(b)(3):50 USC 403-1(i) CDS C 95172RUEKJCS 1076 192334ZMCP 89-2871451 MIDB S UPID FRP: , ,3, , , , MILITARY 89 2871451 MCP PAGE 001 NC 2871451 TOR: 192334Z MAY 89 RUEKJCS 1076 HEADER PP RUEATIA DE RUEKJCS #1076 1392322 ZNY CCCC P 191801Z MAY 89 (b)(3):10 USC FM DIA WASHINGTON DC/ 424 BT CONTROLS SIC UAJ ) } TEXT NADA INTSUM 116-89/DIA WASH DC/19 MAY 89. (U) )) CHINA - STUDENTS DEMONSTRATING FOR DEMOCRACY (U)

(b)(3):50 USC 403-1(i).

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AS OF 1400Z 19 MAY 89

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MAJOR POINTS

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- 1. THE CHINESE LEADERSHIP, ALTHOUGH SPLIT OVER THE DIRECTION REFORM SHOULD TAKE, IS AWARE OF THE DYNAMIC MOMENTUM OF THE PRODEMOCRACY STUDENT MOVEMENT AND IS ATTEMPTING TO IDENTIFY WITH THE MOVEMENT'S STATED PATRIOTIC GOALS.
- 2. THE PRESSURE IS BUILDING, HOWEVER, TO THE POINT THAT THE LEADERSHIP SEEMS TO HAVE LITTLE CHOICE BUT TO MAKE SERIOUS CONCESSIONS TO THE STUDENTS, INCLUDING CHANGES IN THE SENIOR LEADERSHIP AS ILLUSTRATED BY THE REPORTED RESIGNATION OF GENERAL SECRETARY ZHAO ZIYANG.
- 3. THE CENTRAL AUTHORITIES ARE SAID TO HAVE GIVEN THE STUDENTS UNTIL 1100 EDT TO VACATE TIANAMEN SQUARE AND HAVE BEGUN MOVING TROOPS INTO THE CITY. THE MILITARY WILL LIKELY BE USED TO HELP RESTORE ORDER.

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BACKGROUND

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- 4. SINCE 15 APRIL, STUDENTS IN BEIJING HAVE HELD A SERIES OF RALLIES AND CONDUCTED A 7-DAY HUNGER STRIKE TO BOLSTER THEIR DEMANDS FOR INCREASED DEMOCRACY IN CHINA. ON THE 18TH, ABOUT A MILLION PEOPLE PROTESTED IN BEIJING'S TIANANMEN SQUARE, AND DEMONSTRATIONS OF LESSER SCOPE TOOK PLACE IN AT LEAST 25 OTHER CHINESE CITIES. PARTICIPATION IN THE BEIJING DEMONSTRATIONS HAS EXPANDED TO INCLUDE WORKERS IN ALL WALKS OF LIFE, EVEN GOVERNMENT EMPLOYEES AND THE MILITARY. THE STUDENTS' DEMANDS CENTER AROUND WIDESPREAD CORRUPTION IN GOVERNMENT AND RAMPANT NEPOTISM. IN ADDITION TO RECTIFYING THESE WRONGS, THE STUDENTS ARE ALSO SEEKING FREEDOM OF THE PRESS, THE RIGHT TO ASSEMBLE AND SPEAK OPENLY, AND OFFICIAL RECOGNITION OF AN INDEPENDENT STUDENT UNION. SOME STUDENTS HAVE CLAMORED FOR THE DISMISSAL OF TOP LEADERS, INCLUDING DENG XIAOPING AND PREMIER LIPENG. ON THE 19TH, COMMUNIST PARTY GENERAL SECRETARY ZHAO ZIYANG TENDERED HIS RESIGNATION TO THE POLITBURO.
- 5. ZHAO, HOWEVER, HAS ENHANCED HIS IMAGE BY TAKING THE LEAD FROM LI PENG IN DEALING WITH THE STUDENT CRISIS AND IS THE MOST POPULAR CHINESE LEADER AMONG THE STUDENTS. HIS RESIGNATION WOULD NOT BE POPULAR WITH THE STUDENTS. THE DEMONSTRATIONS COULD DECIDE THE OUTCOME OF THE COMPETITION FOR POWER AND AUTHORITY BETWEEN ZHAO AND LI. DENG XIAOPING, WHOSE HARD-LINE APPROACH TO THE CRISIS WAS INITIALLY REPUDIATED BY THE PARTY, MAY BE THE MOST SERIOUSLY DAMAGED BY THE DEMONSTRATIONS.
- 6. SINCE THE DEMONSTRATIONS BEGAN MORE THAN A MONTH AGO, SHORTLY AFTER THE DEATH OF FORMER PARTY CHAIRMAN HU YAOBANG, THE GOVERNMENT HAS BEEN PERPLEXED ON HOW TO HANDLE THE SITUATION, SENDING A SERIES OF MIXED SIGNALS TO THE STUDENTS. THIS UNCERTAINTY STEMS FROM A LACK OF COHESION IN THE PARTY THAT IS THE RESULT OF FACTIONAL INFIGHTING WITHIN THE LEADERSHIP. THE MORE MODERATE REFORMERS, HAVING FACED A SERIES OF SETBACKS BECAUSE OF THE DETERIORATING ECONOMY, ARE TAKING THE LEAD IN DEALING WITH THE STUDENTS TO RECOVER GROUND LOST TO PARTY HARDLINERS. NONETHELESS, SHOULD THE DEMONSTRATIONS ESCALATE TO A POINT WHERE TROOPS ARE USED TO RESTORE ORDER, THE HARDLINERS WHO FAVORED EARLY SUPPRESSION OF THE STUDENT MOVEMENT COULD TAKE EVEN A STRONGER HOLD ON THE GOVERNMENT, FURTHER RETARDENG POLITICAL REFORM.

