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Vol 62

*Vol. 62*

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TITLE—TITRE:

POLITICAL AFFAIRS  
POLICY AND BACKGROUNDS  
INTERNAL POLICY TRENDS  
CHINA

AFFAIRS POLITIQUES  
POLITIQUES ET HISTORIQUES  
TENDANCE DE LA POLITIQUE ETRANGERE  
CHINE

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MINISTÈRE DES AFFAIRES ÉTRANGÈRES

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---PRC WEEKLY NEWS SUMMARY 05-110CT

PLEASE SEE REFTEL SUMMARY FOR PROPOSED ANNEX TO THIS WEEKS NAB.

POLITICAL

- CHINA <sup>has</sup> EXPRESSED REGRET AND INDIGNATION OVER AWARDING OF 1989 NOBEL PEACE PRIZE TO THE DALAI LAMA. FOREIGN AFFAIRS SPOKESMAN SAID DECISION CONSTITUTES OPEN SUPPORT TO THE DALAI LAMA AND TIBETAN SEPARATISTS IN THEIR ACTIVITIES TO UNDERMINE NATIONAL UNTIL (07OCT XINHUA)
- COMMUNIST PARTY APPOINTED TAN SHAOWEN AS PARTY SECRETARY OF TIANJIN. MR TAN TOOK OVER FROM LI RUIHAN WHO WAS PROMOTED TO POLITBURO STANDING CTTEE IN JUNE. TAN HAS BEEN PRESIDENT OF TIANJIN TEXTILE ENGINEERING INST AND HEAD OF CTTEE FOR CULTURAL AND EDUCATIONAL AFFAIRS OF MUNICIPAL GOVERNMENT (05OCT SOUTH CHINA MORNING POST)
- LI TIEYING, MINISTER OF STATE EDUCATION COMMISSION, AND COMMUNIST PARTY SECRETARY, JIANG ZEMIN, MET FOR THREE HOURS WITH 33 STUDENTS WHO HAD RETURNED FROM STUDIES ABROAD. LI SAID GOVT WILL OFFER JOBS TO RETURNED STUDENTS ACCORDING TO THEIR ABILITIES REGARDLESS OF WHETHER THEIR STUDY HAD BEEN PRIVATELY OR STATE SPONSORED. PREFERENTIAL TREATMENT WOULD BE GIVEN TO RETURNED STUDENTS IN EMPLOYMENT, HOUSING, PROFESSIONAL TITLES AND OTHER FIELDS. (06OCT XINHUA)

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PAGE TWO WJGR3683 UNCLAS  
FOREIGN POLICY

- DENG XIAOPING WELCOMED YASSER ARAFAT IN HIS CAPACITY AS PRESIDENT OF THE STATE OF PALESTINE AND SAID CHINE WOULD CONTINUE TO SUPPORT PALESTINES JUST STRUGGLE. (05OCT XINHUA)

- IN MEETING WITH VISITING CHAIRMAN OF LAOS COUNCIL OF MINISTERS, DENG XIAOPING URGED VIETNAM TO COMPLETELY AND THOROUGHLY WITHDRAW ITS TROOPS FROM KAMPUCHEA AND NOT TO GET UP TO LITTLE TRICKS. DENG SAID QUOTE WE ARE NOW IN AGE OF INFORMATION...PEOPLE CAN EASILY KNOW WHAT IS REAL AND WHAT IS FALSE (07OCT XINHUA)

#### ECONOMIC

- PRODUCTION OF COAL, CRUDE OIL, NATURAL GAS AND ELECTRIC POWER STEADILY INCREASED IN SEPTEMBER. AN OFFICIAL FROM MINISTRY OF ENERGY SAID THAT BECAUSE OF AGING OF SOME OILFIELDS IT WOULD BE DIFFICULT TO FULFILL THIS YEARS OIL PRODUCTION QUOTA. QUOTAS FOR OTHER ENERGY WOULD ALL BE FULFILLED OR OVER FULFILLED (06OCT XINHUA)

- CHINA HAS MORE THAN SIX MILLION TONS OF COAL STORED FOR POWER INDUSTRY, WHILE SUPPLIES FOR INDUSTRIAL, AGRICULTURAL AND DOMESTIC USE THIS WINTER AND NEXT SPRING ARE GUARANTEED (07OCT PEOPLES DAILY)

- IN AN OFFICIAL PAPER PREPARED BY STATE ADMIN OF FOREIGN EXCHANGE CONTROLS (SAFE) APPROVED BY THE STATE COUNCIL AND ENDORSED BY PREMIER LI PING THE SAFE SAID TOTAL OFFICIAL DEBT AT END OF 1988 WAS DLRS 40 BILLION. THIS INCLUDED DLRS 32.7 MILLION IN MEDIUM AND LONG TERM LOANS AND DLRS 7.3 BILLION IN SHORT TERM LOANS. THE PAPER

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PAGE THREE WJGR3683 UNCLAS

NOTED THAT EVEN WHEN CHINA ENTERS ITS DEBT SHARING PEAK IN THE 1990S CHINA WILL NOT HAVE TROUBLE REPAYING DEBTS. AT THAT TIME THE DEBT SERVICE RATIO IS EXPECTED TO BE BETWEEN 10 AND 15 PERCENT. (07OCT CHINA DAILY)

- MORE THAN DLRS 30 BILLION HAVE BEEN INVESTED IN CHINA BY CHINESE NATIONALS ABROAD. THESE INVESTMENTS REPRESENT MORE THAN 70 PERCENT OF THE COUNTRYS TOTAL FOREIGN INVESTMENTS (07OCT CHINA DAILY)

- MINISTRY OF RAILWAYS OFFICIALS EXPECT A FIFTH WORLD BANK LOAN AGREEMENT FOR RAILWAYS TO BE SIGNED IN 1990. OFFICIALS ESTIMATE THAT THE PROJECTS NOW BEING EXAMINED BY WORLD BANK OFFICIALS WOULD REQUIRE A MINIMUM LOAN OF DLRS 300 MILLION.

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TS-984 11 Oct 89

QUANTITY QUANTITÉ	REFERENCE — RÉFÉRENCE	DESCRIPTION — DESCRIPTION
		<p>RETOUR RENGO ACC FILE</p> <p>German Delegation paper dated 10 Oct 89</p> <p>Subj: China's Domestic Policy</p> <p>- Speech by GenSec Yiang Zemin and address by PM Li Peng</p>

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		German Delegation paper dated 10Oct89  Subj: China's Domestic Policy  — Speech by GenSec Yiang Zemin and address by PM Li Peng

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German Delegation

Brussels, October 10, 1989

TS: 981.

Subject: China's Domestic Policy

- Speech by General Secretary Yiang Zemin on 29-09-1989  
and address by Prime Minister Li Peng on 30-09-1989 -

## I.

1. On 29 September 1989 General Secretary Yiang Zemin held the long awaited policy speech concerning China's reorientation. It contained neither new nor progressive ideas but is rather a re-edition of trains of thought of the fifties. He speaks about Mao Zedong, socialism and planned economy, but there is no mentioning of further reforms of the economy or even in the political field. When reform is mentioned, then only in terms of continuing the present achievements. There is nowhere any indication of an alleged liberal influence of Deng Ksiaoping. The statements of the new General Secretary manifest the conservative and defensive tendency of the present leadership. There is also criticism of the West who is said to be infiltrating socialism.
2. Briefly referring to the reform policy of his predecessor, Yiang highlights three points:
  - The overall international situation had essentially contributed to the events of this summer; the international reactionaries had exploited the reforms and provoked incidents. They were aiming at the "peaceful evolution" of socialism towards capitalism.

In the sharp conflict between the "four principles" and the group which had wanted "bourgeois liberalization" life or death of the party had been at stake.

It had been the old generation who had ultimately decided the struggle. Zhao Ziyang had made serious mistakes, had supported the riot and split the party.

One had to adhere to the fact that socialism is an objective law. In view of the high numbers of the

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population and the low productivity, china could not take the capitalist way. If there were to be reforms, this could not mean a "total westernization". One could, at best, think of continuing pilot projects of the reform era. The aim of the envisaged reform was (only) to adapt the production conditions to the production capacities and the superstructure to the economic basis. An initiative role of the reform idea is no longer mentioned.

3. With regard to future economic developments, Yiang repeats first of all the sombre prognosis that the next three or more years will have to be devoted to fighting inflation and to cutting down demand. Concerning the future politico-economical course, Yiang emphasizes three points:

- First of all an increased centralization and more authority for the central government. This line is to lead to more state revenue and to a larger share of the central government in budgetary receipts. Excessive decentralization, as it was obviously practised in recent years, is expressly rejected.
- The basic political concept is a "planned commodity economy" on the basis of common ownership. Excessive centralization as in earlier decades was not desired, but the plan was to play a dominating role. A market-orientated economy is rejected; the market mechanism had rather to be adjusted to China's conditions.
- The basis of the economy was the common ownership, and the individual economy had only a complementary role. This guideline also applied to joint ventures. Only the nationalized industry would be supported by the state with capital, credits, energy and raw materials, for this industry was the backbone of China's economy.

4. Yiang gives wide coverage to the problem of distribution and he continues the thoughts already published by him in an article three months ago, thus taking account of the extensive

criticism by the population of the too high income of small traders and artists. One did not want egalitarianism but had to correct unfair results. Higher incomes should be taxed more severely and illegal incomes had to be forbidden.

5. A new feature is emphasized for the agricultural sector: The flourishing and disproportionally grown rural industry, which is largely inefficient, is to be curtailed, because the aim was not short-term profits of communes and collectives but long-term results. Agricultural production is to be promoted by intensification of reforms (what reforms?), the utilization of more technology and more capital.
6. A rejection of any further political reforms is contained in the section dealing with "democracy and lawfulness". It was necessary to take China's realities into account. Some of the things coming from abroad were useful but nothing should be adopted uncritically, for a socialist democracy could not be placed on an equal level with the capitalist democracy. Remarkable is Yiang's admission that the idea of anarchy has a broad basis in China. For this reason terms like "lite", pluralism or multi-party systems were out of the question and especially the idea of a "bourgeois republic". The General Secretary did not say anything about further reform steps in this sphere.
7. This panorama is rounded off by a call for increased ideological education of the young people and the whole population. It is interesting in this connection that a reception of foreign culture is not repudiated, but it is again said what one does not want in future: no material civilization as it was aimed at in recent years, no formation of Chinese bourgeoisie and, in particular, no criticism of Chinese tradition (which had been stigmatized as an obstacle to progress by many reformers).

## II.

On 30 September 1989 Prime Minister Li Peng addressed for about 20 minutes about 3000 invited guests - including the diplomatic corps

and numerous foreigners - speaking about China's situation. The tenor of his address did not differ from the speech of the General Secretary: only socialism can save China. The following are interesting features of his address:

With a view to the foreigners present, Li mentioned fears that the policy of reform and opening could be replaced. He underlined that China would maintain the system of enterprises' responsibility, continue the development strategy for the coastal regions and go on allowing a private economy. It was necessary, however, to evaluate experiences and to eliminate all that was bad. Also, the party organizations in enterprises had to be strengthened again.

With regard to the general economic situation he frankly addressed the existing difficulties: too high rate of inflation, budget deficit and declining demand for products of the manufacturing industry. These were unavoidable features of the policy of adaptation, the main objective of which had to be the stabilization of prices.

His statement that from next year onward China would have difficulties to cover her internal and external debts caused surprise among the western observers. Astonishing was also his statement that a collective economy might be introduced in the agricultural sector in order to improve growth rates.

### III.

Both texts contain a detailed justification why reforms as they were discussed or started in recent years are out of the question for China. This means, in short, that a "peaceful evolution" associated with these reforms would have to eliminate socialism in China. Connected with this is the criticism that the West only supported the reforms in order to bring China onto the capitalist way.

However, in both texts the concept of a socialism which reminds one of the fifties is being developed. Priority of the plan, recentralization, rejection of any market will be more important

in future that the remaining, modest reform achieved: Taking both texts together, the following results:

- Some of the reform measures already implemented or started are to be maintained (example: constitution of enterprises),
- Other measures are to be curtailed or withdrawn (example: cancellation of the separation of party and economy in the enterprises, limitation of the provinces' right of self-administration by introducing new levies and rescinding certain foreign trade authorizations).
- New steps of reform which would be urgently required (example: reform of the labour market or even market-economy conditions) are no longer envisaged at present.
- Basic political conceptions which are thought to be a danger to socialism are stigmatized as "counter revolutionary" (for instance the idea of a privatization of the economy).

In addition, a further step backward is the consideration to reintroduce a collective system in rural areas (possibly only by way of cooperatives). What is emerging now is in contrast to the many declarations since June that one wanted to continue the reform policy.

A continuation of the policy of openness is probably more impeded by practical problems than by fundamental obstacles. The foreign trade deficit which has been heavily growing for a year could, if it is not possible to quickly increase exports (be it by price increases), force China to reduce her imports. The financial problems now frankly mentioned will have an even stronger effect on foreign investments. The lack of capital which will be more evident in future, but also the cancellation of the provinces' financial privileges as well as the principle that capital, credits and raw materials are to be provided with priority to the state enterprises, will have an effect on joint ventures. It is not at all clear how China is envisaging to shut herself off against all undesired ideas in future which will flow into the country through foreign contacts and experts.

The continuing and even intensifying problems of the economy will very soon confront the leadership with new questions, for with the instruments now presented China will be unable to solve the main problem addressed by Li Peng, i.e. to adapt the growth rates of the agricultural production to the growing population. Quite apart from the rivalries for power which will certainly continue and which will lead to a redistribution of seats anyway in the near future, there is considerable explosive matter which will have to cause new controversies.

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PRC: LI XIANNIAN STRESSES MULTI-PARTY TIES AT CPPCC MEETING

0W1110132589 BEIJING XINHUA IN ENGLISH 1304 BMT 11 OCT 89

[TEXT] BEIJING, OCTOBER 11 (XINHUA) -- "CHINA'S NON-COMMUNIST PARTIES ARE NEITHER PARTIES NOT IN OFFICE NOR OPPOSITION PARTIES, BUT PARTIES FRIENDLY TO AND CLOSELY CO-OPERATING WITH THE CHINESE COMMUNIST PARTY," A CHINESE SENIOR LEADER SAID HERE TODAY.

SPEAKING AT A MEETING, LI XIANNIAN, CHAIRMAN OF THE NATIONAL COMMITTEE OF THE CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE (CPPCC), SAID THE NON-COMMUNIST PARTIES HAVE ALL PARTICIPATED IN THE MANAGEMENT OF STATE AFFAIRS, AND INVOLVED THEMSELVES IN POLICY-MAKING FOR MAJOR POLITICAL AND SOCIAL AFFAIRS THROUGH CONSULTATION, THUS PROMOTING CLOSE CO-OPERATION AND MUTUAL SUPERVISION WITH THE COMMUNIST PARTY.

AS A COMPONENT PART OF THE COUNTRY'S NEW-TYPE SOCIALIST POLITICAL SYSTEM, THE CHAIRMAN EXPLAINED AT THE 22ND ENLARGED CHAIRMANSHIP MEETING OF THE CPPCC NATIONAL COMMITTEE, THE MULTI-PARTY AND POLITICAL CONSULTATIVE FUNCTION UNDER THE LEADERSHIP OF THE COMMUNIST PARTY OF CHINA (CPC) CONFORMS TO THE REALITIES OF CHINA, AND REFLECTS THE INTERESTS OF THE WHOLE OF THE CHINESE PEOPLE, INCLUDING PERSONAGES IN THE NON-COMMUNIST PARTIES.

SUCH A SYSTEM, TOGETHER WITH THE COMMUNIST PARTY'S POLICY OF "LONG-TERM COEXISTENCE AND MUTUAL SUPERVISION," AND "TREATING EACH OTHER WITH TRUE SINCERITY AND SHARING WEAL AND WOE" SHOULD BE IMPLEMENTED, IMPROVED AND DEVELOPED IN PRACTICE DURING THE WHOLE SOCIALIST PERIOD, THE CHAIRMAN STATED.

WITHIN THE CPPCC, HE SAID, MEMBERS OF THE CPC AND THE NON-COMMUNIST PARTIES SHOULD CO-OPERATE CLOSELY TO ENSURE EFFECTIVE PARTICIPATION OF NON-COMMUNIST PARTIES AND PATRIOTS IN CONSULTATION BEFORE MAJOR POLICIES ARE FORMULATED. THE SUPERVISION OF THE CPC AND THE GOVERNMENT BY THE OTHER PARTIES WILL HELP GIVE FULL PLAY TO THE ROLE OF THE NON-COMMUNIST PARTIES IN POLITICAL AFFAIRS AND REGULARIZE THE SUPERVISION SYSTEM, LI NOTED.

HOWEVER, HE STRESSED, CHINA CAN NEITHER INTRODUCE THE MULTI-PARTY SYSTEM AS IN WESTERN COUNTRIES NOR ALLOW THE EXISTENCE OF A SO-CALLED OPPOSITION PARTY. "THE SYSTEM OF EACH PARTY IN TURN GETTING A CHANCE TO RULE THE COUNTRY ADVOCATED BY THOSE WHO PERSISTED IN BOURGEOIS LIBERALIZATION IS IN ESSENCE A NEGATION OF THE SOCIALIST DEMOCRATIC SYSTEM IN WHICH THE PEOPLE ARE THE MASTERS OF THE COUNTRY," LI SAID. THE ABSOLUTE PROHIBITION OF THE BOURGEOIS DEMOCRATIC SYSTEM IN CHINA IS DIRECTLY RELATED TO THE FUNDAMENTAL SYSTEM OF CHINA AND THIS STAND BROOKS NO WAVERING, HE ADDED.

REFERRING TO CHINA'S CONTINUITY OF ITS POLICY OF OPENING TO THE OUTSIDE WORLD, LI SAID THAT CHINA WOULD, AS ALWAYS, TAKE AN ACTIVE ATTITUDE IN LEARNING FROM FOREIGN ADVANCED TECHNOLOGY AND MANAGEMENT WHILE DEVELOPING ECONOMIC CO-OPERATION WITH REST OF THE WORLD. "BUT NO ECONOMIC SANCTIONS IN ANY FORM BY WESTERN COUNTRIES CAN SCARE CHINA," HE SAID.

"NOW THAT WE HAVE SUMMED UP BOTH POSITIVE AND NEGATIVE HISTORICAL EXPERIENCES, WE HAVE A BETTER UNDERSTANDING ON CHINA'S ROAD OF DEVELOPMENT," LI SAID. "CHINA WILL ENHANCE ITS CONFIDENCE AND ABILITY TO GET OVER THE DIFFICULTIES ON THE WAY OF ADVANCE."

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BURNABY, BRITISH COLUMBIA V5A 1S6  
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October 10, 1989

Mrs. J. McCloskey,  
Assist. Dept. Minister  
Asian Pacific Branch  
External Affairs  
125 Sussex Drive  
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Dear Jean:

It was good seeing you at the PECC meeting. I marvel at how relaxed and well you look given the hectic pace you have had to keep over the past while.

I meant to add to your reading burden by giving you a copy of the attached. Not that it is a great piece of literature but I thought that you might be interested in my views of how the Chinese thing might shake down. This article was written for the B.C. Business Council membership magazine.

Best wishes and all good luck at the Australian meetings.

Yours sincerely,

William G. Saywell  
President

WGS/wj

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## TIANANMEN : THE ECONOMIC IMPLICATIONS

If there is a "school of hard knocks" in the academic world I may be forgiven by suggesting that it is in the field of "China Watching". My serious foray into Chinese affairs goes back twenty-five years. In 1967-68 I watched the madness of the Cultural Revolution and its spillover into Hong Kong while completing research for my doctorate in Chinese studies in the British colony. Five years later, in the second phase of the Cultural Revolution decade, I had the opportunity of observing the final years of Mao's China from the vantage point of the Canadian embassy in Beijing. But my academic training and first hand exposure to the country did not prepare me, or others like me, for the events of Tiananmen. The track record China Watchers have for accurate prediction is lousy. I do not expect it will improve in the future.

China's rapid swing from revolution, to reform, to repression has been momentous. The implications of its future course for the rest of the world are potentially enormous

Any number of scenarios are possible. I think the least likely is a quick return to the substance and mood of the reform and openness of the last few years. Some predict that the early death of Deng and Yang Shangkun will do the trick. I doubt it, though I hope I am wrong. Their hypothesis seems to rest on the assumption that the basic economic and political views of a small number of individuals in the powerful gerontocracy of China are not shared by a broader cross

section of younger, ambitious people in the army, party and state apparatus.

I believe that a far safer assumption on which to predict the next several years is that there is a far broader base of support for "conservative", centralized rule than a handful of top leaders. This assumption, if correct, will likely mean a prolonged period of economic slowdown and continued political repression.

The political, social and economic problems, many of them structural, will deepen during these years of conservative centralization and will eventually force China to return to basic economic reforms and political liberalization. But how long this will take is anyone's guess.

Under this scenario what kinds of policies and problems are likely to prevail over the next few years?

Perhaps the most noticeable in the economic area will be less emphasis on market forces and greater recentralization and state control. This is already happening. The return of greater state control cannot help but lead to economic slowdown, increased friction between the provinces and Beijing, and a return to greater bureaucratic control at the expense of managerial effectiveness and quality control. The extraordinary economic development of China in the past decade, especially in agriculture, has been driven by decentralization, local and individual incentives, and the freer play

of market forces. The reassertion of central state control could be devastating.

The years of reform since 1977 had their own problems. One of the most intractable was the appearance of high levels of inflation for the first time since the Communists came to power in 1949. It was close to 20% in 1988, but much higher in certain areas and for certain groups. It is likely to remain above 20% over the next year or two.

A government already devoid of legitimacy in the public mind because of the massacres, will have to appease as well as control the population. This will inevitably mean higher state controlled prices for many basic commodities which in turn will lead to higher state subsidies to keep consumer prices down. Spiralling wage and price subsidies will lead to greater indebtedness and the deepening of both structural economic problems and political discontent.

China's worsening economic situation is likely to be accompanied by a slow-down in foreign investment, higher interest rates and demands by lenders for faster pay-back periods on foreign loans. There will continue to be, at least for a while, a very significant loss in foreign currency revenues particularly from tourism. Within the next two to three years, the combined impact of these developments could push China into its first foreign debt crisis. China has had an enviable foreign debt and debt service ratio. Its external debt has only run about 10 to 11% of its GNP and it has

had a debt service ratio of 7 to 8% of export earnings. However, by 1991-92, approximately U.S. \$12 billion of its current U.S. \$39.5 billion total debt will fall due. With budgetary deficits, bond principal becoming due in 1990, the rapid disappearance of relatively easy access to foreign currency earnings, and deepening structural and infrastructure problems, China's short term economic future is anything but bright.

One of the most notable features of the reform decade was the success of the leaders in reducing expenditure on the military. In the late 1970's China sent a large number of PLA (Peoples Liberation Army) shopping expeditions abroad seeking to purchase a quick fix for their obsolescent weaponry. As it turned out, they mainly window shopped. What they discovered was that China simply could not afford to modernize both its economy and its armed forces at the same time. China greatly reduced the perception of any external threat to its national security by developing a strategic understanding with the United States and then responding positively to Gorbachev's initiatives to improve Sino-Soviet relations. With a greater sense of national security than at any time since 1949, Beijing successfully kept military expenditures near the bottom of its budgetary priorities over the past decade.

Since June the position of the army has changed. An unpopular government which turned its "Peoples Liberation Army" on its own people, came dangerously close to open conflict between different military groups. The current leadership is more dependent on the

military and will have to be more responsive to the Army's demands. In short, the armed forces will demand and receive a higher percentage of state expenditures, thus exacerbating the economic difficulties already present.

Despite the reforms of the past decade China remains a very underdeveloped country. The modernization of China has depended as much on political and intellectual liberalization and on educational reform as it has on economic change. China desperately needs the full support and loyalty of its most highly educated and trained young people. Perhaps the single most important reform of the 1980's has been the high priority the leadership has given to education, especially the training of a whole generation of new intellectual, managerial and professional leaders. Thousands of those currently studying abroad will not return home. But tens of thousands more already back in China have had their morale and motivation undermined, perhaps destroyed. Fewer young men and women are being admitted to universities, fewer are likely to go abroad, and fewer foreign experts will be willing to spend long periods of time in China. The cost of these changes for a developing nation is incalculable.

The next few years at least will see the "repoliticization" of China. Already the relatively dormant propaganda mills have been revved up, political study groups of citizens reinstated, the dispatch of students to the countryside resumed. In the long run it won't work. The domination of political over pragmatic policies and

priorities from 1957 to 1977 slowed China's economic development by many years. It was only in the 1980's that China's struggle to modernize began to make significant headway. That struggle has not been stopped. But it will be seriously undermined by the re-emergence of bureaucratic centralized, political control over a population which will be characterized by political cynicism and economic lethargy.

The proverbial bottom line is that China is engaged in a race against time. Its current political crisis will lead to a major slowdown in economic growth. Its massive infrastructure problems, especially in transportation and communications, will be less easily or speedily overcome. And beneath it all lies the fundamental challenge of controlling its population.

When China launched its reforms in the late 1970's it hoped to attain the status of a modernized power by the turn of the century. In its plans to reach that goal, it assumed that its population, which then stood at about 1 billion people, would rise to 1,200,000,000 by the year 2000. In other words, it hoped to keep its increase in population in this period to a mere 200 million people - almost the total population of the United States! The Chinese now admit what many of us from the outside have warned all along, that the population at the turn of the century is much more likely to be between 1,250,000,000 to 1,300,000,000.

Ironically, greater centralization and greater political control may provide the regime with better success in controlling population growth. But the rate will remain far too high over the foreseeable future. Remember too, that at least 250 million of that population are illiterate and that China approximately one third the amount of fertile land per capita that India possesses. Only about 17% of China is cultivated. The relative weakening or slowing of the Chinese economy under these conditions makes it very difficult to be an optimist about China's short term future.

Where does this leave the rest of us? With a lot of question marks, doubts and concerns. It is in our interest, as well as that of China, to keep the doors open. Unquestionably, there are profits to be made in the China trade. But this is a time in which business people should be extremely cautious.

Given its general economic and particularly its foreign exchange problems, China will attempt to move more to barter and countertrade. Problems of quality control, reliability of delivery dates, and certainty of timely repayment will grow. For the moment, the Chinese are bending over backwards to prove they are still committed to the open door. For some foreign business people this is attractive. For them it is a time to gamble. For me, it would be a time to sit on the sidelines.

The situation over the next few years could be far worse than what I have portrayed. The scenario I have presented is just one of

many possible scenarios. Others could involve considerable political instability and the growth of regional tensions, including military divisions, to the point of open rivalry and conflict. I think such a scenario is unlikely, but it is not impossible. It is also not impossible that a succession of rapid changes in the top leadership could lead to a quick shakeout of the rival factions and the early re-emergence of a leadership less dependent on the military and more committed to both economic and political reform. This scenario too is unlikely, but it is possible.

I learned a long time ago never to give better than about 6 to 4 odds on any China prediction . I'm not sure that I'm even prepared to risk those odds when looking at the next five to ten years.

William G. Saywell  
President  
Simon Fraser University

**ACTION  
SUITE A DONNER**

RETURN TO RENOYER AU	2:00	FOR FILING FOUR - ETRÉ PORTE AU DOSSIER
ACC 618978	REF DATE	DOSSIER
FILE	20-CHINA-1-4	

*see new memo 3 + 12  
- AH - memo 13 - re NHA 16*

C O N F I D E N T I A L

FM PEKIN WJGR3673 09OCT89

TO EXTOTE PNR DELIVER BY 120900

INFO HKONG TOKYO SEOUL MANIL JKRTA SPORE KLMPR BNGKK DELHI ISBAD

WSHDC LDN PARIS BONN ROME MOSCO CIDADHULL/BSC PCOOTT/IAC/DOYLE

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

DISTR MINA USS PGB PND PSD PSR PNC FGP CPP CPD INP INE

REF OURTELS WJGR3672 03OCT, WJGR3683 12OCT

---DENG REESTABLISHES HIS AUTHORITY

SUMMARY: RE-EMERGENCE OF DENG XIAOPING AND PROMINENCE GIVEN CPP GENERAL SECRETARY JIANG ZEMIN IN STATE MEDIA OVER LAST TWO WEEKS IS FIRST CLEAR SIGN SINCE JUNE THAT DENG HAS REESTABLISHED HIS UNDISPUTED AUTHORITY AND HAS ONCE AGAIN ACHIEVED AT LEAST A TEMPORARY FACTIONAL BALANCE WITHIN PARTY. JIANGS RECORD OF IMPLEMENTING REFORM BUT CRACKING DOWN ON POLITICAL DISSENT TYPIFIES HIM AS PRAGMATIC MARXIST/LENINIST IN DENGIST MOLD. RELATIVE POLITICAL STABILITY THAT WILL ENSUE WILL, HOWEVER, PROBABLY BE SHORT-TERM. SINCE JIANG HAS NOTHING LIKE POWER BASE ENJOYED BY HIS PREDECESSORS HU YAOBANG AND ZHAO ZIYANG, DURABILITY OF CURRENT BALANCE IN NEAR TERM WILL DEPEND ON DENG WHO, DESPITE RUMOURS OF ILL HEALTH OVER THE SUMMER, IS NOW REGULARLY GREETING VISITORS IN PUBLIC AND APPEARS TO BE IN AS GOOD HEALTH AS ANY 85 YEAR OLD COULD EXPECT.

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CONFIDENTIAL  
REMOVAL OF CONFIDENTIALITY

PAGE TWO WJGR3673 CONF

2. IN ANOTHER SIGN OF DENG'S ATTEMPTS TO RECAPTURE MIDDLE GROUND, GOVT SPOKESMAN, YUAN MU, IN A 10 OCT SIGNED ARTICLE CALLED JIANG'S NATIONAL DAY SPEECH QUOTE THE POLITICAL DECLARATION OF CHINA'S THIRD GENERATION LEADING BLOC UNQUOTE. THIS LEADERSHIP COLLECTIVE IS TO GUARD AGAINST THE EXTREMES OF LEFTISM AND RIGHTISM. IN FACT, THE ARGUMENTS ADVANCED IN JIANG'S SPEECH ARE TO LARGE EXTENT REITERATION OF LINE ESTABLISHED AT OCTOBER 1988 13TH PARTY CONGRESS, SEEN AT THE TIME AS BIG VICTORY FOR REFORMISTS. AS FURTHER MEASURE OF MODERATE STRENGTH, RECENT REMARKS BY JIANG AND OTHER LEADERS STRONGLY SUGGEST THAT OUSTED PARTY SEC GEN ZHAO WILL NOT BE PUT ON TRIAL AND WILL EVEN REMAIN PARTY MEMBER. OTHER LIBERAL FIGURES IN PARTY AND GOVT HAVE NOT BEEN PURGED OR ARE NOT BEING TREATED AS HARSHLY AS ONE MIGHT HAVE EXPECTED.

3. IN SUM, CHINA APPEARS TO BE EMERGING FROM FOUR MONTHS OF GREAT POLITICAL UNCERTAINTY THOUGH IT IS STILL UNCLEAR HOW STRONGLY CHILL WINDS OF REPRESSION WILL FINALLY BLOW. WHILE PRC LEADERSHIP REMAINS UNPOPULAR, RELIES ON TROOPS TO MAINTAIN ORDER IN ITS CAPITAL AND HAS IMPRISONED THOUSANDS IT HAS NOT ALREADY KILLED, THERE ARE PROSPECTS OF PERIOD OF POLITICAL STABILITY AND CONTINUATION OF MODERATE REFORMIST POLICIES, DENG'S HEALTH WILLING. FOR LEADERSHIP THIS IS VITAL SINCE CHINA'S DETERIORATING ECONOMIC SITUATION, NOW BEING AGGRAVATED BY THE WESTERN BOYCOTT OF FINANCIAL AID, MAY SOON PUT NEW AND SEVERE STRAINS ON PARTY AND GOVT. FOR SHORT TO MEDIUM TERM, PRC

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PAGE THREE WJGR3673 CONFID

LEADERSHIP WE WILL BE DEALING WITH WILL BE POLITICALLY MORE  
CONFIDENT FLLWG BASICALLY SAME OFFICIAL REFORM/OPEN DOOR SCRIPT OF  
LAST SEVERAL YEARS BUT PREOCCUPIED BY ECONOMIC WORRIES. AS SITUATION  
CLARIFIES, PRELIMINARY DECISIONS SHOULD SOON BE POSSIBLE ON REVISED  
STRATEGY FOR CDA-PRC RELNS. //

4. REPORT: OVER LAST TWO WEEKS STATE MEDIA AND PROPAGANDA DEPT HAVE  
GIVEN UNUSUAL PROMINENCE TO PARTY SEC GEN JIANG ZEMIN. BEGINNING  
WITH PRESS CONFERENCE WHERE HE WAS PRINCIPLE SPOKESMAN (OURTEL WJGR  
3655 27SEP) AND FOLLOWED BY HIS NATIONAL DAY ADDRESS (OURTEL WJGR3672  
Ø3OCT) WHICH HAS NOW BEEN OFFICIALLY TERMED QUOTE IMPORTANT UNQUOTE,  
JIANG HAS BECOME PERSON THROUGH WHOM PARTY SPEAKS. HE APPEARS PUBLICLY  
BESIDE DENG AND SOMETIMES SHARES HEADLINES WIT HIM. FOR DAYS NOW,  
MEDIA HAS BEEN FULL OF REPORTS OF CHINESE FROM ALL WALKS OF LIFE  
STUDYING JIANGS QUOTE IMPORTANT UNQUOTE SPEECH. DENG'S ØØJUN SPEECH  
WAS QUALIFIED AS QUOTE VERY IMPORTANT UNQUOTE.

5. NONE OF THIS COULD HAPPEN WITHOUT DENG'S APPROVAL. DENG IS FEELING  
CONFIDENT ENOUGH NOW TO PUSH FORWARD MAN HE PERSONALLY CHOSE TO  
REPLACE ZHAO AND THUS TO REASSERT CENTRIST DENGIST STAMP ON PARTY  
AND GOVT, IE ECONOMIC REFORM AND OPEN DOOR, COUPLED WITH INTOLERANCE  
OF POLITICAL DISSENT. AS FORMER PARTY SECRETARY IN SHNGI WHO DEMON-  
STRATED JUST THESE QUALITIES, JIANG IS PERFECT VEHICLE THROUGH WHICH  
DENG CAN EXERCISE SUPREME POWER. JIANG, HOWEVER, HAS NO POWER BASE TO  
SPEAK OF. THIS MEANS THAT ALTHOUGH A CERTAIN POLITICAL STABILITY HAS  
BEEN ACHIEVED FOR NOW, IT IS ENTIRELY DEPENDENT ON DENG'S STATE OF  
HEALTH.

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PAGE FOUR WJGR3673 CONFD

6. AFTER OVER THREE MONTHS SILENCE ON DENG'S ACTIVITIES, HE HAS SUDDENTLY BOUNCED BACK ONTO FRONT PAGES OF NEWSPAPERS AND IN FRONT OF TV CAMERAS. BEGINNING THREE WEEKS AGO, HE HAS MET PUBLICLY WITH TD LEE (CHINESE-AMERICAN NOBEL-PRIZE WINNING PHYSICIST), FORMER JPNSE FORMIN ITO, OVER 1000 MODEL WORKERS AND PLO LEADER ARAFAT. ON TOP OF THIS HE PRESIDED OVER NATIONAL DAY FESTIVITIES DURING WHICH HE CHATTED WITH ALEXANDER HAIG AND NKOREAN PARTY LEADER, AMONGST OTHERS. DENG APPEARS TO BE IN GOOD HEALTH, HE IS SAID TO BE LUCID AND WALKING WITH A STEADY GAIT.

7. AUSTRALIAN DOCTOR, WHO HAS TALKED TO PHYSICIAN FRIEND OF DENG'S UROLOGIST, CONFIRMS THAT DENG HAS FOR SOME TIME BEEN SUFFERING FROM PROSTRATE CANCER BUT THAT AT HIS AGE, DISEASE CAN BE CONTROLLED. HE SAID DENG HAS BEEN TAKING CORTISOME TREATMENT, WHICH ACCOUNTS FOR PUFFY FACE WE HAVE SEEN ON TV AND THIS MAY INDUCE PERIODS OF HYPER-ACTIVITY ACCORDING TO AUSTRALIAN DOCTOR. AT ANY RATE, HE BELIEVES, DENG IS MORE LIKELY TO DIE OF OTHER CAUSES.

8. WHETHER DENG'S PROLONGED ABSENCE FROM PUBLIC VIEW WAS RESULT OF THIS OR SOME OTHER ILLNESS OR WHETHER HE BEAT A STRATEGIC RETREAT WHILE FACTIONS FOUGHT OVER EXTENT TO WHICH CRACKDOWN SHOULD BE TAKEN (LATTER MORE LIKELY IN OUR VIEW), FACT IS THAT CHINA APPEARS TO BE EMERGING FROM THREE MONTHS OF GREAT POLITICAL UNCERTAINTY. POLITICAL WINDS OVER SUMMER BLEW HOT AND COLD. AT FIRST IT APPEARED

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PAGE FIVE WJGR3673 CONF D

THAT A MASSIVE 1970S STYLE POLITICAL CAMPAIGN WAS BEING PREPARED, BUT SO FAR LITTLE MORE HAS COME OF IT THAN A STEPPED UP ANTI-CORRUPTION DRIVE. EFFORTS TO RECENTRALIZE ECONOMIC CONTROL HAVE SO FAR GONE LITTLE BEYOND ECONOMIC RETRENCHMENT PROGRAM ANNOUNCED AT THIRD PLENUM ONE YEAR AGO. ANTI-BOURGEOIS LIBERALIZATION HAS BEEN A PRINCIPAL AND POTENTIALLY DANGEROUS SLOGAN, BUT IN HANDS OF POLITBUROS MOST LIBERAL MEMBER, PROPOAGANDA CHIEF LI RUIHUAN, MOST OF ENERGY HAS BEEN DIRECTED INTO AN ANTI-PORNOGRAPHY CAMPAIGN. FOR MONTHS THE RHETORIC AND INNUENDO USED AGAINST ZHAO ZIYANG LED ONE TO BELIEVE THAT HE WOULD AT LEAST BE REMOVED FROM PARTY AND POSSIBLY SENT TO TRIAL. YET RECENT STATEMENTS BY JIANG ZEMIN, LU RUIHAN AND VICE MINISTER OF CULTURE YING RUOCHENG HAVE ALL STRONGLY HINTED THAT ZHAO WILL REMAIN A PARTY MEMBER. EVEN PUBLICATION OF ANOTHER VOLUME OF DENG'S SELECTED WORKS AND EXTENSIVE REPRINTING OF HIS OLD SPEECHES IN MEDIA SUGGESTED A SHIFT BACK TO 70S STYLE, CULT FIGURE POLITICS. BUT THIS HAS NOT YET DEVELOPED.

9. MORE SURPRISING STILL, PURGE OF PARTY AND GOVT REFORMISTS HAS BEEN LIMITED AND A NUMBER OF LIBERAL FIGURES HAVE BEEN UNTOUCHED OR TREATED MILDLY. FOR INSTANCE, KEY REFORMIST AND PROTEGE OF ZHAO, GAO SHANGQUAN, IS STILL VICE-MINISTER OF STATE COMMISSION FOR REFORM OF ECONOMIC STRUCTURE AND LAST WEEK GAVE A SPEECH TO FOREIGN BUSINESSMEN THAT URGED CONTINUATION OF SUCH ZHAOIST EXPERIMENTS AS JOINT-STOCK COMPANIES. HU QILI, WHO IS THOUGHT TO HAVE WAVERED IN FAVOUR OF

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PAGE SIX WJGR3673 CONF

ZHAO IN MAY AND JUNE AND WAS RELIEVED OF ALL HIS IMPORTANT POSTS, IS STILL CENTRAL CTTEE MEMBER AND WAS SEATED CLOSE TO FRONT OF OFFICIAL BANQUET CELEBRATING NATIONAL DAY. FAMOUS TRANSLATOR ~~YANG XIANYI~~, WHO WAS INTERVIEWED WIDELY FOR WESTERN TV AND WHO BITTERLY DENCOUNCED LI PENG ON BBC IS STILL AT HIS JOB. RESPECTED LIBERAL WHO SIGNED PETITION FOR RELEASE OF POLITICAL PRISONERS HAS BEEN PROMOTED TO A PRESTIGIOUS CULTURAL POSITON. ALL THIS SUGGESTS DENGIST BALANCING HAND AT WORK. 10. OF COURSE NONE OF THIS CAN ERASE FACT THAT CHINESE LEADERSHIP IS UNPOPULAR, RELIES ON TROOPS TO KEEP ORDER IN ITS CAPITAL AND CONTINUES TO DETAIN THOUSANDS IT HAS NOT ALREADY KILLED WITHOUT TRIAL. HOWEVER DENG'S SUDDEN RETURN TO ACTIVE PUBLIC LIFE AND JIANG'S RISING PROMINENCE ARE CLEAREST INDICATION SO FAR THAT FACTIONAL RIVALRY WILL BE SUPPRESSED FOR NOW AND THAT PERIOD OF POLITICAL STABILITY WILL ENSUE FOR AT LEAST AS LONG AS DENG REMAINS HEALTHY. IT MAY ALSO MEAN THAT POLITICAL DEEP FREEZE SOUGHT BY HARDLINERS WILL NOT BE REALIZED. THIS WILL BE OF GREAT IMPORTANCE IN TACKLING CHINA'S ECONOMIC SITUATION WHICH HAS BEEN EXACERBATED BY WEST'S SUSPENSION OF FINANCIAL CREDITS. FACTIONAL STABILITY WILL ENCOURAGE RETURN OF SOME BUSINESS AND INVESTMENT BUT ITS DURABILITY IS UNCERTAIN. FOR NEXT YEAR AT LEAST, PRC LEADERSHIP WE WILL BE DEALING WITH WILL BE POLITICALLY MORE CONFIDENT BUT PREOCCUPIED BY ECONOMIC WORRIES.

11. THE PARTY PLENUM WILL BE NEXT OPPORTUNITY TO SEE HOW LEADERSHIP HAS JELLED. THE PLENUM WAS ORIGINALLY SCHEDULED FOR THIS MONTH BUT

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PAGE SEVER WJGR3673 CONFD

NOW IT APPERS WILL NOT TAKE PLACE UNTIL NOV. IN THE LAST MONTH AS POLITICAL RHETORIC HAS BEEN TONED DOWN, STANDING CITEE AT THEIR PRESS CONFERENCE ON 27SEP GAVE NOTICE THAT THE MAIN TOPIC FOR THE PLENUM WOULD BE THE ECONOMY. IF THIS TURNS OUT TO BE CASE, IT WOULD BE FURTHER EVIDENCE THAT POLITICAL STABILITY HAS BEEN ACHIEVED AND ATTENTION CAN BE FOCUSSED ON ECONOMY.

12. AS DOMESTIC POLITICAL SITUATION CLARIFIES, WE WILL BE IN POSITION TO BEGIN PLOTTING STRATEGY FOR CDN PRC RELNS IN POST-TIANANMEN CLIMATE; TO BEGIN SEEKING PRACTICAL STEPS WHICH SHOULD BE TAKEN TO ON ONE HAND MAINTAIN APPROPRIATE LEVEL OF POLITICAL DISAPPROVAL OF HUMAN RIGHTS SITUATION AND ON OTHER HAND PROTECT CDN POLITICAL, ECONOMIC AND COMMERCIAL INTERESTS.

POST SCRIPT:

13. YOU MAY WISH TO USE SUMMARY OF THIS REPORT AS QUOTE ANNEX UNQUOTE TO THIS WEEKS NAB. IT WAS DRAFTED WITH THIS IN MIND.

CCC/059 120821Z WJGR3673

PSR

CLAS: UNCLASSIFIED      SECURE

FROM: PEKING

CHARGE CODE: 861

TO : WELLINGTON      01155-ROUTINE

RPTD: HONG KONG      00208-ROUTINE

LD : SERT (NAD EAB)

SUBJ: CHINA : NATIONAL DAY : SPEECHES

RETURN TO RENOYER AU		<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE	
FILE		DOSSIER	
20-CHINA-1-4			
CPAS			

THE CELEBRATIONS FOR THE FORTIETH ANNIVERSARY OF THE FOUNDING OF THE PRC WERE IN THE EVENT A RELATIVELY LOW-KEY AFFAIR. THEY WERE THE OCCASION FOR JIANG ZEMIN AND LI PENG TO MAKE IMPORTANT POLITICAL SPEECHES IN THE NATURE OF A STATE OF THE NATION ADDRESS. THESE SPEECHES CONFIRMED THAT A TOUGH LINE HAS NOW GELLED WITHIN THE PARTY. THEY ALSO PUT JIANG ZEMIN FORWARD AS THE MOST IMPORTANT FIGURE IN THE CHINESE LEADERSHIP, WITH LI PENG AND DENG XIAOPING BOTH TAKING BACK SEATS. WE WILL COMMENT SEPARATELY IN MORE DETAIL ON THE BROADER POLITICAL SIGNIFICANCE OF THE 40TH ANNIVERSARY CELEBRATIONS. FOR THE TIME BEING, WE SET OUT BELOW SOME OF THE MORE INTERESTING POINTS OF THE ADDRESSES GIVEN BY JIANG ZEMIN AND LI PENG (COPIES OF FULL TEXTS BY BAG) ON 29 AND 30 SEPTEMBER.

- THE 40TH ANNIVERSARY COMES CLOSE ON THE HEELS OF CHINA'S DECISIVE VICTORY IN QUELLING THE COUNTER-REVOLUTIONARY TURMOIL DURING WHICH INTERNATIONAL ENEMY FORCES HAD ATTEMPTED TO SUBVERT THE SOCIALIST SYSTEM, OVERTHROW THE LEADERSHIP OF THE CCP, AND TURN CHINA INTO A VASSAL OF WESTERN CAPITALIST POWERS. VICTORY IN THE STRUGGLE WAS ONLY POSSIBLE ONCE ZHAO ZIYANG'S MISTAKES (SUPPORTING THE TURMOIL AND SPLITTING THE PARTY) HAD BEEN DEALT WITH.

- THE SOCIALIST ROAD CHOSEN BY THE CHINESE PEOPLE UNDER THE GUIDANCE OF THE CCP HAS ESTABLISHED A POLITICAL SYSTEM WHICH WILL ALLOW DEMOCRATISATION OF MANY ASPECTS OF LIFE, AND HAS ACHIEVED UNPRECEDENTED ECONOMIC PROGRESS. ANY DOUBT OR NEGATION OF ACHIEVEMENTS IS GROUNDLESS, WRONG AND HARMFUL. AT THE SAME TIME NOT ACKNOWLEDGING MISTAKES IS GROUNDLESS, WRONG AND HARMFUL. BOTH 'LEFTIST' AND RIGHTIST MISTAKES MUST BE CORRECTED.

- FOUR BASIC CONCLUSIONS FROM THE PAST 40 YEARS OF HISTORY:

- (1) THE SOCIALIST SYSTEM IS CORRECT AND WITHOUT IT, CHINA COULD NOT REALISE THE PEOPLE'S COMMON DESIRE FOR PROSPERITY.,

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- (2) SOCIALISM REQUIRES CONSTANT DEVELOPMENT AND IMPROVEMENT ON ITS OWN BASIS.,
- (3) THE CHINESE PEOPLE WILL NEVER SUBMIT TO FOREIGN PRESSURE.,
- (4) THE CCP IS THE CORE OF THE CHINESE REVOLUTION. IT IS NECESSARY TO IDENTIFY AND CORRECT THE MISTAKES OF THE PARTY.

- DENG'S THEORY OF BUILDING SOCIALISM WITH DISTINCTIVE CHINESE CHARACTERISTICS IS THE BARRIER GUIDING CHINA'S CONTINUED ADVANCE. IN THE PRIMARY STAGE OF SOCIALISM, CHINA MUST UNSWERVINGLY IMPLEMENT THE LINE OF THE 13TH PARTY CONGRESS AND CONTINUE TO CARRY OUT THE OPEN-DOOR POLICY. BUT CHINA WILL NOT ALLOW INTERNATIONAL ENEMY FORCES TO TAKE ADVANTAGE OF THE OPPORTUNITY TO INFILTRATE AND SUBVERT THE SOCIALIST SYSTEM.

- SOME IMPORTANT QUESTIONS ON WHICH THERE MUST BE UNIFIED UNDERSTANDING OF THE WORK OF THE PARTY AND STATE:

- (1) UPHOLDING THE FOUR CARDINAL PRINCIPLES/REFORMS AND THE OPEN DOOR. THERE IS A SHARP DIVERGENCE IN VIEWS HERE, WHICH IS EXPRESSED IN THE QUESTION OF WHETHER OR NOT THE REFORMS AND OPEN DOOR SHOULD UPHOLD THE DIRECTION OF SOCIALISM. VARIOUS POLICIES ALREADY ANNOUNCED BY THE CENTRAL COMMITTEE AND STATE COUNCIL, INCLUDING POLICIES ON SEZ'S AND THE OPEN COASTAL AREA, WILL CONTINUE TO BE CARRIED OUT AND PROGRESSIVELY IMPROVED. PILOT REFORMS WHICH HAVE BEEN DECIDED ON WILL GO AHEAD AND AREAS IN WHICH COMPREHENSIVE REFORMS ARE BEING TRIED OUT WILL CONTINUE TO EXPERIMENT AND SUM UP THEIR EXPERIENCES.
- (2) THE POLICY OF RECTIFYING THE ECONOMIC ORDER AND IMPROVING THE ECONOMIC ENVIRONMENT WILL NEED TO BE CARRIED OUT FOR THREE YEARS OR A LITTLE LONGER, UNTIL THE PROBLEM OF DEMAND EXCEEDING SUPPLY IS RESOLVED AND INFLATION ELIMINATED TO BRING THE ECONOMY OUT OF ITS DIFFICULTIES. IT WILL BE NECESSARY TO STRENGTHEN CENTRAL AUTHORITY AND OPPOSE EXCESSIVE DECENTRALISATION. SEPARATING REFORMS FROM THESE POLICIES IS WRONG.
- (3) THE SOCIALIST ECONOMY IS A PLANNED COMMODITY ECONOMY BASED ON THE SYSTEM OF PUBLIC OWNERSHIP. THE NON-PUBLIC SECTOR MAY DEVELOP IN ACCORDANCE WITH THE COUNTRY'S LEVEL OF PRODUCTIVE CAPACITY AND WITH OBJECTIVE NEEDS, BUT LARGE AND MEDIUM STATE-OWNED ENTERPRISES REMAIN THE MAINSTAY.
- (4) THE DEVELOPMENT OF DIVERSE ECONOMIC SECTORS GIVES RISE TO VARIOUS FORMS OF DISTRIBUTION OF WEALTH., WE MUST PREVENT AND CORRECT THE PROBLEM OF UNFAIR SOCIAL DISTRIBUTION.
- (5) THE DEVELOPMENT OF BASIC INDUSTRIES (AGRICULTURE, ENERGY, COMMUNICATIONS, TRANSPORT, RAW MATERIALS) MUST BE STRENGTHENED AND PROCESSING INDUSTRIES AND NON-PRODUCTIVE CONSTRUCTION CONTROLLED.

- (6) CHINA MUST DISTINGUISH BETWEEN SOCIALIST DEMOCRACY AND EXTREMIST DEMOCRACY/ANARCHY. THE LATTER HAS A BROAD SOCIAL BASE IN CHINA WHICH CAN BE MADE USE OF BY A SMALL MINORITY OF REACTIONARIES.
- (7) REAFFIRM THE GUIDING ROLE OF MARXISM-LENINISM AND SOCIALISM IN THEORY, PROPAGANDA, PUBLICATIONS, ARTS AND CULTURE ETC.
- (8) A SMALL NUMBER OF PEOPLE ARE TRYING TO CREATE A 'MIDDLE CLASS' IN CHINA TO ACT AS THEIR SUPPORT TO SUBVERT THE SOCIALIST SYSTEM. CHINA MUST STRENGTHEN THE WORKER/PEASANT ALLIANCE TO ENSURE SOCIAL STABILITY. TAKE A FIRM STAND AGAINST ALL PLOTS TO SPLIT THE MOTHERLAND.
- (9) DEMOCRATIC CENTRALISM MUST BE CARRIED OUT AT ALL LEVELS OF THE PARTY AS PART OF PARTY BUILDING - PAY ATTENTION TO BUILDING UP GRASS ROOTS ORGANISATIONS.

- ALTHOUGH A SITUATION OF DETENTE IS REPLACING ONE OF CONFRONTATION, INTERNATIONAL REACTIONARY FORCES HAVE NOT ABANDONED THEIR HOSTILITY TOWARDS THE SOCIALIST SYSTEM AND THEIR ATTEMPTS TO SUBVERT IT. ECONOMIC SANCTIONS IMPOSED BY SOME WESTERN COUNTRIES WILL CAUSE SOME TEMPORARY PROBLEMS FOR CHINA, BUT THIS WILL STIMULATE THE CHINESE PEOPLE TO EVEN GREATER ENTHUSIASM TO MAKE THEIR COUNTRY STRONG THROUGH SELF-RELIANCE.

- 'ONE COUNTRY, TWO SYSTEMS' IS A BASIC POLICY OF CHINA. THE CAPITALIST SYSTEM IN HONG KONG WILL NOT CHANGE BUT CHINA WILL NOT ALLOW HONG KONG TO BE USED AS A BASE TO OVERTHROW THE CENTRAL GOVERNMENT. THE EFFORTS OF PEOPLE ON BOTH SIDES OF THE TAIWAN STRAITS HAVE BROUGHT ABOUT ENCOURAGING CHANGE IN THE RELATIONS BETWEEN TAIWAN AND THE MAINLAND. BUT TAIWAN AUTHORITIES CONTINUE THEIR POLICY OF DISTANCE AND OPPOSITION TO THE CCP, WHICH HAS HELPED DEVELOP THE INDEPENDENT TAIWAN MOVEMENT. CHINA FIRMLY OPPOSES THIS.

(FILE : 84/1/1, 82/1/1)

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COL : 129 1155 208 40TH 29 30 SEPT 40TH 40 13TH  
04/0900LT PEK  
PEK 129

TORW 04/10/89 13:35:24

**ACTION  
SUITE A DONNER**

P R O T E C T E D  
FM PEKIN WJGR3669 030CT89  
TO EXTOTT PNR DELIVER BY 030900  
INFO HKONG WSHDC PARIS LDN MOSCO TOKYO  
BAG SHNGI DE PEK  
DISTR PGB PND PNC PGP BMM  
---PRC NATIONAL DAY

FOR FILING  
RETURN TO RENOYER AU  
POUR - ETRE  
AU DOSSIER

ACC  
616970

FILE  
20-CHINA-1-4

DESPITE MASSIVE FIREWORKS AND VARIOUS ATTEMPTS TO INJECT FESTIVE AIR INTO 40TH ANNIVERSARY CELEBRATIONS MOOD OF MAJORITY IN BEIJING WAS RELAXED BY SUBDUED. ALL SPECIAL ACTIVITIES WERE HIGHLY ORGANIZED. ONLY INVITED GUESTS OR SPECIALLY ORGANIZED REPRESENTATIVE GROUPS WERE (AND ARE STILL) ALLOWED ONTO TIANANMEN SQUARE. THOSE WHO ATTENDED CULTURAL PERFORMANCES IN MAJOR PARKS HAD TO CARRY SPECIAL TICKETS ISSUED BY THEIR WORK UNITS. MOST CITY RESIDENT SPENT THE DAY AT HOME AND VENTURED OUT INTO THE STREET IN THE EVENING TO CATCH THE FIREWORKS.

2. IN ADDITION TO PLAINCLOTHES POLICE REPORTED TO BE AT ALL ACTIVITIES THERE WAS HEAVY CONTINGENT OF UNIFORMED PEOPLES ARMED POLICE. HOWEVER NO DEMONSTRATIONS OR INCIDENTS OF SABOTAGE WERE REPORTED.

3. AS YOU ARE AWARE AMBASSADORS WERE INVITED TO ATTEND RECEPTION (HOSTED BY PREMIER LI PENG) AND CULTURAL PERFORMANCE ON 30 SEP. AMBASSADOR DRAKE, EC 12 AND USA AMBASSADORS ATTENDED RECEPTION BUT NOT CULTURAL PERFORMANCE. PERFORMANCE WAS CO-SPONSORED BY MINISTRY OF CULTURE, THE PEOPLES LIBERATION ARMY AND THE MUNICIPALITY OF

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PAGE TWO WJGR3669 PROTECTED

BEIJING. JAPANESE AMBASSADOR DID ATTEND THE CULTURAL PERFORMANCE. WE, EC12 AND AMERICANS DECLINED INVITATION TO WATCH FIREWORKS FROM TIANANMEN ROSTRUM. JAPANESE SENT THEIR NUMBER TWO.

4. CDN MEDIA CLOSELY OBSERVED AMBS PRESENCE AT RECEPTION AND QUERIED WHETHER HE HAD APPLAUDED PREMIER LI PENG'S ADDRESS. HE REPLIED HE HAD NOT BUT HE HAD RISEN FOR FINAL TOAST WHICH WAS CONFIRMED TO THE ANNIVERSARY OF THE FOUNDING OF THE PEOPLES REPUBLIC, SOCIALIST MODERNIZATION, NATIONAL UNITY, AND WORLD PEACE AND FRIENDSHIP.

5. ALL MAJOR ELADERS DENG XIAOPING, JIANG ZEMIN, LI PENG, YANG SHANGKUN, WANG ZHEN, LI XIANNIAN AND CHEN YUN MADE APPEARANCES OVER THE WEEKEND. FRAIL LOOKING DENG MET SEVERAL FOREIGN GUESTS INCLUDING ALEXANDER HAIG WHO WAS HERE FOR CITIC SEMINAR. TELEVISION IMAGES REINFORCED THE PERCEPTION OF CHINA RULED BY AGED LEADERSHIP SOME OF WHOM LOOKED VIRTUALLY AT DEATH'S DOOR.

6. SEPARATE TEL ON CONTENTS OF VARIOUS SPEECHES.

CCC/059 030843Z WJGR3669

PSR

MESSAGE NUMBER: I 28201  
28 SEPTEMBER 1989

J PAGE 1

CLAS: UNCLASSIFIED

SECURE

FROM: PEKING

CHARGE CODE: 861

TO : WELLINGTON 01141-ROUTINE

RPTD: HONG KONG 00203-ROUTINE

LD : SERT (NAD EAB ECO)

SUBJ: CHINA : JIANG ZEMIN : PRESS CONFERENCE

RETURN TO RENVOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE	
				PORTE AU DOSSIER	
ACC	REF	DATE			
FILE					DOSSIER
20-China-1-47					
CDAS					

JIANG ZEMIN AND HIS FIVE CCP POLITBURO STANDING COMMITTEE COLLEAGUES GAVE A PRESS CONFERENCE ON 26 SEPTEMBER FOR FOREIGN AND CHINESE JOURNALISTS. WE ARE SENDING YOU SEPARATELY THE XINHUA TRANSCRIPT OF THE CONFERENCE WHICH CONTAINS SOME CLEAR STATEMENTS OF CHINESE POLICY (OR LACK OF POLICY) IN CERTAIN KEY AREAS, NOTABLY ECONOMIC AND POLITICAL STRUCTURAL REFORM, TREATMENT OF THOSE INVOLVED IN THE DEMONSTRATIONS, HONG KONG/ TAIWAN. THERE ARE ALSO ONE OR TWO COMMENTS ON DENG'S SUCCESSION AND ZHAO'S FATE. THERE IS LITTLE NEW OF SUBSTANCE, BUT JIANG ZEMIN HAS MADE HIS DEBUT ON THE INTERNATIONAL STAGE.

2 THE PRESS CONFERENCE, THE FIRST AT SUCH A SENIOR LEVEL SINCE THE NPC IN APRIL AND THE FIRST JOINT PUBLIC APPEARANCE OF THE POLITBURO STANDING COMMITTEE IN ITS OWN RIGHT, WAS AN IMPORTANT PUBLIC RELATIONS EXERCISE FOR EXTERNAL AND DOMESTIC PUBLIC CONSUMPTION PRE-NATIONAL DAY. WHEN JIANG ZEMIN'S SELECTION AS THE NEW GENERAL SECRETARY WAS ANNOUNCED IN LATE JUNE, MANY SAW HIM AS AN ATTEMPT TO GIVE AN ACCEPTABLE FACE TO THE LEADERSHIP THAT HAD JUST ARRANGED THE MASSACRE OF 4 JUNE. THIS CONFERENCE BEARS OUT THAT ANALYSIS. IT WAS CLEARLY STAGE-MANAGED TO PRESENT TO THE WORLD THE PLEASANT SMILING JIANG, ABLE TO HANDLE FOREIGN REPORTERS WITH THE OCCASIONAL JOKE AND PHRASE OF ENGLISH OR RUSSIAN. LI PENG WAS VERY MUCH SECOND FIDDLE. IT WAS AS DENG HAD DECREED, JIANG ZEMIN AT THE CORE OF THE NEW LEADERSHIP.

3 THE CHINESE ARE WELL AWARE OF CONCERNS IN THE WEST THAT CHINA'S REFORMS AND OPEN-DOOR POLICY MAY BE IN A STATE OF FLUX. SINCE OUR 1130, THE PEOPLE'S DAILY HAS PUBLISHED AN EDITORIAL ON 22 SEPTEMBER RESPONDING TO THESE CONCERNS. THIS IS THE SAME LINE FOLLOWED AT THE PRESS CONFERENCE. THE ECONOMIC REFORMS AND THE OPEN-DOOR POLICY, AT LEAST THOSE MEASURES ALREADY APPROVED, ARE TO CONTINUE THEIR GENERAL DIRECTION, BUT THE AUSTERITY POLICIES WILL INTRODUCE "NECESSARY ADJUSTMENTS". THESE ADJUSTMENTS, WE ARE TOLD, WILL NOT ALTER THE GENERAL DIRECTION OF THE REFORMS. THIS APPLIES TO THE COASTAL STRATEGY, THE CONTRACT SYSTEM, AND TO POLICIES ON PRIVATE ENTERPRISE

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AND TOWNSHIP ENTERPRISES. OUR 1130 SUGGESTED THAT IN FACT THERE ARE SOME SUBSTANTIVE CHANGES TAKING PLACE IN THE REFORM PROGRAMME. JIANG ALSO REVEALED THAT THE FIFTH PARTY PLENUM, FOR WHICH NO DATE HAS BEEN SET, WILL FOCUS ON THE THREE-YEAR ECONOMIC AUSTERITY PLAN, PRESUMABLY THE ONE THE STATE PLANNING COMMISSION HAS BEEN WORKING ON. FURTHER CONSIDERATION OF REFORM MEASURES, IT SEEMS, WILL NOT BE ON THE AGENDA.

4 THE LEADERSHIP DID NOT PERFORM WELL ON THE HUMAN RIGHTS QUESTIONS WHICH WERE DISMISSED IN THE NORMAL MANNER. THE TIANANMEN INCIDENT WAS NOT A 'TRAGEDY', JIANG INSISTED, BUT A COUNTER-REVOLUTIONARY REBELLION. REPORTS ON NUMBERS OF CASUALTIES DID NOT SQUARE WITH THE FACTS, ACCORDING TO QIAO SHI, AND JIANG DISMISSED AS 'FAIRY TALES' EXAMPLES CITED IN SUPPORT OF ALLEGATIONS OF HUMAN RIGHTS ABUSES. CHINA IS DEALING THROUGH ITS LEGAL SYSTEM WITH THE SMALL NUMBER WHO COMMITTED CRIMINAL OFFENCES DURING THE EVENTS OF JUNE. THE OTHERS ARE DEALT WITH THROUGH RE-EDUCATION. NONE OF THIS IS NEW OR SURPRISING. WHAT IS INTERESTING THOUGH IS THAT THERE WAS ONLY BRIEF MENTION OF INTERNATIONAL ATTEMPTS TO SUBVERT THE CHINESE GOVERNMENT - THE HONG KONG PRESS HAS PLAYED THIS ASPECT UP, UNJUSTIFIABLY IN OUR VIEW. THERE WAS NONE OF THE NOW FAMILIAR DIATRIBE AGAINST SOME WESTERN COUNTRIES FOSTERING THE 'PEACEFUL EVOLUTION' - AND TRANSFORMATION - OF THE SOCIALIST SYSTEM. THIS CONTRASTS WITH A VITRIOLIC ATTACK IN THE SAME DAY'S PEOPLE'S DAILY AGAINST FRANCE FOR ALLOWING THE FRONT FOR DEMOCRACY IN CHINA TO BE LAUNCHED IN PARIS BY YAN JIAQI AND WUERKAIXI. WHILE CHINA'S CONTRETEMPS IS OF COURSE A SERIOUS ONE IN ITSELF, WE CONCLUDE FROM THE FACT THAT FOREIGN INTERFERENCE WAS PLAYED DOWN IN THE PRESS CONFERENCE THAT MUCH OF THE VITRIOL IN SUCH ATTACKS IS PROBABLY TO FUEL THE INTERNAL IDEOLOGICAL DEBATE. THE FACE CHINA WISHES TO PRESENT TO THE OUTSIDE WORLD IS A FIRM BUT REASONABLE ONE.

5 THERE WAS NATURALLY ENOUGH A STRONG EMPHASIS ON THE ANTI-CORRUPTION CAMPAIGN. THIS IS REALLY THE ONLY AREA WHERE THE LEADERSHIP HAS BEEN ABLE TO MAKE A POSITIVE RESPONSE TO THE DEMANDS OF THE PROTEST MOVEMENT. AS MENTIONED IN OUR PREVIOUS REPORTING ON THE ANTI-CORRUPTION CAMPAIGN, THIS POPULIST INITIATIVE IS LIKELY TO CONTINUE TO BE AN IMPORTANT FEATURE OF PARTY POLICY. LI RUIHUAN'S CONTRIBUTION TO THE PRESS CONFERENCE WAS ON THE ANTI-PORNOGRAPHY CAMPAIGN. THIS TOO IS A POPULIST POLICY, BUT PERHAPS ONE WITH HIDDEN DIMENSIONS. INDEED, SOME OBSERVERS BELIEVE THAT LI RUIHUAN, A CLOSET LIBERAL REFORMER IN CHARGE OF IDEOLOGICAL MATTERS, IS IN FACT A SHREWD TACTICIAN WHO IS INTENTIONALLY FOCUSING THE IDEOLOGICAL CAMPAIGN ON PORNOGRAPHY TO AVOID SIDESTEPPING THE BROADER QUESTION OF BOURGEOIS LIBERALISATION. THIS IS AN INTERESTING HYPOTHESIS WHICH WE THINK WORTH TESTING.

6 JIANG WAS ALSO DRAWN ON LEADERSHIP QUESTIONS. HE WOULD NOT COMMENT IN SPECIFIC TERMS ON THE QUESTION OF DENG'S SUCCESSOR IN THE MILITARY LEADERSHIP. BUT HE DID RECALL DENG'S HOPE THAT THE NEW LEADERSHIP WOULD SHOULDER ITS RESPONSIBILITIES, WHILE POINTING OUT THAT THE DECISION ON DENG'S RETIREMENT AND ON HIS SUCCESSOR WAS ONE FOR THE PARTY TO TAKE. HE ALSO POINTED OUT THAT WHILE THE PARTY ELECTS THE CHAIRMAN OF THE CENTRAL MILITARY

COMMISSION (CMC), THE CHAIRMAN OF THE STATE MILITARY AFFAIRS COMMISSION (MAC) IS ELECTED BY THE NPC. JIANG SEEMS TO BE SAYING THAT THESE DECISIONS ARE TO BE MADE COLLECTIVELY. HE MAY BE PREPARING THE GROUND FOR SOME ANNOUNCEMENTS AT THE FORTHCOMING PARTY PLENUM. BUT A SUCCESSOR FOR THE STATE MAC CHAIRMANSHIP MUST WAIT AT LEAST UNTIL NEXT YEAR'S NPC, AND IT IS UNLIKELY DENG WOULD GIVE UP THE MORE IMPORTANT CMC POSITION BEFORE THAT.

7 JIANG ALSO REITERATED COMMENTS MADE BY STATE COUNCIL SPOKESPERSON YUAN MU IN AN EARLIER PRESS CONFERENCE, THAT ZHAO STILL LEADS A COMFORTABLE LIFE. HE ADDED THAT PARTY POLICY ENSURED THAT MISTAKES MADE BY PARTY MEMBERS AND ZHAO'S MISTAKES WERE STILL BEING INVESTIGATED - WOULD NOT EXERT AN ADVERSE INFLUENCE ON THE LIFE OF THAT COMRADE. WHILE THIS CATEGORICAL AFFIRMATION IS HARD TO SWALLOW WHOLE, THE CONCILIATORY TONE NEVERTHELESS BEARS OUT A NUMBER OF RECENT INDICATIONS THAT ZHAO WILL BE DEALT WITH PRAGMATICALLY. THE FIFTH PARTY PLENUM MAY GIVE MORE ANSWERS.

8 ON HONG KONG AND TAIWAN, JIANG AND LI PENG SIMPLY REPEATED CHINA'S STANDARD POSITION. JIANG RESTATED THE ANALOGY OF HONG KONG'S WELL WATER NOT MIXING WITH THE RIVER WATER OF THE MAINLAND. ON REUNIFICATION WITH TAIWAN, JIANG ELABORATED ON LI PENG'S STANDARD ANSWER BY MAKING IT CLEAR THAT CHINA DID NOT EXCLUDE THE POSSIBILITY OF USING ARMED FORCE. HE MADE CONSIDERABLE PLAY OF TWO TAIWAN JOURNALISTS AND GAVE ONE OF THEM THE FLOOR FOR THE LAST QUESTION.

9 THERE IS LITTLE DOUBT DENG INTENDED THE PRESS CONFERENCE AS A BOOSTER FOR JIANG ZEMIN AS PRIMUS INTER PARES. HE HANDLED QUESTIONS DEFTLY AND IN OTHER CIRCUMSTANCES WOULD NO DOUBT HAVE BEEN THE DARLING OF THE FOREIGN PRESS. BUT THE CONTENT WAS BLAND AND CONTRIVED WITH PRE-ARRANGED QUESTIONS FROM THE CHINESE PRESS ELICITING PREPARED ANSWERS (WITH YAO YILIN OBVIOUSLY READING HIS), WHILE THE MORE INTERESTING QUESTIONS FROM FOREIGN REPORTERS WERE SIDESTEPED. CHINESE CONTACTS WE HAVE SPOKEN TO SINCE HAVE EXPRESSED DISAPPOINTMENT. THE BEST COMMENT WE HAVE SEEN COMES FROM A CHINESE INTELLECTUAL QUOTED IN THE ASIA WALL STREET JOURNAL: ''IT WAS LIKE MY WEEKLY POLITICAL STUDY CLASS, EXCEPT NOT NEARLY AS INTERESTING''.

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**ACTION**  
**SUITE A DONNER**

C O N F I D E N T I A L

FM PEKIN WJGR3654 27SEP89

TO EXTOTT PNR DELIVER BY 270900

INFO HKONG TOKYO SEOUL MANIL JKRTA BNGKK SPORE DELHI ISBAD KLMPR

CNBRA LDN PARIS BNATO WSHDC CIDADHULL BSC

TT NDHQOTT/DIPOL/CIS DD1-6-3 DE CAF

DISTR PGB PND PNR PGP INP CPP

---SECURITY TIGHT FOR PRC 40TH BIRTHDAY

ACC	DATE
650095	
FILE	DOSSIER
20-China-1-4	
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SUMMARY: APPARENT THREAT OF TERRORIST ACTION AND/OR DEMONSTRATIONS AROUND 01OCT, CHINAS NATIONAL DAY, HAVE LED AUTHORITIES TO PUT IN PLACE EXTRAORDINARY SERIES OF SECURITY MEASURES. FESTIVITIES ARE BEING STRICTLY CONTROLLED, AND MARTIAL LAW HEADQUARTERS HAS CONFERRED ON CITIZENS RIGHT TO MAKE CRIMINAL ARRESTS. A CERTAIN NERVOUSNESS CONTINUES TO GRIP CAPITAL. HOWEVER, SECURITY IS NOW SUCH THAT WE DO NOT EXPECT THERE TO BE ANY SERIOUS INCIDENTS.

REPORT:

2. IN THE WEEK LEADING UP TO PRCS 40TH BIRTHDAY ON 01OCT, AUTHORITIES IN BEIJING ARE TAKING EXTRAORDINARY SECURITY PRECAUTIONS TO ENSURE THAT NOTHING WILL MAR THIS IMPORTANT OCCASION WHICH FOLLOWS BY ONLY FOUR MONTHS 04JUN MASSACRE. HAD THE ANNIVERSARY FALLEN IN MARCH BEFORE THE BEIJNG SPRING THERE IS NO DOUBT THAT THE CELEBRATION WOULD HAVE BEEN A POPULAR AND PERHAPS SOMEWHAT SPONTANEOUS AFFAIR. HOWEVER, SPONTANEITY AND POPULAR ACTION RE PRECISELY WHAT BEIJING LEADERSHIP MOST FEARS NOW.

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3. SECURITY MEASURES WE KNOW OF INCLUDE FOLLOWING: TRAVELLERS FROM OUTSIDE BEIJING WHO HAVE NO AUTHORITY FROM THEIR WORK UNITS ARE BEING BANNED FROM THE CAPITAL FROM 15 SEP-15 OCT. BETWEEN 28 SEP AND 05 OCT NO VEHICLES FROM OUTSIDE BEIJING WILL BE ALLOWED IN THE CITY. IT HAS BEEN CONFIRMED THAT LAST WEEK TWO ARMY CONVOYS CARRYING LIVE AMMUNITION ENTERED CITY. SPOT CHECKS OF VEHICLES AND PASSENGERS ARE FREQUENT. JOINT PLA/POLICE PATROLS HAVE BEEN TAKING PLACE AND PLA GUARDS HAVE BEEN DOUBLED AT MAJOR INTERSECTIONS. AT OVERPASS ADJACENT TO JIANGUOMENWAI DIPLOMATIC COMPOUND, OVER 300 ARMED TROOPS WITH 2-FOOT BATONS WERE OBSERVED PRACTISING CROWD CONTROL IN THE MIDDLE OF NIGHT 23-24 SEPT. SIMILAR NIGHT MANOEUVERS HAVE TAKEN PLACE AT DONGZHIMEN OVERPASS AND IN TIANANMEN SQUARE ITSELF.

4. KNOWN SECURITY MEASURES INDICATE THAT AUTHORITIES PERCEIVE TWO THREATS: (A) TERRORIST ATTACK AGAINST PARTICULAR LEADERS OR SECURITY FORCES AND (B) POPULAR DEMONSTRATIONS. TEN DAYS AGO AN EXPLOSION ON AN ARMY BUS ON CHANGAN AVE REPORTEDLY INJURED 35. ACCORDING TO AFP REPORT, APPARENTLY BASED UPON SECURITY MINISTRY DOCUMENTS, ANTITANK MISSILES HAVE BEEN STOLEN FROM ARMY DEPOT IN HAINAN AND HAVE ALREADY LEFT ISLAND PROVINCE. THESE INCIDENTS WLD ACCOUNT FOR SOME OF EXCEPTIONAL SECURITY PRECAUTIONS WE HAVE SEEN. HUNDREDS OF OTHER WEAPONS STOLEN IN JUNE HAVE NOT BEEN ACCOUNTED FOR. ALTHOUGH WE HAVE NO INFO TO SUGGEST THAT DEMONSTRATIONS OR SABOTAGE ARE BEING PLANNED, (IN FACT WE BELIEVE THIS IS QUITE UNLIKELY), IT WOULD BE A DISASTROUS LOSS OF FACE FOR GOVT IF ANY DISTURBANCE WERE TO OCCUR ON 01 OCT AND NO CHANCES ARE BEING TAKEN.

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PAGE THREE WJGR3654 CONF

5. FESTIVITIES THEMSELVES WILL BE STRICTLY CONTROLLED. FROM 25 SEP PEOPLE ARE BEING ADMITTED INTO TIANANMEN SQUARE IN SPECIAL GROUPS OR UPON PURCHASE OF TICKETS TO VIEW MASSIVE FLORAL DISPLAYS AND STATUE OF WORKER, PEASANT, SOLDIER AND INTELLECTUAL. THIS RATHER CRUDE WORK AMAZINGLY HAS BEEN ERECTED TEMPORARILY ON SAME SPOT AS STUDENTS QUOTE GODDES OF DEMOCRACY UNQUOTE AND IS CONSTRUCTED OF SAME STYRO-FOAM/PLASTER COMBINATION. SQUARE WILL BE SITE OF FIREWORKS DISPLAY ATTENDED BY EIGHT THOUSAND QUOTE PEASANT REPRESENTATIVES UNQUOTE AND WILL INCLUDE GROUP DANCING BY THOUSANDS WHO HAVE BEEN ESPECIALLY SELECTED FROM THEIR WORK UNITS FOR OCCASION. DIPLOMATS HAVE BEEN INVITED TO THIS AND MORNING PERFORMANCES IN SIX OTHER CITY PARKS. (NO/NO EMB REPS WILL ATTEND TIANANMEN PERFORMANCE).

6. TWO WEEKS AGO AROUND 100TH DAY ANNIVERSARY OF 04JUN TENSION IN BEIJING WAS RUNNING HIGH. THIS HAS NOW SUBSIDED SOMEWHAT THOUGH PEOPLE ARE STILL NERVOUS. EXTENSIVE IDENTITY CHECKS AND ANNOUNCEMENTS FROM MARTIAL LAW HEADQUARTERS ARE CONTRIBUTING TO THIS. LATEST ANNOUNCEMENT 26SEP REMINDS BEIJING CITIZENS THAT SMALL NUMBER OF PEOPLE ARE STILL NOT RECONCILED TO DEFEAT AND ARE PLOTTING ACTS OF SABOTAGE ON 01OCT. IT URGES ALL CITIZENS TO REPORT VIOLATIONS OF LAW AND CONFERS ON THEM RIGHT TO ARREST CRIMINAL SUSPECTS AND TAKE THEM TO PUBLIC SECURITY BUREAU.

CCC/059 270211Z WJGR3654

*Handwritten initials/signature*

C O N F I D E N T I A L

FM PEKIN WJGR3655 27SEP89

**ACTION**  
**SUITE A DONNER**

TO EXTOTT (PNR) DELIVER BY 270900

INFO HKONG TOKYO MOSCO CIDA HULL/BSC PCOOTT/IA

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG SHNGI DE PEKIN

DISTR PGB PND PNC PGP INP INE CPP CPE

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20 - China	7-4	
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---PRC LEADERSHIP HANGS TOUGH IN FRONT OF FOREIGN/CHINESE

NEW MEDIA

IN APPARENT ATTEMPT TO BOLSTER IMAGE OF CHINAS POST-MASSACRE LEADERSHIP, ALL MEMBERS OF POLITBURO STANDING CTTEE HELD PRESS CONFERENCE WITH FOREIGN AND CHINESE JOURNALISTS 26SEP IN BEIJING. VIEWS EXPRESSED CONFORMED TO WELL-KNOWN POLICY POSITIONS. NO NEW ANNOUNCEMENTS WERE MADE. AIM OF CONFERENCE ON EVE OF PRC 40TH ANNIVERSARY APPEARS TO HAVE BEEN TO PRESENT CHINESE LEADERSHIP AS OPEN, UNITED AND IN CONTROL. SMILING IN THEIR WESTERN SUITS, POLITBURO MEMBERS WERE OBVIOUSLY ATTEMPTING TO PROJECT IMAGE OF CONFIDENCE. GEN SEC JIANG ZEMIN IN PARTICULAR SOUGHT TO ESTABLISH RAPPORT WITH CORRESPONDENTS BY HIS EASY GOING MANNER AND NEW AUTHORITY WITH WHICH HE ANSWERED QUESTIONS, EVEN MODIFYING AT ONE POINT REPLY GIVEN BY LI PENG.

2. THIS PUBLIC RELATIONS EXERCISE WOULD ALMOST CERTAINLY HAVE HAD TO BEEN APPROVED BY DENG XIAOPING. UNCENSORED WAY IN WHICH IT WAS REBROADCAST (DESPITE EMBARRASSING QUESTIONS) AND EXPRESSION OF QUALIFIED SUPPORT FOR PRIVATE SECTOR (SEE BELOW) SUPPORTS OUR VIEW

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PAGE TWO WJGR3655 CONF D

THAT EVEN IF CHINA IS NOT REFORMING ITSELF IN WAY HOPED FOR BY LIBERALS HERE AND ABROAD, IT IS CERTAINLY NOT HURLING BACK TO PRE-REFORM ERA.

3. NEWS CONFERENCE WAS NEVERTHELESS DISAPPOINTMENT AS QUESTIONS ASKED FROM REPRESENTATIVE CROSS-SECTION OF PRESS CORPS ILLICITED LITTLE MORE THAN RECITATIONS OF WELL-KNOWN POSITIONS. AT SEVERAL POINTS WHERE IT WOULD HAVE BEEN POSSIBLE TO PRESENT A MORE HUMAN FACE TO NEW LEADERSHIP LINEUP, OPPORTUNITY WAS WAIVED. FOR INSTANCE, WHEN JIANG ZEMIN WAS ASKED HOW TIANANMEN TRAGEDY COULD HAVE BEEN AVOIDED, HE SIMPLY ASSERTED THAT NO TRAGEDY HAD OCCURRED AND THAT WHAT HAD HAPPENED WAS A COUNTER-REVOLUTIONARY REBELLION. AGAIN, WHEN CASE OF STUDENT WHO HAD APPARENTLY BEEN SEVERELY MISTREATED CAME UP, REPLY GAVE NO HINT THAT MISTAKES CLD HAVE OCCURRED; INSTEAD JIANG SAID HE REGRETTED THAT SUCH QUOTE FAIRY TALES UNQUOTE WERE CIRCULATING. SIGNS OF COMPASSIONOR FALLABILITY THAT MIGHT HAVE TOUCHED A FOREIGN AUDIENCE WERE COMPLETELY ABSENT. OF COURSE LEADERSHIP ALSO HAD DOMESTIC AUDIENCE TO CONSIDER. WHOLE CONFERENCE, INCLUDING EMBARRASSING QUESTIONS BY WESTERN CORRESPONDENTS, WAS TELEVISED AND REPEATEDLY SHOWN ON LOCAL NETWORKS.

4. WHEN FUTURE OF FORMER SEC GEN ZHAO ZIYANG WAS RAISED, JIANG SAID THAT DESPITE HIS SERIOUS MISTAKES HE WAS STILL A PARTY MEMBER AND, BECAUSE OF HIS SENIORITY, ENJOYING SALARY HIGHER THAN HIS OWN. HE SAID ZHAOS FORMER CONTRIBUTIONS TO REFORM SHOULD NOT BE FORGOTTEN. HE SAID HIS CASE WAS STILL UNDER INVESTIGATION, BUT TONE OF COMMENTS IMPLIED THAT CRIMINAL PROSECUTION OF ZHAO IS UNLIKELY.

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PAGE THREE WJGR3655 CONF D

5. ON ECONOMY, YAO YILIN SAID THAT CONTRACT SYSTEM WLD CONTINUE AND THAT GOVT WOULD BE ENCOURAGING POSITIVE ASPECTS OF PRIVATE ENTERPRISE WITHIN A SOCIALIST ECONOMY WHILE CURBING NEGATIVE ASPECTS THROUGH ADMINISTRATIVE AND TAX MEASURES. HE SAID STATE WOULD ALSO CONTINUE TO HELP TOWNSHIP ENTERPRISES DEVELOP QUOTE IN HEALTHY WAY UNQUOTE.

6. JIANG SAID THAT MAIN TOPIC FOR 5TH PARTY PLENUM WOULD BE ECONOMY BUT THAT NO DATE HAD BEEN SET. LAST WEEK LI PENG TOLD FORMER JPNSE FORMIN ITO THAT PLENUM QUOTE COULD NOT BE HELD SOON UNQUOTE. FROM THIS WE INFER THAT PLENUM CLD BE DELAYED UNTIL NOVEMBER. REASON FOR DELAY (IT WOULD NORMALLY BE HELD IN OCT), IN ADDITION TO ONGOING FACTIONAL MANOEUVRING, IS PROBABLY TO WAIT FOR CLEARER PICTURE OF ECONOMIC SITU TO EMERGE. BY NOV FINANCE MINISTRY REVIEW OF REQUIREMENTS FOR REST OF FINANCIAL YEAR WILL HAVE BEEN COMPLETED AND IT WILL BE POSSIBLE TO KNOW WHETHER AUTUMN HARVEST WILL LIVE UP TO EXPECTATIONS. BY THAT TIME, TOO, WORLD BANK WILL HAVE TAKEN DECISION ON FURTHER LENDING TO CHINA WHICH WILL IN TURN INFLUENCE ATTITUDES OF OTHER LENDERS AND INVESTORS.

CCC/059 270855Z WJGR3655

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MESSAGE NUMBER: I 26609

PAGE 1

TLX NZ31507

CLAS: UNCLASSIFIED

SECURE

22 SEPTEMBER 1989

FROM: PEKING

TO : WELLINGTON 01130-ROUTINE

LD : SERT (NAD POWLES EAB ECO MTD)  
: TDB (INTERNATIONAL OPS)

SUBJ: CHINA : POLITICAL SITUATION : THE REFORMS

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SVGS: (VIA PEKING) HONG KONG

SUMMARY

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WHEN HE MET WITH MARTIAL LAW COMMANDERS FIVE DAYS AFTER THE PLA CLEARED TIANANMEN SQUARE AN AILING DENG XIAOPING TOLD THE WORLD THAT THE POLICY OF REFORMS AND THE OPEN DOOR WOULD NOT CHANGE. DENG'S MESSAGE TO A VISITING CHINESE AMERICAN PHYSICIST AT HIS FIRST PUBLIC APPEARANCE ON 16 SEPTEMBER WAS THE SAME. THE RHETORIC NOTWITHSTANDING, THE INTERVENING THREE-MONTH PERIOD HAS SEEN A GRADUAL CHANGE IN THE COMPLEXION OF THE REFORM PROGRAMME. THIS IS MOST EVIDENT IN THE NEW EMPHASIS PLACED ON STATE-OWNED ENTERPRISES AND IN ATTACKS ON THE PRIVATE ECONOMY. ZHAO'S THINK-TANKS HAVE BEEN PRUNED HARD AND NEW REFORM PROPOSALS ARE TO BE INVESTIGATED MORE THOROUGHLY BEFORE THEY ARE IMPLEMENTED. LIKE EVERYTHING ELSE IN CHINA, THE REFORMS TOO HAVE BEEN BENDING IN THE WIND THAT BLOWS FROM THE DIRECTION OF THE 'OLD PROLETARIAN REVOLUTIONARIES' AND THEIR SECOND ECHELON SUPPORT. THE PARTY'S FORTHCOMING FIFTH PLENUM BESIDES SPEECHES ON 1 OCTOBER SHOULD PROVIDE SOME INDICATION ON THE LONGER-TERM PROSPECTS.

