Shenyang, where he was seemingly immune, to Peking in December 1973 may yet lead to a reduction in his political position.

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China and Strauss: Strange Bedfellows

Peking is using the current visit of prominent conservative German opposition leader Franz Josef Strauss to drive home strong Chinese views about German reunification, Moscow's threat to European security, and the need for European solidarity against the USSR.

Strauss received unprecedented treatment in view of the unofficial nature of his visit and of his stature in German politics. Strauss journeyed outside Peking for a meeting with Mao, he saw Chou in a Peking hospital for an hour, and he talked with Teng Hsiao-ping, Chiao Kuan-hua, Deputy Army Chief of Staff Li Ta, and a deputy foreign trade minister.

The closest recent parallel to Strauss' reception was the treatment accorded former British Prime Minister Heath in May 1974. Heath, however, was a former head of government and the leader of the opposition, and his trip had been planned while he was still in office. Strauss has not been a member of a German government for more than five years, and he is not regarded as a strong candidate for high office in the future.

China's warm reception plainly reflects that Strauss shares many of Peking's views on European security and the USSR. During his stay, Strauss expressed deep skepticism of Soviet strategic intentions regarding Europe and of the durability of detente with Moscow. He indicated that he shared Chinese concern over the naivete of some Europeans regarding Moscow, and, like the Chinese, he called for a strong, united Europe in close military alliance with the US as a bulwark against the USSR.

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According to the West German press, Strauss also went so far as to hint at overlapping Peking-Bonn interests in restraining Soviet strategic ambitions.

Strauss said that the continuing division of Germany threatened European security, and he praised Chinese endorsement of eventual German reunification. The Chinese have been unable to elicit public support for their views on this subject from several European visitors over the months, including the chairman of the Christian Democrats--a major opposition party--Helmut Kohl who visited Peking last September.

Judging from initial reports of Strauss' substantive discussions with senior officials, the Chinese moved away from recent new public themes regarding Europe back toward more familiar and established policy lines. Earlier this month during visits by Maltese Prime Minister Mintoff and Dutch Foreign Minister Van der Stoep, the Chinese had publicly stressed the likelihood of US-USSR competition over Europe leading to a general war. Strauss questioned Chiao Kuan-hua closely on this score, and, according to the Germans, Chiao made evasive and unconvincing arguments. The burden of Chinese statements during his visit, however, was that the threat to Europe lay in Soviet ambitions.

The Chinese strongly emphasized to Strauss that Washington should shoulder much of the burden of Europe's defense, arguing defense of the US begins in Europe.

