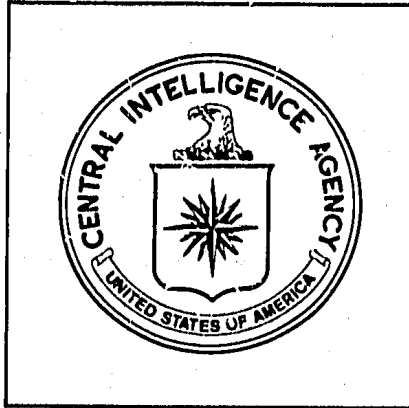


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# Chinese Affairs

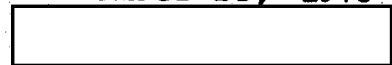
## STAFF NOTES

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163

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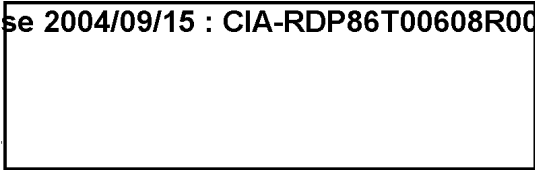
December 22, 1975



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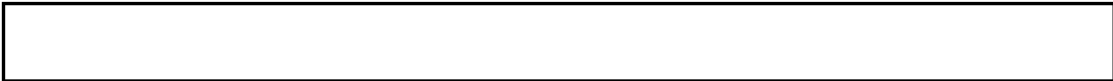
CHINESE AFFAIRS



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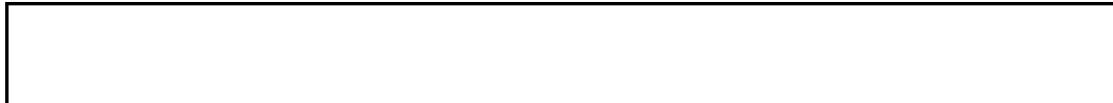
CONTENTS

December 22, 1975



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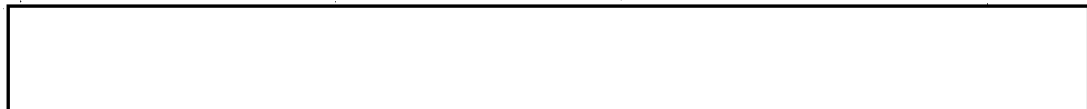
Another Death in the Party's Family . . . . . 4



25X1

A Semblance of Stability . . . . . 8

Expanding Civil Aviation . . . . . 10

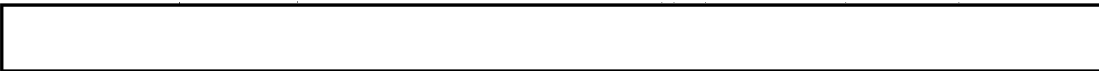


25X1

Recent PRC Claims for  
China's Foreign Trade . . . . . 15

Grain Output . . . . . 18

Economic Notes:

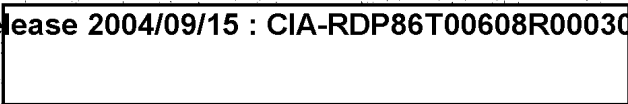


25X1

Shanghai Transport Booms . . . . . 20

CHRONOLOGY . . . . . 21

ANNEX: Education: Back on the Front Burner . . 23



25X1

Approved For Release 2004/09/15 : CIA-RDP86T00608R000300080030-9

Next 2 Page(s) In Document Exempt

Approved For Release 2004/09/15 : CIA-RDP86T00608R000300080030-9

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## Another Death in the Party's Family

The death of party vice-chairman Kang Sheng on December 16 should have little effect on Chinese policy-making. Kang had been inactive for several years, although he appeared at the party congress in 1973, at National Day ceremonies in 1974, and at the National People's Congress this year. Kang was rumored to be ill at least since 1971, and he was in a wheelchair for the National Day celebrations in 1974. He was aligned with the party's left wing and reputedly recruited Chiang Ching into the party in the 1930s. Although his supposed illness may not have prevented him entirely from advocating leftist causes in higher party councils, the actual extent of his influence in recent years is impossible to determine.