BACKGROUND

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2 THERE IS SOMETHING OF A CONTRADICTION IN THE PUBLIC PRESENTATION OF CHINA'S ECONOMIC STRATEGIES. ON THE ONE HAND, REFORM/OPEN DOOR POLICIES LAUNCHED BY DENG IN 1978 AND GIVEN A SOLID IDEOLOGICAL UNDERPINNING BY ZHAO ZIYANG AT THE 13TH PARTY CONGRESS IN 1987 WILL CONTINUE. DENG HAS SAID TO SENIOR PARTY LEADERS THAT NOT A WORD OF ZHAO'S REPORT TO THAT CONGRESS SHOULD BE CHANGED AND THAT THE STATE COUNCIL SHOULD 'OPENLY FLAUNT THE BANNER OF OPENING UP'. ON THE OTHER HAND, THERE IS TO BE REASSESSMENT OF REFORM MEASURES IN THE LIGHT OF EXPERIENCE - NOT ALL REFORM EXPERIENCES HAVE BEEN SUCCESSFUL ACCORDING TO 5 AUGUST PEOPLE'S DAILY - AND THE OPEN-DOOR POLICY IS TO BECOME MORE SELECTIVE IN WHAT IS ADOPTED FROM THE OUTSIDE WORLD. JIANG ZEMIN STRESSES THE IMPORTANCE OF AVOIDING THE IDEOLOGICAL CORRUPTION OF CAPITALISM.

3 THE REFORM PROGRAMME AS A WHOLE HAS IN FACT BEEN UNDER SIEGE SINCE MID-1988 WHEN A FAILED ATTEMPT AT LIMITED PRICE REFORM SPARKED OFF A SHOW-DOWN AT BEIDAHE BETWEEN THE LIBERAL REFORMERS AND THOSE IN THE LEADERSHIP ESPOUSING A MORE CONSERVATIVE ECONOMIC STRATEGY. LI PENG'S AUSTERITY PROGRAMME WHICH EFFECTIVELY PUT ON HOLD FURTHER IMPLEMENTATION OF NEW REFORM MEASURES, EMBODIED THE MAJOR CONCERNS OF CONSERVATIVE CHEN YUN STYLE ECONOMISTS: CONTROLLING PRICE RISES, ENSURING CHINA'S SELF-SUFFICIENCY IN GRAIN BY CHANNELLING MORE RESOURCES INTO TRADITIONAL AGRICULTURAL PRODUCTS, RE-ESTABLISHING CONTROL OVER THE MONEY SUPPLY, TRANSPORTATION AND DISTRIBUTION NETWORKS, LIMITING CONSTRUCTION AND CLAMPING DOWN ON IMPORT AND EXPORT LICENSES.

4 THE SPECTRE OF WIDESPREAD SOCIAL INSTABILITY CONJURED UP BY THE PROTEST MOVEMENT IN THE SPRING STRENGTHENED THE RESOLVE OF THE CONSERVATIVE ECONOMISTS AND THE POST-4 JUNE CRACKDOWN HAS PROVIDED THE IDEOLOGICAL COVER REQUIRED TO MOUNT A SPECIFIC ATTACK ON ZHAO ZIYANG, HIS ORGANISATIONAL SUPPORT STRUCTURE AND SOME OF HIS KEY IDEAS. AT THE SAME TIME LI PENG HAS ANNOUNCED THAT THE STATE PLANNING COMMISSION IS WORKING ON A THREE-YEAR AUSTERITY PROGRAMME. THIS PROGRAMME, WHICH COULD BE PRESENTED AT THE PARTY'S 5TH PLENUM LATER IN THE YEAR, WILL EFFECTIVELY FORMALISE THE ROLL-BACK OF KEY REFORMS.

#### ATTACK ON ZHAO ZIYANG

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5 THE FOURTH PLENUM IN JUNE LAUNCHED A WELL-ARGUED ATTACK ON ZHAO ZIYANG FOR HIS POLITICAL MISTAKES IN SPLITTING THE PARTY LEADERSHIP AND ALLOWING IDEOLOGICAL WORK IN THE PARTY TO FALL BY THE WAYSIDE. VEILED CRITICISMS OF ZHAO'S MANAGEMENT OF THE ECONOMY WERE MADE EARLIER THIS YEAR (EG AT THE NPC IN MARCH). THE CRITICISMS HAVE NOW BECOME SPECIFIC. ZHAO IS BLAMED FOR RISING INFLATION, HIS COASTAL STRATEGY IS BLAMED FOR STIMULATING A CONSTRUCTION BOOM AND THE INTRODUCTION OF FREE MARKET THEORIES FOR RAPID DEVELOPMENT OF PRIVATE SECTOR INDUSTRIES AND CONSEQUENT SHORTAGES OF RAW MATERIALS AND EXCESSIVE CREDIT EXPANSION. THE ECONOMIC MISTAKES ALSO HAVE AN IDEOLOGICAL EXTENSION: TRADITIONAL VALUES OF HARD WORK AND SERVICE TO THE NATIONAL CAUSE ABANDONED FOR A NEW SET OF VALUES CENTRED AROUND MONEY. THE NEWLY EMERGING PRIVATE SECTOR IS THE MAIN TARGET OF THIS ATTACK.

6 ZHAO'S FATE REMAINS UNCERTAIN, THOUGH THE HONG KONG PRESS REPORTS VICE MINISTER OF CULTURE YING RUOCHENG (WHO MANY THOUGHT WOULD DISAPPEAR BECAUSE OF HIS CLOSE ASSOCIATION WITH WANG MENG, RECENTLY DISMISSED) SAYING ZHAO WILL NOT BE TRIED. MANY OF ZHAO'S CLOSE ASSOCIATES HAVE, HOWEVER, EITHER BEEN ARRESTED OR ESCAPED TO THE WEST. SOME HAVE BEEN ACCUSED OF PLOTTING A 'COUNTER-REVOLUTION' TO OVERTHROW THE GOVERNMENT. OTHERS ARE UNDER CLOSE SURVEILLANCE. THE NET EFFECT IS THAT ZHAO'S THINK-TANKS HAVE BEEN DISCONNECTED, ESPECIALLY THOSE IN THE STATE COMMISSION FOR RESTRUCTURING THE ECONOMIC SYSTEM, THE CHINESE ACADEMY OF SOCIAL SCIENCES AND THE STATE COUNCIL'S RESEARCH INSTITUTE FOR POLITICAL STRUCTURAL REFORM. COINCIDENTALLY, THERE HAS BEEN A REVITALISATION OF RIVAL THINK-TANKS SUCH AS THE CENTRAL COMMITTEE'S POLICY RESEARCH OFFICE, SUPPORTIVE OF MORE CONSERVATIVE ECONOMIC POLICIES. THE ACTIVE DEBATE ON FUNDAMENTAL ISSUES OF ECONOMIC POLICY WHICH WAS TAKING PLACE EARLIER THIS YEAR HAS BEEN STIFLED.

REFORM STRATEGY  
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7 THE NEW PARAMETERS OF THE REFORM PROGRAMME WERE SET DOWN BY LI PENG IN THE SEPTEMBER ISSUE OF THE PARTY'S FORTNIGHTLY THEORETICAL PUBLICATION 'SEEKING TRUTH'. THE ARTICLE, GIVEN PROMINENCE IN ALL THE NATIONAL DAILIES ON 2 SEPTEMBER, SAYS THAT REFORM MEASURES ALREADY BEING IMPLEMENTED WILL CONTINUE BUT RECOGNISES THAT THERE WILL BE PROBLEMS IN THE COURSE OF IMPLEMENTATION WHICH WILL REQUIRE 'CHECKS AND RESEARCH'. REFORMS BEING CARRIED OUT ON A TRIAL BASIS IN PILOT AREAS - BUT NOT YET FORMALISED INTO ECONOMIC POLICY - MAY CONTINUE UNDER GUIDANCE. NEW REFORM MEASURES, HOWEVER, ARE TO BE SCRUTINISED AND TESTED MUCH MORE CLOSELY BEFORE IMPLEMENTATION. LI PENG ALSO WARNED THAT ECONOMIC POLICY SHOULD NOT BE CHANGED LIGHTLY.

8 THEORETICALLY, THIS LEAVES IN PLACE ENTERPRISE REFORM (INCLUDING THE FACTORY RESPONSIBILITY SYSTEM AND THE SEPARATION OF ENTERPRISE MANAGEMENT AND ENTERPRISE PARTY COMMITTEE) AND THE RESPONSIBILITY SYSTEM FOR RURAL FINANCE, FOREIGN TRADE AND INDUSTRY RESPONSIBILITY, AS WELL AS THE WELL-CONSOLIDATED REFORMS IN RURAL AREAS. BUT IMPLEMENTATION OF OTHER REFORMS SUCH AS THE BANKRUPTCY LAW, SHAREHOLDING SYSTEM, SHARE MARKETS AND REFORMS TO THE FOREIGN EXCHANGE MARKETS WHICH WOULD GO SOME WAY TO REFORMING THE SYSTEM OF STATE OWNERSHIP, ARE LIKELY TO REMAIN ON HOLD. INSPITE OF THE RECENT READJUSTMENT OF PASSENGER FARES, MORE RADICAL REFORMS TO DO AWAY WITH PRICE CONTROL AND RENT CONTROL ARE OUT OF THE QUESTION UNDER PRESENT CIRCUMSTANCES.

THE SOCIALIST COMMODITY ECONOMY  
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9 THE CONSERVATIVE OLD GUARD HAS BEEN UNHAPPY WITH THE EMERGENCE OVER RECENT YEARS OF AN INCREASINGLY VITAL PRIVATE ECONOMY COMPETING WITH THE STATE-OWNED SECTOR. ZHAO WAS CAREFUL TO AVOID LINKING REFORMS AND PRIVATISATION. BUT LI PENG HAS NOW DOTTED THE I'S ON THE NATURE OF THE SOCIALIST COMMODITY ECONOMY. IN LATE AUGUST HE TOLD THE PRESIDENT OF THE TEXAS FIRST CITY BANK THAT THE AIM OF CHINA'S ECONOMIC REFORM WAS TO OVERCOME OVER-CENTRALISED ECONOMIC MANAGEMENT AND APPROPRIATELY BRING INTO PLAY THE ROLE OF MARKET ADJUSTMENT. BUT, HE ADDED, IT IS NOT POSSIBLE TO PLACE TOO MUCH EMPHASIS ON THE MARKET ECONOMY OR THERE WILL BE PRICE RISES AND INSTABILITY. INDEED THE LEADERSHIP HAS MADE IT QUITE CLEAR THAT THE SYSTEM OF PUBLIC OWNERSHIP REMAINS SACROSANCT. THE DEBATE ON THE QUESTION OF OWNERSHIP WHICH WAS GOING ON EARLIER IN THE YEAR HAS BEEN STOPPED. THOSE WHO ADVOCATED PRIVATISATION HAVE BEEN ACCUSED OF ATTACKING CONCEPTS FUNDAMENTAL TO THE PRACTICE OF SOCIALISM AND COMMUNISM. SOME INDIVIDUALS WHO ISSUED A 'PRIVATE ENTERPRISE MANIFESTO' DURING THE PROTEST MOVEMENT HAVE BEEN ACCUSED OF ENCOURAGING THE SPREAD OF BOURGEOIS LIBERALISM AND PLOTTING COUNTER-REVOLUTION BEHIND THE SCENES.

RECTIFY THE PRIVATE ECONOMY  
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10 SOME ASPECTS OF THE PRIVATE ECONOMY ARE NOW UNDER ATTACK.

BEFORE 4 JUNE, MEASURES WERE ALREADY BEING TAKEN, UNDER THE UMBRELLA OF LI PENG'S ECONOMIC AUSTERITY POLICIES, TO CONTROL THE EXCESSIVE GROWTH OF TOWNSHIP AND RURAL ENTERPRISES AND CONSEQUENT DISTORTIONS INTRODUCED INTO THE ECONOMY BY BOTTLENECKS IN THE SUPPLY OF ENERGY AND RAW MATERIALS. ALSO TARGETTED WAS SPECULATION BY OFFICIALS PROFITEERING FROM THE DOUBLE-TIER PRICING SYSTEM. SINCE 4 JUNE THE ATTACK HAS BEEN MORE FOCUSSED. JIANG ZEMIN MADE HIS DEBUT AS PARTY GENERAL SECRETARY WITH AN ATTACK ON UNFAIR DISTRIBUTION OF WEALTH IN SOCIETY AND UNJUSTIFIABLE INCOME GAPS. THE CHINA LABOUR JOURNAL HAS SPOKEN RECENTLY OF INTRODUCING A SYSTEM TO SET MAXIMUM INCOMES FOR ENTERPRISE MANAGERS. THE OFFICIAL MEDIA IS PLAYING UP WHAT ARE PERCEIVED TO BE THE NEGATIVE ASPECTS OF PRIVATE ENTERPRISE - UNCLEAR PROPERTY RIGHTS, LACK OF LEGAL GUARANTEES, TAX EVASION, INEFFICIENT MANAGEMENT, ETC.

11 SPECIFIC SANCTIONS ARE BEING ADOPTED ON TWO FRONTS. FIRSTLY THERE WILL BE MUCH STRICTER TAX REGULATIONS FOR INDIVIDUAL BUSINESSES WHICH WILL BE "CLEANED UP" BEFORE THE END OF OCTOBER. INDIVIDUAL BUSINESS PEOPLE WILL BE REQUIRED TO BUY UP SIGNIFICANT QUANTITIES OF GOVERNMENT DEBENTURES (THOUGH THIS REFLECTS THE BUDGETARY SITUATION AS MUCH AS IDEOLOGICAL AVERSION TO PRIVATE ENTERPRISE). SECONDLY NO NEW RURAL OR TOWNSHIP ENTERPRISES WILL BE APPROVED FOR THE NEXT THREE YEARS EXCEPT THOSE PRODUCING FOR THE EXPORT MARKET, PROCESSING NON-STAPLE PRODUCTS, PRODUCING POWER OR RAW MATERIALS OR COORDINATING CLOSELY WITH LARGE STATE-OWNED ENTERPRISES. IT HAS BEEN ANNOUNCED THAT EXISTING RURAL AND TOWNSHIP ENTERPRISES THAT SQUANDER POWER AND RAW MATERIALS WILL BE CLOSED DOWN. THIS SECTOR IS IN FOR A TOUGH PERIOD.

#### AND RESTORE STATE-OWNED ENTERPRISES

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12 STATE-OWNED ENTERPRISES ON THE OTHER HAND ARE ONCE AGAIN BEING PROMOTED AS THE MAINSTAY OF THE ECONOMY, THOUGH IN FACT THEIR GROWTH RATE IS LOWER THAN THAT OF NON-STATE OWNED ENTERPRISES, AND THEIR SHARE IN TOTAL INDUSTRIAL PRODUCTION HAS DECLINED TO 64 PERCENT IN 1988 COMPARED WITH NEARLY 80 PERCENT IN 1980. SINCE 4 JUNE, THE OFFICIAL PRESS HAS REPEATEDLY STRESSED THE IMPORTANCE OF LARGE AND MEDIUM SIZED STATE-OWNED ENTERPRISES. WE HAVE HEARD UNCONFIRMED REPORTS THAT IN FUTURE "BACKBONE ENTERPRISES" LIKE STEEL MILLS AND CAR MANUFACTURERS WILL HAVE GUARANTEED SUPPLIES OF PRODUCTION MATERIALS AND THAT OTHER SOE'S WILL HAVE PRIORITY ACCESS TO ENERGY, TRANSPORTATION AND FINANCE. IT HAS ALSO BEEN REPORTED THAT SOME CRUCIAL ENTERPRISES WILL HAVE BUDGETS INDEPENDENT OF THE GOVERNMENT MINISTRIES WHICH RUN THEM AT PRESENT.

13 TO A CERTAIN EXTENT THE STRESS ON STATE-OWNED ENTERPRISES IS FANFARE TO ACCOMPANY THE CURRENT IDEOLOGICAL LINE. THERE ARE OF COURSE GOOD ECONOMIC REASONS AS WELL TO REVITALISE THE STATE-OWNED SECTOR AND RESTRAIN THE RESOURCE-GREEDY PRIVATE SECTOR. THE SHORTAGE OF RAW MATERIALS, ENERGY AND ADEQUATE TRANSPORTATION IS ONE (OF SEVERAL) MAJOR CONSTRAINTS ON CHINA'S ECONOMIC DEVELOPMENT. CHINA MUST INCREASE ITS OUTPUT IN ALL THESE AREAS. THIS IS ESSENTIALLY THE DOMAIN OF THE STATE-OWNED SECTOR. BUT WE HAVE YET TO SEE ANY COHERENT STRATEGIES FOR

THE DEVELOPMENT OF THESE SLUGGISH INDUSTRIAL ENTERPRISES WHOSE DIFFICULTIES STEM FROM SOARING LOSSES, GROWING DEBT BURDENS AND THE FACT THAT GOVERNMENT MINISTRIES STILL HAVE AN INORDINATE DEGREE OF CONTROL OVER DECISION-MAKING. THE URBAN REFORMS WHICH HAVE REVITALISED SOME SECTORS OF CHINA'S INDUSTRIAL ECONOMY HAVE REALLY ONLY SKIMMED OVER THE SURFACE OF THE SOE'S. IN ADDITION STATE-OWNED ENTERPRISES AS MAJOR EMPLOYERS PLAY A BASIC SOCIAL WELFARE ROLE IN CHINESE SOCIETY. BANKRUPTCY LAWS AND SOME ASPECTS OF LABOUR AND HOUSING REFORMS PRESENTED A CHALLENGE TO THESE ENTERPRISES. IN THE CURRENT CLIMATE THE CONTROL WHICH THEY CAN EXERT OVER THE LIVELIHOOD AND WELFARE OF A LARGE PORTION OF THE URBAN POPULATION IS A SIGNIFICANT FACTOR IN MAINTAINING SOCIAL ORDER. THIS, AS YOU KNOW, IS AN OVERRIDING CONSIDERATION AT PRESENT.

## NEXT STEPS

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14 MAJOR POLICY STATEMENTS ARE EXPECTED TO BE MADE BY SENIOR LEADERS FOR THE 40TH ANNIVERSARY CELEBRATIONS OF THE FOUNDING OF THE PRC ON 1 OCTOBER. THE FIFTH PLENUM OF THE PARTY CENTRAL COMMITTEE, WHICH MANY BELIEVE WILL BE HELD NOT LONG AFTER 1 OCTOBER, WILL PROVIDE AN OPPORTUNITY FOR JIANG ZEMIN AND POSSIBLY DENG XIAOPING HIMSELF TO PRESENT A KEYNOTE ADDRESS. IT IS LIKELY THAT THESE MEETINGS WILL CONSOLIDATE THE IDEOLOGICAL DEVELOPMENTS OF THE PAST THREE MONTHS AND PRESENT CHINA'S REFORM PROGRAMME POST-4 JUNE. THE HONG KONG PRESS CLAIMS ALREADY TO HAVE ADVANCE KNOWLEDGE OF JIANG'S ADDRESS TO THE PLENUM. IT SAYS JIANG WILL STRESS THE NEED TO REACH A CONSENSUS ON 'THE RIGHT PROPORTION BETWEEN CENTRAL PLANNING AND MARKET MECHANISMS AND BETWEEN STATE OWNERSHIP AND SUCH NON-STATE SECTORS AS PRIVATE ENTERPRISE'.

15 BUT THE BATTLE IS BY NO MEANS OVER. THE FATE OF THE REFORM PROGRAMME IS CLOSELY LINKED TO THE OUTCOME OF THE POWER STRUGGLE IN THE PARTY (SEE OUR 1111 AND 1061). MANY OF OUR COLLEAGUES HERE BELIEVE THAT DENG'S REAPPEARANCE PRIOR TO NATIONAL DAY SIGNALS A NEW ROUND IN THE POWER STRUGGLE. DENG IS LAUNCHING BACK INTO THE FRAY, THOUGH HE PROBABLY NO LONGER ENJOYS THE AUTHORITY HE HAD BEFORE THE PROTEST MOVEMENT. AS ALWAYS, THE LEADERSHIP PRESENTS A PUBLIC FRONT OF UNITY AND STABILITY. WE NOTE, HOWEVER, AS A FOOTNOTE TO THE DEBATE ON REFORMS, THE SUGGESTION THAT LI PENG, UNPOPULAR BOTH AT HOME AND ABROAD, IS LIKELY SOONER OR LATER TO LOSE THE PREMIERSHIP. LI RUIHUAN, NEWLY APPOINTED TO THE POLITBURO STANDING COMMITTEE, IS REGARDED BY SOME OBSERVERS HERE AS A POTENTIAL REPLACEMENT. AT THIS STAGE, HOWEVER, AND GIVEN DENG'S OBJECTIVE OF ACHIEVING POLITICAL STABILITY AFTER THE EVENTS OF APRIL-JUNE, IT SEEMS UNLIKELY THAT THERE WILL BE ANY MAJOR CHANGES TO THE CENTRAL LEADERSHIP AT THE FORTHCOMING PLENUM.

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---PRC WEEKLY NEWS SUMMARY:14-20SEP

POLITICAL

- AFTER NEARLY FOUR MONTHS ABSENCE FROM PUBLIC VIEW, SENIOR LEADER DENG XIAOPENG HAS APPEARED TWICE ON TV, MEETING CHINESE-AMERICAN PROFESSOR T D LEE 16SEP AND FORMER JPNSE FOREIGN MINISTER ITO 19SEP. DENG APPEARED HEALTHY AND TOOK OPPORTUNITY TO REEMPHASISE THAT CINA WOULD ADHERE TO POLICY OF OPENING AND REFORM WHILE MAINTAINING COMMUNIST IDEOLOGY (4 CARDINAL PRINCIPLES).

- VICE-MINISTER OF CULTURE YING RUOCHENG SAID IN PRESS CONFERENCE 12SEP THAT IN HIS OPINION FORMER PARTY CHIEF ZHAO ZIYANG WOULD NOT STAND CRIMINAL TRIAL.

- BEIJING HAS DISMISSED LIANG XIANG, GOVERNOR OF HUNAN PROVINCE SAYING HE ABUSED HIS OFFICE FOR PUBLIC GAIN. LIANG, IS HIGHEST OFFICIAL DISCHARGED TO DATE IN CURRENT ANTI-CORRUPTION CAMPAIGN. HE WAS STRONG ADVOCATE OF ZHAO ZIYANGS ECONOMIC REFORMS.

*ainan*  
*a strong advocate of Zhao Ziyang's economic reforms*

LIANG IS BEING REPLACED BY DEP PARTY CHIEF OF HUNAN, MR LIN

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PAGE TWO WJGR3640 UNCLAS

JIANFENG, REPORTEDLY AN ASSOCIATE OF PARTY GEN SEC JIANG ZEMIN.

- TEN BUDDHIST MONKS AND OTHERS WERE SENTENCED TO PRISON TERMS OF UP TO LIFE ON CHARGES OF RIOTING AND SPYING FOR THE DALAI LAMA DURING <sup>the</sup> ANTI-CHINA UPRISING IN MARCH 89.

ECONOMIC

- HKONGS WEN WEI PO REPORTS THAT CHINESE AUTHORITIES HAVE STRIPPED NINE MAJOR STATE-RUN CORPORATIONS (INCLUDING CITIC, EVERBRIGHT AND CHINA AGR TRUST AND INVESTMENT CORP) OF THEIR OFFICIAL STATUS AND ORDERED THEIR EXECUTIVES TO QUIT GOVT. MOVE MAY BE DESIGNED TO REMOVE FROM PUBLIC SCRUTINY SONS AND DAUGHTERS OF PROMINENT PARTY/GOVT FIGURES, MANY OF WHOM OCCUPY IMPORTANT POSITIONS IN CITIC.

- CHINAS TRADE DEFICIT FOR AUGUST WIDENED BY US DLRS 270 MILLION AND NOW STANDS AT 6.85 BILLION FOR FIRST EIGHT MONTHS OF 1989, MORE THAN DOUBLE FOR SAME PERIOD LAST YEAR. OFFICIAL PRESS QUOTES QUALITY AND DELIVERY PROBLEMS AS MAJOR PROBLEM. WITH INFLATION AND STRONG DOMESTIC DEMAND, COMPANIES ARE FINDING IT MORE PROFITABLE TO SELL AT HOME THAN ABORAD WHERE QUALITY REQUIREMENTS ARE STRICTER.

- AN OFFICIAL FROM THE STATE PLANNING COMMISSION SAID THAT FOLLOWING FAILURE OF 15 OF 18 IMPORTANT INDUSTRIAL MATERIALS COVERED BY STATE PLAN TO FULFILL STATE PURCHASING CONTRACTS,

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CENTRAL GOVT CONTROL ECON IRREGULARITIES WOULD BE FURTHER  
TIGHTENED. COMPANIES THAT HAVE BEEN FORCED TO PRODUCE SUPPLIES  
ON FREE MARKET WHERE PRICES ARE HIGH HAVE BEEN RELUCTANT  
TO SELL TO THE STATE WHERE PRICES ARE TWO TO THREE TIMES  
LOWER, THE OFFICIAL SAID.

FOREIGN AFFAIRS

- DELEGATION FROM USSR SUPREME SOVIET ~~HEADED BY FIRST V PRES~~  
~~ANATOLY LUKYANOV~~ IS IN BEIJING ON SIX DAY OFFICIAL GOODWILL  
VISIT.

- FOREIGN MINISTER QIAN QICHEN IS ON TEN DAY TOUR TO JORDAN,  
EGYPT, SYRIA AND TUNISIA

GENERAL

- OFFICIAL INVESTIGATION INTO SHANGHAI TRAIN EXPLOSION THAT  
KILLED 24 ON 26 JUN SAYS THAT BLAST WAS CAUSED BY HEAVILY  
INDEBTED FARMER WHO USED DYNAMITE TO COMMIT SUICIDE.

- GENGHIS KHAN STUDIES ARE IN FULL SWING IN CHINA, ACCORDING  
TO XINHUA NEWS AGENCY.

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PRC: PARTY LEADERS SCHEDULE 26 SEPTEMBER NEWS CONFERENCE

0W2109134289 TOKYO KYODO IN ENGLISH 1313 GMT 21 SEP 89

[TEXT] BEIJING, SEPT. 21 KYODO -- THE FOREIGN MINISTRY ANNOUNCED THURSDAY THAT GENERAL SECRETARY JIANG ZEMIN AND OTHER LEADERS OF THE CHINESE COMMUNIST PARTY WILL MEET CHINESE AND FOREIGN REPORTERS NEXT TUESDAY [26 SEPTEMBER].

MINISTRY SPOKESMAN LI ZHAOXING TOLD A WEEKLY NEWS BRIEFING IT WILL BE THE FIRST PRESS CONFERENCE HELD BY THE PARTY'S NEWS LEADERSHIP SINCE THE GOVERNMENT'S CRACKDOWN IN JUNE ON PRO-DEMOCRACY DEMONSTRATORS.

LI SAID THE PRESS CONFERENCE WILL START AT 10 A.M. [0200 GMT] IN THE GREAT HALL OF THE PEOPLE AND WILL LAST UNTIL 11:30 A.M. CHINESE LEADERS WILL ANSWER QUESTIONS TO BE RAISED BY JOURNALISTS.

JIANG SUCCEEDED REFORMIST ZHAO ZIYANG AFTER THE MILITARY CRACKDOWN ON STUDENT-LED PRO-DEMOCRACY DEMONSTRATORS AT TIANANMEN SQUARE IN THE CAPITAL JUNE 3-4. THE NEW LEADERSHIP WAS INAUGURATED IN LATE JUNE.

JIANG AND OTHER LEADERS ARE EXPECTED TO SAY THEY WILL CONTINUE REFORM AND OPEN-DOOR POLICIES.

THE FOREIGN MINISTRY ORIGINALLY PLANNED TO HOLD A MEETING FRIDAY BETWEEN THE LEADERS AND REPRESENTATIVES FROM 10 MEDIA ORGANIZATIONS FROM 10 COUNTRIES.

INFORMED SOURCES SAID THE MINISTRY HAS CHANGED THE POLICY BECAUSE THERE WAS SOME CRITICISM THAT A RESTRICTED PRESS CONFERENCE RUNS COUNTER TO THE OPEN-DOOR POLICY.

LI SAID FOREIGN CORRESPONDENTS AND CHINESE REPORTERS -- AND PRESS OFFICERS AT FOREIGN EMBASSIES IN BEIJING -- CAN ATTEND TUESDAY'S PRESS CONFERENCE.

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---UNIVERSITY TEACHERS AND STUDENTS IN CHINA

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FOLLOWING SUPPLEMENTS INFO CONTAINED IN REFTEL WHICH CONTAINS OVERALL ASSESSMENT, AND DESCRIBES CURRENT ATMOSPHERE IN SOME ACADEMIC INSTITUTIONS.

2. FOREIGN TEACHERS IN CHINA: THE STATE BUREAU OF FOREIGN EXPERTS REPORTED 308 TEACHERS FROM THE U.S. AND CANADA AS HAVING ARRIVED BY EARLY SEPTEMBER FOR JOBS IN CHINESE UNIVERSITIES AND COLLEGES. ALL BUT TEN OF THESE TEACHERS WERE EMPLOYED THROUGH FOUR AMERICAN COOPERATIVE PROGRAMS: THE UNIVERSITY LANGUAGE INSTITUTE SERVICE, THE ENGLISH LANGUAGE INSTITUTE/CHINA, GEORGETOWN UNIVERSITY AND THE EDUCATIONAL SERVICE EXCHANGE WITH CHINA (ESEC). THE FIRST TWO OF THESE AND PROBABLY THE FOURTH ARE EVANGELICAL CHRISTIAN ORGANIZATIONS, WHICH HAVE BRANCHES IN CANADA. THEY SEND CHRISTIAN TEACHERS WHO ARE ENCOURAGED TO PROPAGATE THEIR FAITH AMONG STUDENTS AND COLLEAGUES. THESE TEACHERS ARE WILLING TO WORK IN REMOTE AREAS UNDER VERY DIFFICULT CIRCUMSTANCES FOR VERY LOW WAGES. IT SEEMS THE CHINESE AUTHORITIES ARE AWARE OF THEIR CHRISTIAN INTENTIONS BUT VALUE THEIR WORK AND DO NOT FEEL THEY POSE A SERIOUS THREAT. ABOUT TWELVE

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send a 1- memo to Peking -  
re: latest info

PAGE TWO WJFC8046 CONFID

CANADIAN TEACHERS FROM THE FIRST TWO ORGANIZATIONS VISITED THE CULTURAL SECTION RECENTLY. THE BUREAU OF FOREIGN EXPERTS REPORTED THAT IT EXPECTED A TOTAL OF 3,000 FOREIGN EXPERTS FROM ALL OVER THE WORLD TO COME TO CHINA THIS ACADEMIC YEAR.

3. CHINESE UNIVERSITY TEACHERS: MOST CHINESE UNIVERSITY TEACHERS STARTED WORK TWO WEEKS EARLY THIS YEAR, IN MID-AUGUST, AND ALL THOSE REGARDED AS POLITICALLY RELIABLE WERE CORRALLED INTO RESPONSIBILITY FOR THE RE-EDUCATION OF STUDENTS AFTER THE JUNE QUOTE REBELLION UNQUOTE. RELIABILITY IS BY NO MEANS EQUATED WITH COMMUNIST PARTY MEMBERSHIP ANYMORE, AS MANY PARTY MEMBERS WERE INVOLVED IN PLANNING THE DEMONSTRATIONS, BUT RATHER RELATES TO ONE'S RECORD OF BEHAVIOUR DURING THE PERIOD FROM APRIL TO JUNE. QUOTE RELIABLE TEACHERS UNQUOTE EACH HAVE TO LEAD A GROUP OF TEN STUDENTS IN INTENSIVE STUDY OF CENTRAL DOCUMENTS AND REASSESSMENT OF STUDENT INVOLVEMENT IN ACTIVISM. STUDENTS ARE REQUIRED TO WRITE A DETAILED ACCOUNT OF THEIR ACTIVITIES EACH DAY FROM MID-APRIL TO MID-JUNE AND THEN SUBMIT THIS FOR APPROVAL. IF THEIR PRESENTATION IS NOT ACCEPTABLE, THAT IS DOES NOT REVEAL CORRECT POLITICAL ATTITUDES, IT HAS TO BE RE-DONE. STUDENTS ARE BEING TERRORIZED INTO CONFESSING THEIR INVOLVEMENT FULLY BY PHOTO-DISPLAYS IN PROMINENT PLACES ON CAMPUS OF STUDENTS ACTIVISTS, AND PHOTO COLLECTIONS IN PARTY HANDS WHICH ARE USED AGAINST STUDENTS NOT SEEN AS MAKING A FULL AND ACCURATE CONFESSION. THERE ARE ALSO REPORTED TO BE QUOTE HIT-LISTS UNQUOTE OF STUDENTS AND YOUNG TEACHERS

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WHO WERE KNOWN TO BE HEAVILY INVOLVED AND THEY ARE WAITING TO SEE WHEN THE AXE WILL FALL.(FOR EXAMPLE,THERE ARE SAID TO BE 85 NAMES ON THE HIT-LIST AT BEIJING NORMAL UNIVERSITY.)WHILE WE HEAR UNIVERSITY TEACHERS AND ADMINISTRATORS ARE TRYING TO PROTECT THEIR STUDENTS AS FAR AS POSSIBLE,THE PRESSURES UPON THEM ARE ENORMOUS AND UNWILLINGNESS TO COOPERATE WITH THE AUTHORITIES MAY JEOPARDIZE THEIR OWN JOBS.ONE YOUNG TEACHER IN FUDAN UNIVERSITYS JOURNALISM DEPARTMENT,WHO WAS A PARTY MEMBER AND A POLITICAL INSTRUCTOR,HAS BEEN IMPRISONED FOR HIS PART IN ORGANIZING STUDENT INVOLVEMENT. WE ALSO KNOW OF A MIDDLE-AGED PROFESSOR OF SOCIOLOGY IN EDUCATION AT WUHAN UNIVERSITY WHO HAS RECENTLY BEEN ARRESTED.

4.UNDERGRADUATE STUDENTS:UNDERGRAD ENROLLMENTS HAVE BEEN CUT FROM A PLANNED 640,000 TO 600,000 WITH SOCIAL SCIENCE AND HUMANITIES SPECIALIZATIONS AND NATIONAL UNIVERSITIES UNDER THE STATE EDUCATION COMMISSION AS THE MAIN TARGET.BEIJING UNIVERSITY STUDENTS WERE CUT FROM 2,000 TO 800 AND FUDAN STUDENTS FROM 2,000 TO 1,000.IN CONTRAST BEIJING SCIENCE UNIVERSITY ENROLLED ONLY 30 FEWER THAN PLANNED,ALL OF THESE BEING IN THE FIELD OF MANAGEMENT.AT THE OTHER END OF THE SPECTRUM,THE GRADUATING CLASS OF 1989 ARE ALL REQUIRED TO SPEND ONE OR TWO YEARS IN GRASS ROOTS INSTITUTIONS BEFORE TAKING UP FORMAL JOB ASSIGNMENTS IN HIGHER LEVEL ECHELONS.THEY FIRST REPORT TO THEIR FORMALLY ASSIGNED UNIT,THEN GO DOWN TO THE GRASSROOTS INSTITUTION.

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FOR THE FIRST TIME SINCE THIS POLICY WAS INSTITUTED IN 1985, STUDENTS RESIDENTIAL PERMITS ARE ALSO MOVED DOWN TO THE GRASSROOTS LOCATION. THIS PROVIDES AN EXCELLENT TOOL OF CONTROL, AS IT IS EXTREMELY DIFFICULT TO HAVE A RESIDENTIAL PERMIT MOVED BACK TO A LARGE CITY AND CLEARLY IT WILL ONLY BE DONE FOR THOSE STUDENTS WHO DEMONSTRATE A SLAVISH POLITICAL LOYALTY. IT IS THOUGHT THAT THIS POLICY WILL ENSURE PERMANENT BANISHMENT FROM MAJOR CENTERS OF POWER FOR MANY OF THE ACTIVIST STUDENTS BUT DEGREE TO WHICH IT WILL BE ENFORCED REMAINS TO BE SEEN.

5. GRADUATE STUDENTS AND STUDY ABROAD: GRADUATE STUDENTS WERE PARTICULARLY ACTIVE IN THE RECENT MOVEMENT AND VARIOUS ACTIONS ARE NOW BEING TAKEN AGAINST THEM. SOME ARE NOT BEING ALLOWED TO DEFEND THEIR MASTERS OR DOCTORAL THESES, BECAUSE THEY ARE NOT POLITICALLY RELIABLE. THEY ARE LEFT IN A KIND OF LIMBO WITH NEITHER DEGREE NOR ANY CHANCE OF A GOOD JOB, AS UNITS WOULD BE AFRAID TO HIRE THEM. SOME HAVE BEEN ARRESTED, INCLUDING A GRADUATE STUDENT IN MANAGEMENT AT FUDAN. THE CREAM OF THE FOURTH YEAR UNDERGRADUATES HAD BEEN OFFERED GRADUATE PLACES WITHOUT ENTRANCE EXAMINATION AT FUDAN AND OTHER TOP UNIVERSITIES, BUT ALL WHO WERE INVOLVED IN THE MOVEMENT HAVE NOW HAD THESE OFFERS OF GRADUATE STUDY WITHDRAWN AND ARE REQUIRED TO ACCEPT JOB ASSIGNMENTS AT THE GRASSROOTS LEVEL. ONE GRADUATE STUDENT AT FUDAN, WHO WAS HALFWAY THROUGH HIS PROGRAM, WITHDREW FROM PARTY MEMBERSHIP AS A PROTEST DURING THE MOVEMENT. HE HAS NOW BEEN FORMALLY

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EXPELLED FROM THE PARTY AND EXPELLED FROM THE GRADUATE STUDY PROGRAM AT THE SAME TIME. SIMILARLY AN OUTSTANDING FOURTH YEAR STUDENT AT FUDAN, WHO PUBLICLY DECLARED HE WOULD NEVER JOIN THE PARTY, HAS HAD HIS OFFER OF GRADUATE STUDY WITHDRAWN AND BEEN FORCED TO TAKE A GRASSROOTS LEVEL JOB ASSIGNMENT (WHICH BARRING RADICAL CHANGE IN PARTY LEADERSHIP, COULD MEAN A KIND OF PERMANENT INTERNAL EXILE). A NUMBER OF GRADUATE STUDENTS AND YOUNG TEACHERS AT FUDAN WHO HAD BEEN CHOSEN AND PREPARED FOR STUDY ABROAD HAVE NOW BEEN REFUSED PERMISSION TO GO BECAUSE OF THEIR INVOLVEMENT IN THE MOVEMENT, ACCORDING TO OUR SOURCE. ASSIGNMENT TO GRASSROOTS WORK UNITS THEORETICALLY APPLIES TO ALL POST UNIV GRADUATES. POLICY IN FACT HAD BEEN ON BOOKS FOR A NUMBER OF YEARS BUT NEVER FULLY IMPLEMENTED. IT IS STILL UNCLEAR WHETHER POLICY WILL BE IMPLEMENTED UNIVERSALLY OR WHETHER, AS SUGGESTED BY OUR FUDAN SOURCE, ONLY ACTIVISTS WILL BE SINGLED OUT. ACCORDING TO A TEACHER AT BEIJING UNIVERSITY OF POLITICS AND LAW, SOME GRASSROOTS ASSIGNMENTS HAVE BEEN IN BEIJING, SUGGESTING THAT TREATMENT IS NOT EQUITABLE.

6. IN A RECENT MEETING AT BEIJING NORMAL UNIVERSITY A PROTEST WAS LODGED BY ONE OF THE VICE-PRESIDENTS BECAUSE THE CANADIAN GOVERNMENT PROVIDED FINANCIAL AID TO ALLOW 8 OF THE 9 CHINESE TEACHERS FROM THE CIDA-SUPPORTED CANADA-CHINA LANGUAGE CENTER TO EXTEND THEIR STAY AND APPLY FOR A PERMANENT RESIDENCE STATUS. THIS WAS REGARDED AS A BLOW TO CHINA'S EFFORTS TO TRAIN HER OWN HIGH-LEVEL TEACHERS AND A REASON

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FOR THE UNIVERSITY TO BE HESITANT ABOUT ALLOWING YOUNGER TEACHERS OR DOCTORAL STUDENTS TO GO TO CANADA IN FUTURE.

7. SCHOLARLY ATMOSPHERE: NOT SURPRISINGLY, THERE IS AN ATMOSPHERE OF COMPLETE DEMORALIZATION PARTICULARLY AMONG SCHOLARS AND STUDENTS OF THE SOCIAL SCIENCES AND HUMANITIES IN FACE OF THIS OVERT POLITICALISATION OF ALL SCHOLARLY ACTIVITY ON CHINESE CAMPUSES.

HAYHOES INFORMANT FROM FUDAN REPORTED STUDENTS CAN NOW BE DIVIDED INTO FOUR FACTIONS: THOSE OBSESSED WITH (1) GAMBLING (2) LOVE AFFAIRS (3) MONEY MAKING AND (4) STUDYING TO GO ABROAD. (IRONICALLY, IT WAS JUST IN THESE TERMS THAT COMMON WISDOM DESCRIBED STUDENTS BEFORE 15 APR.) EVEN MIDDLE AGED RESEARCHERS AND SCHOLARS HAVE SO LOST INTEREST IN THEIR WORK THAT THEY ARE WORKING ON ENGLISH IN THE VAIN HOPE OF A CHANCE TO GO ABROAD. ON 10 SEP, TEACHERS DAY, HAYHOE ATTENDED A FORMAL CEREMONY SALUTING TEACHERS AT A LOCAL UNIVERSITY WHICH RUNS TWO AND THREE YEAR COURSES IN MANAGEMENT, FOREIGN TRADE, FOREIGN LANGUAGES, ETC. EVERY SINGLE SPEECH, FROM THE UNIVERSITY PRESIDENT TO A REGIONAL ADULT EDUCATION OFFICIAL, TO A HIGH-LEVEL STATE EDUCATION COMMISSION OFFICIAL, TO AN OLD REVOLUTIONARY FIGURE, FOCUSED ON THE JUNE QUOTE REBELLION UNQUOTE AND THE QUOTE GLORIOUS UNQUOTE RECORD OF THIS UNIVERSITY, WHOSE STUDENTS HAD NOT GONE ON STRIKE NOR JOINED ANY DEMONSTRATIONS IN SPITE OF EFFORTS MADE BY OTHER UNIVERSITIES TO INVOLVE THEM. TWO STUDENTS WERE GIVEN SPECIAL AWARDS FOR HAVING ASSISTED SOLDIERS.

CCC/059 140750Z WJFC8046

FBIS 008SEP13  
UNCLAS 1K

PRC: TENSION HIGH ON 100TH DAY AFTER TIANANMEN

HK1309014589 HONG KONG HONGKONG STANDARD IN ENGLISH 13 SEP 89 P  
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[BY CHEUNG PO-LING IN BEIJING]

[TEXT] TENSION WAS HIGH IN BEIJING UNIVERSITIES YESTERDAY AS STUDENTS MARKED THE 100TH DAY AFTER THE TIANANMEN SQUARE MASSACRE AMID TIGHT SECURITY.

IN OPEN DEFIANCE OF THE GOVERNMENT, STUDENTS FROM BEIJING UNIVERSITY AND THE PEOPLE'S UNIVERSITY PAID TRIBUTE TO THE VICTIMS OF THE BLOODSHED BY WEARING BLACK ARMBANDS AND BLACK CLOTHES.

THE COMMUNIST PARTY HAS BRANDED THE CRACKDOWN ON THE STUDENT-LED DEMOCRACY MOVEMENT AS THE "SUPPRESSION OF THE COUNTER-REVOLUTIONARY REBELLION."

TWO STUDENTS FROM THE PEOPLE'S UNIVERSITY SAID THEY SAW STUDENTS WEARING BLACK ARM BANDS IN THE UNIVERSITY.

ONE SAID AN ANONYMOUS BIG-CHARACTER POSTER, QUICKLY TORN DOWN BY UNIVERSITY AUTHORITIES, WAS PUT UP ON THE CAMPUS LAST WEEK URGING STUDENTS TO REMEMBER THOSE WHO DIED ON JUNE 4.

A STUDENT FROM BEIJING UNIVERSITY, SAID CAMPUS POLICEMEN WERE ON HIGH ALERT AND NERVOUS ABOUT STUDENT ACTIVITIES.

"AGITATED POLICEMEN INTERVENED WHEN A STUDENTS' GROUP WAS SINGING AT THE LAKESIDE ON OUR CAMPUS.

"THE POLICE FEAR STUDENT UNREST MAY BREAK OUT AT SUCH A SENSITIVE MOMENT," HE SAID.

THE MAIN ROADS TO THE HADAIN DISTRICT, THE UNIVERSITY AREA, WERE HEAVILY GUARDED BY ARMED POLICE AND MARTIAL LAW TROOPS.

TROOPS WERE STATIONED IN PAIRS AT ROAD INTERSECTIONS INSTEAD OF THE USUAL SOLITARY SOLDIER.

BROADCASTS PRAISING THE "SUPPRESSION OF THE COUNTER-REVOLUTIONARY REBELLION" WERE REPEATEDLY HEARD ALONG THE HADAIN ROAD.

A TAXI DRIVER SAID EXTRA ROAD BLOCKS HAD BEEN SET UP AND FREQUENT CHECKS WERE CONDUCTED AFTER 11 PM.

ONE STUDENT FROM BEIJING UNIVERSITY SAID: "ON MONDAY NIGHT, I SAW ABOUT 30 TO 40 MARTIAL LAW SOLDIERS ARMED WITH HEAVY MACHINE GUNS STATIONED AT THE INTERSECTION JUST OUTSIDE THE CAMPUS. "SOME WERE IN A TRUCK WHILE OTHERS GUARDED THE ROAD LEADING TO THE UNIVERSITY ENTRANCE. PLAIN-CLOTHED SECURITY OFFICIALS WERE ALSO PATROLLING THE VICINITY.

"THIS MORNING, SOLDIERS MARCHED QUICKLY ON TO THE CAMPUS. MOST OF THE STUDENTS WERE SCARED BY THE INTENSE ATMOSPHERE AND MANY SAID THEY WOULD STAY IN THEIR DORMITORIES."

SHE SAID IT WOULD BE DIFFICULT FOR STUDENTS TO ORGANISE ANY ACTIVITIES TO CHALLENGE THE PRESENT REGIME AND MANY FELT MASS RALLIES OR DEMONSTRATIONS WOULD ACCOMPLISH LITTLE.

SOLDIERS MANNED A SIMILAR CHECKPOINT NEAR BEIJING NORMAL UNIVERSITY.

MR DING WEIJUN, AN OFFICIAL OF THE BEIJING MUNICIPAL GOVERNMENT, SAID YESTERDAY THAT TROOPS WOULD KEEP GUARD AROUND TIANANMEN SQUARE DURING NATIONAL DAY FESTIVITIES AND THE PUBLIC WOULD NOT BE ALLOWED NEAR THE MONUMENT.

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2156 *File*

**ACTION**  
**SUITE A DONNER**

P R O T E C T E D

FM PEKIN WJCS3605 11SEP89  
TO EXTOTT (PNR)

INFO HKONG TOKYO CIDAHULL/BSC SPORE DELHI BNGKK

TT NDHQOTT/CIS/ADMPOL/ DE CAF

BAG SHNGI DE PEKIN

DISTR PGB PND PGP PNC EEA JIS JISA

REF YOURTEL PNR2720 01SEP

---TRAVEL TO PRC

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ALTHOUGH WE ARE NOT/NOT PRIVY TO YOUR DISCUSSIONS WITH AMBASSADOR DRAKE, WE FEEL THAT CONSULAR ADVISE ON CHINA SHOULD PERHAPS STILL DIFFERENTIATE BETWEEN BEIJING AND OTHER CENTRES. WHILE BEIJING IS NOT/NOT AT MOMENT QUOTE HAZARDOUS UNQUOTE THERE ARE SECURITY CONCERNS NOT/NOT PRESENT IN OTHER CITIES. TRAVEL ADVICE MIGHT THUS INCLUDE FOLLOWING:

- A) POTENTIAL TOURISTS TO BEIJING SHOULD CONTINUE TO BE INFORMED OF PRESENCE OF MARTIAL LAW TROOPS IN CENTRAL BEIJING AND ON MAJOR INTERSECTIONS THROUGHOUT CITY. INCIDENTS BETWEEN CAMERA WIELDING TOURISTS AND POORLY TRAINED POLICE/TROOPS CANNOT BE RULED OUT.
- B) FOR OTHER DESTINATIONS IN CHINA CAUTION SHOULD BE EXERCISED IN AVOIDING LARGE CROWDS AND IN PHOTOGRAPHING POLICE/TROOPS.
- C) BUSINESS TRAVEL INCLUDING FIRST TIMERS NEED NO/NO LONGER BE DISCOURAGED. TO REPEAT EARLIER COMMENTS:

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PAGE TWO WJCS3605 PROTECTED

D) WHILE ACADEMIC INSTITUTIONS HAVE FOR MOST PART REOPENED, CANADIAN TEACHERS AND STUDENTS WILL LIKELY FIND ATMOSPHERE ON CAMPUSES TO BE LESS CONDUCIVE TO PERSONAL EXCHANGES WITH CHINESE THAN HAS BEEN CASE IN RECENT YEARS.

E) GIVEN POLITICAL INSTABILITY IN CHINA, ANOTHER PERIOD OF CIVIL UNREST CANNOT BE RULED OUT. INDIVIDUALS TRAVELLING TO CHINA REGARDLESS OF LENGTH OF THEIR STAY SHOULD BE ENCOURAGED TO:

- 1) CARRY SHORTWAVE RADIO WITH CURRENT FRQUENCIES OF BBC, VOA AND RCI
- 2) ENSURE FAMILY/FRIENDS IN CANADA AWARE OF FULL ITINERARY IN CHINA
- 3) KEEP AWAY FROM LARGE CROWDS AND AVOID PHOTOGRAPHING POLICE/TROOPS
- 4) HAVE PHONE, TELEX AND FAX NBR OF EMBASSY IN BEIJING, CONGEN IN SHANGHAI AND COMMISSION IN HKONG
- 5) THOSE RESIDING IN CHINA FOR LONGER THAN THREE MONTHS ARE STRONGLY ENCOURAGED TO FORMALLY REGISTER WITH EMBASSY OR CONGEN. THOSE IN CHINA FOR LESS THAN THREE MONTHS MAY WRITE LETTER TO US TO ADVISE OF TRAVEL PLANS AND ADDRESS IN CHINA.

2. TRAVEL TO TIBET HAS ONCE AGAIN REOPENED FOR GROUPS OF THREE OR MORE ORGANIZED BY OFFICIAL TRAVEL AGENCIES. THIS NEW POLICY WOULD APPEAR TO PRECLUDE BACKPACKERS WHO PREVIOUSLY COULD ARRANGE TRAVEL TO TIBET AS PART OF QUOTE GROUP OF ONE UNQUOTE PROVISION. EMB REPS ABLE TO TRAVEL IN THIS FASHION AS WELL.

CCC/059 110131Z WJAG3605

*advise michels what should go in NAB*

AGENCY  
**SUITE A DUNNER**

50-CHINA-1-4

UNCLASSIFIED

FM PEKIN WJGR3600 07SEP89

TO EXTOTT PNR DELIVER BY 070900

INFO HKONG SHNGI TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

DISTR PGB PND PNC PGP CPP INP INE

---PRC WEEKLY NEWS SUMMARY:31AUG-06SEP

ECONOMIC

- STATE WILL ADOPT SERIES OF MEASURES TO RE-STRENGTHEN ITS CONTROL OVER DISTRIBUTION OF KEY INDUSTRIAL MATERIALS AND EQUIPMENT AND WILL MAKE EFFORTS TO CLEAN UP ALL MATERIALS CIRCULATION CHANNELS ACCORDING TO MINISTRY OF MATERIALS AND EQUIPMENT SPOKESMAN. SHARE OF STATES PLANNED ALLOTMENT IN TOTAL NATIONAL OUTPUT HAD BEEN DROPPING IN KEY COMMODITIES OVER LAST YEAR: COAL 45 TO 44 PERCENT, ROLLED STEEL 45 TO 42 PERCENT AND CEMENT 14 TO 13 PERCENT. (CHINA DAILY 31AUG).

*The PRC will*  
~~STATE IS SET TO LAUNCH~~ <sup>a</sup> NATIONWIDE DRIVE AGAINST TAX EVASION, *wide-spread.* CONSIDERED TO BE ~~RAMPANT~~ AMONG SELF-EMPLOYED AND PRIVATE BUSINESSES. (CHINA DAILY 31AUG).

*He*  
-VICE-PREMIER YAO YILIN SAID THAT GOVT IS TO ADOPT TOUGHER *He* MEASURES IN NEXT THREE YEARS TO ACCOMPLISH ECON RETRENCHMENT AND ENHANCE ECONOMY. CHIN CONFRONTS SERIOUS ECON PROBLEMS INCLUDING: INFLATION, MEASURES ADOPTED TO SCALE DOWN INVESTMENT

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PAGE TWO WJGR3600 UNCLAS

BASE HAVE NOT/NOT WORKED AND GROWTH RATE OF INCOMES IS OUSTRIPPING PRODUCTIVITY. STATE-OWNED ENTERPRISES ARE DEVELOPING TOO SLOWLY AND AGR DEV HAS LAGGED BEHIND INDUSTRY (XHINHUA 31AUG)

-FINANCE MINISTER WANG BINGQIAN STATED THAT CHINAS FINANCIAL SITU IS STILL RATHER SERIOUS AND THAT COUNTRY FACES EVEN HARDER TIMES NEXT YEAR WHEN PEAK PERIOD FOR REPAYING FOREIGN DEBTS COMES. RATE OF GROWTH OF STATE REVENUE IN FIRST SEVEN MONTHS OF 1989 HAS FALLEN BEHIND THAT FOR EXPENDITURE OVER SAME PERIOD. (XINHUA 31AUG).

-CHARGES ON PASSENGER TRAINS WILL BE INCREASED BY 112 PERCENT, ON PASSENGER VESSELS BY 96 PERCENT AND FOR DOMESTIC FLIGHTS 77 PERCENT. AIM OF INCREASES IS TO END CHRONIC DEFICITS IN TRANSPORTATION SYSTEM AND TO PROMOTE NEW DEVELOPMENT. (PEOPLES DAILY 03SEP)

-ACCORDING TO MOFERT, FOREIGN INVESTMENT IN CHINA AMOUNTS TO 31.5 BILLION US DLRS IN CONTRACT VALUE WITH 13.6 BILLION ALREADY PUT UP. (CHINA DAILY 02SEP).

#### MISCELLANEOUS

2 ① -205 ENGLISH TEACHERS FROM USA AND CDA HAVE ARRIVED IN CHINESE COLLEGES AND UNIVERSITIES FOR 1989-90 YEAR. (PEOPLES DAILY 31AUG).

-THREE YEAR EFFORT TO RESETTLE TO CIVILIAN LIFE 1 MILLION

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PAGE THREE WJGR3600 UNCLAS

PLA MEMBERS HAS BEEN SUCCESSFULLY CONCLUDED.FINAL GROUP OF 16,000 EX SERVICEMEN AND WOMEN WAS RESETTLED EARLIER THIS YEAR ACCORDING TO MINISTRY OF CIVIL AFFAIRS.(CHINA DAILY 02SEP).

FOREIGN

-CHINESE FOREIGN MINISTER WILL VISIT SUDAN, EGYPT, SYRIA AND TUNISIA 16-26SEP.(XINHUA 31AUG). 1 3

POLITICAL

-MFA SPOKESMAN, COMMENTING ON CHARGES AGAINST CHINAS QUELLING OF COUNTERREVOLUTIONARY REBELLION CONTAINED IN AMNESTY INTL REPORT, SAID THEY WERE QUOTE GROUNDLESS AND UNREASONABLE.UNQUOTE. (XINHUA 31AUG) 4

-VICE-CHAIRMAN OF XINJIANG PARTY CTTEE HAS BEEN DISMISSED FOR BRIBERY.(XINHUA 01SEP).

-NINTH MEETING OF NPC STANDING CTTEE ENDED 04SEP AFTER ENDORSING PROPOSAL TO EXTEND DEADLINE FOR SOLICITING OPINIONS ON DRAFT OF HKONG BASIC LAW UNTIL END OF OCT.WEEKLONG MEETING ALSO CONTINUED DELIBERATION OF DRAFT LAWS GOVERNING DEMONSTRATIONS AND ORGANIZATION OF NEIGHBOURHOOD CTTEES AND DISCUSSED 1989 STATE BUDGET AND SCREENING OF COMPANIES.(XINHUA 04SEP). 5 6

-GOVERNOR OF HAINAN PROVINCE, LIANG XIANG, HAS BEEN RELIEVED OF HIS POST AND IS UNDER INVESTIGATION FOR CORRUPTION.(SOUTH CHINA MORNING POST 04SEP)

UUU/099 070755Z WJGR3600

C O N F I D E N T I A L

FM PEKIN WJGR3594 05SEP89

TO EXTOTT / PNR DELIVER BY 050900

**ACTION**  
**SUITE A DONNER**

INFO HKONG TOKYO SEOUL SPORE KLMPR BNGKK MANIL JKRTA DELHI ISBAD

WHSDC BNATO GENEV PARIS LDN MOSCO CIDAHULL/BSC PCOOTT/IAC

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG SHNGI DE PEK

DISTR PGB PND PNC PGP INP INE CPP CPD ISS IMH BKR

---MINISTER OF CULTURE AND VICE GOVERNOR PEOPLES BANK OF CHINA

ARE SACKED

IN TWO LINE SUMMARY OF DECISION OF 19TH PRESIDENTIAL DECREE TODAYS  
PEOPLES DAILY CARRIED FOLLOWING ANNOUNCEMENT:QUOTE ACCORDING TO THE  
NATIONAL PEOPLES CONGRESS STANDING CTTEE MEETING DECISION OF 04SEP  
WANG MENG IS RELIEVED OF HIS POST AS MINISTER OF CULTURE UNQUOTE.  
THE STATE COUNCIL HAS APPOINTED HE JINGZHI AS DEPUTY MINISTER AND  
ACTING MINISTER OF CULTURE.65 YEARS OLD,HE HAS HELD POSTS IN  
PROPAGANDA DEPT OF PARTY.HE HAS RESIGNED HIS POSITION AS MEMBER OF  
NPC STANDING CTTEE.

2.ALTHOUGH WANG WAS RUMOURED TO HAVE WANTED TO LEAVE HIS POST  
WORDING OF DECREE QUOTE RELIEVED OF HIS POST UNQUOTE RATHER THAN  
QUOTE APPROVING REQUEST TO RESIGN UNQUOTE LEADS US TO BELIEVE  
DECISION WAS NOT VOLUNTARY.WANG HAS NOT BEEN SEEN AT OFFICIAL  
FUNCTIONS FOR SEVERAL MONTHS.

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PAGE TWO WJGR3594 CONF

3. ALSO DISMISSED WAS LIU HONGRU, VICE-GOVERNOR OF PEOPLES BANK OF CHINA WHO VISITED CANADA IN OCTOBER 1988.

4. NEITHER LIU OR WANG HAD BEEN SIGNALLED OUT FOR CRITICISM IN SPATE OF ATTACKS FOLLOWING 04JUN. PURGE MAY THEREFORE BE ENTERING SECOND PHASE.

CCC/059 050733Z WJGR3594

**ACTION  
SUITE A DONNER**

*Handwritten initials/signature*

C O N F I D E N T I A L

FM PEKIN WJGR3582 01SEP89

TO EXTOTT PNR

INFO HKONG TOKYO SEOUL SPORE BNGKK KLMPR JKRTA ~~MANIL DELHI ISBAD~~

BNATO WSHDC PARIS LDN MOSCO CIDAULL/BSC PCOOTT/LAC

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG SHNGI DE PEK

DISTR PGB PND PNC PGP INP CPP CPD

---PASSIVE RESISTANCE TO PARTY LEADERSHIP PERSISTS

DESPITE SUPPRESSION OF QUOTE COUNTER-REVOLUTIONARY REBELLION

UNQUOTE, OPPOSITON TO CURRENT LEADERSHIP CONTINUES TO MANIFEST

ITSELF IN DIFFERENT WAYS. A FEW EXAMPLES ARE LISTED BELOW.

2. A PUBLIC SECURITY SOURCE RECENTLY CONFIRMED TO A FOREIGN JOURNALIST THAT HE KNEW OF AT LEAST SIX CASES WHERE POLICE HAD REFUSED TO COOPERATE IN ARRESTING CERTAIN INDIVIDUALS. FOR EXAMPLE, POLICE WOULD PROCEED TO A SUSPECTS HOUSE TO MAKE AN ARREST, BUT NOT BEFORE HAVING WARNED THE PERSON TO FLEE.

3. IN JULY WORK UNITS ISSUED FREE TICKETS FOR STAFF TO GO AND SEE HISTORICAL FILM ON COMMUNIST VICTORY OVER KMT. FILM WAS DISMAL HISTORICAL RECONSTRUCTION BUT AT POINT WHERE USA AMB INSISTS THAT ARMS SUPPLIED TO (KMT) GOVT SHOULD NOT/NOT BE USED AGAINST STUDENTS, AUDIENCE BURSTS INTO APPLAUSE. ACCORDING TO SOME REPORTS, FILM HAS NOW BEEN RE-EDITED.

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PAGE TWO WJGR3582 CONFD

4. IN BEIJING CROWDS OF PEOPLE HAVE BEEN FLOCKING TO TWO EXHIBITS ON SUPPRESSION OF QUOTE COUNTER-REVOLUTIONARY REBELLION UNQUOTE AT NATIONAL ART GALLERY AND MILITARY MUSEUM. HOWEVER, REMARKABLE ASPECT OF EXHIBITION AT MILITARY MUSEUM IS THAT COPIES OF SPEECHES AND NEWSPAPER ARTICLES BY PROMINENT DISSIDENTS AND WANTED STUDENT LEADERS HAVE BEEN MOUNTED IN DISPLAY CASES, OSTENSIBLY TO DEMONSTRATE THEIR COUNTER-REVOLUTIONARY NATURE. HOWEVER, THIS IS EASILY MOST POPULAR PART OF WHOLE EXHIBITION SINCE MOST VISITORS WILL NOT/NOT PREVIOUSLY HAVE HAD A CHANCE TO READ SPEECHES BY YAN JIAQI, FANG LIZHI AND OTHER DISSIDENTS. SOME VISITORS TAKE NOTES. ELSEWHERE CAPTIONS TO BRIGHTLY COLOURED PHOTOS OF PEACEFUL, HAPPY CROWDS IN TIANANMEN LUDICROUSLY ATTEMPT TO DESCRIBE THESE SCENES AS CHAOTIC AND A DANGER TO PEACE AND GOOD ORDER. A PICTURE OF ANOTHER CROWD GOOD NATUREDLY TALKING TO AN ARMY COLUMN IS DESCRIBED AS VICIOUS. IN OUR VIEW ORGANIZERS OF EXHIBITIONS HAVE ENJOYED SUFFICIENT SUPPORT IN KEY DEPTS TO PULL OFF PROPAGANDA COUP BY SUBTLY RIDICULING GOVT AND EFFECTIVELY SPREADING IDEAS OF CHINAS DISSIDENTS.

5. DENUNCIATIONS OF DISSIDENTS AND VOICE OF AMERICA IN CHINAS OFFICIAL PRESS HAVE ALSO BEEN REMARKABLE FOR WAY IN WHICH EDITORIAL CONDEMNATION IS SUBTLY COMBINED WITH VERBATIM REPORTING OF THEIR VIEWS. PEKIN UNIV STUDENTS OPENLY LISTEN TO VOA IN THEIR DORMS ALTHOUGH IN SOME DISTRICTS IT IS REPORTED THAT NEIGHBOURHOOD PATROLS HAVE BEEN IDENTIFYING HOUSEHOLDS WHO TUNE IN TO FOREIGN BROADCASTS.

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PAGE THREE WJGR3582 CONFD

6. NOTWITHSTANDING APPOINTMENT LAST WEEK OF NEW PRESIDENT AT PEKIN UNIV, SITUATION THERE WOULD APPEAR TO PRESENT MAJOR CHALLENGE TO PARTY LEADERSHIP IN QUOTE CLEANING UP UNQUOTE UNIVERSITIES. FOR EXAMPLE UNIV PARTY SECRETARY, WANG XUEZHEN, WHO IS KNOWN TO HAVE BEEN KEY SUPPORTER OF STUDENT MOVEMENT, REMAINS IN HIS JOB—RESULT OF CLEVER BUREAUCRATIC FOOTWORK ON HIS PART, ACCORDING TO OUR SOURCE. IN LAW DEPT, ONLY THREE OUT OF 150 STAFF ARE CONSIDERED TO SUPPORT CURRENT PARTY LINE AND SO FAR THEY HAVE BEEN EFFECTIVELY MARGINALIZED BY THEIR COLLEAGUES. EVEN SENDING ALL FRESHMEN FOR YEARS MILITARY TRAINING MAY HAVE UNINTENDED CONSEQUENCES, SINCE AS ONE STAFF MEMBER PUT IT, MOST MILITARY INSTRUCTORS AND MANY YOUNGER OFFICERS SYMPATHIZE WITH STUDENTS CAUSE.

7. WHILE PEKIN UNIV IS CONSIDERED TO BE A PARTICULARLY QUOTE HARD NUT TO CRACK UNQUOTE, ABOVE EXAMPLES TAKEN AS A WHOLE DEMONSTRATE EXTENT OF OFFICIAL AND UNOFFICIAL RESISTANCE TO CURRENT CRACKDOWN.

CCC/059 010600Z WJGR3582

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S E C R E T

FM PEKIN WJDR0184 01SEP89

TO TT NDHQOTT/DGISS/DDI 6-3/DI POL/ DE CAT

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INFO EXTOTT/ PNR

REF OURTEL WJDR0179 24AUG

---PLA AND BEIJING/UPDATE

ACC	615800	REF	DATE
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CONSOLIDATION OF MARTIAL LAW CONTROL IN BEIJING BY BEIJING MILITARY REGION(BMR)FORMATIONS CONTINUES.LARGE VEHICULAR MOVEMENTS OF PAST THREE WEEKS HAVE CEASED.CURRENTLY ONLY ADM TRAFFIC VISIBLE,AND THIS AT A REDUCED SCALE FROM THE PAST.GUARDS REMAIN AT IMPORTANT JUNCTION/INTERSECTION POINTS,ALTHOUGH NEW RED ARM PATCHES WITH DIFFERENT ALPHA-NUMERICS HAVE BEEN SEEN.

2.COMMENTS:BMR PLA HAVE SETTLED IN AND ARE DEVELOPING A COMFORTABLE ROUTINE.RATIONALIZATION OF TASKS AND BARRACK AREAS HAS ENABLED SOME PRIOR VEHICLE ASSISTED MOVEMENT TO TAKE PLACE BY FOOT.LESS ADM TRAFFIC MAY ALSO INDICATE RE-SUPPLY OF FOODSTUFFS BY NON-MILITARY VEHICLES IN MANY CASES.NEW ARM BANDS INDICATE THAT BMR FORMATIONS ARE ROTATING UNITS THROUGH MARTIAL LAW DUTIES TO REDUCE FATIGUE/BOREDOM AND PROVIDE TRAINING FOR THE (INCREASINGLY) IMPORTANT TASK OF INTERNAL SECURITY.PERIOD OF DUTY IN BEIJING PRIOR TO ROTATION IS AS YET UNCLEAR.

3.RUMOURS OF SPORADIC VIOLENCE AGAINST MARTIAL LAW TROOPS CONTINUE.UNSUBSTANTIATED REPORTS INDICATE AN AVERAGE OF ONE SOLDIER PER NIGHT QUOTE DISAPPEARS UNQUOTE IN BMR.TROOPS ON R AND R/SHOPPING

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PAGE TWO WJDR0184 SECRET

ALWAYS IN GROUPS, SELDOM ALONE. WHEN ASKED WHY SOLDIERS WEAR STEEL HELMETS DURING HOT HUMID WEATHER, THE ANSWER HAS BEEN QUOTE BETTER PROTECTION AGAINST SNIPERS UNQUOTE. IN SOME AREAS, FULLY ARMED AND HELMETED SOLDIERS HAVE BEEN SEEN PATROLLING IN TWO OPEN-BACK JEEPS, FIRST LEAD BY AN OFFICER, EACH JEEP EIGHT PERS (TWO UP FRONT, SIX IN BACK SITTING THREE TO A SIDE).

4. BEIJING OP DEVELOPING INTO CLASSIC INTERNAL SECURITY SCENARIO. MOBILE PATROLS, SHOULD THEY APPEAR MORE FREQUENTLY, WILL SERVE TO UNDERSCORE EXISTENCE/SERIOUSNESS OF RESISTANCE THREAT. OBSERVERS WILL ALSO BE ON LOOKOUT FOR FOOTBORNE ACTIVITY WHICH IS A NEXT LOGICAL STEP. HOWEVER, WESTERN LOGIC MAY WELL NOT/NOT FIGURE PROMINENTLY IN CHINESE DELIBERATIONS.

5. FRM MA REPORTS THAT VISIT OF HIS DEFMIN LATE SEPTEMBER HAS BEEN CANCELLED. WHEN CANCELLED NOT DISCUSSED OR VOLUNTEERED. HE ALSO REPORTS CHINESE HAVE QUOTE FILLED THE VOID BY HAVING A SENIOR GDP CHIEF OF THE MAIN STAFF, WHO IS ALSO BY DEFINITION FIRST DEPUTY DEFMIN, WILL VISIT CHINA/BEIJING IN THREE OR FOUR WEEKS.

6. THURSDAY 31 AUG PAKISTAN SPECIAL ENVOY MR ALI/ALI, SPECIAL ADVISOR TO PRIME MINISTER ON SECURITY AND MILITARY AFFAIRS, ARRIVED IN BEIJING. HE WAS GIVEN A DEMO/DISPLAY AT SHA HE AIRFIELD WHICH INCLUDED F-7 (EXPORT VERSION), A-5, AND F-8 (TYPE ONE) AND A PARACHUTE DISPLAY. PAKISTAN APPARENTLY SEEKING TO BUY 75/75 AIRCRAFT. SPECULATION IS THAT TANKS MAY ALSO BE ON HIS 3/4 DAY AGENDA.

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PAGE THREE WJDR0184 SECRET

7. ACTIVITIES AND REHEARSALS CONTINUE IN PREPARATION FOR NATIONAL DAY 01OCT. ALTHOUGH ANTICIPATED MILITARY PARADE HAS BEEN CANCELLED/ CANCELLED, THERE WILL UNDOUBTEDLY BE SOME FOOTBORNE MARCHING PLA PARTICIPATION, ALTHOUGH ON A VERY SMALL SCALE. NATURE OF QUOTE PARADE UNQUOTE STILL UNANNOUNCED AND UNCLEAR.

8. TANKS/APCS REPORTED REF PARA TWO HAVE NOT/NOT BEEN CONFIRMED. AWAITING UPDATE FROM US SOURCES.

9. UK DA, LAST WEEK ON ROAD TRIP TO BEIDAIHE RESORT AREA, STOPPED FOR 90/90 MINUTES NEAR RR CROSSING BY PAP. EVENTUALLY A QUOTE LEADERS TRAIN UNQUOTE WHISTLED BY ENROUTE TO BEIJING. COMMENT: TWO MONTHS AGO THE CHINESE QUTOE SPRING UNQUOTE WAS CRUSHED IN BEIJING. THE SUMMER SEASON IS NOW OBVIOUSLY DRAWING TO A CLOSE, AS LEADERS RETURN TO THE CENTRE OF POWER TO DECIDE WHO WILL BE SEEN ON THE FIRST OF OCTOBER AND TO ATTEMPT TO RESOLVE LEADERSHIP ISSUES AND THE FATE OF ZHAO ZIYANG PRIOR TO THE FIFTH PLENUM A FEW DAYS AFTER NATIONAL DAY.

10. THE FOREST FIRE CONTINUES TO SMOULDER.

CCC/059 010213Z WJDR0184

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31 Aug 1989

(PRC SOURCES MONITORED BY FBIS HAVE NOT BEEN OBSERVED TO REPORT THE FOLLOWING)

PRC: SPOKESMAN ON PROSECUTION OF CITIZENS WHO FLEE ILLEGALLY

HK3108110589 HONG KONG AFP IN ENGLISH 1100 GMT 31 AUG 89

[TEXT] BEIJING, AUG 31 (AFP)—CHINA WILL PROSECUTE ANY CITIZENS WHO FLEE THE COUNTRY ILLEGALLY, FOREIGN MINISTRY SPOKESMAN LI ZHAOXING SAID THURSDAY.

"THE CHINESE GOVERNMENT NEVER APPROVES OF THE ILLEGAL EXITS OF ITS CITIZENS AND ACTUALLY TAKES PREVENTATIVE MEASURES AGAINST THEM," HE TOLD A WEEKLY PRESS BRIEFING.

MR. LI MADE THE REMARKS WHEN QUESTIONED ON THE INFLUX INTO JAPAN OF CHINESE NATIONALS POSING AS VIETNAMESE REFUGEES.

HE MADE NO MENTION OF A MEETING THURSDAY IN TOKYO IN WHICH JAPAN ASKED CHINA TO TAKE BACK THE BOGUS BOAT PEOPLE.

31 AUG 1256Z MS

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**Pages 590 to / à 595  
are withheld pursuant to section  
sont retenues en vertu de l'article**

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The Beijing Massacre:  
A Canadian Perspective

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DRAFT  
Not for quotation

B. Michael Frolic  
York University, Toronto  
August 27, 1989

## Some General Observations

We will not soon forget the events of the past few months. As many have noted, "China will never be the same." This can also be said of most professional China watchers who, once again, found themselves confounded by the twists and turns of Chinese politics. This particular sinologist, who in the past had piously stated that, unlike some of his colleagues, he had never been taken in by the Cultural Revolution---this sinologist nevertheless found himself in 1989 consistently mis-predicting the events of April to June. Here are but four of these "predictions":

- A. China's leaders will meet together with the students and they will work out an agreement, if only to "save face" for all sides and to get the Square cleared in time for Gorbachev's visit. (CBC-TV, May 3, 1989)
- B. The students being first and foremost patriotic young Chinese, will not want to embarrass their leaders or their country during Gorbachev's visit. They will leave the Square voluntarily before his arrival. (CBC-TV, May 9, 1989)
- C. The failure of the leadership to settle the matter is obviously because Deng Xiaoping is either dead or dying (Toronto Globe, June 6, 1989)
- D. It is now clear that the Peoples' Liberation Army will never fire upon unarmed Chinese. (Toronto Globe, May 28, 1989)

It is the nature and hubris of our profession that we are not humbled by the fact that events in China more often than not follow paths unforeseen by us. Part of the problem is that we may be limited by our cultural and ideological biases when dealing with Communist and/or Asian politics. Another problem lies in the West's perpetual fascination with China. We continue to treat

that country as if it was a "special case", capable of transcending economic backwardness without the pain that is felt elsewhere. Why should China, in the end, be that different from other big, overpopulated, peasant societies? Why should we also assume that somehow China has discovered a way to combine socialism and capitalism without any major trauma? We tend to be optimistic about China, unlike our past thinking about the Soviet Union, China's "elder brother". This optimism is reflected in a belief or wish that China will succeed, where others have failed. We are so often deceived by developments in China because we want to be deceived. For many Westerners China is a mirror wherein we see reflected our own desires and hopes. We take refuge in China's "uniqueness" and may sincerely believe that China can do what others cannot, for example, India or the Soviet Union. In these perceptions we are encouraged by the Chinese themselves, who delight in, and cultivate, our view that China is special, even as they find themselves unable to come to terms with our "westernness".

#### Canadian Perspectives on China, 1989

Most Canadians like to think that Canada has a "special relationship" with China. 1. Do we not have Dr. Norman Bethune in common? Did not Canada recognize China in 1970 in the midst of Cultural Revolution, thus providing China with much-needed international legitimacy at a critical time? Has not the PRC in gratitude made major purchases of our wheat over the years? Is not the Canadian view of China sensible and realistic, in comparison with that of our American neighbour? Canadians have argued in the past that our view of China differs from that of our American neighbour. Unhampered either by an imperialist past or by the responsibilities of world power, we are less ideological than our American cousins, less committed to having China turn out in our image. Yet in comparison with other nations Canadian and American views of China may not appear that different from one another. For obvious reasons Hong Kong sees a very real face of China up close, every day. Canada is far away, a comparative dilettante in the China game. While we fancy ourselves to be realists, with a special relationship with China, the Canadian perspective may, in the final analysis, be a mixture of exotica and trade, of Western cultural superiority and naivete.

When the Beijing demonstrations caught our attention, they arrived as a media event, captured through the eyes and sounds of American television. We watched a morality play, in which the good students were locked in battle with the bad Communist

Goliath. The goal was democracy, which we were told was both reasonable and attainable. All fairy tales are supposed to have a happy ending and the television coverage in Tiananmen abetted our fantasies. Alas, the Communist Prince prevailed and the students were crushed by common tanks. Evil had won out and we saw it happening before our very eyes. Outrage and anger were reinforced by the images of Tiananmen. How could the Chinese have done something like this, right in public view? The first reaction was one of dismay and outrage, followed by a need to do something, either to "punish" China, or at least to provide strong sympathy and support to the students.

By and large, I think that Canadian China watchers do not really believe in fairy tales. Most of us saw an aging Chinese leadership, paralyzed by internal conflicts, unable to find the flexibility and decisiveness necessary for defusing the demonstrations. For most of us the struggle for democracy was a sideshow. Events in Beijing had less to do with democracy than with economic problems, urban social grievances, and the failings of the leadership. It was clear that an important benchmark had been reached, although no one was exactly sure how different China might be afterwards, just that she "would never be the same". Prior to June 4 we speculated along the following lines:

- A. The demonstrations are permanently transforming Chinese politics. The Party will have to reform itself quickly. The leadership must permit more openness of debate, better information and more participation in the political process.
- B. The army cannot any more be trusted. Once sections of the military refuse to carry out orders, then the army's undivided loyalty to the Party is questionable, authority at the centre is in danger of losing its legitimacy, and civil war is in the wind.
- C. Fear is disappearing. Thousands of Chinese are willing, in public, to criticize the system and its leaders. Many are ready to become martyrs. The prop of fear has been knocked out from under the Party.
- D. China's youth, once again, are its real revolutionaries. Students, not workers or intellectuals--and most significantly, not the Party--are the shock troops of change. They are the bearers of what is left of marxist revolutionary values and Confucian ethics.

- E. Economic change, sooner or later, leads to political crisis and/or political reform. Deng Xiaoping thinks he can stave off political reform with dramatic economic gains. But the forces he has unleashed have brought pressures for political liberalization, pressures that are difficult to contain. 2.

After the June 4 massacre, those Canadians who had believed that China had changed fundamentally in the Deng Xiaoping decade recoiled in anger because of what they saw. Many demanded major economic sanctions and even the withdrawal of diplomatic relations. The urge to punish China for its open brutality and its failure to conform to expectations was strong. Others, from the beginning more skeptical about the real depth of Deng's "liberalization", saw an authoritarian system "reverting to type" and, while dismayed by what had happened, were less willing to "punish" strongly a system that in their view could have been expected to respond to the demonstrations with violence. Just about everyone did agree that politics in China had changed. The "genie in the bottle" metaphor was commonly employed. Was the genie (of democracy?) out of the bottle, or was the bottle only cracked?

The most important airing of Canadian views on China after the massacre, took place behind closed doors in Ottawa on June 22 at the Department of External Affairs. Assembled were over 40 individuals representing four "estates", each with a particular interest in Canada's relationship with the PRC: businessmen and traders; representatives from the Canadian Chinese community; academics and professional China watchers; officials from governmental and quasi-governmental organizations. We had been asked to attend the meeting to tell the Minister, and subsequently the Prime Minister and Cabinet, what to do about China. Without breaking any oaths of confidentiality, we can summarize the main viewpoints expressed at the meeting. The business community appeared to speak with one voice, and that voice said, "Let there be business with China as usual. Economically it is in our interest and in Canada's to maintain trade links and investment." The large grain dealers pointed out what all of us knew: that in 1989 one out of every three Canadian farmers would get his income from grain sales to the PRC. The last thing any Canadian government wanted to do was to alienate the Western farm vote or jeopardize a market that had been built up over so many years. As one participant noted, "Why punish our farmers and the common Chinese who will be eating our

grain?"

The strongest proponents for punishing the PRC turned out to be the representatives of the major Chinese community organizations. They had been given a dual mandate by their members to demand severe sanctions against Beijing, and to provide assistance for the nearly 5000 students and scholars from the PRC who could find themselves politically stranded in Canada. The 500,000 plus Canadian Chinese community was embarrassed, angry and appalled at what had happened, and the Government was willing, at least for political reasons, to hear their views. If anything, the events of 1989 marked a major step in the political maturation of Canada's Chinese community, a community that until Tiananmen had been relatively quiescent politically on the Canadian scene. 3.

The dozen or so Canadian academics were a mixed lot. Mainly political scientists and historians, in the small world of Canadian sinology many had served with the Department as sinologists in the Beijing Embassy. Our views were known to the Government, and the Government's position and options were familiar to us. The majority advocated the following action: that the Canadian Government not withdraw its Ambassador, or in any way diminish the level of Canadian representation in China; that the Canadians should not impose economic sanctions on the PRC; that basic linkages with the PRC be maintained, especially scholarly exchanges which serve to benefit precisely those who are certain to be repressed after Tiananmen; that high-level government delegations be suspended, along with government to government consultations at the senior level; that no new development assistance programmes be initiated; that selected aid programmes be evaluated and possibly suspended; that the Government should re-evaluate its current and pending loans; that the Government should deliver a strong note of protest to the PRC authorities, in Ottawa and in Beijing. 4

A smaller group of sinologists, some scarred by having witnessed the massacre, having close Chinese friends whose fate was unknown, or having participated in the somewhat frightening evacuation of Canadians from the PRC, wanted stronger action. The problem was that almost everyone recognized that economic sanctions simply would not work and that the Government's range of credible options was, in fact, limited. 5

Except for the traders and businessmen, who sought to depoliticize the issue ("Capitalism should be above politics") all of us, including representatives of governmental and quasi-

governmental bodies dealing with the PRC, wanted some policy action to express our outrage. We realized that the Chinese government could simply ignore our Government's words and actions and would claim that we were interfering in the internal affairs of China. It was clear to us that Canada, in the end, just does not have the economic or political clout to make a real impact on China. Only strong, concerted action by the United States or Japan could possibly make a difference, and this was not likely to occur.

How could the Government convey its outrage in a credible way? Was it possible to "punish" the old reactionaries of Beijing while maintaining linkages and programmes which benefit the "common Chinese"? The contradictions inherent within these questions could not be overcome by any Government policy, and one suspects that all of us assembled at the meeting knew this truth full well. The policy that did emerge on June 30 was designed to appease the most vociferous critics of China, to offer some public defense of human rights, and to maintain business relations, though "not quite as usual":

The Government will preserve existing linkages; focus on people-to-people exchanges; avoid programmes which will benefit the hardliners; defer high level contacts with the Chinese government; withdraw from several large development assistance programmes; hold back implementation of 4 of 5 agreements about to be signed; suspend Canadian participation in the Three Gorges project; review Canada's two billion dollar line of credit for China; to suspend government funding for PRC-hosted trade shows; extend student visas for Chinese students in Canada; establish a major programme for assisting PRC students and scholars currently in Canada; evaluate Canadian support of celebratory visits such as symphony orchestras, on a case-by-case basis. 6.

Once the Government announced its policy, which was a moderate rebuke rather than an angry outcry, demands to punish China subsided significantly. The Government had acted as best it could and if more was to be done it would have to be by private citizens. With the passage of time it is almost axiomatic that public concern about distant events will diminish, if not evaporate. Now in late August the Beijing massacre, like a faintly glowing ember, is barely visible on the Canadian horizon. The front pages and television screens are occupied with other

fare, and the thoughts of decisionmakers are focussed elsewhere. Recently, the Canadian Government approved a \$(Cdn) hundred million loan to help China develop her telecommunications technology--precisely the sort of assistance that in June Canada had suspended. Canadian public criticism of the loan was minimal, if not almost absent from view. Government officials are slowly re-establishing contacts with their Chinese counterparts. Sinologists are adjusting their research agendas (dusting off the old books on totalitarianism) and reorganizing their teaching (a reinterpretation of the Deng Xiaoping era?) in order to take into account the new (or old) China. The Chinese political system, drawing on the residual resources of the authoritarian Chinese state, prevailed, regardless of the actions of a handful of urban-based students, or condemnations from abroad. In this context one has to wonder how much impact Canadian expressions of concern and outrage in the end had on either Canadians or the Chinese Government. If anything, the impact was greater on Canadians, a conclusion of some significance.

