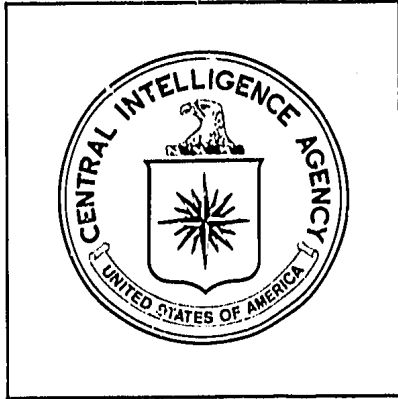


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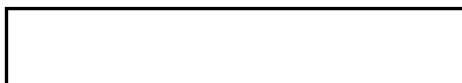
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Chinese Affairs

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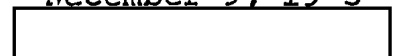


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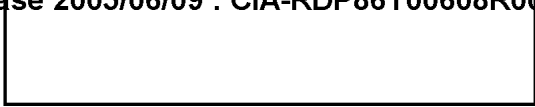


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CHINESE AFFAIRS



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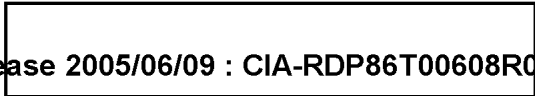
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China-Vietnam: The Islands Dispute

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Peking's sensitivity over the security of its southeast flank, as well as its increasing impatience with Hanoi, was vividly illustrated late last month in a sharp *People's Daily* attack on "foreign aggressors" in the South China Sea.

The question of sovereignty over two major island groupings in the area--the Spratlys and the Paracels--has been a major annoyance in Sino-Vietnamese relations since the Chinese took the Paracels from the former Saigon government in January 1974. Both Peking and Hanoi have periodically reiterated their claims to both island groups, but neither side had openly pushed the issue in public. The Chinese even declined to respond to Hanoi's announcement last May that North Vietnamese forces had captured several of the Spratlys--500 miles south of the Paracels--from the former South Vietnam government.

In September, the Chinese turned up the heat on the islands issue just prior to North Vietnam party chief Le Duan's visit to Peking; they publicly reiterated their claims to the disputed islands and recalled for the first time in months the 1974 takeover in the Paracels.

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Last month's broadside was by far the toughest Chinese statement on the dispute since early 1974. It amounts to the first direct challenge of Hanoi's claims to the islands and emphasizes the seriousness of Peking's determination to regain all contested islands. The article asserted that China's

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claims date back 2,000 years and cited archeological and other evidence to support the claims. Chinese sovereignty over all the islands was described as both "sacred" and "inalienable." Peking's demand that all the disputed islands must be returned to Chinese control was juxtaposed with its long-held pledge to "liberate" Taiwan, a clear indication not only of the importance the Chinese attach to their claims, but also a sign that Peking may be prepared to wait some time for a final solution of the issue --as it is in the case of Taiwan.

In an apparent attempt to avoid any confusion about the primary target of Peking's blast, the article employed language that played down the significance of claims other parties have to the Spratly Islands. The Nationalist Chinese claim all of the islands and maintain a military garrison on one, but the *People's Daily* reference to the fact that many of the islands are still not "in Chinese hands" rules out the possibility that Peking was referring to the Nationalist presence there. Peking is doubtlessly confident that Nationalist claims will be resolved when the much larger Taiwan question is settled.

The Philippines also claim some of the islands in the Spratly group. Peking has never made an issue of Manila's claims, however, and, when diplomatic relations between the two countries were established earlier this year, both sides agreed to settle all bilateral disputes without resort to force. Peking seems prepared to put aside the disagreement with Manila.

Although *People's Daily* left no doubt that Hanoi was the major object of its wrath, its attack on Hanoi was implicit: references to Moscow in the blast were explicit and vituperative, leaving no question that Peking believes the Vietnamese are abetting the Soviets in an attempt to expand Russian influence into

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the region. Significantly the article was published only two days after Le Duan returned to Hanoi from Moscow--where he received a much warmer welcome than he had in Peking, gained a Soviet agreement to provide substantial economic aid to North Vietnam, and seconded Moscow's views on detente and on international peace and security. Peking insists that both detente and the recent Helsinki security pact are Soviet "tricks" designed to facilitate what the Chinese see as Soviet "expansionism." Le Duan's endorsement of detente puts Hanoi squarely in Moscow's camp on an issue of major importance to the Chinese and was almost certainly read in Peking as a deliberate provocation.

