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PA Exemptions \_\_\_\_\_ ( ) DOWNGRADE TS to ( ) S or ( ) C

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SUMMARY: PEKING'S NATIONAL DAY OBSERVANCES WERE MARKED BY THE NON-APPEARANCE OF A JOINT EDITORIAL--A RECENT TRADITION-- AND CHINESE LEADERS CHOU EN-LAI AND WANG HUNG-WEN. THE REGIME'S SEPT. 30 CELEBRATIONS WERE HOTTED BY VICE PREMIER TENG HSIAO-PING WITH CHEN HSI-LIEN DOING THE HONORS IN SINKIANG, WHICH CELEBRATED ITS 20TH ANNIVERSARY AS AN AUTONOMOUS REGION THE SAME DAY. TENG'S TOAST AND THE PEOPLE'S DAILY EDITORIAL ON SINKIANG HIGHLIGHTED ECONOMIC DEVELOPMENT THEMES AND, PARTICULARLY WHERE SINKIANG WAS CONCERNED, SPOKE FORCEFULLY OF THE DANGERS OF A SOVIET THREAT TO THE AREA. ON THE EXTERNAL SIDE, CHIAO KUAN-HUA'S UN SPEECH BROKE NO NEW GROUND BUT CLEARLY CALLED THE SOVIETS THE PRIME CAUSE OF "VISIBLY GROWING" THREAT TO WAR. SINO-KOREAN RELATIONS RECEIVED ANOTHER BOOST WITH TWO HIGH LEVEL DELEGATIONS TO PYONGYANG. IN CONTRAST, SINO-VIETNAMESE EXCHANGES DURING THE LE DUAN VISIT, ALTHOUGH THEY RESULTED IN AN AGREEMENT FOR AN INTEREST-FREE LOAN, WERE MARRED BY THE UNUSUAL ABSENCE OF A JOINT COMMUNIQUE AT THE CONCLUSION OF THE VISIT AND LE DUAN'S FAILURE TO HOLD A RETURN BANQUET FOR HIS CHINESE HOSTS. MEANWHILE, PEKING ADDED POTENTIAL NEW EMBARRASSMENT TO TAIWAN'S LEADERS BY RELEASING 144 PARDONED "US-CHIANG ARMED AGENTS AND CREW" 65

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OF WHOM LATER WERE GIVEN PRC APPROVAL TO RETURN TO TAIWAN.

1. NATIONAL DAY STATEMENTS AFFIRM UNITY AND PRODUCTION

ALTHOUGH THERE WAS NO JOINT EDITORIAL ON NATIONAL DAY FOR THE FIRST TIME SINCE 1971, TENG HSIAO-PING'S TOAST AT THE GRAND RECEPTION AND A PEOPLE'S DAILY EDITORIAL MARKING SINKIANG'S 20TH ANNIVERSARY (SEE PARA 7-8) MAKE CLEAR THAT THE REGIME'S PRIORITIES AS ANNOUNCED AT JANUARY'S NATIONAL PEOPLE'S CONGRESS (NPC) REMAIN UNCHANGED, FOCUSING MAINLY ON CHAIRMAN MAO'S INTERNAL CONCERNS OF STUDY OF DICTATORSHIP, STABILITY AND UNITY, AND PROMOTING PRODUCTION. TO EMPHASIZE THE IMPORTANCE OF PRO-

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DUCTION, CENTRAL MEDIA RELEASED A SERIES OF ARTICLES ON THE ECONOMY, INCLUDING AN NCNA STATEMENT THAT CHINA'S INDUSTRIAL OUTPUT FOR THE FIRST EIGHT MONTHS OF THE YEAR WAS 17.3 PERCENT ABOVE THE SAME PERIOD LAST YEAR. FURTHER EMPHASIZING THE DOMINANT ROLE OF ECONOMIC PRIORITIES, TENG HSIAO-PING ALLEGES TO PREMIER CHOU'S CALL AT THE NPC TO BUILD CHINA INTO A POWERFUL SOCIALIST COUNTRY BEFORE THE END OF THE CENTURY. THE SINKIANG EDITORIAL, FOR ITS CONTRIBUTION RAISES THE SPECTER OF SOVIET AMBITIONS AND PLOTS IN THE AREA AND WARNS AGAINST SUCCUMBING TO SOVIET BLANDISHMENTS, A CLEAR LINK WITH THE UNMENTIONED THEMES OF THE CAMPAIGN TO STUDY SHUI HU CHUAN (HK 11652).