The memorial service held for Kang on December 21 brought out all active Peking-based Politburo members. The namelist, given in order of party rank, revealed no changes. Chiang Ching, for example, despite the many setbacks she has suffered this year, remains the highest ranking member of the Politburo, following the elite Standing Committee. Another highlight of the service was the reappearance of young party vice-chairman Wang Hung-wen, who presided over the ceremony. Wang's appearance was his first in Peking since last May and was virtually mandatory under the circumstances. He reputedly had returned to Shanghai earlier this year for further "seasoning" as a result of his less than glowing performance as a member of the hierarchy in Peking.

Party vice-chairman Yeh Chien-ying, who himself has been ailing, delivered a rather warm eulogy, claiming that Kang was "beloved by the people of the whole country." Kang, whose career was spent mainly in security and internal intelligence work, was in

December 22, 1975

fact probably more feared than loved, and his role in support of party leftists during the Cultural Revolution undoubtedly did not endear him to the moderates.

Mao, the ailing Chou En-lai, and 90-year-old Chu Te, who has made several public appearances despite his age, did not attend the ceremony but did send wreaths. The same was true of aging Politburo member Liu Po-cheng.

There are signs that the party's most prominent intellectual, the octogenarian Kuo Mo-jo, is ill. Kuo has not appeared publicly since October. He sent a wreath to the Kang Sheng ceremony and has missed several events hosted by the Chinese Academy of Sciences, of which he is president. On some occasions, these events have been held in Kuo's name, a formulation used for Premier Chou En-lai.

Whether or not Kang's death means that the left has lost yet another voice, it does point up the age of the current leadership. At 77, Kang was the same age as Chou En-lai and Yeh Chien-ying, both of whom are ailing to some degree, and was younger than Mao, Chu Te, and Liu Po-cheng. Earlier this year, Politburo member and co-founder of the party Tung Pi-wu died at the age of 90. Despite remarkable longevity, the old guard is slowly passing from the scene.

25X1

December 22, 1975

Next 1 Page(s) In Document Exempt



25X1

## A Semblance of Stability

The persistent factionalism and worker unrest that has plagued China for more than a year seems to have abated somewhat as a result of a combination of both harsh and conciliatory measures. Although there are still signs of dissatisfaction among the populace, the worst seems to be over in terms of strikes and factional fighting.

Workers who have been striking for higher wages throughout the year have apparently won at least temporary relief as several provinces have adopted wage adjustment systems on a trial basis. A final decision on wages may be included in the new five year economic plan, which begins in January, but no definitive word has yet come from Peking on the subject. For now, the provinces are experimenting with a variety of wage schemes that benefit lower paid workers who have been in the same grade for many years. In some areas, such as Kwangtung, Kwangsi, and Heilungkiang, lower paid workers are getting a pay raise while apparently remaining in the same grade. In Hupeh, however, lower paid workers will reportedly be promoted either one or two grades, depending on their length of service.

Because they focus on the lower grades, these adjustments are not an excessive drain on the economy. Thus, the provinces have found a relatively inexpensive way to appease the workers. In Kwangsi, for example, strikes and slowdowns began to disappear after the implementation of a wage revision.

Workers in Yunnan, by contrast, reportedly are still disgruntled because there has been no change in the wage system, but most of them are at least back on their jobs. Yunnan and strife-torn Chekiang have been the most difficult areas to bring under control.

25X1

December 22, 1975

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The general unrest in Yunnan had apparently spread to the Hui minority group, which had raided PLA armor-ies, hijacked trains, and held mass rallies to promote the notion of a separate Hui region. Leaders of the so-called Hui rebellion were arrested and sent to Peking for political study sessions. In addition, the Yunnan provincial leadership took steps to improve the living conditions of the Huis. This carrot and stick approach has apparently been successful, and talk of an autonomous Hui state has died down.