#### Some Lessons of the Beijing Massacre: Political Order and Party Reform

It is apparent that sustained reform of a socialist system cannot take place without a substantial measure of political change. This change will be disruptive and will threaten the existing political order, whether individuals wish to democratize the political system or simply to alter the way in which the Party governs. Until Tiananmen we had fantasized the existence of a Dengist model of marxist modernization which, unlike perestroika and glasnost in the Soviet Union, could freeze political change in the short run, as a trade-off for rapid economic development. Recent events confirm for socialist systems what we all knew about non-socialist ones, that rapid economic development and attendant social problems bring forth political crises that cannot be overcome by existing socialist political institutions. Conventional wisdom stated that the Party could defuse any potential political crises that would emerge. Recent events in China, Poland and the Soviet Union show that may not be the case. In the current period of socialist reform the Party has turned out to be a far weaker institution than either Western or socialist theorists had imagined. In Hungary we have the prospect of a Party splitting into distinct factions that could confront one another electorally. In Poland the Party is so weak that it is sharing a part of its once indivisible power with Solidarity. In China we saw a Party paralyzed by internal conflict, lack of communication with its citizens, and the corruption of its members. The real issue is not democracy but political order, and Party reform has to be the central item on

the modern socialist agenda. 7

China has been going through the motions of Party reform for some time now. Party reform was on the agenda of the 13th Party Congress. It was clear that the new economic policies would have to be led by a leaner, more flexible Party which could manage the new entrepreneurship while maintaining central control over the political process. The Party is the only political institution capable of maintaining political order in the foreseeable future. For this reason alone it has to adapt, if the system is to survive. For ideological reasons the Party must continue to exist at the centre of life and politics, if only to justify the socialist basis of the system. But recent events have shown that the Party's hold on the system is tenuous. It governs because China can provide no alternative, and in the final analysis the dictatorship of the Party is preferable to political disorder. The students in Beijing failed because they could not provide a realistic alternative. In fact, they did not seek to eliminate the Party, only to change it.

Can the Party change sufficiently to manage China's modernization in the coming years? According to Huntington, this depends on "the scope of support" for the Party and its "level of institutionalization". With regard to the former it is apparent that support for the Party is at best modest, more likely passive, and can vanish in the instant when the Party shows it is no longer in command. We need not dwell, therefore, on the Party's support within the society. After 40 years in power it has fared no better than its Soviet elder brother, and its strength is only as great as the credibility of its instruments of persuasion and control. The issue, then, is whether the Party's "level of institutionalization" can compensate for its lack of public support.

Huntington measures political institutionalization level by the criteria of "adaptability", "complexity", "autonomy", and "coherence". Applying these criteria to the performance of the Party in China we can observe the Party's incipient weakness as it struggles to maintain political order on its terms. For example, while the adaptability of an organization should be enhanced by its age (political organizations mature and acquire support over time) the fact that the present Party is unable to break away from the influence of its first generation of leaders shows its rigidity. As long as the "old men of Beijing", such as Deng, Chen Yun and Peng Zhen continue to rule the Party, the simple replacement of leaders will pose major problems. Huntington also points out that "functional adaptability...is the true measure of a highly developed organization." Measured by this criterion the Party has failed notably to respond to the

challenges of the new entrepreneurship and its attendant political demands. The economic reforms have put pressure on the Party to carry out tasks for which it is ill-prepared, both ideologically and in terms of the new economic and leadership skills which its members must possess. Those currently in the Party cannot shed bad habits or quickly learn "new tricks". Nor, as Gorbachev has discovered, do they necessarily want to. It is harder to attract good new members when individuals can now acquire more power through trade and economics than in politics. When Party members seek to aggrandize themselves economically they are subject to criticism for corruption.

Huntington observes that, "The more complicated an organization is, the more highly institutionalized it is." Viewed from one perspective, a 47 million member Party, with all its territorial and production units is a terribly complex organization. But it is essentially the only Chinese political institution and when Huntington refers to "an organization" he means the entire political system. "Complexity" requires the existence of several organizations, to accommodate systemic changes so that, "as new problems arise, the initiative in dealing with them may be taken first by one institution, then by another." The Chinese Party has not been able or willing to develop these institutions, for example a viable judiciary, local and national parliaments, or a critical press, not to speak of permitting political competition. These are changes which are occurring in other socialist systems but which have been lagging in the PRC. In the post Tiananmen period the Party has reverted to traditional methods of rule, seeking to strengthen itself while preventing the growth of political competition. This was a workable solution during socialist industrialization and collectivization in the fifties, but is problematic in the period of socialist marketization in the nineties.

The Party also has difficulty in separating itself from society. We assume that autonomy of social forces from political organizations is the hallmark of a modern political system. Marxists have believed otherwise, given the class basis of the marxist Party and its compulsion to transform Chinese society radically from the centre in its own image. But that image has been tarnished by forty years of holding political power. The credibility gap between the Party and society has grown. The events in Beijing showed that the Party is not able to assimilate new social forces nor motivate or represent them. Thus, on the one hand the Party continues to try to dominate and control social change, while on the other hand it has alienated itself from these forces. The issue may not actually be the lack of autonomy between society and polity, but rather the Party's incapacity to provide the leadership and moral example

to inspire social commitment to its programmes.

Huntington notes that, "Unity, esprit, morale and discipline are needed in governments as well as regiments." Both western and marxist theorists have claimed that the Communist Party embodies these qualities, but in the current situation of socialist reform the Party's vaunted discipline and coherence is under siege. Can an organization which has nearly fifty million members possess "coherence?" Is it feasible to expect "discipline" to be much more than the maintenance of the status quo or the insistence that Party policies be carried out unquestionably? The Chinese Party was criticized by the students because it lacked the discipline to control corruption. We know how tenuous is the Party's hold on the local levels of power. The "men of virtue" who were supposed to lead by moral example are few and far between. Both in Confucian and in marxist terms the Party has failed to provide the self-discipline that an elite needs to govern. As Huntington concludes, "discipline and development go hand in hand."

To return to my earlier question, can the Party reform itself to meet the demands of political institutionalization and prevent political disorder? By utilizing the familiar methods of totalitarianism the Party can, in the short run, maintain itself in power. But this is only a temporary respite. Other Tiananmens will occur and the Party's grip on the system will become still more tenuous. The Hungarian and Polish cases do not offer a useful solution for China. Martial law and alliance with the military would represent a failure of socialism. Attempting to implement democracy would be a disaster because China lacks the requisite political institutions and infrastructure. At this juncture the only possible option is the current Soviet model, in which the Party presides over the building of alternate and/or intermediary political institutions which can focus and clarify demands for political change in interaction with the Party. Thus, the Party may be able to change even as the political system is changing. A new group of Party members may be able to transform Party institutions and policies, if not ideology. All this is highly speculative, and does not offer much hope for Chinese politics which, as we noted at the outset of this paper, tend to move in unexpected directions. It may be that all China needs to continue its reform process is the permanent exit from politics of its aging leaders. Perhaps the emergence of a Gorbachev-like leader will inspire the Party and those who are looking for socialist political solutions. That is the optimistic view. The more realistic perspective is that Chinese politics have fallen on hard times; the Party may not be able to reform itself, and political instability, rather than political order, is the likely prospect for China in the future. As for democracy in China it is not likely to be on the agenda for some time.

Endnotes

1. This theme is discussed in P. Evans and B. Michael Frolic (eds), Reluctant Adversaries: Canada-China Relations, 1949-1970, (forthcoming).
2. Cf. B. Michael Frolic, "China's Need For Leadership", World Press Review, July, 1989, pp. 17-20
3. For a good analysis of the political role of Canada's Chinese community during Canadian negotiations with the PRC for mutual recognition, 1968-1970, see J. Lum, "Recognition and the Chinese Community in Toronto", in Evans and Frolic, op cit
4. Cf Paul Evans, "Canadian Relations with China: The Case for Caution", The Globe, June 13, 1989
5. *ibid*
6. From statement by the Hon. Joe Clark, Secretary of State for External Affairs, Ottawa, Canada, June 30, 1989
7. On the question of political order and political change, see S. P. Huntington, Political Order in Changing Societies, Yale, 1968. The references to Huntington are drawn from Chapter One. Since the theme of this Conference coincides with the title of Huntington's book, I have chosen to focus on his writings. To be sure we should keep in mind that his book primarily deals with so-called "developing countries" rather than with communist polities. In addition, he does not look at modernization within the context of international political economy, or foreign policy analysis. Despite these "shortcomings" his work continues to have relevance for assessing political change in modernizing political systems, including China.

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**PRESS RELEASE**

No. 40.  
August 21, 1989

**WITNESS ON CLEARING OF TIANANMEN SQUARE  
IN THE SMALL HOURS OF 4TH JUNE**

Beijing, August 17 (Xinhua) -- Composer Hou Dejian who went into hiding on the premises of a certain foreign institution in China after the occurrence of the counter-revolutionary rebellion returned yesterday to his residence at Shuangyushu of Beijing. He was among the last group of people to leave the Tiananmen Square in the small hours of 4 June 1989.

This afternoon, Hou Dejian, in a dark grey T-shirt and wearing black-rimmed spectacles, had press interview at his home.

When asked whether it was true that he was wounded at that time as was reported in some overseas newspapers, Hou answered, I was perfectly all right and was not wounded. Then he recalled the course of his withdrawal from the square and what he saw there on 4 June. Hou said that on the night of 3 June, the square was in disarray and that the students were divided on the question of whether to withdraw from the square. After midnight, the students gathered around the Monument to the People's Heroes. Among them were Hou and three other men taking part in the 72 hour hunger strike.

Hou said that many people there, including the few of them in their thirties, could not keep calm. Then two doctors from the Red Cross Society suggested that they carry on negotiations with the Martial Law Troops. Around 3:00 a.m. on 4 June, Hou and a fellow hunger striker, accompanied by two Red Cross doctors, rode away in an ambulance to meet the Martial Law Troops. Hou said that they were stopped on the Changan Street in front of Tiananmen Square by the Martial Law Troops. A commissar of the troops came forward to meet them and told them that a route was left open for the students to withdraw from the southeastern corner of the square.

Later, Hou went back to the monument and tried to persuade the students to leave. At that point, the students were trying to decide whether to withdraw or not by seeing which side shouted louder. Hou said he could not hear clearly which side had the stronger voice but he had no time to care that much. So he pulled up whichever student he came across, trying to persuade him to leave. Actually there were many students already beginning to withdraw in the southeastern direction.

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According to Hou's account, both the students and the army soldiers at that time were keyed-up, for neither side knew what the other side was up to. Some soldiers were pointing their rifles straight ahead. But most of them turned to aim their rifles upwards when Hou made a gesture asking them to do so.

Hou said that during the whole process of withdrawal, he did not see a single student, citizen or PLA killed, nor did he see any tank or armed personnel carrier rolling over people. But he did see three or four tanks outside the square. He said he heard gun shots while in the square and saw sacks of tear-gas grenades spreading in the air over the southwestern part of the square. But he indicated that the guns were fired into the air or at the loudspeakers installed on the monument.

Hou told the reporters that he was withdrawing from the square, lying on a stretcher, together with the last group of people to pull out. "I was covered with an overcoat and was very scared when I heard the gun shots. But the doctors told me not to be afraid because the guns were fired into the air."

When asked about what happened to the student leaders at that time, Hou replied that Wuerkaixi had said during a broadcast that he was feeling unwell probably because of a heart-attack. At about 1:00 or 2:00 a.m., Wuerkaixi was carried to the base of the monument by some medical personnel and was no longer found there when Hou came back from his negotiations with the troops. Cai Ling and some others were also in the square at the time, but when Hou asked her to come with him to negotiate with the Martial Law Troops, she replied, "I am the chief commander at the Tiananmen Square. I must stay here." Later, Hou was told that Cai had left the square with the first group of withdrawal. As for Wang Dan, Hou said that he did not know or see Wang and he only heard that Wang Dan appeared in the tents for the hunger strikers on the night of 3 June.

Hou said that he wrote a detailed account of what he saw and heard during that period of time in a form of a diary. The manuscript is left behind on the premises of that foreign institution in China, ready for publication overseas in near future. He also agreed to have it published in China. Hou said, many of my friends were surprised to see the great difference between what I had written and what they had heard, but what I noted down is the true story of what I witnessed.

After Hou went into hiding at the said foreign institution in China on 4 June, the Chinese Foreign Ministry made several representations, stressing that it was illegal for any foreign institution in China to take in Chinese citizens and that the institution concerned should let Hou leave there as soon as possible.

Today, Hou told reporters that during that period of time he got in touch with the department concerned and gradually came to know what was going on outside. Therefore, he decided to leave the foreign institution. Yesterday afternoon he returned to his own residence.

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B. PARA 2 - PAS PER PARA ONE, THE RESISTANCE HAVE RAISED

PAGE 2 RCCPJCR3216 S E C R E T CANADIAN EYES ONLY

THESE POINTS ON MANY PREVIOUS OCCASIONS. THIS IS THE FIRST TIME THEY HAVE CATEGORIZED THEM IN THIS FASHION HOWEVER. AS MENTIONED IN THE DINWP 3 WEEKLY UPDATE (14-21 AUG 89), THE VIETNAMESE HAVE RECENTLY ADMITTED TO HAVING 90,000 SETTLERS IN THE COUNTRY AND IT HAS BEEN CONFIRMED IN THE PAST THAT NUMBERS OF VIETNAMESE AND SOVIET ADVISORS HAVE BEEN INVOLVED IN MANY OF THE SOC MILITARY AND GOVERNMENTAL ORGANS. THE VIETNAMESE DOWN TO BATTALION LEVEL IN SOME CASES. THE NUMBER OF ADVISERS HAS HOWEVER DECREASED IN RECENT YEARS AND THERE IS NO HARD EVIDENCE TO INDICATE HOW MANY PERSONNEL HANOI HAS IN PLACE AT PRESENT OR INTENDS TO LEAVE BEHIND AFTER THE END OF SEPT. AS WITH THE FIRST PARA OF REF THERE IS NO EVIDENCE CONFIRMING OR DENYING THESE CLAIMS.

C. PARA 3 - WE HAVE NO EVIDENCE TO CONFIRM OR DENY THESE REPORTS OF SOC/PAVN ARMS CACHES. THE CONCEPT WOULD HOWEVER MAKE SENSE FROM A TACTICAL AND STRATEGIC VIEW ESPECIALLY IF THE SOC GOVERNMENT THOUGHT IT WOULD FALL AFTER A VIETNAMESE WITHDRAWAL. IF THE SOC/PAVN FORCES ARE IN FACT CREATING THESE CACHES, IT WOULD APPEAR THAT THE SOC

PAGE 3 RCCPJCR3016 S E C R E T CANADIAN EYES ONLY  
GOVERNMENT ESTIMATES ITS CHANCES OF REMAINING IN POWER  
AFTER A VIETNAMESE WITHDRAWAL AS LOW.

D. PARA 4 - ORBAT INFORMATION CONTAINED IN THIS PARA OF  
REF IS BASICALLY CORRECT. THERE IS NO SUBSTANCE TO THE  
SECOND PARA OF THE REMARKS SECTION OF PARA 4. AS  
PREVIOUSLY INDICATED DINWP IS CURRENTLY HOLDING VIETNAMESE  
SIR IN CAMBODIA AT 40,000 TO 50,000.

2. (S/CEO) REF MUST BE VIEWED WITH SKEPTICISM BUT  
SHOULD NOT BE REJECTED OUT OF HAND PENDING CONFIRMATION  
FROM OTHER SOURCES.

BT

JBQ064

CCC/593 241604Z PJCR3018

RETURN TO RENYOYER AU	DILO	FOR FILING POUR - ETRE PENSE AU DOSSIER
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CPA5		

*MIRA*  
*Vol 62*

S E C R E T

FM PEKIN WJDR0179 24AUG89

TO TT NDHQOTT/DGISS/DDI 6-3/DI POL/ DE CAF

INFO EXTOTT PNR

REF OURTEL WJDR0176 18AUG(NOTAL)

---PLA AND BEIJING/UPDATE

BEIJING MILITARY REGION (BMR) TROOPS NOW SEEMINGLY SOLELY IN CONTROL OF MARTIAL LAW AREA. LAYOUT REMAINS AS REF PARA TWO WITH V03 STILL NOT/NOT RELIABLY REPORTED. MAY WELL BE IN RESERVE OUTSIDE CITY. V05 STILL IN CITY, ALTHOUGH REF ACTIVITY MAY WELL INDICATE THINNING OUT. OVERALL TROOP LEVELS STILL VERY HARD TO GUESSTIMATE, PARTICULARLY SINCE CONC/BARRACK AREAS ARE BEHIND HIGH WALLS, AND VEHICULAR MOVEMENT IS ADMINISTRATIVE ONLY AT THIS POINT. STRENGTH ESTIMATES VARY FROM 15000/15000 TO AS HIGH AS 30000/30000.

2. V50 REPORTED AT REF PARA THREE LEFT CITY OVER THE WEEKEND. V11 UNIT OF APPROX 35/35 VEHICLES ALSO CAME OUT OF WOODWORK ON SATURDAY AND LIKEWISE LEFT THE CITY CENTRE. 20/20 TANKS AND 3/3 COMMAND APCs SEEN ON FLATCARS SW OF CITY IN FENG TAI WAREHOUSE AREA. WHETHER LEAVING OR ENTERING CITY NOT/NOT DETERMINED, BUT WILL KNOW VERY SOON; SUSPECT OUTBOUND AS SITUATION HAS QUIETENED DOWN.

3. COMMENT: REALIGNMENT AND RETASKING COMPLETE AS BMR SOLELY

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PAGE TWO WJDR0179 SECRET

RESPONSIBLE FOR BEIJING MARTIAL LAW. TROOPS NOW IN HARD ACCOMMODATION AREAS AND MAY WELL BE PREPARED TO STAY UNTIL ASIAN GAMES SEP 90 AS INTIMATED BY PREMIER LI PENG. THIS DOES NOT/NOT PRESUME THAT MARTIAL LAW ITSELF WILL REMAIN IN FORCE UNTIL THAT TIME.

4. REPORTS FRI/SAT 18/19 AUG FROM HONG KONG PRESS THAT DEF MINISTER QIN JIWEI AND THREE MIL REGION COMDS HAVE BEEN DETAINED/ARRESTED REMAIN GROUNDLESS. EUROPEAN SOURCE REVEALED THAT CZECH DEFMIN WILL VISIT CHINA/BEIJING 10-15 SEP AND MEET WITH DEFMIN QIN. VISIT ALSO INCLUDES MONGOLIA AND NORTH KOREA, ENDING 24 SEP 89. EAST EUROPEAN SOURCE CONFIRMED, AND ADDED COMMENT THAT PLANNING ALSO UNDERWAY FOR SIMILAR VISIT BY GDR DEFMIN IN NOVEMBER. THIS NOT/NOT CONFIRMED.

5. MOST MA CORPS CONTACTS FEEL DEFMIN QIN VERY SECURE, WITH A SUPPORT/POWER BASE ALMOST COMPARABLE WITH YANG SHANGKUN. REPORTED ARGUMENT OVER POSITION OF FIRST VICE-CHAIRMANSHIP OF CENTRAL MILITARY COMMISSION (CMC) MAY BE MOOT, AS POST CREATED ONLY 18/18 MONTHS AGO BY DENG XIAOPING FOR THEN PROTEGE ZHAO ZIYANG. POSITION MAY WELL DISAPPEAR BY FIFTH PLENUM NOW CALLED FOR OCTOBER 1989.

6. COMMENT: POWER STRUGGLE COMPLEX, AND BEST GUESSES ARE STILL JUST THAT. QIN JIWEI MAY WELL EMERGE AS ALTERNATE

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PAGE THREE WJDR0179 SECRET

TO YANG SHANGKUN AS SUCCESSOR TO APPARENTLY AILING DENG XIAOPING. ALTHOUGH DEFMIN HAS HAD NO/NO REAL POWER SINCE DEFMIN LIN BIAO ABUSED HIS, QIN WAS VERY SUCCESSFUL AS BMR COMD AND HAS STRONG SUPPORT FROM SOUTH AS A RESULT OF HIS DAYS IN KUNMING. HE IS ALSO ALMOST 20/20 YEARS YOUNGER THAN YANG OR DENG. THIS DOES NOT/NOW HOWEVER MEAN THAN QIN AND YANG ARE ALWAYS AT LOGGERHEADS. MA CONCENSUS REMAINS THAT BASIC SIMILARITIES BETWEEN QIN AND YANG FAR OUTSTRIP DIFFERENCES. OTHER PROMINENT FIGURES SUCH AS QIAO SHI, LI PENG, JIANG ZEMIN ARE SEEN AS TRANSITORY IN THE LONG RUN WITH LITTLE HISTORIC POWER BASE, COMPETENT PARTY HACKS WITHOUT ANY PLA SUPPORT, A FACTOR WHICH REMAINS CRUCIAL IN ANY LEADERSHIP BID.

7. AS ONE OBSERVER PUT IT, QIN JIWEI APPEARS TO BE CONTENT TO WATCH THE FOREST FIRE FROM THE OTHER SIDE OF THE RIVER.

8. FOR DI POL: PLEASE PASS COPY OF REF TO PNR.

CCC/099 240245Z WJDR0179

**ACTION**  
**SUITMESSAGIONNER**

Admission Reference
File/Dossier

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Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY  
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UNCLASSIFIED

PAGE 1 OF 3 12

10

FM/DE PRMNY WKGR-7273 25AUG89  
 TO/A EXTOTT/PSR  
 INFO.A.M. PEKIN DE NYK  
 DISTR PSD INP  
 REF  
 SUBJ/SUJ CHINA: ACCOUNT OF 04JUNE EVENTS

**UNCLASSIFIED**  
**NON CLASSIFIE**

FOLLOWING PRESS RELEASE FROM CHINESE PERMIS WAS ISSUED 21AUG  
 PROVIDING EYE WITNESS ACCOUNT OF TIANANMEN SQUARE EVENTS ON  
 04JUNE.

*NYK006/25 OTT*

RETURN TO RENOYER AJJ	<b>B100</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE
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<i>20 China - 1-4</i>		
<i>CPAG</i>		

*MIRA  
Vol 62*

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DIARY/JOURNAL

DESTROY/DETRUIRE

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**P O P L ' S E P U L I C O F C H I N A**  
**MISSION TO THE UNITED NATIONS**

155 WEST 66th STREET, NEW YORK, N.Y. 10023

**PRESS RELEASE**

No. 40  
August 21, 1989

**WITNESS ON CLEARING OF TIANANMEN SQUARE  
IN THE SMALL HOURS OF 4TH JUNE**

Beijing, August 17 (Xinhua) -- Composer Hou Dejian who went into hiding on the premises of a certain foreign institution in China after the occurrence of the counter-revolutionary rebellion returned yesterday to his residence at Shuangyushu of Beijing. He was among the last group of people to leave the Tiananmen Square in the small hours of 4 June 1989.

This afternoon, Hou Dejian, in a dark grey T-shirt and wearing black-rimmed spectacles, had press interview at his home.

When asked whether it was true that he was wounded at that time as was reported in some overseas newspapers, Hou answered, I was perfectly all right and was not wounded. Then he recalled the course of his withdrawal from the square and what he saw there on 4 June. Hou said that on the night of 3 June, the square was in disarray and that the students were divided on the question of whether to withdraw from the square. After midnight, the students gathered around the Monument to the People's Heroes. Among them were Hou and three other men taking part in the 72 hour hunger strike.

Hou said that many people there, including the few of them in their thirties, could not keep calm. Then two doctors from the Red Cross Society suggested that they carry on negotiations with the Martial Law Troops. Around 3:00 a.m. on 4 June, Hou and a fellow hunger striker, accompanied by two Red Cross doctors, rode away in an ambulance to meet the Martial Law Troops. Hou said that they were stopped on the Chang'an Street in front of Tiananmen Square by the Martial Law Troops. A commander of the troops came forward to meet them and told them that a route was left open for the students to withdraw from the southeastern corner of the square.

Later, Hou went back to the monument and tried to persuade the students to leave. At that point, the students were trying to decide whether to withdraw or not by seeing which side shouted louder. Hou said he could not hear clearly which side had the stronger voice but he had no time to care that much. So he pulled up whichever student he came across, trying to persuade him to leave. Actually there were many students already beginning to withdraw in the southeastern direction.

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According to Hou's account, both the students and the army soldiers at that time were keyed-up, for neither side knew what the other side was up to. Some soldiers were pointing their rifles straight ahead. But most of them turned to aim their rifles upwards when Hou made a gesture asking them to do so.

Hou said that during the whole process of withdrawal, he did not see a single student, citizen or PLA killed, nor did he see any tank or armed personnel carrier rolling over people. But he did see three or four tanks outside the square. He said he heard gun shots while in the square and saw smoke of tear-gas grenades spreading in the air over the southwestern part of the square. But he indicated that the guns were fired into the air or at the loudspeakers installed on the monument.

Hou told the reporters that he was withdrawing from the square, lying on a stretcher, together with the last group of people to pull out. "I was covered with an overcoat and was very scared when I heard the gun shots. But the doctors told me not to be afraid because the guns were fired into the air."

When asked about what happened to the student leaders at that time, Hou replied that Wuerkaixi had said during a broadcast that he was feeling unwell probably because of a heart-attack. At about 1:00 or 2:00 a.m., Wuerkaixi was carried to the base of the monument by some medical personnel and was no longer found there when Hou came back from his negotiations with the troops. Cai Ling and some others were also in the square at the time, but when Hou asked her to come with him to negotiate with the Martial Law Troops, she replied, "I am the chief commander at the Tiananmen Square. I must stay here." Later, Hou was told that Cai had left the square with the first group of withdrawal. As for Wang Dan, Hou said that he did not know or see Wang and he only heard that Wang Dan appeared in the tents for the hunger strikers on the night of 3 June.

Hou said that he wrote a detailed account of what he saw and heard during that period of time in a form of a diary. The manuscript is left behind on the premises of that foreign institution in China, ready for publication overseas in near future. He also agreed to have it published in China. Hou said, many of my friends were surprised to see the great difference between what I had written and what they had heard, but what I noted down is the true story of what I witnessed.

After Hou went into hiding at the said foreign institution in China on 4 June, the Chinese Foreign Ministry made several representations, stressing that it was illegal for any foreign institution in China to take in Chinese citizens and that the institution concerned should let Hou leave there as soon as possible.

Today, Hou told reporters that during that period of time he got in touch with the department concerned and gradually came to know what was going on outside. Therefore, he decided to leave the foreign institution. Yesterday afternoon he returned to his own residence.

*F.A.*

**ACTION  
SUITE A DONNER**

P R O T E C T E D  
FM PEKIN WJGR5794 24AUG89  
TO EXTOTT PNR

INFO HKONG TOKYO SEOUL SPORE KLMPR BNGKK MANIL JKRTA DELHI ISBAD  
WHSDC BNATO GENEV PARIS LDN MOSCO CIDADHULL/BSC PCOOTT/IAC

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF  
BAG SHNGI DE PEK

DISTR PGB PND PNC PSP INP INE CPP CPD ISS IME BKR  
---HOW NORMAL IS BEIJING?

ACC	DATE
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FILE	DOSSIER
20-China-1-4	
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A5-	

SUMMARY: OUTER APPEARANCES AND PRC GOVTS EFFOTS TO DEMONSTRATE THAT ALL IS BACK TO NORMAL IN BEIJING BELIES REALITY.SAVAGE CUTS IN UNIV ENROLMENTS HAVE BEEN MADE,RECENT GRADUATES ARE TO BE RUSTICATED FOR UP TO TWO YEARS AND POLITICAL INVESTIGATIONS OF WORK UNITS HAVE BEEN ORDERED.ALTHOUGH SOME CHINESE ARE WILLING TO TALK TO FOREIGNERS,MANY ARE EXTREMELY NERVOUS OF UNOFFICIAL CONTACTS. OF THE THOUSANDS NOW DETAINED,BEIJINGERS BELIEVE THAT MANY HAVE OR WILL BE EXECUTED.GOV'T REFUSES ALL COMMENT.ALTHOUGH CONTINUING SIGNS OF CONSUMERISM AND FREER LIFESTYLES ON STREETS DEMONSTRATE DEGREE OF OFFICIAL RESISTANCE TO CURENT CAMPAIGN OF POLITICAL REPRESSION, MOST PEOPLE BELIEVE SCREWS WILL BE TIGHTENED FURTHER.TREATMENT OF ZHAO AT FIFTH PARTY PLENUM,EXPECTED IN OCT,WILL BE KEY INDICATOR. FOR NOW,ATMOSPHERE OF POLITICAL AND PERSONAL UNCERTAINTY IN BEIJING RENDERS SITU HERE QUITE ABNORMAL.

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PAGE TWO WJGR5794 PROTECTED

REPORT: WHEN FOREIGNERS NOW RETURN TO BEIJING, THEY ARE STRUCK BY HOW NORMAL THINGS APPEAR. YOUNG PEOPLE STILL WEAR THE LATEST FASHIONS, THE ELDERLY ENJOY GAMES OF CHESS ON SUMMER EVENINGS, PARENTS AND CHILDREN STROLL ABOUT THE GARDENS. EVEN IN THE HUTONGS BORDERING TIANANMEN PEOPLE LAUGH AND CHAT. THEY NATURALLY ARE GETTING ON WITH LIFE.

2. IT IS GOVT ITSELF WHICH REFUSES TO LET TIANANMEN INCIDENT FADE. IT HAS SEIZED ON THE QUOTE REBELLION UNQUOTE AS SYMPTOM OF MALAISE THAT AFFECTS YOUNG INTELLECTUALS AS A WHOLE AND IS NOW INTENT ON ALTERING CONDITIONS WHICH ALLOWED THE STUDENT MOVMENT TO BLOOM. THE EFFECT OF PERSONAL ATTACKS ON INDIVIDUALS WHO WERE SAID TO HAVE INSTIGATED REBELLION AND SELECTIVE EMPLOYMENT OF FORCE COMBINED WITH PROMISES OF LENIENCY FOR THOSE WHO REPENT IS AN ATMOSPHERE OF VULNERABILITY. CAUTION IS THE BY-WORD. THOUGHT AND ACTION ARE CIRCUMSCRIBED. WHAT IS ABNORMAL IN BEIJING MUST BE MEASURED IN MUCH MORE THAN NUMBER OF TROOPS ON THE STREETS.

3. IN CONTEXT OF CHINAS TURBULENT RECENT HISTORY, THE LAST TEN YEARS OF PEACEFUL REFORM ARE PERHAPS ABNORMAL. BUT IN TERMS OF LAST TEN YEARS, WHAT IS STRIKING NOW IS UNCERTAINTY WHICH HANGS OVER PEOPLES LIVES. WILL I BE ABLE TO KEEP MY JOB? AFTER WORKING IN THE COUNTRY-SIDE WILL I EVER RETURN TO MY CITY HOME? WILL THERE BE A MASSIVE PURGE? WHAT WILL HAPPEN WHEN DENG GOES? WILL MY TALKING TO SO-AND-SO BE MISINTERPRETED LATER? THESE ARE QUESTIONS THAT PEOPLE ARE NOW GRAPPLING WITH. IN AN ATMOSPHERE OF SUCH POLITICAL AND PERSONAL UNCERTAINTY, SITU IN BEIJING CANNOT BE CONSIDERED NORMAL.

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PAGE FOUR WJGR5794 PROTECTED

(200KM FM BEIJING) FOR ONE YEAR BEFORE STARTING THEIR UNIVERSITY STUDIES. CURRENT STUDENTS WHO APPLY FOR A VISA TO STUDY ABROAD ARE NOW OBLIGED TO LEAVE THEIR COLLEGES AND UNIVERSITIES FIRST; IF THEY ARE UNSUCCESSFUL IN OBTAINING A VISA, THEIR ORIGINAL SCHOOLS ARE UNLIKELY TO ACCEPT THEM BACK, THUS PLACING STUDENTS IN LIMBO.

6. IN ADDITION, ALL NEW GRADUATES ARE BEING SENT TO SMALL COUNTY AND PROVINCIAL LEVEL POSTS FOR UP TO TWO YEARS BEFORE BEING ALLOWED TO TAKE UP NORMAL WORK ASSIGNMENTS OR DO GRADUATE STUDIES. THEY MUST ALSO TRANSFER THEIR RESIDENCE PERMITS. AS A RESULT, STUDENTS ARE AFRAID OF NEVER BEING ABLE TO RETURN TO BEIJING. ALL GRADUATES SINCE 1985 WORKING FOR CENTRAL GOVT AND PARTY AGENCIES ARE ALSO LIABLE FOR SAME TREATMENT. NEW POLICY IS KNOWN TO APPLY TO ACADEMY OF SOCIAL SCIENCE, TRADING COMPANIES, AS WELL AS MINISTRIES AND CLD APPLY TO DSB AND FESCO WHO SUPPLY CHINESE PERSONNEL TO EMBASSIES AND FOREIGN COMPANIES. GIVEN MASSIVE DISRUPTION THAT THIS CLD CAUSE IF EVERYONE WERE TO LEAVE WITHIN A SHORT PERIOD, WE PREDUCT THAT DIRECTIVE WILL BE APPLIED ON A SELECTIVE BASIS, CONCENTRATING ON PARTICULARLY TROUBLESOME INDIVIDUALS AND UNITS.

7. MEANWHILE, WORK TEAMS IN UNITS THROUGHOUT THE COUNTRY ARE FOLLOWING INSTRUCTIONS OF CENTRAL CTTEE DIRECTIVE TO IDENTIFY COUNTER REVOLUTIONARY OFFENCES BY EMPLOYEES ACCORDING TO 19 CATEGORIES. PUNISHMENTS RANGE FROM EXECUTION TO REEDUCATION. THE PUBLIC SECURITY BUREAU IS DISTRIBUTING VIDEO TAPES OF DEMONSTRATIONS AND ASKING WORK UNITS TO

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IDENTIFY PROTESTORS. ALL PERSONNEL ARE BEING ASKED TO PROVIDE DETAILED ACCOUNTS OF THEIR ACTIVITIES IN APRIL, MAY AND JUNE. IN ACADEMY OF SOCIAL SCIENCES DAILY POLITICAL STUDY WILL CONTINUE UNTIL DEC. SOME PEKING UNIV STAFF FEAR THAT NEW CAMPAIGN TO FORCE TEACHERS TO INFORM ON ONE ANOTHER WILL BE INITIATED IN NEXT WEEKS SINCE THERE HAS APPARENTLY BEEN ALMOST NO/NO COOPERATION IN IDENTIFYING DEMOCRACY ACTIVISTS ON STAFF. FOR ANYONE UNDER AGE OF 35 THIS IS THEIR FIRST EXPERIENCE WITH SUCH A THOROUGH GONG CAMPAIGN AND SHOCK IS ONLY SETTING IN NOW.

8. FOLLOWING QUOTE EXPOSES UNQUOTE IN PRESS OF FOREIGN SUPPORT FOR PROTEST MOVEMENT, MANY CHINESE SHUN UNOFFICIAL CONTACTS WITH FOREIGN DIPLOMATS AND OTHERWISE OFTEN DISPLAY GREAT NERVOUSNESS WHEN TALKING TO US. A USA CITIZEN WAS RECENTLY EXPELLED FOR QUOTE SPREADING RUMOURS UNQUOTE IN XIAN AND A QUOTE SECOND ECHELON UNQUOTE STUDENT LEADER DISAPPEARED AFTER A MTG WITH AN AMERICAN COLLEAGUE THREE WEEKS AGO. TAXI DRIVERS, WHO PREVIOUSLY WLD EXPOUND AT LENGTH ON THEIR POLITICAL VIEWS ARE STRANGELY SILENT UNLESS THEY ARE CONFIDENT OF WHO THEY ARE TALKING TO. STILL, PEOPLE WITHIN SAME WORK UNITS CONTINUE TO TALK QUITE OPENLY WITH ONE ANOTHER, A PHENOMENON THAT WOULD HAVE BEEN UNTHINKABLE DURING CULTURAL REVOLUTION.

9. A FASCINATING ELEMENT IN THE PROPAGANDA HAS BEEN A SERIES OF HALF PAGE NEWSPAPER ARTICLES ATTACKING SOME OF PROMINENT INDIVIDUALS MARKED AS CONSPIRATORS IN MAYOR OF BEIJINGS 30 JUN REPORT TO NPC.

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A COMMON ELEMENT IN ALL THESE ARTICLES IS ATTEMPT TO ELEVATE WHAT IS AT WORST NORMAL POLITICAL MANOEUVERING TO LEVEL OF POLITICAL CRIME - CALLING FOR DOWNFALL OF COMMUNIST PARTY. IN ARTICLES MINUTIAE ARE GATHERED AND PASTED TOGETHER WITH A LOGIC THAT A CONTORTIONIST WOULD ENVY TO DISCREDIT INDIVIDUALS. ARTICLES SHOW LENGTHS GOVT WILL GO TO IN MANIPULATING FACTS TO JUSTIFY ITS ACTIONS. THEY ARE ALSO TYPICAL IN THEIR AMBIGUITY. THE RADER IS LEFT WITHOUT GUIDEPOSTS: EITHER VIRTUALLY ANYTHING CAN BE USED TO PROVE THAT ONE IS A COUNTER-REVOLUTIONARY OR THOSE MENTIONED ARE NOT/NOT COUNTER REVOLUTIONARIES AT ALL.

10. THE ONGOING TRAGEDY, HOWEVER, IS THE ONE THE GOVT REFUSES TO TELL: THE STORY OF THOSE KILLED, EXECUTED OR DETAINED. ACCORDING TO A PARTY DIRECTIVE NO/NO FURTHER PUBLIC ANNOUNCEMENTS REGARDING THESE MATTERS ARE TO BE MADE. ONLY WAY OF PIERCING TOGETHER THE STORY IS TO RELY ON REPORTS FROM AMNESTY, ASIA WATCH AND INDIVIDUAL CASES ON HEARS ABOUT. IT IS ASSUMED BY MANY OBSERVERS HERE THAT IN BEIJING ALONG, 10,000 PEOPLE HAVE BEEN DETAINED, THOUGH AN UNKNOWN NUMBER HAVE ALSO BEEN RELEASED. ONE EXAMPLE WE RECENTLY LEARNED OF CONCERNED TWO LOCAL EMPLOYEES OF IBM WHO USED THE COMPANYS FAX FACILITIES TO SEND AND RECEIVE INFORMATION IN MAY AND JUNE. CHINESE AUTHORITIES FORCED COMPANY TO FIRE THEM, WHERE UPON THEY WERE IMMEDIATELY ARRESTED. EXECUTIONS OF THOSE ACCUSED OF CRIMINAL ACTIONS ARE ASSUMED TO BE TAKING PLACE BUT IT IS IMPOSSIBLE TO SERIOUSLY COMMENT ON CLAIMS BY ...7

PAGE SEVEN WJGR5794 PROTECTED

SOME CHINESE SOURCES THAT AS MANY AS 1000 MAY HAVE BEEN EXECUTED IN BEIJING. SUCH IS THE OPACITY OF THE CHINESE SYSTEM, IT MAY BE YEARS BEFORE TRUE STORY IS KNOWN. NONE OF THIS SURPRISES MIDDLE-AGED AND OLDER CHINESE. THEY HAVE SEEN IT ALL BEFORE. FOR YOUNG, HOWEVER, WORLD THEY HAVE KNOWN AND THEIR MUCH HIGHER EXPECTATIONS ARE THREATENED.

11. IT IS STILL UNCLEAR HOW DEEPLY CURRENT CRACKDOWN WILL CUT. SUPERFICIALLY, TV-FED CONSUMERISM, FASHION ON STREETS AND NEW ROCK AND ROLL BARS SEEM TO DEMONSTRATE A DEGREE OF OFFICIAL SUPPORT FOR A LIFESTYLE THAT FAILS TO JIBE WITH THE REPRESSIVE POLITICAL DIRECTION IN WHICH PARTY LEADERS NOW APPEAR TO BE TAKING THE COUNTRY. SOURCES WITHIN PARTY INDICATE THAT ON MANY MATTERS, INCLUDING TREATMENT OF THOSE DETAINED, THERE IS BROAD DISAGREEMENT.

12. IS POPULAR RESISTANCE SO STRONG THAT THE POLITICAL CRACKDOWN CAN ONLY BE APPLIED IN STAGES? OR DOES PARTY ITSELF, PARTICULARLY LOWER AND MIDDLE ECHELONS, REMAIN SO SPLIT THAT A CONCENTRATED POLITICAL CAMPAIGN IS OUT OF QUESTION? ANSWER IS PROBABLY A COMBINATION OF BOTH. TREATMENT OF ZHAO AT FIFTH PARTY PLENUM, EXPECTED IN OCT, WILL BE KEY INDICATOR OF HOW FAR CAMPAIGN OF REPRESSION WILL GO. IN BEIJING PEOPLE HOPE FOR A FREER, LESS REPRESSIVE FUTURE, BUT FOR NOW, THEY WONDER WHEN OTHER SHOE WILL DROP.

CCC/059 290700Z WJGR5794

**Pages 630 to / à 643  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

**ACTION  
SUITE A DONNER**

*John*

RETURN TO RENOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE POSE AU DOSSIER
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FILE	DOSSIER	
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PROTECTED  
 FM PEKIN WJGR3574 18AUG89  
 TO EXTOTT PNR DELIVER BY 180900  
 INFO HKONG  
 DISTR PGB PND PGP PNC IMU IMH BMM  
 REF YOURTEL PNR2545 17AUG  
 ---EXECUTIONS IN CHINA

THERE IS NO/NO SOLID EVIDENCE OF EXECUTIONS HAVING TAKEN PLACE IN NUMBERS QUOTED YOUR REFTTEL. OFFICIALLY, ONLY 14 PEOPLE HAVE BEEN EXECUTED FOR OFFENCES CONNECTED WITH EVENTS IN APR-JUN. OTHER EXECUTIONS HAVE OCCURRED, FOR INSTANCE 17 IN JINAN IN LATE JUN, BUT IT HAS BEEN IMPOSSIBLE TO DETERMINE WHETHER ANY OF THESE WERE CONNECTED TO ACTS ASSOCIATED WITH THE APR-JUN DISTURBANCES.

2. CBC REPORT REFERS TO TWO MTGS WE HAVE HAD WITH WESTERN COLLEAGUES TO TRY TO COLLATE INFO ON DETENTIONS AND EXECUTIONS. CHINESE CONTACTS OF SOME OF THESE COLLEAGUES HAVE GIVEN WILDLY VARYING FIGURES FOR THOSE SUPPOSEDLY EXECUTED FOR COUNTER-REVOLUTIONARY CRIMES. THESE FIGURES RANGE UP TO 10,000 THROUGHOUT THE COUNTRY WITH AS MANY AS 1,000-5,000 EXECUTED IN PEKIN ALONE. IT IS IMPOSSIBLE TO CONFIRM THESE FIGURES. THE MOST ONE CAN GLEAN FROM OUR CHINESE SOURCES IS THAT IT IS QUITE LIKELY THAT EXECUTIONS ARE TAKING PLACE. SUPPORTING THIS VIEW RECENT CENTREAL CTTEE DIRECTIVE, NOTES OF WHICH WE HAVE OBTAINED, SAYING THAT NUMBERS OF THOSE EXECUTED AND IMPRISONED SHOULD NOT/NOT BE PUBLISHED ALTHOUGH SOME WOULD BE PUBLISHED AS AN EXAMPLE.

PAGE TWO WJGR3574 PROTECTED

3. RUMOURS ALSO SUGGEST THAT 40 OFFICERS WERE EXECUTED IN INNER MONGOLIA FOLLOWING THEIR REFUSAL TO OBEY ORDERS WHEN PEKIN WAS PLACED UNDER MARTIAL LAW. THIS HAS NEVER BEEN CONFIRMED.

4. WISH WE HAD MORE PRECISE INFO BUT IN ABSENCE OF OFFICIAL STATEMENTS AND HIGHLY SECRETIVE NATURE OF DECISION MAKING, RUMOURS AND HEARSAY HAVE VIRTUALLY TAKEN OVER DISCUSSIONS OF POLITICAL EVENTS HERE.

CCC/059 180533Z WJGR3574

ACC	DATE
FILE	DOSSIER
20- <i>China</i> -1-4	
LOC	
A3-	27-1-2- <i>China</i>

C O N F I D E N T I A L

FM PEKIN WJGR3575 18AUG89

TO EXTOTT PNR DELIVER BY 180900

INFO HKONG TOKYO WSHDC SEOUL SPORE BNGKK KLMPR DELHI ISBAD JKRTA

MANIL BNATC PARIS LDN MOSCO PCOOTT/IAC CIDADHULL/BSC

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

DISTR PGB PND PNC PGP INP CPP CPE

---REPORT ON CHINESE DEFENCE MINISTER DENIED

ASSOCIATED PRESS REPORT OUT OF HKONG THAT CHINESE DEFENCE MINISTER QIN JIWEI HAD BEEN QUOTE TAKEN AWAY BY TROOPS LOYAL TO PRES YANG SHANGKUN UNQUOTE, HAS BEEN CATEGORICALLY DENIED BY CHINESE DEFENCE MINISTRY. WESTERN COLLEAGUES AND JOURNALISTS HAVE BEEN UNABLE TO CONFIRM ANY DETAILS OF STORY.

2. HOWEVER, POSSIBILITY THAT THERE IS POWER STRUGGLE WITHIN ARMY OVER SUCCESSOR OF ZHAO ZIYANG IN CENTRAL MILITARY COMMISSION AND OVER QUESTION OF LIFTING MARTIAL LAW IS REAL. QIN JIWEI WHO HAS STRONG FOLLOWING IN ARMY WAS NOT/NOT ASSOCIATED WITH DECISION TO IMPOSE MARTIAL LAW AND WAS OUT OF PUBLIC VIEW UNTIL SEVERAL DAYS AFTER MASSACRE IN PEKIN. HE WAS SAID TO BE CLOSE TO ZHAO ZIYANG. HE ALSO ENJOYED CONFIDENCE OF DENG XIAOPING.

3. CATEGORICAL DENIAL BY DEFENCE MINISTRY SUGGESTS THAT STORY MAY NOT/NOT BE TRUE, BUT THIS LEAVES TWO PLAUSIBLE POSSIBILITIES. FIRST IS THAT STORY IS DISINFORMATION, SPREAD BY THOSE OPPOSING YANG SHANGKUN AND LI PENG, WHICH IS DESIGNED TO EMBARRASS YANG AND

PAGE TWO WJGR3575 CONF

PREVENT HIM FROM ACCRUING MORE POWER AND INFLUENCE. RUMORS EARLIER THIS WEEK SUGGESTING THAT MARTIAL LAW WOULD BE LIFTED BY 20 AUG MAY BE PART OF THIS DISINFORMATION EFFORT (STATE COUNCIL SPOKESMAN YUAN MU SAID TWO DAYS AGO THAT MARTIAL LAW WOULD NOT/NOT BE LIFTED AT THIS TIME). THE OTHER POSSIBILITY IS THAT DENG XIAOPING, WHO IS HEAD OF MILITARY COMMISSION, IS LOSING CONTROL, POSSIBLY AS RESULT OF WORSENING ILL HEALTH. IN ALL CASES, HOWEVER, STORY UNDERSCORES INSTABILITY IN PARTY'S LEADERSHIP.

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Aug 18, 89

CONSULTATIONS WITH FOREIGN SECRETARY

CHINA

ISSUE

Western responses to the June violence carried out by the Chinese military has been broadly coordinated. Recognition of China's international role however, and the importance of trade with China have complicated the policy response of Western states.

BACKGROUND

On June 3-4 the Chinese military violently suppressed the student demonstrations in central Beijing, which had been taking place since mid-April. The period following the Tiananmen violence has seen widespread arrests and many executions, but it is impossible to obtain accurate figures for either category due to a deliberate Chinese policy of withholding information.

The Chinese Communist Party sacked the party General Secretary Zhao Ziyang, replacing him with the Party Secretary of Shanghai Jiang Zemin. Jiang has been committed to policies of economic reform, but may have also benefitted from his skilful management of the crackdown on dissidents in Shanghai. While Party strongman Deng Xiaoping has been able to make changes in the Party superstructure in order to preserve his authority, his age, health, and forced reliance on elder Party conservatives has underlined the failure of his efforts to engineer a smooth succession. Deng however, is still clearly the dominant figure within the Party.

Speeches by Deng Xiaoping and some other senior leaders suggest that the commitment of Deng to economic reform and the "open-door" policy has not necessarily diminished.

CANADIAN POSITION

Our bilateral relationship with China, has been adjusted in response the new political reality in China. The existing links forged over the last decade should be preserved to the extent possible. New initiatives in the relationship should focus on people-to-people exchanges, and programs which benefit the current hard-line policies of the Chinese government should be avoided. Canada cannot accept that its relations with China can not now be normalized given the massacre at Tiananmen Square and the subsequent campaign of repression.

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The government believes however, care should be taken in the imposition of permanent sanctions, such as the cancellation of cultural or academic exchanges or steps to reduce or eliminate our bilateral programs of trade or development assistance. Such steps could be counterproductive in pushing China towards isolationism and would certainly be premature in the current unsettled environment. It is also clear that Chinese cooperation is essential in the settlement of important regional security issues such as Cambodia.

Given our own decision to impose new criteria on new development assistance and Export Development Corporation loans to China, we understand and sympathize with the approach taken by the World Bank and other international financial institutions, which have deferred consideration of new loans to China.

#### UK POSITION

The United Kingdom's response to the violence in Beijing has been immensely complicated by its responsibility for Hong Kong. The UK has however, subscribed not only to the Summit 7 declaration on China, but also the European Council Summit statement of Madrid, issued in late June. The EC position broadly parallels that of Canada. It should be kept in mind however, that the China trade represents a much greater proportion of our total trade (particularly of Western provinces) than is the case for the UK.

#### TALKING POINTS

- We have adjusted our bilateral relationship with china in accordance with the new political reality in China.
- We value Canada-China links however, and ours is not an "anti-China" policy.
- We wish to avoid measures that would push China towards isolation.
- In our bilateral relationship we will avoid programs which benefit the current regime, most particularly the military or state propaganda apparatus.
- It is imperative to maximize the impact of Western measures through a relatively coordinated approach.

**Pages 650 to / à 654  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**



MESSAGE

Accession/Référence
File/Dossier <i>20-China-1-4</i>

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SUBJ/SUJ ---EXECUTIONS IN CHINA

CDN MEDIA CARRIED PROMINENT COVERAGE 17JAN (PARTICULARLY RADIO) OF REPORTS FM DIPLO SOURCES IN PEKIN REPORTING ON MUCH HIGHER LEVEL OF EXECUTIONS FOLLOWING EVENTS OF TIANANMEN. REPORTS INDICATED THAT CDN DIPLOS IN PEKIN AS HAVING CONFIRMED THAT WESTERN EMBS POOL OF INFO GATHERED SINCE JUN HAD INDICATED VERY LARGE NUMBER OF EXECUTIONS (IN EXCESS OF 1,000/1,000).

2. GRATEFUL IMMEDIATE REPORT, PARTICULARLY IN VIEW OF KEEN MEDIA INTEREST IN STORY.

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
GORDON HOULDEN SIG <i>[Signature]</i>	PNR	995-8663	HOWARD BALLOCH SIG <i>[Signature]</i>

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---MARTIAL LAW MAY BE LIFTED THIS WEEK

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ACCORDING TO A CHINESE CONTACT, SOURCES WITHIN THE MILITARY HAVE CONFIRMED THAT MARTIAL LAW MAY BE LIFTED AS EARLY AS 20AUG. OTHER REPORTS SUGGEST BEFORE 01OCT. SOME GESTURES OF RELAXATION HAVE ALREADY BEEN MADE - ON THE WEEKEND ALL HELMETED PEOPLES ARMED POICE CARRYING AK-47S WERE REMOVED FROM THE DIPLOMATIC AREAS. THOSE SURROUNDING THE AMERICAN AND AUSTRALIAN EMBS, WHERE CHINESE DISSIDENTS ARE BELIEVED TO BE SHELTERED, HAVE REMAINED, HOWEVER. ROAD CHECKS AT NIGHT ARE FAR LESS FREQUEST, BUT ARMED TROOPS STILL GUARD ALL PRINCIPAL INTERSECTIONS. TIANANMEN SQUARE AREA CONTINUES TO BE OUT OF BOUNDS TO PEDESTRIANS. ALTHOUGH SMALL GROUPS OF FOREIGNERS ARE OCCASIONALLY ALLOWED ONTO THE SQUARE, ORDINARY CHINESE ARE BANNED.

2. MARTIAL LAW IN CHINESE CAPITAL IS NOT/NOT ONLY CONSIDERABLE EMBARRASSMENT TO LEADERSHIP BUT IS ALSO PERCEIVED AS MAJOR IMPEDIMENT TO RESUMPTION OF TOURISM AND OTHER FOREING-RELATED

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BUSINESS. FEIS REPORTS OF SECRET SPEECHES BY DENG XIAOPING IN LATE MAY AND MID-JUNE SHOW THAT PREOCCUPATION OF LEADERSHIP CONTINUES TO BE GETTING ECONOMY BACK ON TRACK, WITHOUT WHICH POLITICAL HOUSE OF CARDS IS THREATENED WITH COLLAPSE. HOWEVER, AS BUSINESSMEN, DIPLOMATS AND TOURIST AGENTS HAVE REPEATEDLY POINTED OUT TO CHINESE OFFICIALS, SOLDIERS ON THE STREETS ARE NOT/NOT REASSURING TO INVESTORS. CHINA STANDS TO LOSE USA DLRS ONE BILLION IN FOREIGN EXCHANGE THIS YEAR ALONE IF TOURISM REMAINS AT ITS PRESENT LOW LEVEL. THUS THE INCENTIVE TO SEND FOREIGNERS A SIGNAL INDICATING STABILITY IN THE CAPITAL IS STRONG.

3. NEVERTHELESS, ARGUMENT FOR RETAINING MARTIAL LAW IS ALSO STRONG. THOUGH THOUSANDS OF ACTIVISTS HAVE BEEN ARRESTED, CITIZENS IN GENERAL ARE STILL ANGRY. WITHOUT IMMEDIATE VISIBLE THREAT OF ARMED FORCE, IT IS NOT/NOT HARD TO IMAGINE STREETS OF BEIJING ONCE AGAIN SPONTANEOUSLY FILLING WITH PEOPLE OVER SOME INCIDENT OR ISSUE. THIS LEADS US TO BELIEVE THAT IF MARTIAL LAW IS LIFTED SOON, IT WILL TO SOME EXTENT BE A COSMETIC CHANGE WITH REGULAR AND PLAINCLOTHES POLICE OR SOLDIERS LIKELY PLAYING AN IMPORTANT ROLE. SOME MILITARY FORCES WOULD REMAIN IN PEKIN AREA FOR USE IN AN EMERGENCY. IN ANY CASE, DETENTION AND QUESTIONING OF THOUSANDS IN LAST TWO MONTHS MAY HAVE PRODUCED SUFFICIENT INTELLIGENCE ON DISSIDENT ORGANIZATIONS THAT SECURITY OFFICIALS NOW FEEL THEY HAVE SITUATION IN HAND. TO HELP THEM, CENTRAL PEKIN IS BEING BLANKETED WITH A NETWORK OF QUOTE

...2

PAGE THREE WJGR3567 CONF

TV TRAFFIC MONITORS UNQUOTE THAT HAVE POTENTIAL TO RECORD ALL MOVEMENTS OF INDIVIDUALS AND VEHICLES IN CRITICAL PARTS OF CITY. TIANANMEN SQUARE HAS NOW BEEN OUTFITTED WITH TV CAMERAS ON EVERY SECOND LAMP POST. EVERY INTERSECTION IN DIPLO AREAS, HOTELS AND OTHER PUBLIC AREAS ARE NOW SUBJECT OF SOPHISTICATED SPY CAMERAS THAT IN MOST CASES CAN SWIVEL, ZOOM AND OPERATE IN LOW LIGHT CONDITIONS.

4. IN CONCLUSION, WHILE WE CANNOT/NOT PREDICT WHEN MARTIAL LAW WILL BE LIFTED, THE POSSIBILITY OF DOING SO SOON APPEARS TO BE UNDER DISCUSSION. MAIN PURPOSE OF SUCH A MOVE WOULD BE TO IMPRESS FOREIGNERS. IT DOES NOT/NOT REFLECT STABILITY OF CURRENT SECURITY SITUATION IN PEKIN. FOR THIS REASON, BELIEVE THAT IF MARTIAL LAW IS LIFTED SOON, IT WOULD BE REPLACED IMMEDIATELY BY FORM OF POLICE CONTROL THAT WOULD BE LESS OBVIOUS BUT EQUALLY EFFECTIVE.

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# FINANCIAL TIMES

## Unrepentant Peking edges back towards normality Peter Ellingsen

**A** SIGN that Peking is returning to something like normal came this week with the re-appearance of Hong Kong newspapers in the Palace Hotel, a plush, joint-venture hotel partly-owned by the People's Liberation Army.

Banned in the aftermath of the massacre these foreign capitalist newspapers now sit uncomfortably alongside a rack of official journals which parrot the government's version of the June 4 "counter-revolution," as the propaganda describes the crushing of the pro-democracy movement.

Like the two gold-coloured Rolls Royce limousines outside the hotel, only a few blocks from Tiananmen Square, the newspapers testify to the paradox facing China's leaders. How do you enforce Marxist conformity while embracing western capital, economic ideas and goods?

In the ideological fervour whipped up to counter democratic ideas, the answer seems to be "with great diffi-

culty". The stubborn presence of individualism around the country shows communist party cadres can push citizens into attending political sessions, but they cannot turn them into believers.

The relatively free-wheeling lifestyle fostered by foreign ideas and influences has begun to re-emerge. When the Palace Hotel and the PLA are unwilling to give up their Rollers, why - it is asked - should civilians abandon their more humble desires?

In Peking too ordinary people appear to have rejected the Government's line that the students were traitors to the nation and remain unmoved by the massive campaign against liberal values. Government films eulogising senior party figures are poorly patronised, audiences for the many TV series putting the official version of the unrest are small, and there appears to be little interest in books attacking dissidents such as scientist, Professor Fang Lizhi, still sheltering with his wife in the

US embassy in Peking.

The Communist party has attempted to hijack the main goals of the students' democracy movement with claims that it will crack down on corruption, embrace "socialist democracy" and encourage wider press coverage. But few are convinced. Students attend re-education meetings, "correcting" their ideas with the help of an editorial in the Peoples Daily, the party mouth-piece, and then turn to short wave radio broadcasts from abroad for alternative views.

Nor has the repression come to an end. Those alleged to have played a part in the democracy protests are still being arrested and executed, and in Peking armed troops in uniform remain on duty on overpasses and intersections, but in the shadow of coloured beach umbrellas, not tank turrets.

In the wake of the biggest non-Party insurrection in 40 years, China's rulers have turned to indoctrination and fear to reclaim power, and to force an reluctant population back into the manageable strait-jacket of socialist orthodoxy.

But unlike rectification drives in the Mao era, the evidence is that this exercise is working in only the most superficial sense. Backed by guns, the party can govern, but not gain credibility. On the streets people may not speak out, but neither do they listen to the official broadcasts. Those fortunate enough to have avoided jail, and they are the overwhelming majority, do what oppressed Chinese have always done, bend with the wind, and patiently wait for the mood to change.

**I**n resorting to force and indoctrination Deng Xiaoping, China's paramount leader, has neither resolved China's political or economic problems. Jiang Zemin, the new party leader has little support in the army or senior levels of the Party. He remains in place at Mr Deng's whim, but appears to be

nothing more than a Shanghai bureaucrat.

Foreign business is beginning to trickle back into China, notably from Japan and Taiwan, but western nations and their companies remain suspicious, and are unlikely to accord China privileged status again soon.

A freeze on foreign loans is showing signs of hurting Mr Deng's grand plans to develop energy and transport services and there is a real risk that the country's foreign debt combined with the domestic squeeze on credit could produce lower living standards and badly damage the communist party's already shaky standing.

The party, backed by the army, maintains control, but in a China primed to expect economic and social improvement, the authority's grip may turn out to be nominal rather than real.

Chinese TV is heavily consumerist, the official Beijing Review magazine still highlights stories about

western style fashions, and people have for a decade been able to devour media laden with overseas perspectives and lifestyles. Even if the word democracy is never mentioned, coastal China at least has undergone a cultural transformation that Mr Deng is unlikely to be able to reverse.

For all his brutality in putting down the student-led democracy campaign Mr Deng knows that the government has to produce economic results if it is to regain any credibility, and so faces the difficult task of steering a depleted leadership back towards pragmatism.

Despite the present paeans to "simple living", his dictum that "to get rich is glorious" is still believed in China, as is his observation on how to get there: "It doesn't matter if it is a white cat or a black cat as long as it catches mice." People now know that propaganda does not put

rice, let alone the current status symbol, a Japanese colour TV set, on the family table.	FILE POUR - ETRE RENVOYER AU FICHE AU DOSSIER
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TORONTO

The Globe and Mail / national  
The Toronto Star / local  
The Toronto Sun / final  
The Financial Post / final

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## Cambodia's future <sup>2/17/89</sup>

In the realpolitik of Cambodia, a coalition government without the Khmer Rouge won't last long after Vietnamese occupation forces leave in September.

But a government with the Khmer Rouge also has an uncertain future — because memories of the killing fields with their million dead are still fresh in the minds of the Cambodian people.

Foreign ministers from 18 nations, including Canada, met recently in Paris to grapple with the paradox and draw a blueprint for a stable government in Cambodia after Viet Nam leaves. To no one's surprise, the most they could accomplish was the appointment of working committees to prepare for another meeting at the end of this month.

Canada and India are co-chairing one committee to find a way to monitor the ceasefire in the 20-year war, oversee the Vietnamese withdrawal, and make proposals for free elections that the present Prime Minister, Hun Sen, wants held by year-end. A United Nations fact-finding team that visited Cambodia and Viet Nam will make its recommendations in a report to U.N. Secretary-General Javier Perez de Cuellar on Sunday.

Earlier this year, Viet Nam asked Canada, India and Poland to send peacekeepers to Cambodia. External Affairs Minister Joe Clark responded cautiously, saying Canada would participate only if the U.N. were involved, if all the affected parties agreed on a solution, and if the peacekeeping force had clear instructions and a firm deadline.

None of those conditions is likely to be met until the various factions within Cambodia make some political decisions and present themselves as legitimate candidates in a general election. It's generally accepted that Prince Norodom Sihanouk will have a major role in any future government. And he heads a coalition that includes the Khmer Rouge. So when the foreign ministers meet again, they'll have to find a way to curb the Khmer's killing instincts.

Aug. 16/89

OVERNIGHT CANADA/ DU JOUR AU LENDEMAIN

# Keeping a line open to Beijing

By John Best

*Best is an Ottawa columnist writing mainly on foreign affairs and national defence.*

OTTAWA — A big fuss is being made over the Mulroney government's recent decision to approve a \$100-million loan to China for telephone switching equipment.

Critics say the loan amounts to a horrifying breach of faith with the hundreds of brave Chinese who perished in the bloody crackdown on pro-democracy demonstrators in Beijing.

"Contemptible" and "immoral" are two widely heard adjectives. The government's action prompted one Toronto group to withdraw an invitation to Housing Minister Alan Redway to address an Aug. 23 rally commemorating the notorious Nazi-Soviet non-aggression pact which led to the outbreak of the Second World War. A spokesman said it would be inappropriate "to have someone from a government that seems to be supporting the massacre in China".

Outpourings of wrath are understandable, given the devastating impact the bloodletting in Tiananmen Square had on Canadian public opinion. But such outrage is actually based more on emotion than on sound reasoning.

A point frequently made by critics is that improvements in China's telephone system, which the loan will help finance, will make it easier for Beijing authorities to eavesdrop on dissidents and help Chinese police track down and arrest the student activists.

That is a red herring if there ever was one. Whatever advantages are provided in surveillance should be offset by new opportunities to Chinese people for telephone communication with the outside world.

As External Affairs Minister Joe Clark noted in a statement defending the loan, the modernization of socialist (read communist) societies can often serve to advance political change.

From here, the loan looks like a straightforward, hard-headed business deal negotiated by the Export Development Corp., but requiring cabinet approval because of its size and sensitivity.

It is good for Canadian industry — Northern Telecom — and good for the export of Canadian equipment and expertise. It is by no means a gift to the Chinese. EDC loans are usually on terms at or close to market rates of interest.

There is not the slightest evidence that refusing the loan would influence the internal situation in China. On the contrary, it might undermine what-

ever chance Canada has — or will have — to influence developments there, even marginally.

Furthermore, you can bet your boots that if Canada pulled out of the deal, some other western country would be there with bells on to pick up the spoils. Such lucrative deals are eagerly sought in the international bidding market.

Economic sanctions — the category into which refusal to go through with the loan would effectively fall — hardly ever work anyway. They did not work in Rhodesia in the 1960s; nor the Soviet Union in the early 1980s; nor have they worked against South Africa.

The general rule would almost certainly be reinforced in the case of China because that country enjoys an unusually high level of economic self-sufficiency.

One has to keep in mind the wider political context. Many people in the West, still shocked by the Beijing massacre, are apt to write China off as having regressed into a new, dark age of Communist tyranny and anti-enlightenment.

But this could turn out to be an erroneous reading. Recent reports suggest the Tiananmen Square killing was more an accident than a pre-planned operation, an unscripted spinoff from the vicious power struggle that hardliners and moderates in Beijing's Communist hierarchy had been waging for some time.

It is not at all certain the struggle is finally over with all accounts in — especially considering the advanced age and questionable health of China's paramount leader, Deng Xiaoping, the tough old bird who stage-managed the crackdown.

Now is not a time to be carelessly slamming important doors leading into China.



## PM broke faith with the world over China loan, Turner says

IQALUIT, N.W.T. (Staff) — Prime Minister Brian Mulroney broke "his word to the world" by allowing a \$100 million loan to China, Liberal leader John Turner says.

"That \$100 million loan to China was an absolute disgrace . . . moral turpitude," he told a news conference yesterday.

Turner, who has spent three days in this Baffin Island community meeting with his caucus, said the loan violated the spirit of an all-party resolution unanimously adopted in the House of Commons.

And it also sent a message to the world that Canada doesn't always mean what it says, he said.

"Brian Mulroney has broken his word on foreign policy," Turner said. "We made a commitment in the House of Commons to stand up for the Chinese students in Tiananmen Square.

The loan "was a contravention of the unanimous spirit of the House of Commons in condemning the Chinese government for its repression of these brave students."

Turner, dressed casually in a blue sweater and sport shirt, said this is not surprising since Mulroney never followed through with his promise to cut off all ties with South Africa over its policy of apartheid.

### Broken promises

"The Mulroney government has not only broken these two promises to Canadians, they have broken promises to the world," Turner said.

The loan, approved last month just two months after the Tiananmen massacre, has drawn outrage from Chinese Canadians, opposition critics and labor groups.

External Affairs Minister Joe

Clark has defended the loan, which is to be used to purchase telephone and switching commitment from Northern Telecom.

Clark said the money will be used to improve outside communications between the citizens of China and the rest of the world and that in doing so, it will assist them in learning more about the global condemnation of their government.

Turner said Canadians have become accustomed to Mulroney lying to them. He said the most recent example of this is the proposed 9 per cent federal sales tax.

He said Mulroney and Finance Minister Michael Wilson promised the tax on almost all goods and services would be visible so Canadians would know how much it was costing them.

"It is not. It is sneaky and hidden," he said.

## Immigration's treatment of Chinese under fire for being too selective

By Julian Beltrame  
Southam News

Canada's immigration program for Chinese nationals following the Tiananmen Square massacre is under fire for its selective application.

Since early June when Chinese troops opened fire on student protesters, killing between 400 and 1,000 people, Immigration Minister Barbara McDougall has steadfastly refused to initiate a special program to handle the expected rush of applications.

Instead, the minister pledged her officials would look "sympathetically" on requests.

The sympathetic treatment has worked "beyond expectations," says Gary Yee, president of the Chinese Canadian National Council.

But the program has raised cries among people from other strife-torn nations, especially Lebanon, for equal treatment.

Liberal immigration critic Sergio Marchi joined the chorus of support for increased Lebanese immigration Wednesday, urging McDougall to act "swiftly" on the

unanimous report of an all-party committee that called for increased immigration from the war-torn country. In the past five months, close to 1,000 Lebanese have been killed.

"The crisis is getting worse by the hour and the minister just can't continue to ignore her responsibilities," the Toronto-area MP said.

Toronto immigration lawyer Lorne Waldman said while Canada has a policy against returning people to Lebanon, some are being deported to the U.S., which has no such policy.

According to the federal immigration department, more than 3,200 of 4,800 Chinese in Canada on student visas have been granted "approvals in principle" for permanent residence in the country on humanitarian and compassionate grounds.

Yee praised the treatment of the Chinese students but also raised concerns about unequal treatment.

Yee said "Canada should show the same compassion in accepting people from any country with strife, not just China."

**Editorials**

# Hong Kong's fate after Tiananmen <sup>not</sup>

Traditionally cynical and apathetic, Hong Kong has finally found its voice in the wake of the Tiananmen massacre. Its people not only mourn their Chinese brethren across the border, they also fret about their own future as the 1997 transition to Chinese rule comes closer.

Previously, their chief concern was whether China would live up to the 1984 Sino-British Joint Declaration, which guaranteed Hong Kong's status as a capitalist enclave — "one country, two systems" — for another 50 years.

From the moment the deal was signed, China repeatedly discouraged Britain from implementing true democracy in the colony before 1997. Sadly, Britain acquiesced.

Now, China's quiet pressure has given way to blatant bullying. Citing Hong Kong's dramatic support for the democracy movement, the Chinese government has suggested that its 1984 deal with Britain — already unenforceable — may be off entirely. The old fear that Beijing wouldn't live up to its bargain has been replaced by a new fear that it will simply tear up the bargain.

In response, the colony's beleaguered political elite wants London to issue British passports to 3.5 million Hong Kong-born people. They argue that an escape route to Britain would serve as an insurance policy, constraining China from clamping down and provoking a mass exodus after 1997.

But Britain is unlikely to restore the residency rights it withdrew 27 years ago. Its press, politicians and people are united on this point, and there is no historical precedent for a mass evacuation of 3.5 million people. Also, this proposal overlooks the fate of Hong Kong's remaining 2.2 million residents, who would not be eligible for British passports under any scenario.

Rather than moralizing about Britain's obligation to serve as an unquestioned refuge for Hong Kong's nervous masses, all democratic countries — including Canada — should share the burden equitably. It ought to be on the agenda at the summit of Commonwealth nations in Malaysia this October.

But instead of planning for last resorts, Hong Kong needs to face first principles. Its priority should be to follow the lead of Beijing's idealistic student movement by crusading for democracy with similar zeal in Hong Kong.

Britain's greatest contribution to ensuring the colony's political freedom would be to speedily implement the democratic freedoms that are sadly lacking even now.

# Secretly, Dissident Workers In China Press Their Cause

By SHERYL WUDUNN

BEIJING, Aug. 8 — Only when the sun goes down do they dare to congregate, and even then they speak in hushed voices as they discuss their plans to develop an underground movement for greater democracy.

Now there are no loudspeakers, printing presses or financial contributions, as there were in the flowering days of May. Only seven men remain of the hundreds of people who once were active in a workers' union that pressed for greater democracy.

They meet secretly, in considerable danger, and scribble their appeals for change on crackly, cheap pieces of paper and wait until twilight before they furtively paste up the messages on lampposts and signboards. They almost never say the name of their organization, the Workers' Autonomous Union, in public.

"You don't understand what it's like to live here in China," the union mem-

## Beijing's new underground pleads for money.

ber said to a visitor. "Why do we keep pushing for democracy, even when we risk arrests? We are furious and frustrated. The Communist Party and the Government is so corrupt, and yet it controls us all so completely. The officials skim off the country's money and there's hardly anything left for the workers."

The group decided, after much discussion, to contact a foreign reporter to tell the world that their struggle for democracy was continuing, and to solicit assistance from foreigners, especially people on Taiwan.

So far the union's activities have been scarcely noticeable in Beijing, but if it is able to attract more participants and form a small underground organization, it could become a more significant embarrassment and nuisance for the Government. The union spokesman disclaimed any involvement in periodic attacks by snipers against the martial law soldiers who patrol the streets in Beijing. However, diplomats do not rule out the possibility of the formation of a sometimes-violent underground resistance to the authorities, and the union could become the core of such an organization.

### Speaking Among Friends

"Do foreigners know what happened?" the spokesman asked. Then, he abruptly proceeded to describe how he saw a young woman and two men killed just south of Tiananmen Square in the early hours of June 4, when the

Chinese Army suppressed the democracy movement in Beijing.

"We are still continuing our fight for democracy," said the spokesman. "There is no democracy in China. We have so little choice in our lives here. The Government and the Party decide where we work, where we live, how many children we can have and when."

They discuss democracy among their close friends, but not a word with fellow workers. The spokesman refused to divulge even the regularity of their gatherings, let alone the location.

Each of them has been writing essays on democracy and posting them in alleyways, residential lanes and occasionally on major streets throughout the city. At their meetings, they debate how to spread their message. At times they despair that their voice will not be heard.

### Less Repression Than Feared

While martial law and the current political atmosphere have severely hampered their activities, they believe the repression may not be as severe as they had anticipated two months ago.

"I went to Tiananmen Square many times," the union member said. "I gave many speeches and I must have been filmed many times, but they haven't arrested me, have they?"

Some workers, he noted, had only been detained for interrogation, particularly about leaders of the union, and then released.

The group believes there have been about 40 arrests and detentions of members belonging to their unofficial, loosely formed union that had begun to expand its network throughout the city during May. The number, however, may be wrong because they have not been able to contact many colleagues. Some may have been arrested secretly, and some of those who they think were arrested may actually be in hiding.

### Few Recent Court Sentences

Many workers and intellectuals who had been outspoken during the may protests have been frightened about being jailed or dismissed from their jobs if their role in the demonstrations were discovered. The Government has announced the execution of 12 people so far in connection with the turmoil, and nearly all of them have been workers.

Few additional court sentences have been announced since then, but the television images of people being sentenced to death still chill many workers.

"Many people are afraid to come out, but we know they support us," the worker said.

La conférence sur le Cambodge  
**Pékin dénonce la nature**  
**« politique et militaire » de la présence**  
**des « colons » vietnamiens**

**PÉKIN**  
*de notre correspondant*

L'agence officielle Chine nouvelle a donné un large écho aux craintes exprimées par la résistance khmère antivietnamienne de voir Hanoi « perpétuer son occupation du Cambodge » par le biais de l'immigration dans ce pays de « colons » vietnamiens chargés de prendre la relève des « bodols » (soldats vietnamiens), après leur départ. Ce commentaire, diffusé jeudi 10 août par l'agence de presse de Pékin, paraît traduire la volonté de la Chine de faire de cette question un test de la sincérité de Hanoi à la conférence internationale de Paris sur le Cambodge.

Citant le prince Sihanouk, l'envoyé spécial de Chine nouvelle à Paris a relevé que le nombre de civils vietnamiens au Cambodge était à l'heure actuelle de 1,3 million, soit un cinquième de la population totale du pays, et que leur installation était « d'une nature politique et militaire puisqu'ils sont envoyés par le gouvernement vietnamien de manière systématique et avec un objectif précis. Ces colons se sont rassemblés dans les régions situées sur les rives du lac Tonle Sap et du Mékong, ont contraint les habitants à se retirer dans des régions plus reculées, et se sont emparés de leurs terres arables fertiles ». Les nouveaux résidents vietnamiens « ont leurs propres forces armées d'autodéfense, dont les effectifs sont de deux cent mille hommes, et qui constituent de facto la deuxième armée vietnamienne au Cambodge » a ajouté l'agence. « Au vu de ces faits, le Kampuchea démocratique (la coalition de la résistance) a parfaitement le droit d'exiger que les forces armées d'autodéfense des colons soient incluses dans l'ensemble des troupes vietnamiennes qui

doivent être retirées » et que le sort des civils désarmés soit explicitement porté sous la responsabilité d'une éventuelle administration quadripartite cambodgienne.

« Dans ces conditions, a conclu Chine nouvelle en semblant parler au nom de la diplomatie de Pékin, ce qui est important est que le retrait des troupes (vietnamiennes du Cambodge) soit total, approfondi et complet, et s'effectue sous supervision des Nations unies. (...) Il faut espérer que la conférence internationale de Paris sur le Cambodge distinguera clairement le bon droit du mauvais de façon à donner une impulsion au règlement du problème a-t-elle ajouté en dénonçant à l'unisson du prince Sihanouk « l'absurdité de l'affirmation de Hanoi et de Phnom-Penh, selon lesquels le nombre de civils vietnamiens au Cambodge est de cinquante mille à quatre-vingt mille.

La presse de Pékin avait jusqu'à présent suivi de manière factuelle les travaux de la conférence de Paris. Chine nouvelle paraît à présent apporter un soutien plus explicite au prince Sihanouk. Elle a diffusé vendredi une longue interview de l'ancien monarque, qui énumère les divergences l'opposant à M. Hun Sen, le premier ministre de Phnom-Penh, en particulier sur la participation des Khmers rouges à l'administration provisoire à édifier, le délai dans lequel interviendraient des élections après le départ des forces vietnamiennes, et le contrôle par les Nations unies, que rejette toujours Phnom-Penh, de la supervision internationale du règlement politique. Sur cette dernière question, précise le prince, M. Hun Sen et lui-même se trouvent encore sur des positions « diamétralement opposées ».

FRANCIS DERON.

## Not same policy for South Africa, China

IN A prepared statement this month, External Affairs Minister Joe Clark defended a \$100-million loan to China from the Export Development Corp.

He noted the loan may "serve to advance political change" in China, following the crackdown, massacres and executions of those protesting for more freedom.

He added Canada sees "no gain to the cause of reform in China to be had from a policy which is 'anti-China.' A poorer and more isolated China is not in the broad interest of the Chinese people."

The controversy of this \$100 million centres on the purchase of telephone equipment from Northern Telecom. Clark feels there is "minimal risk" of this equipment being used for military or state propaganda — which is a silly statement, because any loan to China for anything helps the state and the military.

Other than that, one has to agree with Clark's prepared statement, which by its nature indicates consideration and thought in its preparation, as opposed to emotional rhetoric from a public or private platform.

The government has a responsibility to look past emotions of the moment and to implement responsible policies that will benefit this country and advance our interests.

Despite the horror most Canadians felt (and feel) toward the events in China, of which we saw a fraction on TV during the Tiananmen Square "massacre," most would agree with the Clark (and government) analysis.

Accepting that, try reading those statements again, but this time substitute "South Africa" for "China."

The thesis is equally valid. Yet Canada's policy is the opposite. With South Africa, Ottawa reacts emotionally or, some feel, hypocritically to pander to the prejudices of Third World countries and a vocal Western minority.

Is "a poorer and more isolated" South Africa in the broad interests of South African blacks? The Canadian government apparently thinks so. Its policy of economic sanctions differs dramatically from the views of most Canadians and most South African blacks.

A Gallup poll of blacks in South Africa (as opposed to the opinion of blacks in exile, or outside South Africa) shows almost unanimous rejection of apartheid. But something like 82% of blacks oppose sanctions because they hurt blacks the most.

More recently, a Goldfarb poll of Canadian attitudes, commissioned by the South African embassy in Ottawa, showed 74% of Canadians think of apartheid or racism when they hear the name "South Africa," and ardently oppose the policy.

By a 2:1 ratio (61% to 30%) Canadians support sanctions, if they don't hurt blacks. But 52% oppose sanctions (37% support) if they hurt blacks.

If most blacks in South Africa oppose sanctions (see Gallup results), 59% of Canadians say they would also oppose them. That is precisely the case, so why does our government persist in ignoring what common



AT  
LARGE

PETER  
WORTHINGTON

sense and reality tell them?

Interestingly, 76% of Canadians thought it was appropriate for Canada to "interfere" in the affairs of South Africa, but only 43% thought it okay for South Africa to interfere in Canada's affairs.

While Canadians overwhelmingly oppose apartheid, equally overwhelmingly (90%) they favor debate on the issue, with access to the South African viewpoint. Yet Clark constantly tries to prevent a contrary view.

More than 70% of Canadians are opposed to banning cultural and sports links with South Africa, or breaking diplomatic relations.

The Canadian government can't be pleased with the Goldfarb findings — which are substantiated in trade statistics that show Canadians ignoring the urgings of their government and increasing trade with South Africa by 68% last year, and more this year.

Assessing China, one again has to wonder at Canada's priorities. Premeditated massacres do not occur in South Africa, where there is rule of law. Courts are independent of the state and not the servant of those in power. Unlike China, South Africa doesn't go in for summary executions.

A couple of years ago Clark announced the end of sanctions against the U.S.S.R. over the Afghanistan invasion, and declared that more influence can be exerted on the Kremlin through friendly relations than by antagonistic policies. That's also the rationale for continuing loans, exchanges, trade and cordial relations with China.

Why exclude South Africa? The greatest weapons against apartheid are prosperity and affluence: the greatest allies of apartheid are poverty, isolation, ignorance and stubbornness.

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---BUSINESS AS USUAL - TOURIST ORDERED OUT

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28AUG EDITION OF THE SOUTH CHINA MORNING POST REPORTS THAT A U.S. TOURIST WAS ORDERED TO DEPART CHINA FOR SPREADING OPINIONS INTERFERING IN CHINA'S INTERNAL AFFAIRS. THE U.S. CITIZEN OF HKONG ORIGIN APPARENTLY EXPOUNDED HIS VIEWS ON THE EVENTS OF 24 JUN IN BEIJING, IN A RESTAURANT IN THE CITY OF XIAN. LOCAL PUBLIC SECURITY FORCES TEMPORARILY DETAINED HIM AND ORDERED HIM TO LEAVE CHINA. WHAT IS NOT REPORTED IS THAT HE WAS ALSO FINED 1000 YUAN AND THE U.S. EMBASSY HAD TO UNSUCCESSFULLY INTERVENE ON HIS BEHALF WITH THE MFA.

2. THE INCIDENT SERVES AS A CAUTIONARY WARNING OF WHAT MAY LAY AHEAD AS CDN TOURISTS, BUSINESSMEN AND CIDA COOPERANTS RETURN TO CHINA. HOPEFULLY THE LATTER WILL BE SENSITIVE TO THE CHANGE IN POLITICAL CLIMATE AS A NUMBER WERE SOMEWHAT INDISCREET IN THEIR PRO DEMOCRACY ACTIVITIES PRIOR TO THEIR EVACUATION.

3. A COPY OF THE ARTICLE WILL BE FORWARDED BY BAG.

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Department of External Affairs



Ministère des Affaires extérieures

Canada

August 10, 1989

Ottawa, Ontario

K1A 0G2

PNR-2402

Professor Michael Stein  
P.O. Box 154  
Department of Physics  
St. Francis Xavier University  
Antigonish, Nova Scotia  
B2G 1C0

Dear Professor:

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Enclosed is a copy of «Information for the Visitors to the People's Republic of China.» Do not hesitate to contact me if you have any further questions.

Yours very truly,

Gordon Houlden  
Deputy Director  
North Asia Relations  
(China Section)

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MLG  
08 Aug 89



Delegación de España en la OEA/N

Mr. W. Robert PEARSON  
Director, Political Directorate  
Office I206  
NATO HQ

Brussels, 4th August 1989

Dear Bob,

I take pleasure in forwarding a Spanish Contribution to the paper on East Asia.

I am copying this letter with its enclosure to all members of the Political Committee.

Yours Sincerely.

Enrique ASOREY

First Secretary

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*Delegación de España en la OEA/N*

INTERNAL POLITICAL TENDENCIES IN CHINA

CHAPTER V

1.1 THE IDEOLOGICAL DISPUTE : DENG VERSUS ZHAO

1. The collective leadership is divided on the issue of responding to the students' specific demands.

For Deng Xiaoping and the majority of the collective leadership the apparently moderate demands of the students are directed against the "four principles" (dictatorship of the proletariat; leader role of the PCCh; socialism; and, the Marxist-Leninist-Maoist ways) and against the foundations of the Chinese political system. They understand that the students "lift the red flag against the red flag". Acceptance of their demands would be the beginning of the end of the Communist regime, which they are not prepared to allow.

In 1987 Deng pronounced a sentence which summarizes his present attitude : Deng praised the crushing, in 1981, of the Solidarity union in Poland and said "if you have the dictatorship of the proletariat you exercise it". Deng believes that the Polish leaders were right in 1981 when they repressed Solidarity and they made a mistake recently when they legalized it. For Deng, Poland, Hungary, and maybe Gorbachev, are throwing socialism out through the window. Zhao was going to fall into the same trap but he avoided that.

Deng Xiaoping and the majority of the leadership continue to believe in the "4+4" formula (4 modernizations plus 4 principles), that is, economic development without political change (basically without seeing the monopoly of the PCCh power being prejudiced). To have given into the students' political demands would have meant the beginning of the end of the socialist regime, the "4 principles". They honestly believe that this is a contra-revolutionary movement which cannot be tolerated.



Herewith some other points highlighting Deng Xiaoping's thoughts:

- "We must continue to criticize and correct the left wing's points of view. But it must clearly be understood that the main problem on the ideological front is the surmounting of the right wing tendency towards weakness and laziness". (12.10.83, during the campaign "against spiritual pollution".)

- "In the past our strength lay in the Marxist and Communist belief ... There are those who no longer clearly understand that truth". (23.9.85).

- "I am the one who spoke first, and in the most insistant manner, of the opposition <sup>to</sup> of the bourgeois liberalization. Firstly, because there is that tendency of thought, liberalization, amongst the masses, most of all among the youth. Secondly, because there is outside support : people from Hong Kong and Taiwan opposed to the "4 principles", who want us to establish capitalism. What is liberalization ? It is to make China advance towards capitalism."

- "In 1981 the citizens' rights to free speech, to expressing their points of view, to hold large gatherings and placing "dazibaos", was abolished. Why ? Because if we had allowed an intensification of this tendency, it would have impacted our political stability and our unity".

- "The battle against liberalization will last 10 or 20 years" (28.9.86).



- "We must take firm measures against any student who interrupts orden in Tiananmen. The standards covering demonstrations carry the weight of law and must be respected ... if any student causes public disorder or breaks the law it must be handled immediately ... During the last years we have not known how to take a firm and decisive stance concerning bourgeois liberalization". (30.12.86).