2. LEADERSHIP APPEARANCES: NATIONAL DAY AND EARLIER

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THIS YEAR'S NATIONAL DAY BANQUET WAS HOSTED BY TENG HSIAO-PING IN THE NAME OF A HOSPITALIZED CHOU EN-LAI CHOU, WHOM "CHINESE SOURCES" QUOTED BY AFP DESCRIBED FOR THE FIRST TIME AS RECEIVING MEDICAL TREATMENT, ALSO FAILED TO MEET NORTH VIETNAMESE PARTY LEADER LE DUAN DURING THE LATTER'S PEKING VISIT. CHAIRMAN MAO, AS USUAL, DID NOT ATTEND THE BANQUET, NOR DID VICE CHAIRMAN WANG HUNG-WEN. WANG WAS LAST PUBLICLY IDENTIFIED IN SHANGHAI JULY 31, AND MAY STILL BE ENGAGED IN SOME TASK EITHER THERE OR IN SOME OTHER PROVINCE. OTHER POLITBURO ABSENTEES, IN ADDITION TO THOSE BASED IN THE PROVINCES, WERE AILING PARTY ELDERS KANG SHENG AND LIU PO-CHENG, PEKING MR COMMANDER CHEN HSI-LIEN, WHO LED THE DELEGATION TO SINKIANG AND ALTERNATE POLITBURO MEMBER NI CHIH-FU, WHO WAS NOT APPEARED PUBLICLY SINCE MID-MAY.

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3. BELOW THE POLITBURO LEVEL, THERE WERE FEW SURPRISES AMONG THOSE ATTENDING THE BANQUET. RECENT REHABILITEES LO JUI-CHING (WR 32) WAS LISTED TOGETHER WITH THREE OTHER MILITARY MEN, INCLUDING FORMER WUHAN MR COMMANDER CHEN TSAI-TAO, IN A POSITION BEHIND THE THREE GENERAL DEPARTMENTS AND AHEAD OF THE USUAL GROUPING FOR THE SCIENCE AND TECHNOLOGY COMMISSION, WHICH COULD INDICATE THAT THEY ARE HEADING SOME NEW MILITARY DEPARTMENT. TWO CURRENT MILITARY REGION COMMANDERS, WUHAN'S YANG TE-CHIH AND CHENGTU'S CHIN CHI-WEI, APPEARED IN PEKING, AS DID PARTY FIRST SECRETARIES LIU HSING-YUAN FROM SZECHUAN AND LU JUI-LIN FROM KWEICHOW. THE PRESENCE IN PEKING OF SZECHUAN'S TOP THREE LEADERS (CHIN, LIU AND PARTY SECRETARY LI TA-CHANG) IS UNUSUAL AND SUGGESTS CENTRAL ATTENTION TO SOME LOCAL SZECHUAN PROBLEM. FINALLY, SHANSI'S FORMER PARTY FIRST SECRETARY HSIEH CHEN-HUA, WAS LISTED AT THE BANQUET AS AN ALTERNATE CENTRAL COMMITTEE MEMBER, BUT WITH STILL NO INDICATION OF HIS PRESENT POSITION (WR 38).