Leaders of other troubled provinces are apparently talking tougher and carrying through with their threats. In Fukien, where factional problems still are affecting production, the provincial party boss reportedly has warned those engaged in factional fighting that they will be sentenced to labor reform. Lower level officials--allegedly numbering in the hundreds--have reportedly been removed or reassigned. A party leader in Tibet has publicly issued similar threats in regard to lower level officials responsible for agriculture who are following the wrong political line and fail to correct their errors.

Although Peking has made some headway in stemming the worst of the disorders, the long-sought stability down to the grassroots is still somewhat elusive. Factional rivalries, even when under control, are virtually impossible to eliminate entirely and are likely to spring up again at the slightest sign of tension or political indecision in Peking. In this regard, the recent leftist assault on educational policy--and especially any harsh moves against the perpetrators of this attack--could spark a resurgence of factional activity in the provinces.

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December 22, 1975

## Expanding Civil Aviation

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Peking has added 21 new routes and 58 new flights per week to domestic air operations since April, bringing total routes to 115 and total flights to 344. Airports and aircraft inventories are also being expanded.

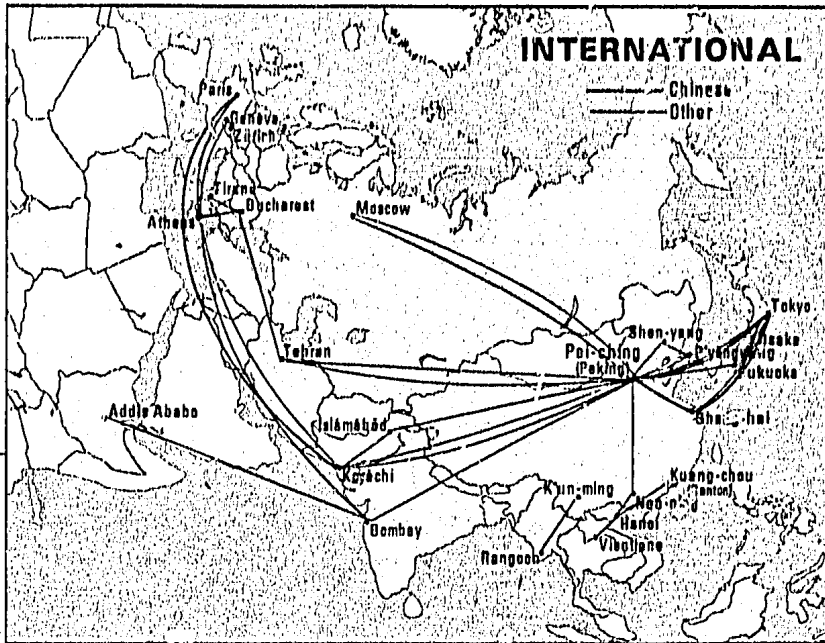
International air operations are plagued by low traffic demand and continuing losses on existing routes, although China continues to seek new international air agreements. China now offers flights to only 10 foreign countries and is served by 10 foreign airlines. Peking has reciprocal air agreements with more than 30 countries, however. The most recent agreements were signed this fall with Finland and West Germany. The surge of new foreign flights to China that occurred in the last few years has stopped, probably reflecting high fuel prices, Peking's stringent visa policy, and the general economic slump.

Chinese aircraft inventories continue to grow despite serious under-utilization of the recently added 10 Boeing 707s and 8 British Tridents. Originally bought to augment the 5 Soviet IL-62s on international routes, several of these medium and long range aircraft are being flown on domestic flights along with 31 Soviet AN-24s and 45 IL-14s.

