

182/16

00 TOKYO (DESKBY 162330Z)

PP PEKING  
GRS1600  
CONFIDENTIAL  
DESKBY 162330Z  
FM FCO 161730Z SEP 82  
TO IMMEDIATE TOKYO  
TELEGRAM NUMBER 411 OF 16 SEPTEMBER 82.  
AND TO PRIORITY PEKING AND LIC HONGKONG.

FOLLOWING RECEIVED FROM SECRETARY JIC AS JICTELNO 314 OF 16 SEPT 82.

CONFIDENTIAL  
FM JIC 161530Z SEP 82

B.E. TOKYO: PLEASE MAKE COPY AVAILABLE EXCLUSIVE FOR A LOGAN OR A COOMBES, PRIME MINISTER'S DELEGATION:  
PLEASE PASS TO A J COLES FOR PRIME MINISTER.

FROM SECRETARY JIC

THE FOLLOWING IS AN EXTRACT FROM PART 2 OF THE WEEKLY SURVEY OF INTELLIGENCE, WSI(82)37 DATED 16 SEPTEMBER.

CHINA: PARTY CONGRESS (CONFIDENTIAL)(UNITED KINGDOM CLASSIFIED)

1. THE TWELFTH CONGRESS OF THE CHINESE COMMUNIST PARTY, HELD IN PEKING FROM 1-10 SEPTEMBER, SAW THE PRESENTATION OF THE WORK REPORT OF THE PARTY CHAIRMAN AND GENERAL SECRETARY, HU YAOBANG: THE INTRODUCTION OF A NEW PARTY CONSTITUTION WHICH, INTER ALIA, REORGANISED THE CENTRAL INSTITUTIONS OF THE PARTY: AND +ELECTIONS+ TO THE CENTRAL COMMITTEE AND TO A NEW CENTRAL ADVISORY COMMISSION. THE CONGRESS WAS KEENLY AWAITED FOR THE INDICATIONS IT WAS EXPECTED TO GIVE OF THE EXTENT OF THE POWER OF DENG XIAOPING, THE EFFECTIVE LEADER OF CHINA, OVER HIS CONSERVATIVE OPPONENTS.
2. THE PREVIOUS PARTY CONGRESS WAS HELD IN AGUSUT 1977, ONE YEAR AFTER MAO ZEDONG'S DEATH. IT CONFIRMED HUA GUOFENG AS MAO'S SUCCESSOR, BUT IT OCCURRED BEFORE HUA'S RIVAL, DENG XIAOPING, HAD FULLY RE-ESTABLISHED HIS POWER TO INFLUENCE EVENTS FOLLOWING HIS REHABILITATION. DENG'S REFORMING PRAGMATIC POLICIES WERE INTRODUCED LATE IN THE FOLLOWING YEAR, AND IN 1980 HIS PROTEGE, ZHAO ZIYANG, BECAME PRIME MINISTER. IN 1981 ANOTHER PROTEGE, HU YAOBANG, WAS MADE PARTY CHAIRMAN. THE REFORMISTS HAVE FACED RESISTANCE FROM CONSERVATIVE AND ELDERLY CADRES IN THE SENIOR RANKS OF THE STATE AND PARTY BUREAUCRACIES, AND PARTICULARLY IN THE ARMY. THE OCTOGENARIAN MARSHAL YE JIANYING, THE EQUIVALENT OF HEAD OF STATE, HAS BEEN A SYMBOL OF THIS RESISTANCE. REORGANISATION AND REFORM OF THE STATE BUREAUCRACY WAS INTRODUCED IN THE SUMMER OF 1982: AND THE PARTY CONGRESS WAS DESIGNED TO CARRY FORWARD REFORM OF THE PARTY.
3. IN THE NEW PARTY CONSTITUTION APPROVED BY THE CONGRESS, THE POSTS OF PARTY CHAIRMAN AND VICE-CHAIRMAN HAVE BEEN ABOLISHED. THE MOST SENIOR LEVEL OF DAY-TO-DAY DECISION-MAKING WILL BE THE SECRETARIAT, A 12-MAN BODY ESTABLISHED IN 1980 AND INCORPORATED IN THE NEW CONSTITUTION ACTING UNDER THE GUIDANCE OF THE CENTRAL COMMITTEE, ITS POLITBURO, AND THE POLITBURO'S STANDING COMMITTEE (WHICH HAS BEEN HITHERTO REGARDED AS CHINA'S +CABINET+). HU SAID, IN A RECENT INTERVIEW, THAT THE SECRETARIAT WILL BE THE +FRONT-LINE OF LEADERSHIP+ AND THE POLITBURO THE +SECOND-LINE+. AS EXPECTED A CENTRAL ADVISORY COMMISSION (170 STRONG) HAS BEEN SET UP WITH DENG AS CHAIRMAN, AND THERE WILL BE ADVISORY COMMITTEES AT PROVINCIAL LEVEL. THE COMMISSION WILL ACT AS +POLITICAL ASSISTANT AND CONSULTANT+ TO THE CENTRAL