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**DIRECTORATE OF INTELLIGENCE**

10 June 1987

**China: Deng Under Pressure**

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**Summary**

Conflict within the Chinese leadership has become increasingly evident since the ouster of Hu Yaobang in January. Although some clashes probably have been over patronage and policy issues, we believe Deng Xiaoping's conservative rivals, most notably Peng Zhen, are trying to challenge Deng's authority and primacy. Conservative inroads, particularly within the party's propaganda department, and the current stalemate over economic reforms suggest that Deng's power has eroded. We are less sure, however, whether this represents a temporary setback for Deng or a more fundamental shift in the balance of power. Much depends on a key unknown--whether Deng still commands the loyalty of his traditional allies among party elders and the military. Although Deng and Zhao Ziyang appear to have taken the offensive recently, stressing the importance of moving ahead with reform, we may not be able to gauge the strength of the conservative and reform camps until the results are in from this summer's preparatory meetings for the October party congress.

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This memorandum was prepared by  Office of East Asian Analysis. Information available as of 5 June 1987 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Political Assessments Branch, China Division,

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### An Embattled Deng?

Since January, Deng in our judgment has been acting as if he is on the defensive. He may feel vulnerable not only for having sponsored the now disgraced Hu Yaobang as party chief, but perhaps even more for his own longstanding record of ideological pragmatism--probably an easier target for his rivals than his policies, which have been formally endorsed by the Central Committee. Indeed, Deng and his allies have gone to extraordinary lengths over the past several months to polish Deng's orthodox ideological credentials and, by extension, to distance him from Hu's alleged ideological deviations:

- A new, revised edition of Deng's "Build Socialism With Chinese Characteristics"--selections from his speeches and inscriptions--contains criticism of Hu for inattention to ideology.
- Party leaders, including Acting General Secretary Zhao Ziyang and party elder Wang Zhen, have gone out of their way to note Deng's long espousal of conservative themes.
- The propaganda treatment of Deng's book and others of his works has been unusually obsequious and reminiscent of the cult of Mao Zedong. 25X1

Deng's meetings with an unusually broad array of foreign dignitaries seem an attempt to rally support and counter the growing conservative voice in the media. He has commented extensively on current Chinese politics during talks with visitors who, in ordinary times, would never have rated an audience. Deng seems determined to remind the public that he is still in charge and to make sure that special points he wants to make either get into the official press or into the classified media summaries for cadres:<sup>1</sup>

- In March, Deng used a meeting with Canada's governor general to put political structural reform--a key point of contention last summer between reformers and conservatives--back on the agenda.
- In an April meeting with the President of Gambia, Deng pointedly omitted referring to China's effort against bourgeois liberalism while summarizing China's policies as "opening up and reform." He has repeated this formulation on several occasions.

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<sup>1</sup> New China News Agency foreign press summaries such as Cankao Ziliao ("Reference Material") and Cankao Xiaoxi ("Reference News") contain both edited and unabridged articles and are compiled for official use. Chinese leaders frequently demonstrate a thorough knowledge of Hong Kong and Western media coverage of China, which almost certainly is acquired from classified press materials and like publications. 25X1  
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- Deng has used sessions with the Gambians and other delegations to reminisce about his experiences during the Cultural Revolution era, perhaps in part to soothe anxious foreign investors by again disavowing Cultural Revolution - style movements, but also to warn his rivals against the hazards of open political warfare.
- In remarks that the official press did not publicize, Deng told a visiting Spanish official that, contrary to the emphasis on China's current effort against rightist phenomena, the "main struggle" should be against the leftist trend and "nostalgic leftists" within the party.
- Deng noted ambiguously to Bulgarian party chief Zhivkov that "old fighters have their strong points and problems. . . they may even be involved in disputes and complications." Such problems, Deng allowed, should be solved "when we are still alive." He may have been referring to problems between China and the Soviet Bloc, or among Chinese themselves. [REDACTED]

Recent remarks by Zhao clearly allude to top-level infighting. On 17 May, the Beijing-controlled Wen Wei Po of Hong Kong summarized Zhao's speech to a recent unidentified conference, where the acting party chief railed against "certain comrades" who attack the reforms under the guise of protecting ideological purity. Zhao reportedly pointed out that deepening the drive against bourgeois liberalism did not mean organizing a Mao-style mass campaign and creating a tense political atmosphere, remarks that were echoed in sharply worded People's Daily editorials of 17 and 22 May.

