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China's Independent Foreign Policy— Behind the Rhetoric



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An Intelligence Assessment

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An Intelligence Assessment

This paper was prepared by 

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 Office of East Asian Analysis.

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Comments and queries are welcome and may be directed to the Chief, China Division, OEA, 

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China's Independent Foreign Policy— Behind the Rhetoric



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Key Judgments

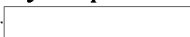
Information available as of 5 April 1985 was used in this report.

China has presented its foreign policy in a variety of ways over the past decade for both domestic and foreign consumption. But, stripped of their ideological veneer, these policies have always been based on Chinese leaders' keen appreciation of the need to use the United States as a counterweight to the Soviet Union.



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Since 1982 Beijing has claimed to be pursuing an "independent foreign policy." But we believe the main thrust of Chinese policy has changed little in practice. Chinese leaders still regard the Soviet Union as the principal long-term threat to China's security and, in our view, are still interested in developing strategic links with the United States—albeit on a less overt basis than in the past. Beijing now seems to want both to keep the Soviets guessing about the extent of US-Chinese military cooperation and to be able to plausibly deny that any such ties exist.



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The Chinese readily admit in private that China and the United States are pursuing parallel policies in Southeast and Southwest Asia designed to check Soviet expansionism. They have also told senior US officials they support the current US conventional buildup in the Pacific as a counterweight to the dramatic increase in Soviet naval and air power in the region over the past decade. Finally, over the past year Beijing has shown increasing interest in encouraging exchanges between the US and Chinese military, and in obtaining US weapons technology. They in fact have already paid for site surveys for three US weapons-related systems. In doing so, we believe they are not just seeking help to counter Soviet advantages in armor and airpower but want to exploit longstanding Soviet concerns over possible US-Chinese military cooperation to strengthen their leverage in dealing with Moscow on security issues.



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We believe China's decision in 1981 to abandon its explicitly anti-Soviet "united front" approach and to adopt an ostensibly more independent foreign policy, therefore, was largely tactical. Chinese leaders were particularly unhappy at the time with US policy toward Taiwan, which they regarded as a sign that at least some senior US officials discounted China's value to the United States. We believe Beijing wanted to remind Washington that China's alignment with the West could not be taken for granted and that China was not prepared to tolerate greater official US-Taiwan ties as the price for US security support. Beijing also saw an opportunity to reduce tensions with Moscow and to probe Soviet willingness to accommodate some of China's longstanding security concerns.



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Since then Moscow has sought to woo Beijing with offers of technical assistance and increased trade but has not addressed the security problems that divide them. As a consequence, the main anti-Soviet thrust of Chinese foreign policy has changed little, in our view—despite attempts by Beijing to appear more evenhanded in its public treatment of the two superpowers and recent efforts to improve the atmosphere surrounding its relations with Moscow. China remains deeply suspicious of Soviet intentions and at least privately maintains that Moscow must accommodate Chinese security interests as a precondition for major improvements in relations.

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The change in Beijing's rhetoric, meanwhile, has given China more tactical flexibility in conducting its foreign policy. By emphasizing China's independence, Deng Xiaoping and his allies—in our view—have managed with varying degrees of success to:

- Keep Moscow engaged in a dialogue with China, both to reduce Sino-Soviet tensions and to increase Beijing's maneuvering room in the Sino-US-USSR triangle.
- Foster a consensus on foreign policy within a leadership that holds conflicting views on China's relations with the two superpowers.
- Finesse the Taiwan issue and thus reduce the leadership's vulnerability to charges of not protecting Chinese interests in dealing with the United States.
- Restore China's credibility in the Third World—tarnished in Beijing's view by its previous close public identification with the United States—and ability to compete more effectively against the Soviets for influence in this arena.
- Give China greater flexibility to expand its ties to other socialist and Communist parties and states—especially in Eastern Europe—in order to encourage them to adopt a more independent course from Moscow.