- "We cannot dispense with dictatorship. Not only do we need to affirm it, but exercise it when necessary ... if we do not react and give in, we will have more problems in future". (30.12.86).

- "Within the PCCh there are people who want capitalism, democracy and westernization. They are against the PC's power and the socialist methods. Only 1 o 2 percent of the students participated in the 86-87 demonstrations. Even if the disturbances would have been worse, whether ten times more people would have participated, they would not have affected the foundations of our State nor the policies we have established".

- "If in the past we have paid too much attention to left wing interference, forgetting that of the right wing, the recent student revolts have put us on the alert against this last." (13.1.87).

- "The openness to the exterior will not affect the foundations of the socialist system. The population's education in the "4 principles" will be its guarantee." (20.1.87).

There are two Dengs. One is : "white cat, black cat ...", "it is glorious to enrich oneself", "the basic objective is to eliminate poverty", "learn the truth from the facts", "reject material benefit in lieu of emphasis on spiritual sacrifice would be idealism", etc.



He seems only to be interested in economic development, forgetting ideology. The other is the "4+4" Deng (4 modernizations plus 4 principles) : economic development nevertheless maintaining as is the socialist system and the PCCh's monopoly on power. We must not deceive ourselves : the second is the real Deng. Deng wants the cat to chase rats but he also wants it to continue being red, or, in other words, the cat can choose the colour it wants to be as long as it continues chasing rats and that the PCCh keeps it well under control.

It was always clear that this was the real Deng, despite the margin of error attributed, and due to this the political repression of the student-intellectual movement together with those who backed it was no surprise. Deng has been completely coherent with himself. The editorial of the Renmin Ribao dated 26th of April, ~~which was triumphant~~, brilliantly reflected his feelings and was ratified by Deng in his intervention of June 9th. If Deng continued as leader, then the crisis of a political breakup would be obvious. It could have crashed the violence used but not the condemnation of the "bourgeois liberalism". It is possible that certain Western countries, or at least some of their leaders, would have had false hopes thinking that Deng and other Chinese leaders would be prepared to renounce socialism in honour of economic development. It is obvious that those who fell for this never truly studied Deng's thoughts. Expelling the supporters of the bourgeois liberalism (in January of 1987 three prominent intellectuals : Fang Lizhi, Wang Ruowang, and Liu Binyan, known followers of capitalism and democracy, were expelled by the PCCh) the leaders drew the line between what is and what is not permitted. For anyone believing that the reforms underway could lead to the "total westernization" of China (capitalism and democracy), this has been emphatically denied.



During the last decade a new China has appeared, the one of students and intellectuals and youths, which is incompatible with Deng Xiaoping's one. During the last demonstrations a new poster appeared which read : "Deng 85, Gorbachev 58". The difference in generations is one of the conflict issues. The old revolutionaries are not prepared to throw away the life's work, the Revolution. The youths want a rich and powerful country; the communist ideology appears to be obsolete. The statue of Liberty, in Tiananmen, looking at Mao Tsetung's picture in a defiant manner, adequately symbolizes the conflict.

2. Faced with Deng's opposition and that of the majority of the collective leadership, Zhao Ziyang suggests that certain political concessions to the students, a true political reform, are not incompatible with the "4 principles" and the preservation of the socialist system. Zhao and the advanced reformists believe more in possibilities and are prepared to accept more political risks, however, they are not prepared to renounce to socialism. This is Gorbachev's position also.

3. One of the best lessons learnt following the recent events is that the balance between the "4 modernizations" and "4 principles" is hard to achieve, if not impossible.

The objective of the "4 modernizations", of the reforms in economic policies and outward openness, is to highlight the "4 principles". We are dealing with modernizing socialism, not substituting it with capitalism. The Chinese leaders are convinced that without economic development, the system was condemned. In August 1979 Deng said that if the system was not improved it was condemned. In August 1980 Deng said that if the socialist system's performance was not improved the people would ask themselves why it could not resolve the problems that capitalism resolves. Zhao Ziyang,



in his report before the XIII PCCh Congress (October 1987), recognized that without economic development the number of partisans of the bourgeois liberalization would increase.

This means that economic development is indispensable in order to obtain the population's support and consolidate a new legitimacy for the socialist system. On the other hand, if the economic and technological imbalance between China and the advanced capitalist countries continues to grow, the time would come when China would, once again, be at the mercy of these countries. China's security would be in jeopardy. These are the two crucial reasons why Deng Xiaoping and the rest of the collective leadership took on the reformist path : the legitimacy of the PCCh and the political system, and China's security.

In general Deng's decade of economic development has reached its objectives : make the system more acceptable to the population and set the foundations so that China be stronger and play a more important role in the international scene.

But, at the same time, the economic reform and the open door have generated an accumulation of contradictions which are wearing the economic system "4 principles" down. In Deng's words : "when you open a window and let in fresh air, it is inevitable that the flies will come in". These contradictions have just blown up in Deng Xiaoping's face.

The Chinese leaders are faced with this dilemma : without modernization and without economic development the system would be swept aside by some citizens who would end up by loosing the little trust they still have in him, seeing he is incapable of satisfying his most basic aspirations. With the economic development germs appear which push the system towards capitalism and democracy. It is bad if



they move but it is also bad if they do not move. Up until now they have considered that the risk of advancing is smaller than that of stagnation.

The solution would be to find a way of developing economically without having these germs of "bourgeois liberalization" appear. That the fresh air come in through the window but not the flies. Balance between the "4 modernizations" and the "4 principles". Is this possible ? Recent events make it doubtful. The "4 modernizations" and the "4 principles" are both necessary to reach the objective envisaged by the Chinese reform leaders. The confirmation of only one of these elements, excluding the other, would mean the downfall of the Chinese political system. Break and accelerator. Deng has said that the fight against liberalism will last for another 10 or 20 years. That is, the reform stages will alter in conjunction with the campaigns against bourgeois liberalization. Can this unstable balance be held in the long term ? Or, at any time in the future, will a new wave of uncontrollable protests provoke a change in the Chinese political system ?

## 1.2 THE FORESEEABLE FUTURE

- A) In the short term, the power has the following three options :
- i) Cleanse and ideological campaign. Further on relaunch economic reform but without political (4+4).
  - ii) Reach an understanding with the students. Acceptance of a real political reform and acceleration of the economic reform.
  - iii) Absolute affirmation of the "4 principles", finishing with the economic reform and open door policies.



B) In the long term, these three scenarios :

i) Advancement be accomplished in the economic development scene without pressure in favour of political change (4+4).

ii) With economic development surge requests for political change.

iii) Economic stagnation or interference.

Analyzing each of these hypothesis :

A.i) A relevant focus point to try and anticipate what will happen is the analysis of the way in which Deng Xiaoping acted in 1987 during the campaign against "bourgeois liberalism" :

- Deng started by saying . "the biggest danger against which we must stand our guard is that of the right wing" (January 13th).

- He allowed attacks on the bourgeois liberals until the end of April.

- During those months Deng remained silent, leaving the old PCCh guard to attack the reform, whilst Zhao Ziyang defended it and tried to limit the effects of the campaign.

- He sacked Hu Yaobang as Secretary General of the PCCh, but kept him for the Politburo.

- He stopped the campaign at the end of April (the first clear sign was his declaration to the Spanish Vice President, Alfonso Guerra, on April 30th : "the main danger is the left wing").



- He promoted Zhao Ziyang to the General Secretariat. He supported the intensification of the economic reform and the launch of the political reform (XIII PCCh Congress, Octubre 1987).

- He swept the old conservative away from the Politburo and from the Central Committee, placing himself at the lead and bringing the rest up behind (XIII PCCh Congress, Oct. 87). Already in 83 during the previous campaign "against spiritual pollution", Deng removed a number of old conservative leaders from power, sending them to the Central Consultative Commission which he created for this purpose.

The main difference in the situation which existed two years ago and the present one is that Deng Xiaoping is physically and politically weaker. At his nearly 85 years of age, even though he does not seem to have reached the phase of total decrepitude, it is obvious that his energy and his lucidity are dwindling.

Two years ago Deng was the unquestionable political leader whereas now he is not. The students have asked for his resignation, an unthinkable request in 1987, blaming him for Hu Yaobang's dismissal. On the other hand, it is assured that he personally decided, during the Spring of 1988, to attack the reform on prices which ended in failure ("second big jump ahead"). Last year the Hong Kong press started a campaign against the supposedly dirty business his son, Deng Pufang, was carrying out which obliged him to refute said accusations in the Peking press. Such accusations recalled those against Breznev's family at the end of his life. On their behalf, the conservatives could accuse Deng of not having listened to them at the beginning of 1987 when they requested a stronger ideological campaign, and of having made an error twice, Hu Yaobang and Zhao Ziyang, in the election of the Secretary General. The logical outcome is that Deng will now have to listen to the conservatives more. In his favour,



Deng can prove that the editorial of the Renmin Ribao of April 26th had anticipated the way the crisis should be handled, criticism that finally prevailed. This leads us to believe that a Deng, reinforced in his conservative aspects, will prevail in the immediate future.

It can be estimated that Deng will proceed in the following way :

- The campaign will be harder and longer than the 1987 one. It has already been so as before there were no deaths. In a first instance there will be executions; followed by an ideological and educational campaign.

All in all, the campaign will probably not last long. Possibly a few months to carry out the executions. The ideological campaign could last one or two years. Recently Deng insisted that the main failure lies in political education. A massive operation to correct this is expected with the re-establishment of strict controls on the communication systems (one of the sectors most penetrated by the bourgeois liberalism) and with resources of indoctrination in all areas.

There have been signs (declarations by Li Peng, statement by the Chinese Ministry of Foreign Affairs's General Director for Europe to the community Troika) that China could treat her students with clemency, reserving the strength for the "criminals" committing serious aggressions against people or other outrages.

- There will be a clean-up of the collective leadership, even though it will retain certain reformists.



If Deng is to keep Zhao Ziyang in the political scene is questionable even when distancing him from the Politburo and the Central Committee (in comparison to what he did with Hu Yaobang), in the same way Mao conserved Deng after denouncing him as the "second proposer of capitalism" following Liu Shaoqi. With that movement, Mao made sure that, after his death, the PCCh would be saved, recuperating Deng and giving his policies a 180 degree turn.

- Getting rid of the "bourgeois liberalism" he will hold the political campaign.

- As confirmed by Deng himself, the policies of economic reform and open door will be maintained.

- Last September, the economic reform was frozen for a period of two years or more. In the future it will be relaunched from a more conservative perspective and trying to avoid negative political impacts.

- A substantive political reform in line with the student requests is rejected (freedom of press, freedom of unionists, freedom to demonstrate). The most important points in the political reform announced by Zhao Ziyang in the XIII Congress will be frozen (separation of Party and State; separation of Party and State enterprises; decentralization). Maybe they will continue to advance on lesser relevant issues (creation of an independent civil service, etc.).

- It is possible that the leaders will not be enraged against the student repression as a first step towards later dialogue with them thereby allowing them to reconduct or co-opt, at least in part, their movement. Seeing their political demands are unacceptable to the leadership and that the student resentment is plentiful, it will not be easy for this policy, if adopted, to give results.



As mentioned previously, Deng started the reform ten years ago, as he was convinced that without economic development the communist regime would not withhold. This premise remains valid. Deng will try to maintain his work, the economic development, nevertheless avoiding the negative political effects (4+4).

A.ii) Understanding with the students and intellectuals. The launch of the political reform and strengthening of the economic reform. This is Zhao Ziyang's road, defeated and scrapped quickly. With it China would have been on similar lines with the USSR, Poland and Hungary. We believe it would have been the only exit capable of channelling the student-intellectual movement. Deng Xiaoping considers it to be incompatible with the "4 principles".

A.iii) Another open alternative for these leaders is the undisputed affirmation of the "4 principles", ending with the open door and with all aspects of the economic reform which introduce undesirable political characters. Close the windows to avoid the flies coming in even if we suffocate due to lack of air. Measures such as prohibiting students from going abroad, cutting tourism or the joint ventures, would be taken. They would eliminate, or reduce, the marketing techniques introduced in the economy. Return to the Cultural Revolution age, based on terror and permanent indoctrination via communication media. China would again close herself on herself.

Improbable, as said before. These measures would produce a major setback in the standards of living. Taking into account the population's high economic expectations, this would be suicide for the regime. It would lead to a bigger explosion than the last one, not originated by the student nor intellectual groups but by labour masses and the population in general. The same reasons that lead to the policy of economic reform and open door now suggest to continue them.



In the long term :

B.i) Advancement continues on the economic development without new pressures for political change. Deng achieves the ideal balance between "4 modernizations" and "4 principles".

B.ii) With the economic development requests are made for political change. For the reasons explained under A.i), it is said that Deng will try and maintain the policy of economic development and open door. If this is the case, he will not be able to avoid the continuation of its political effects which are considered undesirable. Harmful germs will continue to penetrate the communist ideology and the 4 principles. Contradictions, like those which exploded over the last weeks, will continue to accumulate unless the leaders accept the demands which they have refused up until now. When Deng declared "the battle against the bourgeois liberalism will last 10 or 20 years", he was saying that as long as the economic reform lasted, the political effects he considers negative will also last.

Deng and other leaders always denounce two dangers : the left wing (capitalism and democracy) and the right wing (the nostalgic ones). If the latter diminishes with the disappearance of its main partisans, the danger of the left wing, on the other hand, increases as time goes by, before the hostility of students and intellectuals, and the youth in general, in various parts of the world regarding the Chinese political system. The repression will stagnate it for the time being, but it is probable it will resurge and establish itself in the future. The logic behind the reform favours the danger from the left wing. Only a hard repression and the closing of the Chinese door to the outside world could get rid of it, with very high costs on the Chinese economic development and regime, as pointed out under A.ii).



If, in the long term, the economic reform and open door policies were to be maintained, this political wave would be difficult to stop and we must ask ourselves how long will it take to change the situation, how long would it take for a repeat request for political change. Two years ? Ten years ? When Deng dies ? Solidarity was suppressed in Poland in 1981 to have to be legalized in 1989. In Czechoslovakia the reaction adopted by the leaders in 1968 remains. Will the next protest be pacific, like this one, or not ?

B.iii) Economic stagnation or involvement. They could result if the leaders opt to finish with the policy of economic reform and open door (A.ii) or, even if these were to be maintained, by other ways : foreign capital to be brought back; economic apathy or boycott from the majority of the population against the regime (like in certain countries in Eastern Europe in the last decades); alienation of intelligence with regards to the regime; salary increases in the industry, or agricultural prices, or consumer subsidies, in order to make the population forget their political discontent, which provoke higher inflation and economic discontrol; probable increase of the defense budget, which the military are now in a position to request; incapability to continue advancing with the economic reform, etc. The present suppression could undoubtedly have negative effects on the economy.

During the last weeks worker unions have appeared. It is to be seen if they originate from an organized worker movement or not. Another decisive point is the relation between the eventual worker's movement and the student-intellectual movement. Obviously the repression against both will be harsh and they will try to destroy them. At least in Peking and in the places where the reality of the repression is known, the population's loss of respect for the leaders is plentiful, not only because they almost vanished during the long weeks of demonstrations but also due to the way in which they later



became furious with the repression. A serious deterioration of the economic situation. A movement of this kind, to which no doubt students and intellectuals would join, would be more frightening to the regime than the present student-intellectual movement whose demands are strictly of a political nature.

In summary, for Deng Xiaoping and his triumphant strong line, future expectations are :

1. The ideal is to reach a balance "4+4" : continuation of the economic development scrapping the pressures for political change, that is, avoiding repressive episodes like the recent ones.

2. The economic development must be maintained no matter what as its end would be fatal for the political system. If negative political tendencies resurge, they should be considered as a minor evil. In that case, campaigns against the bourgeois liberalism, like the present one, the 1987 or the 1983 one, will continue in a more or less suppressive manner depending on the circumstances. It is a low price to pay in exchange for the maintenance of the indispensable economic development. We are talking here of a calculated risk which, they consider, is manageable.

3. Serious deterioration of the economic situation, freezing of the process of economic development. In the worst case, uprising of the citizens against the regime because their basic economic demands are not met. This would be the worst scenario. It must be avoided by maintaining the economic development above all.

4. Even though these leaders probably do not include it among the scenarios they contemplate, it is possible that the resurgence of undesirable political tendencies, of bourgeois liberalism, inherent to the continuation of the process of economic development (or economic



reform and open door policy), be so strong at any time in the future, it would be uncontrollable thereby provoking qualitative changes in the Chinese political regime.

### 1.3 THE STRUGGLE FOR POWER

1. As always, the struggle for power has been accompanied by an ideological battle. There has been confrontation on different, but equally sincere, opinions on what China should be. If for Deng, and the majority of the collective leadership, political concessions were unacceptable as they would have supposed, in their opinion, the beginning of the end of the socialist regime (a position which was plastered in the Renmin Ribao editorial of April 26th, inspired by Deng), for Zhao certain political concessions, as initiation of a political reform, were compatible with the "4 principles".

2. In China four basic political forces can be distinguished : two within the power and another two outside it. Within the power : moderated reformists and advanced reformists. Outside the power : partisans of capitalism and democracy on the right wing and nostalgic Maoists on the left wing. Often Deng Xiaoping refers to the latter two as threats with which the reform is faced.

Moderate and advanced reformists accept, in principle, the consensus "4+4". Everyone wants economic development without change in the political system, basically without losing the PCCh's monopoly of power. It must be highlighted that Zhao Ziyang is not a partisan of a Western-type democracy, with various parties, votes and division of power.

They are different in that the moderate reformists are more prudent, and, in case of doubt between the economic development and political risks, they lean towards avoiding these at the cost of the



other. The advanced reformists are more audacious and believe that the economic development must be promoted at all costs even incurring the risk of denaturalization of the political system. Zhao Ziyang formulated this last position in an article published in the Peking press on February 8th, 1988 entitled "Emancipate the mind". According to its basic proposition, emancipation of the mind is to accept all measures promoted by economic development, without asking if it is a socialist measure or not. This formula, condemned without a doubt by the moderate reformists, is a simple consequence from Deng's known phrase "the important issue is not whether the cat is black or white, but that it catches mice".

For the moderate reformists certain measures which were considered to be capitalist, such as the market, in reality should be considered neutral as they are not incompatible with socialism and can be accepted. But there are measures contrary to socialism which must be dropped even though they lead to economic development.

During the last decade of his tenure, Deng Xiaoping has arbitrated the differences between the moderate and advanced reformists. In his feelings there is a margin of ambiguity. In certain instances he has come up with phrases like "white cat, black cat..." or other similar ones, this when there were no political risks in the short-term and acceleration of the economic reforms was desirable. But his real position is "4+4".

During the recent confrontation between both positions, the moderate reformists won. In the highest ranks of the collective leadership only Zhao Ziyang and Hu Qili adopted the advanced reformists line.



During the political battle of the last weeks both political groups sharing the power leant on other forces. Zhao attempted to use the massive demonstrations to force Deng's hand and manage to make him accept the advanced reformists line both in the political as well as the economic aspect. Zhao has officially been accused of "encouraging the disorders and of dividing the Party". According to unconfirmed rumours, he had promoted the demonstrations through contacts between his collaborators and the student leaders. It has even been said that Li Peng and Qiao Shi have presented Deng Xiaoping with conclusive proof of this.

The moderate reformists have found support with a group of old leaders (Chen Yun, Li Xiannian, Peng Zhen, Wang Zhen, Bo Yibo, etc.), relegated from executive positions in the PCCh's management, nevertheless still very influential. They constitute the fringe of moderate reform which is very close to the "nostalgia". They were also victims of the Cultural Revolution and are not opposed to economic development but they are against many measures which are indispensable to its success. They see, with horror, the Western influence which has penetrated China during the last decade and they believe that the advanced reformists, like Hu Yaobang and Zhao Ziyang, are prepared to throw their sacred inherited revolution out of the window. At the beginning of 1987, during the campaign against "bourgeois reform" this group returned from its semi-retirement in support of the moderate reformists.

Also, within the advanced reformists a more radical fringe can be distinguished which does not, however, share the principles of the dissident partisans of capitalism and democracy. Hu Yaobang (who said that without more freedom of thought the economic development could not progress), was probably there. We must not dare place Zhao Ziyang in that position.



Within the circle of power the following groups may be distinguished : radical, advanced, moderate and ultra-conservative reformists. Had Zhao Ziyang taken power, the student-intellectual movement would have received important concessions. The triumphant moderate reformists would also have to make concessions to the group of older ultra-conservatives.

3. The line announced by Deng Xiaoping in the Renmin Ribao editorial of April 26th is the one that won. Apparently Deng continues to be number one but it is possible that he had to make an agreement with the ultra-conservatives concerning policy to be followed or the composition of the collective leadership. For months it has been speculated that Deng would abandon the Presidency of the PCCh's Military Committee this year. It is presently not known if he will or will not.

4. On June 24th Zhao Ziyang's destitution was formally announced and his replacement as Secretary General went to Jiang Zemin who up until now was the Party's Leader in Shanghai.

Jiang Zemin who studied in Moscow, combined, in Shanghai, the application of the policy of economic reform and open door with a political and ideological inflexibility. In April he sacked the Director of the "Herald of World Economy" of Shanghai, the most critical newspaper in China. He symbolises the formula "4+4". Of what is known about him, he seems to be a moderate reformist with a similar character to that of Li Peng. However, he has not been seen directly associated with the military repression in Shanghai.

Hu Qili also left the Committee of the Politburo, the Politburo and the Secretariat of the Central Committee, even though he still remains in the latter.



Newcomers to the Permanent Committee of the Politburo are Jiang Zemin, Song Ping and Li Ruihuan, all conservatives. Continue to form part of this organization Li Peng, Qiao Shi and Yao Yilin.

There have not been appointments made in the Politburo which is now only formed by fifteen members. Among them there are only four advanced reformists : Wan Li, Tian Jiyun, Li Tieying and Yang Rudai. For the time being they remain isolated without any of them belonging to the Permanent Committee of the Politburo.

In summary, the collective leadership has turned towards the conservatives, as was to be expected following the violent break-up of the student crisis. However, Deng assures that the policy of economic reform and open door will continue.

5. As mentioned previously, it must be asked if Deng Xiaoping will save Zhao Ziyang's political career in the same way that Mao Tsetung saved Deng's, after accusing him of bourgeois deviationism. Zhao has been removed from the General Secretariat of the PCCh, of the Permanent Committee of the Politburo, of the Politburo, of the Central Committee and of the Vice Presidency of the PCCh's Military Commission. Hu Yaobang remained in the Politburo after losing the General Secretariat. It has been announced that the ongoing investigation into Zhao Ziyang's attitude during the recent crisis will continue and might lead to his eventual expulsion from the Party and even his prosecution. For the time being he has been accused of "backing the disorders and dividing the Party".

Zhao Ziyang's return to power cannot be excluded even though, as things stand today, he seems to be politically finished, as happened to Deng Xiaoping.



To assure his "4+4" formula, Deng needs the conservatives to control the excesses of the reforms, but he also needs the help of the reformers to avoid excesses by the conservatives. Break and accelerator. If he destructs the advanced reformist wing, Deng runs the risk that modernization in China will remain stuck.

He can try and retain an advanced reformist wing without Zhao, however, there is no other leader with enough strength in order to oppose the conservatives. The closest candidate is Wan Li, President of the APN, who has triumphantly controlled the conservative line. Other progressive leaders like the Deputy Prime Minister, Tian Jiyun, or the President of the State Commission for Education, Li Tieying, are younger and do not appear to have sufficient strength to be able to balance the weight of the conservatives such as Li Peng and Yang Shangkun, who are backed by the old guard of ultra-conservative reformists previously mentioned.

6. What will happen the day Deng Xiaoping dies ? With the disappearance of Hu Yaobang and Zhao Ziyang, Deng's succession plan has been left completely destroyed. If Deng dies soon, it is possible that Yang Shangkun, Vice President and Secretary General of the Military Commission, a person who seems to have dominated the military repression at the beginning of June, could assume the Presidency of said Commission. However, he is 82 years old.

Both Yang Shangkun and Li Peng could see their political careers prejudiced due to their strong involvement with the repression. Depending on the evolution of matters they could, one day, find themselves as scapegoats.



7. Another big question is, for how much longer will the repression be able to contain the partisans of capitalism and democracy and the partisans of in-depth reforms of the political system ? In the long term its resurgence seems inevitable unless there is another repression similar to that of the Cultural Revolution which is foreseen in the near future.

This question leads to another : what is the collective leadership's real power in the PCCh, the Army and society in general, following the newly imposed line which in contrast with the political change ("4+4"), and which is the real power of the line which has been defeated, of the political reform wished for by the intellectuals and students ? The propaganda, from one side and the other, and the diversity in the protesters's motivation make a response to this question very difficult. Time will provide us with an answer.

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**ACTION  
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*Feb 2*

C O N F I D E N T I A L

FM PEKIN WJGR3542 04AUG89  
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INFO HKONG CIDA HULL/BSC PCOOTT/IAC  
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RETURN TO RENYOYER AU	<b>D I C O</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE
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FILE	DOSSIER	
	20-CHINA-1-4	

---PARTY PUSHES ANTICORRUPTION DRIVE TO RESTORE CREDIBILITY  
SUMMARY:FIGHT AGAINST CORRUPTION HAS BEEN KEY ELEMENT IN PARTYS  
ATTEMPT TO REGAIN POPULAR CREDIBILITY FOLLOWING QUELLING OF  
DEMOCRACY PROTESTS 04JUNE.NEW MEASURES INCLUDE BANNING OF CHILDREN  
AND SPOUSES OF HIGH OFFICIALS FROM ENGAGING IN BUSINESS,ABOLISHING  
TWO PROMINENT,SCANDAL-LINKED STATE COUNCIL CORPORATIONS CRACKDOWN  
ON TAX EVASION IN PRIVATE SECTOR.HOWEVER,PARTY-CONTROLLED JUDICIARY,  
TRADITION OF BUREAUCRATIC PRIVILEGE AND TEMPTATION TO PROFIT FROM  
DUAL PRICING SYSTEM WILL SIGNIFICANTLY REDUCE EFFECTIVENESS OF  
CRACKDOWN.MANY IN BEIJING BELIEVE THAT PRESENT LEADERSHIP WILL ALSO  
USE CAMPAIGN TO ROOT OUT IMPORTANT ZHAO SUPPORTERS WHO WOULD  
OTHERWISE HAVE TO BE PURGED POLITICALLY.

2.REPORT:FIGHT AGAINST CORRUPTION HAS BECOME MAJOR ELEMENT IN  
LEADERSHIPS EFFORT TO REGAIN POPULAR CREDIBILITY.MOST DRAMATIC  
MOVE TODATE WAS 28JULY ANNOUNCEMENT BY POLITBURO OF MEASURES TO  
ATTACK PRIVILEGES ENJOYED BY SENIOR OFFICIALS.THESE INCLUDE BANNING  
OF CHILDREN CF SENIOR OFFICIA FROM ENGAGING IN BUSINESS AND SHUTTING

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PAGE TWO WJGR3542 CONF D

DOWN OF TWO FIRMS UNDER STATE COUNCIL - KANGHUA DEVELOPMENT CORPORATION AND CHINA INDUSTRY AND ECON DEV CORP. KANGHUA WAS WIDELY BELIEVED TO HAVE BEEN INVOLVED IN TAX EVASION THROUGH WELFARE FUND FOR DISABLED CONTROLLED BY DENG'S SON, DENG PUFANG AND HAD ALREADY HAD ITS FOREIGN TRADING OPERATIONS CURTAILED IN OCT88. SPECIAL AUDITS ON CITIC AND EVERBRIGHT HAVE ALSO BEEN ORDERED. OTHER MEASURES INCLUDED REMOVAL OF SENIOR OFFICIALS ACCESS TO SPECIAL FOOD SUPPLIES, RESTRICTIONS ON USE OF FOREIGN AUTOMOBILES CURBING NON-OFFICIALS VISITS ABROAD BY GOVT OFFICIALS AT PUBLIC EXPENSE.

3. IN ANOTHER MOVE, TAXATION BUREAU ANNOUNCED 2 AUG A NATIONWIDE INSPECTION OF PRIVATE BUSINESS IN ATTEMPT TO RECOVER 18/18 BILLION YUAN, ACCOUNTING FOR TWO-THIRDS OF TAXES DUE TO STATE. SINCE BECOMING PARTY SEC GEN, JIANG ZENMIN HAS IDENTIFIED UNEQUAL INCOME DISTRIBUTION BETWEEN THOSE IN PRIVATE ENTERPRISE AND STATE SECTOR AS MAJOR PROBLEM FOR RECTIFICATION.

4. IT IS FAR FROM CLEAR THAT CURRENT CRACKDOWN WILL HAVE ANY SIGNIFICANT EFFECT ON OFFICIAL AND NON-OFFICIAL BEHAVIOUR. KEY FACTORS WORKING AGAINST EFFECTIVE CRACKDOWN ARE LACK OF INDEPENDENT JUDICIARY AND ECONOMIC SYSTEM THAT PRESENTS EXTRAORDINARY OPPORTUNITIES FOR ECON GAIN TO OFFICIALS AND THOSE WITH OFFICIALS CONNECTIONS. FOR INSTANCE, DECISIONS ON WHETHER OR NOT TO PROSECUTE CORRUPT OFFICIALS ARE TAKEN WITHIN JUDICIAL CTTEES WHERE PARTY

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PAGE THREE WJGR3542 CONF

INTERESTS PREDOMINATE. FOR NOW, PARTY MUST BE SEEN TO BE CLEANING HOUSE, BUT WHEN POLITICAL PRESSURE LETS UP, THERE WILL BE NO INDEPENDENT JUDICIARY TO CARRY ON. AT SAME TIME, DOUBLE TRACK PRICING WILL CONTINUE TO ENCOURAGE ABUSE OF OFFICIAL CONNECTIONS TO OBTAIN SCARCE GOODS FOR RESALE AT TREMENDOUS PROFIT. IT MUST ALSO BE SAID THAT IT IS HARD TO IMAGINE THAT CHINAS POLITICAL CULTURE, WHICH FOR CENTURIES HAS ACCORDED EXCEPTIONAL PRIVILEGES ON ITS OFFICIAL CLASS, WILL BE ABLE TO CHANGE ITS WELL INGRAINED HABITS THROUGH ADMINISTRATIVE FIAT.

5. THOUGH LOW LEVEL OFFICIALS HAVE RECEIVED PRISON SENTENCES AND MANY HAVE BEEN EXPELLED FROM PARTY (THUS REMOVING THEIR ACCESS TO IMPORTANT PRIVILEGES AND BUSINESS CONNECTIONS), HIGHER LEVEL OFFICIALS APPEAR TO BE RELATIVELY UNAFFECTED. FOR INSTANCE, IN 02AUG XINHUA DESPATCH, IT WAS REPORTED THAT 3 OFFICALS OF CHINESE INDUSTRIAL AND COMMERCIAL BANK WHO USED OVER 40,000 YUAN OF BANK MONEY TO FIT UP THEIR PRIVATE HOUSES, HAVE ONLY BEEN ASKED TO REPAY AMT THEY USED AND RECEIVED QUOTE DISCIPLINARY WARNINGS UNQUOTE.

FURTHERMORE, SAME ARTICLE REVEALS THAT OFFICIALS ABOVE VICE MINISTERIAL LEVEL ARE IN FACT PERMITTED TO FIT UP THEIR PRIVATE HOUSES WITH PUBLIC MONEY. EVEN BAN OF SENIOR OFFICIALS CHILDREN ENGAGING IN BUSINESS IS SOMEWHAT SYMBOLIC SINCE BAN IS LIMITED TO OFFSPRING AND SPOUSES OF MEMBERS OF POLITBURO, CPP SECRETARIAT AND STATE COUNCIL EXECUTIVE ONLY. IRONICALLY DENG'S AND SOME OTHER HIGH RULING PARTY

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PAGE FOUR WJGR3542 CONFD

MEMBERS CHILDREN WLD NOT BE AFFECTED SINCE THEY ARE NOT MEMBERS OF ANY OF THESE INSTITUTIONS.

6. NEVERTHELESS, AT CRITICAL TIME FOR PARTY CREDIBILITY, CORRUPTION CRACKDOWN IS ESSENTIAL FOR PR. IN SPEECH LAST MONTH, DENG XIAOPING IS REPORTED TO HAVE CALLED FOR EXPOSURE OF TEN TO TWENTY BIG CASES. IN LAST MONTH PRESS HAS REPORTED DOZENS OF CASES INVOLVING LARGE SUMS OF MONEY AND THE EXPULSION OF THOUSANDS OF PARTY MEMBERS. WHILE CORRUPTION IS UNLIKELY TO BE STOPPED BY SUCH ACTIONS, CRACKDOWN MAY PROVIDE IDEAL VEHICLE FOR LEADERSHIP TO REMOVE FROM OFFICE MANY OF ZHAOS SUPPORTERS. IT IS RUMOURED THAT HAINAN GOVERNOR LIANG XIANG, WHO HAD CLOSE TIES WITH ZHOU, AND HAINAN-BASED HUAHAI CORPORATION MANAGED BY ZHAOS SECOND SON, ZHAO ERJUN, ARE UNDER INVESTIGATION. IT WILL TAKE SOME TIME TO ASCERTAIN WHETHER ANTI-CORRUPTION CAMPAIGN WILL IN FACT BE USED TO SETTLE POLITICAL SCORES, BUT MOST OBSERVERS HERE BELIEVE THAT IT WILL.

CCC/059 040810Z WJGR3542

UNCLASSIFIED

FM PEKIN WJGR5772 03AUG89

**ACTION**  
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DISTR PGB PND PNC PGP CPP INP INE

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FILE	20-CHINA-1-4	DOSSIER

---PRC WEEKLY NEWS SUMMARY:27JUL-32AUG

PCLITICAL

- THE POLITBURO OF THE CENTRAL CTTEE OF THE COMMUNIST PARTY DECIDED TO ABOLISH CHINA NATL KANGHUA DEVELOPMENT CORP AND CHINA INDUSTRIAL AND COMMERCE DEVELOPMENT CORP. THE FIRMS HAVE BEEN ORDERED TO STOP ALL THEIR ACTIVITIES. CONTRACTS SIGNED BY THE FIRM ARE STILL VALID. ONCE THE ACCOUNTS OF THE FIRMS HAVE BEEN CLEARED UP BY TWO SPECIAL TEAMS, THE TWO COMPANIES LICENCES WILL BE REVOKED. (31JUL PEOPLES DAILY)

*the Chinese*  
- COMMUNIST PARTY ANNOUNCED SEVERAL MEASURES TO FIGHT CORRUPTION INCLUDING AUDITS OF CHINA INNATL TRUST AND INVESTMENT CORP AND EVERTIGHT INDUSTRIAL CORP. THE CHILDREN AND SPOUSES OF POLITBURO MEMBERS, THE SECRETARIAT OF THE COMMUNIST PARTY CENTRAL CTTEE AND THE EXECUTIVE OF THE STATE COUNCIL WILL NO/NO LONGER BE ALLOWED TO ENGAGE IN COMMERCIAL BUSINESSES OR ASSUME POSTS IN TRADING COMPANIES (SEPARATE REPORT TO FOLLOW). (29JUL CHINA DAILY)

- A NATION-WIDE INSPECTION OF THE TAXES OF PRIVATE BUSINESSES IS TO BEGIN THIS MONTH. THE INSPECTION WILL ENSURE THAT ALL PRIVATE

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PAGE TWO WJGR5772 UNCLAS

BUSINESSES HAVE BEEN REGISTERED WITH THE TAX BUREAU AND THEIR OPERATION COSTS AND INCOME WILL BE CHECKED. TAXES FROM PRIVATE BUSINESS ACCOUNTED FOR 6 PERCENT OF THE GOVTS TOTAL TAX INCOME IN 1988. (22AUG CHINA DAILY)

- FANG LIZHI AND LIU XIAOBO ADVOCATED ABSURD THEORIES INCLUDING WHOLESALE WESTERNIZATION AND RACE IMPROVEMENT. (26JUL BEIJING DAILY)

FOREIGN POLICY

- REPORTERS ASKED MFA SPOKESMAN TO COMMENT ON HUN SEN REMARK THAT THERE WERE CHINESE ENGINEERING AND TECHNICAL PERSONNEL IN PHNOM PENH. SPOKESMAN REPLIED THAT CHINA HAS NEVER HAD ANY RELATIONS WITH THE ILLEGAL PHNOM PENH REGIME PROPPED UP BY VIETNAM. (27JUL XINHUA)

ECONOMIC

*Xinhua News Agency reports that the*  
- BANK OF CHINA IS 12TH LARGEST BANK IN THE WORLD IN TERMS OF CAPITAL AND 22ND IN TERMS OF ASSETS. IN 1988 THE BANK HAD YUAN 10 BILLION IN CAPITAL AND YUAN 559.7 BILLION IN ASSETS OF WHICH 75 PERCENT WAS IN FOREIGN CURRENCY. (26JUL XINHUA)

- SICHUAN AND HUNAN PROVINCES HAVE ISSUED REGULATIONS TO CHECK ANY FURTHER WIDENING OF THE INCOME GAP BETWEEN WORKERS AND THEIR MANAGERS. IN SEVERAL CASES MANAGERS INCOMES SURPASSED THE LIMIT OF THREE TO ONE SET BY THE CENTRAL GOVT. (26JUL XINHUA)

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PAGE THREE WJGR5772 UNCLAS

-CIVIL AVIATION ADMINISTRATION OF CHINA ANNOUNCED THAT PRICES ON 71 MAJOR DOMESTIC AIR ROUTES WILL BE LOWERED BY 20 PERCENT FROM 31AUG TO 31DEC.(31JUL XINHUA)

-THE CENTRAL GOVT HAS PURCHASED 12.043 MILLION TONS OF GRAIN MEETING 86.9 PERCENT OF THE CONTRACT QUOTA.(29JUL PEOPLES DAILY)

MISCELLANEOUS

-<sup>th</sup>BEIJING DIOCESE ACCEPTED <sup>a</sup>GROUP OF SEVEN <sup>women</sup>POSTULANTS AS ~~SISTERS~~. <sup>nuns</sup>  
THIS IS THE FIRST NEW GROUP OF CATHOLIC SISTERS SINCE 1949.

(26JUL XINHUA)

UUU/099 031010Z WJGR5772

*Files*

**ACTION  
SUITE A DONNER**

P R O T E C T E D

FM CNBRA YAGR1336 02AUG89

TC EXTCTT PNR

INFO HKONG PEKIN WLGTN SPORE LDN

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---CHINE DEVELS-VIEW OF CHINA SPECIALIST

ACC 659859	DATE
FILE 20- <i>China</i> -1-4	DOSSIER
LOC A5-	

JONATHAN UNGER, HEAD OF CONTEMPORARY CHINA CENTRE AT AUSTLN NATIONAL UNIVERSITY PROVIDED HIS VIEWS ON EVOLUTION OF CHINESE DEVELS YEST AT CONFERENCE AT ANU HELD TO CONSIDER CHINA CRISIS. WE PROVIDE BELOW SUMMARY OF UNGERS VIEW OF CURRENT SITU AND SHORT TERM OUTLOOK.

2. POWER OF DENG XIAO PENG HAS WEAKENED AS RESULT OF JUNE 4 MASSACRES. UNLIKE MAO, DENG NEVER STOOD ABOVE OTHER MEMBERS OF OCTOGENARIAN CENTRAL ADVISORY COMMISSION, AS MAO DID. ENGS REAL STRENGTH WAS IN BALANCE HE BROUGHT BETWEEN LIBERALS LIKE HU YAO BANG AND ZHAO ZI YANG ON ONE HAND AND OCTOGENARIAN VETERANS. WHOSE SPOKESMAN HAS BECOME LI PENG, ON THE OTHER. CURRENT TUSSELE FOR POWER IS THEREFORE BETWEEN DENG AND OTHER OCTOGENARIAN COLLEAGUES WHO HAVE ALWAYS SEEN THEMSELVES AS HIS EQUAL. DENG WILL SUPPORT PURGE AND IMPRISONMENTS, BUT STILL WANTS TO PRESERVE ECON REFORMS AND WILL TRY TO PROTECT THOSE ALLIES OF ZHAO WHO WERE APPOINTED TO EFFECT THEM. DENG IS VITPIOLIC MAN, BUT NEEDS TO PRESERVE ECON REFORM. MAJOR HOPE IS THAT PURGE CAN BE CONTAINED BY REALIZATION OF NEED TO PRESERVE ECON REFORMS.

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PAGE TWO YAGP1336 PROTECTED

3. PLA WILL NOT/NOT FIGURE LARGE ON POLITICAL SCENE. IT DID NOT/NOT WANT UNPOPULARITY AND NEEDS TO REPAIR ITS REPUTATION BY DISTANCING ITSELF FROM WHAT HAPPENED ON JUNE 4. NONETHELESS, PLA DID ACT ALBEIT RELUCANTLY AGAINST STUDENTS AND MAY EXACT A PRICE FOR THIS FROM LEADERSHIP. HISTORY SHOWS THAT IN PAST WHEN PARTY HAS GONE OVERBOARD WITH ONE MEASURE OR ANOTHER, ONE OF TWO KEY PEOPLE ARE MADE TO BEAR ELAME WHICH SHOULD HAVE BEEN BORNE BY LEADERSHIP OF COMMUNIST PARTY.

4. DEMONSTRATION COULD WELL START AGAIN BUT COALITION OF INTELLECTUALS AND WORKERS MAY HAVE TO BE RETHOUGHT, BECAUSE INTERESTS OF STUDENTS AND WORKERS ARE REALLY NOT/NOT THE SAME. INTELLECTUALS WORRY ABOUT LOW PAY AND FAVOUR ECON REFORMS, WHEREAS WORKERS FEAR UNEMPLOYMENT AND INFLATION WHICH WOULD RESULT FROM IMPLEMENTATION OF ECON REFORMS.

5. IT IS TRAGIC THAT SO MANY ARE NOW WAITING FOR OCTOGENARIAN VETERANS TO DIE AS MANY MAJOR DECISIONS RELATING TO MODERNIZATION WILL NOW BE POSTPONED OR DEALT WITH UNSATISFACTORILY BY COMMITTEES. MACHINERY OF PROVINCIAL GOVTS ESP NEED TO RAISE REVENUE, HE THOUGH WILL PROBABLY WORK TO SLOW DOWN PURGES OUTSIDE PEKIN.

6. UNGER ALSO NOTED THAT RHETORIC HAD HEATED UP OVER PAST TWO WEEKS AND THAT MASS ARRESTS COULD WELL OCCUR. HE HAD SEEN REFS IN CHINESE MEDIA TO EFFECT THAT PRIVATE SECTOR WAS CORRUPT, INDICATION WHICH HE INTERPRETED AS POSSIBILITY THAT ANOTHER ATTACK ON PRIVATE

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PAGE THREE YAGR1336 PROTECTED

ENTERPRISE COULD WELL BE IN MAKING. HE ALSO NOTED THAT A PORTION OF NOUVEAU RICHE SUPPORTED STUDENTS. HE IDENTIFIED TWO SUCH GROUPS - STALL OWNERS WHO WERE UNABLE TO GET FACTORY JOBS BUT HAD PROSPERED IN CLIMATE OF TOLERANCE FOR SIMPLE ENTREPRENEURIAL ACTIVITIES, ON ONE HAND, AND HIGHER VALUE THRUSTING ENTREPRENEURS FROM INTELLECTUAL CLASS SUCH AS TONE CORP OR SHANGHAI PAPER WORLD ECON HERALD ON THE OTHER. AT SAME TIME THERE WAS A LARGE BODY OF NEWLY WEALTHY WHO OWED THEIR GOOD FORTUNE TO BUREAUCRACY (HE TERMED THIS THE PARASITIC BOURGEOISIE) WHICH WOULD BE WORRIED BY REFORMS AND LINE UP IN SUPPORT OF CURRENT LEADERSHIP.

7. JOHN KELLY, ALSO OF CONTEMPORARY CHINA CENTRE, KNOWN TO INE/ JOHNSON SEEMED PARTIAL TO THESIS THAT PRC MAY BE ENTERING NEW PHASE OF CHAUVINISM.

CCC/113 020434Z YAGR1336



*Release copy please PRC bio file*

TO/À The Under-Secretary of State for External Affairs, OTTAWA (PNR)

FROM/DE • The Canadian Embassy, BEIJING

RETURN TO / RENVoyer AU		FOR FILING / POUR ÉTRE		Security / Sécurité
ACC 650103		REF DATE		UNCLASSIFIED
FILE 20-china-1-4		Accession / Référence		20-1-4-PRC
Date		Number / Numéro		WJGR-5747
SUBJECT / SUJET		Date		July 31, 1989
Family Relationships in Chinese Government and the Communist Party		BOSSIER		

REFERENCE / RÉFÉRENCE

SUBJECT / SUJET

Family Relationships in Chinese Government and the Communist Party

ENCLOSURES / ANNEXES

X

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Attached is a list of the sons and daughters of well-known Communist Party officials and the positions which they now hold. The list was compiled in June 1989 by "China Spring", the magazine published by the New York-based Chinese Alliance for Democracy. Similar lists were passed around and posted by Beijing students in April and May. The original Chinese text is also included.

*[Signature]*  
The Embassy

DATE RECEIVED      DATE REÇUE

AUG 10 1989

PNR

A BIG EXPOSURE OF THE CPC SENIOR OFFICIALS' CHILDREN

1. Yang Baibing: younger brother of Yang Shangkun, Director of The General Political Department of PLA
2. Chi Haotian: son-in-law of Yang Shangkun, the Chief of the Headquarters of the General Staff of PLA
- || 3. Jiang Zemin: son-in-law of Li Xiannin<sup>a</sup>, member of the Politbureau
4. Zhao Dajun: son of Zhao Ziyang, President of Hainan Huahai Corporation.
5. Ye Xuanping: son of Ye Jianying, governor of Guangdong.
6. Wu Xiaolan: daughter-in-law of Ye Jianying, daughter of Wu Yuzhang, deputy mayor of Shenzhen.
7. Liao Hui: son of Liao Chengzhi, the director of the Overseas Chinese Affairs Office under the State Council.
8. Liu Yuan: son of Liu Shaoqi, deputy governor of Henan.
9. Ding Henggao: son-in-law of Nie Rongzhen, director of The Commission of Science, Technology and Industry for National Defence.
10. Nie Li: daughter of Nie Rongzhen, deputy Director of the Commission of Science, Technology and Industry for National Defence.
11. Deng Pufang: son of Deng Xiaoping, boss of Kang Hua Corporation.
12. Li Ruihuan: son-in-law of Wan Li, Mayor and Party Secretary of Tianjin, *standing ctee of politburo.*
13. Wang Jun: son of Wang Zhen, deputy Political Command of the PLA Chengdu region.
14. Bu He: son of Ulanhu, Chairman of Inner Mongolia Autonomous Region.
15. Wu Jie: son of Ulanhu, Mayor of Baotou.
16. Bo Xicheng: son of Bo Yibo, Director of Beijing Travel Bureau.
17. Bo Xilai: son of Bo Yibo, Mayor of Dalian.

18. Zou Jiahua: son-in-law of Ye Jianying, State Councillor.
19. Ye Chumei: daughter of Ye Jianying, deputy Director of the Commission of Science, Technology and Industry for National Defence.
20. Chen Haosu: son of Chen Yi, vice Mayor of Beijing.
21. Chen Yuan: son of Chen Yun, member of the Standing Committee of Beijing Municipal Committee.
22. Yu Zhengsheng: son-in-law of Zhang Aiping, Mayor of Yantai.
23. Xi Zhengping, son of Xi Zhongxun, Party Secretary of Ningde Prefecture, Fujian.
24. Xi Zhengning: son of Xi Zhongxun, deputy director of the Organisational Department of Shaanxi.
25. Li Tiejing: son of Li Weihan, member of the Politbureau.
26. Li Peng, adopted son of Zhou Enlai, Premier.
27. Deng Nan: daughter of Deng Xiaoping, chief of a bureau under the State Science and Technology Commission.
28. Zhao Liang: <sup>daughter</sup> ~~son~~ of Zhao Ziyang, vice General Manager of Beijing Great Wall Sheraton. *Now in HK & believe*
29. Zhao Shijiang: son-in-law of Deng Xiaoping, Mayor of Wuhan.
30. Wu Jianchang: son-in-law of Deng Xiaoping, vice General Manager of China Nonferrous Metals Corporation.
31. Li Yang: son of Li Peng, vice President of Hainan Kai Fa General Corporation.
32. Zhu lin: the wife of Li Peng, general Manager of a certain big Company in the South as was introduced at their meeting with Takeshita.
33. Liu Zheng: son of Liu Shaoqi, vice Mayor of Qingdao.
34. Wan Rannan: son of Wan Li, general Manager of Sitong.
35. Wang Zhi: son of Wang Zheng, General Manager of the China Great Wall Computers Corporation.
36. Bo Quan: son of Bo Yibo, general Manager of the White Peacock Art World.
37. Zhang Haoruo: son of Zhang Aiping, a director of a certain bureau under the State Council.
38. Zou Jingmeng: younger brother of Zou Jiahua, Director of the State Meteorological Bureau.

39. Jia Chunwang: son of Jia Tingsan, Minister of Security.
  40. Chen Guangyi: son-in-law of Xi Zhongxun, Party Secretary of Fujian Provincial Committee.
  41. Peng Peiyun: daughter of Peng Zhen, Director of the Family Planning Commission.
  42. Song Ruixiang: son of Song Renqiong, Governor of Qingdao.
  43. Li Chang'an: son of Li Fuchun, vice secretary general of the State Council.
- He Quan: son of He Changgong, vice Director of the Headquarters of the General Staff.
45. He Pengfei: son of He Long, director of the Military Equipment Department of the Headquarters of the General Staff.
  46. Hu Qiheng: younger sister of Hu Qili, the first vice President of the Chinese Academy of Sciences.
  47. Tian Jizhen: younger brother of Tian Jiyun, Mayor of Xinxiang, Henan.
  48. Xiao Congci: son of Xiao Jinguang, Party Secretary of Datong City Committee.



# 中共高幹子女官職大曝光

中共官場，裙帶成風。北大、清華、北師大學生貼出大字報，老底揭出，驚心動魄。

- 區主席)
- (1) 楊白冰 (楊尚昆之弟，人民解放軍總政治部主任)
  - (2) 遲浩田 (楊尚昆之女婿，人民解放軍總參謀長)
  - (3) 江澤民 (李先念之女婿，政治局委員)
  - (4) 趙大軍 (趙紫陽之子，海南華海公司總裁)
  - (5) 葉選平 (葉劍英之子，廣東省省長)
  - (6) 吳小蘭 (葉劍英之媳，吳玉章之女，深圳市副市長)
  - (7) 廖暉 (廖承志之子，國務院僑務辦公室主任)
  - (8) 劉源 (劉少奇之子，河南省副省長)
  - (9) 丁衡高 (聶榮臻之女婿，國防部科工委主任)
  - (10) 聶力 (聶榮臻之女，國防部科工委副主任)
  - (11) 鄧樸方 (鄧小平之子，原康華公司老闆)
  - (12) 李瑞環 (萬里之女婿，天津市市長及市委書記)
  - (13) 王軍 (主震之子，成都軍區副政委)
  - (14) 布赫 (烏蘭夫之子，內蒙古自治區主席)
  - (15) 烏傑 (烏蘭夫之子，包頭市市長)
  - (16) 薄希成 (薄一波之子，北京旅遊局局長)
  - (17) 薄希來 (薄一波之子，大連市市長)
  - (18) 鄒家華 (葉劍英之女婿，國務委員)
  - (19) 葉楚梅 (葉劍英之女，國防部科工委副主任)
  - (20) 陳蘇 (陳毅之子，原北京市副市長)
  - (21) 陳元 (陳雲之子，北京市委常委)
  - (22) 俞正聲 (張愛萍之女婿，烟台市長)
  - (23) 習正平 (習仲勛之子，福建寧德地委書記)
  - (24) 習正寧 (習仲勛之子，陝西省委組織部副部長)
  - (25) 李鐵映 (李維漢之子，政治局委員)
  - (26) 李鵬 (周恩來養子，國務院總理)
  - (27) 鄧楠 (鄧小平之女，國家科委局長)
  - (28) 趙亮 (趙紫陽之子，北京長城飯店副總經理)
  - (29) 趙寶江 (鄧小平之女婿，武漢市長)
  - (30) 吳建常 (鄧小平之女婿，中國有色金屬公司副總經理)

# 北京學潮：

## 挽聯、大字報、標語集錦

在這次學生運動中，中國人民以特有的機智和幽默表達出對中共獨裁專制的不滿和反抗！

- ③① 李 陽 (李鵬之子，海南開發總公司副總裁)
- ③② 朱 琳 (李鵬之妻，訪日時對伴登夫人稱中國南方某大公司總經理)
- ③③ 劉 巖 (劉少奇之子，青島市副市長)
- ③④ 萬潤南 (萬里之子，四通公司總經理)
- ③⑤ 王之 (王震之子，中國長城計算機公司總經理)
- ③⑥ 薄 泉 (薄一波之子，白孔雀藝術世界總經理)
- ③⑦ 張浩若 (張愛萍之子，國務院某局局長)
- ③⑧ 鄒竟蒙 (鄒家華之弟，國家氣象局長)
- ③⑨ 賈春旺 (賈庭三之子，國家安全部長)
- ④① 陳光毅 (習仲勛之女婿，福建省委書記)
- ④② 彭佩雲 (彭真之女，計劃生育委員會主任)
- ④③ 宋瑞祥 (宋仁窮之子，青海省省長)
- ④④ 李昌安 (李富春之子，國務院副秘書長)
- ④⑤ 何 泉 (何長工之子，總參謀部副部長)
- ④⑥ 賀鵬飛 (賀龍之子，總參謀部部長)
- ④⑦ 胡啓恒 (胡啓立之妹，中科院第一副院長)
- ④⑧ 田紀讓 (田紀雲之弟，河南新鄉市市長)
- ④⑨ 蕭聰慈 (蕭經光之子，山西大同市委書記)

Chen Xitong  
Li Xinyi  
Jiang Zemin - 2 weeks in US  
Dai Guoqing  
Jiang Zemin - 2 weeks in US  
of Yeow Li Xinyi

- ▲英雄胡不長壽，後輩誰來耀邦？
- ▲一人為天下憂，天下為一人悼。
- ▲改革先驅，青年良友。
- ▲希望星光殞落，中華逢災；平民憤民不憤，出路何在。
- ▲小平八四仍硬朗，耀邦七三却早逝。
- ▲耀邦死了，北大活了；耀邦活着時，北大却是死的。一群人的活性，要有一個人的死來誘發？一萬多個受過良好教育的腦袋是否有靈氣，得有心肌梗塞的病魔決定，這才是最大的悲哀。
- ▲該死的還活着，該活的反倒死了。
- ▲功比過，過比功，功比過大；死比生，生比死，死比生好。
- ▲真誠的人死了，虛偽的人却活下來；熱情的人死了，冷漠來將他埋葬。
- ▲是一生硬骨，是滿腔真誠，豈有壽終正寢；這滿日蒼涼，是一手遮天，能不心肌梗塞。
- ▲一生不自保，千載有英名。
- ▲因難中華多難時，又失領袖；有心百姓問當局，英雄何死？

- ▲你被解除職務時，我們為什麼沒有挺身而出？我們有罪惡感，我們的良心在滴血。
- ▲推翻專制！自由萬歲！民主萬歲！
- ▲慈禧退休！讓慈禧太后退休！
- ▲已逝的英魂請安息，作孽的罪人下地獄。
- ▲毛澤東幹部兩袖清風，華國鋒幹部無影無踪，鄧小平幹部百萬富翁。
- ▲毛澤東兒子上前綫，周恩來無兒拼命幹，趙紫陽兒子搞彩電。
- ▲中國一切都長（漲），只有小平個不長。
- ▲生活在集權下的人民醒起來。
- ▲你（指鄧小平）可以愚弄全世界，但我們知道你是個騙子。
- ▲我們需要的是另一次法國大革命。
- ▲哭，哭，哭，為胡耀邦同志痛哭；笑，笑，笑，為荒謬的十年發笑（指鄧復出後這十年）。
- ▲資本主義有民主：看美國！社會主義有了民主：看蘇聯東歐！三民主義有了民主：看台灣！



MESSAGE

Accession/Référence  
**612572 / 890818**  
File/Dossier  
**20-CHINA-14**

Align first character of Security Classification under this arrow  
Alignez le premier caractère de la Sécurité sous cette flèche

20 Jul 89 22 512 12 10

SECURITY SÉCURITÉ	<del>CONFIDENTIAL</del>
FM/DE	FM EXTOTT PNR2289 28JUL89
TO/À	TO PEKIN <span style="float: right;">DELBY310900</span>
INFO	INFO SHNGI HKONG
DISTR	DISTR PGB PND PNC ISS ISE JIS BMM
REF	<i>BAK SANGU de PEK</i>
SUBJ/SUJ	---THREAT TO TOURISTS
	<p>CONFERENCE TRAVEL OF CDA HAS RECD LETTER FROM GROUP STYLING ITSELF QUOTE 64 REVENGE SQUAD UNQUOTE (64 PRESUMABLY REFERS TO JUNE 4) ANNOUNCING THAT PEKIN QUOTE BRANCH UNQUOTE OF GROUP HAS BEEN INSTRUCTED TO QUOTE CRIPPLE UNQUOTE FOREIGN TOURISTS WHO REMAIN IN CHINA AFTER 15AUG89.DOING BUSINESS WITH AND TRAVELING TO CHINA WILL BE CONSIDERED QUOTE FORM OF COLOBORATION UNQUOTE WITH REGIME,WHICH GROUP WANTS OVERTHROWN.ACTION WILL BE INDISCRIMINATE AGAINST FOREIGNERS FROM DIFFERENT COUNTRIES.TRAVEL AGENCY IS TOLD IT IS ITS RESPONSIBILITY TO INFORM ITS CLIENTS OF THIS.COPY OF LETTER SENT TO GLOBE AND MAIL BUT SO FAR MEDIA HAVE NOT PICKED UP STORY.</p> <p>2.SECURITY AUTHORITIES ARE INVESTIGATING BUT SO FAR HAVE MADE NO PROGRESS.GROUP IS NOT KNOWN.</p> <p>3.GRATEFUL FOR ANY LIGHT YOU MAY HAVE TO SHED ON THIS.IF LETTER IS PUBLICIZED,WE EXPECT MANY FROM PUBLIC ON HOW SERIOUS TO TAKE THREAT.YOUR VIEWS ON THIS ALSO REQUESTED.</p> <p>4.PRESS LINE FOR MOMENT IS THAT DEPT IS AWARE OF THREAT AND THAT SECURITY AUTHORITIES ARE INVESTIGATING.</p>

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
BRUCE JUTZI SIG		995-8663	<i>[Signature]</i> BRUCE JUTZI SIG

000710

P R O T E C T E D

FM PEKIN WJGR5744 28JUL89

TO EXTOTT L PNR

INFO HKONG CIDA HULL/BSD PCOOTT/IAC

TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG SHNGI DE PEK

DISTR PGB PND PNC PGP BKR INP CPD CPP

---PEKIN UNIV:STUDENTS QUOTE DEMONSTRATE UNQUOTE

ON NIGHT OF 23JUL ABOUT 300 GRADUATING STUDENT,WHO WERE DEN ED  
 PPREVIOUSLY ARRANGED JOB ASSIGNMENTS IN WORK UNITS,GATHERED FOR  
 ABOUT ONE HOUR IN DEFIANCE OF MARTIAL LAW REGULATIONS.IN AREA F  
 CAMPUS THAT WAS FOCUS FOR PROTESTS EARLIER THIS YEAR,THEY SANG  
 SONGS PRAISING SOCIALISM AND COMMUNIST PARTY AND CHANTED PRIMARY  
 SCHOOL COUNTING SONGS.ONE SOURCE SAID THAT STUDENTS,UPSET OVER  
 FACT THAT PEKIN UNIV STUDENTS WERE NOW BEING DISCRIMINATED AGAINST,  
 HAD EARLIER BEGUN DRINKING,BREAKING BOTTLES AND SETTING OFF  
 FIRECRACKERS.STUDENTS GRADUALLY DRIFTED OFF AFTER UNIV DEP PARTY  
 SECRETARY CAME TO SPEAK TO THEM.NO/NO ARRESTS WERE MADE BUT IN  
 LAST FEW DAYS A NUMBER OF STUDENTS HAVE BEEN QUESTIONED.

2.STUDENTS WERE PARTICULARLY ANGRY OVER WORK UNITS REFUSAL TO  
 EMPLOY THEM.ACCORDING TO SEVERAL CHINESE SOURCES,PARTY SECRETARIES  
 ARE AFRAID TO HIRE GRADUATES FROM ACTIVIST UNIVS.

3.STUDENTS WERE ALSO APPARENTLY UPSET OVER CUT IN NEXT YEARS UNIV  
 INTAKE FROM AN ORIGINAL 2,100 DOWN TO 800 FRESHMEN,OF WHOM 200

...2

**ACTION  
SUITE A DONNER**

*Fitz*

RETURN TO RENYOYER AU	B100	FOR FILING POUR - ETRE POSE AU DOSSIER
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PAGE TWO WJGR5744 PROTECTED

WOULD BE GOVT WORKERS WHO WOULD BE EASIER TO CONTROL, ACCORDING TO ONE STUDENT. REDUCTION OF UNIV NUMBERS WILL ALSO LIKELY RESULT IN REASSIGNMENT OF MANY JUNIOR LECTURERS, MANY OF WHOM WERE ACTIVELY INVOLVED IN STUDENT PROTESTS.

4. EARLIER THIS WEEK, DEP MINISTER OF EDUCATION COMMISSION VISITED PEKIN UNIV AND IT WAS LATER LEARNED THAT UNIV HAD BEEN INSTRUCTED TO TEAR UP POL ASSESSMENTS OF STUDENTS WRITTEN BY CLASS TEACHERS AND TO REQUIRE THAT NEW, RIGOROUS ONES BE SUBMITTED. FAVOURABLE POL ASSESSMENTS ARE REQUIRED BEFORE STUDENTS ARE ALLOWED TO GRADUATE AND IN PAST MONTH TEACHING STAFF, WHO LARGELY SYMPATHIZED WITH STUDENTS, HAD WRITTEN POLITICAL REPORTS ON STUDENTS THAT PURPOSELY IGNORED THEIR INVOLVEMENT IN DEMOCRACY MOVEMENT. IT IS UNCLEAR WHETHER TEACHERS WILL NOW COOPERATE WITH PARTY AND GOVT AUTHORITIES AND HOW MUCH LONGER STUDENTS WILL REMAIN IN LIMBO. GOVT WILL CERTAINLY WISH TO SEE THEM REMOVED FROM CAMPUS BEFORE CLASSES START AGAIN IN SEP.

CCC/059 280103Z WJGR5744

28 Jul/89

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12-0009/DA

FB10

FBIS 030JUL11 (SEE 028JUL11)  
UNCLAS 1K

PRC: SPOKESMAN SAYS BEIJING MARTIAL LAW WILL CONTINUE

OW1107075489 BEIJING XINHUA IN ENGLISH 0742 GMT 11 JUL 89

[TEXT] BEIJING, JULY 11 (XINHUA) -- SPOKESMAN FOR THE STATE COUNCIL YUAN MU SAID THE CONTINUATION OF MARTIAL LAW IN SOME PARTS OF BEIJING WILL HELP STABILIZE THE CAPITAL AND PROTECT BOTH RESIDENTS AND FOREIGN TOURISTS.

ADDRESSING A NEWS CONFERENCE HERE TODAY, YUAN MU SAID THE STRUGGLE TO QUELL THE COUNTER-REVOLUTIONARY REBELLION HAS RESULTED IN A DECISIVE VICTORY, BUT GUNS SEIZED BY RIOTERS ARE STILL MISSING AND THREATEN THE SAFETY OF THE LOCAL CITIZENS.

HE REPEATED THAT MARTIAL LAW IS A COMPLETELY DIFFERENT CONCEPT FROM MILITARY CONTROL, AND ENFORCING MARTIAL LAW AIMED AT PROTECTING STATE KEY DEPARTMENTS IS A MEASURE WITHIN THE POWER OF THE GOVERNMENT.

MARTIAL LAW CAN ONLY BE LIFTED WHEN SOCIAL ORDER IS COMPLETELY RESTORED, HE STRESSED.

YUAN MU SAID THAT ALL GOVERNMENTS, ORGANIZATIONS AND INDIVIDUALS WHO WANT TO MAINTAIN FRIENDLY RELATIONS WITH CHINA MUST ABANDON ANY DEMAND FOR ABOLITION OF MARTIAL LAW AS A PRECONDITION.

11 JUL 0759Z ADG

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27 Jul/89

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FBI 056JUL27 (SEE 054JUL27)  
UNCLAS 1K

PRC: RENMIN RIBAO ON SOCIAL UNREST ESCALATING INTO REBELLION

0W2707065489 BEIJING XINHUA IN ENGLISH 0617 GMT 27 JUL 89

[TEXT] BEIJING, JULY 26 (XINHUA) -- THE ARTICLE IN THE "PEOPLE'S DAILY", ENTITLED "MEMORANDUM ON THE QUELLING OF REBELLION", EXPLAINED HOW SOCIAL UNREST ESCALATED INTO A COUNTER-REVOLUTIONARY REBELLION.

IT SAID THE TACTIC OF A SMALL NUMBER OF CONSPIRATORS WAS TO STIR UP CONFRONTATION BETWEEN THE PEOPLE AND THE MARTIAL LAW TROOPS. FOR THIS PURPOSE THEY QUICKENED PROPAGANDA, ORGANIZATIONAL AND MATERIAL PREPARATIONS FOR STARTING THE COUNTER-REVOLUTIONARY REBELLION.

PROPAGANDA PREPARATION -- THEY PUT UP POSTERS AND DISTRIBUTED LEAFLETS ADVOCATING "TAKING UP ARMS TO OVERTHROW THE GOVERNMENT" AND "UNITING ALL FORCES THAT CAN BE UNITED INCLUDING THE KUOMINGTANG IN TAIWAN TO JOIN THE STRUGGLE". LIU XIAOBO, ONE OF THE REBELLION ORGANIZERS, EVEN CALLED FOR THE ORGANIZATION OF THEIR ARMED TROOPS ON JUNE 2.

ORGANIZATIONAL PREPARATION -- "THE AUTONOMOUS UNION OF BEIJING UNIVERSITIES" AND "THE AUTONOMOUS UNION OF BEIJING WORKERS" ORGANIZED A LARGE NUMBER OF RUFFIANS INTO "DARE-TO-DIE SQUADS". THEY OFFERED MONETARY REWARDS TO THOSE WHO HALTED OR BURNED ARMY VEHICLES OR KILLED MARTIAL LAW TROOPS.

MATERIAL PREPARATION -- THEY BEGAN TO STORE WEAPONS AND AMMUNITION, AND COLLECTED A LARGE AMOUNT OF OTHER ATTACKING MEANS.

ON THE EVENING OF JUNE 2, A POLICE JEEP BORROWED BY THE CHINESE CENTRAL TV STATION GOT INVOLVED IN A TRAFFIC ACCIDENT. THIS WAS DELIBERATELY DISTORTED AS DONE BY MARTIAL LAW TROOPS. THE CONSPIRATORS ATTEMPTED TO SEIZE THE BODIES OF THE DEAD IN THE ACCIDENT AND HOLD PARADES.

STARTING FROM THAT EVENING, THE RUFFIANS BECAME MORE AND MORE ACTIVE. THEY ASSAULTED MARTIAL LAW TROOPS WHO WERE HEADING FOR THEIR POSITIONS IN THE CITY, SEIZED WEAPONS AND AMMUNITION, AND BURNED MILITARY VEHICLES.

AT ABOUT THE SAME TIME, MOBS BEGAN TO SURROUND AND ATTACK BUILDINGS OF STATE ORGANIZATIONS AND ESTABLISHMENTS OF VITAL IMPORTANCE, INCLUDING THE GREAT HALL OF THE PEOPLE, THE PROPAGANDA DEPARTMENT OF THE PARTY CENTRAL COMMITTEE AND THE MINISTRY OF RADIO, FILM AND TELEVISION, AS WELL AS ZHONGNANHAI, THE SEAT OF THE PARTY CENTRAL COMMITTEE AND THE STATE COUNCIL.

AS THE RIOT RAPIDLY DEVELOPED INTO A COUNTER-REVOLUTIONARY REBELLION, THE PARTY CENTRAL COMMITTEE, THE STATE COUNCIL AND THE CENTRAL MILITARY COMMISSION ORDERED THE MARTIAL LAW TROOPS AROUND BEIJING TO MOVE INTO THE CITY AND QUELL THE REBELLION IMMEDIATELY.

AT 6:30 PM OF JUNE 3, THE BEIJING MUNICIPAL GOVERNMENT AND THE HEADQUARTERS OF THE MARTIAL LAW ENFORCEMENT TROOPS ISSUED AN EMERGENCY ANNOUNCEMENT ASKING ALL CITIZENS TO KEEP OFF THE STREETS AND THE TIANANMEN SQUARE TO ENSURE THEIR PERSONAL SAFETY. THE ANNOUNCEMENT WAS BROADCAST AGAIN AND AGAIN OVER TV AND RADIO. AFTER THAT, THE MARTIAL LAW TROOPS MARCHED INTO THE CITY PROPER FROM VARIOUS DIRECTIONS.

IT SHOULD BE CONCLUDED THAT THE MARTIAL LAW TROOPS MOVED IN ONLY AFTER THE OUTBREAK OF THE REBELLION, THE ARTICLE SAID.

27 Jul/89

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FBIIS 067JUL27 (SEE 045UL27)  
UNCLAS 1K

PRC: RENMIN RIBAO ON MARTIAL LAW TROOPS' RESTRAINT

OW2707081289 BEIJING XINHUA IN ENGLISH 0658 GMT 27 JUL 89

[TEXT] BEIJING, JULY 27 (XINHUA) -- THE MARTIAL LAW TROOPS EXERCISED GREAT RESTRAINT TO MINIMIZE DEATHS OF INNOCENT PEOPLE AT THE EXPENSE OF THEIR OWN BLOOD AND EVEN LIFE DURING THE RIOTING IN BEIJING LAST MONTH, SAID THE "PEOPLE'S DAILY" ARTICLE ENTITLED "MEMORANDUM ON THE QUELLING OF THE REBELLION".

IT WAS A SPECIAL BATTLE AND A LIFE-AND-DEATH STRUGGLE. THEIR TASK WAS NOT ONLY TO PUNCTURE THE ARROGANCE OF COUNTER-REVOLUTIONARY RIOTERS AND CLEAR UP TIANANMEN SQUARE, SCENE OF THE STUDENT UNREST, BUT ALSO TO PROTECT PEOPLE WHO WERE IGNORANT OF THE TRUTH AND AVOID CONFLICT WITH THE TENS OF THOUSANDS OF STUDENTS ON THE SQUARE.

"IF OUR BLOOD AND LIVES CAN AROUSE THE PEOPLE, WE ARE WILLING TO DRAIN OFF BLOOD AND DEDICATE OUR LIVES," SAID MANY OF THE OFFICERS AND MEN ENFORCING THE MARTIAL LAW ORDER.

SOON AFTER THE TROOPS SET OFF, THE UNLAWFUL "STUDENTS' AUTONOMOUS UNION OF BEIJING UNIVERSITIES" AND THE "AUTONOMOUS UNION OF BEIJING WORKERS" ORGANIZED A GROUP OF RIOTERS TO PUT UP BARRIERS ON THE CITY'S MAIN AVENUES AND STIR UP LOCAL RESIDENTS TO GO OUT OF THEIR HOMES, THE PAPER SAID.

RIOTERS, LURKING IN THE CROWDS, THREW MOLOTOV COCKTAILS, STONES AND STEEL ROD AT THE TROOPS AND ATTACKED SOLDIERS WHO GOT OFF TRUCKS WITH KNIVES AND DAGGERS. SOME OTHER RIOTERS CLIMBED HIGH-RISE BUILDINGS TO FIRE AT TROOPS WITH HUNTING RIFLES AND HOME-MADE FIREARMS.

MANY MILITARY TRUCKS WERE SMASHED AND BURNED, ONE AFTER ANOTHER OFFICERS AND SOLDIERS WERE INJURED AND FELL TO THE GROUND. RIOTERS EVEN CRUELLY KILLED AND KIDNAPPED WOUNDED SOLDIERS WHEN THEY WERE SENT TO HOSPITALS.

WHEN NIGHT FELL, IT WAS MORE DIFFICULT FOR THE MARTIAL LAW TROOPS TO ADVANCE TOWARD THEIR DESTINATION AND THE NUMBER OF WOUNDED SOLDIERS GREATLY INCREASED.

BUT THE TROOPS EXERCISED GREAT RESTRAINT AND DID NOT FIRE A SINGLE SHOT.

WHEN SOME 50 SOLDIERS IN A CERTAIN REGIMENT WERE INJURED AND KILLED BY RIOTERS, 30 OTHER SOLDIERS IN THE REGIMENT THREW THEMSELVES ON THEIR KNEES BEFORE THE REGIMENTAL COMMANDER AND ASKED FOR COUNTER-ATTACK ORDERS.

WITH TEARS IN THERE EYES, THE REGIMENTAL COMMANDER TOLD SOLDIERS THAT THEY WOULDN'T DO THAT BECAUSE RIOTERS WERE MINGLED WITH INNOCENT PEOPLE.

HOWEVER, RIOTERS REGARDED SOLDIERS' RESTRAINT AS WEAKNESS AND INCOMPETENCE AND MADE UNBRIDLED ATTACKS.

AT THE END OF THEIR PATIENCE, THE MARTIAL LAW TROOPS, AS ORDERED, FIRED WARNING SHOTS INTO THE AIR AND THEN LAUNCHED A COUNTERATTACK AT THE TINY NUMBER OF PEOPLE WHO WERE IN DEFIANCE OF THE WARNING SHOTS.

DURING THE COURSE, SOME ON-LOOKERS, WHO VIOLATED THE URGENT NOTICE ISSUED BY THE BEIJING MUNICIPAL GOVERNMENT BEFOREHAND AND STAYED IN THE STREET, WERE KNOCKED DOWN BY MOTOR VEHICLES, WOUNDED BY RIOTERS' SHOTS AND KILLED BY STRAY BULLETS.

AT 1:30 AM OF JUNE 4, THE PEOPLE'S LIBERATION ARMY ENTERED

000715

TIANANMEN SQUARE. AFTER A GOVERNMENT NOTICE WAS BROADCAST FOR THREE HOURS, THE MAJORITY OF PEOPLE IN THE SQUARE WITHDREW. SOME STUDENTS WHO CONTINUED WITH THEIR SIT-IN DEMONSTRATION WERE FORCED TO LEAVE THE SQUARE BEFORE 5:30 AM, THUS ENDING THE ONE AND HALF MONTHS OF UNREST IN BEIJING.

DURING THE CLEAN-UP, NO ONE WAS KILLED AT TIANANMEN SQUARE, THE MEMORANDUM SAID.

DURING THE QUELLING OF THE COUNTER-REVOLUTIONARY REBELLION, THOUSANDS OF PLA SOLDIERS AND OFFICERS WERE WOUNDED AND DOZENS LOST THEIR LIVES.

REACTIONARIES LET OFF THEIR HATRED AGAINST THE PARTY, PEOPLE AND PEOPLE'S REPUBLIC ON PLA SOLDIERS.

THEY CRUELLY BEAT SOLDIERS TO DEATH, CUT OPEN THEIR BELLIES AND BURNED THE CORPSE.

27 JUL @844Z SLR

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C O N F I D E N T I A L

**ACTION  
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FM PEKIN WJGR5736 25JUL89

31-JUL 89

TC EXTOTT/PNR DELIVER BY 250900

INFO HKONG WSHDC TOKYO SEOUL MANIL JKRTA SPORE KLMPR NFKK FILING  
ISEAD CNBRA WLGTN LDN PARIS BONN BNATO MOSCO POECD GENEV  
PCOCTT/IAC CIDA HULL/BSC  
TT NDEQOTT/DIPOL/CIS ADM/ DE CAF  
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---CHINAS IDEOLOGICAL SCREWS ARE TIGHTENED

SUMMARY: CAMPAIGN AGAINST BOURGEOIS LIBERALIZATION IS GAINING  
MOMENTUM AS PROPAGANDA HEADS IDENTIFY ENTERPRISES AND EDUCATIONAL  
INSTITUTIONS AS PRIME TARGETS FOR TIGHTENING IDEOLOGICAL CONTROL.  
LEADERSHIP INTENDS TO EMPHASIZE IDEOLOGICAL ATTITUDE AT EXPENSE  
OF PROFESSIONAL COMPETENCE. UNIV ENROLLMENT IS BEING CUT BACK,  
PARTICULARLY IN SOCIAL SCIENCES. POLITICAL STUDY SESSIONS ARE NOW  
COMPULSORY IN ALL UNITS. FREEDOM OF ARTISTIC EXPRESSION IS BEING  
CURTAILED. ANTI-WESTERN BIAS OF OFFICIAL MEDIA AND FEAR OF ARREST  
HAVE MADE IT DIFFICULT TO MAKE OR RENEW CHINESE CONTACTS.

IDEOLOGICAL CAMPAIGN BASED ON PRECEPTS OF POORER REVOLUTIONARY ERA  
IS ENCOUNTERING PASSIVE RESISTANCE IN CHINAS INCREASINELY PROSPEROUS  
AND MATERIALISTIC CITIES. CAMPAIGN IS THUS OFF TO SLOW START, BUT  
THIS IS NOT/NOT REFLECTION OF LACK OF LEADERSHIPS DETERMINATION  
TO PURGE COUNTRY OF LIBERAL IDEAS. CHINAS LEADERS ARE OLD BUT  
ACTIONS THEY TAKE, AS WE HAVE SEEN, ARE NOT/NOT FEEBLE.

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PAGE TWO WJGR5736 CONF

2. REPORT: CHINA'S CAMPAIGN AGAINST QUOTE BOURGEOIS LIBERALIZATION UNQUOTE IS GAINING MOMENTUM. AT NATL CONF OF PARTY PROPAGANDA OFFICIALS 20 JUL, GEN SEC JIANG ZEMIN STRESSED NECESSITY OF QUOTE ENHANCING SOCIALIST IDEOLOGY WHILE CARRYING OUT TO THE END THE STRUGGLE AGAINST BOURGEOIS LIBERALIZATION UNQUOTE. UNDERLINING LEADERSHIP'S CONCERN OVER TREND IN YOUNG PEOPLE'S THINKING, JIANG SAID THAT MANY YOUNG PEOPLE ARE NOT/NOT CLEAR IDEOLOGICALLY WHY CHINA SHOULD TAKE SOCIALIST ROAD AND BE LED BY PARTY. QUOTE PROPAGANDA WORK MUST RESPOND TO THESE QUESTIONS CONVINCINGLY AND IN SIMPLE TERMS UNQUOTE, ADDING THAT YOUNG STUDENTS MUST BE TAUGHT TO UNDERSTAND WHAT IS DEMOCRACY, FREEDOM AND HUMAN RIGHTS AND HOW TO JUDGE THINGS FROM MARXIST AND LENINIST POINT OF VIEW. SINGLING OUT BUSINESS WORLD AS PARTICULAR PROBLEM, HE SAID THAT PARTY CTTEES IN BUSINESSES MUST SET UP NECESSARY ORGANIZATIONS USING QUOTE PROFESSIONALS UNQUOTE.

3. NEW POLITBURO STANDING CTTEE MEMBER, LI RUIHUAN, WHO IS NOW PROPAGANDA CHIEF (HAVING REPLACED HU QILI), OUTLINED FOUR MAIN TASKS FOR PROPAGANDA ORGANS:

(A) PUBLICATION OF TEXTBOOKS ETC ON FOUR CARDINAL PRINCIPLES AND FIGHT AGAINST BOURGEOIS LIBERALIZATION;

(B) CREATING NECESSARY CONDITIONS FOR STRENGTHENING IDEOLOGICAL WORK PARTICULARLY AT LARGE AND MEDIUM-SIZED STATE ENTERPRISES (MANY OF THEIR WORKERS SUPPORTED STUDENTS);

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(C) BANNING REACTIONARY AND OBSCENE PUBLICATIONS, VIDEOS, ETC; AND  
(D) CARRYING OUT STRUGGLE AGAINST BOURGEOIS LIBERALIZATION IN PRESS  
AND QUOTE EXPRESSING HYPOCRITICAL AND REACTIONARY NATURE OF  
BOURGEOIS FREEDOM OF PRESS UNQUOTE (LATTER POINT APPEARS TO BE  
ADMISSION OF SERIOUS PROBLEMS IN PRESS - CERTAINLY A NUMBER OF  
ARTICLES THAT HAVE APPEARED RECENTLY IN NATL PRESS BEAR  
WITNESS TO SUBTLE UNDERMINING OF CURRENT PARTY LINE).

4. AT THEORETICAL FORUM FOR PROPAGANDA OFFICIALS HELD EARLIER THIS  
MONTH, HARDLINE LEFTIST DENG LIQUN, PRINCIPAL ARCHITECT OF 1983  
SPIRITUAL POLLUTION CAMPAIGN AND 1987 ANTI-BOURGEOIS LIBERALIZATION  
CAMPAIGN WAS SPEAKER, HIS FIRST MAJOR APPEARANCE IN TWO YEARS. POOR  
IDEOLOGICAL CONTROL IN ENTERPRISES WAS IDENTIFIED AS CRITICAL  
PROBLEM.

5. AT SAME MTG, WANG RENZHI, HARDLINE HEAD OF PARTYS PROPAGANDA DEPT,  
DEFINED BOURGEOIS LIBERALIZATION AS QUOTE A POLITICAL CONCEPT  
AIMED AT NEGATING LEADERSHIP OF PARTY AND SOCIALIST SYSTEM UNQUOTE.  
THEUS FOR THE MOMENT, MATERIAL CULTURE APPEARS NOT/NOT TO BE AFFECTED.  
THIS IS PERHAPS JUST AS WELL SINCE CHINAS INCREASINGLY MATERIALISTIC  
MASSES, WHO NOW WATCH TV COMMERCIALS SELLING ANYTHING FROM BUBBLE  
GUM TO SILK LINGERIE, ARE UNLIKELY TO BE WON OVER BY CALLS FOR PLAIN  
LIVING (JIANKU PUSU). YET SOME LEADERS HAVE SPOKEN OF THIS AND IF  
CHINESE ECONOMY SERIOUSLY DETERIORATES IN NEXT YEAR, SUCH CALLS  
COULD, OUT OF NECESSITY, PROMPT ATTACKS AGAINST QUOTE WESTERN  
MATERIALISM UNQUOTE.

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6.ON EDUCATIONAL FRONT,LEADERSHIP MTGS LAST WEEK CULMINATED IN ANNOUNCEMENT THTA STATE EDUCATION COMMISSION AND STATE PLANNING COMMISSION WERE PLANNING TO REDUCE NEW UNIV ADMISSIONS BY 30,000 THIS YEAR.THIS REPRESENTS 5 PERCENT CUT FROM SCHEDULED 640,000 INTAKE,ACCORDING TO PROFS AT PEKIN UNIV,NEW ADMISSIONS TO THAT AND SEVERAL OTHER UNIVS WERE BEING HALVED AND NEW STUDENTS WERE NOT/NOT BEING ACCEPTED IN DEPTS SUCH AS PHILOSOPHY,HISOTRY AND INNATL POLITICS.PERSUMABLY IT IS THOUGHT THAT TEACHING IN THESE DEPTS HAS DEPARTED TO SUCH AN EXTENT FROM ORTHODOX METHODOLOGY AND CONTENT THAT A TOTAL REVAMP WILL BE NECESSARY BEFORE IMPRESSIONABLE MINDS CAN ONCE AGAIN BE TRAINED IN THESE FIELDS. WE ARE ATTEMPTING TO GET MORE DETAILED INFO THAT COULD AFFECT DECISIONS OF CDN STUDENTS TO STUDY IN CHINESE UNIVS.

7.AT SAME TIME BOTH JIANG ZEMIN AND LI TIEYING,EDUCATION MINISTER, HAVE CRITICIZED ATTITUDES THAT PUT STUDENTS INTELLECTUAL DEVELOPMENT BEFORE SOCIALIST MORALITY.PEOPLES DAILY QUOTES PARTY SEC OF LANZHOU UNIV WHO SAID QUOTE TENDENCY OF PUTTING STUDENTS PROFESSIONAL COMPETENCE FIRST AND IGNORING THEIR MORAL CHARACTERS SHOULD BE TURNED AROUND.RECTIFICATION WILL BE REFLECTED IN TEACHING PRINCIPLES,MATERIALS AND METHODS UNQUOTE.WE CAN EXPECT VARIATIONS ON THIS QUOTE RED VS EXPERT UNQUOTE APPROACH TO BE APPLIED IN VARIOUS FIELDS OF ENDEAVOUR.FOR INSTANCE,WE KNOW OF ONE HOSPITAL HEAD AND CCP MEMBER WHO IS BEING PRESSURED TO FIRE TWO DOCTORS; HE IS CONSIDERING EARLY RETIREMENT RATHER THAN HAVING TO SACK COMPETENT STAFF.

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8. SINCE MID-JUNE, STUDY SESSIONS IN ALL UNITS, INCLUDING MIDDLE SCHOOLS, HAVE BEEN MANDATORY. THESE ARE HELD WITH MORE OR LESS FREQUENCY DEPENDING ON CIRCUMSTANCES, SOMETIMES SEVERAL TIMES A WEEK. GRADUATING STUDENTS HAVE ALL HAD TO UNDERGO TWO WEEKS OF POLITICAL STUDY BEFORE THEY WERE ALLOWED TO TAKE UP THEIR WORK ASSIGNMENTS; INCOMING STUDENTS WILL UNDERGO SIMILAR TREATMENT. SESSIONS CONSIST OF STUDYING DOCUMENTS SUCH AS DENG'S QUOTE IMPORTANT UNQUOTE 09JUN SPEECH AND CHEN XITONG'S REPORT ON QUELLING OF REBELLION, COMMENTING ON NEWSPAPER ARTICLES AND, IN CASE OF STUDENTS, WRITING ESSAYS. JUDGING FROM COMMENTS OF PARTICIPANTS, FEW PEOPLE TAKE THESE SESSIONS SERIOUSLY BUT THEY NEVERTHELESS TAKE PLACE. AT PARTY HQ IN ZHONGNANHAI, A PARTY WORKER HAS TOLD US THAT ALL MIDDLE AND LOWER RANKING OFFICIALS ARE HAVING TO WRITE DETAILED ACCOUNTS OF THEIR ACTIVITIES FROM 15APR-04JUN.