In fact, the treatment Le Duan received in Peking last September contrasts sharply with the rousing welcome he got in Moscow. There was no joint communique to mark his China visit, and the Hanoi leader failed to tender the normal farewell banquet prior to his departure for home. Moreover, Le Duan went to Peking with the hope of signing several economic aid agreements, including a five-year pact [redacted] 25X1 [redacted] the Chinese gave less than Hanoi requested. The last working-level Vietnamese negotiator left China in mid-November after three months of talks--without any indication of further progress. His departure virtually rules out the possibility of any additional economic agreements between the two parties, at least for the time being.

The Chinese clearly see a correlation between Hanoi's increasing tilt toward Moscow and the long-range possibilities for Soviet "meddling" through Vietnam in the South China Sea, as well as Southeast Asia generally. It also is apparent that the Chinese consider control of islands in the area vitally important to their security. The *People's Daily* article, in fact, refers to the region as "an important gate of China" and to the islands as located on major shipping lanes.

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For their part, the Soviets have been sharply critical of the Chinese seizure of the Paracels. Since early 1974, Moscow has routinely attacked China's claims to all of the islands and its use of force in the Paracels. The Soviets, however, have stopped short of providing outright support to Hanoi's counterclaims. Soviet maps still show the islands as belonging to China, although recent press comments have implied that they were Vietnamese. A Soviet official recently said Moscow considers the status of both island groups as "undetermined." Peking ignored these attacks until last week. Then, the *People's Daily* article asserted that the Soviet Union, throwing aside earlier support for China's claims, mounted a "venomous" assault on Peking after the Paracels incident.

Peking's long-term concerns almost certainly hinge on its view of Soviet intentions and activities. Chinese leaders also seem persuaded, however, that in the shorter run Hanoi could unilaterally disrupt their hopes of developing a bloc of friendly countries along China's southern border. The Chinese and Vietnamese share very few common perceptions of Southeast Asia. They are clearly on opposite sides in the current dispute between Thailand and Laos. Hanoi has vigorously defended the Lao side and has launched frequent attacks on Thai "aggression." Peking, on the other hand, has remained relatively quiet on the subject, privately lobbying for a peaceful solution to the disagreement and encouraging improved relations between the two countries. The Chinese have been by far the largest contributors to Cambodian reconstruction since the communists took over there last spring. Peking has also made it clear that it was on Cambodia's side in the border dispute with North Vietnam and apparently encouraged the Cambodian Communists to open diplomatic relations with Thailand.

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On the Sino-Vietnamese border itself, [redacted]
[redacted] local-level Chinese

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[REDACTED]

cadre are being advised to stand firm in the face of alleged Vietnamese attempts to "occupy" Chinese territory. Although these putative border incidents have not been confirmed and there is very little likelihood that a serious border dispute will develop, the fact that the Chinese continue to talk about such incidents suggests that Peking is determined to maintain a degree of anti-Vietnamese feeling along the border.

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The Tachai Campaign: Provincial
Returns Come In

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Vice Premier Teng Hsiao-ping reportedly described the September-October "learn-from-Tachai" conference as the most important meeting held in China since the communist take-over. While Teng was obviously engaging in hyperbole, his remark underlines the importance that has been accorded to the Tachai campaign in the last few months. Tachai now overshadows this year's two other major campaigns--strengthening proletarian dictatorship and criticizing the classical novel "Water Margin." Reporting on virtually every organization in China is now in terms of learning from Tachai.

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[redacted] this mass campaign will be further broadened with the convening of a series of national meetings on other economic sectors and on culture. A national coal conference has already been held.

Most provinces have held a series of mass rallies and other meetings to publicize the major addresses at the conference by vice premiers Teng Hsiao-ping and Hua Kuo-feng, and to send off youths and cadres to rural areas. The New China News Agency reported on November 25 that over one million cadres from 12 provinces had already gone to communes to engage in manual labor and to direct production.