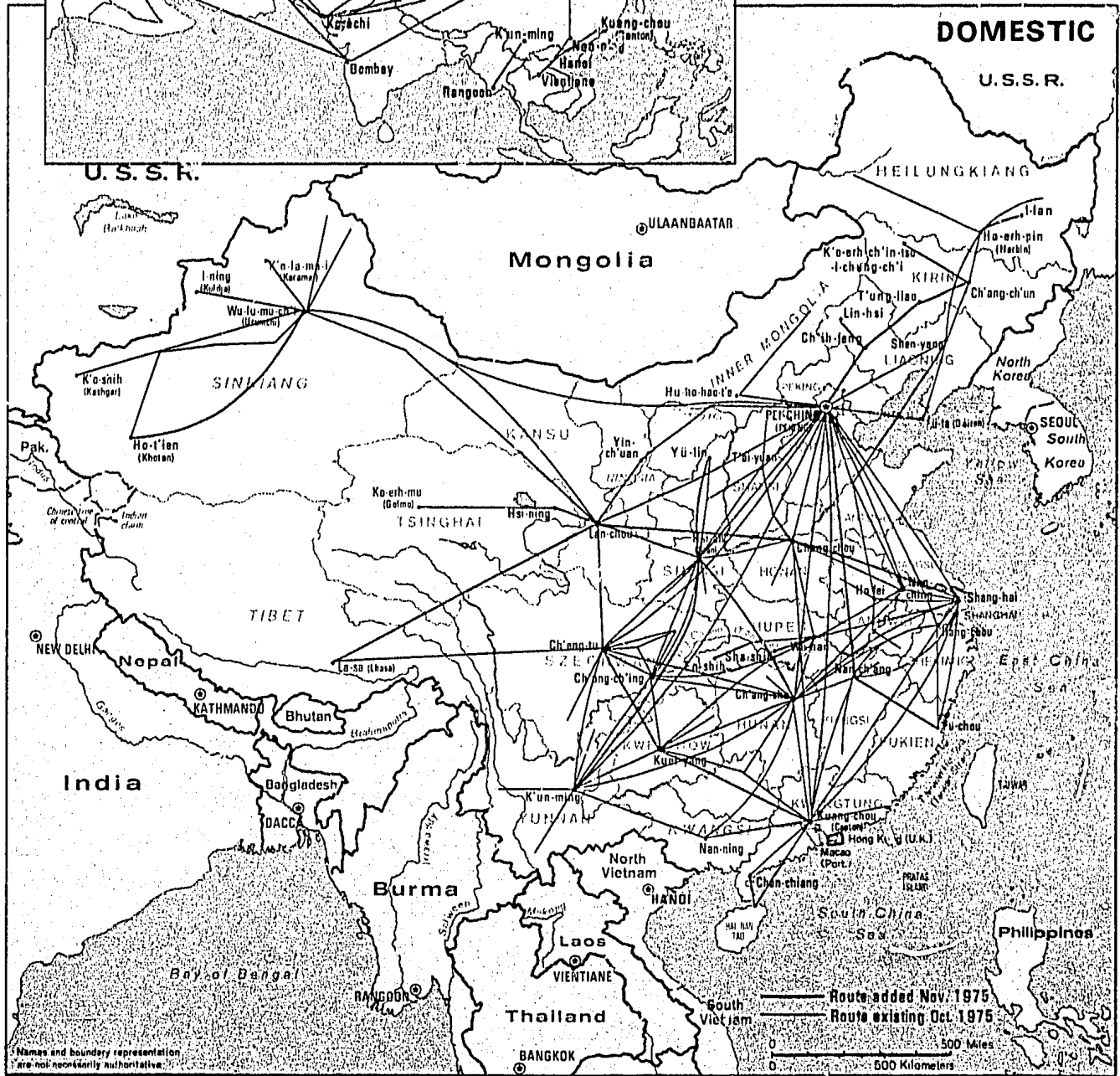
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December 22, 1975



# Peoples Republic of China Civil Air Routes



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Recent PRC Claims for China's  
Foreign Trade