9. ARTISTIC WORLD HAS NOT/NOT BEEN EXEMPTED FROM IDEOLOGICAL CRACKDOWN. AT A RECENT WRITERS FORUM, ZHAO'S LAISSEZ-FAIRE ATTITUDE TOWARDS THE ARTS WAS CRITICIZED. A BITTER CRITIQUE OF CONTROVERSIAL TV DOCUMENTARY QUOTE RIVER ELEGY (HE SHANG) UNQUOTE THAT WAS DENIED PUBLICATION LAST YEAR, APPEARED PROMINENTLY ON FRONT PAGE OF PEOPLE'S DAILY. ARTICLE CRITICIZED BOTH NEGATIVE ATTITUDE TOWARDS CHINESE CIVILIZATION AND ZHAO'S ALLEGED PROTECTION OF FILM. CURRENT LINE (NEVER FORMALLY ABANDONED) ON ARTISTIC WORK IS THAT ARTISTS ARE FREE TO CREATE WHATEVER THEY LIKE (100 FLOWERS ETC) AS LONG AS THEY

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FOLLOW IDEOLOGICAL GUIDELINES OF PARTY. FOREIGN NEWSPAPERS, MAGAZINES AND TV HAVE BEEN BANNED FROM PUBLIC SALE OR VIEWING, AS HAVE ALL QUOTE REACTIONARY UNQUOTE WORKS. NEW FILM ON DENG'S EARLY CAREER IS TO BE PREMIERED NEXT MONTH AND NEW FILM ON CCP STRUGGLE AGAINST KMT HAS NOT/NOT ONLY BEEN SHOWN IN CINEMAS BUT SIMULTANEOUSLY ON TV. A MEASURE OF POPULAR FEELING IN PEKIN HOWEVER IS FACT THAT WHEN IN FILM USA EMB AGREES TO PROVIDE ARMS TO KMT AND STIPULATES THAT THEY ARE NOT/NOT TO BE USED AGAINST STUDENTS, AUDIENCE CLAPS.

10. FINALLY, ANTI-WESTERN BIAS IS APPARENT IN PRESS ARTICLES AND STATEMENTS BY LEADERS. THIS IS PARTLY REACTION TO WESTERN PROTESTS AT HANDLING OF STUDENT-LED PROTESTS BUT ALSO PART OF ATTEMPT TO PROVE THAT SO-CALLED DEMOCRACY MOVEMENT COULD NOT/NOT HAVE DEVELOPED THE WAY IT DID WITHOUT COLLABORATION OF QUOTE OUTSIDE FORCES UNQUOTE. FANG LIZHI'S PRESENCE IN USA EMB AND POLITICAL STATEMENTS BY WESTERN GOVTS HAVE PROVIDED HIGH LEVEL FOCUS FOR OUTBURSTS THAT ACCUSE WESTERN COUNTRIES OF TRYING TO SUBVERT SOCIALISM.

11. ONE OF UNFORTUNATE RESULTS OF CURRENT SITUATION IS INABILITY TO TALK TO MANY FORMER CHINESE CONTACTS WHO, IF THEY HAVE NOT/NOT ALREADY FLED COUNTRY OR ARE NOT/NOT UNDER ARREST, NOW PREFER NOT/NOT TO TALK WITH FOREIGNERS. THIS APPLIES IN PARTICULAR TO STUDENTS, PROFS, JOURNALISTS AND BUREAUCRATS IN SENSITIVE AREAS SUCH AS POLITICAL REFORM.

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PAGE SEVEN WJGR5736 CONF

12. CONCLUSION: IN PEKIN CONTRAST IS STRIKING BETWEEN PEOPLES INCREASINGLY PROSPEROUS AND MATERIALISTIC LIFESTYLES (FASHIONABLE CLOTHES, JEWELLERY, ELECTRONIC GADGETS) AND PROPAGATION OF IDEOLOGICAL CONCEPTS THAT HARK BACK TO AN EARLIER ERA. WHEN CHINA WAS MUCH POORER AND CCP HAD MORAL AUTHORITY OF HAVING OVERTHROWN PREVIOUS CORRUPT REGIME, PEOPLE WERE AT LEAST READY TO GIVE PARTY BENEFIT OF DOUBT IF THEY DID NOT BELIEVE WHOLE-HEARTEDLY IN COMMUNIST CAUSE. TODAY, HOWEVER, IT IS CCP THAT IS CORRUPT, SHARING IN SPOILS OF ECONOMIC LIBERALIZATION AND DESPERATELY TRYING TO CONTAIN EVOLUTION OF POLITICAL THINKING SPAWNED BY IT. ALTHOUGH A RENEWED ANTI-CORRUPTION CAMPAIGN IS ALSO SWINGING INTO HIGH GEAR IN ORDER TO REPAIR MORAL IMAGE OF PARTY, THIS IS NOT GOING TO CHANGE VIEWS OF URBAN DWELLERS WHO FORMERLY IN PUBLIC, NOW IN PRIVATE, CALL THEIR GOVT A FASCIST DICTATORSHIP, DEPENDING SOLELY ON MILITARY FORCE FOR ITS SURVIVAL. IDEOLOGICAL CAMPAIGN WILL NOT HAVE RECEPTIVE AUDIENCE: IN COUNTRYSIDE IT WILL BE CONSIDERED IRRELEVANT; IN CITIES IT WILL BE PAID LIP SERVICE, BREEDING UNDERGROUND ACTIVITIES AND PASSIVE RESISTANCE. ALTHOUGH IDEOLOGICAL CAMPAIGN HAS TAKEN LONG TIME TO GET UNDERWAY, THIS IS REFLECTION MORE OF DIFFICULTIES INVOLVED IN LAUNCHING CAMPAIGN UNDER PRESENT CIRCUMSTANCES RATHER THAN LACK OF LEADERSHIP'S DETERMINATION TO CARRY OUT A PURGE OF LIBERAL IDEAS. IT MAY BE LAST GASP OF A GENERATION OF LEADERS WHO ARE LITERALLY ON DEATH'S DOORSTEP, BUT IT DOES NOT MEAN ACTION THEY TAKE WILL BE FEEBLE.

CCC/059 250921Z WJGR5736

**Page 724**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**13(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

**ACTION**  
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P R O T E G E  
 DE YUNDE UPGR2589 20JUL89  
 A EXTOTT GAF  
 INFO PEKIN PARIS WSHDC  
 DISTR GAD IND INP PNR

---RECENTS EVENEMENTS EN CHINE VUS DU CAMEROJN

SUITE AUX EVENEMENTS DU DEBUT JUN SUR LA PLACE TIENANMEN, AMBASSADE  
 RPC A DEPLOYE BEAUCOUP DE ZELE AUPRES AMBS ET OPINION PUBLIQUE AFIN  
 DE FAIRE CONNAITRE CIT VERITE FINCIT SUR CE QUI S EST VRAIMENT PASSE.  
 AVONS RECU A CE JOUR SEPT CIT BULLETIN D INFORMATION FINCIT CHACUN  
 JUSTIFIANT COUP DE FORCE EMPLOYE PAR GOUV CHINOIS POUR REPRIMER CIT  
 CONTRE REVOLUTIONNAIRE FINCIT QUI VISAIT A RENVERSER REGIME. BULLEPINS  
 DENONCENT EGALEMENT POLITIQUE DE DESINFORMATION DES MEDIAS OCCIDEN-  
 TAUX ET NOTAMMENT CIT INGERENCE GROSSIERE FINCIT DANS LES AFFAIRES  
 INTERIEURES DE LA CHINE DE LA PART DES SEPT DU SOMMET, ATTITUDE QUI CIT  
 NE POURRA EN FIN DE COMPTE NUIRE QU A EUX-MEMES FINCIT.

2. DIPLOMATES CHINOIS N ONT PAS MENAGE LEURS EFFORTS LORS DE RECEPTION  
 ET MANIFESTATION A CARACTERE SOCIAL POUR PRODIGUER CIT BONNE PAROLE  
 FINCIT, SPECIALEMENT AUPRES DES COLLEGUES DE PAYS OCCIDENTAUX. N Y  
 AVONS, POUR NOTRE PART, PAS ECHAPPE. AMBASSADEUR DE SON COTE A RECU  
 COMME CADEAU D ADIEU DE LA PART D AMB CHINOIS CASSETE-VIDEO SUR LES  
 RECENTS EVENEMENTS PREPAREE PAR GOUV CHINOIS. N AVONS MALHEUREUSEMENT  
 PAS EU OCCASION VISIONNER CASSETE. AMB LORS DE SON PASSAGE AU MINISTERE  
 POURRA CERTAINEMENT VOUS EN FAIRE RESUME.

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PAGE DEUX UPGR2589 PROTEGE

3. COTE CAMEROUNAIS, GOUVERNEMENT A MAINTENU A CE JOUR PROFIL BAS NE  
COMMENTANT D AUCUNE FACON EVENEMENTS SURVENUS SUR PLACE TIENANMEN.  
MEDIAS SE SONT CONTENTES DE RAPPORTER NOUVELLES (EMANANT DES GRANDES  
AGENCES DE PRESSE, AFP, REUTER, UPI) SANS AUCUN COMMENTAIRE.

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**ACTION**  
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C O N F I D E N T I A L

FM ISBAD XDGR0223 20JUL89

TO EXTOTT PSR

INFO PEKIN TOKYO DELHI LDN WSHDC PARIS ROME BONN MOSCO PRMNY BNATO  
HKONG CNBRA WLGTN KLMPR SPORE BNGKK PCOOTT/IAC/HEBERT CIDAULL/BSK  
BNGKK/CSIS TT NDHQOTT/ADMPOL/DIPOL/DDI/ DE CAF PILLAROTT/RCT(CF-2)/  
MCINTOSH/RAP/PFL(ASIA-PAC)

DISTR PSD PND PNR PNC CPP CPE INP INE IMU

---RECENT EVENTS IN CHINA:PAKISTANI PERSPECTIVE

LAST WEEK WE CALLED ON MFA DIRGEN(ASIA-PACIFIC)ANWAR KEMAL TO GET  
OFFICIAL PAK ASSESSMENT OF RECENT EVENTS IN PRC.KEMAL ACCOMPANIED  
FOREIGN SECY HUMAYAN TO PEKIN FOR LONG-PLANNED SENIOR OFFICIAL  
CONSULTS HELD 20-23JUN.IN ADDITION TO STANDARD CALLS,CONSULTS  
INCLUDED EIGHT-MINUTE SESSION WITH PREMIER LI PENG.

2.KEMAL SAID RECENT EVENTS REPRESENTED REAL TRAGEDY FOR CHINESE  
PEOPLE.WITHOUT IN ANY WAY CONDONING LOSS OF LIFE(KEMAL PUT DEATH TOLL  
AT 700)PAKS THINK GOVT SHOWED REAL RESTRAINT IN LEAD UP TO IMPOSITION  
OF MARTIAL LAW.QUOTE WHAT ELSE COULD THEY DO,THEIR POWER WAS ERODING,  
THEY HAD NO/NO CHOICE BUT TO REASSERT THEIR CONTROL UNQUOTE.THE  
STUDENTS HAD BROKEN THE LAW AND CAUSED DENG TO LOSE FACE DURING  
HISTORIC GORBACHEV VISIT.IT WAS CLEAR SOLDIERS DEPLOYED WERE POORLY  
INFORMED AND POORLY PREPARED,THE FIRING IN THE DIPLOMATIC QUARTERS  
BEING A CASE IN POINT.ANOTHER WAS UNPROVOKED ATTACK ON TEENAGE SON  
OF PAK EMB AIR ATTACHE WHO HAD BICYCLED TO TIANAMEN SQUARE TO OBSERVE  
EVENTS.CHINESE AUTHORITIES ACTED QUICKLY TO RELEASE TEENAGER AND

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PAGE TWO XDGR0223 CONF

DISCIPLINE SOLDIERS INVOLVED.

3.KEMAL SAID CHINESE LEADERSHIP WAS PAINFULLY AWARE OF ITS PREDICAMENT. IT HAD LET MATTERS GET OUT OF HAND.IN LI PENG'S OWN WORDS QUOTE ICE ON A POND DOES NOT/NOT FREEZE THREE FEET THICK OVERNIGHT UNQUOTE.IT HAD FIRST SENT IN UNARMED SOLDIERS.THIS HAD BEEN TO NO/NO AVAIL NECESSITATING ARMED INTERVENTION.KEMAL THOUGHT STUDENT NOTIONS OF RAPID INTRODUCTION OF WHOLESALE WESTERN-STYLE DEMOCRACY TO VERY POOR COUNTRY OF ONE BILLION PEOPLE WERE NAIVE IN THE EXTREME.

4.KEMAL BELIEVES WEST HAS OVERREACTED.THERE HAD BEEN SUBSTANTIAL DEMOCRATIZATION IN LAST SEVERAL YEARS WITH MAJOR CHANGES IN PARTY AND VIGOROUS PURSUIT OF FUNDAMENTAL ECONOMIC REFORMS.WHILE CRUSHING OF PRO-DEMOCRACY MOVEMENT WAS SETBACK,ISSUE WAS PACE NOT/NOT DIRECTION OF PROCESS.HENCE A MORE MEASURED RESPONSE FROM WEST WOULD HAVE MORE INFLUENCE ON CHINESE LEADERSHIP AND PROTECT ESSENTIAL LONG-TERM COMMERCIAL INTERESTS.HE WAS NOT/NOT SAYING DENG AND LI PENG WERE POPULAR.THERE WAS OBVIOUSLY SUBSTANTIAL POPULAR SYMPATHY FOR STUDENTS CRITICISM OF REGIME,ESPECIALLY ITS INABILITY TO DEAL WITH CORRUPTION.

5.REGARDLESS OF WESTERN RESPONSE,CHINESE LEADERSHIP WILL DO WHAT IT BELIEVES IS NECESSARY.BITTER HISTORICAL LESSONS MAKE CHINESE ESPECIALLY SENSITIVE TO WESTERN CRITICISM.KEMAL SAID ONLY TIME LI PENG BECAME EMOTIONAL DURING THEIR MTG WAS WHEN DISCUSSING WESTERN REACTION QUOTE NO/NO ONE HAD RIGHT TO INTERFERE IN CHINAS INTERNAL AFFAIRS UNQUOTE.

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PAGE THREE XDGR0223 CONF

6. FOREIGN SECTY HUMAYAN DELIVERED SYMPATHETIC MSG FROM BHUTTO TO LI PENG IN HER CAPACITY AS PM AND TO NEW PARTY SEC GEN IN HER CAPACITY AS PPP CO-CHAIRMAN. KEMAL SAID MSGS HAD BEEN GIVEN WIDE PUBLIC DISSEMINATION BY CHINESE AUTHORITIES. LI PENG'S APPROVING COMMENT WAS QUOTE IN A STORM THE STRONG TREES PREVAIL, IT IS THE SAME WITH FRIENDSHIP UNQUOTE. OBVIOUSLY PAKS OWN NATIONAL INTERESTS REQUIRE MORE BENIGN APPROACH TO CHINESE AFFAIRS, AN APPROACH WHICH ENJOYS WIDE PUBLIC SUPPORT.

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FBIS 023 JUL 19/89  
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PRC: HONG KONG PAPER REPORTS 'CLANDESTINE HIT SQUADS' FORMING  
 HK1907045389 HONG KONG HONGKONG STANDARD IN ENGLISH 19 JUL 89 P  
 6  
 [BY CHEUNG FO-LING]

[TEXT] TERMS LIKE "DARE TO DIE SQUADS" AND "ASSASSINATION TEAMS" WERE RARELY HEARD IN CHINA BEFORE JUNE 3-4, BUT SINCE THE MASSACRE THAT TOOK PLACE THAT NIGHT THERE HAS BEEN INCREASING TALK OF BEIJING PEOPLE TEAMING UP TO TAKE REVENGE FOR THE BRUTAL CRACKDOWN.

SPECULATION WAS FIRST HEARD AMONG RELATIVES OF PEOPLE'S LIBERATION ARMY SOLDIERS, WHO CARRIED OUT THE ATTACK. DISSIDENT CHINESE JOURNALIST MR LIU BINYAN SAID IN HONG KONG LAST MONTH THAT HE HAD HEARD OF THE FORMATION OF ASSASSINATION TEAMS SEEKING REVENGE FOR THE JUNE 4 BLOODSHED.

FAMILIES OF PLA TROOPS WERE TOLD ENRAGED STUDENTS AND BEIJING SUPPORTERS HAD FORMED "ASSASSINATION TEAMS" TO KILL THE MILITARY OFFICERS AND HIGH-RANKING GOVERNMENT OFFICIALS RESPONSIBLE FOR THE MASSACRE.

THERE WERE ALSO REPORTS THAT MEMBERS OF THE REVENGE TEAMS WERE ARMED.

DURING THE UPHEAVALS IN BEIJING, LARGE NUMBERS OF FIREARMS WERE KNOWN TO HAVE DISAPPEARED FROM ARMY SUPPLIES.

THE BEIJING EVENING POST REPORTED ON JUNE 16 THAT A MEMBER OF A "DARE TO DIE SQUAD" ADMITTED HIS GROUP HAD KILLED THREE SOLDIERS WHILE ROBBING THEM OF THEIR WEAPONS.

THE MAN REPORTEDLY CLAIMED THEY WERE ASSIGNED BY STUDENT LEADERS TO GUARD THE MAKESHIFT BROADCASTING SYSTEM SET UP AT THE HEIGHT OF THE UNREST.

THE NEED FOR MANY STUDENT LEADERS AND OTHER DISSIDENTS TO GO UNDERGROUND TO AVOID ARREST DURING THE GOVERNMENT'S NATIONWIDE ROUND-UP OF ITS OPPONENTS HAS ENCOURAGED RUMOURS OF CLANDESTINE HIT SQUADS OUT TO SEEK REVENGE.

HOWEVER, A JOINT COMMISSION FORMED IN PARIS BY FUGITIVE INTELLECTUALS AND BEIJING STUDENT LEADERS HAS REJECTED THE USE OF TERRORISM IN ITS STRUGGLE AGAINST THE GOVERNMENT.

BUT REPORTS CONTINUE, AIDED BY A NUMBER OF UNEXPLAINED INCIDENTS IN THE WEEKS SINCE THE MASSACRE.

ON JUNE 7, WHEN TROOPS FIRED HUNDRED OF ROUNDS INTO A DIPLOMATIC COMPOUND IN THE EAST OF THE CITY, AUTHORITIES CLAIMED THEY HAD BEEN HUNTING A SNIPER WHO HAD KILLED AT LEAST ONE SOLDIER.

IT HAS ALSO BEEN LEARNED THAT, LATE IN JUNE, THE BODIES OF TWO SOLDIERS WERE RETRIEVED FROM A CANAL IN THE NORTHEAST OF THE CITY, NEAR THE KUNLUN HOTEL.

THE SOLDIERS HAD BEEN GARROTED. AUTHORITIES SAID THEY BELIEVED THE MURDERS WERE THE WORK OF REVENGE TEAMS.

ON JUNE 26, WHEN DYNAMITE EXPLODED ON A SHANGHAI-BOUND TRAIN, KILLING 24 PEOPLE, AUTHORITIES BLAMED THE DISASTER ON SABOTAGE.

A FEW DAYS LATER THERE WAS A SECOND EXPLOSION, IN A TRAIN FROM KUNMING TO GUIYANG, KILLING FOUR AND INJURING MANY MORE.

NERVOUSNESS ABOUT THE SQUADS IS ONE REASON TROOPS IN BEIJING CONTINUE REGULAR SPOTCHECKS FOR IDENTIFICATION. CHINESE AND

FOREIGNERS ALIKE CAN BE STOPPED AND CHECKED SEVERAL TIMES IN THE COURSE OF A SHORT JOURNEY HOME.

VEHICLES ARE ALSO CHECKED, PRESUMABLY FOR WEAPONS OR FOR PEOPLE THE GOVERNMENT CONSIDERS TO BE "COUNTER-REVOLUTIONARIES."

19 JUL 0548Z RF

NNNN

**ACTION**  
**SUITE A DONNER**

~~MA~~  
MA 26 JUL 89  
HBW

P R O T E C T E D

FM PEKIN WJGR3541 18JUL89

TO EXTOTT/PNR

INFO HKONG WSHDC TOKYO SEOUL MANIL SPORE BNGKK KLMPR ISBAD JKRTA

BNATO PARIS LDN MOSCO CIDADHULL BSC PCOOTT/IAC

TT NDHQOTT/DIPOL CIS ADM/ DE CAF

BAG SHNGI DE PEK

DISTR PGB PND PSD PNC PGP INP CPP CPD IMH

---FOREIGN NEWSPAPER BAN

RETURN TO RENYOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE
610494		890727
FILE	DOSSIER	
20-CHINA-1-4		

AS PART OF CHINAS CRACKDOWN ON QUOTE BOURGEOIS LIBERALIZATION UNQUOTE, AUTHORITIES HAVE APPARENTLY BANNED SALE OF ALL FOREIGN NEWSPAPERS AND MAGAZINES. NOTICES TO THAT EFFECT WERE POSTED IN GREAT WALL HOTEL AFTER MAGAZINE RACKS WERE REMOVED FROM ALL MAJOR HOTELS 14JUL. IT HAS NOT/NOT BEEN POSSIBLE TO BUY ANY FOREIGN PERIODICALS SINCE THEN, ALTHOUGH SUBSCRIBER COPIES CONTINUE TO BE DELIVERED. THIS FOLLOWS AN EARLIES DECISION TO CUT OFF ACCESS TO CABLE NEWS NETWORK(CNN) SATELLITE TV BROADCASTS IN INTL HOTELS. IT ALSO COINCIDES WITH EFFORTS BY PRESS PUBLICATIONS ADMINISTRATION TO RID CHINA OF PORNOGRAPHY AND WORKS BY DISSIDENTS WHOSE BOOKS ARE SEEN TO BE PROMOTING BOURGEOIS LIBERALIZATION. IN LAST FEW DAYS, POLICE HAVE RAIDED BOOKSHOPS AND STANDS.

2. VARIOUS ATTEMPTS TO CONFIRM FOREIGN PRESS BAN WITH PRESS AND PUBLICATIONS ADMINISTRATION HAVE RESULTED IN DENIALS OR REFUSAL

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PAGE TWO WJGR3541 PROTECTED

TO REPLY IMMEDIATELY. THIS MAYBE INDICATION THAT ACTION WAS TAKEN WITHOUT CONSULTATION AND WAS HASTILY CONCEIVED WITHOUT DUE CONSIDERATION FOR POSSIBLE REACTIONS FROM FOREIGN COMMUNITY AND TOURISTS (WHO, IF THEY WERE HERE, WOULD BE MAJOR CUSTOMERS).

3. TOURISTS WILL NOT/NOT IN ANY CASE BE ENCOURAGED TO VISIT CHINA AFTER HEARING STARTLING PR GAFFES DURING LAST WEEKS SEMINAR TO PROMOTE BEIJING TOURISM TO 400 FOREIGN TRAVEL AGENTS. IN AN EFFORT TO REASSURE, BO XICHENG, HEAD OF BEIJING TOURISM BUREAU, SAID THAT GOVT WOULD PAY US DLRS 100,000/100,000 TO ANY TOURIST INJURED OR KILLED BECAUSE OF MARTIAL LAW. HE SAID MARTIAL LAW WOULD NOT BE REPEATED BECAUSE OF TOURIST TRADE. FOREIGN TRAVEL AGENTS HAD BEEN GIVEN SPECIAL TOUR OF TIANANMEN AFTER SQUARE HAD, FOR A FEW HOURS, BEEN CLEARED OF MOST OF SOLDIERS NORMALLY GUARDING IT.

4. UPDATE: NO FOREIGN NEWSPAPERS HAVE BEEN DELIVERED TO ANY EMBASSIES TODAY; WE HOPE SUBSCRIBERS COPIES ARE NOT SUBJECT OF FURTHER CENSORSHIP.

CCC/059 190100Z WJGR3541

C O N F I D E N T I A L

FM PEKIN WJDR0160 13JUL89

TO TT NDHQOTT/CIS ADM/DD1-6-3/DIPOL/ DE CAF

INFO EXTOTT L PNR ISS

---BEIJING INTERNAL SECURITY(IS) INTSUM 002/39

FOLLOWING ARE OBSERVATIONS/REPORTS FOR PERIOD 10-18JUL

1.(C)ROAD BLOCKS:SOME CHANGES SINCE LAST INTSUM,THEY NOW START AT OR AFTER MIDNIGHT,LOCATIONS HAVE CHANGED AND PROVIDE BETTER CONTROL.JIAN GUO MEN WAI RB HAS BEEN REMOVED.ALL RB ARE DIRECTED BY A PLA OFFICER AND A PSB PERS.MAJOR INTERSECTIONS HAVE MANPACK HF RADIO OTHERS HAVE HAND HELD POSSIBLY VHF RADIO.WHEN GOING THROUGH A RB ONE IS ASKED FOR ID CARD OR A MUNICIPAL DOCUMENT OR A PASS (NOTE THESE TERMS ARE TRANSLATION OF THE CHINESE TERM)DIP PERS HAVE NO PROBLEM GOING THROUGH.RB DONT HAVE FEMALE REPS AND ON ONE OCCASION A POSSIBLE BODY SEARCH OF 3 MALE PERS WAS OBSERVED WHILE A FEMALE PASSENGER WAS LEFT IN VEHICLE.

2.(U)CHINESE GRAPEVINE HAS FOLLOWING RUMOURS

A.A SOLDIER WAS KILLED AND HIS EYES GOUGED OUT NO LOC OR TIME AVAILABLE.

B.A SNIPPER WOUNDED A PLA SOLDIER S-W BEIJING LAST WEEK.

3.(U)ALL HOTELS RECEIVING NORTH AMERICAN SAT TV WERE ORDERED TO DISCONNECT THE SIGNALS.SINCE 14JUL SALE OF FOREIGN NEWSPAPER AND PERIODICAL HAVE BEEN BANNED.RUMOUR HAS IT THAT IDD TELEPHONE SIGNALS MAY BE NEXT ON LIST.

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see E on p.2.

g.

*ASMA/Lebanon*

RETURN TO REVOYER A	<i>ATCO</i>	FOR POUR - ETRE
		PORTE AU DOSSIER
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<i>610469</i>	<i>890727</i>	
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PAGE TWO WJDR0160 CONF

4.(P)CHINESE SOURCES REPORTED THAT PRC AUTHORITIES ARE CLAIMING THAT 700/700 TO 1000/1000 WEAPONS ARE STILL MISSING AND THAT MARTIAL LAW WILL NOT/NOT BE LIFTED BEFORE THEY ARE ALL FOUND.

5(U)AT 1200 ON 13JUL THREE BUSES TWO OF WHICH PAINTED IN PUBLIC SECURITY COLOURS, ESCORTED BY SECURITY VEHICLES PASSED WEST TO EAST THEN NORTH FROM CHANG AN ALONG WORKER STADIUM STREET. WINDOWS WERE CURTAINED POSSIBLY TRANSPORTING PRISONERS. NUMBER OF ARREST ARE NOT BEING REPORTED.

6.COMMENTS:

A.(U)PLA APPEAR TO HAVE VERY LITTLE TRAINING IN INTERNAL SECURITY WORK AND ARE DEVELOPING TACTICS/METHODS AS THEY GO ALONG.

B.(P)WITHOUT DETAILED KNOWLEDGE OF AIMS OF GUARD, AND RB NETWORK IT IS DIFFICULT TO ASSESS EFFICIENCY OF IS OPS.

C.(U)WHILE AIM OF FOREIGN NEWS CUT OFF MAY BE TO MAINTAIN SPIRITUAL PURITY AND INTEGRITY THIS MOVE COULD BE TARGETTED AT FOREIGNERS AS WELL. IF FOREIGN RADIO BROADCAST OR IDD TELEPHONE ARE JAMMED OR CURTAILED WE COULD FIND OURSELVES IN A FULL SCALE RETREAT TOWARDS SIGNIFICANT MEASURE OF ISOLATIONISM.

D.(U)EARLY HOUR DRIVE ON NIGHT MON/TUES 17/18JUL REVEAL SIGNIFICANT DECREASE IN ROAD BLOCK DENSITY AND METHOD OF OPERATION TO BE CONFIRMED IN NEXT FEW DAYS.

E. CONSISTENT SCATTERED PISTOL AND RIFLE DISCHARGES CONTINUE TO DISTURB LIFE IN DIPLOMATIC COMPOUNDS.

CCC/099 180201Z WJDR0160

15 Jul/89

RETURN TO REVOYER AU	<b>BIGO</b>	FOR FILING POUR - ETRE PORIE AU DOSSIER
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FBIS 115JUL07

TAKE 3 OF 3 -- 113 (DRAFT DEMONSTRATION LAW)

///WITH THE LAW.

OW0707185389

[TEXT] ARTICLE XIX. THE RESPONSIBLE AUTHORITIES MAY GIVE A DISCIPLINARY WARNING OR A DETENTION OF NO MORE THAN 15 DAYS TO THE ORGANIZER OR THE DIRECTLY RESPONSIBLE PERSON OF ANY OF THE FOLLOWING OFFENSES. IN CASE THE NATURE OF THE OFFENSE IS FOUND TO BE SERIOUS, THE PEOPLE'S COURT MAY SENTENCE THE OFFENDER TO AN IMPRISONMENT OF NO MORE THAN 5 YEARS OR A CRIMINAL DETENTION OR PUT HIM UNDER SURVEILLANCE AND MAY ADDITIONALLY OR EXCLUSIVELY SENTENCE HIM TO BE DEPRIVED OF POLITICAL RIGHTS.

1. AN ASSEMBLY, RALLY, AND DEMONSTRATION IS STAGED WITHOUT APPROVAL.
2. THE PURPOSE, METHOD, NUMBER OF PARTICIPANTS, BEGINNING AND END TIME, PLACE, AND ROUTE OF AN APPROVED ASSEMBLY, RALLY, AND DEMONSTRATION HAVE NOT BEEN CONDUCTED IN ACCORDANCE WITH THOSE APPROVED; AND THE SITUATION PERSISTS IN SPITE OF AUTHORITIES' PERSUASION, PREVENTION, AND EFFORTS TO PUT AN END TO IT.
3. UNLAWFULLY INTERFERING WITH, HINDERING, AND DISRUPTING AN ASSEMBLY, RALLY, AND DEMONSTRATION.
4. ACTIVITIES THAT VIOLATE THE REGULATIONS PROVIDED BY ARTICLES V AND XV OF THIS LAW.
5. CHEATING AND COERCING OTHER PEOPLE INTO TAKING PART IN AN ASSEMBLY, RALLY, AND DEMONSTRATION.

ARTICLE XX. THOSE WHO ARE FOUND GUILTY OF VIOLATING THE REGULATIONS GOVERNING OFFENSES AGAINST PUBLIC SECURITY SHALL BE PUNISHED IN ACCORDANCE WITH THE "REGULATIONS GOVERNING PENALTIES FOR OFFENSES AGAINST PUBLIC SECURITY OF THE PRC." THOSE WHO BREAK THE CRIMINAL LAW AND WHOSE ACTION CONSTITUTES A CRIME SHALL BE INVESTIGATED AND AFFIXED THEIR RESPONSIBILITY FOR THE CRIME IN ACCORDANCE WITH THE LAW.

ARTICLE XXI. CITIZENS ARE NOT PERMITTED TO STAGE AN ASSEMBLY, RALLY, AND DEMONSTRATION IN SPECIFIED PERIPHERAL AREAS OF KEY STATE ORGANS, IMPORTANT MILITARY INSTALLATIONS, AIRPORTS, HARBORS, RAILWAY STATIONS, STATE GUESTHOUSES, FOREIGN EMBASSIES IN CHINA, CONSULATES, AND OTHER FOREIGN DIPLOMATIC MISSIONS.

THE SPECIFIC PLACES AS WELL AS THEIR PERIPHERAL AREAS MENTIONED ABOVE WILL BE DETERMINED BY THE PEOPLE'S GOVERNMENT OF EVERY PROVINCE, AUTONOMOUS REGION, AND MUNICIPALITY IN THE LIGHT OF ACTUAL LOCAL CONDITIONS.

ARTICLE XXII. THE REGULATIONS CONTAINED IN THIS LAW APPLY TO FOREIGNERS WHO ORGANIZE AN ASSEMBLY, RALLY, AND DEMONSTRATION INSIDE THE TERRITORY OF CHINA.

WITHOUT APPROVAL, FOREIGNERS ARE NOT PERMITTED TO TAKE PART IN AN ASSEMBLY, RALLY, AND DEMONSTRATION STAGED BY CHINESE CITIZENS IN THE TERRITORY OF CHINA.

ARTICLE XXIII. THE STANDING COMMITTEE OF PEOPLE'S CONGRESS OF EVERY PROVINCE, AUTONOMOUS REGION, AND MUNICIPALITY MAY DRAW UP MEASURES FOR IMPLEMENTATION ON THE BASIS OF THIS LAW.

ARTICLE XXIV. THIS LAW GOES INTO EFFECT ON [NO DATE PROVIDED -- FBIS].

C O N F I D E N T I A L

FM PEKIN WJGR5673 12JUL89

TO EXTOTT PNR DELIVER BY 120900

INFO HKONG TOKYO SEOUL SPORE BNGKK WSHDC LDN PARIS BONN BNATO

CIDAHULL/BSC

BAG SHNGI DE PEK

DISTR PGB PND PNC PGP JIS BMM BKR

CIDAHULL BSD ISEO

REF YOURTEL 1996 10JUL

---TRAVEL TO PRC

**ACTION  
SUITE A DONNER**

B100  
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RETURN TO RENOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE		
609305		890720		
FILE	20-CHINA-1-4			DOSSIER

RECOMMENDATIONS BELOW MADE AFTER CONSULTATIONS WITH EMB PROGRAM  
MGRS. TRAVEL IN CHINA INVOLVES RISKS WHICH DID NOT/NOT EXIST BEFORE  
JUNE. THOSE COMING HERE SHOULD BE AWARE OF THESE RISKS AND TAKE  
RESPONSIBLE STEPS TO ENSURE THEIR OWN SAFETY.

2. TOURISTS: WOULD AGREE THAT MARTIAL LAW CONDITIONS NOT/NOT  
CONDUCTIVE TO NORMAL TOURIST TRAVEL. AS YOU ARE AWARE AIR LINKS  
BETWEEN CDA AND CHINA HAVE NOT/NOT RETURNED TO NORMAL. ALTHOUGH  
THERE IS NO/NO CURFEW ~~WE DO NOT/NOT~~ RECOMMEND TRAVEL AFTER DARK IN  
PEKIN. ROADBLOCKS ARE MANNED BY YOUNG INEXPERIENCED SOLDIERS GIVING  
AT TIMES INCOMPREHENSIVE INSTRUCTIONS. MISUNDERSTANDINGS COULD  
HAVE SERIOUS CONSEQUENCES. SOLDIERS HAVE FIRED ON CARS.

3. YOU ARE AWARE OF JPENSE TOURISTS WHO WERE PURSUED AFTER HAVING  
TAKEN PICTURES OF TIANANMEN SQUARE (AND UNAVOIDABLY SOLDIERS  
GUARDING IT). TOURIST AGENCIES IN PEKIN ARE THEMSELVES NOT/NOT  
CLEAR ON WHAT IS OR IS NOT/NOT PERMISSABLE AND AT TIMES LACK SENSE

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PAGE TWO WJGR5673 CONFD

OF SITUATION. ON 04JUN CHINA INNATL TRAVEL SERVICE BUSES WERE SEEN TRYING TO GO DOWN CHANGAN AVENUE.

4. SHORT TRIPS FROM HKONG TO PEARL RIVER DELTA AREA ARE NOT/NOT A PROBLEM. MAJOR CONCERN IS LONGER TRIPS TO INTERIOR INCLUDING PEKIN.

5. STUDENTS: SOME CHINESE STUDENTS WILL BE RETURNING TO PEKIN CAMPUSES ON 19AUG TO MAKE UP FOR TIME LOST IN SPRING SEMESTER AND TO WRITE FINAL EXAMS. PEKIN CAMPUSES HAVE SOLDIERS WITH MACHINE GUNS STATIONED AROUND PERIMETERS. REGULATIONS WITHIN CAMPUSES ARE TIGHTER -- FOR EXAMPLE, CHINESE STUDENTS ARE NO/NO LONGER ALLOWED TO VISIT FOREIGN STUDENTS DORMITORIES. CHINESE STUDENTS ARE MORE RELUCTANT TO BE SEEN ASSOCIATING WITH FOREIGNERS. OPPORTUNITIES FOR FREE AND INFORMAL INTERCHANGE ARE REDUCED. ATMOSPHERE ON CAMPUSES IN AUTUMN WILL HAVE ELEMENTS OF FEAR AND SUSPICION. NEW INTAKE OF STUDENTS IS EXPECTED TO INCLUDE UNDERCOVER INFORMANTS. CDN STUDENTS SHOULD BE MADE AWARE OF THIS SITUATION BEFORE TAKING DECISION TO COME TO CHINA.

6. THOSE INSTITUTIONS WITH LINKS OUTSIDE BEIJING WILL HAVE TO CHECK WITH OWN PARTNERS TO SEE HOW CONDITIONS HAVE CHANGED. WE WOULD ENCOURAGE UNIVS TO ASK SPECIFIC QUESTIONS ON CHANGES TO CAMPUS REGULATIONS WHICH AFFECT THE ABILITY OF STUDENTS TO MIX. THOSE PLANNING TO GO TO MORE REMOTE AREAS MUST CONSIDER DIFFICULTIES IN COMMUNICATION (TELEPHONE ETC) AND IN TRAVEL.

7. BUSINESS: AGREE THAT BUSINESS TRAVELLERS SHOULD HAVE SPECIFIC

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PAGE THREE WJGR5673 CONF

ARRANGEMENTS FOR DISCUSSIONS. THOSE WHO HAVE RETURNED HAVE NOT/NOT HAD PROBLEMS SEEING INDIVIDUALS THEY WANTED TO. AS IS CUSTOMARY, WOULD HOPE BUSINESSMEN WOULD CHECK IN BY PHONE OR IN PERSON WITH USUAL CONTACT IN EMB COMMERCIAL SECTION.

8. IN ALL CASES, INDIVIDUALS SHOULD BE ENCOURAGED TO REGISTER AT EMB AND THINK ABOUT OWN CONTINGENCY ARRANGEMENTS -- THEY SHOULD BE AWARE OF TRAIN AND AIR LINKS TO MAJOR CITIES, CARRY SHORTWAVE RADIOS, KNOW HOW TO MAKE TRAVEL ARRANGEMENTS OR KNOW WHICH OFFICIAL OR AGENCY CAN MAKE ARRANGEMENTS FOR THEM. PPTS SHOULD BE CARRIED EVEN WHEN TRAVELLING WITHIN CHINA. IT WOULD BE PRUDENT TO HAVE LOCAL SPONSORING AGENCY (DANWEI) PROVIDE THEM WITH LETTER IN CHINESE EXPLAINING WHO THEY ARE AND WHOM TO CONTACT IN CHINA IN CASE OF EMERGENCY.

9. EMB AND DEPT DO NOT/NOT HAVE RESOURCES TO REGISTER SHORT TERM MOVEMENTS IN AND OUT OF CHINA. TRAVELLERS MUST ENSURE THAT THEIR FAMILIES, COMPANIES, SPONSORING AGENCIES HAVE ACCURATE INFO ON:

(1) ITINERARIES;

(2) HOST AGENCY IN CHINA -- TRAVEL AGENT, UNIV, ETC, WITH NAMES, ADDRESSES, PHONE, TELEX AND FAX NBR.

10. AGE OF MANY OF CURRENT LEADERS BRINGS ELEMENT OF UNCERTAINTY INTO SCENARIO. WE CANNOT/NOT PREDICT WHAT WILL HAPPEN. THOSE RETURNING TO CHINA SHOULD HOWEVER BE AWARE THAT QUICK DETERIORATION

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PAGE FOUR WJGR5673 CONFD

OF INTERNAL SITU IS ENTIRELY POSSIBLE AND AS INDIVIDUALS TAKE THEIR OWN COMMON SENSE PRECAUTIONS IN CASE OF THIS EVENTUALITY. IN OUR VIEW, WE SHOULD NEITHER ENCOURAGE NOR DISCOURAGE THOSE WHO WISH TO RETURN BUT ENSURE THEIR DECISION IS AN INFORMED ONE.

CCC/099 120100Z WJGR5673

① CC PING/Mulroy  
ABMA/LeGane  
② MT

C O N F I D E N T I A L

FM PEKIN WJDR0155 12JUL89

TO TT NDHQOTT/CIS ADM/DD1-6-3/ DE CAF

INFO EXTOTT/PNR/ISS

TT NDHQWOTT/DIPOL/ DE CAF

---BEIJING INTERNAL SECURITY INTSUM 001/89

#3112

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20-CHINA-1-4		

OBSERVATIONS AND REPORTS IN THE MONTH FOLLOWING THE TIAN AN MEN (TAM)EVENTS INDICATE THAT THE INTERNAL SECURITY SITUATION IN BEIJING IS STILL FAR FROM NORMAL.

2.FOLLOWING ARE HIGHLIGHTS OF OBSERVATIONS/REPORTS:

A)ARMED PLA AND PAP CONTINUE TO STAND ON MAJOR VISIBLE INTERSECTIONS DURING DAY-TIME FULFILLING NO APPARENT SECURITY FUNCTION OTHER THAN AS A QUOTE SHOW OF FORCE UNQUOTE.

B)ONE THIRD OF THESE LOCATIONS BECOME ROAD-BLOCKS AT NIGHT-TIME AT NO SET TIME.SOME SECTORS START AS EARLY AS 21.30 AND OTHER AS LATE AS 23.55.NO APPARENT STANDARD ORDERS,NOR INSTRUCTIONS AS TO WHAT TO CHECK FOR.SOME SOLDIERS ARE RELAXED,OTHERS MENACING.NO/NO CHECK LISTS OR PHOTOS OF SUSPECTS NOR REGISTRATION OF WHO IS GOING WHERE, NEITHER IS THERE COORDINATION BETWEEN DIFFERENT LOC.LOC HAVE LIVE AMMO.FREQUENT CONSISTENT REPORTS OF GUNSHOT AT VARIOUS LOC INDICATE THAT TROOPS WILL SHOOT IF IN DOUBT.SOME LOC HAVE PUBLIC SECURITY STAFF DIRECTING THE PLA/PAP TROOPS.ONE ROAD BLOCK SITUATED NEAR JIAN GUO MEN WAI DIPLOMATIC COMPOUND HAS BEEN UNDER OBSERVATION BY CAN/US/UK SINCE ITS EXISTENCE,THEY HAVE FIRED 3UN SHOTS AT VEHICLE

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PAGE TWO WJDR0155 CONFID

WHO DID NOT/NOT STOP. BUT THERE ARE ALSO WHAT APPEAR TO BE ACCIDENTAL SHOOTINGS. NO/NO INVESTIGATING PERS WERE DISPATCHED TO LOCS FOLLOWING SHOOTING INCIDENTS INDICATIVE OF LAX CONTROLS.

C) RESIDENTS OF BEIJING AT THIS TIME OF THE YEAR GO OUTSIDE AT NIGHT AS THEIR DWELLINGS RE TOO HOT TO BE COMFORTABLE. IN THE LAST MONTH VERY FEW HAVE DONE SO. ALTHOUGH THERE IS NO/NO OFFICIAL CURFEW UNIT LEADERS HAVE INSTRUCTED THEIR PERS TO QUOTE NOT/NOT TO GO OUT AFTER DARK AS IT IS UNSAFE TO DO SO UNQUOTE.

D) A FIRE LAST WEEK NEAR THE GREAT WALL SHERATON HOTEL AT APPROX 21.00 RESULTED IN BOTH THE NORMAL FIRE RESPONSE AND THE NORMAL GATHERING OF CURIOUS LOCAL PERS. SHORTLY AFTER THE FIREMEN ARRIVED TWO TRUCKS FULL OF ARMED TROOPS ARRIVED AND PROCEEDED TO SCATTER THE ONLOOKERS. CROWDS ARE STILL CONSIDERED TO BE A THREAT TO THE REGIME.

E) A MOTORCAR FOR CHI VIPS ON 06JUL PROCEEDING TOWARDS TIAN AN MEN WAS PROTECTED BY ARMED PAP PERS STANDING ON THE ROADSIDE WITH NEWLY ISSUED MACHINE PISTOL/SUB MACHINE GUN AT APPROX 300 METER INTERVALS ALONG THE MOTORCADE ROUTE. THE REGIME ITSELF APPEARS TO BELIEVE THAT ITS VIPS ARE AT RISK.

F) AUS/US EMBASSY PAP GUARDS HAVE BEEN INCREASED IN STRENGTH AND ALSO NEWLY ISSUED WITH POSSIBLY 9MM OR 7.62 MM COMPACT SMG.

G) EMBASSY PAP GUARDS ARE IN SOME CASES NEW RECRUITS. GUARDS ARE OR TEND TO BE LAX, UNPROFESSIONAL AND CARELESS IN HANDLING THEIR WEAPONS. THREE KNOWN INCIDENTS LAST WEEK OF PAP GUARDS AIMING WEAPON

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PAGE THREE WJDR0155 CONF

AT FOREIGNERS AND PULLING TRIGGER ON EMPTY CHAMBER, RESULTING IN LOUD CLICKING NOISE, HAVE FRIGHTENED FOREIGNERS.

H) AN INCIDENT TWO WEEKS AGO, ACCORDING TO LOCAL AUTHORITY, OF A SNIPER NEAR THE SAN LI TUN DIPLO COMPOUND RESULTED IN A RESPONSE FORCE OF APPROX 150 PLA TROUPS SURROUNDING A HOTEL FOR ABOUT TWO HOURS AND REPORTEDLY TAKING AWAY 2 SUSPECT LOCAL PERS.

I) AS REPORTED, TWO WEEKS AGO TWO BODIES WERE TAKEN AWAY FROM THE CANAL NEAR THE TAYUAN DIPLO COMPOUND, UNCONFIRMED REPORTS INDICATED THEY WERE SOLDIERS WHO HAD BEEN GAROTTED.

J) SEVERAL REPORTS OF TOURISTS INCLUDING A BUSLOAD OF JPNS TAKING PICTURES NEAR TIAN AN MEN HAVING THEIR FILM TAKEN AWAY OR DETAINED FOR QUESTIONING.

K) AUST EMB REPORTED THAT ON 09JUL AT APPROX 1700-1800 SEVEN EVENLY SPACED SINGLE GUNSHOT-LIKE NOISES WERE HEARD TO EMANATE FROM THE DIRECTION OF BEIJING AGRICULTURAL EXHIBITION HALL. SHOTS WERE SPACED AT ONE MINUTE INTERVALS AND FOLLOWED BY WHAT APPEARED TO BE CHEERS FROM A THRONG OF PEOPLE. REPORTERS WERE SITUATED AT G.W. HOTEL. CDN AMB EARLIER HAD VISITED EXHIBITION GROUNDS AND CONFIRMED PRESENCE OF PLA TROOPS AT THE SITE.

L) SIGNS AT FOUR CORNERS OF TAM FORBIDDING ENTRY OF PEDESTRIANS ARE IN CHINESE ONLY. CHI SPEAKING MILPERS WHO ENQUIRED WHAT WOULD HAPPEN IF PEOPLE ATTEMPTED TO GO THROUGH WERE TOLD THEY WOULD BE SHOT.

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PAGE FOUR WJDR0155 CONFD

M)THE ATMOSPHERE ON COLLEGE CAMPUSES IS ONE OF FEAR.THERE ARE MANY PLAIN CLOTHED SECURITY PERS.FEW BEIJING UNIVERSITIES HAVE THEIR NORMAL COMPLEMENT OF STUDENTS.CHINESE STUDENT CONTACT WITH FOREIGN STUDENTS IS NOT ENCOURAGED.STUDENTS NOW KNOW STRANGE NEW FACES BUT FEAR THAT NEWLY ARRIVED STUDENTS IN SEPTEMBER WILL BE HEAVILY INFILTRATED BY SECURITY ESTABLISHMENT.

3.COMMENTS:PARA TWO INDICATORS RESULT IN FLLWG LOCAL EVALUATION.

A.AUTHORITIES ARE STILL NOT/NOT CONFIDENT THAT INTERNAL SECURITY SITUATION IS UNDER CONTROL.

B.MARTIAL LAW INSTRUCTIONS ARE NOT CLEAR,HAVE NOT/NOT BEEN GIVEN WIDE PUBLICITY AND ARE OPEN TO VARYING INTERPRETATIONS.

C.SECURITY PERSONNEL HAVE LITTLE KNOWLEDGE OF ELEMENTARY WEAPON SAFETY PROCEDURES.

D.POLITICAL PURGE,LOCAL ARRESTS AND EXECUTIONS ARE CONTINUING.

4.THE INTERNAL SECURITY SITUATION IS NOT/NOT NORMAL.THE POTENTIAL FOR ACCIDENTS IS HIGH.VISITORS AND FOREIGN RESIDENTS MUST EXERCISE GREAT CARE AND DEAL CIRCUMSPECTLY WITH CHINESE SECURITY ESTABLISHMENT OFFICERS.

CCC/059 120719Z WJDR0155

RETURN TO RENYOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE
609410		890729
FILE	DOSSIER	
20-CHINA-1-4		

10-11-89  
#B10

**ACTION  
SUITE A DONNER**

C O N F I D E N T I A L  
FM PEKIN WJGR5670 11JUL89  
TO EXTOTT PNR

INFO WSHDC HKONG SEOUL SPORE BNGKK KLMPR DELHI ISBAD JKRTA TOKYO  
MANIL BNATO GENEV PARIS LDN MOSCO CIDAHULL/BSC PCOOTT/IAO  
TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG SHNGI DE PEK  
DISTR PGB PNG PSD PNC PGP INP INE CPP CPD CPE I4H  
REF OURTEL WJGR5662 07JUL

---ZHAO ZIYANG SLAMMED IN OFFICIAL REPORT  
SUMMARY: PEKIN MAYOR CHEN XITONGS 25,000 WORD REPORT TO STANDING  
CTTEE OF NATL PEOPLES CONGRESS ON SUPRESSION OF TIANANMEN PROTESTS  
IS IMPRESSIVE BOTH FOR ITS WEALTH OF DETAIL AND ITS CONDEMNATION  
OF FORMER PARTY SEC GEN ZHAO ZIYANG. IN MOST DETAILED OFFICIAL  
EXPLANATION TO DATE OF EVENTS LEADING TO 04JUN, ZHAO IS PAINTED AS  
SOMEONE WHO CONNIVED WITH ANTI-SOCIALIST FORCES INSIDE AND OUTSIDE  
CHINA TO FURTHER HIS OWN CAREER. HE IS SEEN AS UNTRUSTWORTHY,  
REVEALING PARTY QUOTE SECRETS UNQUOTE TO GORBACHEV, AND AS A SOWER  
OF IDEOLOGICAL CONFUSION. A HOST OF PROMINENT PARTY FIGURES,  
DISSIDENT INTELLECTUALS AND REFORM ORIENTED INSTITUDES ARE  
ASSOCIATED WITH HIS MISDEEDS. WHILE EVIDENCE AGAINST ZHAO IS SERIOUS,  
IT IS CIRCUMSTANTIAL AND DOES NOT/NOT NECESSARILY TRANSLATE INTO  
CHARGE OF COUNTER-REVOLUTION THAT WOULD LEAD TO SHOW TRIAL. THOUGH  
ZHAO IS POLITICALLY FINISHED FOR NOW, HIS POPJLARITY WITHIN PARTY

...2

PAGE TWO WJGR5670 CONF

IS STILL SUCH THAT ANY FURTHER MOVES AGAINST HIM COULD BE HIGHLY DIVISIVE - NEW POLITBURO LEADERSHIP COBBLED TOGETHER BY DENG REPRESENTS HIGHLY UNSTABLE COALITION OF FACTIONAL INTERESTS. FEW URBAN DWELLERS WILL BELIEVE THIS OFFICIAL VERSION OF EVENTS, BUT THIS IS PERHAPS NOT/NOT IMPORTANT. HAVING ALREADY FORFEITED CONFIDENCE OF LARGE NUMBERS OF CHINESE, THIS PROPAGANDA EXERCISE IS REALLY MORE OF A STATEMENT OF POSITION IN PRESENT LEADERSHIP'S STRUGGLE TO MAINTAIN POWER. CREDIBILITY IS ALMOST BESIDE THE POINT.

2. REPORT: OUTSTANDING ASPECT OF CHEN XITONG'S REPORT ON QUOTE CHECKING THE TURMOIL AND QUELLING THE COUNTER-REVOLUTIONARY REBELLION UNQUOTE IS EXTENT TO WHICH ZHAO ZIYANG IS CRITICIZED. ECHOING COMMUNIQUE OF PARTY PLENUM TWO WEEKS AGO, ZHAO STANDS ACCUSED OF HAVING COMMITTED QUOTE THE SERIOUS MISTAKE OF SUPPORTING THE TURMOIL AND SPLITTING THE PARTY, AND THE UNSHIRKABLE RESPONSIBILITY FOR THE SHAPING UP AND DEVELOPMENT OF THE TURMOIL UNQUOTE. HE IS SAID TO HAVE QUOTE CONSISTENTLY WINKED AT BOURGEOIS LIBERALIZATION UNQUOTE AND REFRAINED FROM BACKING SHENJI PARTY CTTEE (UNDER JIANG ZEMIN) WHEN IT SACKED INFLUENTIAL WORLD ECON HERALD EDITOR QIN BENLI (NOTE: QIN IS WIDELY THOUGHT TO HAVE BEEN PROTECTED BY ZHAO. MOVE TO OUST QIN OCCURRED WHEN ZHAO WAS IN N KOREA). FOLLOWING HU YAOBANG'S DEATH, ZHAO QUOTE TOLERATED AND CONNIVED AT INCREASINGLY EVIDENT SIGNS OF TURMOIL UNQUOTE AND WHEN, AFTER FUNERAL, MTG TO FORMULATE DECISIVE POLICY ON STOPPING TURMOIL ...3

PAGE THREE WJGR5672 CONF

WAS SUGGESTED, HE WENT GOLFING. ZHAO IS FURTHER CASTIGATED FOR 04MAY SPEECH TO ASIAN DEVELOPMENT BANK IN WHICH HIS MORE CONCILIATORY TONE CONTRASTED WITH THAT OF SEVERE 25APR PEOPLES DAILY EDITORIAL. BY EXPRESSING VIEWS QUOTE DIAMETRICALLY OPPOSED TO DECISION OF POLITBURO UNQUOTE HE QUOTE CREATED SERIOUS IDEOLOGICAL CONFUSION AMONG THE MASSES AND CADRES WHILE INFLATING ARROGANCE OF ORGANIZERS AND PLOTTERS OF TURMOIL UNQUOTE. ZHAO IS ACCUSED OF NOT/NOT CALLING OR ATTENDING OTHER IMPORTANT MTGS AND OF HAVING RELAXED PRESS CENSORSHIP WHICH LED MORE PEOPLE TO SUPPORT TURMOIL. AS TURMOIL INCREASED ZHAO SEIZED OPPORTUNITY OF GORBACHEV VISIT TO QUOTE DIRECT FIRE OF CRITICISM AT DENG XIAOPING UNQUOTE BY ACKNOWLEDGING THAT IMPORTANT POLITICAL DECISIONS WERE ALWAYS REFERRED TO DENG (A SUPPOSED PARTY SECRET). FINALLY, HE REFUSED TO CHAIR OR ATTEND IMPORTANT 19MAY MTG THAT LED TO DECLARATION OF MARTIAL LAW NEXT DAY. HE THUS QUOTE OPENLY REVEALED HIS ATTITUDE OF SEPARATING HIMSELF FROM THE PARTY UNQUOTE.

3. ZHAOS POLITICAL FORTUNES ARE SEEN TO BE INEXTRICABLY LINKED TO A CONSPIRACY WITH INNATL CONNECTIONS TO PUT CHINA ON CAPITALIST ROAD. INSIDE CHINA, BAO TONG, HEAD OF PARTYS POL STRUCTURE REFORM CENTER AND ZHAO CONFIDENT, IS SEEN AS COLLABORATING WITH DOMESTIC AND FOREIGN FORCES TO ACHIEVE ZHAOIST SUPREMACY OVER A CAPITALIST CHINA. DISSIDENT INTELLECTUALS SUCH AS FANG LIZHI, SU XIAOKAN, SU SHAOZHI, GE YAND, YAN JIAQI, ETC, ARE SEEN AS JOINING FORCES WITH

...4

PAGE FOUR WJGR5670 CONF

OUTLAWED NYORK-BASED LEAGUE FOR CHINESE DEMOCRACY INCLUDING HU PING, CHEN JUN, AND LIU XIAOBO. PROMINENT REFORMIST ORGANIZATIONS SUCH AS PARTYS POLITICAL AND ECON STRUCTURAL REFORM CENTRES, STATE COUNCILS DEVELOPMENT INSTITUTE OF CHINA RURAL DEVELOPMENT RESEARCH CENTRE, THE INNTL STUDIES INSTITUTE OF CITIC AND STONE SOCIAL POLICY RESEARCH INSTITUTE, ARE ALL TARRED WITH SAME CONSPIRATORIAL BRUSH. TO COMPLETE PICTURE, WESTERN NEWS AGENCIES (ESP VOA), HKONG PRESS AND TAIWANESE AGENTS ARE ALSO INVOLVED.

4. LAST SECTION OF REPORT ATTEMPTS TO JUSTIFY USE OF FORCE BY ARMY TO ENTER PEKIN BY REARRANGING CHRONOLOGY OF EVENTS, AND OMITTING KEY FACTS. REPORT ACKNOWLEDGES THAT MORE THAN 3,000 CITIZENS WERE WOUNDED AND OVER 200, INCLUDING 35 STUDENTS, DIED. REPORT ATTEMPTS TO DISPELL QUOTE TIANANMEN BLOODBATH RUMOUR UNQUOTE BY INSISTING THAT AT SPECIFIC TIMES IN SQUARE NO/NO KILLING TOOK PLACE. THIS IS OF COURSE PLAUSIBLE BUT IGNORES SLAUGHTER BEFORE AND AFTER AND MORE PARTICULARLY OUTSIDE SQUARE. REPORT MAINTAINS THAT QUOTE UNREST AND REBELLION ARE NOT/NOT COMPLETELY OVER, AS HANDFUL OF COUNTER REVOLUTIONARY RIOTERS REFUSED TO RECOGNIZE DEFEAT AND STILL INDULGE IN SABOTAGE UNQUOTE.

5. CONCLUSION: OVERALL ESTIMATE OF MAYOR OF PEKINS REPORT IS THAT IT IS DESIGNED FOR PROPAGANDA PURPOSES - ENTIRE 25,000 WORDS WERE BROADCAST ON RADIO AND TV AND PRINTED IN ALL NEWSPAPERS. BY ITS WEALTH OF DETAIL, IT WAS HOPED THAT A PUBLIC CASE, HOWEVER TENUOUS,

...5

PAGE FIVE WJ3R5670 CONF

COULD BE MADE AGAINST THOSE MENTIONED IN REPORT, AND THIS WOULD SUPPLEMENT MORE THEORETICAL EXPOSITION GIVEN BY DENG XIAOPING IN 29JUN SPEECH. WHEN PROSECUTION OF THOSE ACCUSED OF QUOTE STIRRING UP TURMOIL UNQUOTE OR QUOTE LEADING REBELLION UNQUOTE BEGINS, THIS PIECE WILL FORM A CONTEXTUAL BACKGROUND FOR PUBLIC CONSUMPTION.

6. HOWEVER, WHILE CASE AGAINST ZHAO IS SERIOUS, EVIDENCE IS SUFFICIENTLY CIRCUMSTANTIAL THAT IT DOES NOT/NOT NECESSARILY TRANSLATE INTO CHARGE OF COUNTER-REVOLUTION. FURTHER PUNISHMENT OR PROSECUTION FOR ZHAO IS IN ANY EVENT UNLIKELY RIGHT NOW. ZHAO'S POPULARITY WITHIN PARTY IS STILL CONSIDERABLE AND SUCH A MOVE COULD PROVE HIGHLY DIVISIVE, PARTICULARLY WHEN LEADERSHIP ITSELF IS NO/NO MORE THAN HIGHLY UNSTABLE COALITION OF FACTIONS, DEPENDENT SOLELY ON CONTINUING GOOD HEALTH OF DENG XIAOPING.

7. IN PEKIN AT LEAST, THERE WILL BE FEW WHO BELIEVE THIS OFFICIAL EXPLANATION OF 24JUN. BUT THAT IS PERHAPS NOT/NOT IMPORTANT. FOR AN AGING, FACTION-RIDDEN LEADERSHIP THAT HAS ALREADY FORFEITED CONFIDENCE OF HUGE NUMBERS OF ITS URBAN CITIZENRY, SUCH PROPAGANDA EXERCISES ARE REALLY NO/NO MORE THAN A STATEMENT OF POSITION IN A STRUGGLE TO MAINTAIN POWER. CREDIBILITY IS BESIDE THE POINT.

CCC/059 110124Z WJ3R5670

7 Jul/89

RETURN TO RENOYER AU		<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE	
FILE		DOSSIER	
20		-CHINA-1-4	

SCSSESSE

FBIS 043JUL07 (SUB FOR 035)

PRC: 'TRUE COLORS' OF AUTONOMOUS STUDENT UNION UNMASKED

TAKE 1 OF 2 -- PRC: 'TRUE COLORS' OF STUDENT UNION

OW0707101789 BEIJING XINHUA IN ENGLISH 0944 GMT 7 JUL 89

000749

["'BEIJING AUTONOMOUS STUDENT UNION' UNMASKED" -- XINHUA

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000750

[TEXT] BEIJING, JULY 7 (XINHUA) -- THE "FEDERATION OF AUTONOMOUS STUDENT UNIONS IN BEIJING UNIVERSITIES AND COLLEGES" PLAYED AN IMPORTANT ROLE IN THE WHOLE PROCESS OF THE RECENT TURBULENCE IN THE CAPITAL, FROM THE STUDENT DEMONSTRATIONS TO TURMOIL AND COUNTER-REVOLUTIONARY RIOTING, THE "PEOPLE'S DAILY" REPORTED TODAY.

UNDER THE HEADLINE, "THE TRUE COLORS OF THE FEDERATION OF AUTONOMOUS STUDENT UNIONS IN BEIJING UNIVERSITIES AND COLLEGES", THE PAPER SAID THAT MANY PEOPLE FAIL TO UNDERSTAND THE TRUE NATURE OF THE FEDERATION BECAUSE OF THE COMPLICATIONS OF THE RECENT STRUGGLE.

WITH THE QUELLING OF THE RIOTS AND DISCLOSURE OF THE TRUE NATURE OF THE SMALL NUMBER OF PEOPLE AND REACTIONARY FORCES THAT FABRICATED, MANEUVERED AND UTILIZED THE STUDENT UNREST, THE COUNTER-REVOLUTIONARY NATURE OF THE FEDERATION HAS BEEN GRADUALLY EXPOSED AS WELL.

ON THE BACKGROUND TO THE FEDERATION, THE PAPER REPORTED THAT SINCE THE FIRST HALF OF LAST YEAR, SOME PEOPLE BEGAN TO CONDUCT ORGANIZED ACTIVITIES, ADVOCATING VARIOUS VIEWS OF BOURGEOIS LIBERALIZATION AMONG STUDENTS. FROM THE END OF LAST YEAR, THEY WHIPPED UP DISSATISFACTION WITH THE GOVERNMENT TO MAKE TROUBLE ON THE OCCASIONS OF THE 70TH ANNIVERSARY OF THE MAY 4TH MOVEMENT, 200TH ANNIVERSARY OF THE FRENCH REVOLUTION AND THE 40TH ANNIVERSARY OF THE FOUNDING OF NEW CHINA.

IN FEBRUARY AND MARCH THIS YEAR, THEY WERE MORE ACTIVE IN ORGANIZING VARIOUS SALONS AND SEMINARS, COLLECTING SIGNATURES AND CLAIMING TO CREATE A DEMOCRATIC MOVEMENT BY MAY 4, WITH THE AIM OF INSTITUTING A MULTI-PARTY SYSTEM IN POLITICS AND PRIVATE OWNERSHIP OF THE ECONOMY.

WHEN COMRADE HU YAOBANG DIED APRIL 15, THEY CONSIDERED IT WAS A GOOD OPPORTUNITY TO STIR UP EMOTIONS AND MOVED UP THEIR ORIGINAL PLANS.

FROM MAY 1988, SOME PEOPLE ORGANIZED "DEMOCRATIC SALONS" ONCE A WEEK AND INVITED LEADING ADVOCATES OF BOURGEOIS LIBERALIZATION SUCH AS PROFESSOR FANG LIZHI TO DISSEMINATE THEIR PROPAGANDA. APRIL 19 THIS YEAR, THE "BEIJING UNIVERSITY STUDENT SOLIDARITY PREPARATION COMMITTEE" WAS SET UP TO LEAD THE STUDENT MOVEMENT AT THE 16TH "DEMOCRATIC SALON" PRESIDED OVER BY STUDENT WANG DAN. THE PREPARATORY COMMITTEE CONSISTED OF SEVEN MEMBERS: DING XIAOPING, WANG DAN, YANG TAO, YANG DANTAO, XIONG YAN, FENG CONGDE AND CHANG JIN. THE PREPARATORY COMMITTEE LAID THE FOUNDATION FOR THE "FEDERATION OF AUTONOMOUS STUDENT UNIONS IN BEIJING UNIVERSITIES AND COLLEGES".

AS THE UNREST TURNED INTO TURMOIL, THEY CONSIDERED THE TIME WAS RIPE FOR THEM TO ATTACK THE PARTY AND THE GOVERNMENT. DRAWING LESSONS FROM PAST STUDENT UNREST, THEY RUSHED TO ORGANIZE THEIR OWN SYSTEM. APRIL 20, OVER 300 STUDENTS FROM DIFFERENT INSTITUTIONS HELD

A MEETING PRESIDED OVER BY DING XIAOPING, AND ANNOUNCED THE FOUNDING OF THE "FEDERATION OF STUDENT UNIONS OF BEIJING UNIVERSITIES AND COLLEGES", WHICH DIRECTLY ORGANIZED TENS OF THOUSANDS OF STUDENTS TO OCCUPY TIANANMEN SQUARE APRIL 22.

ON APRIL 23, REPRESENTATIVES OF 21 UNIVERSITIES AND COLLEGES HELD A MEETING IN YUANMINGYUAN PARK TO FOUND THE "PROVISIONAL COMMITTEE OF BEIJING UNIVERSITIES AND COLLEGES", THAT IS, THE PROVISIONAL FEDERATION OF THE STUDENT UNIONS, AND ELECTED ZHOU YONGJUN, A STUDENT AT THE BEIJING UNIVERSITY OF POLITICAL SCIENCE AND LAW, AS CHAIRMAN. THE MEMBERS INCLUDED WANG DAN, WU'ER KAIXI, MA SHAOFANG AND ZANG KAI.

APRIL 28, THE PROVISIONAL COMMITTEE HELD A MEETING AT THE

UNIVERSITY OF POLITICAL SCIENCE AND LAW AND REPLACED ZHOU YONGJUN  
WITH WU'ER KAI XI AS CHAIRMAN. THE NAME OF THE PROVISIONAL COMMITTEE  
WAS CHANGED TO "THE FEDERATION OF AUTONOMOUS STUDENT UNIONS IN  
BEIJING UNIVERSITIES AND COLLEGES", WHICH MARKED THE OFFICIAL  
FOUNDING OF THE FEDERATION.

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(MORE)

7 JUL 1031Z MJO

NNNN

FBIS 044JUL07

TAKE 2 OF 2 -- 043 (FRC: 'TRUE COLORS' OF STUDENT UNION)

///OF THE FEDERATION.

OW0707102189

000752

[TEXT] SINCE ITS FOUNDING, THE FEDERATION HAS HAD TWO

REMARKABLE FEATURES; FREQUENT PERSONNEL CHANGES AND STABILITY OF BACKBONE MEMBERS; AND MULTIPLE NAMES AND DERIVATIVE ORGANIZATIONS. FOR EXAMPLE, A "DIALOGUE DELEGATION" WAS FOUNDED MAY 2 AND A "HUNGER STRIKE DELEGATION" MAY 13. "THE TIANANMEN SQUARE PROVISIONAL "HEADQUARTERS" WAS SET UP MAY 26. THE CHANGES ARE ATTRIBUTED TO TWO REASONS: THE RINGLEADERS WANTED TO PUT UP SMOKESCREENS AND FREQUENT DISPUTES AROSE AMONG THE MEMBERS.

THE PAPER REPORTED THAT FROM THE PREPARATION TO THE FOUNDING OF THE FEDERATION IT HAD A VERY CLEAR PROGRAM. ITS FUNDAMENTAL PURPOSE WAS TO OVERTHROW THE LEADERSHIP OF THE COMMUNIST PARTY, OVERTURN THE SOCIALIST SYSTEM AND ANNUL THE FOUR CARDINAL PRINCIPLES. AT THE BEGINNING OF THE TURMOIL THEY ATTACKED PARTY AND STATE LEADERS, TRIED TO NEGATE THE ANTI-BOURGEOIS LIBERALIZATION MOVEMENT AND THE MOVEMENT FOR ELIMINATION OF SPIRITUAL POLLUTION AND TO REHABILITATE THE RINGLEADERS OF BOURGEOIS LIBERALIZATION.

THEY DEMANDED THAT THE CHINESE COMMUNIST PARTY CENTRAL COMMITTEE DENOUNCE THE APRIL 26 EDITORIAL IN THE "PEOPLE'S DAILY" AND BLESS THE DEMONSTRATIONS AS A "PATRIOTIC MOVEMENT". THEY ALSO DEMANDED THAT THE FEDERATION BE RECOGNISED AS A LEGITIMATE ORGANIZATION.

IN THE LATER PERIOD OF THE TURMOIL THEY OPENLY ADVOCATED THE DISMISSAL OF CERTAIN LEADING PERSONAGES AND AGITATED FOR SUBVERSION OF THE GOVERNMENT. THEIR PURPOSE WAS, AS WANG DAN STATED IN AN ARTICLE IN A U.S. PUBLICATION MAY 17, TO SET UP A WESTERNIZED POLITICAL SYSTEM, A SYSTEM OF PRIVATE OWNERSHIP OF THE ECONOMY AND A MULTI-PARTY SYSTEM IN POLITICS.

THE FEDERATION WAS ALSO THE DIRECT ORGANIZER OF THE TURMOIL AND COUNTER-REVOLUTIONARY RIOTING. FROM ITS VERY FOUNDATION, THE FEDERATION DIRECTLY PARTICIPATED IN CREATION OF THE TURMOIL. THE MEMBERS ORGANIZED THE APRIL 22 ILLEGAL PETITION IN TIANANMEN SQUARE, THE CITY-WIDE STUDENT STRIKE ON APRIL 24, AND OTHER DEMONSTRATIONS FROM MAY 4. ON THE OCCASION OF SOVIET PRESIDENT GORBACHEV'S VISIT TO CHINA THEY ORGANIZED A HUNGER STRIKE FROM MAY 13 AND MANIPULATED STUDENT LIVES AS POLITICAL PAWNS TO IMPOSE PRESSURE ON THE PARTY AND GOVERNMENT.

FROM MAY 19, WHEN THE FEDERATION MEMBERS LEARNED FROM AN SECRET CHANNEL THAT MARTIAL LAW WOULD BE IMPOSED IN PARTS OF BEIJING, THEY FABRICATED LARGE QUANTITIES OF RUMORS TO THE EFFECT THAT TROOPS WERE GOING TO BE USED TO SUPPRESS THE STUDENTS, PUBLICIZED THE MAKE-UP OF THE MARTIAL LAW FORCES AND MARCH ROUTES, AND INCITED STUDENTS AND CITIZENS TO SET UP BARRICADES AND BESIEGE THE MARTIAL LAW TROOPS.

*Standard feature of Chinese propaganda*

ON MAY 25, THE FEDERATION HELD A MEETING, WORKED OUT TWO SETS OF PLANS AND DECIDED TO ASSAULT THE GOVERNMENT FIERCELY. THEY SENT FIVE PROPAGANDA GROUPS TO OTHER PARTS OF THE COUNTRY.

THEY ORGANIZED AN EXHIBITION OF "TROPHIES" IN FRONT THE MOMUMENT TO THE PEOPLE'S HEROES TO SHOW THE MILITARY EQUIPMENT THEY HAD LOOTED ON JUNE 2. AT THE SAME TIME, THEY BROADCAST DETAILS OF HOW TO MAKE AND USE MOLOTOV COCKTAILS.

THEY ALSO HELD A JOINT MEETING WITH THE SO-CALLED "BEIJING

AUTONOMOUS WORKERS' UNION" TO WORK OUT PLANS FOR A VIOLENT INSURRECTION AND PREPARED TO SET UP AN ASSASSINATION TEAM.

THE FEDERATION IS ALSO A TRAITOR TO THE CHINESE PEOPLE. IT HAD CLOSE TIES WITH FOREIGN REACTIONARY FORCES AND DIRECTLY ACCEPTED THEIR SUPPORT. ACCORDING TO THEIR OWN ESTIMATES, THEY NEEDED AT LEAST 100,000 YUAN EACH DAY TO CONTINUE THE PROTESTS IN TIANANMEN SQUARE AND LOCAL DONATIONS WERE FAR FROM ENOUGH TO COVER THE COST. AN "OFFICIAL" OF THE FEDERATION SAID THAT THEY HAD COLLECTED ALTOGETHER 10 MILLION YUAN, INCLUDING THREE MILLION YUAN IN CASH.

OVERSEAS FUNDS CAME FROM THE UNITED STATES, FRANCE AND HONG KONG WHEN THE RINGLEADERS OF THE FEDERATION FINALLY FLED, EACH CARRIED WADS OF MONEY. THE FEDERATION ALSO, THROUGH FOREIGN SOURCES,

OBTAINED PASSPORTS FOR THE 40 RINGLEADERS.

THEY ALSO PROVIDED STATE SECRETS AND INFORMATION TO THE WESTERN PRESS AND THEN TRIED TO FOOL THE CHINESE PEOPLE THROUGH FOREIGN MEDIA.

A-2

THOUGH THE FEDERATION SHOUTED THE SLOGANS OF DEMOCRACY AND FREEDOM, IN FACT IT WAS JUST A GANG OF POLITICAL HOOLIGANS. THEY FABRICATED RUMORS TO STIR UP THE EMOTIONS OF STUDENTS AND OTHER PEOPLE.

AFTER HU YAQBANG DIED, THEY SAID HE HAD BEEN POISONED. LATER, THEY FABRICATED A RUMOR THAT A FEMALE STUDENT HAD BEEN KILLED BY A POLICE CAR AND THAT THE AUTHORITIES WERE ABOUT TO CLAMP DOWN ON THE DEMONSTRATIONS TO ORGANIZE A MASSIVE DEMONSTRATION ON THE EVENING OF APRIL 21 EVENING. ON APRIL 22, THEY FABRICATED THE RUMOR THAT PREMIER LI PENG HAD PROMISED AND THEN REFUSED TO MEET STUDENTS, TO TURN THE STUDENTS AGAINST THE GOVERNMENT. THEY ALSO LIED THAT THE GOVERNMENT HAD REFUSED DIALOGUE, TO INCITE THE STUDENTS TO START A HUNGER STRIKE MAY 13. AFTER MAY 20, THEY SPREAD RUMORS THAT THE MARTIAL LAW TROOPS WOULD ATTACK THE STUDENTS.

WHEN A TRAFFIC ACCIDENT CLAIMED THREE LIVES JUNE 2, THEY SAID THE THREE WERE PRO-DEMOCRACY FIGHTERS KILLED BY MILITARY TRUCKS, AND USED THIS AS AN EXCUSE TO LAUNCH THE COUNTER-REVOLUTIONARY RIOTS. ON JUNE 4 THEY SPREAD THE RUMOR THAT THERE HAD BEEN A MASSACRE IN TIANANMEN SQUARE AND THAT MARTIAL LAW TROOPS HAD KILLED THOUSANDS OF PEOPLE.

THE ACTIONS OF THE "FEDERATION OF AUTONOMOUS STUDENT UNIONS IN BEIJING UNIVERSITIES AND COLLEGES" SHOW THAT IT WAS A COUNTER-REVOLUTIONARY ORGANIZATION WITH A CLEAR POLITICAL PROGRAM AND PURPOSE. THEY USED RUMORS AS A MAJOR MEANS TO INCITE PEOPLE TO REBEL AGAINST THE GOVERNMENT AND SOCIALIST SYSTEM, AND ACTIVELY PARTICIPATED IN AND CREATED TURMOIL AND RIOTING.

(ENDALL)  
7 JUL 1036Z MJO

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RETURN TO RENVOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
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DOSSIER		

*7 Jul 89*  
*1/13*  
*CPA*  
*11-26-89*  
*ABW*

*This seems to repeat a debate in the Standing Office about June 3 events. - verifiable given & take it from R.*

FBIS 047J

**20-CHINA-1-4**

PRC: NPC TO INVESTIGATE COLLECTION OF LEGISLATORS' SIGNATURES

0W0507115689 BEIJING XINHUA IN ENGLISH 1122 GMT 5 JUL 89

[TEXT] BEIJING, JULY 5 (XINHUA) -- CHINA'S LEGISLATIVE BODY HAS DECIDED TO INVESTIGATE THE INCIDENT OF COLLECTING SIGNATURES AMONG LEGISLATORS, AN INCIDENT WHICH WAS DESCRIBED AS PART OF PLOTTING THE RECENT TURMOIL.

THE DECISION WAS MADE AT A MEETING ATTENDED BY CHAIRMAN AND VICE-CHAIRMEN OF THE NATIONAL PEOPLE'S CONGRESS [NPC] STANDING COMMITTEE, SAID A COMMITTEE MEMBER HERE TODAY.

SPEAKING AT THE ON-GOING EIGHTH STANDING COMMITTEE MEETING OF THE SEVENTH NPC, SONG RUFEN SAID THAT HU JIWEI, ALSO AN NPC STANDING COMMITTEE MEMBER, WAS RESPONSIBLE FOR THE INCIDENT WHICH WAS PART OF THE CONSPIRATORIAL ACTIVITIES TO STIR UP TURMOIL AND TRAMPLE ON THE SOCIALIST LEGAL SYSTEM.

ON MAY 21, HU JIWEI ENTRUSTED THE SOCIAL DEVELOPMENT RESEARCH INSTITUTE OF THE STONE COMPANY TO COLLECT SIGNATURES OF THE NPC STANDING COMMITTEE MEMBERS ON HIS BEHALF, CALLING FOR AN URGENT MEETING OF THE NPC STANDING COMMITTEE.

THE HONG KONG-BASED NEWSPAPER, WEN WEI PO, REPORTED MAY 25 THAT THE APPEAL TO HOLD THE URGENT MEETING INCLUDED AN ITEM OF REMOVING LI PENG AS PREMIER.

SONG RUFENG SAID THAT HU JIWEI'S INITIATIVE OF COLLECTING SIGNATURES THROUGH THE STONE COMPANY WAS INSEPARABLE FROM HIS STANCE OF SUPPORTING ZHAO ZIYANG.

AFTER MAY 20 WHEN MARTIAL LAW WAS DECLARED, SONG NOTED, SOME PEOPLE FROM ZHAO'S THINK TANK CAME OUT FROM BEHIND THE SCENES AND ADVOCATED "OPPOSING MARTIAL LAW" AND "DOWN WITH THE PUPPET GOVERNMENT". THEY ALSO DEMANDED "PUBLICIZING OF THE INSIDE STORY OF THE DECISION-MAKING OF THE TOP LEADERSHIP AND THE DIVERGENCE OF OPINIONS" AND "CONVENING OF A SPECIAL SESSION OF THE NATIONAL PEOPLE'S CONGRESS". THE VERY NEXT DAY, ZHAO ZIYANG ALSO SUGGESTED THAT AN EMERGENCY MEETING OF THE NPC STANDING COMMITTEE BE HELD.

SONG SAID THAT COLLECTING SIGNATURES WAS AIMED AT COORDINATING THE ORGANIZERS AND SCHEMERS OF THE TURMOIL WHO WANTED TO TOPPLE THE LEGITIMATE GOVERNMENT.

ZHANG CHENGXIAN, ANOTHER NPC STANDING COMMITTEE MEMBER, SAID THAT THE STONE RESEARCH INSTITUTE PLAYED TRICKS WHILE COLLECTING SIGNATURES. SOME MEMBERS' NAMES WERE USURPED WHILE OTHERS WERE CHEATED.

IN A WRITTEN SPEECH, HU JIWEI SAID THAT 24 STANDING COMMITTEE MEMBERS JOINTLY ASKED ON MAY 17 FOR THE CONVENING OF AN URGENT NPC STANDING COMMITTEE MEETING. ON THE FOLLOWING DAY, 12 MORE MEMBERS AIRED THE SAME DEMAND. NINE NOTED LEGAL EXPERTS ALSO JOINED IN THE REQUEST. HE HIMSELF SIGNED THE LETTER OF MAY 17. THE LETTER OF MAY 21 WAS SIGNED BY 38 PEOPLE.

HE NOTED THAT THE FULL CONTENT OF THE LETTER WAS NOT PUBLISHED BY THE HONG KONG NEWSPAPER WEN WEI PO. INSTEAD, IT CARRIED A NEWS STORY WRITTEN BY ITS STAFF REPORTERS, WHICH INDEED CONTAINED MANY INCORRECT INFORMATION.

SONG RUFEN CRITICIZED HU JIWEI AS "GOING TOO FAR" AND "TAKING SIDE WITH THOSE WHO TRAMPLED ON THE LEGAL SYSTEM".

BUT HU SAID: "UP TO NOW, I STILL BELIEVE WHAT I DID WAS TOTALLY PROPER AND LAWFUL."

HE INSISTED THAT IT IS THE RIGHT AND SACRED DUTY OF AN NFC  
STANDING COMMITTEE MEMBER, ALONE OR WITH FELLOW MEMBERS, DEMAND AN  
URGENT STANDING COMMITTEE MEETING. [SENTENCE AS RECEIVED]

05 JUL 1222Z JGR

NNNN



*John*

TO The Under-Secretary of State for External Affairs, OTTAWA (Attention: PNR)

SECURITY CONFIDENTIAL  
Sécurité

FROM The Canadian High Commission, Wellington

DATE July 6, 1989

REFERENCE  
Référence

NUMBER 698  
Numéro

SUBJECT Situation in China: NZ Assessment

FILE	DOSSIER
OTTAWA	20-Chine-1-4
MISSION	20 PRC

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PND  
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We draw to your attention the attached telegrams of 17 June from the NZ Embassy in Peking comprising a two-part assessment of the recent events in China. These telegrams were provided by the NZ Ministry of External Relations and Trade in the course of the regular exchange of diplomatic telegrams.

2. We found the NZ Embassy's assessment to be a compelling analysis of the political forces behind the violent suppression of the protest movement. We shall be interested to know whether this analysis accords with that from Canadian sources. Regrettably, as we appear to have been omitted from the regular distribution of reporting telegrams from the Canadian Embassy in Peking since the events of early June, we have not been in a position to judge.

DATE RECEIVED DATE REÇUE  
JUL 31 1989  
PNR

*[Signature]*  
The High Commission

**Pages 758 to / à 764  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

7 Jul 189

11-0089  
 BWO

FBIS 071JUL06

PRC: NEW LABOR MINISTER APPOINTED BY NPC

DW0607115189 BEIJING XINHUA IN ENGLISH 1034 GMT 6 JUL 89

[TEXT] BEIJING, JULY 6 (XINHUA) -- RUAN CHONGWU WAS APPOINTED CHINESE MINISTER OF LABOR HERE TODAY.

THE DECISION, MADE BY THE NPC STANDING COMMITTEE, WAS BASED ON A PROPOSAL FROM PREMIER LI' PENG.

IN THE PROPOSAL, LI PENG STATED THAT RUAN CHONGWU, YOUNG AND ABLE, IS FAMILIAR WITH SCIENTIFIC RESEARCH, AND INDUSTRIAL PRODUCTION AND ADMINISTRATION. HE ALSO HAS RICH EXPERIENCE IN BOTH PROVINCIAL AND STATE WORK.

RUAN CHONGWU, 56, OF HAN NATIONALITY, WAS BORN IN HUIAN COUNTY, HEBEI PROVINCE. HE STUDIED AT THE MOSCOW AUTO-MACHINERY INSTITUTE FROM 1953 TO 1957. IN 1978 HE WORKED IN FEDERAL GERMANY AS SCIENTIFIC AND TECHNOLOGICAL COUNSELLOR AT THE CHINESE EMBASSY. IN 1983 HE BECAME DEPUTY SECRETARY OF THE MUNICIPAL PARTY COMMITTEE OF SHANGHAI, AND THEN VICE-MAYOR. HE WAS APPOINTED MINISTER OF PUBLIC SECURITY IN 1985 AND LATER SERVED AS VICE-MINISTER IN CHARGE OF THE STATE SCIENCE AND TECHNOLOGY COMMISSION UNTIL TODAY.

