

is already underway. The indications of this, other than the Soviet statement itself, are abundant, and include the recent Indian overtures toward normalization of relations with China, an effort deliberately "misinterpreted" in Atlanticist circles as an anti-Soviet move.

Continued U.S. attempts to carry the second front policy with China will destroy the Japan-U.S. alliance as well. The

Japanese press has recently reported secret efforts by U.S. officials to gain Japanese backing for this policy and to encourage Japanese arms exports to China, in the context of overall Japanese military rearmament. In both cases the Japanese emphatically replied in the negative, stating that this "would cause anxiety in Asia," and, in effect, threaten Japanese relations with the Soviet Union.

Chinese Leadership Factions Stalemated; China Opts Out of War Role

May 1 (IPS) — Despite a renewed public hardline Maoist campaign against the followers of deposed Vice Premier Teng Hsiao-ping, the Maoist and anti-Maoist factions within China's leadership remain totally stalemated. An indication of the influence of moderate forces, including most probably within the army, came last week when China indicated that while it might like to see a war between the United States and the Soviet Union, it wants no part of any such war itself. In a clear signal to both the Atlanticists and the Soviets, the Chinese explicitly refused to give any credence to plans recently mooted in Atlanticist circles to supply arms and intelligence hardware and software to China.

At the same time, the economic crisis confronting both factions was highlighted during the week by reports of continued collapse of both the country's imports and its exports, signalling deepening problems.

Factional Statement

The unstable factional situation is made clear by various activities of factions and faction members over the last few weeks — activities which have preoccupied many of the so-called China watchers in the West.

The renewed campaign by the Maoists began on April 18, less than two weeks after the dismissal of Teng Hsiao-ping and the elevation of Hua Kuo-feng to the premiership. An editorial in the Chinese Communist Party organ People's Daily reported that there were other "bourgeois bigwigs" like Teng in the Party who should be purged, and called on the Party to bring the anti-Teng campaign to new heights. The editorial violated the obvious "deal" worked out between the two factions at the emergency Chinese Politburo meeting on April 7 that made the personnel changes. Following that meeting, several top leaders of the Teng faction, including economic czar Li Hsien-nien and Defense Minister Yeh Chien-ying, reappeared in public for the first time since Chinese Premier Chou En-lai's funeral on Jan. 16, as an indication of their approval of the steps taken. None of the top Maoists on the Politburo were seen for over two weeks after.

Both Li and Yeh, as well as several other prominent anti-Maoists, were conspicuously absent at the first major public event following publication of the April 18 editorial, an April 27 "reception" for the security forces which were on duty during the April 5 anti-Maoist riot in Peking's central square. Instead, apart from new Premier Hua Kuo-feng, only the four leading Maoists on the Politburo appeared, Mao's wife Chiang Ching, plus Wang Hung-wen, Chang Chun-chiao and Yao Wen-yuan.

Since the position of both Li and Yeh on the Politburo are quite secure, their failure to appear at this ceremony is clearly a boycott on their part, to signal to the entire Party membership that the Maoists have broken their part of the

bargain and that the faction fight is on again. An appearance by Li and Yeh would in fact have strengthened the Maoists' hand, by indicating approval of the April 18 editorial and subsequent policy statements.

Widespread Opposition

Despite the staged public show of support, the Maoists' control over the situation is an illusion. The vast majority of the Party opposes them and their policies. Whatever attempts may have been made by the Maoists in the past to strengthen the alliance with the U.S. Rockefeller faction, the leadership made it clear last week that they desire no warlike provocations in their part of the world. Leading Party leaders, probably including top Maoist Chang Chun-chiao, told a visiting U.S. Congressional delegation that China was "emphatically not interested" in formal defense agreements with the U.S. or in acquiring U.S. weapons or military technology — preferring instead to rely on "independence and self-reliance." More significantly, according to House International Relations Committee head Rep. Lester Wolff (D-NY), a member of the nine member House team, the Chinese said that in the event of a renewed conflict on the Korean Peninsula, China would not send any troops — a signal of China's opposition to any military action in Asia.

The Chinese also directly signalled the Soviet Union to the same effect. Two weeks ago they agreed to exchange full ambassadors with close Soviet ally India. Then later this week, the Chinese government immediately denounced the attempted bombing of the Soviet Embassy in Peking as the work of "counterrevolutionaries." In China, that term is normally reserved for pro-Soviet elements. Since in this case such elements were hardly the ones responsible, the term here was used to characterize extreme Maoists who happened to take the regime's public virulent anti-Sovietism too much at face value. The regime wanted to ensure that the Soviets did not take the incident as a provocation.

The Question of Economic Program

Domestically, the Maoists published a lengthy, defensive article on April 28, stating that contrary to the charges of Teng's followers, Mao and his faction fully endorsed Chou En-lai's plans to make China a major industrial country by the year 2000. The Maoists thus demonstrated their need to attempt to counteract the correct perception among the general population that Maoist policies had slowed economic growth and were disastrous for future growth prospects. The Maoists went so far as to lie in the article that output in most major industrial categories during 1975 was 12 per cent or more above 1974 levels.

This claim was belied by continued evidence of major shortfalls in export-oriented output. Following the halving of oil exports and cancellation of talks to increase steel imports

from Japan earlier this year, it was revealed last week that China is more than halving its normal volume of steel imports from Japan for the first half of 1976. The New York Times reported April 24 that six Japanese steelmakers had concluded a first half agreement for the export of only 550-560 thousand tons of steel — less than half of last year's sales of over 2 million. No explanations were given by the Chinese. The April 27 Journal of Commerce revealed that China would cut back soybean sales to Japan from 40,000 tons to 5,000 tons in May — an 88 per cent reduction. The Chinese government reported that there would probably be no soybean sales at all in June and July. While the specific reason for the sudden

cutback is not known, the decision is a reflection of an escalating economic crisis that has forced the scrapping of the five and 10-Year Plan targets agreed on 15 months ago.

The economic crisis has thus compelled even the anti-Maoists to accede to Maoist demands for increased "self-reliance" and reduced foreign imports of technology — absolutely necessary for economic development. Without reopening large-scale trade and technological deals with the Soviet Union, which at this point neither faction favors, it will be impossible to solve the economic dilemma using the limited internal resources.