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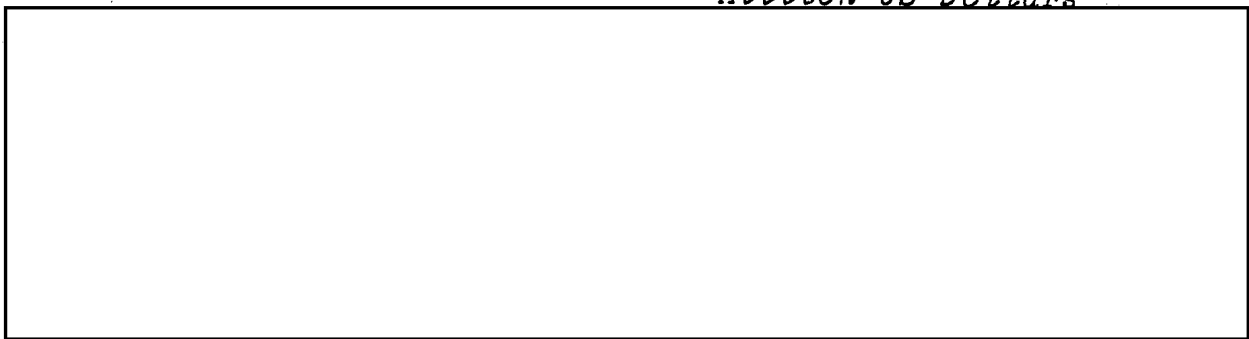
Although Peking has not published data on the value of China's foreign trade since 1959, for the past three years it has released fragmentary statistics on the percentage increases in China's foreign trade.

Dollar values estimated from the sporadic Chinese statements and from trading partner statistics are as follows:

	<u>Chinese Statements*</u>	<u>From Trade Partner Data*</u>
1952	1,890	1,830
1965	4,130	3,880
1972	6,130	5,920
1973	10,700	10,090
1974	14,175	14,005

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*\*Million US Dollars*



December 22, 1975

Next 1 Page(s) In Document Exempt

Grain Output

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The Chinese have released a new figure for grain output in 1974 that is far larger than output claimed for any previous year--because soybean production has been included.

For each year from 1970 through 1973, the Chinese announced an absolute figure for the output of grain, which included rice, wheat, coarse grains, and potatoes. In 1974 the Chinese reported only that output for that year was 2.4 times that of 1949. The derived output figure based on this increase would be 260 million tons. CIA, however, believes that this total is a bit high. Weather in 1974 was generally unfavorable, and output was probably closer to 255 million tons.

The new total for 1974 (announced at a UN FAO conference in Rome in mid-November by the vice-minister of agriculture and forestry, Yang Li-kung) is 274.9 million tons. Minister Yang also repeated the claim that 1974 output was 2.4 times that of 1949, and the coupling of this increase with an absolute figure makes it clear that the 1974 official output figure (2.428 times the 1949 grain and soybean output) includes soybeans--and is consistent with our estimates.

Official Chinese Grain Claims  
(Million Metric Tons)

YEAR	1949	1957	1973	1974	CIA
					Estimates
TOTAL	113.2	195.0	--	274.9	275.0
GRAIN	108.1	185.0	250.0	--	255-260
SOYBEANS	5.1	10.0	--	--	15-20

