

DEPARTMENT OF STATE  
BRIEFING PAPER

China's Domestic Situation  
on the Eve of Your Visit

You will be visiting China five months after the climax of a major power struggle in Peking. Chou En-lai has emerged from that imbroglio with substantially increased authority: the mark of his hand, which has been so obvious in PRC foreign policies over the past year, is now becoming increasingly evident in the area of domestic affairs as well. Chou's position rests to an important degree on his relationship with Mao, but Chou also has strong political assets of his own that Mao could ill afford to dispense with. (The other active members of the Politburo are a diverse group of obviously lesser figures.) Chou En-lai's major problem has been to bring the provincial authorities and the military establishment under better control, repairing the dislocations caused by the Lin Piao affair. This problem remains formidable, but Chou and his associates are dealing with it adroitly. As far as we can determine, military discipline and public order have been maintained, day-to-day administrative operations continue normally and the economy is being managed with evident success.

On the other hand, the PRC's political institutions remain weak and disorganized and much depends upon how much time is left to Chou for their reconstruction. Inevitably, the current increase in Chou's authority will make the gap caused by his death all the greater, but Chou (with Mao) is in a position now to impart a political orientation to the regime which will leave its mark on the collective leadership likely to succeed them. In addition, the considerations which led them to invite you to Peking (including concern about the Soviets, Japan, and the status of Taiwan) are likely to influence the policies of their immediate successors as well. In sum, Lin's demise and its aftermath enhance the possibility that any improvement in US-PRC relations resulting from the visit will last.

~~TOP SECRET/NODIS/HOMER~~

Lin Piao's downfall late last year appears to have been the result of a power struggle with Chou En-lai that was bound up with disputes over domestic and, possibly, foreign policies. Since then, there have been no signs of alterations in the regime's external policies but if Lin had been pressing for changes, his removal would of course mean that Chou's hand in engineering PRC foreign relations has become even stronger.

There clearly have been changes in the distribution of power. Chou En-lai has emerged from the Lin Piao affair with a much larger share of the central authority and if Mao were to die tomorrow, Chou would be his successor in fact, if not in name. At present, Chou's position depends to an important degree on his relationship with Mao, which is close and long-standing. It is conceivable that Mao might someday turn against his Premier but Chou has strengths of his own that Mao could ill afford to lose, particularly since the other active members of the Politburo are a divided group of obviously lesser individuals.

Apart from Mao himself, Chou En-lai is probably the most widely popular and respected leader in China. His outstanding personal abilities are well known and would seem to be indispensable. Through his long revolutionary and governmental experience, Chou has developed a strong position in the bureaucratic, party and military hierarchies and over the years those who were in a position to rival or challenge him in these three systems of authority have fallen from power. Chou himself has seen some of his own lieutenants purged in past years but many of his associates are again becoming politically prominent now. Chou En-lai's position has also been buttressed by the obvious success and appeal of the pragmatic and relatively moderate policies with which he has become identified.

Both within the Politburo and at lower levels, however, Chou faces formidable problems. The Politburo members having radical, Cultural Revolution

associations have been reduced in number over the past two years but several remain and their links with Chou En-lai seem tenuous. The political strength of these radicals is limited but one of their number, Chang Chun-chiao, has an important political base in Shanghai and another, Chiang Ching, has wifely access to Mao. Both obviously have an appetite for power and are properly viewed with distrust, if not antagonism, by moderate, order-oriented civilian and military officials. Within the military establishment there are also a large number of commanders and commissars who had close ties with Lin Piao and whose present loyalty is questionable. Many of these men are in positions of civil as well as military authority in the provinces and this must have greatly complicated the task of effectively extending the authority of the present Peking leadership to local levels. Some of the provinces have long been unstable politically and Lin's downfall has probably aggravated local power rivalries in addition to causing confusion, shock, and apprehension in the minds of many cadres and common people.