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4. EARLIER IN THE WEEK MAO MET WITH LE DUAN AND WAS DESCRIBED AS HAVING ESCORTED HIM TO THE DOOR, AN INDICATION OF RENEWED VIGOR IN THE CHAIRMAN. POLITBURO MEMBER YAO WEN-YUAN SERVED AS ESCORT FOR THE LE DUAN DELEGATION IN TRIPS TO TIENTSIN AND KWEILIN, THE FIRST TIME YAO HAS TAKEN ON THIS TYPE OF RESPONSIBILITY. [REDACTED]

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5. TACHAI MOVEMENT DEVELOPS MECHANIZATION THEME

TWO WEEKS AFTER THE CONVENING OF THE NATIONAL CONFERENCE TO LEARN FROM TACHAI (WR 39), PRC MEDIA ARE BEGINNING TO DEVOTE INCREASING ATTENTION TO THE GOALS OF COUNTY-LEVEL PLANNING AND FARM MECHANIZATION. BOTH TACHAI PARTY LEADER KUO FENG-LIEN AND HSIYANG COUNTY DEPUTY SECRETARY WANG CHIN-TZU, IN THEIR CONFERENCE SPEECHES, GAVE CONSIDERABLE EMPHASIS TO THEIR UNITS' ACHIEVEMENTS IN MECHANIZATION. WANG CASTIGATED LIU SHAO-CHI FOR HAVING ASSERTED THAT MECHANIZATION WAS IMPOSSIBLE IN MOUNTAINOUS AREAS, AN ASSERTION HSIYANG AND TACHAI HAVE DISPROVED THROUGH LARGE-SCALE HILL LEVELING PROJECTS. REINFORCING THIS THEME, KWEICHOW RADIO HAS ANNOUNCED THAT A NATIONAL FORUM ON MECHANIZATION IN MOUNTAINOUS AREAS TOOK PLACE IN EARLY [REDACTED]

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SEPTEMBER, WITH REPRESENTATIVES FROM 13 PROVINCES. THE FORUM INDICATED THAT MECHANIZATION OF THESE AREAS, PARTICULARLY IN THE FIELD OF CAPITAL CONSTRUCTION, IS A HIGH REGIME PRIORITY. [REDACTED]

6. A PEOPLE'S DAILY SEPTEMBER 26 COMMENTARY ON THE TACHAI CONFERENCE, WHILE MENTIONING MECHANIZATION AND THE USUAL TACHAI THEMES OF HARD WORK, SELF-RELIANCE, AND CLASS STRUGGLE, PAYS PARTICULAR ATTENTION TO PLANNING AT THE COUNTY LEVEL. THIS MIGHT INDICATE A GREATER EMPHASIS ON HIGHER-LEVEL MANAGEMENT AT THE EXPENSE OF DECISION-MAKING AT THE PRODUCTION-TEAM LEVEL. AT THE SAME TIME, THE ARTICLE CAUTIONS THAT "IMPORTANT POLICIES WHICH DEAL WITH THE SYSTEM OF OWNERSHIP AND DISTRIBUTION MUST BE HANDLED WITH CAUTION," THUS WARNING AGAINST TOO RAPID A MOVE TOWARD HIGHER-LEVEL COLLECTIVIZATION. [REDACTED]

NNN [REDACTED]

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AMEMBASSY SINGAPORE  
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FBIS OKINAWA  
CINCPAC HONOLULU HI  
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CHMAAG CHINA  
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7. SINKIANG ANNIVERSARY

THE SINKIANG UIGHUR AUTONOMOUS REGION CELEBRATED THE 20TH AN-

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NIVERSARY OF ITS FOUNDING TODAY, OCT. 1, WITH A GENERALLY ANTI-SOVIET

THEME. THE PEOPLE'S DAILY EDITORIAL MARKING THE EVENT SCORED THE RUSSIANS HEAVILY FOR CONSTANTLY MEDDLING IN SINKIANG'S INTERNAL AFFAIRS AND, DESPITE CALLS FOR UNITY, EXPLICITLY THREATENED "A HANDFUL OF NATIONAL SPLITTIST ELEMENTS AND COUNTER-REVOLUTIONARIES UNDER THE CLOAK OF RELIGION WHO THROW THEMSELVES INTO THE ARMS OF THE SOVIET REVISIONISTS." THIS MAY ALSO INDICATE SPECIFIC PROBLEMS WITH SOME REGIONAL RELIGIOUS GROUPS WHICH HAVE PERIODICALLY CAUSED HEADACHES FOR THE CENTER. PARTY FIRST SECRETARY SAIFUDIN, IN HIS SPEECH MARKING THE ANNIVERSARY, NOTED HOW "ANTI-SOVIET EDUCATION" HAS BEEN LAUNCHED IN SINKIANG TO HELP PEOPLE UNDERSTAND THE "REACTIONARY NATURE OF THE SOVIET REVISIONISTS." VICE-PREMIER CHEN HSI-LIEN, HEADING THE LARGE CENTRAL DELEGATION TO THE FESTIVITIES, WARNED IN A LOCALLY BROADCASTED SPEECH THAT WAR DUE TO SUPERPOWER CONTENTION "IS INEVITABLE," AND LINKED THE SHUI HU CHUAN STUDY CAMPAIGN WITH PREPARATIONS AGAINST SOVIET REVISIONISM. LIMITED OFFICIAL USE