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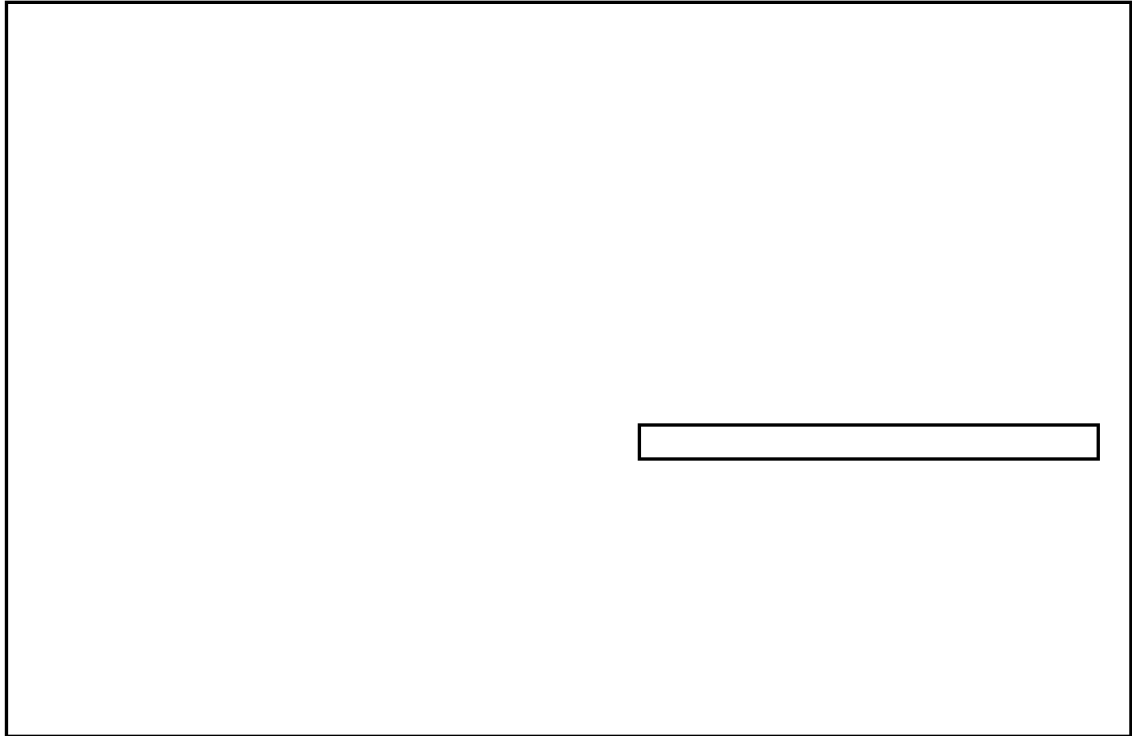
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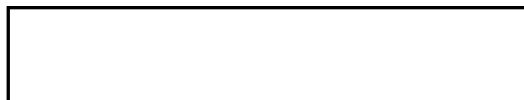
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Peking has entertained a number of prominent Western opposition figures who generally share Chinese distrust of Soviet intentions, including Heath, Kohl, US Senator Henry Jackson, and now Strauss. Chiao Kuan-hua recently expressed the view that European socialist governments "duped" by Moscow are the most dangerous forces in Europe. Chiao predicted that continued economic problems in the West would bring to power more conservative governments, distrustful of Moscow.

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Western Troubles Hurt Trade Balance

Worldwide inflation is pushing up China's import costs while stagnation is cutting the demand for its exports. China's deficit with the West in 1974 is estimated at \$750 million. The US and Japan caused most of the deficit--\$700 million and \$500 million, respectively.

Peking has taken steps to reduce payments for imports. Several contracts for foodstuffs, fertilizers, cotton, and steel were canceled or postponed before the Fall Canton Trade Fair. Peking ordered state-trading corporations to purchase only the most essential technology and equipment at the fair. Highest priority went to imports of petroleum, mining, and food-processing equipment. Since the fair, however, Peking has asked suppliers to speed up grain deliveries, reflecting concern over a harvest that fell short of expectations.

In addition to curtailing imports, China is attempting to switch from cash payments to short-term credits for some of its major commodity purchases. Peking has arranged for 150-day credits from Japanese banks to purchase \$40 million worth of fertilizer and \$140 million worth of steel, payable at 11-12 percent interest. China reportedly has filed a similar request for deferred payments on imports of 27 Trident aircraft from the British firm, Hawker Siddeley.

China is also trying to increase exports by lowering prices for its traditional products--silk, textiles, and handicraft goods. The export drive, however, has come at a time when world demand for many of these products is declining.

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Peking hopes that oil exports will provide a growing source of foreign exchange. Oil exports of 4.5 million tons last year were three times the 1973 level and earned \$420 million. Oil exports may reach 11 million tons this year, earning \$800 to \$900 million.

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New Twist for an Old Slogan

Chinese propaganda has contained vague references to a "new leap forward" in the last several weeks. The phrase calls to mind the frantic and destructive economic activity of the "Great Leap Forward" that so seriously set back economic development from 1958 to 1960. There is no evidence that the new leap heralds a return to those earlier radical policies, but the appearance of the phrase has caused much speculation in China watching circles.