[REDACTED]

### Signs of Conservative Strength

If Deng seems on the defensive, it may be because China's more orthodox leaders are engaged in a full court press to weaken Deng and his allies while seeking support for themselves. An example is the March session of the National People's Congress, where Peng Zhen and the NPC Standing Committee--a conservative bastion--sidetracked a vital enterprise management reform and, by so doing, also prevented an important measure to regulate enterprise bankruptcy from going into effect. The annual NPC session in fact was dominated by Peng and his conservative allies and to us seemed deliberately stage-managed to undermine the authority of Zhao and the reforms--and, implicitly, Deng:

- Zhao's report on the work of the government was criticized from the floor, and the final version incorporated criticisms of the government for inattention to grain production and ideological work.
- The NPC endorsed only "in principle" a reform that would allow villages a measure of self-government and referred it to Peng's Standing Committee for final review.

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- A Hu Yaobang protege was ousted as Minister of Public Security and was replaced by a provincial official who [REDACTED] once served as Peng Zhen's secretary. 25X1
- After the close of the NPC, a group of People's Delegates in Tianjin sharply criticized construction projects under the authority of Mayor Li Ruihuan, a reformer who has been mentioned as a possible successor to Zhao Ziyang. Another group in Sichuan criticized the provincial party committee, led by a Zhao protege, for a "lack of drive" in effecting economic retrenchment. [REDACTED] 25X1

The State Education Commission, headed by Vice Premier Li Peng--widely reported to be a conservative favorite--also has been unusually active in advancing an orthodox point of view. In April and May the commission sponsored forums on ideological work. Sharing the dais with archconservatives Hu Qiaomu and Deng Liqun, Li delivered an "important speech" at the May session, according to Chinese press accounts. The commission also promulgated regulations that for the first time since the Cultural Revolution require students to spend time working in factories or the countryside. This is at once a distinctly conservative response to last year's student demonstrations and a retreat from the longstanding reformist emphasis on academic excellence. [REDACTED] 25X1

Moreover, the official media have had a distinctly conservative cast since Hu Yaobang's ouster and have vigorously pushed orthodox economic and political themes while assiduously promoting the visibility of conservative leaders. All but eclipsed by Deng and Hu 6 months ago, prominent old-guard figures are now able to get their every public appearance and utterance replayed in the daily press. Meanwhile, ideologues led by Politburo member Hu Qiaomu, Secretariat member Deng Liqun, and the new propaganda chief Wang Renzhi apparently are presiding over an attempted consolidation of conservative influence in the party's propaganda organs:

- Wang chaired a convocation of orthodox propagandists in January, where participants aired grievances against reformers for controlling access to the media. He attended and blessed a similar session in April that, according to the Hong Kong press, worked out a battle plan to purge the Chinese media. Such plans seem to accord with tough new party directives--leaked to Hong Kong journalists--but run counter to Deng's efforts to contain the antibourgeois liberalism drive.
- A recently established State Media and Publications Office led by Du Daozheng, the conservative former editor of Guangming Ribao, apparently will be the executive arm of the literary offensive. According to Du, the office has authority to shut down publications and discipline editorial staff. [REDACTED] 25X1

Conservatives have also asserted their control in ongoing party affairs. For example, a party circular issued in early February passed down rural rectification guidelines established by old-guard leader Bo Yibo that redirected the campaign away

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from promoting economic reform as mandated by Hu toward comfortably conservative lines. Bo, whose remarks--issued as Central Document 3 of 1987--were the first official account of Hu Yaobang's mistakes, has taken a prominent hand in day-to-day affairs since Hu's fall. [Redacted] at least until recently he has headed the team in charge of personnel work for the 13th Party Congress. [Redacted]

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Recent leadership changes publicized in Hong Kong's Communist press may also work to advance orthodox interests. Deng and Zhao almost certainly had to approve the transfer of State Planning Commission chief Song Ping to the party Organization Department, but the appointment places a septuagenarian in the conservative mold as head of personnel work just when the leadership is deliberating organizational moves before the party congress. Vice Premier Yao Yilin, a longtime disciple of Chen Yun, will serve as acting planning minister and will return that post to Politburo standing for the first time since 1982, when Yao last led the commission. [Redacted]

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**Key Uncertainties**

Despite the obvious increase in conservative influence, it is much less clear whether conservative leaders--Peng Zhen, Chen Yun, Hu Qiaomu, Bo Yibo, Deng Liqun--are acting in concert or even have a common set of goals. We suspect the more hardline ideologues like Hu Qiaomu and Deng Liqun are attempting to curb the power of Deng and his reform allies in order to block policies they regard as politically destabilizing or anathema to Marxism-Leninism. Others--who perhaps include Wang Zhen--seem determined to resist Deng's repeated efforts to push them into retirement and may only be trying to protect their own positions and to advance their proteges at the party congress. In contrast, we think Peng Zhen (and perhaps Bo Yibo) is trying to mount a challenge to Deng's primacy. [Redacted]