December 22, 1975



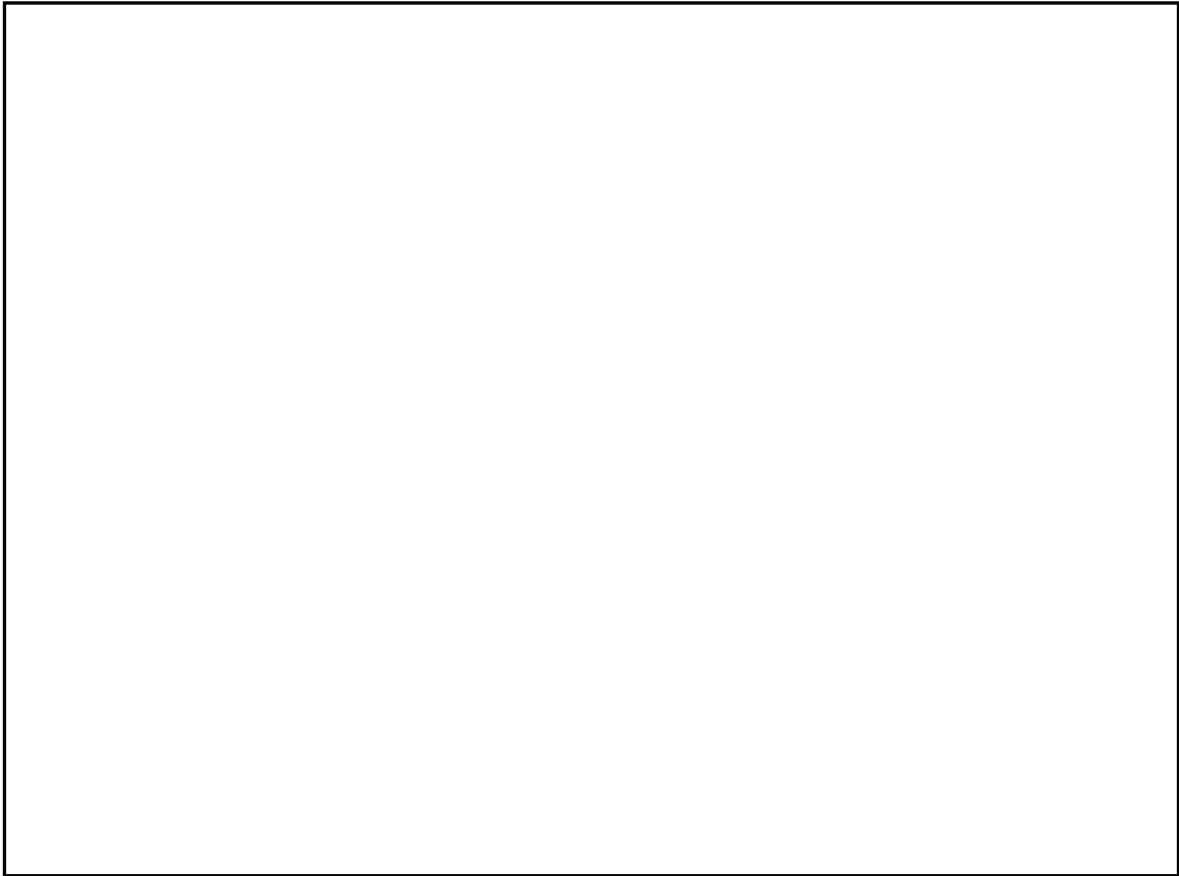
Peking announced recently that the 1975 harvest was "even higher than 1974, itself a high production year." This statement downgrades previous claims that the 1974 harvest WAS a record one and suggests that any increase in this year will be small. [REDACTED]

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December 22, 1975

-19-

ECONOMIC NOTES



Shanghai Transport Booms

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A major bridge across the Huang-pu River connecting Shanghai with a major petrochemical combine is nearly completed. The rail section of the double-deck structure was completed in late August; the road will be done soon.

This bridge and other transport developments continue to spur industrial growth in Shanghai, China's largest city. Public transport has been one of the vital ingredients in Shanghai's industrial growth rate, which has averaged over 9 percent between 1966 and 1974. Nearly 6 million people--half the city's population--use Shanghai's public transport daily.

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December 22, 1975

CHRONOLOGY

- December 3-10 Chinese People's Association for Friendship with foreign countries delegation visits Afghanistan. [ ] 25X1
- December 4 *People's Daily* replays *Red Flag* article attacking education policy. [ ] 25X1
- December 5 Chinese trade and economic exhibit opens in Mali. [ ] 25X1
- Trade agreement with Finland for 1976 signed in Peking. [ ] 25X1
- [ ] 25X1
- December 8 Visiting Minister of Information from Benin (formerly Dahomey) meets with party central committee member Yao Wen-yuan; departs for home December 9. [ ] 25X1
- December 8,9, Various Romanian Delegations visiting & 13 China meet with Chen Hsi-lien, Hua Kuo-feng, and Chiao Kuan-hua. [ ] 25X1
- December 8-17 Chinese trade delegation led by Wang Yao-ting, Chief of the China Council for the Promotion of International Trade, visits Thailand; meets Prime Minister Khukrit on December 9. [ ] 25X1
- December 9 1976 Sino-Czech trade agreement signed in Peking by Foreign Trade Minister Li Chiang and Czech Vice minister. [ ]

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December 22, 1975

- December 11 Peking's first ambassador to the Philippines, Ko Hua, arrives in Manila. [redacted] 25X1