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8. ON SINKIANG INTERNAL AFFAIRS, NCNA SEPT. 27, OVERLOOKING FOR A MOMENT THE REGIME'S POLICY OF SELF-RELIANCE, NOTED THAT IN ADDITION TO LARGE STATE GRANTS TO HEOP BALANCE ITS BUDGET, SIAKIANG EVERY YEAR RECEIVES A SPECIAL SUBSIDY AND A FLEXIBLE APPROPRIATION TO USE AS THE LOCAL AUTHORITIES SEE FIT. PEKING IS WELL ADVISED TO BE SENSITIVE TO MINORITY FEELINGS IN THIS AREA. TWO-THIRDS OF THE 7,200,000 PEOPLE HERE ARE OF UIGHUR ORIGIN, AND THE THIRTEEN SEPARATE ETHNIC GROUPS IN THE REGION ARE SIMILAR TO THOSE ON THE SOVIET SIDE OF THE PROVINCE'S LONG SINO-SOVIET BORDER. IN ADDITION, SINKIANG IS THE SITE FOR CHINA'S NUCLEAR TESTS. EVER MINDFUL OF THE SOVIET THREAT, THE ILI-KAZAKH REGION, WHERE THE RUSSIAN EHLICOPTER AND CREW WERE CAPTURED LAST YEAR, HAS SHIFTED ITS CAPITAL FROM I-NING TO KUEITUN, 200 MILES FARTHER INLAND FROM THE SOVIET BORDER (NCNA DOMESTIC SEPT. 24; HONG

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#### 9. THE UNITED NATIONS

THE SEPTEMBER 26 ADDRESS OF FOREIGN MINISTER CHIAO KUAN-HUA TO THE UNGA, REplete WITH DENUNCIATIONS OF SOVIET EFFORTS AND INTENTIONS, REITERATED CHINA'S WELL-KNOWN VIEWS ON SUCH ISSUES AS KOREA, THE MIDDLE EAST, DISARMAMENT AND THE NEW ECONOMIC ORDER. CHIAO, NOT UNEXPECTEDLY, REJECTED THE US-DRAFT PROPOSAL ON KOREA, IN CHINA'S FIRST PUBLIC COMMENT ON THIS US INITIATIVE. HIS REMARKS ON AFRICA CONSTITUTED A VIRTUAL APOLOGY FOR PRC POLICIES TOWARD ANGOLA AND SOUTHERN AFRICA WHILE HIS REFERENCES TO SETBACKS, DETOURS, ETC. BELIED HIS OPENING ASSERTION THAT THE SITUATION IN AFRICA IS "MOST

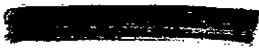
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ENCOURAGING." THE DANGER OF A NEW WORLD WAR HAS BEEN A RECURRENT THEME IN RECENT SPEECHES BY PRC LEADERS AND CHIAO, TOO, RAISED THIS WARNING. HE CLEARLY POINTED A FINGER AT THE "WILDLY AMBITIOUS" SOVIETS AS THE PRIME CAUSE OF THIS "VISIBLY GROWING" THREAT.