Most of these cadres appear to be from the hsien (county) level, although a number of provincial and prefectural leaders have also gone to the countryside. The function of the latter cadres seems to be to ensure that local cadres perform their duties with the necessary zeal. Morale among local cadres has been badly shaken by a series of purges and campaigns dating from the Cultural Revolution and their reputation has been tarnished by publicity accorded to examples of corruption, sexual indiscretions, and a

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lack of initiative. Domestic propaganda has made it clear that the hsien, and especially the hsien-level party committee, is the key level in administering the campaign. Indeed, cadre rectification at the hsien level and below is one of the major themes of the campaign.

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[redacted] moderate leadership in Peking and in the provinces will have to monitor the campaign carefully lest criticism of cadres leads to a rekindling of factional animosities and the frustration of campaign goals.

On the whole, however, significant progress has been made in curbing factionalism and increasing production this year.

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[redacted] Teng said that the key to success in agricultural work was reliance on old cadres. Recent provincial rotations and new appointments seem to confirm that Peking holds this view. Veteran cadres such as Fukien First Secretary Liao Chih-kao are reportedly cracking down hard on factionalism and have transferred a number of noncompliant cadres [redacted]

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The Tachai campaign already seems to be the most clearly defined and well-orchestrated campaign since the Cultural Revolution. Given its scope, ambitious goals, and rising volume of rhetoric, there is at least some danger that things could get out of hand. But if current moderate leaders remain healthy and in agreement and can successfully manage the campaign with other efforts to correct trouble spots in the economy, fairly impressive gains may well be in the offing.

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Leadership Notes

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Two top leaders have recently reappeared after significant absences. Chiang Ching was present on December 1 at the meeting and picture taking session between President Ford and Chinese head of state Chu Te. Her last appearance was on October 15 at the closing session of the national Tachai conference in Peking. Chiang's political power has been sharply diminished this year, and her appearances now seem to be under the control of regime moderates and designed to promote an image of unity. In the past, Madame Mao tended to punctuate periods of nonappearances with public activities that were designed to raise rather than lower political tensions. Her association with the Tachai meeting was obviously meant to present a united front for this major undertaking

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[redacted] a central document on the Tachai movement that nails the example of Chiang and Teng Hsiao-ping who took time off from the meetings to engage in manual labor. Her presence at the meeting with President Ford is designed to convey the same message--the support of the political left for Sino-US relations.

The other reappearance was Defense Minister Yeh Chien-ying, who headed the Chinese representation at the Peking celebrations of Albanian national day on November 29. Yeh had not appeared since October 25 and is widely rumored to be ill. Surprisingly, Yeh did not see President Ford even though he played an important role in past meetings with ranking US officials. Yeh's place seems to have been taken by another Chou En-lai stalwart, Vice Premier and leading economic specialist Li Hsien-nien.

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France: No Plums for Sauvagnargues

French Foreign Minister Sauvagnargues' five-day visit to China last month was apparently less than a total success from the French point of view.

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K1 [redacted] The French foreign minister told reporters that he had been unsuccessful in his efforts at reopening talks on the Concorde. Chinese claims that French prices were "not competitive" indicate that discussions on other sales were equally unproductive. Officials in Sauvagnargues' party admitted that the only concrete result of the visit was an agreement to expand cultural exchanges.

Despite their apparent disinclination to break any new economic ground with Sauvagnargues, the Chinese did express general satisfaction with Sino-French relations--indicating that if President Giscard d'Estaing's visit does not produce any pleasant economic surprises neither will it be marred by any unpleasant political disagreements. [redacted]

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Both sides placed far more emphasis on congruent views on such matters as the need for European military and economic cooperation. Peking used the occasion of Sauvagnargues' visit--coming as it did soon after the Rambouillet summit and before the Paris Conference on International Economic Cooperation--to voice support for European efforts at easing economic confrontation with the Third World. Peking has long believed that further hardening of the confrontation would work to Moscow's advantage and sees Paris--with its strong residual ties to former colonial clients--as having a special role to play in promoting compromise between developed and developing nations. A *People's Daily* editorial published a week before Sauvagnargues' arrival in Peking stands as the most explicit Chinese endorsement yet of the establishment of a "Second World - Third World" dialogue.