25X1

Chinese industry and trade delegation concludes two-week visit to Singapore. [redacted]
- December 11-21 Former Italian prime minister and Christian Democrat party leader Fanfani visits China; meets with Teng Hsiao-ping and Chiao Kuan-hua. [redacted] 25X1
- December 14 Former Shantung Military District commander Tung Kuo-kuei identified as commander of the Hunan Military District. [redacted] 25X1
- December 16 Party vice-chairman Kang Sheng dies. [redacted] 25X1

[redacted] 25X1
- December 18 Delayed announcement of visit to Peking by delegation from the Marxist-Leninist Revolutionary Party of Salvador. [redacted] 25X1
- December 19 Chao Tzu-yang identified as first secretary of Szechwan Province. [redacted] 25X1
- December 21 Memorial ceremony for Kang Sheng, presided over by Wang Hung-wen, his first appearance in Peking since May. [redacted] 25X1

President Manuel Pinto Da Costa of the Democratic Republic of Sao Tome and Principe begins official state visit. [redacted]

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December 22, 1975

## ANNEX

Education: Back on the Front Burner  
[REDACTED]

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The radical changes in education introduced five years ago as a result of the Cultural Revolution are again being defended, but chances are still good that they will undergo some, if not considerable, modification over the next year or so. Since the first of the month, *Red Flag*, *People's Daily* and the provincial media have all carried adamant defenses of the Cultural Revolution reforms while attacking advocates of the more traditional approach to education. *Red Flag's* verbal assault on "bad elements in education circles" is almost certainly aimed at Minister of Education Chou Jung-hsin, a leading advocate of a return to the more conventional, pre-Cultural Revolution practices in the schools.

The current debate, which seems to have been going on below the surface for several months, may have been forced into the open by several speeches Chou made in September and October. In his October speech, Chou criticized the reforms of the Cultural Revolution and claimed that there had been an over-emphasis on practical application at the expense of theoretical training. He also deprecated a model curriculum that the radical faction was then promoting. Chou's speech was circulated as a centrally-originated document, indicating that his views commanded considerable support at the upper levels of the regime. [REDACTED]

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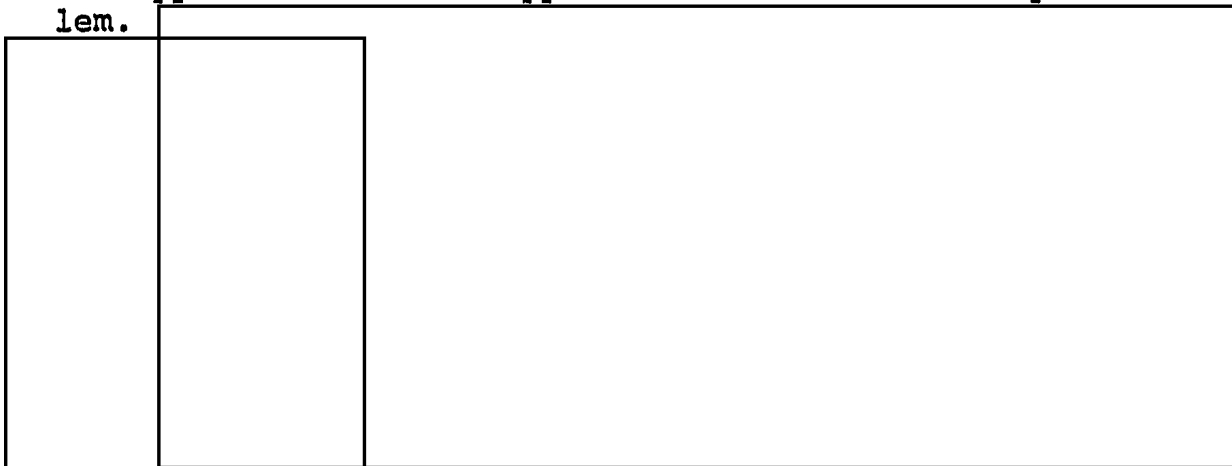
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Mao's position in the current infighting is critical and, on most major points, his sympathies appear to be with the moderates. Chou Jung-hsin quoted him

December 22, 1975

in support of his own approach to the education problem.