6 JUL 1229Z RLL

NNNN

RETURN TO <b>BICO</b>		FOR FILING
RENOYER AU		POUR - ETRE
		PORTE AU DOSSIER
ACC	REF	DATE
FILE	20-CHINA-1-4	
	DOSSIER	

Department of External Affairs



Canada

Ministère des Affaires extérieures

*Handwritten scribbles and initials*

Date:

*2/7/89*

TRANSCRIPTS AND NEWSWIRE STORIES/TRANSCRIPTIONS ET FILS DE PRESSE

Subject/sujet:

*Summit / CEFINA.*

Distribution:

*EXA EEA PNR PGB.*

Comments/  
commentaires:

*JAPAN is views*

From: Media Relations Office  
(BMM)  
C-5 995-1874

Du: Service des relations avec  
les médias (BMM)

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AM-CHINA-SUMMIT

MAJOR NATIONS LIKELY TO ISSUE CHINA STATEMENT AT SUMMIT  
By Rich Miller

TOKYO, Reuter - Major industrial nations will probably issue a statement at their Paris summit next week expressing opposition to China's crackdown on dissent, a Japanese Foreign Ministry spokesman said Friday.

"We all agree we should make our positions clear," Taizo Watanabe told foreign reporters.

He said there were no fundamental differences among the summit nations -- Britain, Canada, France, Italy, Japan, the United States and West Germany -- on their approach toward China, which crushed a pro-democracy movement in Tiananmen Square June 4, leaving hundreds, perhaps thousands, dead.

"In our relations with China we always have to have in mind how best we are able to encourage reform and the open door policy of China," Watanabe said.

"It is not an appropriate policy ... to isolate China or push China toward further rapprochement with the Soviet Union," he added.

"But we do agree we should make our position clear as to infringements of human rights."

Watanabe said the wording of the statement must be decided by summit leaders next week but at the least it would express regret over recent developments in China.

"It is a matter of semantics whether it is a condemnation or criticism or some statement expressing regret or a statement to effect that those actions should not be condoned," he said.

He said the summit was also likely to discuss whether to describe the economic measures they have taken toward China as sanctions.

Japan has suspended aid to China but has refrained from describing that as a sanction, although Watanabe said: "De facto, the effect is similar."

However, he also emphasized the importance of taking a longer term view about encouraging reforms in China.

Canadian officials said earlier this week in Ottawa that the summit nations would discuss the Chinese crackdown but were unlikely to take coordinated action in protest.

The officials said it would be difficult to forge a detailed response since each of the group of seven nations had different links with China.

REUTER

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**ACTION  
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**CONSPIRACY**

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C O N F I D E N T I A L  
FM PEKIN WJGR5662 27JUL89

TO EXTOTT PNR DELIVER BY 270900  
INFO WSHDC HKONG TOKYO SEOUL SPORE BNGKK KLMPR DELHI ISBAD JKRTA  
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DISTR PGB PND PSD PSR PNC PGP INP INE CPP CPD CPE IMH  
---REPORT TO NPC FINGERS CONSPIRATORS INSIDE AND OUTSIDE CHINA  
FULL TEST OF BEIJING MAJOR CHEN XI TONGS REPORT ON QUOTE CHECKING  
THE TURMOIL AND QUELLING THE COUNTER REVOLUTIONARY REBELLION  
UNQUOTE WAS PUBLISHED IN TODAYS PEOPLES DAILY.REPORT WAS DELIVERED  
TO STANDING CTTEE OF NATL PEOPLES CONGRESS ON 30JUN.REPORT  
PROVIDES WEALTH OF DETAILS ON BASIS FOR TARGETTING INDIVIDUALS FOR  
PUNISHMENT.NAME APPEARING MOST OFTEN IS ZHAO ZIYANGS.ZHAO IS  
PORTRAYED AS BEHIND THE SCENES PATRON WHO USED STUDENTS TO FURTHER  
HIS OWN POLITICAL AMBITIONS.THE CHARGES AGAINST HIM RANGE FROM  
SPLITTING PARTY TO MORE SERIOUSLY,DIVULGING PARTY AND STATE SECRETS.  
LATTER REFERS TO ALLEGED LEAKING OF DECISION BY POLITBURO TO  
IMPOSE MARTIAL LAW IN PARTS OF BEIJING ON 17MAY.REPORT ASSOCIATES  
LITERALLY DOZENS OF INDIVIDUALS FROM LEADING GOVT RESEARCH AND  
ACADEMIC INSTITUTIONS WITH WEB OF CONSPIRACY.THEIR PURPORTED AIM  
WAS TO UNDERMINE SOCIALIST GOVT.REPORT LINKS CONSPIRACY WITHIN  
CHINA TO HOSTILE INTERESTS OUTSIDE COUNTRY,PARTICULARLY USA AND  
TAIWAN.

...2

PAGE TWO WJGR5662 CONF

2.REPORT IS MENACING IN ITS DETAILED QUOTATION OF THOSE WHO WERE CONSIDERED PROGRESSIVE POLITICAL AND ECON THEORISTS.IT QUOTES ARTICLES IN CHINESE,HKONG AND JPENSE MEDIA TO BUTTRESS CASE.

3.REPORT WILL OBVIOUSLY BE USED AS MAJOR PROPAGANDA PIECE.IT WAS PUBLISHED IN ITS ENTIRETY IN ALL MAJOR NATL NEWSPAPERS AND BROADCAST ON RADIO,THUS GIVING SAME PLAY AS DENG'S SPEECH OF 09JUN.

4.MORE EXTENSIVE ANALYSIS OF REPORT WILL FOLLOW.

CCC/059 070713Z WJGR5662

**UNCLASSIFIED**  
**NON CLASSIFIE**

MESSAGE

Accession Reference

File/Dossier

Align first character of Security Classification under this arrow  
Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY  
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PAGE 1 OF 3 12

*MA 11-3-89*

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TO/A GENEV

DEL BY 070900

*BICW*

INFO EXTOTT/EEA/EEF/EER/IMD/IMU/PNR

DISTR

REF

SUBJ/SUJ ---CHINESE STATEMENT ON BEIJING MASSACRE

FOR INFO PURPOSES GRATEFUL YOU BRING THE ATTACHED CHINESE  
STATEMENT TO THE ATTENTION OF THE CANADIAN ECOSOC DELEGATION.

*NYK-GVA 2/6*  
*NYK 3/6 (OTT)*

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<i>[Signature]</i> SIC P. Van Brakel/kd			<i>[Signature]</i> SIC P. Van Brakel 000770

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General Assembly

Distr.  
GENERAL

A/44/367  
3 July 1989  
ENGLISH  
ORIGINAL: CHINESE/ENGLISH

Forty-fourth session  
Item 12 of the preliminary list\*

REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Letter dated 3 July 1989 from the Chargé d'affaires a.i. of the  
Permanent Mission of China to the United Nations addressed to  
the Secretary-General

I have the honour to refer to the press release of the Ministry of Foreign Affairs of the Republic of El Salvador on the recent developments in China as conveyed to you in a letter by Mr. Guillermo Melendez, Chargé d'affaires a.i. of the Permanent Mission of El Salvador to the United Nations, dated 14 June, the text of which has been circulated at his request as an official document of the General Assembly under item 12 of the preliminary list (A/44/325). I deplore the groundless comments of the press release of the Ministry of Foreign Affairs of El Salvador on what is entirely an internal affair of China and its unwarranted attack on the Chinese Government. In order to clarify the facts so as to set the record straight, I enclose herewith a brief account of the facts during the recent incident in Beijing.

On 3 and 4 June of this year, there occurred in Beijing a grave counterrevolutionary rebellion. A small number of rioters incited some people unclear about the truth of the matter to, together with them, besiege, beat, kidnap and brutally kill the officers and men of the People's Liberation Army, the armed police and the public security personnel who were instructed to enforce the martial law. They torched military vehicles, seized weapons and ammunition, stormed party and government offices, looted stores, erected road-blocks and set buildings on fire. In the course of the rebellion, some 1,280 military and police vehicles, public buses and trolleys were damaged by burning or smashing, a batch of firearms and ammunition were snatched away, and more than 6,000 martial law enforcement troops, armed police and public security personnel were wounded and several dozens of them killed. The purpose of this handful of people instigating this rebellion

\* A/44/50/Rev.1.

A/44/367  
English  
Page 2

is to topple the Government, overthrow the socialist system and subvert the People's Republic of China. By wanton use of violence to undermine public order and social stability, to jeopardize the life and property of the people and to endanger the security of the State, these people have committed serious criminal offences. In order to maintain the Constitution, law and public order of the country, and to defend the safety of the people, the martial law enforcement troops had no alternative but to take drastic measures to put down the rebellion. This is entirely justified and necessary. There is no such question of repression against the pro-democracy movement or violation of human rights, as alleged by the press release of the Ministry of Foreign Affairs of El Salvador.

The quelling of the rebellion and the punishment of the handful of lawbreakers according to law are the internal affairs of China, and no foreign country or international organization has the right to interfere. Now, the rebellion has been put down, and the public order returned to normal. The Chinese Government will lead the people of the whole country to unswervingly carry out the socialist reconstruction, and continue to implement the policies of reform and opening to the outside world. It will be unwise, as well as futile, to attempt to bring pressure to bear on the Chinese Government.

I would be very grateful if you would arrange for the text of the present letter to be circulated as an official document of the General Assembly under item 12 of the preliminary list.

(Signed) DING Yuanhong  
Acting Permanent Representative of  
the People's Republic of China  
to the United Nations

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6 Jul/89

~~11-04-89~~

3 BICO

2 C9 PAK/Bentley  
done by Fax 13-08-89

FBIS 072JUL06 (SEE 071 JUL 6)

PRC: FORMER JIANGSU GOVERNOR NAMED CHEMICAL INDUSTRY MINISTER

QW0607121289 BEIJING XINHUA IN ENGLISH 1105 GMT 6 JUL 89

[TEXT] BEIJING, JULY 6 (XINHUA) -- GU XIULIAN, FORMER GOVERNOR OF JIANGSU PROVINCE, WAS APPOINTED MINISTER OF CHEMICAL INDUSTRY HERE TODAY AT THE CLOSING CEREMONY OF THE EIGHTH STANDING COMMITTEE MEETING OF THE NATIONAL PEOPLE' CONGRESS (NPC).

GU, 52, WAS BORN IN NANTONG OF JIANGSU PROVINCE. SHE JOINED THE CHINESE COMMUNIST PARTY IN 1956 AND BEGAN TO STUDY IN THE SHENYANG METALLURGICAL AND MECHANO-ELECTRICAL SCHOOL IN 1958.

AFTER GRADUATION FROM THE SCHOOL IN 1961, SHE WORKED AS A TECHNICIAN IN THE GANSU JINCHUAN NON-FERROUS METALS CORPORATION AND LATER IN THE SCIENCE AND TECHNOLOGY INFORMATION INSTITUTE UNDER THE TEXTILE INDUSTRY MINISTRY.

GU USED TO BE VICE-MINISTER OF THE STATE PLANNING COMMISSION AND GOVERNOR OF 60-MILLION-PEOPLE JIANGSU. ACTUALLY SHE HAS BEEN CHINA'S FIRST WOMAN GOVERNOR. SHE IS A MEMBER OF THE 13TH CENTRAL COMMITTEE OF THE CHINESE COMMUNIST PARTY.

IN HIS PROPOSAL SUBMITTED TO THE NPC STANDING COMMITTEE MEETING, PREMIER LI PENG SAID THAT GU XIULIAN IS EXPERIENCED AND FAMILIAR WITH ECONOMIC WORK, AND HAS MADE CONTRIBUTIONS TO THE ECONOMIC DEVELOPMENT OF JIANGSU PROVINCE WHEN SHE WORKED THERE SINCE 1982.

AT TODAY'S MEETING, THE NPC STANDING COMMITTEE ACCEPTED THE RESIGNATION TENDERED BY 65-YEAR-OLD MINISTER OF CHEMICAL INDUSTRY QIN ZHONGDA AND RELIEVED HIM OF HIS POST.

6 JUL 1231Z RLL

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P R O T E C T E D

FM PEKIN WJGR5646 05JUL89

TO EXTOTT PNR

INFO HKONG TOKYO SEOUL SPORE BNGKK KLMPR DELHI ISBAD JKRTA MANIL  
BNATO GENEV MOSCO PCOOTT/IAC CIDA HULL/BSC/YDC  
TF NDHQOTT/DIPOL/DIS ADM/ DE CAF  
BAG SHNGI DE PEK

DISTR PGB PND PNC PGP INP CPP CPD IMH

---CHINAS DRACONIAN NEW LAW ON DEMONSTRATIONS

SUMMARY: NEW DRAFT LAW ON DEMOS WILL EFFECTIVELY STOP ALL LEGAL  
DEMOS EXCEPT THOSE ORGANIZED BY STATE. UNDER CHINA DAILY HEADLINE  
QUOTE DRAFT LAW STIPULATES RIGHT TO DEMONSTRATE UNQUOTE, XINHUA  
ARTICLE OUTLINES DRACONIAN MEASURES, MOST SERIOUS OF WHICH PREVENTS  
PEOPLE FROM DIFFERENT WORK UNITS OR DIFFERENT AREAS FROM  
DEMONSTRATING TOGETHER AND FORBIDS DEMOS NEAR IMPORTANT PUBLIC  
BLDGS.

2. REPORT: IN CASE THERE WERE DOUBTS AFTER 04JUN MASSACRE ABOUT  
WHERE LEADERSHIP STOOD ON DEMOS, STANDING CTTEE NO NATL PEOPLES  
CONGRESS IS NOW CONSIDERING DRAFT LAW THAT WILL  
EFFECTIVELY STOP ALL LEGAL DEMOS EXCEPT THOSE ORGANIZED BY STATE  
ITSELF. DRAFT LAW WHICH HAS BEEN QUOTE TEN YEARS IN PREPARATION  
UNQUOTE, WAS PRESENTED BY HARDLINE STATE COUNCILLOR AND PUBLIC  
SECURITY MINISTER WANG FANG. WANG SAID QUOTE AS CHINA IS IN PRIMARY  
STAGE OF SOCIALISM AND CLASS STRUGGLE STILL EXISTS TO CERTAIN

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PAGE TWO WJGR5646 PROTECTED

EXTENT, CONSTRUCTION OF DEMOCRATIC POLITICS CAN ONLY BE CARRIED OUT IN AN ORDERLY FASHION THROUGH LEGAL CHANNELS UNQUOTE. (USE OF REFORMIST SLOGAN QUOTE PRIMARY STAGE OF SOCIALISM UNQUOTE TOGETHER WITH QUOTE CLASS STRUGGLE UNQUOTE, HARDLINERS SLOGAN FROM 50S AND 60S, SUGGESTS ONGOING CONTRADICTION OF PROMOTING EVOLUTIONARY ECONOMICS ALONG WITH STALINIST POLITICS.)

3. ARTICLE 35 OF CONSTITUTION STATES THAT CITIZENS ENJOY FREEDOM OF ASSEMBLY, PROCESSION AND DEMONSTRATION. UP TO NOW, HOWEVER, DEMOS HAVE BEEN SUBJECT TO MUNICIPAL REGULATIONS THAT ALL BUT BANNED DEMOS FOR TRAFFIC CIRCULATION REASONS. NEW LAW, CHINAS FIRST ON SUBJ, WILL BE MORE COMPREHENSIVE AND COME FROM HIGHER AUTHORITY.

4. ACCORDING TO XINHUA, HIGHLIGHTS OF 24-ARTICLE DOCU INCLUDE:

- PROTESTERS ARE FORBIDDEN TO FLAUNT BASIC PRINCIPLES OF CONSTITUTION, QUOTE GO AGAINST UNQUOTE LEADERSHIP OF CCP OR SOCIALIST SYSTEM;
- NO/NO DEMONSTRATIONS ALLOWED ADVOCATING SPLIT OF MOTHERLAND OR UNDERMINING NATIONAL UNITY;
- ORGANIZERS OF RALLIES MUST ASK PERMISSION FROM PUBLIC SECURITY DEPTS, MAKE CLEAR THEIR PURPOSE, POSTERS, SLOGANS, NUMBER OF PARTICIPANTS, HOURS AND PLACES OF STARTING AND ENDING, ROUTE AND NAMES OF PROFESSIONS AND ADDRESSES OF ORGANIZERS;
- POLICE MAY TAKE ANY MEASURES NECESSARY TO CHECK INFRINGEMENT OF

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PAGE THREE WJGR5646 PROTECTED

APPROVED DEMONSTRATIONS;

- NO/NO CITIZENS SHOULD START, ORGANIZE OR TAKE PART IN DEMOS INVOLVING PEOPLE FROM DIFFERENT AREAS OR DIFFERENT UNITS;
- PUBLIC SERVANTS ARE NOT/NOT ALLOWED TO ORGANIZE OR PARTICIPATE WITHOUT PERMISSION FROM HEADS OF THEIR UNITS;
- NO/NO DEMOS ARE TO BE HELD QUOTE WITHIN A CERTAIN DISTANCE OF IMPORTANT STATE ORGANS, MAJOR MILITARY INSTALLATIONS, AIRPORTS, PORTS, TRAIN STATIONS, STATE GUEST HOUSES, FOREIGN EMBS AND CONSULATES OR OTHER DIPLO AGENCIES;
- FOREIGNERS ARE ALSO BOUND BY THESE REGULATIONS BUT THEY ARE NOT/NOT ALLOWED TO PARTICIPATE IN DEMOS BY CHINESE UNLESS THEY HAVE PERMISSION.

CCC/099 050442Z WJGR5546

5 Jul/89

FBIS @5@JUL11  
UNCLAS 1K

PRC: YUAN MU HOLDS PRESS CONFERENCE (TAKE 2 OF 3--@48JUL11)

///NOT BE UNDERESTIMATED.

OW11@7113889

[TEXT] SINCE THIS MARKED THE FIRST TIME YUAN MU RESUMED A PRESS CONFERENCE FOR CHINESE AND FOREIGN CORRESPONDENTS AFTER THE SUPPRESSION OF THE COUNTERREVOLUTIONARY REBELLION IN BEIJING, MOST QUESTIONS OF THE REPORTERS WERE RELATED TO THE CURRENT SITUATION IN BEIJING.

A REPORTER ASKED: WHEN WILL MARTIAL LAW BE LIFTED?

YUAN MU ANSWERED: ~~THE CONTINUED ENFORCEMENT OF MARTIAL LAW IN SOME PARTS OF BEIJING IS DESIGNED TO MAINTAIN A STABLE SOCIAL ORDER IN THE CAPITAL AND GUARANTEE THE SAFETY OF THE PEOPLE'S LIVES AND PROPERTY, INCLUDING THE SAFETY OF FOREIGN TOURISTS AND INVESTORS. HE SAID: ALL GOVERNMENTS AND PERSONAGES THAT WISH TO CONTINUE TO MAINTAIN FRIENDLY RELATIONSHIP AND HAVE ECONOMIC AND TRADE CONTACTS WITH CHINA SHOULD NOT MAKE THE LIFTING OR KEEPING OF MARTIAL LAW IN BEIJING THEIR PRECONDITION. IT IS NOT WISE TO DO SO.~~

REGARDING THE PEAK OF DEBT REPAYMENT FACED BY CHINA IN THE 1990'S, YUAN MU SAID: CHINA'S FOREIGN DEBTS AT PRESENT ARE FAR FROM EXCEEDING ITS ABILITY TO REPAY. ON THE QUESTION OF BORROWING, CHINA ENJOYS HIGH PRESTIGE AND IS CAPABLE OF REPAYING ITS DEBTS.

TOUCHING ON THE ECONOMIC SANCTIONS IMPOSED ON CHINA BY THE UNITED STATES AND SOME WESTERN NATIONS, YUAN MU SAID: IN THE SHORT RUN, ~~THIS TYPE OF SO-CALLED SANCTION WILL CREATE SOME TROUBLE [MA FAN] FOR CHINA. BUT CHINA WILL NOT BE COWED BY THESE SANCTIONS. IN THE LONG RUN, THEY WILL ONLY INSPIRE THE CHINESE PEOPLE TO FOSTER THE SPIRIT OF WAGING HARD STRUGGLE AND ACHIEVING SELF-RELIANCE, WHICH IS MORE IMPORTANT TO CHINA'S DEVELOPMENT.~~

YUAN MU LAID SPECIAL EMPHASIS ON ONE THING: CHINA WILL NOT CHANGE ITS POLICY OF OPENING TO THE OUTSIDE WORLD SIMPLY BECAUSE OF THE SHORTSIGHTEDNESS OF SOME WESTERN COUNTRIES. THIS REFERS TO OPENING TO THE WESTERN NATIONS, THE SOCIALIST NATIONS, AS WELL AS THE LARGE NUMBER OF DEVELOPING NATIONS OF THE THIRD WORLD.

(MORE)

11 JUL 1210Z MS

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4 Jul/89

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FBIS 114JUL07

TAKE 2 OF 3 -- 113 (DRAFT DEMONSTRATION LAW)

///THEM BY FORCE.

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[TEXT] ARTICLE XI. IF THE ORGANIZER OF AN ASSEMBLY, RALLY, AND DEMONSTRATION REFUSES TO COMPLY WITH THE DECISION OF DISAPPROVAL BY THE RESPONSIBLE AUTHORITIES OR DISAGREES WITH THE CHANGES MADE TO HIS APPLICATION, HE MAY APPLY TO THE PEOPLE'S GOVERNMENT AT THE LOCALITY TO WHICH THE RESPONSIBLE AUTHORITIES BELONG FOR RECONSIDERATION WITHIN 48 HOURS AFTER THE DATE ON WHICH HE RECEIVES THE DECISION. THE PEOPLE'S GOVERNMENT SHOULD MAKE A DECISION WITHIN 48 HOURS AFTER THE DATE ON WHICH IT RECEIVES SUCH AN APPLICATION.

ARTICLE XII. THE ORGANIZER OF AN ASSEMBLY, RALLY, AND DEMONSTRATION MAY WITHDRAW HIS APPLICATION AFTER HE HAS SUBMITTED IT AND BEFORE HE RECEIVES THE RESPONSIBLE AUTHORITIES' NOTICE.

IF THE ORGANIZER OF AN ASSEMBLY, RALLY, AND DEMONSTRATION DECIDES NOT TO HOLD SUCH EVENT AFTER HIS APPLICATION HAS BEEN APPROVED, HE MUST IMMEDIATELY DECLARE HIS DECISION TO THE RESPONSIBLE AUTHORITIES AND BE RESPONSIBLE FOR DISBANDING HIS ORGANIZATION.

ARTICLE XIII. THE RESPONSIBLE AUTHORITIES MUST BE RESPONSIBLE FOR MAINTAINING TRANSPORTATION AND PUBLIC ORDER TO ENSURE THE SMOOTH PROGRESS OF THE ASSEMBLY, RALLY, AND DEMONSTRATION THAT HAS BEEN APPROVED. IN CASE A SITUATION HAS DEVELOPED IN THE COURSE OF DEMONSTRATION THAT MAKES IT INCONVENIENT TO PURSUE THE ORIGINALLY SCHEDULED ROUTE, THE RESPONSIBLE AUTHORITIES MAY CHANGE THE ROUTE OF DEMONSTRATION IN THE LIGHT OF ACTUAL CONDITIONS.

ARTICLE XIV. THE ORGANIZER OF AN ASSEMBLY, RALLY, AND DEMONSTRATION MUST GUARANTEE THAT SUCH AN EVENT IS CONDUCTED IN PEACE ACCORDING TO THE METHOD, NUMBER OF PARTICIPANTS, BEGINNING AND END TIME, PLACE, AND ROUTE THAT HAVE BEEN APPROVED.

THE ORGANIZER MUST BE RESPONSIBLE FOR MAINTAINING ORDER OF HIS ASSEMBLY, RALLY, AND DEMONSTRATION AND STRICTLY PREVENT BYSTANDERS FROM ENTERING INTO ITS RANKS.

IN CASE OF NECESSITY, THE ORGANIZER OF AN ASSEMBLY, RALLY, AND DEMONSTRATION MUST ASSIGN SOME PEOPLE TO SPECIALLY ASSIST IN MAINTAINING ORDER. THOSE WHO ARE RESPONSIBLE FOR MAINTAINING ORDER MUST WEAR A UNIFORM INSIGNIA.

ARTICLE XV. WHILE CONDUCTING AN ASSEMBLY, RALLY, AND DEMONSTRATION, CITIZENS MUST OBEY THE DIRECTION AND COMMAND OF PEOPLE'S POLICE, MAINTAIN TRANSPORTATION AND PUBLIC ORDER, AND, MEANWHILE, OBSERVE THE FOLLOWING REGULATIONS:

1. NO ONE IS ALLOWED TO CARRY WEAPONS, COMBUSTIBLE MATERIAL, EXPLOSIVES, AND OTHER ARTICLES THAT POSE DANGER AND THREAT TO THE PERSONAL SAFETY AND SECURITY OF PROPERTY OF OTHER PEOPLE.
2. NO ONE IS ALLOWED TO SCRIBBLE, DRAW PICTURES, PUT UP POSTERS, CARRY BANNERS AND STREAMERS SHOWING SLOGANS INCOMPATIBLE WITH THE PURPOSE OF THE DEMONSTRATION, OR MAKE SPEECHES AND SHOUT SLOGANS THAT ARE INCOMPATIBLE WITH THE PURPOSE OF THE ASSEMBLY, RALLY, AND DEMONSTRATION.
3. THE ASSEMBLY, RALLY, AND DEMONSTRATION MUST NOT HINDER THE ACTIVITIES OF STATE AFFAIRS AND THE NORMAL OFFICIAL ACTIVITIES OF STATE ORGANS.
4. THE ASSEMBLY, RALLY, AND DEMONSTRATION MUST NOT VIOLATE SOCIAL

MORALITY, IMPAIR PUBLIC HEALTH, USE INSTRUMENTS THAT CREATE EXCESSIVE NOISE, AND AFFECT THE NORMAL LIFE AND REST OF RESIDENTS.

5. THE ASSEMBLY, RALLY, AND DEMONSTRATION MUST NOT USE WORDS, PICTURES, SPEECHES, OR OTHER MEANS TO INSULT AND CALUMINATE OTHER PEOPLE.

6. THE ASSEMBLY, RALLY, AND DEMONSTRATION MUST NOT DAMAGE OR DESTROY PUBLIC FACILITIES AND PUBLIC AND PERSONAL PROPERTIES.

7. THE DEMONSTRATION MUST NOT BE CONDUCTED IN SUCH A WAY AS TO HARM PERSONS AND ENDANGER LIVES.

ARTICLE XVI. THE RESPONSIBLE AUTHORITIES MUST ATTEMPT TO PERSUADE, PREVENT, AND STOP THE ASSEMBLY, RALLY, AND DEMONSTRATION THAT HAS NOT BEEN APPROVED OR THAT, THOUGH APPROVED, CHANGES ITS ORIGINALLY APPROVED PURPOSE, PLACE, AND ROUTE, JEOPARDIZES PUBLIC SAFETY, AND DISRUPTS SOCIAL ORDER. WHEN DEMONSTRATORS REFUSE TO LISTEN TO SUCH PERSUASION, THE RESPONSIBLE AUTHORITIES MAY ORDER THEM TO DISBAND. WHEN SUCH ORDER IS DISOBEYED AND WARNING PROVES USELESS, NECESSARY MEASURES MAY BE TAKEN TO DISPERSE THEM BY FORCE.

ARTICLE XVII. THE RESPONSIBLE AUTHORITIES MAY SET UP ROADBLOCKS AND CORDONS IN CERTAIN DESIGNATED AREAS FOR THE PURPOSE OF SAFEGUARDING PUBLIC ORDER AND SAFETY WHEN A DEMONSTRATION IS GOING ON. NO ONE IS PERMITTED TO CROSS OR TRESPASS THEM WITHOUT APPROVAL.

ARTICLE XVIII. WHILE AN ASSEMBLY, RALLY, AND DEMONSTRATION IS GOING ON, THE PEOPLE'S POLICE ON DUTY MAY TAKE AWAY FROM THE SCENE FOR INVESTIGATION THOSE WHO DISOBEY THE DIRECTION AND COMMAND OF PEOPLE'S POLICE AND HINDER AND RESIST PEOPLE'S POLICE IN THEIR PERFORMANCE OF DUTIES ACCORDING TO THE LAW, OR PEOPLE'S POLICE MAY TAKE OTHER COERCIVE MEASURES TO DEAL WITH THESE PERSONS IN ACCORDANCE WITH THE LAW.

(MORE)

07 JUL 2015Z KW

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3 Jul 189

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11-Jul-89  
20-CHIVA-1-4

FBIS 113JUL07

XINHUA DETAILS PRC DEMONSTRATION DRAFT LAW  
TAKE 1 OF 3 -- DRAFT DEMONSTRATION LAW

0W0707184889 BEIJING XINHUA DOMESTIC SERVICE IN CHINESE 1521 GMT  
6 JUL 89

[LOCAL BROADCAST NEWS SERVICE]

[TEXT] BEIJING, 6 JUL (XINHUA) -- THE PRC LAW ON ASSEMBLY AND  
DEMONSTRATION (DRAFT)

ARTICLE I. THIS LAW IS FORMULATED IN ACCORDANCE WITH THE  
REGULATIONS PROVIDED BY THE CONSTITUTION FOR THE PURPOSE OF  
SAFEGUARDING PUBLIC ORDER AND SOCIAL STABILITY, PROMOTING SMOOTH  
PROGRESS OF SOCIALIST MODERNIZATION, AND PROTECTING THE RIGHTS OF  
CITIZENS IN STAGING ASSEMBLY, RALLY, AND DEMONSTRATION ACCORDING TO  
THE LAWS.

ARTICLE II. ASSEMBLY, RALLY, AND DEMONSTRATION MUST NOT BE  
STAGED TO CONTRAVENE THE FUNDAMENTAL PRINCIPLES THAT ARE DETERMINED  
BY THE CONSTITUTION, OPPOSE THE CPC LEADERSHIP AND SOCIALIST SYSTEM,  
AND ADVOCATE SPLITTISH AND DIVISION WITHIN THE MOTHERLAND AND  
DISRUPTION OF NATIONAL UNITY.

ARTICLE III. THE PEOPLE'S GOVERNMENT AT ALL LEVELS SHOULD  
PROTECT CITIZENS IN EXERCISING THEIR RIGHT TO STAGE ASSEMBLY, RALLY,  
AND DEMONSTRATION IN ACCORDANCE WITH THE REGULATIONS PROVIDED BY  
THIS LAW.

ARTICLE IV. THE AUTHORITIES OF THE PEOPLE'S GOVERNMENT  
RESPONSIBLE FOR CONTROL OF ASSEMBLY, RALLY, AND DEMONSTRATION ARE  
THE PUBLIC SECURITY BUREAU OF THE COUNTY AND CITY IN WHICH THESE  
EVENTS TAKE PLACE OR THE PUBLIC SECURITY SUBBUREAU OF THE TOWN IN  
WHICH THESE EVENTS TAKE PLACE. WHEN THE ROUTE OF DEMONSTRATION  
COVERS MORE THAN TWO COUNTIES OR DISTRICTS, THE RESPONSIBLE  
AUTHORITIES WILL BE THE PUBLIC SECURITY ORGAN DIRECTLY ABOVE THE  
PUBLIC SECURITY ORGANS OF THE COUNTIES OR DISTRICTS TRAVERSED BY THE  
ROUTE OF DEMONSTRATION.

ARTICLE V. CITIZENS ARE NOT PERMITTED TO MOBILIZE, ORGANIZE, AND  
TAKE PART IN ASSEMBLY, RALLY, AND DEMONSTRATION WITH THE  
PARTICIPATION OF DIFFERENT AREAS, UNITS AND INSTITUTIONS, AND TRADES  
AND PROFESSIONS.

CITIZENS ARE NOT PERMITTED TO ORGANIZE OR TAKE PART IN ASSEMBLY,  
RALLY, AND DEMONSTRATION IN THE NAME OF A UNIT OR INSTITUTION  
WITHOUT PRIOR APPROVAL BY THE RESPONSIBLE PERSON OF THEIR UNIT OR  
INSTITUTION.

ARTICLE VI. SERVICEMEN ON ACTIVE DUTY, PEOPLE'S POLICE, AND  
GOVERNMENT FUNCTIONARIES OF THE STATE ARE NOT PERMITTED TO ORGANIZE  
OR TAKE PART IN ASSEMBLY, RALLY, AND DEMONSTRATION WITHOUT PRIOR  
APPROVAL BY THE RESPONSIBLE PERSON OF THEIR UNIT.

THE WORKERS AND STAFF MEMBERS OF THE INSTITUTIONS OF PUBLIC  
UTILITIES THAT SUPPLY WATER, ELECTRICITY, COAL GAS,  
TELECOMMUNICATIONS, AND PUBLIC TRANSPORTATION ARE NOT PERMITTED TO  
BE ABSENT FROM THEIR POSTS WITHOUT LEAVE, DISRUPT THE ORDER OF  
NORMAL OPERATIONS, AND ORGANIZE OR TAKE PART IN ASSEMBLY, RALLY, AND  
DEMONSTRATION.

THOSE WHO HAVE BEEN DEPRIVED OF THEIR POLITICAL RIGHTS ACCORDING  
TO THE LAWS ARE NOT PERMITTED TO ORGANIZE OR TAKE PART IN ASSEMBLY, 000781

RALLY, AND DEMONSTRATION.

ARTICLE VII. WHEN CITIZENS INTEND TO ASSEMBLE, RALLY, AND DEMONSTRATE ON THE STREETS AND IN OTHER OUTDOOR PUBLIC PLACES, THEIR ORGANIZER IS REQUIRED TO SUBMIT AN APPLICATION IN WRITING TO THE RESPONSIBLE AUTHORITIES OF THE LOCALE OF SUCH EVENT 5 DAYS PRIOR TO ITS OCCURRENCE. THE PURPOSE, METHOD, POSTERS, SLOGANS, NUMBER OF PARTICIPANTS, TIME OF THE BEGINNING AND THE END, PLACE, AND ROUTE OF ASSEMBLY, RALLY, AND DEMONSTRATION, TOGETHER WITH THE NAME, PROFESSION, AND ADDRESS OF THE ORGANIZER, MUST BE CLEARLY STATED IN THE APPLICATION.

IN CASE CITIZENS REQUIRE A CONSULTATIVE DIALOGUE IN THEIR APPLICATION FOR ASSEMBLY, RALLY, AND DEMONSTRATION, THEY SHOULD ALSO SUBMIT AN ATTACHMENT IN WRITING SHOWING TOPICS OF [INTENDED -- FBIS] CONSULTATIVE DIALOGUE WITH THE DEPARTMENTS CONCERNED.

ARTICLE VIII. AFTER RECEIPT OF AN APPLICATION FOR HOLDING ASSEMBLY, RALLY, AND DEMONSTRATION, THE RESPONSIBLE AUTHORITIES MUST SERVE A NOTICE OF THEIR APPROVAL OR DISAPPROVAL IN WRITING TO THE ORGANIZER 48 HOURS BEFORE THE SCHEDULED EVENT. IN CASE OF DISAPPROVAL, AN EXPLANATION OF THE REASONS MUST BE FURNISHED.

ARTICLE IX. APPROVAL SHOULD BE GRANTED BY THE RESPONSIBLE AUTHORITIES TO CITIZENS' APPLICATIONS FOR HOLDING ASSEMBLY, RALLY, AND DEMONSTRATION, EXCEPT FOR THOSE THAT CONTRAVENE THE REGULATIONS PROVIDED BY ARTICLES II, V, AND VI OF THIS LAW, OR MAY DIRECTLY ENDANGER PUBLIC SAFETY AND CAUSE SOCIAL TURMOIL, OR ARE PROHIBITED BY OTHER LAWS.

AS REQUIRED BY THE NEED TO MAINTAIN THE ORDER OF TRANSPORTATION AND PUBLIC SECURITY, THE RESPONSIBLE AUTHORITIES MAY CHANGE THE TIME, PLACE, AND ROUTE OF ORIGINALLY APPLIED OR APPROVED ASSEMBLY, RALLY, AND DEMONSTRATION WHEN THEY ARE EXAMINING THE APPLICATION OR 48 HOURS BEFORE THE TIME OF HOLDING THE ASSEMBLY, RALLY, OR DEMONSTRATION AFTER APPROVAL HAS BEEN GRANTED.

ARTICLE X. ANY OTHER UNIT AND INDIVIDUAL IS NOT PERMITTED TO INTERFERE WITH AND HINDER THE ASSEMBLY, RALLY, AND DEMONSTRATION THAT HAS BEEN APPROVED BY THE RESPONSIBLE AUTHORITIES. AS FOR THOSE WHO HINDER AND CAUSE DISORDER IN ASSEMBLY, RALLY, AND DEMONSTRATION, THE PEOPLE'S POLICE MUST TAKE NECESSARY MEASURES TO STOP THEM AND EVEN DISPERSE THEM BY FORCE.

(MORE)

07 JUL 2009Z KW

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3 July 1989

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PRC: YUAN MU HOLDS PRESS CONFERENCE (TAKE 3 OF 3--@48JUL11)

///THE THIRD WORLD.

OW1107115389

[TEXT] A REPORTER ASKED: ZHAO ZIYANG HAS RECEIVED DISCIPLINARY ACTION WITHIN THE PARTY. WILL HE BE PUNISHED BY LAW?  
YUAN MU SAID: COMRADE ZHAO ZIYANG MADE A MISTAKE BY SUPPORTING THE TURMOIL AND SPLITTING THE PARTY. HIS CASE IS NOW BEING HANDLED WITHIN THE PARTY. THE PARTY WILL CONTINUE TO EXAMINE THE CASE. AS TO THE NATURE OF HIS CASE AFTER THE EXAMINATION, IT WILL BE HANDLED ACCORDING TO THE DATA BASED ON FACTS AND IN ACCORDANCE WITH THE CRITERION BASED ON LAW.

TOUCHING ON CRACKING DOWN ON CORRUPTION, YUAN MU SAID: IT IS INCORRECT TO SAY THAT ONLY WHEN THE STUDENT MOVEMENT RAISED THIS ISSUE DID THE PARTY AND GOVERNMENT START TO CRACK DOWN ON CORRUPTION. BUT WE MAY EXPLAIN ONE THING: COMRADE ZHAO ZIYANG SHOULD BE HELD RESPONSIBLE FOR THE POOR RESULTS ACHIEVED IN CRACKING DOWN ON CORRUPTION IN THE PAST. HE HELD THAT IN THE INITIAL PERIOD OF SOCIALISM, CORRUPTION IS INEVITABLE. HE ACCORDINGLY SLACKENED HIS EFFORTS FOR PARTY BUILDING AND EDUCATION. THIS WAS A FUNDAMENTAL REASON. YUAN MU SAID: IN THE DAYS AHEAD, THE PARTY AND GOVERNMENT WILL ADOPT MORE RESOLUTE MEASURES TO SPEED UP THE PROCESS OF CRACKING DOWN UPON CORRUPTION.

YUAN MU ALSO SAID: SOME RINGLEADERS OF THE BEIJING SELF-GOVERNMENT UNION OF COLLEGE STUDENTS AND BEIJING SELF-GOVERNMENT WORKERS UNION WHO SCHEMED AND ORGANIZED THE TURMOIL AND REBELLION HAVE BEEN ARRESTED, AND SOME OTHERS HAVE FLED. YUAN MU BLAMED CERTAIN FOREIGN FORCES FOR HAVING DONE SOMETHING THAT DISPLEASES THE CHINESE GOVERNMENT, SUCH AS HELPING THE RINGLEADERS OF SOME ILLEGAL ORGANIZATIONS FLEE ABROAD. HE FELT THAT THIS WAS A MATTER FOR REGRET.

(ENDALL)

11 JUL 1224Z MS

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RETURN TO RENOYER AU		<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE	
FILE	20-CHINA-1-4		DOSSIER

VOL # 62

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**ACTION  
SUITE A DONNER**

P R O T E C T E D  
FM BDGTN ZUGR1846 30JUN89  
TO FAITC PNR  
DISTR PND LCR ISS INP LCD

ACC	DATE
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<del>20-CHINA-1-4</del>	
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A5-20	88DOS-1-3

---EVENTS IN CHINA: EASTERN CARIB

FYI LOCAL PRC EMB IN BDOS ISSUED LENGTHY PRESS RELEASE 27JUN ENTITLED QUOTE WHY IMPOSE MARTIAL LAW IN BEIJING? BY SHI WEI UNQUOTE GIVING ITS VERSION OF EVENTS. WE UNDERSTAND SIMILAR PRESS RELEASE ISSUED BY OTHER PRC EMBASSIES ELSEWHERE.

2. LOCAL PRC AMB LU ZONGQING AND HIS WIFE, SINCE THEIR ARRIVAL 23SEP87, HAVE MADE CONCERTED EFFORT TO BE ACTIVE AND FRIENDLY MEMBERS OF SMALL LOCAL DIPLO CORPS IN BDOS. WITH EVENTS IN CHINA HIS OFFICIAL APPROACH AND ATTITUDE HAVE CHANGED. BDOS FM MAURICE KING CALLED AMB IN AFTER PRC ARMY MOVED IN TIANANMEN SQUARE BUT BEFORE EXECUTIONS TO EXPRESS BARBADIAN REGRET AND CONCERN AT TURN OF EVENTS. AMB WAS UNAWARE OF PURPOSE OF CALL BUT INSTANT FM KING BEGAN HIS PRESENTATION AMB BECAME, IN WORDS OF MFA OFFICER PRESENT, QUOTE OBNOXIOUS AND THREATENING UNQUOTE. AMB INTERRUPTED FM AND SAID HE WOULD SPEAK IN CHINESE DESPITE FACT THAT HIS ENGLISH IS EXCELLENT AND THAT JUNIOR OFFICER WHO WAS WITH HIM WOULD TRANSLATE. HE AGAIN INTERRUPTED FM TO PROTEST USE OF WORD QUOTE REGRET UNQUOTE WHICH HE SAID WAS INACCURATE AND UNCALLED FOR. FM CONTINUED TO EXPRESS CONCERN OVER USE OF FORCE AND SUPPORT FOR RIGHT TO PEACEFUL DISSENT AND FREEDOM OF SPEECH. IN HIS REPLY AMB GAVE OFFICIAL LINE OF VIOLENCE BY HOOLIGANS AGAINST

UNITED STATES  
DEPARTMENT OF STATE

PAGE TWO ZUGR1846 PROTECTED

MILITARY. INTERVIEW BECAME UNINTENTIONALLY LUDICROUS WHEN  
AMB, FRUSTRATED BY LACK OF ABILITY OF HIS JUNIOR COLLEAGUE TO  
TRANSLATE, CONSTANTLY CORRECTED HIS ENGLISH.

3. SINCE 27 JUN PRESS RELEASE AMB HAS SOUGHT APPT TO CALL ON FM. AS KING  
IS BUSY PREPARING FOR CARICOM SUMMIT, AMB HAD BRIEF MTG 29 JUN WITH DR  
PETER LAURIE, EDOS MFA PERMSEC, TO DELIVER STATEMENT. THERE WAS NO/NO  
DISCUSSION AND LAURIE SIMPLY SAID IT WOULD QUOTE BE STUDIED  
UNQUOTE. AMB DID NOT/NOT INDICATE HE IS RETURNING TO BEIJING WITH  
OTHER CHINESE HOPS FOR PREIFING AS REPORTED ON CNN NEWS. EDOS MFA  
OFFICIALS HAVE ADOPTED FORMAL ATTITUDE TOWARDS AMB ESPECIALLY WHEN  
HE HAS SOUGHT TO ENGAGE THEM WITH OFFICIAL CHINESE QUOTE  
JUSTIFICATION OF EVENTS UNQUOTE.

4. OUR OFFICIAL CONTACT WITH PRC AMB RECENTLY HAS BEEN LIMITED TO  
PERFUNCTORY GREETINGS AT LARGE SOCIAL EVENTS.

CCC/053 301810Z ZUGR1846

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**ACTION  
SUITE A DONNER**

ACC	DATE
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FILE	DOSSIER
30-CHINA-1-4	
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C O N F I D E N T I A L

FM PEKIN WJGR3537 30JUN89

TO EXTOTT/ PNR DELIVER BY 300900

INFO WSHDC HKONG TOKYO SEOUL SPORE BNGKK KLMPR DELHI ISBAD JKRTA

MANIL BNATO GENEV PARIS LDN MOSCO PRMNY PCOOTT/IAC CIDAULL BSC

TT NDHQCTT/DIPOL/CIS ADM/ DE CAF

BAG PRGUE WSAW BUCST BPEST BGRAD DE OTT SHNGI DE PEK

DISTR USS PGB PND PSD PSR PND PGP INP INE CPP CPD CPE ISE ISS IME

IMU IMD

---CHINA:BACK TO THE 70S

SUMMARY:COMMUNIST PARTY APPEARS POISED TO EMBARK ON MAJOR PURGE BOTH INSIDE AND OUTSIDE PARTY.PROPAGANDA MONOPCLIZES ALL MEDIA, ATTEMPTING TO CONVEY IMPRESSION OF NORMALITY ON ONE HAND(DESPIITE MANIFESTLY ABNORMAL SITUATION)AND STRESSING IDEOLOGICAL CONTINUITY SINCE 1978.CCP DISCIPLINE INSPECTION CTTEE HAS ISSUED HARSELY WORDED STATEMENT CALLING FOR PUNISHMENT OF POL DEVIANTS IN ITS RANKS AND OVERHAUL OF PARTY ORGANS.WORK TEAMS ARE REPORTEDLY BEGINNING TO QUESTION MEMBERS OF ACADEMIES OF SCIENCE AND SOCIAL SCIENCE ON THEIR PARTICIPATION IN PROTESTS.PURPOSE OF THESE AND SIMILAR INVESTIGATIONS WILL BE TO IDENTIFY RING LEADERS,WHO WOULD RECEIVE SEVERE PUNISHMENT,AND THOSE WHO WERE SIMPLY QUOTE MISIED UNQUOTE AND WHO WOULD BE DEALT WITH LENIFNTLY.TEN EXECUTIONS SO FAR HAVE BEEN STRICTLY LIMITED TO THOSE CONVICTED OF CRIMINAL

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PAGE TWO WJGR3537 CONF

OFFENCES--KILLING, ASSAULT, ARSON--AND SENTENCES, THOUGH SEVERE ARE NOT/NOT OUT OF LINE WITH CHINESE JUDICIAL PRACTICE.

FULL-FLEDGED PURGE, IF IT WERE TO TAKE PLACE, WOULD CENTRE ON KEY CONCEPT OF QUOTE OPPOSING BOURGEOIS LIBERALIZATION UNQUOTE. HOWEVER, GIVEN CHINA'S RECENT ECON DEVELOPMENT AND EXTENSIVE CONTACTS WITH WEST, PURGE ALONG LINES OF POLITICAL CAMPAIGN WOULD BE LONG AND BITTER. EFFECTS OF EVEN LIMITED PURGE WOULD ADVERSELY AFFECT BUSINESS ENVIRONMENT. INVOLVEMENT OF PRIVATE BUSINESS IN RECENT PROTESTS POINTS TO INTENSE BUREAUCRATIC SCRUTINY OF THIS SECTOR. DESPITE REPEATED OFFICIAL PRONOUNCEMENTS REAFFIRMING OPEN DOOR POLICY, THESE DEVELOPMENTS WILL ACT AS DAMPER ON FOREIGN BUSINESS INTERESTS IN CHINA.

2. REPORT: COMMUNIST PARTY APPEARS POISED TO EMBARK ON MAJOR PURGE OF DEMOCRACY ACTIVISTS AND SYMPATHIZERS BOTH INSIDE AND OUTSIDE PARTY. IN A THROWBACK OF 1970S, REAL NEWS HAS BEEN BANISHED FROM MEDIA TO BE REPLACED BY NUMBING SUCCESSION OF SPEECHES, EDITORIALS, LETTERS AND DOCTORED NEWS ITEMS THAT TOGETHER ARE DESIGNED TO RE-ESTABLISH PARTY AUTHORITY, ENFORCE UNITY AND GIVE APPEARANCE OF NORMALITY TO AN ABNORMAL SITUATION.

3. OF COURSE AT PRESENT, JUST OPPOSITE OBTAINS, PARTICULARLY IN PEKIN. MAJOR INTERSECTIONS ARE GUARDED BY NERVOUS SOLDIERS. PLAINCLOTHES POLICE ARE EVERYWHERE AND TIANANMENS BARREN AND GREY

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PAGE THREE WJGR3537 CONF

EXPANSE WHICH WAS RETAKEN QUOTE FOR THE PEOPLE UNQUOTE THREE WEEKS  
AGO IS OFF LIMITS TO ALL BUT THE 100 ARMED INFANTRY GUARDING ITS  
PERIMETER. IN LAST TWO WEEKS THERE HAVE BEEN TWO SNIPER INCIDENTS  
AGAINST SOLDIERS (IT IS BELIEVED THAT DURING ARMY'S BLOODY MOVE INTO  
PEKIN, CONSIDERABLE QUANTITIES OF ARMS MAY HAVE BEEN STOLEN BY  
CIVILIANS) AND AN UNCONFIRMED REPORT SAID THAT BODIES OF TWO  
GARROTTED SOLDIERS WERE FISHED OUT OF CANAL NEAR TA YUAN DIPLO  
COMPOUND. THERE WAS ALSO AN AS YET UNEXPLAINED EXPLOSION ON A  
CHINESE TRAIN NEAR SHNGI EARLIER THIS WEEK. GUN SHOTS HAVE BEEN  
HEARD AT NIGHT IN AREA OF JIANGUOMENWAI DIPLO COMPOUND ON A NUMBER  
OF OCCASIONS. ATMOSPHERE IS SUCH THAT MARTIAL LAW IS LIKELY TO  
REMAIN IN PEKIN UNTIL END OF YEAR.

4. ON IDEOLOGICAL FRONT, DENG'S UTTERANCES, PARTICULARLY HIS 29 JUN  
SPEECH WHICH HAS NOW BEEN RELEASED IN FULL, HAVE MONOPOLIZED  
AIRWAVES AND FRONT PAGES OF COUNTRY'S PRESS. PEIJING DAILY THIS WEEK  
CARRIED QUOTATIONS FROM MAO ALONG WITH THOSE OF DENG. AT LEAST  
TWO MAJOR INTERSECTIONS IN PEKIN LOUDSPEAKERS BROADCAST PARTY  
PROPAGANDA. TV NEWS CONSISTS OF ENDLESS EXPRESSIONS OF SUPPORT FOR  
CORRECT DECISIONS OF PARTY CENTRAL CTTEE, LEAVENED ONLY WITH  
ANNOUNCEMENTS OF INCREASED PRODUCTION, PREDICTIONS OF BOUNTIFUL  
HARVESTS AND SCENES TO REINFORCE IDEA OF THE ARMY QUOTE LOVING THE  
PEOPLE UNQUOTE (AND VICE VERSA).

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PAGE FOUR WJGR3537 CONF

5. CCP CENTRAL COMMISSION FOR DISCIPLINE INSPECTION HAS CALLED FOR PARTY MEMBERS WHO DEVIATED FROM CORRECT POLITICAL STAND AND VIOLATED PARTYS DISCIPLINES TO BE STRICTLY PUNISHED. THOSE WHO HAD VIOLATED CRIMINAL LAWS WOULD BE PUNISHED BY JUDICIAL ORGANS. PARTY ORGANIZATIONS THAT HAD RESISTED CENTRAL CTTEE DECISIONS OR BEEN CONTROLLED OR MANIPULATED BY QUOTE BAD PEOPLE UNQUOTE WOULD BE OVERHAULED AND STRICTLY DEALT WITH. MINISTRY OF JUSTICE HAS CALLED ON LAWYERS TO REALIZE QUOTE REACTIONARY ESSENCE UNQUOTE OF RIOTS IN DEALING WITH CASES. SOUTH CHINA MORNING POST REPORTS THAT WORK TEAMS STATIONED IN CHINESE ACADEMY OF SCIENCES AND ACADEMY OF SOCIAL SCIENCES HAVE BEGUN TO INTERROGATE EVERYONE WHO TOOK PART IN RECENT PROTESTS. ONE MEMBER WAS QUOTED AS SAYING QUOTE THEY HAVE ONLY ONE FUNCTION: TO TERRORIZE MEMBERS OF THE ACADEMY UNQUOTE.

6. SOME OF THE ARRESTED WILL BE PUNISHED IN EXEMPLARY FASHION. COMMUNIQUE OF 4TH PLENUM OF 13TH CENTRAL CTTEE ISSUED 24JUN STATES THAT ONE TASK OF COUNTRY WILL BE TO QUOTE STRICTLY DISTINGUISH BETWEEN TWO DIFFERENT TYPES OF CONTRADICTIONS UNQUOTE, IE, SMALL NUMBER OF ENEMIES OF THE PEOPLE (SUCH AS FANG LIZHI, PRINCIPAL STUDFTN LEADERS AND THOSE WITH CONNECTIONS TO USA-BASED CHINESE LEAGUE FOR DEMOCRACY) AND LARGE NUMBER OF PEOPLE WHO HAVE BEEN QUOTE MISLED UNQUOTE BY FORMER GROUP. THOSE CONVICTED OF BEING IN ENEMY CATEGORY WOULD PROBABLY NOT/NOT BE EXECUTED BUT WOULD ALMOST

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CERTAINLY BE EXILED TO A REFORM THROUGH LABOUR GULAG. THE OTHERS WOULD RECEIVE LENIENT TREATMENT AND THOSE WHO SIMPLY MARCHED MAY NOT/NOT BE PUNISHED AT ALL. TEN EXECUTIONS SO FAR HAVE BEEN STRICTLY LIMITED TO THOSE CONVICTED OF CRIMINAL OFFENCES AND THEIR SENTENCES, ALTHOUGH SEVERE, ARE NOT OUT OF LINE WITH CHINESE JUDICIAL PRACTICE.

7. ANOTHER KEY TASK CONTAINED IN PARTY COMMUNIQUE IS TO QUOTE OPPOSE BOURGEOIS LIBERALIZATION UNQUOTE. THE WAY IN WHICH THIS IS INTERPRETED WILL BE INDICATIVE OF HOW FAR-REACHING A PURGE COULD BE. TEN YEARS OF EXTENSIVE CONTACTS WITH WEST AND RAPID ECON DEVELOPMENT, IT CAN BE ARGUED, HAVE FIRMLY PLANTED SEEDS OF BOURGEOIS LIBERALISM IN CHINA AND THIS WILL BE AN EXCEEDINGLY DIFFICULT WEED TO ERADICATE. IF LEADERSHIP IS DETERMINED TO PURSUE FULL-FLEDGED PURGE ALONG LINES OF PREVIOUS CAMPAIGNS THEN IT WILL BE LONG AND BITTER.

8. IT IS STILL TOO EARLY TO BE CERTAIN OF HOW PARTY WILL GO ABOUT ITS PURGE, BUT WE CAN BE CERTAIN THAT EVEN IF PURGE IS LIMITED, IMPORTANCE TO BE ATTACHED TO POLITICAL EDUCATION AND ATTITUDES WILL ACT AS DAMPER TO INITIATIVES IN BUREAUCRACY AND CREATIVE THINKING IN UNIVS, RESEARCH INSTITUTES AND EVEN IN BUSINESS, WHICH IS EITHER STATE-OWNED OR OBLIGED TO DEAL EXTENSIVELY WITH THE BUREAUCRACY. FURTHERMORE, CONNECTIONS OF PRIVATELY-RUN AND VERY SUCCESSFUL STONE

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ELECTRONICS CORP WITH ZHAOIST FACTION AND WITH OUTSPOKEN INTELLECTUALS AT HIGH END, AND INVOLVEMENTS OF SMALL-TIME BUSINESSMEN (GETIHU) WITH DEMOCRACY PROTESTERS AT LOW END, WILL BRING ABOUT MORE SEVERE BUREAUCRATIC SCRUTINY. AN EXTENSIVE PURGE WOULD POINT TO MORE CENTRALIZED CONTROL AND THIS COULD EXACERBATE ALREADY STRAINED RELNS WITH THE PROVINCES WHERE, INCIDENTALLY, MUCH OF ZHAOS SUPPORT CAME FROM.

9. WHILE SIREN CALL OF THE OPEN DOOR CONTINUES TO BE ENUNCIATED IN ALL OFFICIAL PRONOUNCEMENTS, IT IS STILL AN OPEN QUESTION TO WHAT EXTENT OPERATIONS OF FOREIGN VENTURES WILL BE AFFECTED BY WHAT WILL ALMOST CERTAINLY BE A MORE INFLEXIBLE AND NON-RISK TAKING BUSINESS ENVIRONMENT.

10. IN SHORT, IF LEADERSHIP IS SET ON ASSERTING ITS AUTHORITY AND LARGELY UNPOPULAR IDEOLOGY ON TODAY'S CHINA, THERE IS LIKELY TO BE A LONG AND BITTER STRUGGLE AND CHINA WILL BE DRAGGED BACK 15 YEARS. AT THIS POINT, HOWEVER, AND DESPITE SOME OF THE FOREBODING SIGNS, IT IS STILL UNCLEAR WHETHER THIS IS THE LEADERSHIP'S INTENTION.

CCC/078 300830Z WJGR3537

*10-30-89*  
*- Jom...*

**ACTION**  
**SUITE A DONNER**

*7/26*

C O N F I D E N T I A L  
FM PEKIN WJGR3532 29JUN89  
TO EXTOTT PNR

INFO HKONG TOKYO SEOUL SPORE BNGKK KLMPR DELHI ISEAD JKRTA MANII  
BNATO GENEV PARIS LLN MOSCO WSEDC CIDADHULL/BSC PCOOTT/IAC  
TT NDHQOTT/DIPOL/CIS ADM/ DE CAF  
BAG WSAW PRGUE BUCST BGRAD BPEST DE OTT SHNGI DE PEK  
DISTR USS PGB PND PSD PSR PNC PGP INP INE CPP CPE CPD BKP ISE  
ISS JIS IMD IMH IMU

---TIANANMEN MASSACRE: WAS IT PREMEDITATED?  
IT WILL TAKE TIME TO EVEN HOPE TO ANSWER QUFSTION ON EVERYONES MIND  
ABOUT HOW, WHEN AND PY WHOM MASSACRE WAS ORDERED. ONE THEORY IS  
TEAT TROOPS WERE ON SAT 23 JUN GIVEN ORDER TO CLEAR TIANANMEN AT ALL  
COSTS AND THEREFCRE HAD NO/NO CHOICE BUT TO USE LETHAL FORCE.  
ANOTHER THEORY IS THAT LEADERSHIP AT HIGHEST LEVEL DELIBERATELY  
DECIDED, POSSIBLY LATE MAY/EARLY JUNE, TO CREATE A SITUATION WHICH  
WOULD NECESSARILY RESULT IN A BLOODBATH.  
2. THERE IS AT THIS TIME NO/NO CONCLUSIVE PROOF TO SUBSTANTIATE THE  
SECOND, MORE SINISER THEORY. BUT WE BELIEVE IT IS FIGHLY LIKELY TO  
BE CORRECT.  
3. TOO MANY EVENTS LEADING TO SUN 24JUN ARE DIFFICULT TO EXPLAIN  
OTHERWISE. IN EARLY JUNE, THE ARMY, OR POLICE, OR ARMED POLICE,  
COULD EASILY HAVE CLEARED THE SQUARE WITH A MINIMUM OF VIOLENCE. FEW  
STUDENTS WERE LEFT, MAINLY FROM OUTSIDE PEKIN. NO/NO BARRICADES

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RETURN TO RENYOYER AU	<b>BICO</b>	FOR FILING POUR - ETRÉ PORTE AU DOSSIER
ACC	REF	DATE
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FILE	DOSSIER	
20-CHINA-1		000792

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WERE UP. TRUCKS COULD HAVE SPED DOWN CHANGAN TO PICK UP PROTESTERS. TROOPS POSITIONED IN BLDGS. AROUND THE SQUARE COULD HAVE NEUTRALIZED THEM, PROBABLY WITH TEAR GAS.

4. THEN WHY DID MILITARY SEND IN THE MIDDLE OF THE NIGHT OF FRI 02 JUN A FEW THOUSAND UNARMED YOUNG RECRUITS WHO STARTED TO JOG EASTWARDS TOWARDS TIANANMEN FROM THE THIRD RING ROAD (ENSURING THEY WOULD BE EXHAUSTED UPON ARRIVAL)? EMB OFFICERS WHO FOLLOWED THESE TROOPS NOTICED THEY WERE ILL-PREPARED AND EQUIPPED FOR THEIR TASK (MANY ACTUALLY GOT LOST). OFFICERS THEN WENT WEST TO SEE WHETHER REINFORCEMENTS WERE COMING. THERE WERE NONE, AT LEAST NOT/NOT BEFORE 0400H. AFTER THAT, A BUSLOAD OF AMMUNITION DROVE THROUGH AND WAS STOPPED BY THE CROWDS. THIS ACT OF APPARENT CLUMSINESS HAD ONE DEFINITE RESULT: IT BROUGHT TENS OF THOUSANDS OF CITIZENS INTO THE STREETS. THE CROWDS THAT HAD DISAPPEARED WERE RECREATED. WE WERE BACK TO THE BARRICADES.

5. IN JUDGEMENT OF EMB OFFICERS WHO WITNESSED EVENTS AROUND TIANANMEN THROUGHOUT SAT 03 JUN, THERE WAS INCREASING TENSION WHICH VERY MUCH APPEARED TO BE DELIBERATELY FANNED BY ARMY ACTION. SOLDIERS PELTED STUDENTS WITH BELTS AND AIMED A FEW TEAR GAS CANNISTERS POINT BLANK. BUT THIS LOOKED MORE LIKE PROVOCATION THAN A SERIOUS ATTEMPT TO CLEAR SQUARE OR EVEN POSITION TROOPS. BY SAT AFTERNOON 03 JUN, FRENZY WAS AT HIGH PITCH. IT WAS OBVIOUS CRISIS POINT HAD BEEN REACHED. REACHING TIANANMEN SQUARE, LET ALONE

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PAGE THREE WJGR3532 CONF

CLEARING IT, WAS BY THEN BOUND TO RESULT IN A CONSIDERABLE NUMBER OF CASUALTIES.

6. IF THIS IS WHAT HAPPENED, QUESTION IS WHY DID LEADERSHIP CHOOSE SUCH A BLOODY WAY OF ACHIEVING ITS AIMS? LET US SUGGEST ANOTHER THEORY, POLITICAL THIS TIME. EVEN BEFORE THE DEMOCRACY MOVEMENT STARTED, DENG AND THE PARTY ELDERS WERE MOST ANXIOUS ABOUT RELAXATION OF PARTY DISCIPLINE. THE PARTY WAS LOSING ITS GRIP OVER THE PEOPLE. THE 1987 CAMPAIGN TO RESIST WESTERNIZATION OF IDEAS (THE QUOTE ANTI BOURGEOIS LIBERALISM CAMPAIGN UNQUOTE) COULD NOT/NOT BE SUSTAINED MORE THAN A FEW MONTHS. GIVEN THE WORSENING ECON SITU OF THE PAST YEAR (INFLATION, LACK OF FUNDS TO PAY PEASANTS, ETC), THE PARTY WAS SERIOUSLY WEAKENED AND THREATENED. COULD IT RESIST AN EVENTUAL WAVE OF SOCIAL/ECON UNREST? LI PENG PUBLICLY EXPRESSED HIS DOUBTS AND CONCERNS.

7. THE DEMOCRACY MOVEMENT PROBABLY PERSUADED THE ELDERS THAT DECISIVE AND RADICAL ACTION WAS THE ONLY WAY TO REASSERT PARTY POWER. INDEED, FROM THEIR PERSPECTIVE, ARMAGEDDON WAS NEAR: STUDENTS SUCCESSFULLY DEFIED THE PARTY FOR WEEKS ON END AND GAINED BROAD POPULAR SUPPORT. WORSE, THE PARTY SEEMED HIMSELF WAS APOLOGIZING TO STUDENTS ON STATE TV.

8. MAO UNLEASHED THE RED GUARDS TO REGAIN POWER AND CONTROL IN 1968. DENG MAY HAVE CONCLUDED THAT SOMETHING NEARLY AS DRASTIC WAS NECESSARY TO ENSURE A DECISIVE VICTORY OVER PARTY QUOTE WFTS

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UNQUOTE. A CLASSIC CAMPAIGN WOULD NOT/NOT WORK, AS 1987  
DEMONSTRATED. SO A COUNTER REBELLION HAD TO BE STAGED AND CRUSHED.  
ONLY SUCH A DRAMATIC EVENT WOULD ALLOW THE THOROUGH PARTY PURGE AND  
SUPPRESSION OF DISSENT THAT IS NECESSARY FOR A DISCREDITED PARTY TO  
REGAIN CONTROL. AS DENG SAID IN HIS EXTRAORDINARY 09 JUN SPEECH:  
THIS WAS BOUND TO HAPPEN (IT WAS JUST A MATTER OF TIME AND SCALE)  
AND FORTUNATELY IT HAPPENED WHEN THE PARTY ELDERS WERE STILL  
AROUND. THIS CERTAINLY REINFORCES SUSPICIONS THAT 03/04 JUN MASSACRE  
WAS NO/NO ACCIDENT OR SURPRISE. (FOR DENG).

9. IF THE ABOVE IS TRUE, THE CURRENT QUOTE STRUGGLE UNQUOTE (THE  
TERM HAS RESURFACED) WILL BE PROTRACTED AND BITTER. THE WITCH-HUNT  
WILL BE RUTHLESS. AS LI PENG SAID, ONLY A QUOTE INITIAL VICTORY  
UNQUOTE HAS BEEN SCORED ALTHOUGH THE QUOTE REBELLION UNQUOTE IS  
QUELLED. IN AN ATTEMPT TO SUPPRESS INDEPENDENT THOUGHT, AND ISOLATE  
CHINA FROM POLITICAL DEVELOPMENTS IN THE WEST OR IN EASTERN EUROPE,  
THE CHINESE GERONTOCRACY MAY HAVE TO STRIKE DEEP AND FAR. THE ERA  
OF DARKNESS MAY BE LONG. DO THEY BELIEVE THEY WILL WIN IN THE  
LONG RUN? THEY PORTRAY THE ISSUE IN LIFE AND DEATH TERMS (FOR  
THE PARTY, NEVER MIND THE PEOPLE), AND ARE APPARENTLY DETERMINED TO  
GIVE IT A TRY. ALL IMPERIAL EDICTS WERE PREFACED BY THE WARNING TO  
QUOTE TREMBLE AND OBEY UNQUOTE. EMPEROR DENG EXPECTS NOTHING LESS.  
CCC/302 290414Z WJGR3532

C O N F I D E N T I A L

FM PEKIN WJDR0135 28JUN89.

TO TT NDHQOTT/CIS ADM/DDI 6-3/ DE CA

INFO EXTOTT PNR

---PLA OCCUPATION OF BEIJING

RETURN TO RENYOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE PORIE AU DOSSIER
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30-0105  
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SUMMARY: THERE HAS BEEN NO/NO SIGNIFICANT CHANGE IN THE STRENGTH OR POSTURE OF THE OCCUPATION FORCES. NEITHER ARE THERE SOLID INDICATORS AS TO PROBABLE LENGTH OF THEIR STAY.

2. REPORT: CFA OFFICE SURVEILLANCE SUPPLEMENTED BY OTHERS PROVIDE NO/NO CLUES TO ANY CHANGE IN THE STRENGTH PATTERN OR POSTURE OF OCCUPATION FORCES. PLA VISIBILITY IS KEPT HIGH ONLY BY TRAFFIC INTERSECTION GUARDS BY DAY AND EVENING WHICH ARE SUPPLANTED BY ROADBLOCKS AT NIGHT. SPORADIC NIGHT TIME WARNING OR INADVERTENT RIFLE DISCHARGES ARE A FEATURE WHICH THE CASUAL VISITOR SHOULD BE PREPARED FOR.

3. THERE HAS BEEN NO/NO CHANGE IN MILITARY TRAFFIC TO WARRANT IMMEDIATE FEEDBACK. SIGHTINGS WILL BE FED BACK THROUGH USUAL CHANNELS.

4. WE HAVE NOTED THE STRINGING OF ONE FIELD TELEPHONE LINE AND ONE OTHER FIELD TELEPHONE AND PRESUMABLY ITS LINE IN USE. ONE OF THE TENT CITIES HAS A WATER SUPPLY LINE RIGGED. LOGISTICS SUPPORT MOVEMENTS ARE NOT/NOT UNUSUALLY HEAVY. THERE IS THEREFORE NO/NO EVIDENCE SUGGEST A PLA PRESENCE INTO THE WINTER MONTHS. TRAFFIC GUARDS ARE NOW EQUIPPED WITH SUN UMBRELLAS.

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PAGE TWO WJDR0135 CONF

5. GUARD TROOPS ARE NOW ALL SPORTING A PATCH ON THE LEFT UPPER ARM WITH CHINESE CHARACTERS STANDING FOR QUOTE DUTY: MARTIAL LAW COMMAND UNQUOTE. BELOW THESE CHARACTERS ARE A SMALL ROMAN ALPHABETIC LETTER AND SINGLE DIGIT NUMBER. THE LETTER APPEARS TO BE INDICATIVE OF ARMY AFFILIATION. THE NUMBER OF UNIT AFFILIATION.

6. YOU MAY ALREADY BE AWARE THAT THE PEOPLES DAILY NEWSPAPER HAS BEEN PUT UNDER THE LEADERSHIP OF THE FORMER DIRECTOR OF THE PLA PROPAGANDA DEPARTMENT. THE TWO FORMER TOP LEADERS OF THE NEWSPAPER HAVE RESIGNED FOR HEALTH REASONS.

CCC/278 280030Z WJDR0135



*Handwritten initials and signature:*  
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C O N F I D E N T I A L

FM HKONG XBGR0559 28JUN89

TO PEKIN

INFO EXTOTT PNR TT NDHQOTT/CIS ADM/DDI 6-3/ DE CAF

REF YOURTEL WJGR0113 27JUN

---PRC:STUDENT REBELLION SUPPRESSION-EVIDENCE

FOOTAGE SEEN HERE WAS EDITED ON GROUNDS THAT SOME ELEMENTS TOTALLY UNACCEPTABLE FOR HKONG VIEWERS. PERSON INTERVIEWED WAS MALE CAUCASIAN (PROFILE ONLY SHOWN) AND SPOKE ENGLISH AS A LONG-TIME CDN RESIDENT. HE WAS INTRODUCED ONLY AS CDN BUSINESS PERSON AND BY NATURE OF INTERVIEW DID NOT/WANT HIS IDENTITY KNOWN-PRESUMABLY BY CHINESE WITH WHOM HE PROBABLY HAS COMMERCIAL RELS. ATTEMPTS TO FOLLOW-UP WITH STATION IMMEDIATELY AFTERWARDS PROVED FRUITLESS AS THEY WERE PROTECTING THEIR SOURCE.

2. WE ALSO HEARD OF CDN CIT BY NAME OF CHAUSSON OR POSSIBLY CHAO SUN WHO REPORTEDLY HAD FILM FOOTAGE OF ATROCITIES.

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P R O T E C T E D

FM PEKIN WJGR3531 28JUN89

TO EXTOTT PNR

INFO HKONG CIDADHULL/BSC TT NDHQOTT/DGIS/ DE CAF

BAG SHNGI DE PEK

DISTR JISB PND PNC PGP ISE INP

REF OURTEL WJGR3524 26JUN

---TRAVEL ADVISORY:PRC

TWO EXAMPLES OF INCIDENTS WHICH HAPPENED 26/27 JUN CONFIRM SITU  
REMAINS VOLATILE AND CASUAL TRAVELLERS WOULD BE WELL ADVISED TO  
CONTINUE TO AVOID PRC,ESP PEKIN.

2. IN PEKIN LATER PM 27JUN LARGE CONTINGENT OF SOLDIERS (AND  
CROWD OF ONLOOKERS) SEEN NEAR JIAOLONG HOTEL (OPPOSITE O/R, NEAR  
EMB). SOLDIERS HOLDING AK-47S IN FIRING POSITION, ATMOSPHERE VERY  
TENSE. ONLOOKER SAID THERE HAD BEEN SNIPER FIRE (EMB COULD NOT/NOT  
ASCERTAIN). ARRESTS WERE MADE.

3. MONDAY 26JUN, 24 PEOPLE KILLED AND MANY MORE INJURED IN PASSENGER  
TRAIN EXPLOSION BETWEEN SHNGI AND HANGZHOU. CHINA DAILY REPORTS  
QUOTE IT IS BELIEVED BLAST WAS CAUSED DELIBERATELY UNQUOTE.

4. WE CAN EXPECT INCIDENTS OF SABOTAGE AND SPORADIC VIOLENCE FOR  
FORESEEABLE FUTURE THROUGHOUT CHINA.

CCC/302 280530Z WJGR3531

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External Affairs / Affaires extérieures  
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**NATO CONFIDENTIAL**

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MGTC/JOURNAL/CIRC/DOSSIER

**SECURE FACSIMILE**

**MESSAGE**

Accession/Référence

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SECURITY / SÉCURITÉ

**CONFIDENTIAL**

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FM/DE

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TO/A

TO EXTOTT PNR

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SUBJ/SUJ

---CHINA: CENTRAL CTTEE PLENUM

UK DEL CIRCULATED IN POL CTTEE TODAY ATTACHED ANALYSIS OF  
PERSONNEL CHANGES AT FOURTH PLENUM OF CENTRAL CTTEE OF CHINESE  
CP 23-24JUN.

**ACTION  
SUITE A DONNER**

**SECURE FAX**

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(COMCENTRE PLEASE FAX ATTACHED THREE PAGES)

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**NATO CONFIDENTIAL**

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SIG <i>P Meyer</i> P MEYER/Y		204	SIG <i>A Malone</i> A MALONE

EXT 518-1 (83/11)

**Pages 801 to / à 803  
are withheld pursuant to section  
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**13(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

P R O T E C T E D

PEKIN WJGR3524 26JUN89

TO EXTOTT PNR DELIVER BY 260900

INFO EKONG CILAHULL/BSC TT NDHQOTT/DGIS/ DE CAF

BAG SHNGI DE PEK

DISTR JISE PNL PNC PGP ISE

REF JISG3657 23JUN CIDAULL BSC0458 23JUN CURTEL WJGR3490 19JUN

---PROPOSED RETURNS TO PRC

MISSION ADVICE, AFTER CPM REVIEW, AS FOLLOWS.

2. GENERAL GUIDANCE IS TO AVOID PEKIN EXCEPT FOR PRESSING BUSINESS.

MARTIAL LAW TROOPS STILL TRIGGER HAPPY MAKING ACCIDENTS POSSIBLE.

THIS IS ESPECIALLY THE CASE AFTER DARK. EVEN DURING DAYTIME, SHOTS

HAVE BEEN FIRED AT CARS WHO DO NOT/NOT PROMPTLY OBEY ADMONITION TO

STOP. SUCH INCIDENT OCCURRED IN FRONT OF JIANGUO HOTEL AT 1930H

LAST EVENING.

3. BUSINESSMEN: WE MAINTAIN PREVIOUS ADVISORY, IE, THOSE WITH

PRESSING/ONGOING BUSINESS SHOULD COME. THOSE WHOSE INTEREST IS

MERELY MARKET EXPLORATION SHOULD NOT/NOT. WE TALKED TO

SHNGI/MAILHOT AND AGREE HAZEL PAGE CAN COME BACK.

4. TOURISTS: ATTITUDE OF MARTIAL LAW TROOPS STILL MAKE TOURISM IN

PEKIN HAZARDOUS. NO/NO ONE CAN GUARANTEE SAFETY OF INNOCENT TOURIST

WHO WOULD HAZARD HIM/HERSELF NEAR TIANANMEN SQUARE WITH CAMERA.

OTHER EMBS HAVE NOT/NOT LIFTED TRAVEL ADVISORIES. HOWEVER, WOULD

NOT/NOT FEEL IT NECESSARY TO ADVISE AGAINST SIDE TRIPS WHICH DO

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Vol 62

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NOT/NOT INVOLVE PEKIN(IE,SIDE TRIP TO GUILIN FROM HKONG).

5.ACADEMICS AND CDN ADVISORS AT CHINESE UNIVS AND INSTITUTES:GIVEN SPREADING PURGE OF INTELLECTUALS AND ROUND-UPS,NO/NO CREDIBLE RESEARCH WILL BE POSSIBLE THIS SUMMER.THERE IS TOO MUCH STRESS AND TENSION IN UNIVS AND INSTITUTES.CONTACTS WITH FOREIGNERS ARE DISCOURAGED/SUSPECT.ONLY ALLOWED DISCOURSE IS PROPAGANDA.VIS CIDAHULL/BSC0458,ARMY IS STILL BILLETED AT BEIJING UNIV.NO/NO INDICATION THAT THEY WILL LEAVE IN NEAR FUTURE AND FURTHER ARRESTS POSSIBLE.WE CANNOT/NOT GUARANTEE SAFETY OF FOREIGNERS IN SUCH ENVIRONMENT.

6.REITERATE THAT ANY PERSON WHO PLANS TO VISIT OR RETURN TO PRC SHOULD DEFINITELY REGISTER WITH EMB.

CCC/302 260434Z WJGR3524

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C O N F I D E N T I A L

FM PEKIN WJGR3523 26JUN89

TO EXTOTT PNR DELIVER BY 260900

INFO WSHDC HKONG TOKYO SEOUL SPORE BNGKK KLMFR DELHI ISBAD JKRTA  
MANIL BNATO GENEV PARIS LDN MOSCO PRMNY CIDADHULL BSC PCOOTT/IAC  
TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG PRGUE WSAW BUCST BPEST BGRAD DE OTT SHNGI DE PEK

DISTR USS PGB PND PSD PSR PNC PGP INP INE CPP CPD CPE ISF ISS IMH  
REF OURTEL WJGR3522 26JUN(NOTAL)

---NEW POLITBURO REPRESENTS COMPROMISE BETWEEN ULTRA-CONSERVATIVES  
AND DENG

SUMMARY:CENTRAL CTTEE OF CCP HAS PURGED ZHAO ZIYANG AND HIS  
POLITEBURO COLLEAGUE HU QILI FROM ALL PARTY POSTS.CENTRAL CTTEE  
COMMUNIQUE ACCUSED ZHAO OF SUPPORTING TURMOIL AND SPLITTING PARTY.  
NEW SEC GEN IS SHNGI PARTY SEC GEN JIANG ZEMIN, A TECHNOCRAT WHO WILL  
PURSUE DOMESTIC HARDLINE POLICIES BUT AT SAME TIME PROMOTE OPEN DOOR  
AND ECON REFORM.CLEARLY A DENG APPOINTEE, HE AND TWO OTHER NEW  
MEMBERS WILL COUNTERBALANCE ULTRA CONSERVATIVE FACTION IN STANDING  
CTTEE.THIS SUGGESTS THAT FACTIONAL STRUGGLE BETWEEN DENGIST AND  
ULTRA-CONSERVATIVES IS STILL INTENSE BUT THAT DENG HAS BEEN ABLE TO  
MAINTAIN HIS DUAL POLICY OF MODERNIZATION THROUGH ECON REFORM AND  
OPEN DOOR AS WELL AS STRICT POLITICAL ORTHODOXY.LATTER WILL BE  
GIVEN INCREASED EMPHASIS AS ALREADY DEMONSTRATED BY WIDESPREAD

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ARRESTS AND PROPAGANDA HYPE.

2. REPORT: 4TH PLENUM OF THE 13TH PARTY CONGRESS (23-24 JUN) HAS STRIPPED ZHAO ZIYANG OF ALL HIS PARTY POSTS. AT SESSION, WHICH WAS PRECEDED BY QUOTE ENLARGED UNQUOTE MTG OF POLITBURO (19-21 JUN), MEMBERS APPROVED REPORT READ BY LI PENG CONDEMNING ZHAOS MISTAKES. COMMUNIQUE OF MTG SAID THAT AT CRITICAL JUNCTURE OF LIFE AND DEATH OF PARTY AND STATE, ZHAO HAD MADE MISTAKE OF SUPPORTING TURMOIL AND SPLITTING PARTY AND HAD UNSHIRKABLE RESPONSIBILITY FOR WAY TURMOIL DEVELOPED. COMMUNIQUE SAID ZHAO TOOK PASSIVE APPROACH TO ADHERENCE TO FOUR CARDINAL PRINCIPLES AND OPPOSITION TO BOURGEOIS LIBERALIZATION AND GRAVELY NEGLECTED PARTY BLDG, IDEOLOGICAL AND POLITICAL WORK. HIS CASE IS TO BE FURTHER INVESTIGATED (SUGGESTING NO/NO FINAL AGREEMENT BETWEEN FACTIONS ON HOW FAR SANCTIONS SHOULD GO).

3. DISMISSED AT SAME TIME WERE POLITBURO STANDING CTTEE MEMBER AND PROPAGANDA CHIEF HU QILI, RUI XINGWEN AND YAN MINGFU, ALL MEMBERS OF CCP SECRETARIAT AND CLOSELY LINKED TO ZHAO. THEY HAVE BEEN REPLACED IN SECRETARIAT BY LI RUIHUAN AND DING GUANGEN.

4. NEW PARTY SEC, JIANG ZEMIN, IS RELATIVELY YOUNG AT 63. HE IS INTELLIGENT AND SPEAKS BOTH ENGLISH AND RUSSIAN. AN ELECTRICAL ENGINEERING GRAD FROM SHNGIS PRESTIGIOUS JIAOTONG UNIV IN 1947, HE DID FURTHER TRAINING IN USSR IN 1955-6. IN HIS EARLY CAREER, HE

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PAGE THREE WJGR3523 CONF

MANAGED VARIOUS ENGINEERING UNITS. HE HELD VICE MINISTERIAL AND MINISTERIAL POSITIONS IN ECON/TECH PORTFOLIOS IN 1980S AND IN 1985 WAS ELECTED MAYOR OF SHENJI. HE RELINQUISHED THIS POSITION IN 1987 TO BECOME SHENJI PARTY SECRETARY. HE HAS BEEN A CENTRAL CTTEE MEMBER SINCE 1982 AND POLITBURO MEMBER FOR LAST TWO YEARS. HE IS THOUGHT TO BE SON-IN-LAW OF CHAIRMAN OF CHINESE PEOPLES POLITICAL CONSULTATIVE CONF AND FORMER STATE PRESIDENT, LI XIANNIAN. JIANG HAS BEEN CALLED QUOTE COLOURLESS TECHNOCRAT UNQUOTE, BUT FOREIGNERS WHO KNOW HIM SAY HE CAN DISPLAY WARMTH AND DIRECTNESS. BECAUSE OF HIS MOST RECENT POSITIONS, HE IS WELL KNOWN BY FOREIGN BUSINESS PEOPLE, WHICH SHOULD BE AN ADVANTAGE IN PROMOTING CHINAS OPEN DOOR POLICY. HOWEVER, UNLIKE HIS PREDECESSORS, HU YAOBANG AND ZHAO ZIYANG, HE HAS NO/NO POLITICAL POWER BASE. LIKE LI PENG, HE IS NOT/NOT HIS OWN MAN AND THEREFORE SHOULD BE SEEN AS A TRANSITIONAL FIGURE. BECAUSE HE WAS NOT/NOT DIRECTLY INVOLVED IN PEKIN MASSACRE, HIS APPT WILL NOT/NOT UPSET THOSE WHO WERE REVOLTED BY CARNAGE, BUT HIS NO-NONSENSE TAKEOVER OF INFLUENTIAL WORLD ECON HERALD AND DISMISSAL OF ITS RESPECTED EDITOR QIN BENLI IN LATE APR AS WELL AS HIS ABILITY TO CONTROL STUDENT DEMOS MORE EFFECTIVELY THAN IN PEKIN WILL PLEASE PARTY HARDLINERS. THUS, HE IS A GOOD COMPROMISE CHOICE.

5. ELEVATION OF JIANG AND INFLUENTIAL TIANJIN MAYOR LI RUIHUAN, 53, TO POLITBURO STANDING CTTEE ALSO INDICATES THAT OPEN DOOR POLICY

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PAGE FOUR WJGR3523 CONF

WITH WHICH BOTH MEN HAVE HAD DIRECT EXPERIENCE IS TO CONTINUE. IT IS ALSO CLEAREST SIGNAL YET THAT DENG XIAOPING REMAINS PARAMOUNT LEADER, SINCE JIANG AND LI REPRESENT GOOD COMBINATION OF HARDLINE, POLITICAL TOUGHNESS AND PRAGMATIC, ECON REFORM SO CLEARLY ENUNCIATED IN DENG'S 09JUN SPEECH. OTHER STANDING CTTEE APPT WAS SONG PING, 72, FORMER POL SEC TO ZHOU ENLAI AND CONSIDERED TO HAVE HAD GOOD WORKING RELNS WITH ZHAO WHEN HE WAS PREMIER. HE HAS ALSO HAD CLOSE ASSOCIATION WITH PLA. WITH INCREASE TO SIX MEMBERS, CTTEE NOW APPEARS EVENLY BALANCED BETWEEN THOSE WHO ARE CLEARLY DENG APPOINTEES AND THOSE WHO ARE MORE CLOSELY ASSOCIATED WITH ULTRA-CONSERVATIVES--LI PENG, YAO YILIN AND, TO LESSER EXTENT, QIAO SHI. THIS, COUPLED WITH FACT THAT NO/NO NEW POLITBURO MEMBERS WERE APPOINTED TO REPLACE ZHAO AND HU QILI SUGGESTS THAT FACTIONAL STRUGGLE BETWEEN CONSERVATIVE AND DENGIST CLIQUES IS STILL INTENSE AND THAT DISAGREEMENT WITHIN POLITBURO STANDING CTTEE WILL HAVE TO BE REFERRED TO PARTY ELDERS.

6. NEW LINE UP THEREFORE RE-ESTABLISHES SHAKY POLITICAL COMPROMISE SHATTERED BY DEMOCRACY MOVEMENT. IT IS VERY MUCH A DENG CREATION AND IS TRANSLATION OF HIS DUAL INSISTENCE ON ECON REFORM AND PARTY DISCIPLINE. LATTER CAN BE EXPECTED TO BE RE-ESTABLISHED IN MORE SUSTAINED AND RUTHLESS FASHION. BUT WHETHER NEW PARTY LINE-UP CAN SURVIVE DENG IS VERY MUCH OPEN TO DOUBT. TENSIONS EXACERBATED BY MAY/JUNE EVENTS WILL HAVE LONG TERM REPERCUSSIONS. CHINESE POLITICAS WILL REMAIN DOMINATED BY PARTY VETERANS OUTSIDE OF NEW STANDING CTTEE, INC DENG AND GENERAL YANG SHANGKUN.