COMMITTEE AND ITS MEMBERS WILL BE SENIOR RESPECTED CADRES WITH OVER 40 YEARS OF PARTY SERVICE. THE EMPHASIS PUT ON THE DISCIPLINE INSPECTION COMMISSION IN THE NEW CONSTITUTION SUGGESTS THAT THIS IS INTENDED TO BE A STRONGER BODY THAN IN RECENT TIMES: ON PAPER, AT LEAST, IT WILL HAVE CONSIDERABLE INFLUENCE OVER THE PARTY MACHINE. THE PARTY'S MILITARY COMMISSION, WHICH IS ALSO CHAIRED BY DENG, HAS BEEN RETAINED IN THE NEW CONSTITUTION ALTHOUGH THE FUTURE RELATIONSHIP BETWEEN THIS BODY AND THE NEW STATE MILITARY COUNCIL IS NOT CLEAR. BUT IN ANY EVENT, AS HU STRESSED IN HIS REPORT, THE PARTY WILL CONTINUE TO EXERCISE CLOSE CONTROL OVER THE ARMY.
4. THE REORGANISATION OF THE PARTY'S CENTRAL ORGANS IS OBVIOUSLY DESIGNED TO ENSURE THAT THE DENGISTS HAVE A TIGHT GRIP ON THE PARTY THROUGH THE SECRETARIAT. IT IS EVIDENT THAT HU YAOBANG AS GENERAL SECRETARY WHO NOW HAS THE POWER TO CALL, AND IS EXPECTED TO PRESIDE OVER, MEETINGS OF THE POLITBURO AND ITS STANDING COMMITTEE WILL BE VERY POWERFUL. BUT DENG HAS PROBABLY ALSO BEEN CONCERNED THAT THE INTERLOCKING ARRANGEMENTS (THE GENERAL SECRETARY, THE CHAIRMEN OF THE MILITARY COMMISSION AND OF THE ADVISORY COMMISSION AND THE FIRST SECRETARY OF THE DISCIPLINE INSPECTION COMMISSION MUST BE ON THE POLITBURO STANDING COMMITTEE) SHOULD ENSURE A SINGLE COLLECTIVE LEADERSHIP WHEN HE IS NO LONGER ON THE SCENE. THE DEVELOPMENT OF A PERSONALITY CULT IS EXPRESSLY FORBIDDEN IN THE CONSTITUTION.
5. THE ESTABLISHMENT OF THE CENTRAL ADVISORY COMMISSION WAS APPARENTLY INTENDED TO ALLOW AGEING CADRES WHO ARE EITHER INEFFICIENT OR OPPOSED TO REFORM TO BE MOVED ASIDE FROM POSITIONS OF INFLUENCE AND POWER BUT THE RESULTS OF THE +ELECTIONS+ INDICATE THAT THIS DID NOT HAPPEN TO THE EXTENT SOME OBSERVERS HAD EXPECTED. YE JIANYING IS STILL ON THE POLITBURO STANDING COMMITTEE AND NOT ON THE ADVISORY COMMISSION: LIKEWISE LI XIANNIAN, WHO MIGHT ALSO HAVE BEEN EXPECTED TO MOVE. OTHER SENIOR ELDERLY CADRES (SOME OF THEM REGARDED AS DENG SUPPORTERS) HAVE ALSO RETAINED THEIR POLITBURO POSITIONS. HUA GUOFENG'S IS THE ONLY PROMINENT DEMOTION IN THE VERY SENIOR RANKS: HE LOST HIS SEAT ON BOTH THE POLITBURO AND THE STANDING COMMITTEE BUT REMAINS A MEMBER OF THE CENTRAL COMMITTEE. FAILURE TO REMOVE YE, WHO HAS A MUCH STRONGER POWER BASE THAN HUA, SHOWS THAT THE DENGISTS DO NOT YET HAVE TOTAL CONTROL OVER THE PARTY MACHINE. NEVERTHELESS, DENG COMMANDS A MAJORITY ON THE NEW POLITBURO AND ITS STANDING COMMITTEE: AND IN PRACTICE THE SECRETARIAT SHOULD BECOME THE CENTRE OF POLITICAL POWER.
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7. HU YAOBANG'S WORK REPORT COVERED ECONOMIC AFFAIRS. HE REITERATED THE LONG-TERM GOAL, MENTIONED BY ZHAO ZIYANG LAST YEAR, OF QUADRUPLING BY THE YEAR 2000 THE VALUE OF TOTAL INDUSTRIAL AND AGRICULTURAL OUTPUT COMPARED TO 1980. (THIS WOULD REQUIRE AN AVERAGE ANNUAL GROWTH RATE OF OVER SEVEN PERCENT.) HU SAW ACHIEVEMENT OF THIS GOAL PUTTING CHINA INTO THE FRONT RANK OF

