CONFIDENTIAL

EXCISE Gry as

SECRETARY'S MORNING SUMMERY FOR JUNE 2, 1903

1. CHINA: STALEMATE CONTINUES

TWO WEEKS AFTER DECLARING MARTIAL LAW IN BEIJING,

HARD-LINERS REMAIN UNABLE TO RESOLVE THE LEADERSHIP CRISIS

OR TO REMOVE STUDENTS FROM TIANANMEN SQUARE. IN ADDITION

TO THE IMMEDIATE PROBLEMS OF IMPOSING ORDER AND CLARIFYING

THE LINES OF AUTHORITY, LEADERS ALSO FACE THE QUESTION OF

A SUCCESSOR TO DENG XIAOPING.

THE PARTY REPORTEDLY WILL HOLD A CENTRAL COMMITTEE PLENUM ON JUNE 5. RUMORS OF A PLENUM HAVE CIRCULATED SINCE MID-MAY, BUT SO FAR THE LEADERSHIP HAS ONLY HELD "ENLARGED" MEETINGS OF THE POLITBURO, AN EXTRA-LEGAL FORUM DENG AND OTHER ELDERS CAN PACK WITH THEIR SUPPORTERS.

BiAS

OFFICIALS HAVE ORDERED WORKERS AND FARMERS TO PARTICIPATE
IN RALLIES IN THE BEIJING SUBURBS TO SHOW SUPPORT FOR
PREMIER LI PENG AND THE DECLARATION OF MARTIAL LAW. THE
BEIJING CITY GOVERNMENT YESTERDAY EXPANDED PRESS
RESTRICTIONS, PROHIBITING COVERAGE OF STUDENT
DEMONSTRATORS AND REQUIRING THAT ALL OTHER REPORTING
RECEIVE PRIOR APPROVAL. STUDENTS ATTEMPTED TO STAGE A
COUNTER-DEMONSTRATION AT ONE PRO-REGIME RALLY YESTERDAY,
CLASHING WITH ORGANIZERS. STUDENTS HAVE ALSO SAID THEY
EXPECTED THE "GODDESS OF DEMOCRACY" STATUE IN TIANANMEN

SECRET

SQUARE TO ANGER TOP LEADERS AND PROMPT A PESPONSE. THE STUDENTS MAY HOPE AN OVERREACTION BY AUTHORITIES WILL BREATHE NEW LIFE INTO THEIR FLAGGING MOVEMENT.

[CONFIDENTIAL]

2. CHINA/ISRAEL:

CHINA AND

BIAS

ISRAEL ARE GRADUALLY EXPANDING THEIR PUBLIC RELATIONSHIP. TEL AVIV LOOKS FORWARD TO THE ESTABLISHMENT OF DIPLOMATIC RELATIONS; BEIJING, ATTUNED TO ARAB SENSITIVITIES, WILL MODULATE THE PACE OF IMPROVING RELATIONS TO PROGRESS IN THE MIDDLE EAST PEACE PROCESS.

FOLLOWING THE ARAB, SOVIET LEAD

CHINA CONTINUES TO LIMIT ITS POLITICAL TIES TO ISRAEL TO CONFORM WITH ARAB INTERESTS AND ITS PERCEPTIONS OF MOSCOW'S INITIATIVES IN THE MIDDLE EAST. IT IS UNLIKELY CHINA WILL MOVE ANY FASTER THAN THE MODERATE ARAB STATES TO GRANT ISRAEL FULL DIPLOMATIC RECOGNITION. BUT CHINA HAS IN RECENT MONTHS EXPANDED PRIVATE AND CULTURAL TIES TO ISRAEL AND UPGRADED DIPLOMATIC CONTACTS.

ACTIVITY

BIAS





SECRET

BIAS

AS IF TO UNDERSCORE THAT POINT, CHINESE JOURNALISTS

VISITED ISRAEL FOR THE FIRST TIME ON MAY 12--INTERVIEWING

PERES AND FOREIGN MINISTER ARENS--EVEN AS THE FIRST

ISRAELI JOURNALIST WAS GIVEN OFFICIAL CREDENTIALS TO

OPERATE OUT OF BEIJING.

AN AGREEMENT IN MARCH ESTABLISHED A CHINESE TOURISM

OFFICE IN TEL AVIV AND AN ISRAELI SCIENCE OFFICE IN

BEIJING. IN APRIL KNESSET MEMBER YAIR TZABAN, CHAIRMAN

OF THE UNITED WORKERS PARTY [MAPAM], MADE AN OFFICIAL

VISIT TO CHINA, THE SECOND TRIP EVER TO THE PRC BY A

REPRESENTATIVE OF A ZIONIST PARTY.

BIAS

SECRET

BIAS

NEW PHASE IN SINO-ISRAELI RELATIONS

POLITICAL, CULTURAL, AND ECONOMIC TIES BETWEEN ISRAEL AND

CHINA SEEM INCREASINGLY LIKELY

BIAS

BUT SENSITIVITY TO ARAB

INTERESTS WILL ASSURE THAT BEIJING CAREFULLY MODULATES

ITS PUBLIC RELATIONSHIP WITH TEL AVIV. PROGRESS ON A

MIDDLE EASTERN SETTLEMENT WILL DETERMINE WHEN THE CHINESE

WILL BE PREPARED TO TAKE THE STEP OF NORMALIZING

RELATIONS WITH ISRAEL. [SECRET/NOFORN/NOCONTRACT]

3

SECRET