

July 28, 1982

**Excerpts of Talks between Leading Comrades and
Foreign Guests (No. 7)**

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Summary:

A Chinese Communist Party digest of commentaries about Chinese foreign affairs and domestic politics made by Hu Yaobang, Zhao Ziyang, Deng Xiaoping, Zhang Wenjin, and Huang Hua to various foreign officials from the United States, the Philippines, and other countries.

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Contents

I. On Opposing Hegemony

II. On Solidarity and Cooperation with the Third World

III. On South-South Cooperation and North-South Dialogue

IV. On China-US Relations

V. On the Taiwan Relations Act

VI. On China-Soviet Relations

VII. On the Chinese Domestic Situation

I. On Opposing Hegemony

In a meeting with the wife of Philippine President, Imelda Marcos, on June 8, 1982, President Hu Yaobang said, "We hope that we can live in friendship with you for generations to come. We also hope that the ASEAN countries will also live in harmony with each other, so that we can fight externally against hegemony and develop our national economy. Some people suspect that China will be hegemonic when it becomes strong. China, however, will never become hegemonic. This stance is enshrined in our PRC Constitution and in the Party Constitution. Recently we held a Party Congress. The Chinese Communist Party understands that things do not end well for hegemonic states, no matter whether they are in the East or in the West. Some people do not believe this. We can't do anything about that. Then just watch what we do over the next ten, twenty or thirty years.

On July 11, 1982, Premier Zhao Ziyang, when he met with Guinean Foreign Minister Abdoulaye Touré, discussed opposing hegemonism. Premier Zhao said that China opposes the two hegemons. China does not merely oppose Soviet hegemony and not oppose US hegemony but opposes both hegemonies. China supports third world countries in their opposition to the infiltration of Soviet hegemony, expansion and aggression. China opposes the expansionism of US hegemony, expansionism and aggression as well such as it opposes US support for the racist regime in South Africa. Although we consider the principal contradiction to be Soviet hegemony, each country should decide its own policy based on its own specific conditions and environment. We respect that. For a fairly long period in the past, China has placed more emphasis on opposing Soviet hegemony. That is because Soviet hegemonism is very deceptive and it is not easy for others to see through it. The Soviet Union calls itself the world's first socialist country and the "natural ally" of the Third World and the homeland of Lenin. Another factor involved is that in the struggle between the world's two hegemonic powers, the Soviet Union is on the offensive while the United States is on the defensive. Therefore Soviet hegemonism is the principal threat to world peace. Looking at the overall situation, analyzing the state of the struggle, China put the main focus of the struggle against hegemonism on Soviet hegemonism. That is not the same thing as not opposing US hegemonism. China does not rank countries according to whether or not they oppose the Soviet Union.

Premier Zhao also repeatedly emphasized that China's foreign policy is independent and autonomous. We oppose all those who engage in hegemony, and we support all those who are victims of hegemony.

II. On Solidarity and Cooperation with the Third World

When Vice Chairman Deng Xiaoping met with Guinean Foreign Minister Abdoulaye Touré on July 12, 1982, he discussed solidarity and cooperation with the Third World. The international situation has not relaxed significantly and there are more and more factors tending to promote unrest. The role of the Third World in international affairs is becoming more and more important. The Third World is our brother and our friend. Looking at past history, we realized that the Third World can be respected only if it develops on the basis of self-reliance. We have many things to do, including

developing extensive international contacts, but our main task is to develop our own country. China is a large country with a large population, but because it is not developed, people have always pushed it around and bullied it. Of course China does not go along with that.

