

# December 10, 1982 Excerpts of Talks between Leading Comrades and Foreign Guests (No. 12)

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# **Summary:**

A Chinese Communist Party digest summarizing recent meetings held between Deng Xiaoping, Hu Yaobang, Zhao Ziyang, and Peng Zhen and foreign counterparts.

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#### I. The International Situation and Our Foreign Policy

Premier Zhao Ziyang in an August 17, 1982, meeting with General Secretary of the General People's Committee of Libya Jadallah Azzuz at-Talhi, discussing the current international situation and our foreign policy said:

The root cause of the current international tension and turmoil is the rivalry between

The root cause of the current international tension and turmoil is the rivalry between the two superpowers and the pursuit of hegemony. China's foreign policy has been consistent in its opposition to the hegemony of the two superpowers. On some occasions, we have spoken more against the Soviet hegemony because, since the Second World War, especially after the Vietnam War, the Soviet military power has greatly expanded and the Soviet Union is on the offensive; the Soviet Union is also deceptive in that it acts under the banner of "socialism", and in the name of supporting the struggles of the people of other countries while it is in fact expanding its control. China's emphasis on countering the threat of Soviet hegemony refers to the global context. Certain regions and countries are directly threatened by U.S. hegemony and there it is natural to identify the U.S. as their main enemy. We understand that some countries are seeking assistance from the Soviet Union in order to oppose U.S. hegemony.

Premier Zhao said: We overthrew the U.S.-backed regime of Chiang Kai-shek, participated in the war against the U.S., supported the people of Vietnam, Laos and China in the war against the U.S., and assisted the Indo-Chinese people. China is now resolutely opposed to the hegemonic policies pursued by the United States in the Middle East, Africa, Asia and Latin America. We oppose U.S. hegemony wherever the US acts hegemonically.

Premier Zhao explained that the basic point of our foreign policy is to strengthen the unity and cooperation of the Third World countries, to oppose hegemonism and to defend world peace. Premier Zhao emphasized that the Third World is the world's most important political force against the two superpowers, and the Third World is playing an increasingly important role in international affairs. China advocates that the third world countries unite with all justice-minded and peace-loving countries and forces to deal with the superpowers. This is a fundamental guarantee to check the hegemony of the superpowers and to protect world peace.

Premier Zhao pointed out that there are certain disputes among third world countries. We advocate that external interference, especially from superpowers, should be excluded and that problems should be solved peacefully through internal consultations. China's position on many issues is based on this basic principle.

Premier Zhao Ziyang in a meeting with UK Prime Minister Margaret Thatcher on September 22, 1982, when discussing China's views of the international situation and its foreign policy said: China's basic analysis and view of the international situation has not been changed. Now the world situation is more turbulent than ever. None of the old problems have been solved and new ones

keep emerging. The root cause is the expansion of the superpowers and their struggle for hegemony. The difficulties of the Soviet Union are increasing day by day. The burden of Afghanistan, Cambodia and Poland was getting heavier and heavier. The Soviet economy is also in a bad shape, and it is faced with the contradiction between the expansion of the army and the people's demand for a better life, ethnic conflicts and the change of leadership. Compared to the previous year, it has more difficulties. All these things, however, have not changed the Soviet Union's hegemonic expansion and its struggle for global dominance. The basic situation in the superpower struggle has not changed. The Soviet Union is still on the offensive and the main threat to world peace comes from the Soviet Union.

In recent years, the Soviet Union has continued to launch peace offensives in Europe and Asia. This is not a change in its policy but of strategy. Premier Zhao also stressed that China's foreign policy and basic ideas have not changed. China's foreign policy is based not only on the fundamental interests of the Chinese people, but also on the overall world situation. China will not change its policy just because of a momentary change. China's foreign policy is independent and independent, and does not depend upon any one major power.

#### **II. Disarmament**

National People's Congress Vice Chairman Peng Zhen in an October 11, 1982, meeting with President Karl Carstens of Federal Germany said that we favor genuine disarmament. So-called genuine disarmament means that the Soviet Union and the United States should first reduce not only their nuclear weapons, but also their conventional weapons. The U.S. and the Soviet Union have been clamoring for disarmament for decades, but the nuclear weapons of both hegemons are desperately increasing and improving their weapons.