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10. AS PART OF THE PRC MEDIA COVERAGE OF THE UN AND RELATED ACTIVITIES, NCNA CARRIED A BRIEF YET APPROVING REPORT ON PORTIONS OF THE SECRETARY'S UN ADDRESS DEALING WITH US RELATIONS WITH EUROPE AND JAPAN AND ALSO ON HIS DINNER FOR THE CHINESE FOREIGN MINISTER, BOTH PRC-OWNED PAPERS IN HONG KONG FEATURED A PHOTOGRAPH OF THEIR MEETING AND NOTED THAT THEY DISCUSSED THE SECRETARY'S FORTHCOMING TRIP TO CHINA FOR THE PRESIDENTIAL VISIT. NCNA HAS ALSO REPORTED CHIAO'S MEETINGS WITH VARIOUS FOREIGN MINISTERS, INCLUDING THOSE WITH HIS COUNTERPARTS FROM INDOCHINA, BANGLADESH, FRANCE, SINGAPORE AND JAPAN. HOWEVER, ALTHOUGH CHIAO AND JAPANESE FOREIGN MINISTER MIYAZAWA HAVE HELD TWO MEETINGS IN NEW YORK, THEY HAVE FAILED TO RESOLVE THE PROBLEMS OF TREATMENT OF THE HEGEMONY CLAUSE IN THE PROPOSED SINO-JAPANESE TREATY OF PEACE AND FRIENDSHIP. ACCORDING TO EMBASSY TOKYO, SOME JAPANESE OFFICIALS HAVE COMMENTED THAT THE CHIAO-MIYAZAWA TALKS HAVE SERVED TO REVEAL BASIC DIFFERENCES OF VIEWS ON THE BINDING NATURE OF TREATIES AS OPPOSED TO COMMUNIQUES. (TOKYO 13756 AND 13663; HONG KONG 11327, USUN 4569, AND NCNA SEPTEMBER 23-27)



11. KOREA



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PEKING SEEMS TO BE MAKING A CONCERTED EFFORT TO STRENGTHEN AND CONSOLIDATE TIES WITH PYONGYANG. IN RECENT WEEKS THERE HAS BEEN A STEADY STREAM OF CHINESE DELEGATIONS TRAVELLING TO NORTH KOREA. ON SEPT. 27, THE CHINESE COMMUNIST PARTY (CCP) DELEGATION HEADED BY POLITBURO STANDING COMMITTEE MEMBER CHANG CHUNG-CHIAO AND THE CHIEF OF THE CCP'S INTERNATIONAL LIAISON DEPARTMENT CONCLUDED A "FRIENDLY" VISIT TO KOREA (SEE WR 39, ITEM 11). NORTH KOREAN PRESIDENT AND SECRETARY-GENERAL OF THE KOREAN WORKER'S PARTY, KIM IL-SUNG MET AND FETED THE DELEGATION ON SEPT. 24 AND AGAIN TALKED WITH DHANG CHUNG-CHIAO ON THE 25TH. MASS MEETINGS HONORING THE PRC VISITORS WERE HELD IN BOTH NAMPO AND PYONGYANG. BOTH SIDES HAVE EXPRESSED SATISFACTION WITH THE OUTCOME OF THE VISIT. IN A REPORT OF THE FAREWELL BANQUET HOSTED BY THE CHINESE SIDE, NCNA CITED KOREAN PARTY LEADER YANG HYONG-SOP AS HAVING SAID THAT IN THEIR TALKS ON ISSUES OF COMMON INTERESTS THE TWO PARTIES HAD "ACHIEVED UNANIMITY OF VIEWS ON ALL QUESTIONS." VIRTUALLY ON THE HEELS OF THE CCP DELEGATION'S RETURN TO CHIAN, A CHINESE GOVERNMENT DELEGATION HEADED BY MINISTER OF COMMUNICATIONS YEH FEI ON SEPT. 29 BEGAN A "FRIENDLY" VISIT TO KOREA IN CONNECTION WITH THE OPENING OF A CHINESE