Recently, Israel invaded Lebanon and attacked Beirut. The lesson to be learned from this incident is that the Arab countries need to unite. The superpowers, whether the Soviet Union or the United States will not really help Palestine. The US openly sides with Israel, aiming to destroy the Palestinian cause and seeking to gain control some Arab countries, starting with Lebanon. The Soviet Union also did nothing! In the final analysis, the real solution to the Middle East problem ultimately depends on the unity of the Arab countries. Of course, it can only be basically united since being completely united is not easy. The Soviet Union claims to be the "natural ally" of the Arab countries, but in fact, like the United States, it does not want the Arab countries to unite, but instead sows divisions amongst them. Therefore, the Third World and Arab countries need to strengthen their unity. The idea of South-South cooperation is very good. It is a very good way to strengthen the unity of the Third World.

Vice Chairman Deng said that from the Opium War down to 1949, including the rule of Chiang Kai-shek, China had not been unified for over a century. The imperialists had divided and ruled. China was divided into many spheres of influence, each seeking to dominate the others. The northeast of China was first in the Russian and then in the Japanese sphere of influence, France's sphere of influence was in Yunnan and part of Guangxi. The UK's sphere of influence was even larger. In Shanghai, Tianjin, and other major cities, there were British, French, and Japanese concessions. The Yalta Conference held after the Second World War was actually a conference on the division of spheres of influence, including those in China. China's Outer Mongolia was taken away. The Northeast was designated as a Soviet sphere of influence, and Luda [Note: Dalian] became a Soviet naval base. Of course, the United States' sphere of influence was even larger -- it included all areas under Chiang Kai-shek's rule. Later, when we took back Dalian, the Soviets left some damaged facilities behind, and we had to pay for them. The U.S. has always wanted to dominate Taiwan.

Although it did not have a military presence there it actually wanted to use Taiwan as an unsinkable aircraft carrier. The key to the problem is that China is not developed. In international affairs, our impoverished friends must unite. In order to oppose hegemony and defend world peace, we need to unite with the Second World [Note: In Chinese usage at the time, the Second World meant developed countries between the First and Third worlds such as Japan, Europe, Canada and Australia] countries and build a united front. However, the foundation for that is still the Third World.

Premier Zhao Ziyang at a meeting with Liberian Head of State Samuel Doe on May 3, 1982. While discussing solidarity and cooperation of the Third World, Premier Zhao pointed out that the unity of the Third World is very important. China values solidarity and cooperation with Third World countries and among Third World countries. As long as they are truly united, their power will certainly exceed that of the two superpowers and it will be impossible for the two superpowers to dominate the world and do whatever they want. We need to treat the disputes between Third World countries correctly. In our view, the main thing to do in dealing with disputes and disputes among Third World countries is to exclude the intervention and interference of the superpowers and to seek a solution through peaceful consultations. This principled position of China is for the sake of the unity of the Third World. We are glad to see that this position of China is being understood and accepted by more and more of our friends. The only two exceptions among the Third World countries are Cuba and Vietnam, both of which were instruments of Soviet hegemonic aggression and expansion.

III. South-South Cooperation and North-South Dialogue

Speaking on the issue of South-South cooperation and North-South dialogue at a meeting with Italian Deputy Foreign Minister Bruno Corti on June 3, 1982, Vice Foreign Minister Zhang Wenjin said that while the scale of China's assistance to Third World countries may be reduced, but the policy of assistance would not change and mutual relations were being strengthened. South-South cooperation is feasible but only just beginning. It is generally at a low level, limited to a small number of small projects, lacking in capital and technology, but has great potential. However,

South-South cooperation is not a substitute for but is complementary to North-South dialogue. The improvement and strengthening of North-South relations will be beneficial to both developing and developed countries. Progress in this dialogue will not be easy, and global negotiations cannot yet begin, mainly because of the intransigence of the United States.

IV. On U.S.-China Relations

Vice Chairman Deng met with Senate Majority Leader Howard Baker on June 1, 1982. When discussing Sino-U.S. relations, he said that the leaders of China and the United States are considering all issues but we must focus on strategic issues. Only by considering the relationship between the two countries from a strategic perspective and dealing with the various issues facing both countries can we build a good relationship of mutual trust. As we have said many times, we appreciate the first words of President Nixon when he met with Chairman Mao in 1972, when he said that he came to Beijing because of U.S. self-interest. Likewise, China and the United States in building good relations with one another must respect the interests of the other country. This is the only way not to harm, but to develop the relationship between our two countries.