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This more pragmatic tack parallels the Chinese approach to reform at home. As long as the Chinese see tactical advantages, we expect them to tout their independent policy line. There is little likelihood, therefore, of China's openly aligning itself again with Washington, as it did from 1979 to 1981. With the accession of Gorbachev, we expect China instead to continue to probe for new flexibility in Soviet policy toward China and to seek ways to keep tensions with the USSR manageable. At a minimum, trade and economic cooperation are likely to increase—limited, however, by the barter nature of Sino-Soviet trading arrangements and China's preference for Western technology.

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Despite the recent improvement in the tone of Sino-Soviet relations, we doubt that the two will be able to reach a full rapprochement any time soon, if at all. Such a development would require both sides to make more far-reaching compromises on security issues than we believe they are now prepared to make. We doubt, moreover, that Deng and other Chinese leaders want to put their expanding ties with the West at risk by moving too far or too quickly toward better relations with Moscow. 

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Should Moscow unexpectedly adopt a more flexible approach to Chinese security concerns, however—especially to the presence of Soviet forces in Mongolia—we believe Beijing would readily agree to resume the long-stalled border negotiations and perhaps reinstitute party-to-party contacts. Chinese leaders—in our view—would seek to capitalize on such an expanding dialogue with Moscow to buy time for China to concentrate on internal development and eventually to increase their leverage with both Moscow and Washington. 

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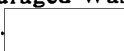
China's Independent Foreign Policy— Behind the Rhetoric



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Origins of the Independent Line

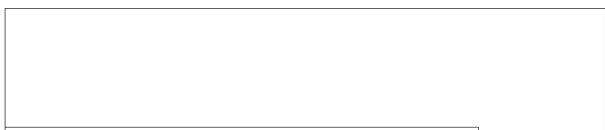
Before 1981 Beijing emphasized the need for a "united front against hegemonism" in the belief that US resistance to Soviet aggression needed to be stiffened, partly through a US defense buildup and partly through overt strategic cooperation between the United States and China. At that time, the Chinese perceived the Soviets as strong and aggressive and the United States as weak and indecisive. The Chinese saw the honeymoon period immediately following normalization of relations in 1979 as an opportunity to solidify the strategic relationship with the United States and encouraged Washington to do more against Moscow.



Moreover, the Chinese perceived a change in the global balance of power that rendered a key element of the old united front passe. By late 1982 the United States had adopted a more assertive posture toward the Soviet Union and had taken measures to regain the strategic initiative in Europe and the Pacific. Chinese press commentators also began to stress that the Soviet Union was so preoccupied with a host of internal and foreign policy problems, such as Poland and Afghanistan, that it posed a less immediate threat to Chinese security. This has been reflected more recently in the Chinese media, as Beijing's spokesmen focus on factors favoring "world peace" rather than war.

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Advantages of the Independent Foreign Policy

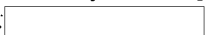
The new independent foreign policy line allows the Chinese to address a number of problems the old line could not. It also increases China's maneuverability and flexibility in meeting new situations as they arise.

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Party General Secretary Hu Yaobang publicly unveiled it at the 12th Party Congress in September 1982. Its basic propositions require China to:

- Play down strategic links with the United States in public while counting implicitly on the United States as a counterweight to the USSR.
- Seek a more "normal" but still fundamentally adversarial relationship with Moscow.
- Stress solidarity and cooperation with the Third World.



We believe the Chinese see the independence line as a way to increase their leverage in the strategic triangle, where they are the weakest element. By giving themselves room to maneuver between the superpowers, they can attempt to assure the United States will not take them for granted. Beijing used talks with the Soviets in 1982, for example, to signal discomfort with US-Taiwan policy. With the resumption of US-USSR talks in Geneva, the Chinese probably hope that recent gestures to Gorbachev improving the atmospherics of Sino-Soviet relations will remind the United States of China's interests in the outcome of the talks.