The phrase "new leap forward" [redacted]

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[redacted] has surfaced periodically in routine propaganda broadcasts from a number of different provinces, suggesting that the phrase is part of some central document. It has not been featured in the national media, however, as would normally be expected. Even provincial references to the new leap have been sporadic and without elaboration.

The new "leap forward" may be just a fresh slogan in the seven-month-old campaign to boost sagging worker morale and thereby increase production. The phrase generally is seen in formulas calling on cadre to step up production "to welcome the new leap forward in 1975." [redacted]

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[redacted] do not seem to indicate that radical new economic policies are in the works, although some adjustments in current production plans are clearly being made.

Other observers, however, have suggested that the new leap could be a leftist initiative that may even culminate in a higher level of agriculture collectivization, long resisted by Chinese peasants. A recent editorial in the Hunan provincial paper can be cited as evidence: the editorial stressed

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the "inevitable trend" toward complete collectivization, and demanded that cadre and peasant accept this unpopular fact. Agriculture was completely collectivized during the Great Leap, but China's leaders were forced to retreat as the Great Leap collapsed.

The Chinese for years have tacitly treated the original leap as an abysmal failure and in their present economic difficulties, it is unlikely they would turn to unpopular policies that had failed in the past. Moreover, the Hunan editorial states that the present level of collectivization "suits the political and economic conditions," and warns against "blindly" increasing collectivization--a "leftist error." There may be some increased emphasis on working collective holdings in comparison to private plots, and responsibility for certain functions that can be better handled at higher levels--e.g., water conservancy projects--may be transferred from production teams to parent production brigades or communes, but an upgrading of the overall level of collectivization is much less likely. In any case, the views in the Hunan editorial are apparently local ones. So far, they have not appeared in other provinces nor have they even been repeated in Hunan.

Chang Chun-chiao's report to the 4th National People's Congress endorsed current economic policies, including the present level of collectivization. It did not mention the "new leap," but material subsequent to the congress may help illuminate the "new leap forward" and further clarify economic policy in general.

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Love the Army--But Love the Party Even More

A new and potentially significant aspect of Peking's continuing drive to reduce the power of provincial military men has recently been revealed in provincial circulars issued in conjunction with the annual "Love the Army and Cherish the People" campaign. Civilian government and party organizations as well as military units routinely profess their mutual support under the overall principle of party control over the army. This time, the first of the circulars, issued by the Tsinan Military Region on December 16, was unusually outspoken in its prescription for army obedience to party authority. As the other circulars have come in, however, clear differences have emerged in the degree to which military regions have endorsed the subordination of military units to civilian party committees at corresponding levels, indicating that the idea has encountered resistance.

The Tsinan statement remains the most far-reaching, and may have been a trial balloon. The circular emphasized that while relationships within the military hierarchy were to remain unchanged, various military headquarters and units must "regard themselves as departments of military affairs of local party committees of the same level and consciously accept the leadership" of these committees. Moreover, the circular specifically stated that all field armies must accept the leadership of the provincial party committee. This was a new theme and suggested a move to make field armies, which are under the command of the military region, more responsive to the direction of civilian party authorities in the provinces in which the units are stationed.

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Another reason why Tsinan may have been chosen to initiate this idea is that the region includes only one province, Shantung. All but one of the ten other regions include two or more provinces. Moreover, the party first secretary in Shantung is also the first political commissar of the military region. Before regional party bureaus were abolished, they were a check on military regions, which are of higher administrative rank than most provinces. Now, this ranking, plus the multi-provincial composition of most military regions, gives the regional commanders some autonomy from provincial party leaders. Furthermore, some regional commanders are members of the politburo or the central committee and outrank or at least equate with the rank of provincial party leaders. Finally, in provinces that suffer from provincial strife or lack designated heads, troop commanders are often persons to be cultivated rather than ordered around. All these factors have made it difficult for the divided leadership to force the genie of military political power back into the bottle.