Vice Chairman Deng said we face the Taiwan issue that comes between us. I hope that President Reagan will deal with this issue properly. Because this is an issue that involves China's own national interests and sovereignty. We have told our American friends many times that we have very little room to maneuver on this issue. I hope that the U.S. government, and in particular President Reagan, will take a wise position on this issue and resolve it fairly soon and fairly quickly to solve this knotty problem.

When Vice Chairman Deng met with Imelda Marcos of the Philippines on June 8, 1982, he said that he hoped that the improvement in Sino-U.S. relations would continue and not come to a halt, let alone regress. For quite some time, the Taiwan issue has seriously clouded China-U.S. relations. We have repeatedly voiced our opinions and even made protests. It seems that the U.S. government has become a little more cautious in this regard, but the danger has not passed. During Vice President George Bush's visit to China, both sides stated their positions and views quite thoroughly, and it is now up to President Reagan to make his decision. We await news from the U.S. government.

When Vice Foreign Minister Zhang Wenjin met with Italian Vice Foreign Minister Bruno Corti on June 9, he said that the U.S. and China have a very close relationship. When discussing U.S.-China relations, Vice Foreign Minister Zhang Wenjin pointed out that there are forces in the U.S. intent on promoting the "one China, one Taiwan" theory. This is focused on the issue of continuing arms sales to Taiwan. The U.S. is trying to use the form of "substantive diplomacy" with Taiwan and wants Taiwan to extend it to other countries. This brings the problem to a point where it must be solved, otherwise it will become very dangerous. China hopes that China-U.S. relations will not stagnate or regress, but it demands that the United States respect China's sovereignty and refrain from interfering in its internal affairs. Only if the U.S. commits to this can we negotiate a gradual quantitative and qualitative reduction in U.S. arms sales to Taiwan over a certain period of time, and eventually a complete cessation of arms sales to Taiwan. Vice Foreign Minister Zhang Wenjin also emphasized that the issue of U.S. arms sales to Taiwan is a historical legacy of U.S. hostility toward China and its involvement in China's internal affairs. The issue of sovereignty is not negotiable and can it be resolved. Only when the United States acknowledges this and accepts to stop selling weapons within a certain period of time can the issue of modalities be considered. Selling weapons is not a people-to-people relationship. This is not like buying Coca-Cola.

V. On the Taiwan Relations Act

When Vice Chairman Deng met with Senate Majority Leader Baker on June 1, he asked Baker about whether laws passed by the U.S. Congress could be changed and what procedures would be required, and said, "I am asking this question to find out whether the Taiwan Relations Act can be changed. This law casts a shadow on U.S.-China relations. This law was not created under Reagan but under Carter. This law hurts the feelings of the Chinese people very much.

Vice Chairman Deng also pointed out that this law provides for more than just unofficial cultural and commercial relations between the United States and Taiwan. We don't disagree with the part of the law about unofficial cultural and commercial relations with Taiwan. The problem is that this law involves the political sphere and so involves China's sovereignty. When this law was passed, we immediately and clearly expressed our opposition to it. Now Chiang Ching-kuo is desperately advocating for keeping this law. I hope that Mr. Senator will use his influence to amend this law. Vice President Deng said that even if Reagan had taken a wise approach to U.S.-China relations and resolved the issue of U.S. arms sales to Taiwan, it would only have solved one problem. The fundamental problem is this law, which can be interpreted in various ways. Of course, this is a matter for the U.S. Congress, and we have no intention of interfering with it. However, as we have said many times, the U.S. law does not govern China either. The Vice Chairman said, I raise this issue, mainly to put the U.S.-China relationship on a firm footing by removing this shadow. Now our two countries are talking about U.S. arms sales to Taiwan. I don't know what other problems will arise in the future under this law. Vice Chairman Deng said, I believe that any U.S. President can do one thing or another when dealing with the Taiwan Relations Act, but this Act will remain in force unless it is repealed. Until then, it will cast a shadow.