Chou and Mao seem to be coping with these problems adroitly. They have moved to discredit Lin Piao's reputation totally but have avoided a witch-hunt for his followers or a Cultural Revolution-type purge campaign. The fate of some of Lin's associates has been left obscure and it is possible that a few may reappear in some facesaving capacity. In a bid for the broadest possible support from the military, the regime has let it be known reassuringly that Lin's clique was small and that those who were unwittingly taken in by him can repent and be saved. Several respected old marshals and PLA Headquarters figures who had been eclipsed by Lin have re-emerged prominently in Peking and are buttressing Chou's ties with the military. Discipline has been maintained under the aegis of the CCP Military Affairs Committee, in which Marshal Yeh Chien-ying, as an associate of Chou's, now has a leading role. Even under Lin Piao, of course, the military establishment was not monolithic. There are undoubtedly commanders who had at least mixed feelings about Lin and his involvement of

the PLA in politics. The present regime's upgrading of conventional military pursuits is thus likely to have some appeal, and Chou himself no doubt has the respect and support of many military figures. They will expect Chou to continue resource allocation to defense industries at a high level.

The regime's efforts to subordinate the military to CCP authority have been hampered by the military's heavy representation in the civilian party apparatus, especially at local levels. Since Lin's fall, very few military leaders in the provinces are known to have left their civilian party positions. This probably reflects the strength of their entrenchment as well as the gradual and low-keyed manner in which the central authorities have been moving to alter the military's role. Some military district commanders have been replaced, however, and others are probably more diffident now in dealing with civilians. Radical elements in various localities who had previously felt the military's heavy hand are no doubt anxious now to turn the tables, but regime media have clearly discouraged this. The radical members of the Politburo itself, though now more in evidence publicly, have not been able to reverse the moderate, order-oriented policies with which Chou has become identified. Their operations in the sensitive field of cultural affairs have been brought more under his control and they have been further hindered by the popularity of the relaxation in cultural affairs that Chou has promoted. Moreover, from his present position of authority, Chou can probably capitalize on the political opportunism of the radicals as well as on Mao's hold over them.

In the economic sector, too, current policies are (as before) moderate and pragmatic and we expect that this appeals widely to the military, who would not favor the risks and costs of a manic, "Great Leap Forward" approach to the economic management. The present regime is also strengthened by the fact that as 1972 begins, China's economy is at its historic peak and is moving ahead well. In industry, China has

achieved output increases of 10 per cent or more for several years running and appears to have achieved self-sustaining growth on a broad front.

With the exception of the Defense Ministry, the State Council Bureaucracy has not been noticeably affected by the Lin Piao affair. No ministers are known to have been removed and day-to-day administrative functions are apparently being performed normally. In some ministries, Chou En-lai's authority had been well-established even while Lin was in power. Conflict over Lin's attempts to place military associates in ministerial positions may have retarded the reorganization and streamlining of the Council. If so, the way should now be clearer for Chou to fashion this institution more to his own design.

It is also possible that Chou and Lin clashed over the reconstruction of the Communist Party apparatus, but in this case Lin's death has not simplified the problems. The Central Committee and Politburo as constituted in April, 1969, at the last party congress no longer reflect the realities of power in China: many vacancies in both bodies have to be filled. This will be no easy task since there is likely to be intense jockeying for power among those who expect to succeed Mao and Chou, the National Party apparatus has not been rebuilt fully and many party organs which had been formed while Lin was in power and which have a heavy military representation may have to be restructured.

In terms of future stability, much will depend upon how far the reconstruction of these institutions has progressed by the time Chou En-lai passes from the scene. Inevitably, Chou's increased authority will make the gap caused by his death all the greater. However, by bringing forward additional like-minded associates and by deepening and prolonging the regime's commitment to current policies, Chou En-lai will undoubtedly project political influence that will outlast the man himself. Those who succeed Chou and Mao will

be, at least in the short run, a collective of lesser, insecure men preoccupied with domestic power considerations and unlikely to initiate early departures from the course now being set. Of special importance to American interests, it is likely that these successors will be influenced by the same considerations (including concern about the Soviets, Japan and Taiwan's status) that have led Mao and Chou to invite you to Peking.

In sum, an overview of the domestic situation leads us to conclude that Lin's demise enhances the possibility that any improvement in US-PRC relations resulting from the visit will be lasting.

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