Nanking Military Region has come the closest to repeating Tsinan's extreme stance. It may be more than coincidence that Nanking is the former bailiwick of politburo member Hsu Shih-yu, who now commands the Canton region and appears to be a major target of the drive to reduce the military's political power. Hsu was criticized by wallposters in several cities in the Nanking region last fall. Several other regions have ordered their units to obey local party committees, but Fuchou and Wuhan have said only that it was necessary to "respect" local party committees--a subtle but nevertheless significant difference. Strife-ridden Chengtu Military Region was ambiguous in its circular, and Lanchou made no mention of the issue at all. Kunming and Peking (where Commander Chen Hsi-lien has been under fire, see page 14) have not commented yet. So far, no clear pattern has emerged from the eight regions involved in the December 1973 rotation of commanders.

[REDACTED]

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The United Nations: Disappointment

The Chinese gave the recently concluded General Assembly session low marks and were particularly disappointed by the behavior of the Third World countries. Although the poorer nations voted as a bloc more than ever before, they split ranks when it came to support for the Chinese-backed resolutions on Korea and Cambodia--the most important items on the agenda as far as Peking was concerned.

The General Assembly also took actions that diluted China's anti-Soviet efforts. Although Peking co-sponsored resolutions affirming Palestinian rights and inviting the Palestine Liberation Organization to participate in General Assembly work as an observer, this stemmed from a desire to keep pace with Third World sentiment rather than genuine enthusiasm. Indeed, the Chinese did not lobby at all for the resolutions. Obviously displeased about growing links between the PLO and Moscow, Foreign Minister Chiao Kuanhua recently told [redacted] that the UN votes on the Palestine problem were "not too realistic and a bit shortsighted." He went on to depreciate Arafat's speech by commenting that it was "a bit romantic."

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To Peking's dismay, Third World countries went along with several less important proposals backed by the Soviets. On a number of disarmament resolutions, China either had to go down to defeat with the minority or acquiesce to popular opinion. The only bright spot was the passage of a resolution calling for the establishment of a nuclear-free zone in South Asia, a move that would be in the interest of China and Pakistan. The

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[REDACTED]

Chinese were hoping to use the Charter of Economic Rights and Duties to rally the underdeveloped world against the super powers. It turned out, however, that Peking was forced to vote for the charter while expressing sharp criticism of certain articles that it said reflected Soviet input. In reporting the debate, NCNA cataloged Peking's reservations at some length and characterized certain provisions as "compromising" and "irrational."

Peking's disenchantment with Third World voting in the General Assembly may have something to do with recent comments by a high Chinese official who deals with UN agencies. Indicating that China plans to reduce its contribution to the UN Development Program, the official criticized the Group of 77, an influential coalition of poor countries within the world body.

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[REDACTED]

It is improbable that the Chinese will significantly downgrade the UN as part of their foreign policy orchestration. At the same time, the results of the General Assembly session may give pause to any plans Peking may have had to increase the UN's role as a forum for rallying the Third World.

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New Opportunities in Kinshasa

[redacted]

The Chinese are taking advantage of hard feelings between Kinshasa and Moscow to strengthen their already cordial relations with Zaire.

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[redacted]

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Aside from helping to consolidate Sino-Zairian relations to the disadvantage of the Soviets, Peking's military aid may also pay off for the Chinese in Angola. As the country moves toward full independence --set for November 11--and the Portuguese phase out, Mobutu's influence could well increase. The new military aid can only strengthen Mobutu's hand, enabling him to more effectively promote the National Front for the Liberation of Angola as it jockeys for power. China and Zaire both support the Front against the other major contender, the Soviet-backed Popular Movement for the Liberation of Angola.

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Looking beyond Angolan independence, the Chinese probably calculate that Kinshasa will play an important role in southern Africa's political evolution--especially if the Liberation Front ultimately wins out in Luanda. China apparently believes that a generous military and economic aid program will at least help curb Moscow's role and at best may provide Peking with some influence as black Africa starts to deal with Rhodesia and South Africa.