Vice Foreign Minister Zhang Wenjin met with Majority Leader Baker of the U.S. Senate on June 1. He said that the long-standing failure to normalize China-U.S. relations was due to the Taiwan issue. This issue remains even after normalization. You said that President Reagan wants to develop U.S.-China relations and because of his past background, he might have played a greater role. You say there are difficulties in taking action on the Taiwan Relations Act, not only in your U.S. administration but even more so in Congress. It would have been better, as we would have wished, if the Act had never been enacted because it conflicts with the U.S.-China diplomatic communiqué in many respects. You say that taking this matter up again in Congress would achieve anything. I admit that this is a domestic law of the United States, and if it does not affect China-U.S. relations, we can ignore your law. However, in the long run, it will cast a shadow on China-U.S. relations and will hinder our relations. How to resolve this issue is a matter for the United States. However, we do insist that:

1. The Communiqué on the Establishment of Diplomatic Relations between the United States and China is the only document that guides and governs U.S.-China relations.
2. The Taiwan Relations Act is not binding on us in any way.
3. The Taiwan Relations Act should not exist over the long term.

Vice Foreign Minister Zhang Wenjin also said that we cannot share your views on the Taiwan Relations Act. Vice Foreign Minister Zhang pointed out that there are many serious conflicts between the Taiwan Relations Act and the two communiqués. We can give one or two examples:

1. Taiwan is an integral part of China's territory, and the Taiwan issue is an internal affair of China in which no foreign country may interfere. Now that the United States established diplomatic relations with China, Taiwan should not be considered a separate entity from the rest of China. The Taiwan Relations Act, which states that the United States is concerned about Taiwan's "security" and has an obligation to protect it, is an infringement of national sovereignty. If we said that China was concerned about the security of Alaska or Hawaii and had an Alaska Act or a Hawaii Act, would you agree?
2. You are selling weapons to Taiwan under the pretext of "concern for the security of Taiwan". There are more than 100 countries in the world that have diplomatic relations with China. No country, except the United States and the Netherlands, has sold weapons to Taiwan, a region of China, not to mention that the Taiwan authorities are still hostile to the central government. The Netherlands has done so, and the result has been serious damage to Sino-Dutch relations.
3. With regard to the original treaties and agreements between the United States and Taiwan, after the establishment of diplomatic relations between the United States and China, only the U.S.-Taiwan "Mutual Defense Treaty" was terminated, while dozens of other treaties and agreements remain, which were signed between Taiwan and the United States as the "Republic of China. These treaties and agreements were

signed by Taiwan as the "Republic of China" with the United States. No matter how you interpret it, this is "two Chinas" and is inconsistent with the communiqué on the establishment of diplomatic relations, which states that the United States can only maintain civil relations with Taiwan. Many U.S. scholars and politicians, including senators, have argued that the Taiwan Relations Act is a pretext to maintain Taiwan as a separate political entity.

VI. On Sino-Soviet Relations

On June 11, Vice Chairman Deng in a meeting with Mrs. Imelda Marcos, the wife of the president of the Republic of the Philippines, discussed Sino-Soviet relations. The Soviet Union has not changed and is still a social-imperialist country. The relationship between China and the U.S. has come to the state it is today but we still don't play the "Russia card". The question of whether relations between China and the Soviet Union can be improved depends upon whether the Soviet Union will give up their social-imperialist and hegemonic policies. If the Soviet Union gives up its hegemony, it can show this not with its empty words, but with its actions. They need to solve the problems created by the Soviet Union's support for the Vietnamese invasions of Cambodia and Laos as well as the Afghan problem. The Soviet Union should withdraw at least one million troops from the Sino-Soviet border. Its troops in the Soviet Union should be able to take part in the negotiations.