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## 12. INDOCHINA GUESTS

TWO DAYS AFTER CAMBODIAN DEPUTY PRIME MINISTER HENG SARY DEPARTED PEKING FOR HOME ON SEPT. 26, SAMDECH NORODOM SIHANOUK RETURNED TO CHINA YET AGAIN TO PARTICIPATE IN PEKING'S NATIONAL DAY CELEBRATIONS. ALSO ON THE 28TH, THE VIETNAMESE PARTY AND GOVERNMENT DELEGATION LED BY LE DUAN LEFT FOR HOME WITHOUT HOSTING THE CUSTOMARY FAREWELL BANQUET IN PEKING. DURING THE VISIT, THE VIETNAMESE WERE RECEIVED BY CHAIRMAN MAO AND NPC CHAIRMAN CHU TEH, AND HELD JOINT TALKS WITH VICE-PREMIERS TENG HSIAO-PING AND LI HSIEN-NIEN. PRC AND DRVN OFFICIALS SIGNED AN AGREEMENT ON CHINA'S "INTEREST-FREE LOAN" TO VIETNAM AND A PROTOCOL ON CHINA'S SUPPLY OF GENERAL COMMODITIES DURING 1976. JUST HOW RESPONSIVE PEKING HAS BEEN TO HANOI'S AID REQUESTS REMAINS UNKNOWN. HOWEVER, THE VIETNAMESE OFFICIALS AND MEDIA HAVE BEEN CHARACTERIZING THE VISIT AS A "GREAT SUCCESS". NEVERTHELESS, THE ABSENCE OF A JOINT COMMUNI-

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[REDACTED]

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QUE AT THE CONCLUSION OF THEIR VISIT SUGGESTS THAT THE TALKS BETWEEN THE CHINESE AND VIETNAMESE LEADERS FAILED TO DRAW PEKING AND HANOI CLOSER ON DIVISIVE POLITICAL ISSUES. (HONG KONG 11527 AND NCNA SEPT. 26 AND 28) [REDACTED]

## 13. TAIWAN: SPIES AND SOLDIERS

CHINA'S HANDLING OF THE 144 PARDONED "US-CHIANG ARMED AGENTS AND CREW" IS PROCEEDING MUCH ALONG THE SAME LINES AS ITS TREATMENT OF THE AMNESTIED "KMT WAR CRIMINALS." ACCORDING TO NCNA, REQUESTS OF SOME SIXTY-FIVE RELEASEES WISHING TO RETURN TO TAIWAN HAVE BEEN APPROVED BY PRC AUTHORITIES WHO HAVE ALSO OFFERED TO PROVIDE TRAVEL EXPENSES AND OTHER ASSISTANCE TO THE MEN, INCLUDING A JOB IN CHINA SHOULD THEY FAIL TO GAIN ENTRY INTO TAIWAN. THE FOUR FOREIGN NATIONALS AMONG THE GROUP, HOWEVER, WERE NOT PERMITTED TO REMAIN IN CHINA. ORDERED TO LEAVE, THE TWO JAPANESE AND TWO KOREANS HAVE SINCE RETURNED TO THEIR HOME COUNTRIES. WITH REGARD TO THE AMNESTIED "KMT WAR CRIMINALS," THUS FAR ONLY ONE OF THE TEN TO LEAVE CHINA HAS SUCCEEDED IN TRAVELLING TO TAIWAN. LT. GENERAL WANG PING-YUEH DEPARTED HONG KONG FOR THE UNITED STATES ON A FLIGHT THAT TOUCHED DOWN BRIEFLY IN TAIWAN. (HONG KONG 11193 AND 11345). [REDACTED]

## 14. SOUTHEAST ASIA

SOURCING NEWS REPORTS, NCNA CARRIED A BRIEF, STRAIGHT NEWS ITEM REPORTING THE SEPT. 26 DECISION OF THE SEATO COUNCIL TO PHASE OUT THE ORGANIZATION. MEANWHILE, ACCORDING TO PRESS REPORTS FROM THE LATESTS OF THE SEATO COUNTRIES TO ESTABLISH LINKS WITH

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PEKING, KO HAD BEEN SERVING AS THE DIRECTOR OF THE FOREIGN  
MINISTRY'S ASIAN AFFAIRS DEPARTMENT. (NCNA SEPT. 27 AND MANILA  
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