Given the calculus of forces at play, Peking probably sees greater advantages in peaceful, evolutionary change in southern Africa, as debilitating political instability or war could provide new opportunities for Moscow. This would also threaten to embroil Peking's prestige in a problem that is relatively low on its list of priorities. For these reasons, China will be careful to keep its military assistance program in Zaire on a short string.

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Chiang Ching's public activities tend to run in streaks. She often punctuates periods of activity with unexplained absences. Her return to view on January 2 after being out of sight for a month was, in its own unique way, characteristic. One important aspect of her re-emergence was unusual--she attended a banquet. The affair was in honor of E. F. Hill, visiting Australian Communist Party head. Previously, Madame Mao did not normally attend banquets for visiting dignitaries, but kept her name in the public eye by showing up at picture-taking sessions or cultural performances.

The banquet for Hill was hosted jointly by Wang Hung-wen, Chang Chun-chiao, and Chiang Ching. Her presence at the banquet--like an earlier NCNA release in late September, which noted that Chiang had "entrusted" the Cultural Group under the State Council to give a soiree for Mrs. Marcos of the Philippines, and her mention along with Premier Chou by Vice Premier Li Hsien-nien in his banquet toast to Mrs. Marcos--suggested that she was attempting to gain a government post at the National People's Congress. If so her efforts failed. She clearly still has many enemies and she has continued to be attacked by historical analogy in domestic media articles.

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Peking has apparently added to the top leadership ranks of the army's General Political Department. Analysis of the name list of those attending the January 15 memorial service for late vice premier

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[REDACTED]

Li Fu-chun suggests that Liang Pi-yeh is a deputy director of the department. He was listed between Yang Cheng-wu, who was recently named a deputy chief of staff, and Wei Po-ting, currently a deputy director of the department. Liang could be a deputy chief of staff, or even director of the General Political Department, although his background makes it more likely that he is a deputy.

Liang was a deputy director of the GPD prior to his fall early in the Cultural Revolution. He was paraded through the streets of Peking in early 1967 along with former marshal Lo Jui-ching, former Peking mayor Peng Chen, and other "capitalist roaders." [REDACTED]

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Liang was close to former Central-South Bureau chief and politburo member Tao Chu. Tao has been widely rumored as marked for rehabilitation, but has not re-emerged. Since Liang's return to the active ranks came over a year and a half after his initial reappearance, it does not necessarily foreshadow the return of Tao. [REDACTED]

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In an effort to make the down-to-the-countryside program more attractive to local youth, Kwangtung officials last July launched a series of incentives, including one that allowed one child of a retiring urban worker to leave the countryside and take the retiring parent's job. [redacted]

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[redacted] After a flood of applications, a proviso was added in September requiring the retiring parent to take up residence in the countryside. [redacted]

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Peking has now killed the whole scheme on the grounds that it did nothing to relieve the urban population crunch--one of the goals of the down-to-the-countryside program. The veto was just short of categorical. Peking did hold out the possibility that something like the Kwangtung plan could become part of the program "when the present phase...comes to a close"--in 1980. [redacted]

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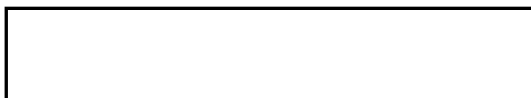
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* * *

When theorist groups were first formed last May as small study groups of workers and peasants, there was some question as to their possible role

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in the anti-Confucius campaign [redacted]

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[redacted] In a few provinces, local leaders were apparently using the groups as a buffer between themselves and unhappy workers, but a broadcast from Shanghai in July indicated that a less active and decidedly secondary role was what central leaders had in mind [redacted]