Prime Minister

But to me on Sunday evening pl.

ADL 7/2

Seen by Do [Signature]

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8. ON FOREIGN AFFAIRS, HU REITERATED THE INDEPENDENCE OF CHINESE FOREIGN POLICY AND THE GOAL OF REUNIFICATION BUT HE MADE NO SURPRISING REMARKS. AFTER REFERRING TO RECENT OVERTURES BY THE SOVIET UNION, HE CALLED FOR DEEDS NOT WORDS TO IMPROVE RELATIONS. SPECIFIC REFERENCE WAS MADE TO SOVIET ACTIONS IN AFGHANISTAN, SOVIET

BACKED VIETNAMESE ACTIVITY IN CAMBODIA AND THE 'MASSIVE' SOVIET FORCES ON THE SINO SOVIET BORDER. (CURRENT SOVIET POLICY TOWARDS CHINA HAS BEEN REFLECTED IN THE MODERATE AND NEUTRAL TASS REPORTING ON THE CONGRESS). HU ALSO REFERRED TO THE RECENT SINO-UNITED STATES COMMUNIQUE ON THE SUPPLY OF ARMS TO TAIWAN AND EXPRESSED THE HOPE THAT BILATERAL RELATIONS WOULD CONTINUE TO DEVELOP. HE ALSO REPEATED CHINESE CRITICISM OF THE TAIWAN RELATIONS ACT, BUT THIS WAS PROBABLY INEVITABLE IN VIEW OF THE CONTROVERSY OVER THE SUPPLY OF UNITED STATES ARMS TO TAIWAN.

9. THE TWELFTH PARTY CONGRESS AND THE INTRODUCTION OF THE NEW PARTY CONSTITUTION HAVE MARKED THE END OF THE MAO ERA. THE POSITION OF DENG XIAOPING AND HIS REFORMISTS APPEARS WELL-NIGH IMPREGNABLE. MANY PROBLEMS REMAIN. DENG STILL HAS TO EFFECT A REFORM OF THE ARMY AND YE JIANYING REMAINS AN OBSTACLE. BUT YE'S HEALTH IS POOR, AND WE JUDGE THAT DENG IS CAREFULLY PREPARING THE GROUND FOR REFORM OF THE ARMY AND WILL SUBSTANTIALLY ACHIEVE HIS GOALS, AS HE HAS IN RESPECT OF THE STATE AND THE PARTY. THE FOCUS OF POLITICAL MANOEUVRING MAY WELL NOW SHIFT TO THE JOCKEYING FOR POSITION OF SENIOR CADRES IN PREPARATION FOR THE POST-DENG ERA.

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