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It is probable that Mao has not given wholesale endorsement to the moderate position however. Having fathered many of the radical educational reforms himself, he may well have a problem in backing away too fast and too unequivocally. The leftists seem to be aware of the Chairman's vulnerability and have made liberal use of his quotations from an earlier period when he was more radical on this issue.

In any case, Mao's tilt toward the moderates has undoubtedly left the radical faction, led by Chiang Ch'ing, further isolated. This latest blow comes on the heels of leftist setbacks in the cultural realm--also at the hand of Mao--and a steady decline in recent months of Chiang Ching's political stature. In all probability, it was this erosion of radical clout that emboldened moderate elements to step up their criticism of the educational system, the last remaining edifice to the Cultural Revolution. Likewise, the leftists probably realized that if their educational reforms were overturned, they would be left with little defense for the high cost of the Cultural Revolution. It may have been this sense of the high stakes that led the radicals to seek support in the public domain. Moreover, Chou Jung-hsin probably left himself vulnerable through his references to "10 years" of disastrous educational stagnation--a statement that

December 22, 1975

in effect questions the legitimacy of the Cultural Revolution itself.

Even before the initial salvo was fired on December 4 with the broadcast of the lead article in *Red Flag*, the leftists had apparently appealed to students at Tsinghua and Peking universities. These two institutions have traditionally been centers of political activism as well as models that other schools in the country watch closely for signs of new educational trends. Peking University, moreover, was specifically criticized in the speeches of Chou Jung-hsin. There are signs that since September there has been considerable activity--all of it peaceful--at these campuses on behalf of the Cultural Revolution reforms. It is not surprising that the students, most of whom are from working class backgrounds and are the direct beneficiaries of the reforms, would be quite sympathetic to the leftists, who undoubtedly were well aware of this reservoir of support. It is no accident that the December 4 *Red Flag* article was written by persons from Peking and Tsinghua universities.

There are a number of other hints that the leftists feel themselves on the defensive in this political contest. The detailed, point-by-point refutation of the moderate position, characteristic of the December 4 *Red Flag* article and much of the subsequent media play, reflects this defensiveness. In particular, the articles go to unusual lengths to refute the notion that the current educational system is turning out graduates who lack professionalism. They cite numerous examples of student contributions to economic progress, emphasizing scientific achievements. A few articles plainly admit that there are "defects," but hasten to add that any new system requires time to prove itself and that the educational reforms brought about by the Cultural Revolution are no exception.

Finally, the leftists have displayed a certain amount of caution in trying to pin labels on their

December 22, 1975

opposition. Unlike numerous political battles in the past, the mudslinging seems muted. The opposition is portrayed as misguided, but the insinuation that it is in some way anti-socialist is for the most part avoided.

At the same time, in an attempt to sustain their reforms, the leftists have not hesitated to play on the insecurities of the large number of cadres in the universities who were purged during the Cultural Revolution and later returned to positions of influence. An important *Red Flag* article broadcast on December 11 singles out these cadres and admonishes them to pay attention to seeing things from a proletarian outlook.

The parameters of this educational debate are familiar, and the issues have been bandied about from time to time within the leadership during the past few years. The last major outbreak of polemics on the education issue occurred in the spring of 1973, when university entrance examinations were briefly made a primary criterion for admission. A counter-attack that summer forced the moderates to retreat on this issue.

The outcome of the current round is likely to be quite different. Unlike 1973, the moderates today are far stronger, while the political stock of the left has precipitously declined during the past year and a half. There can be little doubt, judging from the ambitious economic goals set by the coalition of moderates around Vice-Premier Teng Hsiao-ping, that economic growth is their chief and overriding concern. An educational system that places a priority on quality and relies more heavily on proven methods probably has a great deal of appeal to these men-- and provides the additional political dividend of further circumscribing the left. Finally, and perhaps of decisive importance, unlike 1973 Chairman Mao has added his own political weight to the moderate side. All of these factors suggest that the left is at best fighting a rear-guard action.

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December 22, 1975