CCC/078 260800Z WJGR3523

**ACTION  
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P R O T E C T E D

FM PEKIN WJGR3522 26JUN89

TO EXTOTT PNR DELIVER BY 260900

INFO WSHDC HKONG TOKYO SEOUL SPORE BNGKK KLMPR DELHI ISBAD

JKRTA MANIL BNATO GENEV PARIS LDN MOSCO PRMNY CIDAHULL/BSC

PCOOTT/IAC TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG SHNGI DE PEK

DISTR PGB PND PSD PSR PNC PGP INP INE CPP CPD CPE ISE ISS

---DENG XIAOPINGS 09JUN SPEECH QUOTE TO UNIFY THOUGHT UNQUOTE

SUMMARY:SPEECH BY DENG XIAOPING IS BEING STUDIED AT WORK UNITS THROUGHOUT COUNTRY,THOUGH FULL TEXT HAS HAD ONLY LIMITED DISTR.

KEY POINTS ARE THAT QUOTE COUNTER REVOLUTIONARY REBELLION UNQUOTE WAS INEVITABLE(DENG THEREFORE NOT/NOT RESPONSIBLE);THAT

REBELLIOUS CLIQUE WISHED TO TOPPLE PARTY AND ESTABLISH WESTERNIZED BOURGEOIS REPUBLIC;AND THAT THERE WILL BE A CONTINUATION OF POLICIES EMANATING FROM 3RD PLENUM OF 11TH CENTRAL CTTEE(NOV78),IF,

PROMOTING ECON MODERNIZATION THROUGH REFORM AND OPEN DOOR WHILE MAINTAINING FOUR CARDINAL PRINCIPLES OF CHINESE COMMUNISM.PEOPLES DAILY EDITORIAL CALLED SPEECH KEY DOCUMENT FOR UNIFYING THINKING OF PARTY.

2.REPORT:LAST WEEK,CHINESE WORK UNITS BEGAN QUOTE STUDYING UNQUOTE SPEECH BY DENG XIAOPING 09 JUN TO OFFICERS OF MARTIAL LAW TROOPS.FULL TEXT OF SPEECH HAS ONLY BEEN DISTRIBUTED DOWN TO DEPT (CHU) LEVEL IN CITIES AND DOWN TO COUNTRY (XIAN)LEVEL IN

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PAGE TWO WJGR3522 PROTECTED

COUNTRYSIDE.WE PRESUME LIMITED DISTR IN COUNTRYSIDE IS TO AVOID STIRRING PEOPLE UP WHC,WITH EXCEPTION OF PEASANTS CLOSE TO PEKIN. WERE NOT/NOT INVOLVED IN RECENT PROTESTS.LIMITED DISTR IN CITIES IS MORE PUZZLING BUT COULD REFLECT CONCERN TO KEEP DISCUSSION OF SPEECH TO LIMITED ESSENTIAL POINTS,ALLOWING FOR MODIFICATIONS IF NECESSARY.FOLLOWING ANALYSIS IS BASED ON UNOFFICIAL TRANSLATION OF SPEECH WHICH WAS PUBLISHED IN SOUTH CHINA MORNING POST.

3.MAIN POINTS ARE:QUOTE THIS STORM WAS BOUND TO COME SINCE IT WAS DETERMINED BY MAJOR INNATL CLIMATE AND CHINAS OWN MINOR CLIMATE UNQUOTE(IE,DENG ABSOLVES HIMSELF AND HIS POLICIES FROM ANY RESPONSIBILITY FOR EVENTS).THOSE WHO DO NOT/NOT UNDERSTAND WHY FORCE WAS USED WILL SOON COME TO UNDERSTAND.IT WAS FORTUNATE THAT SENIOR COMRADES WERE STILL AROUND TO CORRECTLY ANALYSE SITUATION. HEART OF MATTER WAS THAT QUOTE REBELLIOUS CLIQUE UNQUOTE WISHED TO TOPPLE COMMUNIST PARTY.OVERTHROW SOLCIALIST ORDER AND ESTABLISH WESTERNIZED,BOURGEOIS REPUBLIC.DENG ALSO ATTEMPTED TO BOLSTER ESTEEM OF PLA,CALLING THEIR ACTIONS AND BEHAVIOUR QUOTE POLITICAL TEST UNQUOTE FOR WHICH THEY QUOTE PASSED MUSTER UNQUOTE.PEOPLES ARMY WAS QUOTE GREAT WALL OF IRON AND STEEL OF PARTY AND COUNTRY UNQUOTE.

4.REST OF SPEECH REAFFIRMS CONTINUITY OF POLICIES EMANATING FROM 3RD PLENUM OF 11TH CENTRAL CTTEE (NOV78),IE,PROMOTING ECON MODERNIZATION THROUGH REFORM AND OPEN DOOR WHILE MAINTAINING FOUR

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PAGE THREE WJGR3522 PROTECTED

CARDINAL PRINCIPLES OF CHINESE COMMUNISM (SOCIALIST ROAD, PEOPLES DEMOCRATIC DICTATORSHIP, LEADERSHIP BY CCP, AND MARXISM-LENINISM-MAO ZEDONG THOUGHT). AREA WHERE PARTY HAS FALLEN DOWN, HOWEVER, IS POLITICAL EDUCATION. CRUX OF CURRENT INCIDENT WAS CONFRONTATION BETWEEN FOUR CARDINAL PRINCIPLES AND BOURGEOIS LIBERALIZATION. ON ECON FRONT, PLANNED AND MARKET ECONOMIES MUST CONTINUE TO COEXIST BUT MORE EMPHASIS SHOULD BE PLACED ON PLANNING IN ADJUSTMENT PERIOD. CAPITAL CONSTRUCTION IN SUPPLY OF RAW MATERIALS, TRANSPORTATION AND ENERGY, AS WELL AS AGRICULTURE SHOULD CONTINUE EVEN IF IT INVOLVES HEAVY DEBTS. AND FINALLY, ON POLITICAL SIDE, REFORM MUST CONFORM WITH NATL PEOPLES CONGRESS SYSTEM (IE, CONSULTATION/COOPERATION) AND NOT/COPY USA MODEL.

5. PEOPLES DAILY EDITORIAL CALLED SPEECH QUOTE KEY DOCUMENT FOR UNIFYING THINKING OF WHOLE PARTY UNQUOTE.

6. ATTACK AGAINST BOURGEOIS LIBERALISM, WHICH NOW FIGURES IN ALL OFFICIAL STATEMENTS AND PROPAGANDA, APPEARS FOR MOMENT TO BE STRICTLY LIMITED TO POLITICAL INTERPRETATION. DESPITE CALL FOR MORE FRUGAL LIVING ALSO CONTAINED IN DENG'S SPEECH, THERE IS CERTAINLY NO/NO EVIDENCE SO FAR OF ATTACKS ON WESTERN LIFESTYLES OR CULTURE (OUTSIDE OF POLITICAL CULTURE). STATE RADIO CONTINUES TO PLAY SYRUPY TAIWAN LOVE BALLADS AND MINISKIRTED WOMEN OF PEKIN HAVE NOT/NOT FOUND IT NECESSARY TO DRESS MORE MODESTLY. AT TIME WHEN PUTTING OUT WELCOME MAT FOR FOREIGN BUSINESSMEN IS MORE IMPORTANT

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PAGE FOUR WJGR3522 PROTECTED

THAN EVER,IT IS UNLIKELY THAT LEADERSHIP IS CONTEMPLATING ALL OUT  
ATTACK ON WESTERN CULTURE,BUT UNOFFICIAL CONTACTS BETWEEN CHINESE  
AND WESTERNERS WILL BE MUCH MORE CONTROLLED.

7.DENG REMAINS THE QUOTE 4 PLUS 4 UNQUOTE MAN:FOUR MODERNIZATIONS  
AND FOUR CARDINAL PRINCIPLES (IE,ABSOLUTE SUPREMACY OF CPP).HOW  
THESE CAN BE RECONCILED IN PRACTICE OF COURSE CONSTITUTES DENG'S  
QUANDRY.NEW LEADERSHIP REFLECTS THIS APPROACH.IT MAY BE FRAGILE,  
IE,HIGHLY DEPENDENT ON SURVIVAL OF PARAMOUNT LEADER.SEPARATE TEL  
ON NEW POLITBURO STANDING CTTEE LINE-UP FOLLOWS.

CCC/302 260134Z WJGR3522

**Pages 814 to / à 816  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)**

**of the Access to Information Act  
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The Embassy of the People's Republic of China in Canada, Ottawa			
15 St. Patrick Street, Ottawa, K1N 5H3			
Telephone (613) 234-0963			

June 24 189

# BULLETIN

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20-CHINA-1-4			

Communique of Fourth Plenary Session  
of 13th CPC Central Committee

Beijing, June 24 (Xinhua) -- Following is the full text of the Communique of the Fourth Plenary Session of the 13th Central Committee of the Communist Party of China (CPC) adopted here today:

The Fourth Plenary Session of the CPC Central Committee was convened in Beijing from June 23 to 24, 1989. The meeting was attended by 170 members and 106 alternate members of the Central Committee. Attending the meeting as observers were 184 members of the Central Advisory Commission, 68 members of the Central Commission for Discipline Inspection and 29 leading comrades of the departments concerned.

An enlarged meeting of the Central Committee's Political Bureau was held from June 19 to 21 to make necessary preparations for the Fourth Plenary Session.

Analyzing the country's political situation over the past two months, the Session pointed out that a very small number of people, taking advantage of student unrest, stirred up planned, organized and premeditated political turmoils in Beijing and some other places, which later developed into a counter-revolutionary rebellion in Beijing. The aim of the turmoils and rebellion they incited was to overthrow the leadership of the Chinese Communist Party and to subvert the socialist People's Republic of China. In this serious political struggle, the policy decisions and a series of major measures taken by the Party Central Committee are necessary and correct and have won the support of the whole Party and the people of the whole country. The Session highly evaluated the significant role played in the struggle by veteran proletarian revolutionaries with Comrade Deng

Xiaoping as their representative, and the great contributions made by the Chinese People's Liberation Army, the armed police and the police in quelling the counter-revolutionary rebellion in the capital.

The Session examined and approved a "Report on Comrade Zhao Ziyang's Mistakes in the Anti-Party, Anti-socialism Turmoils" delivered by Comrade Li Peng on behalf of the Political Bureau of the Central Committee. The Session held that at the critical juncture involving the destiny of the Party and the state, Comrade Zhao Ziyang made the mistake of supporting the turmoils and splitting the Party and he had unshirkable responsibilities for the shaping-up of the turmoils. The nature and consequences of his mistake are very serious. Although he did something beneficial to the reform, the opening of China to the outside world and the economic work when he held principal leading posts in the Party and the government, he obviously erred in guidelines and practical work, especially after taking charge of the work of the Central Committee. He took a passive approach to the adherence to the four cardinal principles and opposition to bourgeois liberalization, and gravely neglected Party building, cultural and ethical development and ideological and political work, causing serious losses to the cause of the Party.

In view of Comrade Zhao Ziyang's serious mistakes listed above, the Session decided to dismiss him as General Secretary of the Central Committee, member of the Standing Committee of the Political Bureau of the Central Committee, member of the Political Bureau of the Central Committee, member of the Central Committee, and First Vice-Chairman of the Military Commission of the CPC Central Committee, and decided to look further into his case.

The Session made necessary partial adjustments in the Party's central leadership. Comrade Jiang Zemin was elected General Secretary of the Central Committee; Comrades Jiang Zemin, Song Ping and Li Ruihuan were elected members of the Standing Committee of the Political Bureau of the Central Committee; Comrades Li Ruihuan and Ding Guangen were made members of the Secretariat of the Central Committee; Comrade Hu Qili was removed from the Standing Committee of the Political Bureau of the Central Committee, from the Political Bureau of the Central Committee, and from the Secretariat of the Central Committee; Comrades Rui Xingwen and Yan Mingfu were removed from the Secretariat of the Central Committee.

The Session highly evaluates the important speech made by Comrade Deng Xiaoping at a meeting with corps commanders of the martial

law troops, unanimously believing that the speech is a programmatic document for us to review the past, look forward to the future and unify the thinking and understanding of the whole Party. The Session stresses that the line, principles and policies adopted since the Third Plenary Session of the 11th Central Committee of the Party will continue to be resolutely implemented, and the basic line consisting the "one focus and two basic points" established at the 13th National Party Congress will also continue to be resolutely carried out. The four cardinal principles, as the foundation of the country, must be stick to unswervingly and consistently; the policy of reform and opening to the outside world, as the road to lead the country to strength and prosperity, must be implemented as usual in a steadfast manner. The country must not return to the old closed-door path. At present, special attention should be given to the following four important tasks. The first is to resolutely stop the turmoils and quell the counter-revolutionary rebellion, strictly distinguish between the two different types of contradictions and further stabilize the situation of the whole country. The second is to continue to carry out the policy of improving the economic environment and straightening out the economic order so as to better implement the policies of reform and opening to the outside world and develop the economy in a sustained, steady and coordinated way. The third is to earnestly enhance ideological and political work and make great efforts to carry out education in patriotism, socialism, independence and self-reliance, plain living and hard work, and oppose bourgeois liberalization in real earnest. The fourth is to greatly enhance the building of the Party, democracy and legal system, resolutely penalize corruption, and accomplish a few things of popular concern so as to live up to the people's expectations of the Party.

The Plenary Session is an extremely important meeting in the historical development of our Party. It will not only play a major role in further stabilizing the situation of the whole country at present, but will also exert far-reaching influence on ensuring the continuation of the Party's line, principles and policies adopted since the Third Plenum of the 11th Party Central Committee.

The Session reiterates that China's independent foreign policy of peace remains unchanged. China will continue to develop friendly relations with all countries on the basis of the five principles of peaceful coexistence and continue to contribute to maintaining world peace. The Session believes that China's just struggle to quell the counter-revolutionary rebellion will be understood by peoples of all countries and the friendly ties

between the Chinese people and peoples of other countries will continue to develop.

The Plenary Session calls on the whole Party and people of all nationalities of the country to unite more closely around the Party Central Committee, be of one heart and mind, work hard to overcome all difficulties which lie in the path of advance and confidently push forward the socialist modernization of the country and the cause of reform and opening to the outside world.

9999 (WHY IMPOSE MARTIAL LAW IN BEIJING QUERY PARA  
 SHI WEI PARA BY THE THIRD WEEK OF MAY 1989. SERIOUS  
 TURMOIL HAD TAKEN PLACE IN BEIJING AND SOCIAL STABILITY, PEOPLE'S  
 NORMAL LIFE AND SOCIAL ORDER HAD BEEN DISRUPTED. IN  
 VIEW OF THIS AND IN ACCORDANCE WITH THE STIPULATIONS

OF THE CONSTITUTION OF THE PEOPLE'S REPUBLIC OF  
 CHINA; THE STATE COUNCIL ON MAY 20 ISSUED AN ORDER,  
 SIGNED BY PREMIER LI PENG, IMPOSING MAR TIAL LAW  
 IN SOME SECTIONS OF BEIJING. THE PURPOSE WAS TO  
 CHECK THE UNREST; RESTORE SOCIAL STABILITY IN THE

CITY; SAFE GUARD THE LIFE AND PROPERTY OF THE CITIZENS; PROTECT  
 PUBLIC PROPERTY; AND ENSURE THE NORMAL FUNCTIONING  
 OF CENTRAL GOVERNMENT DEPARTMENTS AND THE BEIJING  
 MUNICIPAL GOVERNMENT. IT CALLED TROOPS TO THE CAPITAL  
 TO ASSIST THE ARMED POLICE; PUBLIC SECURITY PERSONNEL

AND THE BROAD MASSES; INCLUDING THE STUDENTS; TO  
 MAINTAIN BEIJING'S PUBLIC SECURITY AND RESTORE  
 NORMAL PRODUCTION; WORK; TEACHING AND SCIENTIFIC  
 RESEARCH AND OTHER ASPECTS OF LIFE IN THE CAPITAL.  
 PARA HOWEVER; SOME PEOPLE HAVE ASKED CLN SINCE

THE STUDENTS ARE PATRIOTIC; WHY SAY THERE HAS BEEN  
 TURMOIL QUERY SINCE THE STUDENTS ARE PATRIOTIC; WHY  
 SEND IN THE PEOPLE'S LIBERATION ARMY QUERY THEREFORE;  
 THE FOLLOWING EXPLANATIONS MAY BE IN ORDER. PARA  
 1. WHY DI WE SAY THERE HAS BEEN SERIOUS TURMOIL

IN BEIJING QUERY PARA FIRST; IT SHOULD BE SAID THAT  
 THE CHINESE COMMUNIST PARTY AND THE PEOPLE'S GOVERNMENT  
 HAVE; FROM THE VERY BEGINNING; FULLY CONFIRMED THE  
 PATRIOTIC ENTHUSIASM OF THE BROAD MASSES OF YOUNG  
 STUDENTS. THEY HAVE NEVER SAID IT WAS THE MAJORITY

OF STUDENTS WHO WERE STIRRING UP TURMOIL. THE PEOPLE'S  
 DAILY EDITORIAL OF APRIL 26 AND THE MAY 19 SPEECH  
 BY LI PENG ON BEHALF OF THE PARTY CENTRAL COMMITTEE  
 AND THE STATE COUNCIL; AND THE STATEMENTS BY OTHER  
 LEADERS HAVE ALL REPEATEDLY AND CLEARLY POINTED

OUT THAT THE DEMANDS OF THE BROAD MASSES OF YOUNG  
 STUDENTS TO PROMOTE DEMOCRACY; ERADICATE CORRUPTION; PUNISH  
 OFFICIAL PROFITEERING AND OVER COME BUREAUCRACY  
 ARE IN CONFORMITY WITH THE WISHES OF THE PARTY  
 AND GOVERNMENT; AND THAT THEY HAVE PLAYED A POSITIVE

ROLE IN PROMOTING THE SOLUTION OF THESE PROBLEMS. THE  
 PARTY AND GOVERNMENT HAVE ALL ALONG STRICTLY DIFFERENTIATED  
 BETWEEN THE YOUNG STUDENTS' PATRIOTIC ENTHUSIASM  
 AND THE CONSPIRATORIAL ACTIVITIES OF A VERY SMALL  
 NUMBER OF PEOPLE WHO ARE CREATING TURMOIL. PARA

HOW; THEN; DID THESE FEW PEOPLE STIR UP TURMOIL  
 BY MAKING USE OF THE WELL-MEANING ASPIRATIONS OF  
 THE BROAD MASSES OF STUDENTS; BY MAKING USE OF  
 THE SAME PEOPLE'S CONFUSED THINKING; BY MAKING  
 USE OF SOME FAILINGS IN THE WORK OF THE PARTY AND

GOVERNMENT AND THE DIFFICULTIES ENCOUNTERED IN THE COURSE OF CHINA'S ADVANCE QUERY WE HAVE ONLY TO EXAMINE THE RECENT SERIES OF EXTREMELY ABNORMAL EVENTS WHICH HAVE OCCURRED TO COME TO THE CORRECT CONCLUSION. PARA A. THE TURMOIL FOMENTED BY A TINY

MINORITY WAS PREME DITATED. PARA AS EARLY AS THE END OF LAST YEAR AND THE BEGINNING OF THIS YEAR, A SMALL NUMBER OF PEOPLE INSIDE AND OUTSIDE UNIVERSITIES CONSPIRED TO STIR UP CAMPUS UPHEAVAL AND PROVOKE INCIDENTS ON THE OCCASIONS OF THE 70TH ANNIVERSARY

OF THE MAY 4TH MOVEMENT, THE 40TH ANNIVERSARY OF THE FOUNDING OF THE PEOPLE'S REPUBLIC OF CHINA, AND THE 200TH ANNIVERSARY OF THE FRENCH REVOLUTION. PARA IN EARLY MARCH THIS YEAR, SOME ANONYMOUS BIG AND SMALL-CHARACTER POSTERS WERE FOUND IN BEIJING

AND QINGHUA UNIVERSITIES, DIRECTLY ATTACKING THE LEADERSHIP OF THE CHINESE COMMUNIST PARTY AND THE SOCIALIST SYSTEM. ONE SMALL CHARACTER POSTER ENTITLED 'LAMENT FOR THE CHINESE PEOPLE' TERMED THE PRESENT GOVERNMENT 'AUTOCRATIC AND DESPOTIC,' AND CALLED

UPON EVERYONE TO 'FIGHT FOR FREEDOM,' A BIG-CHARACTER POSTER ENTITLED 'THE CALL OF THE TIMES' ASKED 'WHETHER THERE IS ANY REASON FOR THE EXISTENCE OF SOCIALISM' AND 'WHAT KIND OF PHILOSOPHICAL SYSTEM CAN BE USED TO REPLACE MARXISM-LENINISM

QUERY ' AT THE CAMPUS OF BEIJING UNIVERSITY, A POSTER ENTITLED 'A LETTER TO THE BROAD MASSES OF YOUTH AND STUDENTS' CALLED UPON THEM TO FIGHT FOR 'DEMOCRACY, FREEDOM AND HUMAN RIGHTS' UNDER THE LEADERSHIP OF FANG LIZHI, A SCHOLAR WHO ADVOCATES

BOURGEOIS LIBERALIZATION. IN SOCIETY AT LARGE, CERTAIN PEOPLE BECAME VERY ACTIVE AND HELD INCESSANT MEETINGS. FANG LIZHI PRAISED THESE MEETINGS FOR 'ADOPTING AN ATTITUDE OF TOTAL BOYCOTT AND THOROUGH CRITICISM OF THE AUTHORITIES' AND 'HAVING A STRONG

SMELL OF GUNPOWDER.' HE PREDICTED THAT 'WITH THREE MEETINGS OF THIS KIND IN SUCCESSION, PEOPLE WILL TAKE TO THE STREETS.' WHEN HU YAOBANG DIED ON APRIL 15, CERTAIN PEOPLE THOUGHT THE TIME WAS RIPE AND WERE DETERMINED TO STIR UP GREAT DISTURBANCES.

PARA B. THE POLITICAL AIM OF THE TINY MINORITY WAS TO NEGATE THE LEADERSHIP OF THE COMMUNIST PARTY AND THE SOCIALIST SYSTEM. PARA A SO-CALLED MESSAGE TO THE YOUTH AND STUDENTS OF THE NATION, SIGNED 'NANKAI UNIVERSITY,' INCLUDED THE CALL TO 'ESTABLISH

A COMMITTEE FOR THE REVISION OF THE CONSTITUTION AND ABOLISH PRINCIPLES' AND 'ADHERENCES' IN THE CONSTITUTION BRACKET MEANING ADHERENCE TO THE FOUR CARDINAL PRINCIPLES-ED. UNBRACKET, WHICH ARE DEEPLY HATED BY THE PEOPLE.' REN WANDING, FORMER HEAD

OF THE ILLEGAL ORGANIZATION LEAGUE FOR HUMAN RIGHTS) SAID IN A SPEECH DELIVERED IN FRONT OF TIANANMEN GATE TOWER CLN 'WITHOUT THE REMOVAL OF THE FOUR CARDINAL PRINCIPLES FROM THE CONSTITUTION.....THEY WILL TAKE PRECEDENCE OVER THE PEOPLE'S INTERESTS.'

BRACKET THE FOUR CARDINAL PRINCIPLES ARE CLN KEEPING TO THE SOCIALIST ROAD; AND UPHOLDING THE PEOPLE'S DEMOCRATIC DICTATORSHIP; THE LEADERSHIP OF THE COMMUNIST PARTY AND MARXISM-LENINISM AND MAO ZEDONG THOUGHT. UNBRACKET HE CONTINUED; SAYING; 'THE FALSE RELAXATION; HARMONY;

UNITY AND STABILITY OF OUR SOCIETY ARE OBTAINED AT THE PRICE OF AN OVERALL POLICY OF HIGH-HANDEDNESS OVER THE ENTIRE PEOPLE AND AT THE COST OF THE BLOOD; LIFE; LOSS OF FREEDOM AND HEALTH OF MILLIONS OF THE BEST TALENTS;' PARA A BIG-CHARACTER POSTER AT BEIJING

UNIVERSITY SAID; 'MARXISM EQUALS UTOPIA. MAO ZEDONG WAS AN OUT-AND-OUT RASCAL. WITHOUT THE NEGATION OF MAO ZEDONG THOUGHT; THE REFORM CAN HAVE NO PRACTICAL MEANING.' A POSTER AT THE BEIJING UNIVERSITY OF AERONAUTICS AND ASTRONAUTICS; SIGNED 'A DOCTORAL

CANDIDATE' AND ENTITLED 'CHINA'S HOPE CLN PRIVATE OWNERSHIP;' ATTACKED CHINA'S PUBLIC OWNERSHIP AS 'EXCEEDING THE LAWS OF HISTORICAL DEVELOPMENT;' AS BEING 'FETTERS ON THE DEVELOPMENT OF THE PRODUCTIVE FORCES...THE SOIL NURTURING BUREAUCRACY...THE HOTBED

FOR CORRUPTION AND DEGENERATION ...THE CRADIE OF CENTRALIZED STATE POWER AND AUTOCRACY.' THE POSTER ADVOCATED 'SOUNDING THE DEATH KNELL OF PUBLIC OWNERSHIP AS SOON AS POSSIBLE TO WELCOME THE FUTURE OF THE REPUBLIC.' PARA IN THEIR ARTICLES AND

POSTERS; THIS TINY MINORITY; COMPLETELY DISREGARDING THE GREAT ACHIEVEMENTS THAT TEN YEARS OF REFORM HAVE BROUGHT; SLANDERED SOCIALIST CHINA AS BEING 'BLACK AS PITCH;' REACHING A SEVERE CRISIS;' 'RAMPANT WITH PROFITEERING OFFICIALS; FULL OF

CORRUPTION AND DEGENERATION; AND COLLAPSING MORALLY.' THEY CLAIMED THAT 'CHINA IS MORIBUND; THE PEOPLE ARE DEGENERATING; EVERYTHING IS DYING.' AND ADVOCATED THE OVERTHROW OF THE SOCIALIST SYSTEM. PARA AT THE BEIJING UNIVERSITY OF AERONAUTICS AND ASTRONAU

TICS; SOMEONE POSTED UP A 'MESSAGE TO THE ENTIRE CHINESE PEOPLE.' DEMANDING THAT THEY 'ABOLISH THE COMMUNIST PARTY AND PRACTISE A MULTI-PARTY SYSTEM' AND 'ABOLISH THE COMMUNIST PARTY BRANCHES AND CADRES IN CHARGE OF POLITICAL WORK IN ORGANIZATIONS; SCHOOLS

AND UNITS.' SOME BIG CHARACTER POSTERS OPENLY CALLED FOR THE 'ABOLITION OF PARTIES AND ABOGATION OF THE FOUR CARDINAL PRINCIPLES.' SOME ATTACKED THE CHINESE COMMUNIST PARTY AS A 'TREACHEROUS PARTY' WHICH 'ONLY CARES FOR ITS OWN STATUS; WITHOUT

CONCERN FOR THE FUTURE OF THE COUNTRY AND THE NATION; AND DECLARED THAT THE PARTY IS 'DISINTEGRATING.' PARA A FEW POSTERS EVEN DECLARED THAT 'RIGHT FROM THE BEGINNING; EVERYTHING THE COMMUNIST PARTY HAS DONE IS CORRUPT; AUTOCRATIC AND TRAITOROUS...THE

COMMUNIST PARTY HAS DONE NOTHING GOOD.' SOME BIG-CHARACTER POSTERS ATTACKED THE PARTY AS 'HAVING LOST ITS ROLE AS THE VANGUARD ORGANIZATION OF THE ADVANCED PROLETARIAT. IT IS JUST ANOTHER GROUP OF AUTO CRATS IN POWER IN CHINA'S THOUSAND-YEAR-OLD FEUDAL DESPOT

ISM.' SOME PEOPLE BRAZENLY CLAMoured FOR THE OVERTHROW OF THE 'AUTOCRATIC RULE' OF THE CHINESE COMMUNIST PARTY. OTHERS PROPOSED 'INVITING THE KUOMINTANG BACK TO THE MAIN LAND TO SET UP A TWO-PARTY POLITICAL SYSTEM.' PARA DENG XIAOPING HAS ALWAYS UPHELD

THE FOUR CARDINAL PRINCIPLES; AND INSISTED ON OPPOSING BOURGEOIS LIBERALIZATION. HE IS THE CHIEF ARCHITECT OF CHINA'S REFORM AND OPENING UP TO THE OUTSIDE WORLD AND THE MODERNIZATION DRIVE. HE ENJOYS HIGH PRESTIGE INSIDE AND OUTSIDE THE PARTY; AT HOME

AND ABROAD. THE TINY MINORITY HAVE THEREFORE CONSISTENTLY MADE DENG XIAOPING THE TARGET OF THEIR ATTACK; USING EXTREMELY VENOMOUS AND EVEN SCURRILOUS LANGUAGE TO SLANDER AND ABUSE HIM. PARA THE FOUR CARDINAL PRINCIPLES ARE THE FOUNDATION OF OUR COUNTRY. IF

THE FOUR CARDINAL PRINCIPLES AND THE LEADERSHIP OF THE COMMUNIST PARTY ARE ABOLISHED; WHAT ALTERNATIVE IS THERE BUT CAPITALISM? PARA C. THE TURMOIL STIRRED UP BY THE TINY MINORITY WAS CAREFULLY PLANNED; SEMICLON VARIOUS POLITICAL FORCES AT HOME AND ABROAD

WERE INVOLVED. PARA FOR MORE THAN A MONTH; AT EACH STAGE OF THE TURMOIL; EVERY ACTION; SLOGAN AND DEMAND WAS CAREFULLY PLANNED AND ARRANGED. AT THE BEGINNING; ACCORDING TO THE PLANS OF THE SMALL MINORITY; THERE WAS AN ALL-OUT ATTACK ON THE FOUR

CARDINAL PRINCIPLES. PARTY AND GOVERNMENT LEADERS WERE ASSAILED ONE BY ONE. BEFORE AND AFTER APRIL 18 AND 19; WHEN THERE WERE ATTEMPTS TO STORM ZHONGNANHAI WHERE THE PARTY AND GOVERNMENT HEADQUARTERS ARE LOCATED; THE ATTACK WAS CONCENTRATED ON DENG XIAOPING

AND LI PENG. AFTER APRIL 26; WHEN PEOPLE'S DAILY ISSUED THE EDITORIAL EXPOSING THE NATURE OF THE TURMOIL INCITED BY THE SMALL MINORITY; THESE PEOPLE MADE AN ABRUPT AND DRASTIC CHANGE IN THEIR TACTICS. SLOGANS SUCH AS 'SUPPORT THE CHINESE COMMUNIST

PARTY;' 'SUPPORT SOCIALISM' AND 'SUPPORT THE CONSTITUTION' APPEARED. PARA SEVERAL DAYS LATER; WHEN THEY SAW THAT THE PARTY AND GOVERNMENT WERE EXERCISING GREAT RESTRAINT; THEY WITHDREW THESE SLOGANS. WHEN THE SITUATION DETERIORATED AFTER MAY 4; THE SLOGAN

'DOWN WITH DENG XIAOPING' APPEARED AGAIN ALL OVER THE CITY OF BEIJING, CAUSING A TEMPORARY UPROAR. AFTER MAY 19, WHEN PREMIER LI PENG MADE AN IMPORTANT SPEECH CALLING FOR RESOLUTE MEASURES TO CURB THE TURMOIL, THESE PEOPLE FIRST PUT FORTH THE SLOGAN

'DOWN WITH DENG XIAOPING AND LI PENG.' LATER THE TACTICS WERE READJUSTED AGAIN, AND CARE WAS TAKEN, IN THEIR WORDS, NOT 'TO SHOUT EXTREMIST SLOGANS, ESPECIALLY DIRECTED AT DENG XIAOPING'-IN ORDER TO 'WIN OVER DENG XIAOPING FOR THE BENEFIT

OF THE NEXT STEP OF THE STRUGGLE.' THEY THEREFORE CONCENTRATED THEIR ATTACK ON LI PENG AND THE 'BOGUS GOVERNMENT.' PARA SOME PEOPLE HAVE SAID THAT IF THE LEADERS OF THE CENTRAL AUTHORITIES HAD HELD DIALOGUES EARLIER WITH THE STUDENTS, THINGS WOULD

NOT HAVE BECOME SO SERIOUS. THIS IS NOT TRUE. AS PLANNED BY THE TINY MINORITY, THE ORGANIZERS OF THE STUDENT AGITATIONS ON THE ONE HAND EXPRESSED THEIR WILLINGNESS TO HOLD DIALOGUES WITH THE GOVERNMENT SEMICLON ON THE OTHER HAND, THEY LAID DOWN A NUMBER

OF PRECONDITIONS AND SPREAD THE WORD THAT THE GOVERNMENT WAS NOT SINCERE. IN FACT, IT WAS THEY WHO OBSTRUCTED THE DIALOGUES AND DID THEIR BEST TO ERECT BARRIERS. AT FIRST, THEY SAID THAT THEY WOULD SEND 20 REPRESENTATIVES TO THE TALKS WITH THE GOVERNMENT. WHEN THE GOVERNMENT

AGREED, THEY ASKED TO INCREASE THE NUMBER TO 200. AT THE SAME TIME, THEY STARTED A RUMOUR THAT THE GOVERNMENT HAD LIMITED THEM TO ONLY 20 REPRESENTATIVES. AS A RESULT, THE DIALOGUE WAS NOT HELD AS SCHEDULED. ON THE MORNING OF MAY 13, THE OFFICES OF THE PARTY

CENTRAL COMMITTEE AND THE STATE COUNCIL INVITED THEM TO A DIALOGUE ON MAY 15. WHILE EXPRESSING THEIR AGREEMENT TO HOLD A DIALOGUE, THEY PROMPTLY ISSUED A DECLARATION, PREPARED BEFORE HAND, ANNOUNCING THE START OF A HUNGER STRIKE, AND STARTED THE RUMOUR

THAT THE GOVERNMENT HAD REFUSED TO HOLD ANY DIALOGUES, THUS PUSHING SOME STUDENTS TO THE EXTREMES OF STATING A HUNGER STRIKE. PARA DURING THE STUDENT AGITATIONS, A FEW PEOPLE WHO WERE ABLE TO OBTAIN TOP-LEVEL SECRETS OF THE CENTRAL AUTHORITIES EVEN SENT PEOPLE

TO SOME OF BEIJING'S COLLEGES AND UNIVERSITIES AND TO TIANANMEN SQUARE TO DIVULGE CONFIDENTIAL INFORMATION AND STIR UP DISTURBANCES. SOMETIMES, ONLY A FEW HOURS AFTER A MEETING OF THE STANDING COMMITTEE OF THE PARTY POLITBURO HAD BEEN HELD,

AND BEFORE THE SUBJECTS DISCUSSED HAD BEEN TRANSMITTED OFFICIALLY, CERTAIN UNIVERSITY CAMPUSES WERE ALREADY IN POSSESSION OF THE INFORMATION AND HAD MADE IT PUBLICLY KNOWN. THE DIFFERENT VIEWS OF LEADERS OF THE PARTY CENTRAL COMMITTEE WITH REGARD TO THE

STUDENT AGITATIONS WERE WIDELY PUBLICIZED BY A MINORITY WITH ULTERIOR MOTIVES; AND THIS CAUSED SERIOUS IDEOLOGICAL CONRUSSION. PARA VARIOUS POLITICAL FORCES AT HOME AND ABROAD INTERVENED IN THE STUDENT AGITATIONS. THEY GAVE COUNSEL TO THE STUDENTS AND

ACTED IN CONCERT WITH EACH OTHER. HU PING, CHEN JUN AND OTHER MEMBERS OF THE REACTIONARY ORGANIZATION CHINA DEMOCRATIC ALLIANCE JOINTLY ISSUED AN 'OPEN LETTER TO CHINESE UNIVERSITY STUDENTS' FROM NEW YORK. THIS WAS POSTED UP IN MANY BEIJING UNIVERSITIES.

IT CALLED UPON THE ORGANIZERS OF THE STUDENT AGITATIONS TO PAY ATTENTION TO 'CONSOLIDATING THE ORGANIZATIONAL LINKS ESTABLISHED DURING THIS MOVEMENT AND TO STRIVE FOR A STRONG MASS EFFORT IN ORDER TO BE EFFECTIVE.' IT SAID THAT AT THAT TIME 'THE COMPLETE NEGATION

OF THE ANTI-LIBERALIZATION MOVEMENT OF 1987 SHOULD BE USED AS A BREAK-THROUGH POINT' AND 'IT IS NECESSARY TO STRENGTHEN YOUR CONTACTS WITH VARIOUS PRESS MEDIA AND OTHER CIRCLES... TO TRY TO WIN THEIR SUPPORT AND PARTICIPATION.' TWO LEADERS OF THE

ORGANIZATION, WANG BINGZHANG AND TANG GUANGZHONG, HURRIEDLY FLEW TO TOKYO FROM NEW YORK IN AN ATTEMPT TO REACH BEIJING TO TAKE A HAND IN THE TURMOIL.

PARA A GROUP OF ORIGINAL MEMBERS OF THE 'CHINA SPRING' ORGANIZATION LIVING IN THE UNITED STATES

SET UP A 'CHINA DEMOCRATIC PARTY' AND SENT A 'LETTER TO ALL COMPATRIOTS' ON APRIL 16 WHICH REACHED SOME BEIJING UNIVERSITY CAMPUS ES. IT INCITED THE STUDENTS TO 'DEMAND THAT CONSERVATIVES AND BUREAUCRATS STEP DOWN' AND 'PUSH THE CHINESE

COMMUNIST PARTY TO END ITS AUTOCRATIC RULE.' PARA ALL THESE FACTS SHOW THAT A SMALL NUMBER OF PEOPLE AT HOME AND ABROAD COLLUDED WITH EACH OTHER; ACTED IN COLLA BORATION AND PLANNED THE TURMOIL CAREFULLY. PARA D. THE TINY MINORITY USED RUMOURS AND INSTIGATIONS TO STEADILY WORSEN THE SITUATION. PARA SINCE THE

BEGINNING OF THE STUDENT AGITATIONS; BEIJING HAS BEEN FULL OF RUMOURS OF VARIOUS SORTS. IT IS FOOD FOR THOUGHT THAT WHENEVER THE GOVERNMENT TOOK MEASURES TO EASE THE SITUATION AND ONCE THE STUDENTS BECAME CALM; THERE WERE ALWAYS NEW RUMOURS AND INSTIGATIONS

WHICH LED TO GREATER UNREST. PARA AFTER THE DEATH OF HU YAOBANG ON APRIL 15; SOME PEOPLE SPREAD THE RUMOUR THAT 'LI PENG ABUSED HU YAOBANG AT A POLITBURO MEETING; WHICH MADE HU TERRIBLY ANGRY AND THUS CAUSED HIS DEATH.' PARA ON APRIL 20; A FEW PEOPLE TRIED

TO BREAK THROUGH ZHONG NANHAI'S XINHUA GATE. SOME PEOPLE WHO HAD GATHERED IN FRONT OF THE ENTRANCE WERE FINALLY PUT INTO BUSES BY THE POLICE ON DUTY AND SENT BACK TO THEIR UNIVERSITIES BEFORE DAWN. DURING THIS PROCESS; BOTH SIDES PUSHED AND TUSSLED

WITH ONE ANOTHER. THEN CAME THE RUMOURS; 'THE POLICE BEAT PEOPLE AT XINHUA GATE-NOT JUST STUDENTS; BUT WORKERS; WOMEN AND CHILDREN' AND 'MORE THAN A THOUSAND WORKERS IN SCIENCE AND TECHNOLOGY FELL IN THE BLOODSHED.' AT THE SAME TIME; ANOTHER RUMOUR

RAN THAT A STUDENT FROM BEIJING NORMAL UNIVERSITY WAS RUN OVER BY A POLICE CAR BRACKET IN FACT; A STUDENT ON A BICYCLE WAS UNFORTUNATELY KILLED IN AN ORDINARY TROLLEY BUS TRAFFIC ACCIDENT UNBRACKET . MANY STUDENTS WHO KNEW NO THING ABOUT THE TRUTH

WERE SYMPATHETIC AND ANGRY. PARA ON APRIL 22; AFTER THE MEMORIAL MEETING FOR HU YAO BANG; SOME PEOPLE SPREAD TO STUDENTS AT TIANANMEN SQUARE THE RUMOUR THAT 'PREMIER LI PENG HAD PROMISED TO MEET THE STUDENTS ON THE SQUARE AT 12 CLN 45.' ACTUALLY;

HE HAD MADE NO SUCH PROMISE; AND WHEN IT DID NOT HAPPEN; IT WAS RUMORED THAT 'LI PENG HAS CHEATED THE STUDENTS;' WITH THE RESULT THAT 60,000 STUDENTS STAGED A CLASS BOYCOTT. SO THE STUDENT AGITATIONS ESCALATED. ON APRIL 23; AS UNIVERSITY STUDENTS

IN THE CAPITAL BOYCOTTED CLASSES; A SMALL MINORITY DISTRIBUTED LEAF LETS OF THE SO-CALLED BEIJING WORKERS' FEDERATION EVERYWHERE IN ORDER TO INCITE WORKERS TO GO ON STRIKE. PARA ON MAY 13; A NUMBER OF STUDENTS FROM BEIJING'S UNIVERSITIES STARTED A HUNGER STRIKE

AT TIANANMEN SQUARE. THE SMALL MINORITY SPREAD EVERYWHERE THE RUMOUR THAT 'THE WORKERS OF BEIJING ARE GOING ON GENERAL STRIKE' IN ORDER TO MAKE THE SITUATION DETERIORATE FURTHER. PARA ON MAY 20; AFTER THE IMPOSITION OF MARTIAL LAW IN SECTIONS

OF BEIJING BY THE STATE COUNCIL; THE FOLLOWING RUMOUR WAS SPREAD CLN 'LI PENG PRESIDED OVER A MEETING WHICH HAS MADE FOUR DECISIONS CLN 1. THE NATURE OF THE STUDENT MOVEMENT HAS BEEN DETERMINED, AS A REBELLION SEMICLN 2. ALL THE 200,000 STUDENTS

AT TIANANMEN SQUARE ARE TO BE SUPPRESSED SEMICLN 3. ALL THE LARGE PRISONS IN THE CAPITAL WILL BE EMPTIED TO HOLD STUDENTS SEMICLN 4. ALL THE STREET CLEANERS WILL BE MOBILIZED TO CLEAN UP TIANANMEN THE MORNING AFTER THE SUPPRESSION.' LATER; MORE

RUMOURS CIRCULATED; SAYING THAT 'TROOPS WILL BE AIR DROPPED' AND 'THEY WILL USE TEARGAS.' ALL THIS WAS AIMED AT INTENSIFYING THE CONFLICT BETWEEN STUDENTS AND CITY RESIDENTS AND THE PEOPLE'S LIBERATION ARMY. PARA THE TINY MINORITY HAS CREATED TURMOIL

BY FABRICATING RUMOURS TO DECEIVE THE MASSES. WHEN SOME OF THEIR RUMOURS WERE SPIKED; THEY STARTED NEW RUMOURS BY CHANGING THE APPEARANCE OF THE OLD ONES. PARA E. A FEW PEOPLE HAVE WILLFULLY TRAMPLED UPON DEMOCRACY AND THE LEGAL SYSTEM; AND THEIR

DEEDS HAVE LED TO SERIOUS CHAOS IN THE SOCIAL ORDER. PARA FOR MORE THAN A MONTH; SOME PEOPLE, INCITED BY A TINY MINORITY, ORGANIZED PARADES, DEMONSTRATIONS, SIT-INS AND HUNGER STRIKES, ALL WITHOUT APPROVAL AND REGARDLESS OF THE 10-POINT REGULATION ABOUT

PARADES AND DEMONSTRATIONS PASSED BY THE STANDING COMMITTEE OF THE BEIJING PEOPLE'S CONGRESS. THEY OCCUPIED TIANANMEN SQUARE FOR A LONG PERIOD, AND AS A RESULT SOME IMPORTANT STATE AFFAIRS, SUCH AS THE SINO-SOVIET SUMMIT MEETINGS, COULD NOT BE

CARRIED OUT AS PLANNED AND SOME ACTIVITIES HAD TO BE CANCELLED. THIS SITUATION HARMED THE PRESTIGE AND IMAGE OF CHINA. PARA AFTER THE BEGINNING OF MAY THIS YEAR, THE DEMONSTRATIONS STEADILY INCREASED IN SCALE, GROWING FROM TENS OF THOUSANDS TO HUNDREDS

OF THOUSANDS, EVEN TO OVER A MILLION. THIS SERIOUSLY DISRUPTED BEIJING'S REGULAR PRODUCTION, WORK AND SOCIAL ORDER. SOME PEOPLE SURROUNDED OFFICES OF THE PARTY CENTRAL COMMITTEE, OFFICES OF THE STATE COUNCIL AS WELL AS THE HOMES OF SOME STATE LEADERS.

SOME ROGUES HARASSED THE BEIJING PARTY COMMITTEE AND THE BEIJING MUNICIPAL GOVERNMENT, CURSING AND USING SCURRILOUS WORDS. PUBLIC TRANSPORT IN BEIJING'S URBAN AREA WAS SERIOUSLY DISRUPTED AND EVEN PARALYZED FOR A TIME. INDUSTRIAL RAW MATERIALS COULD NOT BE

BROUGHT IN AND FINISHED PRODUCTS CARRIED OUT. EVEN THE TRANSPORT OF GAS AND FOODSTUFFS WERE HAMPERED. SHOPS AND ENTERPRISES COULD NOT MAKE BANK DEPOSITS IN TIME. PARA SOME PEOPLE TOOK ON THE ROLES OF POLICEMEN AND PUBLIC SECURITY PERSONNEL WITHOUT

AUTHORIZATION, YOPPING VEHICLES AND CHECKING THE ID CARDS OF PEOPLE AS THEY LIKED. SOME LAWLESS PEOPLE WILLFULLY ABUSED AND EVEN STRUCK POLICEMEN AND PUBLIC SECURITY PERSONNEL. AS ANARCHIC CONDITIONS BECAME INCREASIVLY SERURS, LOKL SCURITY PERXNNEL

AND ARMEFPOLICE FELT THEY COGD NOT CARRY OUT THEIR HEAVY TASK OF KEPING THE CAPITAL IN ORDER, AND BEATION, SMASHING AND LOOTING REPEATEDLY OCCURRED. SOME LAWLESS PEOPLE TOOK THE OPPORTUNITY TO ROB BANKS. ONCE, DOZENS OF BANDITS ROBBED THE HUIYUAN

DEPARTMENT. STORE ON DONGSI STREET. SOME 3,800 BOTTLES OF MILK CARRIED IN A TRUCK OF THE GUANG ANMEN DAIRY PRODUCTS PLANT WERE STOLEN. NEAR YONG DINGMEN RAIL WAY STATION, SOME NO. 54 BUSES WERE SMASHED. SIX RUFFIANS ROBBED SOME HUBEI PROVINCE FARMERS ON

THE HIGHWAY BE TWEEN FANGSHAN COUNTY OF BEIJING MUNICIPALITY AND LI ANGXIAN, SAYING 'WE HEAR BEIJING IS IN TURMOIL, AND WE ARE GOING TO GET SOME POCKET MONEY.' DURING THE PERIOD OF DEMONSTRATIONS, SOME RUFFIANS WENT TO THE DOWNTOWN AREAS OF WANGFUJING

AND QIANMEN; PREPARING TO ROB SHOPS AND STORES; BUT THANKS TO THE EFFORTS OF STAFF MEMBERS AND POLICEMEN; THEY DID NOT SUCCEED. PARA WHAT IS MORE SERIOUS; THE TURMOIL SPREAD FROM BEIJING TO OTHER PARTS OF THE COUNTRY; AND DISTURBANCES HAPPENED

ALSO IN MANY OTHER CITIES. IN SOME AREAS; ATTACKS ON LOCAL GOVERNMENT AND PARTY COMMITTEE OFFICES OCCURRED ONE AFTER ANOTHER. BEATING; SMASHING; LOOTING; BURNING AND OTHER DISRUPTIVE ACTIVITIES WERE CARRIED OUT. CHINA'S TRANSPORT NETWORK WAS BROKEN FOR A PERIOD.

STUDENTS IN SOME AREAS FORCED THEIR WAY ONTO TRAINS TO BEIJING WITHOUT TICKETS SEMICLON SOME EVEN LAY ON THE TRACKS TO STOP TRAINS. DURING THIS TIME; OVER 200,000 STUDENTS FROM OTHER PARTS OF CHINA ENTERED BEIJING. THEY BOARDED TRAINS WITHOUT TICKETS AND

DID NOT PAY FOR THEIR MEALS; JUST AS YOUNG PEOPLE HAD DONE DURING THE 'CULTURAL REVOLUTION.' PARA A FEW PEOPLE ATTEMPTED TO SEIZE POWER BY TAKING ADVANTAGE OF THE TURMOIL. PARA PROVOKED BY A TINY MINORITY; SOME UNIVERSITY STUDENTS PROCLAIMED

THE ABOLITION OF THE REGULAR STUDENT UNION AND POSTGRADUATE STUDENT UNION; LEADERS OF WHICH HAD BEEN ELECTED BY THE STUDENTS; AND THE ESTABLISHMENT OF A SO-CALLED AUTONOMOUS STUDENT ORGANIZATION SOME STUDENTS EVEN TOOK OVER CAMPUS BROADCASTING

STATIONS. LATER; THESE GROUPS UNITED TO BECOME THE CENTRE DIRECTING THE STUDENT AGITATION. PARA BEFORE MARTIAL LAW WAS DECLARED; THE SITUATION WAS BECOMING MORE AND MORE SERIOUS. SOME WORK UNITS HAD PREPARED TO ASK THEIR LEADERS TO 'TRANSFER

THEIR POWER.' IN SOME MINISTRIES OF THE STATE COUNCIL; CERTAIN GROUPS OF GOVERNMENT EMPLOYEES ASKED THE MINISTERS TO STEP DOWN. SOME PEOPLE DISTRIBUTED LEAFLETS PROCLAIMING THE ESTABLISHMENT OF A 'PREPARATORY COMMITTEE FOR AN ALL-CIRCLES REPRESENTATIVE CONGRESS

OF BEIJING' TO REPLACE THE CURRENT BEIJING PEOPLE'S CONGRESS; AND CALLING FOR THE SETTING UP OF A 'BEIJING REGIONAL GOVERNMENT' TO TAKE THE PLACE OF THE PRESENT LEGAL MUNICIPAL GOVERNMENT. SOME PEOPLE ATTACKED THE LEGALLY SELECTED STATE COUNCIL

AS A 'BOGUS GOVERNMENT;' SPREAD RUMOURS THAT CHINA'S FOREIGN AFFAIRS MINISTRY AND SOME 10 OTHER MINISTRIES HAD DECLARED THEIR INDEPENDENCE FROM THE PRESENT STATE COUNCIL AND THAT MORE THAN 30 COUNTRIES HAD BROKEN DIPLOMATIC RELATIONS WITH

CHINA. SOME PERSONS CLAIMED THAT 'DENG XIAOPING HAS STEPPED DOWN' AND THAT A 'NEW GOVERNMENT' WOULD BE FOUNDED IN THREE DAYS' TIME. PARA A FEW PEOPLE ORGANIZED SOME ROGUES AND LOCAL RUFFIANS INTO A 'FLYING TIGER TEAM;' WHICH INCLUDED OVER

A HUNDRED MOTORCYCLISTS; AND A 'DARE-TO-DIE CORPS' OF OVER A THOUSAND BICYCLISTS. PEOPLE WERE ASKED TO RISE; AS THE MASSES HAD IN THE GREAT FRENCH REVOLUTION; TO 'ATTACK THE BASTILLE' AND THE HANDFUL OF PEOPLE THREATENED TO PUT PARTY AND STATE

LEADERS 'UNDER HOUSE ARREST.' PARA DO NOT THESE FACTS CONSTITUTE TURMOIL QUERY TO RESTORE THE SOCIAL STABILITY OF BEIJING AND PROTECT PEOPLE'S LIFE AND PRIVATE AND PUBLIC PROPERTY; AND TO ENABLE THE CENTRAL DEPART MENTS AND THE BEIJING MUNICIPAL

GOVERNMENT TO CARRY OUT THEIR NORMAL DUTIES; IT WAS NECESSARY FOR THE STATE COUNCIL; AS PROVIDED FOR IN THE CHINESE CONSTITUTION; TO DECLARE MARTIAL LAW IN SOME SECTIONS OF THE CITY. IF THE STATE DID NOT TAKE DECISIVE MEASURES BUT LET THE SERIOUS

SITUATION DETERIORATE; EVEN GREATER DISTURBANCES WOULD OCCUR IN THE CAPITAL; THE WHOLE COUNTRY WOULD FALL INTO SERIOUS TURMOIL AND THE RE FORMS AND MODERNIZATION DRIVE WOULD FALL APART. THIS; OF COURSE; IS NOT WHAT THE 1.1 BILLION CHINESE PEOPLE REALLY WANT

TO SEE. PARA 2. WHY MARTIAL LAW IS NECESSARY PARA SOME PEOPLE HAVE ASKED; WHY WAS MARTIAL LAW IMPOSED ON MAY 20; SINCE THE FASTING STUDENTS AT TIANANMEN HAD ENDED THEIR HUNGER STRIKE ON THE EVENING OF MAY 19 QUERY HERE; TWO POINTS HAVE TO

BE CLARIFIED CLN PARA A. THE IMPOSITION OF MARTIAL LAW ON SOME SECTIONS OF THE CAPITAL WAS NOT JUST TO SOLVE THE PROBLEM OF SOME HUNGER STRIKING STUDENTS; BUT TO END THE TURMOIL; ELIMINATE THE SERIOUS; ANARCHIC SITUATION; RESTORE NORMAL ORDER IN BEIJING AND

PREVENT MORE SERIOUS TURBULENCE. PARA B. THE NEWS THAT THE STATE COUNCIL HAD DECIDED TO IMPOSE MARTIAL LAW WAS LEAKED VERY QUICKLY. SO A SMALL NUMBER OF PEOPLE IMMEDIATELY MOBILIZED THE STUDENTS TO CHANGE THE HUNGER STRIKE TO A SIT-IN. THIS SHOWED

THE TACTICS OF THE TINY MINORITY. PARA SOME PEOPLE HAVE ALSO ASKED ; WHY IS IT STILL NECESSARY TO ENFORCE MARTIAL LAW IN BEIJING; SINCE ORDER HAS BASICALLY BEEN RESTORED QUERY PARA FIRST; FOR MORE THAN A MONTH; UNDER EXTREMELY DIFFICULT CIRCUMSTANCES;

THE BROAD MASSES OF WORKERS; FARMERS; COM MERCIAL PEOPLE; TEACHERS; MEDICAL WORKERS; CADRES OF STREET COMMITTEES ; PARTY AND GOVERNMENT OFFICE STAFF AND ARMED POLICE AND PUBLIC SECURITY PERSONNEL HAD REMAINED AT THEIR POSTS; PERFORMED THEIR DUTY

AND MADE GREAT CONTRIBUTIONS TO ENSURE NORMAL PRODUCTION AND OPERATIONS IN THE CAPITAL. NOTABLY; AFTER THE DECLARATION OF MARTIAL LAW AND WHEN ENFORCEMENT TROOPS REACHED BEIJING; PEOPLE FROM ALL WALKS OF LIFE POOLED THEIR EFFORTS TO SET THINGS RIGHT.

PARA HOWEVER, IT IS ALSO TRUE THAT SOCIAL UNREST IN THE CAPITAL HAD NOT REALLY COME TO AN END DESPITE ALL THESE EFFORTS. DURING THE FIRST TWO DAYS AFTER THE DECLARATION OF MARTIAL LAW, ALL STREET INTERSECTIONS WERE IMMEDIATELY BLOCKED AND 227 BUSES WERE FLAGGED

DOWN TO BE USED AS ROAD BLOCKADES. NO MILITARY VEHICLES WERE ABLE TO ENTER THE CITY. THE DELIVERY OF GOVERNMENT DOCUMENTS ALSO RAN INTO DIFFICULTY FOR SOME TIME. PARADES, DEMONSTRATIONS, PROTESTS AND SIT-INS WHICH HAD RECEIVED NO PRIOR APPROVAL STILL OCCURRED SUCCESSIVELY.

THE SITES OF THE PARTY CENTRAL COMMITTEE AND STATE COUNCIL OFFICES WERE SURROUNDED BY CROWDS. INCITING SPEECHES COULD BE HEARD HERE AND THERE IN THE STREETS. LEAFLETS CONTAINING RUMOURS COULD BE SEEN EVERYWHERE. MOST IN INSTITUTIONS OF HIGHER LEARNING HAD STILL

NOT RESUMED CLASSES. A VERY FEW PEOPLE WERE STILL PLANNING SECRETLY TO STRUGGLE TO THE END AGAINST THE GOVERNMENT. THUS IT IS VERY CLEAR THAT TO END TURMOIL AND RESTORE NORMAL ORDER IN THE CAPITAL REMAINED A VERY GRAVE TASK. PARA SOME PEOPLE

THINK THAT IF THE GOVERNMENT HAD SHOWN MORE WARM CONCERN FOR THE FASTING STUDENTS AND DONE MORE WORK AMONG THEM, THE SITUATION MIGHT HAVE BEEN RELAXED AND THERE WOULD HAVE BEEN NO NEED TO IMPOSE MARTIAL LAW. PARA IN FACT, AS SOON AS THE STUDENTS

HUNGER STRIKE BEGAN AT TIANANMEN SQUARE, THE PARTY AND GOVERNMENT ANXIOUSLY DID THEIR BEST. FIRST, UNIVERSITY STAFF AND LEADING CADRES AT ALL LEVELS AND EVEN SOME PARTY AND GOVERNMENT LEADERS WENT TO SEE THEM AGAIN AND AGAIN, TRYING TO PERSUADE

THEM TO END THE STRIKE. SECOND, THE PARTY AND GOVERNMENT HELPED THE RED CROSS SOCIETY TO SEND MORE THAN A HUNDRED AMBULANCES AND HUNDREDS OF MEDICAL WORKERS TO THE HUNGER STRIKERS, TO BE AT THEIR SERVICE DAY AND NIGHT. AT THE SAME TIME, NEARLY 2,000 BEDS

IN 52 HOSPITALS WERE AVAILABLE TO ENSURE THAT THE STUDENTS WHO SUFFERED FROM SHOCK OR DISEASES BECAUSE OF FASTING COULD BE TREATED AND THEIR LIVES SAVED. PARA THIRD, THE PARTY AND GOVERNMENT PROVIDED ALL KINDS OF GOODS AND MATERIALS TO LESSEN

THE SUFFERINGS OF THE HUNGER STRIKERS AND TO ENSURE THEIR SAFETY. THE BEIJING MUNICIPAL PARTY COMMITTEE AND MUNICIPAL GOVERNMENT ASSIGNED CADRES, WORKERS AND VEHICLES TO TRANSPORT DRINKING WATER, SALT AND SUGAR DAY AND NIGHT TO THE FASTING STUDENTS

THROUGH THE RED CROSS. THE ENVIRONMENTAL SANITATION BUREAU PROVIDED STREET SPRINKLERS TO CARRY WATER, WASHBASINS AND TOWELS FOR THE USE OF THE FASTING STUDENTS. PHARMACEUTICAL COMPANIES OFFERED SUFFICIENT MEDICINES FOR PREVENTION OF HEAT-STROKE, COLDS

AND DIARRHEA AND ASKED THE RED CROSS TO GIVE THEM TO STUDENTS IN NEED. FOOD DEPARTMENTS SENT TO THE SQUARE LARGE NUMBERS OF DRINKS AND BREAD FOR EMERGENCY USE BY THE STUDENTS. COMMERCIAL DEPARTMENTS SUPPLIED 6,000 STRAW HATS AND THE BEIJING MILITARY COMMAND

OFFERED APPROXIMATELY ONE THOUSAND COTTON QUILTS TO THE STUDENTS FOR SHELTER FROM THE SUN DURING THE DAY AND THE COLD AT NIGHT. TO HELP SANITATION AT THE SITE OF THE STRIKE; TEMPORARY TOILETS WERE SET UP AND STREET CLEANERS CLEANED THE SITE DEEP INTO THE NIGHT.

BEFORE THE RAINS ON MAY 18; THE MUNICIPAL PUBLIC TRANSPORT COMPANY DROVE 78 BUSES AND THE BUREAU OF GOODS AND MATERIALS SENT 400 THICK WOODEN SHEETS TO THE SQUARE TO PROTECT STUDENTS FROM THE DOWNPOUR. PARAGRAPH ALL THIS SHOWS THAT THE PARTY, GOVERNMENT

AND WHOLE SOCIETY CARED FOR; AND ADOPTED A RESPONSIBLE ATTITUDE TOWARDS; THE FASTING STUDENTS. IT IS NOT THAT THE PARTY AND GOVERNMENT DID NOT SHOW CONCERN FOR THE FASTING STUDENTS; BUT THAT A TINY MINORITY OF PEOPLE WERE USING THE FASTING STUDENTS

AS HOSTAGES TO FORCE THE GOVERNMENT TO ACCEPT THEIR POLITICAL CONDITIONS. SUBSEQUENT DEVELOPMENTS FULLY PROVED THIS. PARAGRAPH SOME PEOPLE THINK THAT THE MARTIAL LAW ENFORCEMENT TROOPS WERE SENT IN TO QUOTE SUPPRESS THE STUDENTS AND THE MASSES OF PEOPLE.

UNQUOTE THIS IS A MISUNDERSTANDING. PARAGRAPH SINCE THE DECLARATION OF MARTIAL LAW; THE ENFORCEMENT TROOPS; ARMED POLICE AND PUBLIC SECURITY PERSONNEL HAVE BEEN SHOWN GREAT RESTRAINT AND TOLERANCE WHEN THEY WERE MISUNDERSTOOD;

AND EVEN INSULTED AND ASSAULTED BY SOME OF THE MASSES. FOR NEARLY TEN DAYS AFTER THE IMPOSITION OF MARTIAL LAW; NOT A SINGLE STUDENT WAS ARRESTED. RATHER; MORE THAN 60 SOLDIERS OF THE ENFORCEMENT TROOPS; HUNDREDS OF ARMED POLICE AND PUBLIC SECURITY

PERSONNEL WERE WOUNDED BY ASSAULTS. THEY HAVE PROVED WITH THEIR OWN DEEDS THAT THEY ARE THE PEOPLE'S OWN ARMY; LIKE SONS AND BROTHERS TO THEM; SERVING THE PEOPLE HEART AND SOUL. THEY CAME TO THE CAPITAL TO ENFORCE MARTIAL LAW; NOT TO SUPPRESS THE MASSES

AND THE YOUNG STUDENTS. THE MARTIAL LAW ENFORCEMENT TROOPS; ARMED POLICE AND PUBLIC SECURITY PERSONNEL ARE NOW WINNING THE UNDERSTANDING OF MORE AND MORE STUDENTS AND MASSES OF PEOPLE; AND ARE WARMLY CARED FOR AND SUPPORTED BY THE PEOPLE.

BRACKET MAY 29; 1989 UNBRACKET;

SUBJECT

KEEP THE DOOR TO CHINA OPEN

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PUBLIC

THE STRAITS TIMES

DATE

JUNE 24, 1989

MONITOR  
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# The Straits Times

SATURDAY, JUNE 24, 1989

## Keep the door to China open

THE international community is outraged at what has happened in China. First, the brutal massacre of civilian demonstrators, then the attempt to whitewash the atrocity with a grand spool of news invention which is even now still going on, and now, the summary execution of those said to be involved in the demonstrations. In their outrage, Western governments have used the familiar weapon they often pick, when military action is not an option, to hurt an unfriendly nation — economic sanctions.

Will that work? A great deal depends on what they hope to achieve. Herein lies the key to the imposition of economic sanctions — there must be realistic objectives which the country imposing them wants to achieve and which the targeted country can realistically accept. There can be no grand illusions of toppling the Chinese Communist Party or of bringing the country to its economic knees. Selective sanctions for achievable objectives is the best that can be hoped for. Any other approach could worsen the situation, or worse, backfire.

The worst sort of sanctions are those imposed in the heat of the moment to appease public opinion. They will not work if the intended effects have not been carefully thought through. Yes, they might appease or please the American or European public but that is hardly a worthy objective. Western governments need to be honest with themselves and make sure their imposition is not just a grand public relations exercise for their domestic audience.

What is not in anybody's interest is to have a China driven further down the road to economic and political isolation because the international community no longer wants to have any dealings with it. There is a real danger of this happening if the hardliners in China continue to be in control and react to international pressures by shutting the half-open door. If they really believe that it has been this opening up that has led to the civil disorder, they might very well grab the opportunity and reverse the trend. Sanctions by foreign governments applied willy-nilly and without careful thought will give them the excuse to do so — especially if they hurt the ordinary man in the street or the toiling farmer in the countryside. After the attempts to re-write the accounts of the Tiananmen massacre, foreign governments ought to have no doubts about how their actions can be conveyed to the Chinese public in the most cynical manner. It would be disastrous for both China and the rest of the world if indeed hasty action by Western governments precipitate a slamming of China's door on the international community.

So how should sanctions be imposed, if at all? In the immediate future, the most that foreign governments can hope for is to continue to assure the Chinese public that they have not abandoned moral support for their hopes and aspirations. This is all the more important in the face of the propaganda effort by the Chinese government to tell only its side of the story. If the West can find economic sanctions which reinforce their moral support and show their revulsion at the conduct of the government, then these might be worth pursuing. Examples include sanctions on the export of military equipment and sensitive technology to China which could be used for military or offensive purposes.

Whatever measures are finally decided upon, it is of crucial importance for the international community to keep open lines of communication with the Chinese leadership, no matter how distasteful the latter's actions might seem to the outside world. The consequences of not doing so and of the Chinese leadership retreating into their own world are simply too horrendous to contemplate.

MESSAGE

Accession/Référence	SIN002/26	1/2
File/Dossier	20-PRC	

Align first character of Security Classification under this arrow  
Alignez le premier caractère de la Sécurité sous cette flèche

SECURITY UNCLASSIFIED BY FACSIMILE TRANSMISSION  
SÉCURITÉ

**ACTION**  
**SUITE A DONNER**

FM/DE FM SPORE UCGR5632 26JUN89  
 TO/A TO EXTOTT PSR/WELSH  
 INFO  
 DISTR ---STRAITS TIMES EDITORIAL-EVENTS IN PRC  
 REF YOU MIGHT WISH TO READ THIS 24 JUNE EDITORIAL IN CONTEXT OF MY  
 SUBJ/SUJ 23 JUNE REPORT.

*Handwritten signature*

COMCENTRE, PLS FAX ATTACHED 1 PAGE, PLUS COVER.

DRAFTER/RÉDACTEUR	DIVISION/DIRECTION	TELEPHONE	APPROVED/APPROUVÉ
SEAN BRADY/hlm SIG			SEAN BRADY <i>Handwritten signature</i> SIG

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**ACTION  
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C O N F I D E N T I A L

*file*

FM SPORE UCGR5635 23JUN89

TO EXTOTT PSR PNR

INFO ENGGK JKRTA PEKIN HKONG SEOUL TOKYO CNERA WLGTM MOSCO DELHI

MANIL PARIS PRMNY WSHDC BNATO ISBAD LDN BONN ROMF KIMPR POECD

GENEV PCOOTT/IAC PMOCTT CIDAHULL/PRE/BSO/BSG

TT NHHQOTT/LACPOL/ADMPOL/DIPOL/CIS/ DE CAF

BAG PRGUE WSAW BUCST BPEST DE OTT SHNGI DE PEK

DISTR MINA MINT MINE MINP USS DMC DMT PGB IFB PSD PND CPD CPE INT

INP IMD IMU IME IDD ISS BKR IDA IDR EER PGP PNC EMM JIS INP INE

PNC PNJ PST ISE

---SPORE INTELLIGENCE ASSESSMENT OF EVENTS WITHIN PRC

SUMMARY:FOLLOWING IS REPORT BASED ON MY 20JUN DISCUSSIONS WITH SPOPE  
MIN OF DEFENCE SPECIAL INTELLIGENCE DIRECTORATE(SID)ANALYSTS ON  
EVENTS IN PRC.I WAS ACCOMPANIED BY SLO.SID ASSESSMENT IS THAT  
STUDENT MOVEMENT WAS ONLY A SIDE ISSUE TO BITTER INTRA-PARTY  
CONFLICT BETWEEN MODERATES AND HARDLINERS.IT WAS A CRYSTALLIZATION  
OF THAT POWER STRUGGLE.DENG XIAOPING REMAINS AT HELM,BUT PARTY  
LEADERSHIP SUCCESSION HAS ONCE AGAIN BEEN THROWN INTO A COCKED HAT.  
IN MEANTIME,HARDLINE PARTY ELDERS ARE IN ASCENDANCY THOUGH GROUP  
OF MODERATES REMAINS WITHIN PARTY LEADERSHIP.FUTURE OF OPEN DOOR  
POLICY FOR FOREIGN INVESTMENT IS UNCERTAIN,ALTHOUGH IT IS UNLIKELY  
TO BE JETTISONED IN NEAR FUTURE.REGIONAL SECURITY IMPLICATIONS ARE  
ALSO UCERTAIN.

2.REPORT:SID ANALYSTS BELIEVE THAT STUDENT DEMOCRACY MOVEMENT WHICH

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LED TO VIOLENT SUPPRESSION IN EARLY JUN WAS ONLY A SIDE ISSUE. HIGH LEVEL INTRA-PARTY CONFLICT BETWEEN MODERATES AND HARDLINERS, HEADED RESPECTIVELY BY ZHOU ZIYANG AND LI PENG, WAS THE REAL ISSUE. STUDENT DEMONSTRATIONS/REACTION WERE ONLY A CRYSTALLIZATION OF THIS POWER STRUGGLE.

3. ANALYSTS GIVE SOME CREDIBILITY TO PEOPLES DAILY REPORT, SHORTLY AFTER 04JUN CRACKDOWN BY AUTHORITIES, THAT UNOFFICIAL TRANSCRIPTS OF INTERNAL POLITBURO DISCUSSIONS WERE BEING CIRCULATED AMONG GROUPS OF STUDENTS IN TIENANMEN SQUARE PRIOR TO 04JUN. TRANSCRIPTS OSTENSIBLY CONTAINED DETAILS OF HIGH-LEVEL INTRA-PARTY POLICY DISAGREEMENTS. THIS SUPPOSEDLY ENCOURAGED STUDENTS TO CONTINUE DEMONSTRATIONS WITH REASONABLE PROSPECTS OF LEVEL OF SUPPORT FROM POWERFUL PARTY FIGURES. IN THIS CONTEXT, SID HAS NO/NO IDEA WHETHER ZHOU PLAYED A ROLE IN LAUNCHING STUDENT DEMONSTRATIONS (QUOTE DEMOCRACY MOVEMENT UNQUOTE), BUT IT IS CONVINCED HE ATTEMPTED TO USE SITU TO HIS ADVANTAGE IN POWER STRUGGLE WITH LI PENG.

4. CURRENT PARTY LEADERSHIP IS A QUOTE HODGE PODE UNQUOTE SITU. AGED VETERANS, WHO FOR A TIME HAD BEEN PUSHED ASIDE, WILL MOVE TO REEXERT THEIR INFLUENCE. IN SHORT TERM HARD LINE POLICIES WILL DOMINATE. NOW THAT FOR SECOND TIME DENG XIAOPINGS APPARENTLY DESIGNATED SUCCESSOR HAS BEEN SWEEP ASIDE (HU YAO BANG, ZHAO ZIYANG) WE WILL HAVE TO WAIT, PROBABLY FOR AT LEAST TWO YEARS, TO SEE WHAT HAPPENS. DENG IS ONCE AGAIN SOLE UNIFYING FIGURE, OR PERHAPS MORE ACCURATELY, MOST

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PROMINENT FRONT MAN WHO WILL PLAY TEMPORIZING BALANCING ROLE BETWEEN FACTIONS. AFTER HIS DEATH WE WILL HAVE TO SEE WHAT SORT OF POWER STRUGGLE EVOLVES (ON SUPPOSITION HE HAS NOT/NOT ALREADY STEPPED DOWN) AND WHETHER POWER STRUGGLE AGAIN TRIGGERS MASS TURMOIL.

5. IN THIS REGARD, SID BELIEVES SENIOR PARTY LEADERS WILL TO THEIR BEST TO AVOID RENEWAL OF MASS TURMOIL TO ENSURE THAT CHANGES ARE DICTATED BY PARTY HIERARCHY. AT THIS TIME THERE IS NO/NO OBVIOUS SUCCESSOR FOR DENG, THOUGH QIAO SHI QUOTE WHO IS A SHADOWY FIGURE WITH A VERY SHADLOWY BACKGROUND UNQUOTE (SHADES OF PEKIN TEL WJGR3495 20JUN) HAS TAKEN ON GREATER PROMINENCE. HIS FUTURE ROLE IS UNSURE, BUT ONE CERTAIN ELEMENT, AS NOTED ABOVE, IS THAT PARTY ELDERS ARE DETERMINED TO HAVE THEIR WAY AT THIS TIME.

6. SID BELIEVES THAT ZHOU IS CERTAIN TO BE EXPELLED FROM PARTY POSITIONS AND POSSIBLY STRIPPED OF PARTY MEMBERSHIP AS WELL. WHILE FUTURE LOOKS DIM INDEED FOR MODERATES AT THIS POINT, THERE ARE THOSE SUCH AS TIAN JIYUN, WEN JIAHUA AND YAN MINGFU WHO HAVE SURFACED PUBLICLY IN RECENT DAYS. WAN LI ALSO APPEARS TO HAVE MADE HIS PEACE WITH PARTY HARDLINERS AFTER PERIOD OF UNCERTAINTY. DENG MUST RETAIN SOME OF THESE MODERATES IF HE IS TO SALVAGE ANY OF HIS REFORMS, PARTICULARLY THE OPEN DOOR POLICY WITH REGARD TO FOREIGN INVESTMENT.

7. LATTER POLICY WOULD ALMOST CERTAINLY GO BY THE BOARDS IF PARTY HARDLINERS ARE ABLE TO WIN OUT AFTER DENG'S DEATH. HOWEVER AS WF

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DISCUSSED, OPEN DOOR POLICY IS ALREADY IN JEOPARDY, DESPITE POSITIVE OFFICIAL STATEMENTS, EVEN IN ABSENCE OF RESIN OF INTRA-PARTY STRUGGLE. DURING PERIOD OF UNCERTAINTY FOREIGN INVESTORS WILL BE VERY RELUCTANT TO MAKE MAJOR NEW COMMITMENTS, PARTICULARLY IF THEY REPRESENT LARGE INSTITUTIONAL INVESTORS SUCH AS PENSION PORTFOLIOS WHICH ABHOR RISK. PROJECTS WHICH ARE NOT/NOT ALREADY IN OPERATION OR AT ADVANCED STAGE OF FINANCIAL COMMITMENT COULD BE SHELVED OR DELAYED. TRADERS COULD WELL SEEK ALTERNATE SOURCES OF SUPPLY WHICH ARE LESS VULNERABLE TO DISRUPTION.

8. FURTHERMORE, CHINESE PARTY AND GOVT BUREAUCRATS WILL BE KEEPING THEIR HEADS DOWN WITH A VENGEANCE AS THEY HAVE DONE BEFORE IN PERIODS SUCH AS THE EARLY POST-CULTURAL REVLN TRAUMA (A VIEW LATER FLAGGED AS WELL BY BRUNEI MFA PERMSEC IN SEPARATE DISCUSSION). THIS WILL NOT/NOT BE A SEASON OF INITIATIVE DESPITE GOVT EFFORT IN SHORT TERM TO PROVIDE SEMBLANCE OF BUSINESS-AS-USUAL TO PERSUADE FOREIGN INVESTORS AND BUSINESS REPS NOT/NOT TO ABANDON CONTACTS WITH PRC.

9. SID ANALYSTS WERE RELUCTANT TO SPECULATE ABOUT POSSIBLE REGIONAL GEOPOLITICAL/MILITARY RAMIFICATIONS OF EVENTS IN CHINA. THEY REPEATED SPORE MFA COMMENT THAT INDON GOVT HAD STATED THAT EVENTS WOULD HAVE NO/NO IMPACT ON INDON-PRC NORMALIZATION PROVIDED THERE WAS NO/NO INTERFERENCE IN DOMESTIC AFFAIRS. REF WAS MADE TO FACT THAT INDON GOVT FOR ITS PART HAD AVOIDED OFFICIAL COMMENT ON

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DEVELOPMENTS WITHIN PRC.NO/NO VIEW EXPRESSED ON WHETHER THERE WERE  
BROADER SECURITY IMPLICATIONS FOR REGION(EG ROLE OF JPNS DEFENCE  
FORCES,POSSIBLE IMPACT ON ASEAN ETC)WITH EXCEPTION OF BELIEF THAT  
EVENTS WERE UNLIKELY TO GENERATE MUCH ADDITIONAL POL SUPPORT  
WITHIN PHILS FOR CONTINUATION OF USA MIL BASES,DESPITE FACT ARGUMENT  
COULD BE MADE THAT POTENTIAL UNSTABILITY IN CHINA ENHANCES VALUE  
OF CONTINUED US MIL PRESENCE IN REGION.

10.IN RESPONSE TO QUERY AS TO QUALITY OF INFO SID IS RECEIVING ON  
EVENTS WITHIN CHINA RESPONSE WAS THAT EVERYONE IS RECEIVING SAME  
CLUTTER OF PUBLICLY AVAILABLE INFO OF QUESTIONABLE VALUE ON  
CURRENT DEVELOPMENTS

BRADY

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20-CHINA-1-4  
20-SPORE-1-3

ACTION  
SUITE A DONNER

*file*

C O N F I D E N T I A L

FM SPORE UCGR5623 23JUN89

TO EXTOTT PSR PNR

INFO BNGKK JKRTA PEKIN HKONG SEOUL TOKYO CNBRA WLGTN MOSCO DELHI  
MANIL PARIS PRMNY WSHDC BNATO ISBAD LDN BONN ROME KLMR POECD  
GENEV PCOOTT/IAC PMOOTT CIDAULL/PRE/BSO/BSG  
TT NDHQOTT/DACPOL/ADMPOL/DIPOL/CIS/ DE CAF  
DISTR MINA MINT MINE MINP USS DMC DMT PGB IFB PSD PND CPD CPE IND  
INP IMD IMU IMH IDD ISS BKR IDA IDR EER PGP PNC BMM JIS INP INE  
PNC PNJ PST ISE

---SPORE REACTIONS TO EVENTS IN PRC

SUMMARY:AS YOU MIGHT EXPECT,SPORE HAS BEEN TRANSFIXED BY EVENTS IN CHINA.SPORE OFFICIALS AND BUSINESS LDERS AFTER EMERGING FROM SHOCK, HAVE VERY QUICKLY BEGUN TO WEIGHT RAMIFICATIONS FOR SPORE IN CONTEXT OF BROADER GEOPOLITICAL CONSIDERATIONS.PM LEE KUAN YEW ISSUED STRONG PUBLIC STATEMENT 05JUN CONDEMNING USE OF FORCE,BUT EXPRESSING QUOTE HOPE WISER COUNSELS WILL PREVAIL TO PURUSE CONCILITATION,SO THAT THE CHINESE PEOPLE CAN RESUME THE PROGRESS WHICH THE OPEN DOOR POLICIES HAVE BROUGHT THEM UNQUOTE.NO/NO FURTHER OFFICIAL STATEMENT HAS BEEN MADE AND SPORE BUSINESSMEN HAVE TOLD ME THEY HOPE GOVT WILL REMAIN MUM FOR FORESEEABLE FUTURE.THEY ARE WARILY EYEING JPNSE PRONOUNCEMENTS AND ACTIVITES OF JPNSE BUSINESS REPS.THERE IS A CONCERN THAT INCREASINGLY STRONG CONDEMNATORY STATEMENTS BY WESTERN GOVTS MAY IN FACT ADD FUEL TO

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FLAMES, WORSEN LOT OF STUDENTS/DETAINÉES IN PRC AND LEAD TO LONGTERM ALIENATION OF PRC FROM WEST. IMPACT ON HKONG IS ALSO OF MAJOR INTEREST AND GOVT APPEARS TO BE GEARING UP INCENTIVES TO ATTRACT HKONG PROFESSIONALS TO RELOCATE TO SPORE.

2. REPORT: SEPARATE REPORTS FOLLOW ON OFFICIAL BRUNEI REACTION AND ASSESSMENTS OF SPORE INTELLIGENCE SOURCES.

3. I CALLED ON CHAN HENG WING, RELATIVELY RECENTLY APPOINTED DIRGEN, DIRECTORATE III, SPORE MFA TO DISCUSS SPORE VIEWS ON EVENTS IN PRC. HE HAD LITTLE OF INTEREST TO OFFER ON ANALYTICAL FRONT. HE ALSO INDICATED THAT, PARTLY AS RESULT OF CRUSH OF EVENTS, SPORES SINGLE POL OFFICER IN SPORES BEIJING COMMERCIAL REP OFFICE HAS PRODUCED FAR MORE WIRE SERVICE TYPE OF REPORTING THAN ANALYSIS. CHAN TOLD ME SPORE MFA REMAINS UNCERTAIN AS TO HOW OR WHY EVENTS ESCALATED AS THEY DID. SPORE BELIEVES THAT TURNING POINT IN DEMONSTRATION WAS TOWARD END OF MAY WHEN CALLS FOR DEMOCRACY BEGAN TO QUESTION LEGITIMACY OF CPC. CHAN NOTED THAT QUOTE GODDESS OF DEMOCRACY WAS A DIRECT CHALLENGE AND CONFRONTATION. IT WAS THE EQUIVALENT TO BUILDING A HUGE HAMMER AND SICKLE IN FRONT OF CAPITAL HILL UNQUOTE.

4. CHAN BELIEVES THAT PARTIAL CAUSE OF DENG'S REACTION MAY BE RELATED TO FACT THAT DENG QUOTE HAS A THING ABOUT STUDENTS. AFTER ALL HIS SON WAS THROWN OUT OF A WINDOW BY STUDENTS DURING CULTURAL REVLN UNQUOTE. IN ADDITION, AS WE DISCUSSED, DENG COULD HARDLY BE EXPECTED TO HAVE BEEN PLEASED BY FACT HIS QUOTE HISTORIC UNQUOTE ENCOUNTER

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WITH GORBACHEV HAD BEEN OVERSHADOWED AND DISRUPTED BY POPULAR DEMONSTRATIONS.

5. BASED ON CURRENT INFO SPORE MFA DOES NOT/NOT FORESEE ANY IMMEDIATE DRAMATIC NEW DEVELOPMENTS IN PRC. CHAN REMARKED THAT QUOTE LEADERSHIP IN CHINA IS LOOKING FOR STABILITY. LEADERSHIP HAS LOST A LOT OF GROUND UNQUOTE. DEVELOPMENTS IN CHINA COULD ALSO BE SEEN IN CYCLICAL TERMS. QUOTE CHINA HAS CHANGED SO RADICALLY IN PAST DECADE, FOR EXAMPLE IN WAY PEOPLE DRESS UNQUOTE. THERE WAS BOUND TO HAVE BEEN SOME BACKLASH. NONETHELESS, CHAN BELIEVES THAT DENG'S OPTIONS IN TERMS OF GOING BACK ON OPEN DOOR POLICY ARE LTD BECAUSE OF EXTENT OF PRC INVESTMENTS ALREADY COMMITTED.

6. TO DATE SPOREANS HAVE LTD EXPOSURE ON INVESTMENT FRONT IN PRC, WITH EXCEPTION OF CERTAIN LARGE HOTEL PROJECTS. NONETHELESS, CHAN NOTED THAT SOME SPOREAN COMPANIES ARE NOW SENDING PERSONNEL BACK INTO CHINA. THEY ARE NOT/NOT ENCOUNTERING PROBLEMS RELATED TO PERSONAL SECURITY, AVAILABILITY OF ADEQUATE TRANSPORTATION, FOOD SUPPLIES ETC. INDEED, HE NOTED THAT SEVERAL JPNSE COMPANIES HAD DECIDED AGAINST EVACUATION OF JPNSE STAFF DURING DISTURBANCES AND SIGNIFICANT NUMBERS OF THESE WHO DID LEAVE ARE NOW RETURNING. LAST WEEK FIRST DEP PM GOH CHOK TONG TOLD AN ASAHI SHIMBUN JOURNALIST THAT SPORES COMMERCIAL REP OFFICE IN BEIJING IS PROVIDING ASSISTANCE TO RETURNING SPORE BUSINESS REPS AS SPORE GOVT IS ENCOURAGING SPORE PRIVATE SECTOR INVOLVEMENT IN PRC. SPORE GOVT ALSO DECIDED TO

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PROCEED WITH SHANDONG PROV TRADE EXHIBITION IN SPORE WHICH IS SCHEDULED TO BE OPENED 24JUN BY CHIEF EXEC OFFICER OF SPORE TRADE DEVELOPMENT BOARD.

7. SPORE EXPECTS THAT INDONESIA'S PLANS TO RECOGNIZE PRC WILL STILL GO AHEAD. INDONESIA HAS BEEN VERY QUIET ABOUT CHINA DEVELOPMENTS BECAUSE OF INDONESIA/PRC AGREEMENT NOT/NOT TO INTERFERE IN INTERNAL POLITICS. SPORE'S TIMING ON RECOGNITION WILL CONTINUE TO DEPEND UPON PACE OF INDONESIA/PRC DISCUSSIONS/NEGOTIATIONS. ASKED WHETHER HE BELIEVED INDON MILITARY OPPONENTS TO RECOGNITION OF PRC COULD USE CHINA CRISIS TO SLOW DOWN OR DERAIL NORMALIZATION PROCESS, CHAN REPLIED THAT AS SPORE HAD NOT/NOT EXPECTED TO SEE CONCRETE MOVEMENT ON INDON-PRC RECOGNITION FRONT PRIOR TO MID 1990, IT IS POSSIBLE THERE WILL BE LITTLE IMPACT ON TIMETABLE. NONETHELESS, EVENTS WILL TELL.