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Since then, references to the groups' earlier, more active, use have disappeared from the provincial media, and they apparently have evolved into more than ordinary study groups. Their latest passion, according to NCNA, is an in-depth review of the worsening economic conditions in the West. [redacted]

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CHRONOLOGY

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- [REDACTED]
- December 20 Chinese trade exhibition opens
in Manila. [REDACTED] 25X1
- Sino-Finn trade agreement for 1975
signed in Helsinki. [REDACTED] 25X1
- Sino-Swiss trade agreement signed
in Bern. [REDACTED] 25X1
- Vice Foreign Trade Minister Chen
Chieh signs 1975 Sino-Czech trade
and payments agreement in Prague.
[REDACTED] 25X1
- December 20- Thai trade delegation, led by Deputy
25 Commerce Minister Prasong Sukhum,
visits Peking and meets with Vice
Premier Li Hsien-nien and Foreign
Minister Chiao Kuan-hua. [REDACTED] 25X1
- December 21 Vice Minister of Agriculture and
Forestry Hao Chung-shih arrives in
Upper Volta; travels to Chad on
December 31. [REDACTED] 25X1
- Li Hsien-nien and Foreign Trade
Minister Li Chiang attend signing
of scientific and technical pro-
tocol between China and Romania.
[REDACTED] 25X1
- December 23 China signs medical protocol with
Senegal. [REDACTED] 25X1

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December 23 Romanian airline inaugurates weekly flights to Peking. [redacted]

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December 28 Chinese economic and technical delegation arrives in Vientiane for "friendly visit." [redacted]

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Agreement providing for 1975 gratis economic aid to the Viet Cong government signed by Foreign Trade Minister Li Chiang in Peking. [redacted]

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January 3-8 Dutch Foreign Minister Van der Stoel visits Peking; hosted by Chiao Kuan-hua and meets with Chou En-lai and Teng Hsiao-ping. [redacted]

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January 5-10 Thai delegation, led by Deputy Foreign Minister Chatchai, visits China; meets Premier Chou En-lai on January 8. [redacted]

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January 6 China establishes diplomatic relations with Botswana. [redacted]

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January 7-10 Maltese Prime Minister Mintoff visits China; meets with Mao, Chou En-lai, Li Hsien-nien and Chiao Kuan-hua. [redacted]

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[REDACTED]

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January 8-10 2nd plenum of the tenth central committee. Teng Hsiao-ping elevated to politburo standing committee, named a party vice-chairman. Discussed NPC preparatory work, and submitted a list of nominees for the standing committee of the NPC and the State Council, the draft revised text of the state constitution, and reports on the constitution and the government to the NPC. [REDACTED]

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January 9 Vice Minister of Fuel and Chemical Industry Tang Ko departs Mexico for Trinidad and Tobago. [REDACTED]

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Vice-Premier Li Fu-chun, veteran economic planner, died. Premier Chou En-lai presided over a memorial service on January 15 at which Teng Hsiao-ping gave a speech. [REDACTED]

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[REDACTED]

January 12 The head of West Germany's Christian Socialistic Union Franz Josef Strauss begins visit to China; sees Mao outside Peking and holds talks with Chou En-lai, Teng Hsiao-ping and Chiao Kuan-hua. [REDACTED]

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[REDACTED]

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[REDACTED]

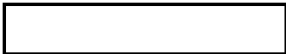
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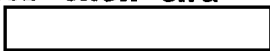


January 13 Malaysia's first ambassador to the PRC, Hashim Bin Sultan, arrives in Peking. 

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January 15 Japanese Liberal Democratic Party leader Shigeru Hori arrives in Peking for seven-day visit. 

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January 16 Preliminary talks on Sino-Japanese peace and friendship treaty open in Tokyo with Ambassador Chen Chu heading Chinese side. 

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Chou En-lai meets with Japanese economic delegation in Peking hospital.

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Sino-Japanese peace treaty negotiations resume in Tokyo; Chinese ambassador to Japan, Chen Chu, heads Chinese delegation. 

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