The same goes for conventional weapons. If these two countries don't reduce their armaments, then it's all just a scam. If the U.S. and the Soviet Union do not reduce their nuclear weapons, what is the point of Federal Germany or the PRC alone reducing them?

#### **III. The Third World**

Premier Zhao Ziyang met with former U.S. President Richard Nixon on September 8, 1982. While discussing The Third World, Premier Zhao Ziyang pointed out that the Soviet Union was taking advantage of the turmoil in the Third World countries to expand, invade, interfere and control them. Therefore, industrialized countries should respect the rights and interests of Third World countries and support them in developing their own economies. This is very important both politically and economically. Speaking about the U.S. policy toward the Third World, Premier Zhao said, frankly speaking, we are critical of the U.S. policy toward Third World countries on some issues. We hope that the U.S. government will adopt a more far-sighted policy towards the Third World.

I believe that if the developed countries do not help the developing countries to develop their national economies and stabilize them politically, it will be difficult to contain the expansion of the Soviet Union, making Soviet aggression and intervention more likely. This would make it much harder to stop Soviet hegemony. Moreover, considering the problem of economic stagnation in the industrialized West, in the long run it is impossible to solve the problems of the developed countries alone without the economic development of the third world. The times have changed. Solving this problem demands a visionary policy and courageous Western politicians and government leaders. On this point, frankly speaking, I think some of the policies adopted by President Reagan are not in the long-term, fundamental interests of the United States and are not very smart. Support for the economic development of the Third World should be considered in the context of a global strategy.

National People's Congress Vice Chairman Peng Zhen in an October 11, 1982, meeting with President Karl Carstens of Federal Germany said: the issue of the Third World should be considered as part of global strategy. He said that Federal Germany's policy toward the Third World was good. The Third World needs economic and technical help. When I say the Third World, I mean China as well. There is a great need for the Third World countries to increase their economic and technical relations with the West, but only on the basis of mutual respect for sovereignty,

territorial integrity and equality and mutual benefit. As the President has said, this should be without any political conditions. This relationship is peaceful and sustainable. But there are countries where this is not the case, such as the Soviet Union in some African countries.

In some African countries, for example, the Soviet Union appeared as a savior. These countries had gained independence, colonialism, imperialism had retreated or partially retreated from these countries, and the Soviets were saying that now that they have left, I will come. Can such a policy come to a good end? One thing is certain, that policy is at least a century behind the times.

#### IV. Afghanistan

Comrade Hu Yaobang in his October 19, 1982, meeting with President Muhammad Zia-ul-Haq of Pakistan addressed the Afghanistan problem. He said that it seemed impossible for the Soviets to solve the Afghan problem militarily, and that the Afghan people must rely on a military solution to their difficulties. The Soviet invasion of Afghanistan is almost three years old. The number of Soviet troops has been increasing and has reached 100,000. The invasion has failed but it is still not yet dead. Now it is a contest of wills. If our countries' will remains strong, we may force the Soviets to withdraw their troops and so solve the Afghan problem.

Premier Zhao Ziyang on October 18, 1982, met with President Muhammad Zia-ul-Hag of Pakistan. Speaking on the Afghan issue, Premier Zhao Ziyang said that the situation is good, as the Afghan resistance is getting stronger and stronger. The Soviet Union has a lot of difficulties, but it has not yet considered withdrawing its troops from Afghanistan. It wants to take advantage of international tensions in other regions. We must be very vigilant about this. Premier Zhao said that the key to resolving remains a contest on the battlefield in Afghanistan. Steadily increasing pressure on the Soviet Union and support for the Afghan resistance is the fundamental way to achieve a political solution. Premier Zhao added that China too favors a political solution, but only if the Soviets withdraw their troops. If the Soviets did begin to withdraw, or if they made a clear commitment to do so, and if there was reliable international supervision, consideration could be given to discussing at the same time the issue of guarantees of mutual non-interference in the internal affairs of Afghanistan. But specific international guarantees can only be made after the withdrawal of Soviet troops, otherwise it would be easy to fall into a trap with the Soviets creating a pretext to continue keeping their troops in Afghanistan. Of course, the withdrawal does not have to be done all at once, but the time should not be too long, for example, not more than six months. The year before last, the Soviet Union did a "partial withdrawal" trick.