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[Redacted]

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Peng Zhen has clearly been the most active and visible of conservative leaders since Hu Yaobang's downfall. He has used a variety of forums to air his views, and has done so in a way that we interpret as a proffering of leadership credentials. He

<sup>2</sup> Wang, a longtime ally of Deng, seems to have taken a middle course since January. He has been in the forefront of senior leaders attacking the trend toward bourgeois liberalism but has also grouped Deng with Mao as author of "classic Marxist" writings on art and literature. [Redacted]

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particularly has exploited the National Peoples Congress as a personal megaphone. Peng has frequently spoken and published on ideological topics, attempting in our view to upstage Deng as a theorist. Peng frequently uses his articles to remind readers of his ties to Mao and other party patriarchs:

- Peng held a highly publicized press conference that was the media event of the NPC session. He praised Deng--disingenuously, in our view--as China's "idea man" and sole indispensable elder on the Politburo Standing Committee, while disavowing any ambition to sit on that body. Peng went on to volunteer that, if a vote were taken then, he "could only elect Deng." Significantly, he omitted mentioning Zhao.
- In a pointed bit of political symbolism, Peng left Beijing immediately after the NPC for the old Jiangxi revolutionary base area, where he invoked the traditions of Chinese Communism.
- From Jiangxi, Peng journeyed to the Shenzhen and Xiamen Special Economic Zones, where he alluded to criticism of the SEZs but gave his own guarded approval to the open door activities there. [REDACTED]

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Although conservative party elders may agree that Deng has grown too powerful and must be reined in, we remain skeptical in the absence of stronger evidence that they are cooperating in more than a loose fashion. Indeed, given their disparate interests, we believe Deng may yet be able to play them off against each other and defuse any threat. Much depends, however, on Deng's ability to command the loyalty of the military and such longtime allies as Yang Shangkun, Xi Zhongxun, and Wang Zhen, whose support has lent legitimacy to Deng's reform efforts and helped keep other old revolutionaries in line. [REDACTED]

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We believe Deng continues to have the backing of the military and his old cronies, but he almost certainly is concerned about the possibility of defections from the ranks of his veteran supporters. Evidence of their wavering loyalty is sketchy and contradictory. [REDACTED] Peng is said to have mobilized the support of senior military officials--including Yang Shangkun--against Deng at the Beidaihe meetings last summer. The Hong Kong paper Cheng Ming, citing official sources, ran a similar story in January, lending some credence to this story. Yang, however, has loyally supported Deng and Zhao in public since January, and reformers seemed intent that Yang establish credentials as a leader of international stature during his May visit to the United States. Moreover, another recent report in Asiaweek, which claims to have inside sources in Beijing, says that Deng in a show of strength recently took over from Bo Yibo the "Committee of Nine" in charge of personnel changes at the 13th Party Congress. [REDACTED]

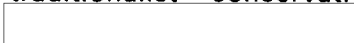
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The depth of Peng Zhen's and other party elders' strength in the party and bureaucracy is equally unclear at present. These leaders of course have long possessed networks of supporters. Since 1978, however, most conspicuous personnel movements have involved the promotion of reformists that would seem to give Deng and his allies a



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decided edge as the party congress approaches. Indeed, aside from the recent push in the propaganda and security departments--it is unclear whether the new personnel chief is a staunch traditionalist--conservative personnel gains have either been unobtrusive or nonexistent. 

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Given the fluidity of the present situation, however, we may not be able to accurately gauge the balance between the conservative and reform camps until after this summer's preparatory meetings for the October party congress. At such meetings, Deng has always played for strategically placed appointments of key allies in high posts in the party and government. Decisions on personnel matters, including the choice of a successor to Zhao Ziyang as premier, therefore probably will offer the best indicators of Deng's and his rivals' political strength. 

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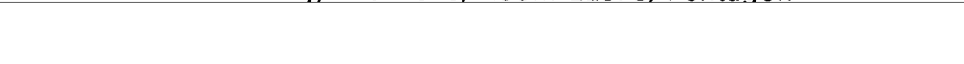
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- 1 - Stapleton Roy, Deputy Assistant Secretary, East Asian and Pacific Affairs, Room 6205
- 1 - Richard Williams, Director, Office of Chinese Affairs (EAP/C), Room 4318
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