8. IT WAS CLEAR FROM THIS MTG WITH CHAN AND FROM DISCUSSIONS I HAVE HAD WITH A RANGE OF GOVT OFFICIALS AND PRIVATE SECTOR LEADERS THAT SPORE BELIEVES THAT ITS RESPONSIBILITY ON PUBLIC DIPLOMACY/MORAL OUTRAGE FRONT HAS BEEN SATISFIED BY PM LEES STRONG OFFICIAL STATEMENT OF 05JUN. MANY SPORE'S BUSINESS LDERS HOPE THAT THIS WILL BE LAST GOVT PRONOUNCEMENT ON BEIJING UNLESS DEVELOPMENTS TAKE MORE POSITIVE DIRECTION. INDEED, ONLY PUBLIC COMMENT SINCE THAT TIME BY A SPORE GOVT LEADER HAS BEEN GOH CHOK TONGS PREVIOUSLY NOTED STATEMENT TO JPENSE JOURNALISTS. ON SAME OCCASION GOH SAID SPOREANS WILL ...5

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REACT TO EVENTS IN CHINA AS SPOREANS NOT/NOT AS CHINESE. SPOREANS HOPE THAT WAY WILL BE FOUND OUT OF USA-PRC IMPASSE OVER FANG LIZHI AND WIFE AND THAT WESTERN GOVTS WILL NOT/NOT CONTINUE TO RATCHET UP LEVEL OF STATEMENTS AND MEASURES AGAINST PRC ADMIN.

9. SOME SPORE-BASED OBSERVERS (NOT/NOT ALL OF WHOM ARE SPOREAN) SEE PARALLEL IN THIS CONTEXT BETWEEN CURRENT WESTERN EXPRESSIONS OF SHOCK AND BETRAYAL AND AMERICAN SENSE OF HAVING QUOTE LOST UNQUOTE CHINA IN 1949. IN LATTER CASE USA FEELING OF REMORSE HAS BEEN CONSIDERED TO BE A FORM OF MORAL EXTRATERRITORIALISM BY THOSE WHO SAW CHINA AS A SOVEREIGN COUNTRY ENGAGED IN A BITTER CIVIL WAR RATHER THAN AN ERRANT PUPIL WHICH HAD DISAPPOINTED ITS WESTERN MENTOR. MISSIONARY TRADITION AND TENDENCY TO PREACH THE GOSPEL (BE IT DEMOCRACY, APARTHEID OR OTHER CAUSES) IS SEEN AS A FACTOR IN CURRENT RESPONSES BY SOME WESTERN GOVTS, SPECIFICALLY INCLUDING CDA. IN ADDITION, SPOREANS HAVE PERCEIVED WHAT THEY CONSIDER TO BE A MEDIA-FUELLED RIVALRY BY WESTERN LEADERS IN STAKING OUT CLAIMS TO LEADERSHIP ON MORAL OUTRAGE FRONT. IN THIS CONTEXT, PRESENCE OF SIGNIFICANT NBR'S OF FORMER PRC AND HKONG EMIGRANTS IN COUNTRIES SUCH AS CDA IS SEEN AS HAVING IMPACT ON PUBLIC PRONOUNCEMENTS AND MEASURES BY GOVTS.

10. ONE SENIOR SPORE BUSINESSMAN SAID TO ME QUOTE WHEN A DOG IS ACTING LIKE A MAD DOG THAT IS PRECISELY THE TIME WHEN YOU DO NOT/ NOT CORNER IT AND PROD IT. GIVE IT TIME TO COOL DOWN AND TO

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DETERMINE WHETHER IT DOES HAVE RABIES. THE MORE WE ALL RAISE OUR VOICES NOW THE MORE ARE WE LIKELY TO SEE THE CHINESE LEADERSHIP STUBBORNLY STEP UP THE EXECUTIONS AND THE PERSECUTIONS UNQUOTE.

11. SPOREAN OFFICIALS AND BUSINESS LEADERS ARE KEEPING A WARY EYE ON JPNSE OFFICIAL PRONOUNCEMENTS AND ON ACTIVITIES OF JPNSE BUSINESS REPS. THEY SEE JPNSE AS MOST LIKELY TO BE IN POSITION TO CAPITALIZE ON SITU CREATED BY DEPARTURES OF WESTERN BUSINESS RIVALS AND EXCALATING CHORUS OF DENUNCIATIONS BY WESTERN GOVTS. THEY NOTE WITH INTEREST MANNER IN WHICH JPNSE GOVT HAS SQUIRMED TO AVOID OFFENDING CHINESE LEADERSHIP WHILE PLACATING WESTERN ALLIES. SPOREANS ARE ALSO CONCERNED LEST CHINA, FINDING ITSELF INCREASINGLY ISOLATED BY AND ALIENATED FROM THE WEST, WILL LOOK TO THE KIND OF RAPPROCHEMENT WITH SOV UNION THAT WOULD BE INIMICAL TO WESTERN (INCLUDING SPOREAN) INTERESTS. OWING TO ECON WEAKNESSES OF BOTH SOV UNION AND CHINA THERE ARE LIMITATIONS TO SUCH A RELATIONSHIP. HOWEVER, SPOREANS NOTE THAT IF JPN, ITSELF INCREASINGLY ENMESHED IN BITTER TRADE CONFLICTS WITH USA AND EUROPEAN COUNTRIES, WERE TO SOLIDIFY ITS RELATIONSHIP WITH PRC (AND POSSIBLY SOVS) IT COUDL PROVIDE ECO MUSCLE THAT SOVS LACK. GEOPOLITICAL AND ECO CONSIDERATIONS ARE, THEREFORE, ANOTHER CAUSE OF CONCERN OVER WHAT SPOREANS SEE AS A WESTERN OVERREACTION FROM BEING SOMEWHAT NAIVE CHINA-WORSHIPPERS TO EMOTIONALLY OVERWROUGHT CRITICS.

12. SPOREAN LDERS HAVE MIXED MOTIVES. POPULATION (PARTICULARLY CHINFSE ...7

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MAJORITY) WAS INDEED SHOCKED BY INITIAL VIOLENCE. THIS WAS REFLECTED BOTH IN PM LEES 05JUN STATEMENT AND IN CONTINUING EXTENSIVE MEDIA COVERAGE. CHINESE CHAMBER OF COMMERCE WAS QUICK TO CONDEMN UNNECESSARY USE OF VIOLENCE IN STRONG TERMS AND SPOREAN STUDENT GROUPS HAVE DELIVERED PROTEST LETS TO PRC COMMERCIAL REP OFFICE IN SPORE. HOWEVER, THERE HAVE BEEN NO/NO MASS DEMONSTRATIONS AS IN HKONG AND ELSEWHERE. THIS IS UNSURPRISING AS SPOREANS, NOT/NOT ONLY GOVT LDERS, GENERALLY SHOW A RELUCATNCE TO COMMENT ON OTHERS HANDLING OF INTERANL ISSUES (WITH EXCEPTION OF PM LEES RECENT FORAY INTO AUSTRALIAN POLITICAL SCENE). GOVT ALSO ACTIVELY DISCOURAGES SPONTANEOUS DEMONSTRATIONS OF A POTENTIALLY CONTROVERSIAL NATURE.

13. MANY SPOREANS HAVE ALSO LOOKED TO THE DAY WHEN SPORE MIGHT BECOME A SERIOUS RIVAL TO HKONG AS A REGIONAL FINANCIAL CENTRE AND A GATEWAY TO CHINA. TURMOIL IN CHINA AND RAMIFICATIONS OF 1997 IN HKONG NATURALLY ARE OF CONSIDERABLE INTEREST TO SPORE. IT WOULD BE QUOTE FALSE HOWEVER TO SUGGEST, AS SOME HAVE DONE, THAT SPOREANS IN ANY WAY WELCOMED THIS HUMAN TRAGEDY BECUASE OF DAMAGE IT MIGHT DO TO HKONG. NONETHELESS, AS YOU ARE AWARE, SPORE GOVT HAS OVER PAST FEW YEARS BEEN SEEKING WITH LTD SUCCESS TO ATTRACT QUALIFIED HKONG EMIGRANTS. IN RECENT WEEKS THREE SPORE GOVT DEPTS HAVE SEPARATELY REQUESTED INFO FROM HIGHCOM ON CDN IMMIG CATEGORIES AND SETTLEMENT BENEFITS. IN MY VIEW THESE REQUESTS SHOULD BE VIEWED MORE IN CONTEXT OF SPORES STEPPED UP DRIVE TO WOO HKONG EMIGRANTS DURING THESE

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UNCERTAIN TIMES, WHEN EVEN COUNTRIES LIKE CDA AND AUSTRALIA WOULD BE HARD PRESSED TO HANDLE INCREASED EMIGRANT OUTFLOW, THAN TO SPORES DESIRE TO STEM FLOW OF SPOREANS TO CDA (FOR TIME BEING THAT IS).

14. TO BE FAIR, CREDIT SHOULD BE GIVEN TO MUCH MALIGNED (USUALLY BY ME) SPORE MEDIA FOR ITS FULL COVERAGE (USING WIDE RANGE OF INNATL AS WELL AS SPORE RESOURCES) BOTH OF DEVELOPMENTS IN CHINA AND SITU IN HKONG, INCLUDING HKONG CRITICISMS OF SPOREANS MUTED REACTIONS TO EVENTS IN PRC. STRAITS TIMES HAS CONTAINED EXCERPTS FROM HKONG LETS TO EDITOR OF SOUTH CHINA MORNING POST WHICH IMPUGN SPOREAN MOTIVES FOR RELATIVE SILENCE AND WHICH COMMENT ON SPOREAN PUBLICS ALLEGED FEAR OF DISPLEASING QUOTE DEMOCRATICALLY ELECTED UNQUOTE GOVT OF SPORE (WRITERS ITALICS). SPORE MEDIA HAS SHOWN RESTRAINT IN NOT/NOT COMMENTING ON MASS HKONG DAMASCUS ROAD CONVERSION TO POL INVOLVEMENT AND HUMANITARIAN CONCERNS AND ITS SUPPOSED FOCUS ON PRINCIPLES RATHER THAN PRINCIPAL. IT HAS ALSO GIVEN A GOOD DEAL OF COVERAGE TO HKONG-UK SITU WHICH HAS BEEN PORTRAYED PRIMARILY FROM POINT OF VIEW FAVOURABLE TO HKONG RESIDENTS.

15. IN CONCLUSION, MY ASSESSMENT IS THAT SPORE LEADERS IN PUBLIC AND PRIVATE SECTORS WOULD LIKE TO SEE SPORE POSITION ITSELF SOMEWHERE BETWEEN WESTERN COUNTRIES AND JPN IN TERMS OF RESPONSES TO EVENTS IN PRC. WHILE THEY AGREE WITH THE NEED TO MAINTAIN PUBLIC MORAL SUPPORT FOR BELEAGURED ELEMENTS OF CHINESE POPULATION, THEY WOULD MOST CERTAINLY WISH TO SEE WEST TURN DOWN THE DENUNCIATORY THROTTLE.

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16. SPORE CLEARLY SEES ITSELF AS A MEMBER OF WESTERN CAMP WHEN IT ASSESSES THE GEOPOLITICAL RAMIFICATIONS OF CHINA ISSUE AND ITS HANDLING. JUST AS CLEARLY, SPORE'S NIGHTMARE IS A SITUATION IN WHICH VOCAL WESTERN LEADERS INFLAME DOMESTIC SITUATION IN PRC AND DO IRREPARABLE DAMAGE ON GEOPOLITICAL FRONT THROUGH WILLINGNESS TO INDULGE IN (WHAT SPORE PERCEIVES TO BE) RHETORICAL AND OTHER EXCESSES MOTIVATED TO CONSIDERABLE EXTENT BY DOMESTIC POLITICAL CONSIDERATIONS. PRIMARILY SPORE CONCERN IN THIS CONTEXT IS WITH US CONGRESS. SPOREAN LEADERS BELIEVE PRES BUSH, DRAWING ON HIS PREVIOUS BEIJING USLO EXPERIENCE, HAS SHOWN AN INTELLIGENT AWARENESS OF BROADER DIMENSIONS OF ISSUE. DESPITE THORNY PROBLEM HE IS FORCED TO FACE OVER FANG LIZHI. NONETHELESS, SPORE IS CLOSELY FOLLOWING ALL WESTERN POLICY PRONOUNCEMENTS AND MEASURES, INCLUDING THOSE OF CDN GOVT

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**ACTION  
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FM SPORE UG95636 23JUN89

TC EXTOTT PSR LNR

INFO PNGKK JKRTA PEKIN HKONG SEOUL TOKYO CNBRA WIGTN MOSCO DELHI  
MANIL PARIS PRMNY WSEDC BNATO ISBAD IDN BONN ROME KIMPR POECL  
GENEV PCOOTT/IAC PMOOTT CIDAHULL/PRE/PSD/PSG  
TT NDHQOTT/LACPOL/ADMPOL/DIPOL/CIS/ DE CAF  
BAG PRGUE WSAW BUCST BPEST DE OTT SHNGI DE PEK  
DISTR MINA MINT MINE MINP USS DMC DMT PGB IEB PSD PND CPD CPE IND  
INP IMD IMU IME IDD ISS BKR IDA IDR FER PGP PNC BMM JIS INF PNC  
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---BRUNEI GOVT REACTIONS TO EVENTS IN PRC.  
DURING COURSE OF 22JUN MTG IN BRUNEI WITH DATO LIM JOCK SENG, BRUNEI  
MFA PERMSEC, I ELICITED BRUNEIS ASSESSMENT OF DEVELOPMENTS IN PRC.  
BRUNEI HAD YET TO ISSUE ANY OFFICIAL STATEMENT ON SUBJ AND LIM MADE  
IT CLEAR IT HAS NO/NO INTENTION OF DOING SO IN FORESEEABLE FUTURE.  
WHILE LIM THOUGHT THAT QUOTE DEFENCELESS PEOPLE BEING SHOT WAS  
QUOTE TRAGIC UNQUOTE, BRUNEI IS QUOTE NOT/NOT IN A POSITION TO MAKE  
ANY COMMENT UNQUOTE PARTLY BECAUSE QUOTE PROBLEM IS THEIR INTERNAL  
AFFAIR UNQUOTE.

2. INFO THAT BRUNEI MFA HAS ON STUDENT DEMONSTRATIONS (WHICH I PRESUME  
IT OBTAINS THROUGH ITS ASEAN NET AS BRUNEI DOES NOT/NOT HAVE MISSION  
IN PRC) IS THAT MANY WERE NOT/NOT STUDENTS AND QUOTE THAT THERE WERE  
SOME OTHER ELEMENTS INVOLVED UNQUOTE. THIS LINE, WHICH IS CONSISTENT

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WITH PRC PROPAGANDA CAMPAIGN, IS ALSO INCREASINGLY SURFACING IN DISCUSSIONS ON SUBJ WITH BOTH EXPATS AND SPOREANS.

3. LIM INDICATED THAT DEVELOPMENTS QUOTE WILL SOMEHOW AFFECT ASEAN AND REGION UNQUOTE AND HE EXPLORED THREE POSSIBLE SCENARIOS. FIRST, WHICH IS OF MOST CONCERN TO BRUNEI, IS POSSIBILITY THAT QUOTE CHINA WOULD ATTEMPT TO DEFUSE INTERNAL PROBLEM BY GETTING ATTN FOCUSED ELSEWHERE UNQUOTE. ONE POSSIBILITY WHICH LIM MENTIONED WAS THAT CHINA WOULD REVERT TO OLD GAME OF ENSURING INTERNAL COHESION BY FINDING AN EXTERNAL ENEMY. IN THIS CONNECTION HE MENTIONED POSSIBILITY OF CHINESE MILITARY ACTION ON SPRATLEY ISLANDS, SAYING THAT HE HOPED THIS WOULD NOT/NOT BE THE CASE.

4. LIM THOUGHT THAT IMPLICATIONS FOR CAMBODIA QUESTION COULD BE EITHER POSITIVE OR NEGATIVE. IF DEVELOPMENTS MEAN THAT CHINESE ENERGIES ARE DEVOTED TO INTERNAL QUESTIONS AT LEAST PRC WOULD BE LESS ABLE TO ASSIST KR ON MATERIAL FRONT. BUT AT SAME TIME QUOTE IF YOU HAMMER OUT AN AGREEMENT WITH CHINA WHICH CHINA CAN NOT/NOT INFLUENCE OR RESPECT UNQUOTE THIS WILL NOT/NOT HELP PEACE PROCESS AS CHINESE ENDORSEMENT IS ESSENTIAL. ON BALANCE, HE APPEARED TO BELIEVE IMPACT IN CAMBODIA CONTEXT WOULD BE MORE NEGATIVE THAN POSITIVE.

5. THIRD LINE OF THOUGHT IN BRUNEI PERMSECS ANALYSIS, WHICH MIRRORS PRAGMATIC AND COMMERCIAL ORIENTATION OF SPORES REACTION, IS POSSIBILITY THAT DEVELOPMENTS WILL TURN OUT TO HAVE BEEN QUOTE

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ONLY A HICCUP AND THINGS WILL GO BACK TO NORMAL IN A FEW MONTHS UNQUOTE. IN THIS CONTEXT, LIM NOTED THAT THERE WERE STILL SOME MODERATES IN RULING CIRCLES. HE PROFFERED RATHER INTERESTING HYPOTHESIS THAT OUTCOME OF EVENTS MAY WELL IN FACT STRENGTHEN DENG XIAOPINGS HAND IN STRUGGLE BETWEEN HIM AND HARDLINERS. DENG HAD NEVER BEEN ABLE TO ATTRACT SUPPORT OF LATTER FOR ECO REFORMS, BUT THEY MAY NOW HAVE TO RALLY BEHIND HIM AS SOLE LEADER WHO CAN SOLVE THE MAJOR PROBLEMS FACING PRC. WHEN HE CHOOSES TO STEP DOWN HE COULD BE IN POSITION TO DESIGNATE SUCCESSOR AND TO ENSURE THAT CERTAIN MODERATE FIGURES HAVE KEY ROLES. IN THIS CONTEXT, LIM NOTED THAT RECENT STATEMENTS BY QIAC SHI HAVE BEEN INCREASINGLY MODERATE AND RESTRAINED IN TONE. (NOTE: THERE APPEARS TO BE A GOOD DEAL OF WISHFUL THINKING IN THIS ANALYSIS).

6. LIM ALSO NOTED THAT HISTORY SHOWS THAT AFTER DISTURBANCES IN CHINA BUREAUCRATS KEEP THEIR HEADS DOWN. THIS WILL MEAN THAT OPEN DOOR POLICY WILL GO MORE SLOWLY EVEN IF FOREIGN INVESTORS DO NOT/NOT BACK AWAY IN DROVES. ACCORDING TO LIM QUOTE YOU CAN NOT/NOT HAVE AN OPEN DOOR POLICY IF BUREAUCRATS ARE KEEPING THEIR HEADS DOWN UNQUOTE. (HOW TRUE)

ERADY

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## CHINA BACKGROUNDER

June 23, 1989

### GENERAL SITUATION IN CHINA

- Three Shanghai protestors were executed on June 21. Seven more were shot in Beijing yesterday and a further number in other cities, although not all are being linked to the demonstrations.
- Two senior editors have been fired in Beijing, presumably for sympathetic reporting of the student demonstrations. This could be the beginning of a purge of reformers and their supporters.
- The state propaganda apparatus remains in full gear. The massacre in Tiananmen Square has been officially "rewritten", and Chinese media is being flooded with the official version.
- The effort to intimidate foreign journalists has been stepped up. Jan Wong of the Globe and Mail was assaulted on Monday in what appeared to be an attempted abduction. We have formally protested, and have dismissed the Chinese assertions blaming "counter-revolutionary ruffians".
- The Chinese authorities are doing their utmost to insist that the situation is returning to normal and that there has been no change to China's open-door policy.

### EVACUATION OF CANADIANS

- The evacuation program is effectively complete. We estimate that at least 550 Canadians have left China. About 100 Canadians are probably still in China.
- It is entirely possible that further Canadians will emerge from far flung places in China claiming that the evacuation plan was insufficient because they were never contacted or assisted. Every Canadian registered with the Embassy has been traced and none have been frustrated in their efforts to leave China.

### CALLING-IN OF CHINESE AMBASSADOR

- The SSEA called in the Chinese Ambassador

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emphasize the outrage of the Canadian public, parliamentarians from all parties and the Government over the events in China.

- The Ambassador was called in again on June 21 by the Department to register Canada's abhorrence over the executions and death sentences being used to intimidate the population in the current campaign of repression.

## **GENERAL RESPONSE OF THE CANADIAN GOVERNMENT**

- The bilateral relationship, for all practical purposes, is effectively in a state of suspension.
- The SSEA outlined the measures initially taken by the Government during the Emergency Debate in the House on June 5th. (See detailed Synopsis attached)

### **RESPONSIVE POINTS ON VARIOUS ISSUES**

#### **GOVERNMENT HOTLINE - LACK OF CHINESE-SPEAKING OPERATORS**

- This is entirely inaccurate. Throughout the operation of our consular hotline - the "1-800" service - we had officers available to speak to callers in both Mandarin and Cantonese. Furthermore, on the task force established to deal with the crisis there were further Mandarin speakers available.

#### **ASSAULT ON JAN WONG - PROTECTION OF JOURNALISTS**

- We have formally protested the assault on Jan Wong and made it clear to the Chinese authorities that we regard the incident as their responsibility.
- We have not suggested that we are considering the expulsion of Chinese journalists here in Canada as retaliation. What we have made clear to the Chinese government is that we expect them to provide adequate protection for Canadian journalists in China, just as we would provide protection for their journalists here.

#### **HARRASSMENT OF CHINESE STUDENTS IN CANADA**

- The appropriate authorities (CSIS) are investigating allegations that Chinese students here in Canada are being harassed or intimidated

in ways inconsistent with Canadian law. This would of course represent unacceptable behaviour, and the SSEA made this clear to the Chinese Ambassador when the latter was called in last Thursday. If any allegations are corroborated, the Government will deal quickly and definitively with the individuals concerned. (*CAUTION - Care should be taken not to imply that the Chinese Embassy has no right to sustain a relationship with Chinese nationals in Canada - they are guaranteed this by international law and we would similarly insist on our right to have contact with Canadian citizens in China.*)

## EXECUTIONS

- We find the current repression, of which these executions and death sentences are a part, thoroughly abhorrent. The entire world is watching China, and no one is convinced by Chinese assertions that due process is being followed or that those being sentenced to death are simply "common criminals". It is clear that the trials are being used to intimidate the Chinese population. How we respond to the deteriorating human rights situation in China is part of the policy process now underway.
- (Responsive) It is not the death sentence per se that we are objecting to; while we in Canada have chosen not to retain capital punishment, there are other countries that respect human rights and the democratic process that still have recourse to the death penalty for certain crimes (USA, Japan, Belgium, Ireland). What is abhorrent in the current Chinese situation is that the violence was initiated by the military against peaceful demonstrators, and now those demonstrators are being sentenced to death as part of a general campaign of repression and intimidation in which human rights are clearly being violated.

## CANADIAN BUSINESSMAN SUGGESTS TIME "GOOD FOR BUSINESS"

- We understand that a private Canadian businessman has publicly suggested that Canadian businesses should take advantage of the current situation to do business with China, given the pressure to demonstrate that the "Open Door" is still open.
- Private business people are of course entitled to their own views. It is the view of the Government that Canada as a country simply cannot accept that its relations with China can proceed on the basis

of "business as usual" given the massacre at Tiananmen Square and the subsequent campaign of repression.

### CHINESE STUDENTS

- The meeting held in Ottawa on June 16th was generally well-received by participants. The establishment of an "assistance secretariat" (run probably by the Canadian Bureau of International Education - CBIE), to provide information, guidance services, job referrals and financial support to students in need. The creation of an "advisory panel" was also discussed.
- The Minister of Employment and Immigration assured the House on June 21 that Chinese students were not facing the limit of a two-month extension of their visas. The government stands by its commitment that no Chinese student will be forced to return to China under the current circumstances; extensions of visas as well as employment authorizations will be granted to any student who makes such a request.

### IMMIGRATION ISSUES

- We have introduced accelerated immigration procedures for members of the family class who may have been adversely affected by the situation in China, and facilitative measures on a responsive basis for relatives of students currently in Canada. We have strengthened our operations in Hong Kong. Student visa processing for new students interested in coming to Canada is being speeded-up. A visa officer is being dispatched temporarily to the Consulate General in Shanghai. The immigration section in Beijing has resumed operations and will be strengthened.

### RADIO-CANADA INTERNATIONAL MANDARIN PROGRAMMING

- Radio Canada International has advanced by ten months its plan to begin broadcasting into China in Mandarin. The service began yesterday, June 20th. At a time when Chinese media is falling increasingly under the control of the hard-line propagandists, making accurate information available to the Chinese people is ever more important. (*RCI is not currently being jammed by the Chinese.*)

### RECALL OF AMBASSADOR DRAKE

- There are a few projects and programs within the aid area that will be reviewed particularly closely, especially those focussed on technology cooperation and projects that clearly assist the state apparatus.
- We will be examining the possibility of reprofiling our development assistance to maximize its reach into groups within China likely to keep the hope of democratization alive, and possibly extending it geographically into areas in which we are not now active.

#### INTERNATIONAL FINANCIAL INSTITUTIONS - USA CAMPAIGN

- Given our own decision to postpone signing of new development assistance agreements, we understand and sympathize with the approach being taken by the World Bank and other international financial institutions to defer considerations of new loans to China.

#### EXPORT CREDIT - CALL FOR ELIMINATION

- Eliminating export credit with China entirely would involve renegeing on Canada's international commitments.
- It is important to sustain linkages with many of the partners that Canadian exporters have been dealing with - these partners are and are likely to remain the strongest proponents for economic reform within China.
- At the same time, we will be considering reprofiling the line-of-credit, and ensuring that all approved credits are focussed on acceptable projects and exports.

## SYNOPSIS OF MEASURES TAKEN TO DATE

- Evacuation of Canadian community, successfully complete
- The bilateral relationship, for all practical purposes, is effectively in a state of suspension.
- Measures outlined by SSEA during the Emergency Debate in the House on Monday, June 5:
  - postponing the signing of number of development assistance agreements (5 MOUs affected);
  - the suspension of nuclear cooperation consultation and the cancellation of a number of other planned meetings;
  - a freeze on high-level visits;
  - a willingness to extend the stay of Chinese students here in Canada, and assurances that those who lose their means of support will be permitted to work;
  - an at least temporary suspension of all removals to China under the Immigration Act;
  - the suspension of our modest program of defence cooperation and confirmation of our unwillingness to consider any military exports to China in the current situation;
  - a willingness to provide humanitarian assistance or medical supplies if requested.
- An initiative to coordinate with the provinces and sponsoring organizations efforts to assist Chinese students in Canada. A meeting was held in Ottawa on Friday, June 16. A national coordinating body is being established.
- Radio Canada International will begin broadcasting into China in Mandarin beginning on June 20th.
- Accelerated immigration procedures for members of the family class adversely affected by the situation in China, and facilitative measures on a responsive basis for relatives of students currently in

## Canada.

- Student visa processing for new Chinese students interested in coming to Canada is being speeded-up.
- A visa officer is being dispatched temporarily to the Consulate General in Shanghai. The immigration section in Beijing has resumed operations and will be strengthened.
- Recall of Ambassador Earl Drake.
- A "National Round Table" took place on Thursday June 22, bringing industrialists, academics, representatives from the Chinese Canadian and non-governmental communities together.

### Non-governmental Actions of Interest

- Offer of visiting research fellowships in cosmology to Fang Lizhi and his wife by the **Canadian Institute for Advanced Research** - being kept quiet for time being pending discussions with USA
- Successful effort by two Canadian groups - one in Montreal and one in Vancouver - **to monopolize the Chinese "hot-lines" for informers**, thus giving student leaders and others more breathing time to go underground

**ACTION**  
**SUITE A DONNER**

Rec'd 910613

*CM*  
*1/16*

C O N F I D E N T I A L  
FM PEKIN WJGR3509 22JUN89  
TO EXTOTT PNR DELIVER BY 220900  
INFO HKONG  
DISTR PGB PND PNC PGP INP CPP

ACC 732833	DATE
FILE 20 - China - 1-4	DOSSIER
LOC AS-	

*DP*  
*BW*  
*reply attached*

---CONVOCATION AT MFA TO HEAR TRUE VERSION OF REPELLION  
CHARGE INVITED THIS MORNING TO GO TO MFA TO BE TOLD QUOTE TRUTH  
ABOUT COUNTER REVOLUTIONARY REBELLION UNQUOTE.HE REPLIED WAS TOO BUSY  
TO GO TODAY AND SUGGESTED SECOND SECRETARY GO,OR CHARGE COULD GO  
ANOTHER DAY.SECOND SECRETARY SAID NOT/NOT TO BE APPROPRIATE  
(BRIEFING TO BE MADE BY DIRECTOR OF AMERICAS DEPT).

2.AUSTRALIAN AMB WHO ATTENDED SUCH SESSION LAST WEEK SAID CONTENT  
DOES NOT/NOT DIFFER FROM XINEUA LENGTHY ARTICLE ON WHICH WE WILL BE  
REPORTING SEPARATELY(FULL TEXT WILL BE SENT BY PAG).COMMENTING IN  
PRESS ON QUOTE TRUE VERSION UNQUOTE.POLIBURO MEMBER QIAO SHI  
COMMENTED THAT IT WAS PARTYS QUOTE AGREED ACCOUNT UNQUOTE.THIS  
ADJECTIVE IS INTERESTING AND MORE APPROPRIATE THAN QUOTE TRUE  
UNQUOTE.

3.WE SEE VALUE IN DELAYING INDEFINITELY ATTENDANCE AT SUCH BRIEFING  
TO UNDERSCORE CDN VIEWS ABOUT MASSIVE PROPAGANDA EXERCISE BEAMED AT  
CHINESE POPULATION AND OUTSIDE WORLD.WE DO WANT TO KNOW WHAT  
CHINESE HAVE TO SAY,AND THIS IS ALREADY KNOWN TO EXTENT THEY ARE  
WILLING.IRONICALLY.WE ARE STILL REFUSED FULL TEXT OF TENG XIAOPINGS  
09JUN SPEECH WHICH REPORTEDLY ASCRIBES TURMOIL TO INNATL AS WELL AS  
DOMESTIC FACTORS AND WHICH EVERY SOUL IN CHINA IS BUSILY QUOTE  
STUDYING UNQUOTE.

4.IF YOU FEEL WE SHOULD RESPOND MORF PROMPTLY TO MFA INVITATION, PSE  
ADVISE.

UNCLASSIFIED

CNCP PMS

TYM030 89 JUN 22 1408 EST

LH485 MLH075

LK642 28 FR

TDRA HALIFAX NS 22 1441

MR. JOE CLARK

DEPT OF EXTERNAL AFFAIRS

HOUSE OF COMMONS

OTTAWA ON

K1A 0G2

*File in*  
**ACTION  
SUITE A DONNER**

*BT*  
*Cordon*

*let's see a  
really original  
response to this*

**CHINA**

**O/SSEA**

JUN 26 1989

**REGISTRY**

THE CHINA CRISES: THE LEGEND OF KWAN-YIN MUST BE REVIVED. HER SHRINE  
OFF THE COAST OF CHEKIANG MUST BE TRAVELLED BY ALL BELIEVING  
PILGRIMS - PEACE WILL THEN COME.

MR. AEK

UUU/170 221912Z TLX0822

RETURN TO RENOYER AU		<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE	
FILE	DOSSIER		
<i>20 - China - 1 - 4</i>			
<i>CPAS</i>			

**ACTION  
SUITE A DONNER**

*Y. B. v.*

C O N F I D E N T I A L  
FM HKONG XBGR0538 22JUN89  
TO EXTOTT PNR  
INFO PEKIN  
DISTR BKP IMH  
FROM HLADIK

*Goodman/Michel  
interested?*

ACC	DATE
FILE	DOSSIER
20- <i>China</i> -1-4	
LOC	
A5-	

---BEIJING UNDERGROUND STUDENT PRESS

I HAVE NEAR FULL SET OF COPIES OF STUDENT UNDERGROUND TRACTS FROM  
14MAY TO 04JUN. ALL, OF COURSE, ARE IN CHINESE. WOULD BE HAPPY TO MAKE  
COPIES FOR DISTRIBUTION TO HQ AND OTHERS. TOTAL APPROX 100/100 PAGES.  
2. PLS ADVISE.

CCC/031 220819Z XBGR0538

[ ]

RETURN TO RENYOYER AU		<b>BICO</b>		FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC	REF	DATE		
FILE	20-China-1-4			DOSSIER
20-1-1-6				

C O N F I D E N T I A L

FM BNATO YBGR6639 21JUN89

TO EXTOTT PNR DELIVER BY 210900

INFO PEKIN HKONG TOKYO CNBRA WSHDC LDN BONN PARIS ROME BRU BREEC  
HAGUE OSLO COPEN LSBON PRMNY GENEV POECD CIDADHULL BMG/HOLDWORTHY  
PCOOTT/HEBERT

BH AGRICOTT/ILS DE OTT TT NDHQOTT/ADM POL/DIPOL/ DE CAF

BAG MLRID DE PAR

DISTR MINA MINT USS DMT PGB PND PNC PSD BFC CPD CPP RBR RWR URR

CPE IND INE EER INP IMU IMH IDR

REF OURTEL 6602 13JUN

---NATO POL CTTEE MTG ON CHINA

SUMMARY:SPECIAL CTTEE SESSION ON CHINA 20JUN(WELL ATTENDED BY  
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PAGE TWO YBGR6639 CONF

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CCC/069 211343Z YBGR6639

RETURN TO RENYOYER AU		<b>BICO</b>		FOR FILING POUR -- ETRÉ PORTE AU DOSSIER
ACC	REF	DATE		
FILE	20-China-1-4			DOSSIER
20-1-1-6				

C O N F I D E N T I A L

FM BNATO YBGR6639 21JUN89

TO EXTOTT PNR DELIVER BY 210900

INFO PEKIN HKONG TOKYO CNBRA WSHDC LDN BONN PARIS ROME BRU BREEC  
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CCC/069 211343Z YBGR6639

**ACTION  
SUITE A DONNER**

RETURN TO RENOYER AU **BICO** FOR FILING POUR - ETRR PORTE AU DOSSIER *Bno*

ACC <i>615163</i>	REF	DATE
FILE <i>20-China-1-4</i>		DOSSIER

C O N F I D E N T I A L

FM PEKIN WJGR3507 21JUN89

TO EXTOTT PNR DELIVER BY 210900

INFO WSHDC HKONG TOKYO SEOUL SPORE BNGKK KLMPR DELHI ISBAD JKRTA  
MANIL BNATO GENEV PARIS LDN MOSCO PRMNY PCOOTT/IAC CIDA HULL BSC  
TT NDHQOTT/DIPOL/CIS ADM/ DE CAF

BAG PRGUE WSAW BUCST BPEST DE OTT SHNGI DE PEK

DISTR USS PGB PND PSD PSR PNC PGP INP INE CPP CPD CPE BKR ISE ISS  
JIS IMH

CIDA HULL YDC

REF OURTEL WJGR3495 20JUN

---ARRESTS CONTINUE ALONG WITH MASSIVE PROPAGANDA EFFORT

SUMMARY: UP TO 1,400 HAVE NOW BEEN ARRESTED BY CHINESE AUTHORITIES.  
ELEVEN CONDEMNED TO DEATH STILL AWAIT EXECUTION ORDER. PEOPLES  
PROCURATORATE HAS ISSUED EMERGENCY NOTICES TO SPEED UP PROSECUTION  
OF SUSPECTS. MEANWHILE, PROPAGANDA MACHINE IS IN FULL GEAR CREATING  
ITS OWN HEROES AND ENEMIES. MAIN ACCENT IS ON AUTHORITY AND ORDER  
WHOSE APPEAL OUTSIDE OF LARGE URBAN CENTRES MAY WELL SUCCEED IN  
HAVING OFFICIAL VERSION OF EVENTS IN PEKIN LARGELY ACCEPTED.

2. REPORT: WESTERN NEWS AGENCIES NOW PUT NUMBER OF THOSE ARRESTED IN  
CHINA AT 1,400. MOST OF THESE HAVE BEEN CLASSIFIED BY OFFICIAL  
MEDIA AS HOOLIGANS AND RUFFIANS. HOWEVER, MANY STUDENTS HAVE ALSO  
BEEN ARRESTED, INCLUDING SIX OF 21 MOST WANTED BY PUBLIC SECURITY  
BUREAU. THREE PEOPLE IN SHNGI AND EIGHT IN PEKIN HAVE BEEN

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PAGE TWO WJGR3507 CONF

SENTENCED TO DEATH. ALTHOUGH EXECUTION SHOULD NORMALLY HAVE BEEN CARRIED OUT BY NOW, AUTHORITIES APPEAR TO BE STAYING THEIR HAND AS THEY PONDER POSSIBLE INNATL REPERCUSSIONS OF WHOLESALE EXECUTIONS OF PROTESTERS.

3. NEVERTHELESS HKONG PRESS, QUOTING PEKIN LEGAL SOURCES, SAYS THAT SUPREME PEOPLES PROCURATORATE HAS SENT OUT SEVERAL EMERGENCY NOTICES TO PROCURATORATES AND PUBLIC SECURITY DEPTS. SAYING THAT IF CIRCUMSTANCES AND EVIDENCE SURROUNDING QUOTE COUNTER REVOLUTIONARY UNQUOTE CRIME ARE BASICALLY CLEAR AND SUFFICIENT, PROCURATORATES QUOTE SHOULD NOT/NOT BE HAMSTRUNG BY DETAILS AND SHOULD EXPEDITE PROCESS OF ARRESTS AND PROSECUTIONS UNQUOTE. DOCUMENTS WHICH WERE SENT OUT 07JUN AND 11JUN ASKED RELEVANT UNITS TO OBSERVE PRINCIPLE OF QUOTE EVERYBODY BEING EQUAL BEFORE LAW UNQUOTE. THIS PRESUMABLY MEANS THAT WHEREAS STUDENTS PREVIOUSLY WERE NOT/NOT CONSIDERED TO BE TARGET FOR GOVT RETRIBUTION, THEIR ACTIVITIES CAN NOW ALSO BE CONSTRUED AS COUNTER REVOLUTIONARY—ONE OF CHINAS MOST SERIOUS CRIMES, USUALLY PUNISHABLE BY DEATH. EMERGENCY NOTICES MAY BE ATTEMPT TO BYPASS DUE PROCESS OF LAW BUT COULD ALSO BE SEEN AS INDICATION THAT THERE IS FOOTDRAGGING IN SECURITY AND LEGAL DEPTS. ONE RUMOUR WE HAVE HEARD SUGGESTS THAT VIDEO TAPES OF RECENT VIOLENCE CONFISCATED FROM WESTERN JOURNALISTS OR RECORDED BY PUBLIC SECURITY MINISTRY HAVE BEEN DISAPPEARING FROM MINISTRY. THERE IS

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PAGE THREE WJGR3507 CONF

NO/NO DOUBT THAT RESENTMENT IN PEKIN TOWARDS GOVTS VIOLENT QUELLING OF PROTESTS AND SUBSEQUENT WITCHHUNT IS BITTER AND WIDESPREAD.

4.MASSIVE PROPAGANDA EFFORT THROUGH OFFICIAL MEDIA ILLUSTRATES AUTHORITIES DESPERATION TO EXPLAIN AND JUSTIFY VIOLENT SUPPRESSION OF DEMOS.WHILE THIS MAY NOT/NOT BE EFFECTIVE IN PEKIN WHERE ARMY PRESENCE IS LIKELY TO BE NECESSARY UNTIL AT LEAST END OF YEAR,THE OFFICIAL LIES AND DISTORTIONS HAVE A GOOD CHANCE OF BEING ACCEPTED OUTSIDE MAJOR CITIES SUCH AS PEKIN AND SHNGI.GOV'T STILL MAINTAINS THAT 5,000 SOLDIERS AND ONLY 2,000 CIVILIANS WERE INJURED AND THAT LESS THAN 300(MOSTLY SOLDIERS)WERE KILLED.ANALYSIS HERE BELIEVE CIVILIAN DEATHS WERE PROBABLY OVER 1,000 AND INJURIES MUCH HIGHER. (DIPLO COLLEAGUES NOW BELIEVE THAT ACTUAL CASUALTIES IN TIANANMEN SQUARE MAY HAVE BEEN SUBSTANTIALLY LOWER THAN PREVIOUSLY THOUGHT, PARTICULARLY DURING HOUR OR SO THAT ARMY CLAIMS IT TOOK TO QUOTE CLEAR UNQUOTE SQUARE,BUT CASUALTIES INCURRED WHILE ENTERING SQUARE AND AFTER CLEARING OPERATION WERE HIGH).PROPAGANDA HAS CREATED BOTH HEROES AND ENEMIES.HUNDREDS OF WREATHS ARE HANGING FROM MAKESHIFT QUOTE SHRINES UNQUOTE IN AT LEAST FIVE LOCATIONS WHERE PLA AND POLICE QUOTE MARTYRS UNQUOTE DIED VIOLENT DEATHS.PRES YANG SHANGKUN,LI PENG AND QIAO SHI HAVE BEEN TELEVISED AT LENGTH MTG WITH RELATIVES OF THE HERO VICTIMS.ON THE OTHER HAND,FANG LIZHI AND HIS WIFE LI SHUXIAN ARE ARCH VILLAINS,COLLABORATING WITH

...4

PAGE FOUR WJGR3507 CONF

REACTIONARY OUTSIDE FORCES. VOA STANDS ACCUSED OF SPREADING LIES AND RUMOURS AND STUDENT LEADER WANG DAN HAS BEEN FINGERED AS EMBEZZLER OF STUDENT FUNDS. FOR FIRST TIME IN MANY YEARS, 14 JUN ARTICLE IN PEOPLES DAILY HAS RESURRECTED ISSUE OF CLASS STRUGGLE IN CONTEXT OF DEMOCRACY PROTESTS AND RADIO BEIJING ANNOUNCED TODAY THAT DENG XIAOPINGS WRITINGS ON UPHOLDING FOUR BASIC PRINCIPLES OF CHINESE COMMUNISM AND OPPOSING BOURGEOIS LIBERALIZATION WILL BE PUBLISHED IN PAMPHLET FORM. IDEOLOGICAL ONSLAUGHT APPEARS TO BE IN MAKING.

5. IMPORTANT EMPHASIS IN ALL OF THIS IS RESTORATION OF ORDER AND RESPECT FOR AUTHORITY - FUNDAMENTAL CHINESE VALUES WHOSE APPEAL OUTSIDE LARGE URBAN CENTRES SHOULD NOT BE UNDERESTIMATED.

CCC/078 210830Z WJGR3507

S E C R E T

FM PEKIN WJDR0124 21JUN89

TO TT NDHQOTT/CIS ADM/DDI 6-3/ DE CAF  
INFO EXTOTT/ PNR

---PLA OCCUPATION OF BEIJING

SUMMARY: NO FURTHER WITHDRAWAL OF TROOPS HAVE BEEN NOTED.

IT IS ASSESSED THAT SHA HE AIRFIELD CONTAINS 64/64 AND 40/40  
ARMY ELEMENTS. 24TH ARMY APPEARS TO HAVE RELOCATED INTO  
UNIVERSITY CAMPUSES. IN GENERAL THERE HAS BEEN A SMALL  
DRAW DOWN IN TROOP STRENGTH A SIGNIFICANT DRAW DOWN  
IN EQUIPMENT AND SOME REDEPLOYMENT OF REMAINING FORCES FOR  
HABITABILITY EFFICIENCY PURPOSES.

2. REPORT: SINCE SENTRY AT SHA HE SOUTH GATE WAS GONE  
CFA/UK DA OFFICES DROVE AROUND AIRFIELD OSTENSIBLY  
TO LOOK FOR THE AIR MUSEUM AND NOTED FOLLOWING: FIVE HIP  
HELOI IN CAAC MARKINGS AND ABOUT FIVE YUN 7 TRANSPORTS.  
HUNDREDS OF OPERATIONAL PLA TRUCKS LP V14 AND V15 AND AT LEAST  
TWO TO THREE HUNDRED AND UP TO FIVE HUNDRED 30/30 MAN  
SIZE TENTS. NEAR SHA HE TOWN FOUR E83 TRUCKS POINTED NORTH.  
3. NANKOU INDICATED INCREASED MILITARY ROAD TRAFFIC. ONE  
TANK TURRET OF UNMODIFIED T59 WAS SEEN, SOUTH OF NANKOU.  
CONSIDERABLE V06 TRAFFIC WAS OBSERVED INCLUDING TEN TRUCKS  
LOADED WITH TROOPS.

...2

*Ch*

RETURN TO REVOYER AU	<b>BICO</b>	FOR FILING POUR - ETRE PORTE AU DOSSIER
ACC <i>6/5/91</i>	REF	DATE <i>JBW</i>
FILE <i>20 - China - 1 - 4</i>	DOSSIER	

**Two**  
PAGE ~~SECRET~~ WJDR0124 SECRET

4. THERE ARE MORE GUARDS AT BEI DA UNIVERSITY THAN PREVIOUSLY SPOTTED. MOREOVER 800/800 YARDS SOUTH OF THE WEST GATE NEXT TO A RECENTLY BUILT GYMNASIUM TYPE BUILDING POSSIBLY FOR ASIAN GAMES USE WERE APPROX 75/75 V01 TRUCKS. INTEND CHECKING OTHER UNIVERSITY AREAS TODAY TO DETERMINE IF 24TH ARMY HAS REDEPLOYED TO THEIR CAMPUSES.

5. CFA OFFICE ATTENDED ALLIED DA OFFICE MTG ON 20JUN. NO/NO ATTEMPT MADE TO REFLECT ALLIED OBSERVATIONS IN THIS REPORT AS THE UK/US EMB DA OFFICES ARE KEEPING NDHQ POSTED.

CCC/078 210030Z WJDR0124



TO/À • EFB (through EED)

FROM/DE • EEA

REFERENCE •  
 RÉFÉRENCE

SUBJECT •  
 SUJET

China: Comments by Earl Drake to PAFSO



RETOURNER À/Sécurité	FOR FILING
REVOYER PROTECTED	POUR - ETRE
Accession/Référence	PORTE AU DOSSIER
ACC 607738	REF DATE
FILE	DOSSIER
20-CHINA-1-4	
Date	June 21, 1989
Number/Numéro	EEA-0978

ENCLOSURES  
 ANNEXES

DISTRIBUTION

- EED
- EER
- EEE
- EEA/Brown

Ambassador Drake's comments to the PAFSO breakfast meeting on June 21 covered the political environment surrounding the student demonstrations and subsequent massacre, as well as some humorous insights into crisis management.

2. Ambassador Drake noted that initially the students (many of whom were the children of the elite, explaining the slow response of the government to the situation) were seeking reform, not the overthrow of the government. They sought freedom of press and assembly, and only after some days of demonstrations did they ask for a change of leadership. However, what they proposed was a reformed communism, not a western styled democracy.

3. However, the Chinese government was deeply humiliated by the demonstrations during the Gorbachev visit and Deng interpreted the events as the beginning of a "Polish Syndrome" which was necessary to stop. To do this, the government believed it had to cove people through bloodshed: The square could have been cleared with little to no violence. Ambassador Drake said he believed, as did other western Ambassadors, that the Chinese government planned the attack on Tiannamen Square in order to be able to justify the "big lie", ie. that troops were killed by demonstrators. Unarmed troops were sent into the square and then the "killer troops", the 27th Army (considered to be the personal army of the President) was sent in and ordered to kill everything in front of them, including the men of the other army. This provided the photographs and film footage that the government has clipped together to present its version of the events in the square.

4. Ambassador Drake considered that economic sanctions were unrealistic, although the creation of a list of prohibited high tech exports orchestrated with other industrialized countries in the way the COCOM list is managed might "get their attention".

5. He was also somewhat pessimistic about the immediate future in China. Too many want change for the pressure to be completely suppressed. A number of student leaders have fanned out over China to recount the true story of Tiannemen Square and an underground network appears to be emerging that has given up

on peaceful demonstrations: There appears to be an increased likelihood of violent demands for change. The labour unions may become more involved. The government had actually stationed troops at the iron and steel mills (the largest employer) and had paid labourers bonuses to stay at work during the student demonstrations.

6. On crisis management, Ambassador Drake noted that you are always ready for the wrong crisis: They were ready for an earthquake. His other comments were light-hearted and concerned such matters as handling the pets people have left behind.



Robert Grauer  
Director  
Economic Relations with  
Developing Countries Division

Date = June 20/89

CONFIDENTIAL

CHINA

THE PERSPECTIVES AFTER TIANANMEN

ACC	DATE
FILE	DOSSIER
20- <u>China</u> -1-4	

ISSUE

The Chinese violent repression of unarmed student demonstrators in June has damaged Canada - China relations, and has prompted a review of our links with China.

BACKGROUND

The events in Tiananmen Square on June 4, 1989, the subsequent round of executions, and the repression of dissidents have had a chilling effect on Western relations with China. The Economic Summit countries in Paris issued a declaration highly critical of China, and banned high-level contacts and military assistance to China.

The events surrounding Tiananmen continue to have repercussions within the Chinese leadership, and further changes within the Party hierarchy can be expected. The political role of the People's Liberation Army may have been enhanced by the demonstration of its ability to put down open opposition to the government, but its prestige amongst the population has been damaged.

While the phenomenal growth rate of the Chinese economy in recent years will probably not be achieved this year, the economic fundamentals remain strong by Third World standards. The blocking of World Bank and Asian Development Bank credits in response to the China crisis is damaging the Chinese economy, in particular large new infrastructure projects badly needed to sustain economic growth.

JAPANESE POSITION

Japan is the principal economic partner of China by a wide margin. Japanese markets and Japanese technology are essential to the continued modernization of the PRC. China is an important supplier for Japan, particularly in raw materials but China's economic importance to Japan while potentially very great is still modest. Due to China's population, its proximity to Japan, and its growing military strength, the Sino-Japanese relationship is a major consideration for Japanese foreign policy

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planners. Japan, with the other Summit Seven states, subscribed to the Paris declaration which suspended high-level contacts with China as well as military sales. Japan in mid-August resumed its development assistance program in China, but has yet to revive the massive (US \$8 billion) soft loan offered to China.

#### CANADIAN POSITION

Our bilateral relationship has been restructured in response to the events of June, 1989.

The Canadian policy response was designed to avoid isolating China; to coordinate our response with like-minded countries; and to not accept the Chinese authorities' call for "business as usual".

With these basic parameters in mind, the government will continue to analyze various parts of our relationship, and events and proposals that come before us in line with the new political realities in China.

Canada's development assistance program in China is continuing, as is Export Development Corporation activity. Each new CIDA or EDC project must be gauged against the following criteria before it receives approval:

- The existing links forged by government, industry and academics over the past decade should be preserved to the extent possible;
- New initiatives in the relationship should focus on people-to-people exchanges; and
- Programs which benefit or lend prestige to the current hardline policies of the Chinese government, most particularly the military or state propaganda apparatus, should be avoided.

INTERVENTION BRIEF

MAJOR MESSAGE

Canada places great value on its relationship with China, and on the contacts which have developed between Canadians and the Chinese people. The repression of dissident opinion, dramatically shown in Tiananmen in June, is not well received by the Canadian people. Canada cannot ignore the Tiananmen tragedy, and the Chinese leadership must understand that China's international image has been greatly damaged by the Chinese repression of demonstrators, and the subsequent arrests and executions.

DESIRED OUTCOME

We would hope that Japan, despite its large economic stake in China will continue to share a consistent policy response to Tiananmen with Japan's Western partners. Japanese efforts to urge moderation in dealing with political dissent will be helpful.

POINTS TO REGISTER

- Canada will grant new export financing and new development assistance funds to China only if they meet special criteria (see Canadian position above). What are the Japanese intentions with regard to credits for China?
- Recent reports from China indicate that the political situation may not yet have stabilized. The issue of the succession to Deng is also unsettled, with the disgrace of his latest designated heir Zhao Ziyang.

**Pages 883 to / à 886  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

SKRD

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Vol. 62

Speech by Mr. Zhou Gang, Ambassador of the  
People's Republic of China to Malaysia  
at a Joint ISIS/Business International Seminar

2009

19 June 1989

CNOSE-891015

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ACC	612952	DATE	890619
FILE	20-CHINA-1-A		
LOC	A5-	DOSSIER	Vol 62

Mr. Chairman,  
Distinguished Participants,  
Ladies and Gentlemen,

Please allow me, first of all, to thank ISIS for inviting me to participate in this seminar today. Having listened to the speeches made by the academics, I would like to take this opportunity to present my views. There are mixed responses across the world to the recent events taking place in China. Many foreigners are wondering what has really been happening in China; what its causes are and what kind of consequences it will lead to. Naturally, it is understandable that they have different questions in mind. Therefore, it will be difficult for them to form their correct judgement and impossible to reach their fair conclusion unless the actual facts of the recent developments in China are made known to them. We Chinese are in the position to say that we understand our own affairs best. And it is our unshirkable responsibility to make known to the world what has really been happening in China so as to clear up rumours and misunderstandings and help our friends understand China's affairs better.

1. Recent events in Beijing over the past two months first started with the student demonstration and then developed into turmoil and finally became counter-revolutionary rebellion. How could all this happen?

Let us first have a look at the following events:

In mid-April, some youths took to the street to mourn over the death of Hu Yaobang, former Secretary-General of the Central Committee of Communist Party of China. They put forward demands to speed up reforms, promote democracy and do away with corruption. The Government gave due approval of their demands and at the same time warned them against those people with ulterior motives who were trying to use them to create turmoil.

Accession/Référence

1/9

MESSAGE

File/Dossier

20-1-2-CDA-MLSI

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Alignez le premier caractère de la Sécurité sous cette flèche

20-PRC

SECURITY  
SECURITE

UNCLASSIFIED

**ACTION**  
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FM/DE FM KLMPR XJGR1693 21JUN89

TO/À TO EXTOTT ~~MR PAK~~ **FACSIMILIE**

DISTR ---JOINT ISIS BUSINESS INTERNATIONAL SEMINAR ON CHINA

REF FOLLOWING ON THE HEELS OF TWO DAY ASIA PACIFIC ROUNDTABLE,  
SUBJ/SUJ ISIS IN CONJUNCTION WITH "BUSINESS INTERNATIONAL" ORGANIZATIONS  
CONDUCTED HALF DAY SEMINAR 19JUN ON "THE SITUATION IN CHINA:  
CAUSES AND CONSEQUENCES".

2. WHILE PRESENTATIONS DELIVERED BY PANELISTS AND QUESTION  
AND ANSWERS PERIOD WHICH FOLLOWED BROKE NO NEW GROUND, ATTACHED  
FOR YOUR INFORMATION IS A COPY OF THE SPEECH DELIVERED BY  
PRC AMBASSADOR TO MALAYSIA ZHOU GANG.

*BEST COPY AVAILABLE*

DRAFTER/RÉDACTEUR

DIVISION/DIRECTION

TELEPHONE

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MR

Up to the beginning of May, due to the patient work done by the Government, the situation in Beijing almost returned to normal. However, from the very beginning, there were a handful of bad people who made use of the student demonstration for their ulterior motives. Openly violating the Constitution, they formed various illegal organizations, vilified the Party and the State leaders and tried to destroy democracy and legal system and undermined the situation of stability and unity. Making use of the young students' patriotic enthusiasm, they incited students to take to the street, and hoodwinked citizens having no idea of their conspiracy to support them. They instigated some students to stage hunger strikes at Tiananmen Square, thus making the situation in Beijing all the more aggravating. By then, campus life in Beijing colleges and universities was actually paralysed; there was traffic congestion everywhere. The Party and Government organs were assaulted and normal order disrupted. Even some of official programmes of the Sino-Soviet Summit meeting had to be cancelled. In short, a wave of serious anarchism was prevailing in Beijing. However, the Chinese Communist Party and Government exercised great restraint and tried all means to hold dialogues with the student hunger strikers, listening to their opinions and tried to give medical treatment necessary for some students. But all efforts failed to achieve good results. Obviously, a small number of people took advantage of the student movement to achieve their sinister objectives under the cover of turmoil. In order to quell the turmoil, maintain stability and social order, and ensure that the Party and Government offices can perform their normal administrative functions, the Chinese Government decided to impose martial law in some parts of Beijing, effective as of May 20. Knowing their conspiracy doomed to fail, turmoil creators staked everything on a single throw by engineering counter-revolutionary rebellion on June 3 when the martial law enforcement troops were about to enter the city. The rebels blocked the troops from reaching the downtown area to enforce martial law. They smashed and set fire to hundreds of army's trucks and public buses, and abused, beat and kidnapped PLA officers and men. They also snatched guns and ammunitions from PLA men. What's more, they charged at the central Government and Party organs and other key departments such as Zhongnanhai where the Central Party Committee and the State Council are located. They also robbed shops and burned down kiosks of traffic wardens. They killed dozens of PLA soldiers. They openly shouted the following slogans - "Take up arms, overthrow the Government", "Kill 47 million Communist Party members".

Their aim is to overthrow the Communist Party of China and socialist system and subvert the People's Republic of China. Facing such a grave situation, the Chinese Communist Party and Government had no other choice but to take resolute measures to put down this rebellion. Otherwise, China would have been plunged into an even greater turmoil and become splitting up. And then the future of the People's Republic of China will be greatly threatened and a decade's reform and opening and the great achievements of the four modernizations will come to nothing overnight. Just as Chinese leader Deng Xiaoping pointed out on June 9, that this turmoil will arise sooner or later, subject to international climate as well as to China's domestic climate, it is bound to come round as something independent of man's will. It is a matter of both time and size.

2. The true picture of the process of putting down the counter-revolutionary rebellion in China.

After the counter-revolutionary rebellion was put down in China, foreign press and mass media, some Western ones in particular have written a great number of distorted and exaggerated reports about it. What I can say for sure is that many of these reports are untrue, and that some of them are utterly rumours. Then what is the true picture? Since martial law was imposed in parts of Beijing, the martial law enforcement troops, displaying great restraint, have never hit back or answered back when beaten and abused so as to avoid the outbreak of any conflict. This is known to all. Before the martial law troops moved into the city proper following the outbreak of the rebellion on June 3, in order to avoid hurting ordinary people, the Beijing Municipal Government issued "Urgent Announcement", urging people to keep vigilance and not to take to the street so as to ensure their safety. This announcement was repeatedly broadcasted by the radio and TV stations. And in the whole process of putting down the counter-revolutionary rebellion, these troops also did their utmost to avoid bloodshed. Consequently, some 5000 officers and men were wounded and over a hundred killed. 375 army trucks and armoured personnel carriers were burned and guns and ammunition were snatched by the rebels. This heavy loss suffered by the martial law troops has forcefully proved the maximum endurance and restraint they displayed. Otherwise, they who were fully armed would never have suffered such great loss and casualties. It is only a matter of common sense. Driven beyond endurance at last, they were compelled to counter-attack, shooting dead some rebels who committed inhuman crimes. In the course of this rebellion, 2000 people were wounded and  
*about*

200 killed, among whom are rebels, roifers, hooligans, ex-convicts and unfortunately some students and innocent people who were drawn to the scene out of curiosity. According to the initial statistics, 23 students from universities and colleges in Beijing died. We are extremely sorry for those who got killed accidentally, because this is something we never wish to happen. Our Government has given instructions to organs and departments concerned to deal with the problems arising from this unfortunate event. Some people claim that the Chinese army "staged a bloody suppression" at Tiananmen Square. I must say that is nothing but a rumour cooked up by a small number of people with ulterior motives for the purpose of slandering China and leading people astray. What actually happened was that not one student or civilian was killed, or anyone got killed or injured by the running wheels of vehicles in the course of the time between 4:30 and 5:30 am of June 4 when the PLA martial law troops were engaged in clearing up the square. Prior to performing their clearing-up duty, the troops spent over 3 hours repeatedly broadcasting the "Urgent Announcement" of the Beijing Municipal People's Government and the PLA Martial Law Headquarters, pointing out that a counter-revolutionary rebellion had taken place from June 3 to the time when the troops moved in to clear up the square and calling for the students and the masses on the spot to leave right away. Hearing the broadcasting, a large number of people still around and at the square gradually departed. The student representatives later asked the troops to allow them a peaceful and voluntary withdrawal from the square. The troops promptly agreed and let them go so. Even after all the students and the people left, the officers and soldiers double checked their makeshift tents one by one to make sure that no one was hiding there; only when they were sure that no one was left behind, did they begin removing obstacles and clearing away rubbish.

As for those rumours spread by some foreign news agencies about so-called "death" and "assassination" of certain Chinese leaders as well as exchange of fire between different troops of the Chinese People's Liberation Army in Beijing, they made big headlines for a short while at first, but soon turned into disgusting trash. They can only reveal what a poor farce these rumour-mongers have put on.

3. The whole situation in China is growing stable. The Chinese Government is capable of controlling the situation.

I would like to tell the friends present here in earnest that the leadership of the Communist Party of China is firm and strong, and that the People's Liberation Army is united and the Chinese Government is capable of effectively functioning. It is a sheer nonsense that a so-called "civil war will break out" in China. With the support and cooperation of the broad masses of workers, farmers, intellectuals and citizens, major victory has been scored in putting down the counter revolutionary rebellion in Beijing. Now traffic in Beijing has returned to normal. Social order and daily life as well as production in the city have gradually been restored. The situation in China as a whole is turning stable and getting better and better. All this fully shows that the measures adopted by the Chinese Communist Party and the Government are in the interest of the people and hence have won their hearty support.

Of course, the instigators and organizers of this counter-revolutionary rebellion and the rebels engaged in the criminal offences should be punished according to law. It is common knowledge that law-breakers must be punished. We never regard students as rebels. As for those young students and ordinary people who did not know the actual motives of the rebels, took part in demonstrations and made some extreme remarks, we will mainly educate them so as to help them raise political awareness, instead of punishing them.

The basic line of the Chinese Communist Party is correct. However, our Party and Government have frankly admitted that there are quite a few errors and mistakes in work and stated clearly, after the rebellion is thoroughly put down, effective measures will be taken to overcome these errors and mistakes. They are also determined to make great efforts to eradicate corruption and bureaucratist phenomena both from the Party and from the Government. The Government will continue to hold dialogues through various channels and in different ways with all circles including students and will give serious considerations to the demands raised by various circles including young students over the past few months to punish "official profiteering", eliminate corruption and further democracy.

7/9

4. No interference in China's internal affairs.

It must be pointed out that what has been happening in China is purely China's own internal affairs. China has never interfered in internal affairs of other countries, and is opposed to any interference in China's internal affairs by other countries. Any attempt of foreign countries, organizations and personages to exert pressure on China by one means or another is unwise, short-sighted and will not do them any good in the end. At present, a small number of countries have produced all sorts of rumours by taking advantage of the time when China was engaged in putting down the counter-revolutionary rebellion in order to create an anti-Chinese wave to exert pressure on China. The Chinese people who have already stood up will never yield to pressure from outside. Rumours will not last long and eventually the actual facts of recent events happening in China will be made known to the world. We hope that all foreign countries, organizations and personages that wish to maintain and develop friendly relations with China should not be short-sighted, nor do anything to hurt the Chinese people's feelings.

5. Basic foreign and domestic policies of China will not change.

In what direction will China go following the putting down of this counter-revolutionary rebellion? Will China change its future policies? They are the questions everyone is most concerned about. On June 9, the most respected Chinese leader Deng Xiaoping, the chief architect of China's reform and open policy, openly declared that China's basic foreign and domestic policies would not change. He said that the line, guidelines and policies formulated since the Third Plenary Session of the Eleventh Party Central Committee are correct and that focusing on economic construction, we must adhere to the Four Cardinal Principles and pursue reform and the open policy, both of which should be persistently carried out. The basic line, guidelines and policies will remain unchanged, because they are in the interest of the overwhelming majority of the people and hence enjoy their wide support.

8/9

China has seen rapid economic growth over the past ten years of reform and open policy. Chinese people's living standards have been improving remarkably. These are the facts no one in the world can deny. Why should we change such policies which have been proved correct in practice and beneficial to the people?

China's development strategy is correct and will remain unchanged. It depends on unremitting efforts of several generations to realize the grand goal of the four modernizations. China needs an international environment of long-term stability and peace. China will unswervingly pursue the independent foreign policy of peace. The Chinese Government will consistently establish and develop friendly relations with other countries on the basis of the Five Principles of Peaceful Coexistence and carry out economic and trade exchanges and technological cooperation in the spirit of "equality, mutual benefit and common development". Incidentally, I would like to mention here that this counter-revolutionary rebellion has caused temporary difficulties in terms of developing our economic and trade relations with other countries. And some countries have harboured certain misunderstanding of China. On the whole, the governments of many developing countries and most socialist countries understand our effort to put down the rebellion and are willing to continue developing friendly relations with China. Most of the developed countries hope that this incident will not affect their bilateral economic and trade relations with China. Those countries and companies taking wait-and-see attitude, we believe, will dispel their doubt and change their attitude very soon. Those who have left China will return before long and continue their cooperation with China. All in all, China's door is still wide open. As Chairman Deng Xiaoping said, if there is anything in need of improvement, it is our reform and open policy. The incident prompted us to have a sober review of the past and give some thought to the future so that we would take steadier, better and even faster steps in our cause, and to correct our mistakes more speedily and give better play to our advantages. Therefore, any pessimistic view on China's future is groundless.

6. Concluding remarks

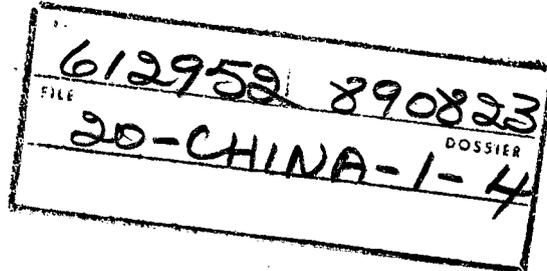
Present today are many specialists and scholars of international relation studies. I think the reason you are here discussing the current situation in China and its consequences is mainly out of concern for China. As everyone knows, China is a large country with a vast population of 1.1 billion. It has major influence not only in the Asian-Pacific region, but in the whole world as well. Like other big powers, China also has its own distinctive social, political and cultural backgrounds. Things in China are complicated. It will take some time for one to get a clear understanding of some of the things going on in China. From the different perspectives, a few specialists and academics have just delivered speeches to express their personal views. I hope, by introducing to all of you what has been really happening in China and the relevant policies and position adopted by the Chinese Government, that it will help you understand China better.

Thank you.

Speech by Mr. Zhou Gang, Ambassador of the  
People's Republic of China to Malaysia  
at a Joint ISIS/Business International Seminar

MOITDA 19 June 1989

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Mr. Chairman,  
Distinguished Participants,  
Ladies and Gentlemen,

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MESSAGE

Accession Reference

File/Dossier

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20-PRC

Align first character of Security Classification under this arrow  
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SECURITY  
SÉCURITÉ

UNCLASSIFIED

12

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**ACTION  
SUITE A DONNER**

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TO EXTOTT PSR **FACSIMILIE**

INFO

---JOINT ISIS/BUSINESS INTERNATIONAL SEMINAR ON CHINA

DISTR

REF

FOLLOWING ON THE HEELS OF TWO DAY ASIA PACIFIC ROUNDTABLE,

SUBJ/SUJ

ISIS IN CONJUNCTION WITH "BUSINESS INTERNATIONAL" ORGANIZATION  
CONDUCTED HALF DAY SEMINAR 19JUN ON "THE SITUATION IN CHINA:  
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2. WHILE PRESENTATIONS DELIVERED BY PANELISTS AND QUESTION  
AND ANSWERS PERIOD WHICH FOLLOWED BROKE NO NEW GROUND, ATTACHED  
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PRC AMBASSADOR TO MALAYSIA ZHOU GANG.

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Up to the beginning of May, due to the patient work done by the Government, the situation in Beijing almost returned to normal. However, from the very beginning, there were a handful of bad people who made use of the student demonstration for their ulterior motives. Openly violating the Constitution, they formed various illegal organizations, vilified the Party and the State leaders and tried to destroy democracy and legal system and undermined the situation of stability and unity. Making use of the young students' patriotic enthusiasm, they incited students to take to the street, and hoodwinked citizens having no idea of their conspiracy to support them. They instigated some students to stage hunger strikes at Tiananmen Square, thus making the situation in Beijing all the more aggravating. By then, campus life in Beijing colleges and universities was actually paralysed; there was traffic congestion everywhere. The Party and Government organs were assaulted and normal order disrupted. Even some of official programmes of the Sino-Soviet Summit meeting had to be cancelled. In short, a wave of serious anarchism was prevailing in Beijing. However, the Chinese Communist Party and Government exercised great restraint and tried all means to hold dialogues with the student hunger strikers, listening to their opinions and tried to give medical treatment necessary for some students. But all efforts failed to achieve good results. Obviously, a small number of people took advantage of the student movement to achieve their sinister objectives under the cover of turmoil. In order to quell the turmoil, maintain stability and social order, and ensure that the Party and Government offices can perform their normal administrative functions, the Chinese Government decided to impose martial law in some parts of Beijing, effective as of May 20. Knowing their conspiracy doomed to fail, turmoil creators staked everything on a single throw by engineering counter-revolutionary rebellion on June 3 when the martial law enforcement troops were about to enter the city. The rebels blocked the troops from reaching the downtown area to enforce martial law. They smashed and set fire to hundreds of army's trucks and public buses, and abused, beat and kidnapped PLA officers and men. They also snatched guns and ammunitions from PLA men. What's more, they charged at the central Government and Party organs and other key departments such as Zhongnanhai where the Central Party Committee and the State Council are located. They also robbed shops and burned down kiosks of traffic wardens. They killed dozens of PLA soldiers. They openly shouted the following slogans - "Take up arms, overthrow the Government", "Kill 47 million Communist Party members".

Their aim is to overthrow the Communist Party of China and socialist system and subvert the People's Republic of China. Facing such a grave situation, the Chinese Communist Party and Government had no other choice but to take resolute measures to put down this rebellion. Otherwise, China would have been plunged into an even greater turmoil and become splitting up. And then the future of the People's Republic of China will be greatly threatened and a decade's reform and opening and the great achievements of the four modernizations will come to nothing overnight. Just as Chinese leader Deng Xiaoping pointed out on June 9, that this turmoil will arise sooner or later, subject to international climate as well as to China's domestic climate, it is bound to come round as something independent of man's will. It is a matter of both time and size.

2. The true picture of the process of putting down the counter-revolutionary rebellion in China.

After the counter-revolutionary rebellion was put down in China, foreign press and mass media, some Western ones in particular have written a great number of distorted and exaggerated reports about it. What I can say for sure is that many of these reports are untrue, and that some of them are utterly rumours. Then what is the true picture? Since martial law was imposed in parts of Beijing, the martial law enforcement troops, displaying great restraint, have never hit back or answered back when beaten and abused so as to avoid the outbreak of any conflict. This is known to all. Before the martial law troops moved into the city proper following the outbreak of the rebellion on June 3, in order to avoid hurting ordinary people, the Beijing Municipal Government issued "Urgent Announcement", urging people to keep vigilance and not to take to the street so as to ensure their safety. This announcement was repeatedly broadcasted by the radio and TV stations. And in the whole process of putting down the counter-revolutionary rebellion, these troops also did their utmost to avoid bloodshed. Consequently, some 5000 officers and men were wounded and over a hundred killed. 375 army trucks and armoured personnel carriers were burned and guns and ammunition were snatched by the rebels. This heavy loss suffered by the martial law troops has forcefully proved the maximum endurance and restraint they displayed. Otherwise, they who were fully armed would never have suffered such great loss and casualties. It is only a matter of common sense. Driven beyond endurance at last, they were compelled to counter-attack, shooting dead some rebels who committed inhuman crimes. In the course of this rebellion, 2000 people were wounded and

*about*

200 killed, among whom are rebels, roisters, hooligans, ex-convicts and unfortunately some students and innocent people who were drawn to the scene out of curiosity. According to the initial statistics, 23 students from universities and colleges in Beijing died. We are extremely sorry for those who got killed accidentally, because this is something we never wish to happen. Our Government has given instructions to organs and departments concerned to deal with the problems arising from this unfortunate event. Some people claim that the Chinese army "staged a bloody suppression" at Tiananmen Square. I must say that is nothing but a rumour cooked up by a small number of people with ulterior motives for the purpose of slandering China and leading people astray. What actually happened was that not one student or civilian was killed, or anyone got killed or injured by the running wheels of vehicles in the course of the time between 4:30 and 5:30 am of June 4 when the PLA martial law troops were engaged in clearing up the square. Prior to performing their clearing-up duty, the troops spent over 3 hours repeatedly broadcasting the "Urgent Announcement" of the Beijing Municipal People's Government and the PLA Martial Law Headquarters, pointing out that a counter-revolutionary rebellion had taken place from June 3 to the time when the troops moved in to clear up the square and calling for the students and the masses on the spot to leave right away. Hearing the broadcasting, a large number of people still around and at the square gradually departed. The student representatives later asked the troops to allow them a peaceful and voluntary withdrawal from the square. The troops promptly agreed and let them do so. Even after all the students and the people left, the officers and soldiers double checked their makeshift tents one by one to make sure that no one was hiding there; only when they were sure that no one was left behind, did they begin removing obstacles and clearing away rubbish.

As for those rumours spread by some foreign news agencies about so-called "death" and "assassination" of certain Chinese leaders as well as exchange of fire between different troops of the Chinese People's Liberation Army in Beijing, they made big headlines for a short while at first, but soon turned into disgusting trash. They can only reveal what a poor farce these rumour-mongers have put on.

3. The whole situation in China is growing stable. The Chinese Government is capable of controlling the situation.

I would like to tell the friends present here in earnest that the leadership of the Communist Party of China is firm and strong, and that the People's Liberation Army is united and the Chinese Government is capable of effectively functioning. It is a sheer nonsense that a so-called "civil war will break out" in China. With the support and cooperation of the broad masses of workers, farmers, intellectuals and citizens, major victory has been scored in putting down the counter-revolutionary rebellion in Beijing. Now traffic in Beijing has returned to normal. Social order and daily life as well as production in the city have gradually been restored. The situation in China as a whole is turning stable and getting better and better. All this fully shows that the measures adopted by the Chinese Communist Party and the Government are in the interest of the people and hence have won their hearty support.

Of course, the instigators and organizers of this counter-revolutionary rebellion and the rebels engaged in the criminal offences should be punished according to law. It is common knowledge that law-breakers must be punished. We never regard students as rebels. As for these young students and ordinary people who did not know the actual motives of the rebels, took part in demonstrations and made some extreme remarks, we will mainly educate them so as to help them raise political awareness, instead of punishing them.

The basic line of the Chinese Communist Party is correct. However, our Party and Government have frankly admitted that there are quite a few errors and mistakes in work and stated clearly, after the rebellion is thoroughly put down, effective measures will be taken to overcome these errors and mistakes. They are also determined to make great efforts to eradicate corruption and bureaucratist phenomena both from the Party and from the Government. The Government will continue to hold dialogues through various channels and in different ways with all circles including students and will give serious considerations to the demands raised by various circles including young students over the past few months to punish "official profiteering", eliminate corruption and further democracy.

#### 4. No interference in China's internal affairs.

It must be pointed out that what has been happening in China is purely China's own internal affairs. China has never interfered in internal affairs of other countries, and is opposed to any interference in China's internal affairs by other countries. Any attempt of foreign countries, organizations and personages to exert pressure on China by one means or another is unwise, short-sighted and will not do them any good in the end. At present, a small number of countries have produced all sorts of rumours by taking advantage of the time when China was engaged in putting down the counter-revolutionary rebellion in order to create an anti-Chinese wave to exert pressure on China. The Chinese people who have already stood up will never yield to pressure from outside. Rumours will not last long and eventually the actual facts of recent events happening in China will be made known to the world. We hope that all foreign countries, organizations and personages that wish to maintain and develop friendly relations with China should not be short-sighted, nor do anything to hurt the Chinese people's feelings.

#### 5. Basic foreign and domestic policies of China will not change.

In what direction will China go following the putting down of this counter-revolutionary rebellion? Will China change its future policies? They are the questions everyone is most concerned about. On June 9, the most respected Chinese leader Deng Xiaoping, the chief architect of China's reform and open policy, openly declared that China's basic foreign and domestic policies would not change. He said that the line, guidelines and policies formulated since the Third Plenary Session of the Eleventh Party Central Committee are correct and that focusing on economic construction, we must adhere to the Four Cardinal Principles and pursue reform and the open policy, both of which should be persistently carried out. The basic line, guidelines and policies will remain unchanged, because they are in the interest of the overwhelming majority of the people and hence enjoy their wide support.

China has seen rapid economic growth over the past ten years of reform and open policy. Chinese people's living standards have been improving remarkably. These are the facts no one in the world can deny. Why should we change such policies which have been proved correct in practice and beneficial to the people?

China's development strategy is correct and will remain unchanged. It depends on unremitting efforts of several generations to realize the grand goal of the four modernizations. China needs an international environment of long-term stability and peace. China will unswervingly pursue the independent foreign policy of peace. The Chinese Government will consistently establish and develop friendly relations with other countries on the basis of the Five Principles of Peaceful Coexistence and carry out economic and trade exchanges and technological cooperation in the spirit of "equality, mutual benefit and common development". Incidentally, I would like to mention here that this counter-revolutionary rebellion has caused temporary difficulties in terms of developing our economic and trade relations with other countries. And some countries have harboured certain misunderstanding of China. On the whole, the governments of many developing countries and most socialist countries understand our effort to put down the rebellion and are willing to continue developing friendly relations with China. Most of the developed countries hope that this incident will not affect their bilateral economic and trade relations with China. Those countries and companies taking wait-and-see attitude, we believe, will dispel their doubt and change their attitude very soon. Those who have left China will return before long and continue their cooperation with China. All in all, China's door is still wide open. As Chairman Deng Xiaoping said, if there is anything in need of improvement, it is our reform and open policy. The incident prompted us to have a sober review of the past and give some thought to the future so that we would take steadier, better and even faster steps in our cause, and to correct our mistakes more speedily and give better play to our advantages. Therefore, any pessimistic view on China's future is groundless.

## 6. Concluding remarks

Present today are many specialists and scholars of international relation studies. I think the reason you are here discussing the current situation in China and its consequences is mainly out of concern for China. As everyone knows, China is a large country with a vast population of 1.1 billion. It has major influence not only in the Asian-Pacific region, but in the whole world as well. Like other big powers, China also has its own distinctive social, political and cultural backgrounds. Things in China are complicated. It will take some time for one to get a clear understanding of some of the things going on in China. From the different perspectives, a few specialists and academics have just delivered speeches to express their personal views. I hope, by introducing to all of you what has been really happening in China and the relevant policies and position adopted by the Chinese Government, that it will help you understand China better.

Thank you.

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S E C R E T

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---MIL OCCUPATION OF BEIJING

SUMMARY: THERE HAS BEEN A DISTINCT DECREASE IN OBSERVABLE PLA TROOP STRENGTHS IN BEIJING.

2. TAM OCCUPATION IS DOWN TO ABOUT ONE TENTH OR 15/15 TO 20/20 GUARDS. 28/28 ARMY STRENGTH AND VISIBILITY ALONG WESTERN CHANGAN UNDIMINISHED. CAPITAL GYMNASIUM AND EXHIBITION CENTRE FORCES HAVE DECREASED TO ONE THIRD LEVEL OBSERVED FOUR DAYS AGO. GUARDS AT NW CORNER OF SECOND RING ROAD AND SOME OTHER INTERSECTIONS HAVE DISAPPEARED OR REDUCED IN SIZE. THE 50 TO 75 TRUCKS AT THE TEACHERS COLLEGE ON THIRD RING ROAD ARE GONE. THE 40TH ARMY HQ THREE KM NORTH OF NW CORNER OF THIRD RING ROAD HAS DISAPPEARED. THE MILITARY PRESENCE AT THE WORKER STADIUM AND GYMNASIUM HAS DISAPPEARED.

3. WE SHALL RECOMMEND ANOTHER SURVEY OF PLA PRESENCE IN BEIJING AT NEXT MEETING OF FRIENDLY D.A. OFFICES SCHEDULED FOR 201700 JUNE LOCAL TIME.

4. WHILE A WIND DOWN IN TROOP STRENGTH IS EVIDENT THERE ARE INDICATIONS THAT REMAINING TROOPS WILL REMAIN. ALSO MORE FALLEN PLA SOLDIER SHRINES ARE BEING ERECTED AS PART OF PROPAGANDA EFFORT.

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TO EXTOTT PNR DELIVER BY 190900

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DISTR PGB PND PNC PGP INE INP ISE CPD CPP

---CHINA CALLS TOURISTS AND BUSINESSMEN BACK

SUMMARY: VICE PREMIER WU XUEQIAN SIGNED ON 15JUN STATEMENT SAYING CHINA WOULD QUOTE GUARANTEE UNQUOTE SAFETY OF FOREIGN TOURISTS. CHINESE CLAIM TRAFFIC AND COMMUNICATIONS IN MAJOR CHINESE CITIES HAVE QUOTE VIRTUALLY RETURNED TO NORMAL UNQUOTE, AND CHINA TRAVEL SERVICE IS URGED TO DRUM UP TOURISM TO OFFSET LARGE LOSS IN FOREIGN EXCHANGE. ALTHOUGH TOURISM HAS GROUND TO VIRTUAL HALT AND HOTEL OCCUPANCY RATES RANGE BETWEEN 5 TO 20 PERCENT, WE EXPECT A NUMBER OF INDIVIDUAL TOURISTS MAY LISTEN TO SIREN CALLS FROM CHINA STATE TOURISM ADMINISTRATION. THEY MAY BE OBLIVIOUS TO FACT THAT SUCH QUOTE GUARANTEES UNQUOTE ARE OFFERED BY SAME AUTHORITIES WHO QUOTE GUARANTEED UNQUOTE TROOPS WERE NOT/NOT BROUGHT INTO PEKIN LAST MONTH TO HARM STUDENTS OR POPULATION. FOREIGN TRADE MINISTER AGAIN REITERATED CALL FOR QUOTE BUSINESS AS NORMAL UNQUOTE.

2. REPORT: CHINA IS MOUNTING PUBLICITY BLITZ IN DESPERATE EFFORT TO COUNTER HEAVY LOSSES ENCOUNTERED BY COUNTRYS TRAVEL AND RELATED SERVICES INDUSTRIES.

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3. STATEMENT RELEASED BY STATE TOURISM ADMINISTRATION AND SIGNED BY VICE PREMIER WU XUEQIAN, SAID QUOTE NORMAL ORDER OF LIFE UNQUOTE HAD RESUMED IN PEKIN AS WELL AS OTHER TOURIST CITIES SUCH AS XIAN, SENGI, GUANGZHOU, GUILIN, HANGZHOU AND NANJING. BOTH INNATL AND DOMESTIC FLIGHTS AND RAILWAYS ARE SAID TO BE OPERATING (AND THEY ARE INDEED, ALTHOUGH CAACS CANCELLATION RATE APPEARS EVEN HIGHER THAN USUAL). STATEMENT CALLS FOR OVERSEAS TOUR OPERATORS TO COME ON INSPECTION TRIPS TO CHINA AND SAYS THAT STATE TOURISM ADMINISTRATION GUARANTEES THE SAFETY OF OVERSEAS TRAVELLERS IN CHINA.

4. WITH EXCEPTION OF QUOTE SAFER UNQUOTE HOTELS IN PEKIN SUCH AS LIDO AND SHERATON WHERE OCCUPANCY RATE IS ABOUT 20 PERCENT, MOST OTHER HOTELS ARE DOWN TO 5 PERCENT. WHATEVER EFFORT CHINA TRAVEL SERVICE WILL MAKE, TOURIST SEASON IS SHOT (NO/NO PUN INTENDED) AS MAJOR TOUR OPERATORS PREPARE ITINERARIES MONTHS IN ADVANCE. NOT/NOT ALL ACTIVITY REMAINS SAFE IN PEKIN: ANY MOVEMENT AT NIGHT IS HAZARDOUS (WITH ARMY STOPPING AND CHECKING VEHICLES AT GUNPOINT) AND IT IS STILL FORBIDDEN TO WALK ALONG CHANGAN SECTION ACROSS TIANANMEN (DRIVING OR CYCLING IS OK, BUT ATTEMPTS TO HAVE CLOSER LOOK DRAWS VERY HOSTILE REACTION FROM ARMED SOLDIERS GUARDING AREAS EN MASSE). INHABITANTS KNOW THIS; CASUAL VISITORS COULD FIND THEMSELVES IN NASTY SITUS.

5. WE DO NOT/NOT SEE ANY REASON TO CHANGE OUR RESPONSIVE TRAVEL

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ADVISORY, ESP AS WE CONTINUE TO RECEIVE CALLS/ENQUIRIES FROM NERVOUS CDNS ABOUT WHEREABOUTS OF FRIENDS OR RELATIVES IN CHINA. SITU WOULD ONLY CHANGE IF MARTIAL LAW WAS LIFTED (UNLIKELY FOR FORESEEABLE FUTURE) AND/OR IF THERE WAS CLEAR RESOLUTION TO POLITICAL LEADERSHIP CRISIS. DESPITE VENEER OF QUOTE NORMALITY UNQUOTE, POLITICAL AND SOCIAL SITU IN CHINA REMAINS HIGHLY ABNORMAL.

6. CHINESE AUTHORITIES ARE TRYING VERY HARD FOR THEIR OWN REASONS TO PROMOTE IMAGE OF BUSINESS AS USUAL. YET ANOTHER SPEECH BY MOFERT MINISTER ZHENG TUOBIN 16 JUN CALLED FOR EARLY RESUMPTION OF ALL FOREIGN TRADE. ZHENG CRITICIZED QUOTE THOSE FOREIGN GOVTS AND LEADERS WHO HALTED LOANS OR AID AND FROZE TECHNOLOGICAL TRANSFER TO CHINA UNQUOTE.

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**13(1)**

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