#### V. The Middle East

Prime Minister Zhao Ziyang said in an August 17, 1982, meeting with the General Secretary Jadallah Azzuz at-Talhi of the General People's Committee of Libya while discussing the Middle East said that Israel's invasion of Lebanon and the brutal massacre of the Lebanese and Palestinian people were inseparable from the encouragement and support of the United States. It exposed the fact that while the Soviet Union nominally supported the Palestinian people and the Arab national cause but actually uses them as a bargaining chip in its struggle with the United States. The solution to the Middle East problem depends mainly on the unity of the peoples to stop the Israeli aggression, and the key is strengthening intra-Arab unity.

Premier Zhao Ziyang's September 22, 1982, meeting with UK Prime Minister Mrs. Margaret Thatcher while discussing Middle East issues with UK Prime Minister Margaret Thatcher, Premier Zhao pointed out that the fundamental problem in the Middle East is Israel's stubborn persistence in its aggressive policy. This is inseparable from the U.S. policy of connivance and support for Israel. As a result of this U.S. policy, two fronts have emerged in the Arab world. The incorrect policy of the United States actually gave the Soviet Union an opportunity to take advantage of it. When the U.S. does not fight against one billion Arab people, the Soviet Union loses its opportunity.

#### VI. German National Unity

Comrade Deng Xiaoping, in an October 13, 1982, meeting with Federal

**German President Karl Carstens said:** On German national unification, that we do not see German unification only in terms of the unification of the two Germanies. We believe that all the divided nations will eventually be united since the past divisions were artificial and coercive. As I said at a press conference during my visit to Japan, there were not two Germanies, two Koreas, or two Chinas. China has been a divided country so I can understand the feeling of the German people that they do not want to be divided.

I said this to Japanese parliamentarians. I told them that Japan is also divided or at least not 100 percent unified, because there is the problem of the four northern islands. Until the problem of the four northern islands is settled, there will actually be two Japans. All these divided peoples will eventually be united even if it takes one thousand years.

Vice Chairman Peng Zhen, in an October 11, 1982, meeting with President Karl Carstens of Federal Germany said on the subject of German national unifications, that both the East and West German peoples demanded unification. As we have said repeatedly in the past, we favor unity. We have repeatedly said in the past that we favor the East and West Germans solving their own problems without foreign intervention.

#### VII. China-India Relations

Premier Zhao Ziyang, in a September 8, 1982, meeting with former U.S. President Richard Nixon, said that India and China are two major Asian countries with similar histories. China has a desire to improve and develop its relations with India. We believe that this would be conducive to peace in Asia and stability and peace in South Asia. There seems to be some indication that Mrs. Gandhi is also willing to improve relations in order to improve her image among the Third World countries in order to preserve her position among the non-aligned countries. However, I don't think she is likely to make any major policy changes because one of her fundamental problems is that she wants India to be a great power in South Asia and to be at the head of an alliance of South Asian countries. Because of this policy, India's relations with the surrounding countries cannot be improved. She could only pursue her present policy with the support of the Soviet Union. So I don't think there is much hope that her policy will change significantly. On the Sino-Indian border issue, Premier Zhao said I must point out that it seems impossible to solve this problem at once.

Premier Zhao Ziyang, in an October 23, 1982, meeting with the delegation of the India-China Association, while discussing Sino-Indian relations, Premier Zhao Ziyang repeatedly made the point: China and India are neighbors, and there is a long-standing friendship between the two peoples. In the first half of the 1950s, the two countries had very friendly relations, which are still very much missed by the people of both countries. Of course, there were dark clouds as well. However, in the long history of friendly relations between the two countries, these dark clouds have only been temporary. Although we have some differences on some issues, such as the border issue, as long as both sides are sincere and in the spirit of mutual understanding and accommodation, it will not be difficult to resolve our differences.

#### VIII. China's Domestic Situation

Comrade Deng Xiaoping, in a September 30, 1982, meeting with former U.S. Secretary of State Kissinger, while discussing China's domestic situation said: In 1975, I presided over China's Party and the government, but in just a year, I was kicked out. It is meaningful to look back on this period of history for its twists and turns have things to teach us. In the two years following the defeat of the Gang of Four, there was no great progress. That only came after the Third Plenary Session of the Central Committee of the Chinese Communist Party at the end of 1978 when guidelines and policies were established that addressed ideology, politics, and national development.