When Vice Foreign Minister Zhang Wenjin met with Italian Deputy Foreign Minister Bruno Corti on June 9, 1982, he pointed out that our policy is, first, to oppose hegemony, and as long as the Soviet Union does not change its hegemony, we will oppose it; second, if possible, to normalize our bilateral relations. Of course, it will be difficult to improve relations if hegemony remains intact. If the Soviet Union is really sincere about improving relations, then it should give up hegemony and take practical actions to prove it. China does not play the "Soviet card" or the "America card". We are pursuing a policy of independence and autonomy.

II. On the Chinese Domestic Situation

When Chairman Hu Yaobang met with the Second Vice President of Somalia Hussein Kulmiye Afrah on April 21, 1982, while discussing our domestic situation remarked that we need armaments for national defense but if we spend too much on defense, the state will not be able to afford it. Modern military equipment is a big financial burden. For more than 30 years, we have also engaged in some modernization of our military equipment but in the main we have avoided doing so. We have two experiences in this area:

1. We have developed our economy well so that our people's lives have improved and rely on the people to support the regime, to defend the country. Therefore we build national defense on the foundation of popular support.
2. We organized the masses, gave them the necessary military training, built a militia, and equipped it with conventional weapons so that in case of war, it can be used to defend the country.

If there is a war, we can start a people's war and fight a guerrilla war. I repeat: we need some modern equipment but we cannot rely on modern equipment alone because the financial burden would be too great. That money we should spend on economic development to improve the lives of our people. We need to organize the people, strengthen education in patriotism and in defense of our ancestral lands. Once the enemy invades, we would rely on people's war to defeat the invaders.

Chairman Hu Yaobang added that the issues of domestic unity and economic construction are also very important. China is a country made up of many ethnicities which, including the Han Chinese, come to 55 ethnic groups. The work of unity is very difficult because China has so many different ethnic groups and so many layers of society. Chairman Hu said that the work of unity is very important and very complex.

In our experience, in order to improve unity, first of all, patriotism is very important; we want to have everyone love his or her country. Second, we want the economy to develop. Comrade Mao Zedong said, "Each one gets what he wants. Only when all people can find a place for themselves in society can they live and work in peace and happiness. This is very important. If the lives of people of a certain layer of society or the lives of people in a certain region can see gradual improvements in their lives, they will live and work in peace and happiness. Conversely, if people in whatever

region, social layer, or group do not have stability in their lives, they will revolt, be used by foreign powers such that domestic and foreign forces cooperate with one another. Puppets are both to be feared and not to be feared. A small, isolated group that does not win popular support is nothing to be afraid of. If it does establish a base of support among the people, then it is something to be feared.

When Chairman Hu Yaobang met with Imelda Marcos, the wife of the Republic of Philippines President, on June 8, 1982, he talked about the domestic situation in China and answered the question raised by Mrs. Marcos about "whether China's market is primarily domestic or primarily foreign". For a long time, we only paid attention to the domestic market and neglected the international market. We only started to open up to the outside world three years ago, and the scale of our foreign trade is not large, only one percent of the total world trade. The total volume of world trade is four trillion dollars, and our total foreign trade is only four hundred billion dollars. We have adopted an open-door policy and welcome foreign capital, but the focus is still on self-reliance. China's market is huge, with a population of one billion. We can only expand our market if we make our people's lives better. An important principle of our open-door policy is to welcome foreign and international capital to China and to engage in joint ventures. We made this decision only a few years ago. No matter whether someone comes from the East or the West, whether from ASEAN or the Philippines, if they are willing to enter into joint ventures with us, we welcome them all.