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The Kwangsi Connection

[Redacted]

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[Redacted] Party Vice Chairman Teng Hsiao-ping and new Kwangtung First Secretary Wei Kuo-ching have had a long and intimate relationship [Redacted]

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[Redacted]

[Redacted] in 1930 the two helped to organize the 7th Chinese Peasants' Red Army in Kwangsi. They were survivors of the force that eventually joined Mao in the Kiangsi soviet in 1931. Both took part in the Long March (1934-35) but joined different units; Teng went with Liu Po-cheng while Wei joined Chen I's forces.

Following the Communist victory in 1949, Wei became mayor of Fuchou, while Teng assumed more substantial national and regional posts. The two may have had an opportunity to work together briefly in 1950.

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[Redacted]

[Redacted] Teng, who has a reputation for bringing friends up on his own coattails, may have been a major sponsor of Wei for his first important provincial assignment.

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[Redacted]

[REDACTED]

In 1957, following two years of crop failures, Wei survived the dismissal of three top Kwangsi officials accused of mishandling relief grain. The defense that Wei was out of the province during the period cannot be refuted but seems flimsy; his survival suggests high-level support in the party, perhaps from Teng. As his survival of the Cultural Revolution attests, Wei undoubtedly has had well-placed backers other than Teng, but Teng's influence seems paramount. Teng moreover, has championed minority causes, and Wei is from the Chuang minority. In his report on the 1953 Electoral Law and the 1957 Report on the Rectification Campaign, Teng made major allowances for minorities. In the 1957 speech he advocated a moderate approach to settling minority problems--a stance criticized during the Cultural Revolution.

Teng's support of Wei may have been returned in kind. Wei, who joined the Politburo in August 1973, four months before Teng was reinstated, has been in a position to support an old ally's resurgence to power while simultaneously advancing his own career.

[REDACTED]

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CHRONOLOGY

- November 9 French atomic energy delegation arrives in Peking at invitation of the Academy of Sciences; feted by Vice Premier Hua Kuo-feng on November 23; departs for home November 24. [REDACTED] 25X1
- November 20 Chinese journalism delegation arrives in Paris: meets with Prime Minister Chirac on November 21. [REDACTED] 25X1
- November 21 26th anniversary of the establishment of Sino-Albanian relations celebrated with considerable fanfare in both Peking and Tirana. [REDACTED] 25X1
- Scientific delegation begins tour of Austria and Italy. [REDACTED] 25X1
- November 22 Chinese advance team arrives in Japan to open consulate general in Osaka. [REDACTED] 25X1
- November 22-23 Chu Te sends official condolences on death of Franco; congratulates Juan Carlos on his proclamation as King of Spain. [REDACTED] 25X1
- November 23 French Foreign Minister Sauvagnargues departs Peking following last-minute meeting with Teng Hsiao-ping. [REDACTED] 25X1
- November 24 Peruvian trade delegation arrives in Peking; feted by Foreign Trade Minister Li Chiang; new trade agreement negotiated which includes provisions for export of 75,000 tons of rice to Peru. [REDACTED] 25X1

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- November 24 Kwandan education delegation begins tour of China. [redacted] 25X1
- November 25 Surinam congratulated on independence; official message sent in name of Chou En-lai. [redacted] 25X1
- Chinese representative Lai Ya-li addresses UN General Assembly plenary session on Soviet interference in Angola. [redacted] 25X1
- Trade delegations depart for Cuba, Iraq. [redacted] 25X1
- Panamanian Women's group arrives in Peking; Bolivian youth group departs. [redacted] 25X1
- November 26 Sri Lankan trade delegation arrives in Peking, greeted by Minister of Trade Li Chiang. Trade protocol signed on November 30. [redacted] 25X1
- November 28 Korean Workers Party delegation, led by central committee member Kim Huan, arrives in Peking; welcomed by International Liaison Department Chief Keng Piao. [redacted] 25X1
- December 1 Chinese industry and trade delegation arrives in Singapore for "friendly" visit. [redacted] 25X1
- [redacted] 25X1
- December 1-5 President Ford visits China. [redacted] 25X1

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