Over the past four years, practice has shown that the above-mentioned line is correct. The most significant changes have been in the rural areas. Peasant income has increased exponentially or even doubled. This is the outcome of the Chinese Communist Party Eleventh Central Committee Third Plenum's policy on rural areas.

The stability of its 800 million peasants is the most important factor determining China's national stability. There have been changes in the cities but not as much as in the countryside. The main change has not been in the construction of buildings, but in the change of people's spirit. Confidence in socialist construction has increased as has trust in the Chinese Communist Party and in the government have risen. In the past, the Party and the government enjoyed high prestige, but they were destroyed during the Cultural Revolution.

The crushing of the "Gang of Four" ended the Cultural Revolution. The Eleventh Congress of the Chinese Communist Party affirmed the Cultural Revolution and continued the leftist policies and ideas of the past and so two years of wavering followed. The real turning point was the Third Plenary Session of the Chinese Communist Party Central Committee. The Twelfth Party Congress confirmed the ideological, political and organizational lines of the Third Plenum, and will continue to implement them. The most important feature of the Twelfth Congress is that the personnel arrangements reflect the continuity of the policies of the Third Plenary Session of the Central Committee, including foreign policy.

This work is not over yet, and solving the problem of aging cadres is a difficult task, which must be continued, but with patience. Premier Zhao and General Secretary Hu are younger, and they have been working on the front line for two years. Sixty percent of the members of the Central Committee elected at the 12th National Congress are under 60 years old, and many of them are around 40 years old. We need to handle the old cadres carefully and make appropriate arrangements for them so we set up an advisory committee. I recommend myself to be the chair of the advisory committee. Personally, I have also wanted to gradually leave the front-line work and put myself in the position of advisor.

Comrade Deng Xiaoping also said that because our party was an old party, it was necessary to keep some old people on the first line of work. This problem will be solved gradually.

Comrade Deng Xiaoping, in an October 10, 1982, meeting with Pakistani President Muhammad Zia-ul-Haq, while addressing China's domestic situation, said: the main change in recent years was that we have achieved a stable and united political situation. The spirit of the people has changed. They have single-mindedly engaged in construction. Another fundamental change is the rejuvenation of our leadership. Over the past few years, there has been much international debate about whether China's political situation will be stable and whether the policies of the Third Plenum of the Central Committee will continue.

The policies of the Third Plenum shall continue. The personnel arrangement we made have answered this question. Our cadres should be young, knowledgeable and professional under the premise that they are dedicated to the revolution. The 12th Party Congress took a big step forward, but the problem has not yet been completely solved. We need to continue with this and make bring the average age of our leadership down some more.

Comrade Hu Yaobang, in an October 19, 1982, meeting with President Muhammad Zia-ul-Haq of Pakistan on, while discussed China's domestic situation and in response to President Haq's question on institutional reform and the role of the Party in it, said: We have four objectives:

- 1. Our Party has many old and experienced leaders, who should be gradually retired, but of course attention should be paid to their needs in their lives and in their work and bring in more young people, so as to maintain the continuity of our work.
- 2. Now our institutions are overlapping and inefficient. There are over 20 million workers in the country. In the future, the reduced staff should hold training courses to learn modern expertise and improve their level and efficiency.
- 3. We need to bring on board more young people to make our leadership team more youthful, knowledgeable and professional.
- 4. We will strictly enforce the division of labor between the Party and the government, so that the Party will not interfere too much with the government in specific matters, but will mainly give guidance in terms of policy.

Comrade Hu Yaobang also said that there are three kinds of leaders in our Party: there are the old generation of revolutionaries; Zhao Ziyang and I are the second

generation: the leaders at all levels in their fifties are the third generation. This will ensure a stable situation for at least the next twenty years. I dare not say more, but over at least twenty years we can maintain policy continuity.

Premier Zhao Ziyang, in an August 31, 1982, meeting with French National Assembly President Louis Mermaz, discussed China's economic situation.

**He said:** The economic adjustment had achieved very good results that are clear to see. Our agricultural situation is very good, the best since the founding of New China, with steady growth in grain, livestock, cash crops and secondary industries. The main reason for these achievements is not that China has invested heavily in the countryside, but that it has adopted the right policies in the countryside and mobilized the peasants. Among other policies, the most important one is the establishment of the production responsibility system. The responsibility systems has various forms, but the best known one is the family contracting system under the unified leadership and management of the production brigades.