Premier Zhao Ziyang said in a meeting with Icelandic Foreign Minister Ólafur Jóhannesson on April 26, 1982, discussed the current situation in China. Premier Zhao said that the overall situation in our country is good. The political situation is good, mainly in terms of political stability and the unity of China's leaders. This is something that our country has not seen in decades. The policies we have adopted are good, the people are happy, and the people's motivation has been mobilized. Our economic situation is also good. This is not to say that there are no more difficulties or that people are rich. I am saying that we have summed up our experience after a ten-year-long Cultural Revolution brought the economy to the brink of collapse.

After overthrowing the "Gang of Four", we were too optimistic and did not analyze the situation calmly and objectively. We pushed capital construction too far, especially in heavy industry. This worsened our already difficult situation. So our country immediately ran a huge fiscal deficit. From 1980 to 1981, we began to adjust the national economy, mainly by lowering the accumulation rate, reducing the scale of construction, and increasing the production of consumer goods. We also reoriented the services of heavy industry. The problem of the deficit was solved, prices were stabilized, and the market supply was improved. This adjustment has reduced the growth rate of the national economy for a while. But since the end of last year, the economy has been picking up, and it seems that our economy can develop steadily.

Premier Zhao Ziyang in a meeting with Liberian Head of State Doe on May 3, 1982, discussed the domestic situation. Last year, the World Bank listed China as the twenty-third poorest country in the world. The ten-year-long Cultural Revolution brought China's economy to a standstill. Later our scale of economic construction was so large that China ran a fiscal deficit for three consecutive years. Since 1980, China began to adjust its economy. Results have been generally positive. Over the next few years, however, the pace of our development will still be low. As a result, we can only help our friends with small-scale, quick-impact, low-investment projects. We can only do what we can. In the future, when the economy develops, we can provide more assistance to our friends.

Premier Zhao Ziyang in a meeting with Guinean Foreign Minister Abdoulaye Touré on July 11, 1982, discussed our domestic situation and the changes in China since 1980 due to a massive economic restructuring. We have done this because of our past failures in economic construction. We were too quick to demand change and so our ambitions exceeded our financial and material resources. Our policy was also too radical, overly centralized in its ownership and management systems. This caused tensions in various parts of the economy, manifested in large fiscal deficits and rising prices in 1979 and 1980. This led to dangerous symptoms in our economy. Therefore, a major adjustment was made in 1988 and 1981. Infrastructure construction was scaled back and the ratio of heavy industry production to consumer

goods production was adjusted. At that time, some people at home and abroad did not quite understand the adjustments. After two years of adjustments, the effects have been good, and people understood it. Now we are past the most difficult period. However, we still need to be cautious in economic issues. For a long time to come, the policy of steady development should be maintained and our scale of infrastructure should be kept under control. We should not insist on moving very quickly. Since 1978, Guinea has adjusted its economic policy. China believes, based on its own experience, that this is the right thing to do. As long as one persists, one will always succeed.

State Councilor and Foreign Minister Huang Hua discussed China's domestic situation, foreign economic assistance and foreign trade when he met with Solomon Islands Foreign Minister Solomon Mamaloni on April 6, 1982. Comrade Huang Hua said that China provides economic and technical assistance to third world countries as its means permit, either in the form of small amounts of non-reimbursable aid or low-interest loans to build industrial, agricultural or other facilities. However, since China's economy is undergoing massive restructuring after ten years of turmoil, our foreign aid efforts are still fairly small. We believe that as our economy develops and restructuring progresses, the scale of our foreign aid will gradually expand. The purpose of our economic assistance is to help the recipient countries develop their national economies. The purpose of China's economic assistance is to help the recipient countries develop their national economies, not to promote products and create dependence of the recipient countries on China.

On the issue of trade, Comrade Huang Hua clarified that the principle of our economic construction is self-reliance. Then Comrade Huang Hua said that China has criticized its own closed-door policy and has now adopted an open-door policy. Our policy of developing trade on an equal and mutually beneficial basis. We have established economic and trade relations with 174 countries and regions. We have trade relations with 15 or 16 countries and regions in the South Pacific. Although the volume of trade with island countries is relatively small the prospects for future trade growth are good.