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I enclose a copy of a report by the former Taoiseach, Mr. Jack Lynch, on a visit which he paid to China in May of this year. The report has been handed to me by a member of the Irish Embassy here.

This report has, I understand, been prepared in accordance with an undertaking that the Heads of Government of the Nine should keep each other informed about contacts with other Heads of Government. It is, of course, slightly puzzling that this report is on a visit which appears to have been made by Mr. Lynch as a private citizen but I report the explanation that I have been given!

You may like to consider whether the Prime Minister should write a letter of thanks for the report and if so whether the letter should go to Mr. Lynch or to the present Taoiseach.

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Report by Mr. Jack Lynch, T.D., on Visit to China

In March, 1980 my wife and I received an official invitation from the Institute of Foreign Affairs of the People's Republic of China to pay an official visit to that country.

We arrived in China via Hong Kong on Monday, 26th May, accompanied by Mr. Dermot Kinlen, S.C., who had accompanied the former President the late Cearbhall O Dalaigh and Mrs. O Dalaigh on a similar visit in 1977. After a brief stop in Canton we flew to Peking that evening and we were met by Mr. Zhu, Deputy Secretary General of the Institute of Foreign Affairs, and Mr. Hong, Head of the Western European Department of the Institute.

On Tuesday, 27th May, I had a two-hour meeting with Mr. Hao Deqing, President of the Institute. We discussed a variety of topics of mutual concern to our two countries. I gave Mr. Hao a resume of the economic and political situation in Ireland, particularly the Northern Ireland situation. Our discussions, however, referred in the main to the current political and economic situation in China.

Mr. Hao spoke of the four modernisations, agriculture, industry, science and technology and defence, which dominated Chinese activities. He referred only in passing to the Gang of Four. He dealt with the Russian policies of Hegemonism and spoke of Russian designs on the Gulf States and instanced the Russian invasion of Afghanistan as a grave threat and as part of the Russian design. In subsequent discussions at different levels I found that "Russian Hegemonism" dominated the fears of the Chinese. Mr. Hao said that the Russians either took direct initiative themselves as in the case of Afghanistan or through agents as in the case of Kampuchea. He said that the invasion of Kampuchea was clearly an initial step as seen by the Russians in their desire to control territory right down to the Straits of Malacca.

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These two events, Kampuchea and Afghanistan, were neither isolated nor chance occurrences. It would be misleading for the rest of the world to think that the Russians will stop there. When these two parts of the Russian plan had been completed Russia would then be in a strong position to move further in their ultimate plan of world domination. After Afghanistan they will "interfere" in Iran, Pakistan and possibly Turkey. He said that unless the Russians were stopped in this design they would provoke a world war by 1984-85 and the rest of the world would be in a weak position to resist them because of their control of the Gulf States and of the Malacca Straits. He said that the rest of the world must stop Russia and he was rather critical of American policies in this connection.

I asked him what specific action he thought the US should take - that it was obvious that the US did not want to take provocative action that would lead to war. He did not comment further on this point. I put it to him also that because of the American experience in Vietnam any US administration would find it difficult to bring the American people with them in creating a confrontation in the Far East. I pointed out that to take action of this nature was a far more difficult proposition for a democracy than it was for any totalitarian state.

Although Mr. Hao did not mention it specifically, I got the impression that the Chinese were apprehensive that their own supplies of oil would be insufficient by the middle 80s without recourse to Gulf oil and this, of course, would not be available if the Russian plan had succeeded by that time.

Mr. Hao said that if the Soviets were allowed to succeed in their strategic purpose in "Western" Asia, South East Asia and the Middle East then the situation will be one in which "Europe will not be able to fight a battle even if it wanted and the Soviet Union would be able to take over Europe". In order to control Western Europe their strategy is to outflank and encircle Western Europe in the Middle East and North Africa. "That is why when we (the Chinese), America, Japan and Europe touch on these subjects we must see if we can agree or not. Because of differences in several countries the Russians are able to make progress". He repeated that there is a possibility of world war in the 1980s.

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On Friday, 30th May, I had a meeting lasting an hour-and-a-half with Mr. Deng Xiaoping. Mr. Deng, who is the senior Vice-Premier and is generally regarded as the strong man of China, went over some of the same ground as Mr. Hao. Without specifically referring to the Gang of Four, he complained rather pointedly about the disruption of China's progress over the past eleven or twelve years. For example, their iron and steel industry, which should now be producing about 60 million tons per annum, was producing only about half that amount. During that period of destruction workers would not work and students would not learn. I saw evidence of the aftermath of students' disinclination to learn when I visited Beijing University the previous day. It was obviously very underpopulated and they seemed only slowly to be attaining the level of attendances which the various faculties were capable of accommodating.

Mr. Deng went on to say that it was only after smashing the disruption that had taken place could they begin to implement the four modernisations as laid down by Mao Tse Tung and Chou En Lai. Now the people are totally dedicated to achieving them without any interference. This they were determined to do over the next two decades.

With reference to the huge population, now well over 900 million, he said that they are trying to control it by family planning but even if they are successful there will be, by the end of this century, 1,200 million. He referred to a question put to him by the Japanese Premier some time ago as to what their economic aim was. He said it was difficult for him to answer but taking all his courage in his hands he replied "by the year 2,000 A.D. the income per head will be US \$1,000 at their present value". This was a position that countries like Japan, France and possibly the United Kingdom had attained in the 1950s and therefore they were a very long way behind. To reach their goal they would have to increase their GNP threefold in 20 years and that will not be easy.

They were lucky, he continued, that they already have a strong base for industry, agriculture, science and technology. China has many natural

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resources and its people are very hardworking. If there are no obstacles they are confident that they will achieve their targets. This confidence was reflected in the briefing sessions I had, some an hour long, with the directors of the various enterprises that I visited - communal fish farm, tea plantation, pharmaceutical and silk factories, goods display centres, etc. - in Shanghai and Hangzhou. The confidence and commitment were reflected in their subordinates at different levels and there was certainly plenty of evidence of hard work on the shop floor. They were, however, not self-contained, Mr. Deng continued, and they would hope to use the expertise of other countries.

Vice Premier Deng is obviously anxious to put younger men at the top in both the Party and the Government and his mild liberalism seems to be generally well accepted. His recent decision to retire from one of his positions, that of senior Vice Premier, is I believe intended to show earnest of his desire to promote young people.

In the Beijing Hotel, the largest in Beijing and probably in the whole of China, there is a legend on a very big tapestry at one end of the foyer to the effect "We have friends all over the world". I think this is indicative of two main points, one that they need friends and want to cultivate new friendships amongst other nations and, secondly, that they want to maintain their independence and that they do not wish these friends to be 'allies' in the same sense as it is understood in the West. Rather do they seek world support in their opposition to Russian Hegemonistic policies.