This has enabled us to find a better way of doing business in Chinese agriculture. The Chinese way is not privately run, and secondly, not the collective farm model as in the Soviet Union, but a form of cooperative suitable for China. As a result of the adjustments, heavy industry production declined in the first half of last year, with decline stopping in fourth quarter and then beginning to rebound in the second half of this year. China ran a large deficit in 1979-80. Last year, the deficit started to improve, and the balance was basically balanced, with only a small deficit. But we still have a lot of difficulties, especially in the transportation and energy infrastructure industries. There have been many difficulties. Therefore, the economic growth rate in the Sixth Five-Year Plan cannot be fast, roughly 4-5 percent; the Seventh Five-Year Plan will be better, but it cannot be fast either. In other words, the development will not be fast in ten years, but will grow steadily.

Premier Zhao said that in ten years we will work on two aspects, on the one hand, we will further rationalize the economic management system, the economic structure and the organizational structure of enterprises; on the other hand, we will reform the existing enterprises. We believe that if we get the restructuring and reform right in this decade, we will be confident that the Chinese economy will enter the 1990s with a new revitalization. By the end of this century, China could reach a medium level of development.

Premier Zhao also said that China has achieved a lot in the past 30 years, but we have suffered from haste and eagerness to achieve, and we have accepted the lesson of steady and step-by-step progress, so that we can avoid making big mistakes in economic construction. We can avoid making big mistakes in economic construction and avoid big twists and turns.

Premier Zhao Ziyang, in a September 30, 1982, meeting with former U.S. Secretary of State Kissinger on, discussed the domestic situation in China. He remarked that foreign countries had always been concerned about the stability of China's political situation and the continuity of its policies. The 12th Party Congress gave an authoritative answer to these questions. After the 12th National Congress, China will enter a period of long-term political stability. The Twelfth National Congress confirmed and maintained the policy of revitalizing the economy internally and opening up to the outside world, which has been implemented since the Third Plenary Session of the Central Committee. The policy of opening up to the outside world and revitalizing the economy internally will be confirmed and maintained. By the end of this century, the face of China is likely to change significantly. People's lives will improve significantly.

Kissinger said the proposal of China's 12th Party Congress that China should strive to maintain an annual growth rate of 7 percent over the next 20 years is a very big task.

Premier Zhao said that we determined this goal after long discussion and analysis. It will not be easy but we are hopeful. As a developing country, we start from a relatively low base. Economic construction in the past thirty years was relatively smooth only in the fifties but in the 1960s, there were repeated setbacks and adjustments and we did not utilize our industrial base well. We don't expect to see

rapid development during the first decade but if we make good preparations, the 1990s may see faster development.

# Kissinger said that he understood that the way to achieve growth was to combine central planning with economic stimulus.

According to the experience of many countries, it is difficult to combine the two well. Premier Zhao replied that this was indeed a new and important issue for us but we have had some experience with it over the years. In the 1950s, we only managed major construction projects and certain heavy industrial products through planning, while we regulated public and private enterprises, agriculture, services, and individual handicrafts mainly through prices. The result was very good. In recent years, the situation in our countryside has been very good, mainly because of the effect of the policy. Currently, 70% of our rural areas have now implemented the household contract responsibility system under the conditions of unified planning and management. This has been very effective. China is following neither Western private economy path nor the Soviet collective farm model. Instead, we have a unique combination of family contracting and unified planning and management by production teams, which is suitable for our national situation.

On the issue of opening up and engaging in exchanges with the outside world, Premier Zhao said that we neither worship foreigners nor close ourselves to the outside world. While adhering to the traditional policy of independence and self-reliance, we must also actively engage in trade and economic and technological exchanges with the outside world. This is our long-term, unwavering national policy. Foreign manufacturers need not worry about the inadequacy of China's legislation. We will pay attention to the gradual development of the legislative system. When China establishes a policy, it will firmly implement it. Even if the legislation is not sound, the contract will remain legally binding.

When Kissinger raised two problems U.S. business people have in doing business in China:

- 1. They don't know who to deal with and who makes decisions.
- 2. The Chinese side takes a very long time to make decisions.

Premier Zhao explained that Chinese people don't know enough about foreign trade and about economic and technical trade, so they fear they will lose if they make a deal. Even if they are very careful, they will still face a loss on some contracts.