OUTLOOK

PRIMARILY OWING TO THE REGIME'S INEPTITUDE IN HANDLING THE STUDENT MOVEMENT IN THE EARLY STAGES, IT WAS INITIALLY BELIEVED THE GOVERNMENT WOULD NOT USE THE MILITARY TO RESTORE NORMAL CONDITIONS UNLESS THE DEMONSTRATORS BECAME VIOLENT. HOWEVER, ELEMENTS OF SEVERAL GROUP ARMIES ARE REPORTEDLY BEING MOVED INTO THE CITY AND MAY BE USED TO HELP RESTORE ORDER. AT SOME POINT, THE AUTHORITIES WILL HAVE LITTLE CHOICE BUT TO AGREE TO RENEW THE DIALOGUE WITH THE STUDENTS AND MAKE SOME CONCESSIONS, INCLUDING THOSE CONCERNING LEADERSHIP. ALTHOUGH A NUMBER OF SECONDARY-LEVEL LEADERS WILL PROBABLY BE SACRIFICED, A SCAPEGOAT FROM THE BEIJING LEADERSHIP WILL PROBABLY STILL BE NECESSARY TO PLACATE THE STUDENTS.

- 8. THE CHINESE LEADERSHIP IS ATTEMPTING TO IDENTIFY WITH THE PATRIOTIC SPIRIT OF THE STUDENTS. THEY ARE ANXIOUSLY TRYING TO CONVINCE THE STUDENTS AND THE GENERAL PUBLIC THAT THE GOVERNMENT SHARES THEIR DEMOCRATIC ASPIRATIONS AS WELL AS OPPOSITION TO CORRUPTION AND IS DEDICATED TO POLITICAL REFORMATION OF THE PARTY. INDICATIONS ARE THE DEMONSTRATIONS HAVE ALREADY ACCELERATED SOME POLITICAL REFORM MEASURES. SPECIFICALLY, THE LONG-DELAYED PRESS LAW WILL ALMOST CERTAINLY BE PASSED AT THE JUNE SESSION OF THE NPC STANDING COMMITTEE SESSION.
- 9. ALTHOUGH THE GOVERNMENT IS DEDICATED TO THE SUPREMACY OF THE COMMUNIST PARTY, THE PRODEMOCRACY STUDENT MOVEMENT WILL PROBABLY HAVE A SIGNIFICANT IMPACT ON FUTURE POLICIES AND THE PARTY'S LEADERSHIP SUCCESSION ISSUE. CURRENTLY, THERE ARE NO IMMEDIATE SOLUTIONS FOR ALL THE PARTY'S PROBLEMS, AND THE REGIME MAY BE RUNNING OUT OF TIME. FOR THE SHORT TERM, IF TANGELE MEASURES ARE NOT QUICKLY TAKEN TO ADDRESS THE STUDENTS' "REASONABLE DEMANDS," OR THE BEIJING DEMONSTRATIONS ARE PUT DOWN VIOLENTLY, THE CHINESE COMMUNIST PARTY COULD BE FACING A CRISIS OF LEGITIMACY. (DECL OADR)

ADMIN
-(CVERALL REGRADE IS DECL OADR)
END OF MESSAGE