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Several factors prompted China finally to drop its openly anti-Soviet "united front" rhetoric in favor of the independent line. We believe Chinese dissatisfaction, for example, with US policies—especially toward Taiwan and the transfer of dual-use technologies to China—caused Chinese leaders to question whether the new US administration valued China as a strategic asset. Chinese leaders repeatedly complained to US officials that US technology transfer rules discriminated against China (a proclaimed friend) in favor of India (a Soviet client).



By the same token, distance from the United States reduces Washington's leverage over Beijing. Moves toward Moscow create at least the appearance of an alternative to strategic reliance upon the United

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States, and the Chinese seem to believe that this, in turn, gives the United States an incentive to be more forthcoming on technology transfer and Taiwan. [redacted]

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By shedding their "united front" rhetoric and old ideological polemics, moreover, the Chinese hold out to Moscow the prospect of more normal relations that allows them, at a minimum, to manage tensions in the relationship more effectively. Recent Chinese overtures to Gorbachev, including the willingness to play down the "three obstacles" publicly and to refer to the Soviet Union as "socialist" for the first time since the 1960s, are a logical extension of this effort. We doubt that the Chinese harbor any illusions about the Soviets going very far toward accommodating Chinese security concerns—especially in the short term. Moscow has too much invested in its relations with Vietnam to put at risk its strategic interests there—especially in the facilities at Cam Ranh Bay—in exchange for the uncertain benefits of better political relations with Beijing. Nor are the Soviets likely to give up other strategic advantages they have gained in the Far East by reducing, for example, their SS-20 forces to accommodate China. The Chinese know full well those forces are there to counter the United States and Japan as well as China. [redacted]

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[redacted] The new line probably has made it easier for Deng to satisfy his critics, particularly as he guides China toward closer military ties to the United States. [redacted]

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By disassociating themselves from US policies the Chinese believe to be unpopular in the Third World, such as US support for Israel, the Chinese believe they can regain the position as a Third World leader they compromised when, in the late 1970s, they openly aligned with the United States and aggressively pushed their Third World friends to join an anti-Soviet united front. As China grows increasingly dependent on trade and technology ties with the West, moreover, the rhetoric of independence probably helps assuage the traditional strong Chinese fear of dependency on outside powers. [redacted]

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As long as the Chinese leadership, however, can demonstrate its ability to manage relations with Moscow through diplomatic means, we believe it helps the economic reformers to deflect demands from the Chinese military for increased defense spending to close the growing qualitative gap between Soviet and Chinese military capabilities. China's media frequently refer to the need to hold down defense spending to its present level—12 percent of the overall budget—so that China can concentrate first and foremost on modernizing the civilian economy. The current reform-minded leadership under Deng has long held the view that China's prospects of becoming a world power hinge on developing a strong economy. [redacted]

China also capitalizes on its professions of independence and improvements in relations with Moscow to reestablish ties to Eastern Europe and expand its contacts with pro-Soviet parties in Western Europe and Soviet clients in the Third World such as Cuba and Angola. China has signed new trade agreements and expanded party contacts with all the East European states over the past two years. [redacted]

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In some cases, China has reestablished contact in order to burnish its independent image or to undercut Taiwan, which still retains diplomatic relations with several Latin American countries. It has sought to induce Nicaragua, for example, to break relations with Taipei by offering increased trade and by criticizing US policy toward Central America. [redacted]

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We believe the independence line also meets domestic political needs. [redacted] Chinese leaders, including Ye Jianying and Li Xian-nian, were unhappy with China's close identification with the United States, symbolized by Deng's trip to the United States in 1979. [redacted]

But, by emphasizing its own independence, we believe China also seeks to encourage some of these states and parties to adopt a more independent course from Moscow. The Chinese publicly hold up Romania and Yugoslavia as countries pursuing "independent policies" and privately point to some of the Warsaw Pact

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states, such as East Germany, as beginning cautiously to exercise more autonomy. We know from authoritative Soviet media comments that Moscow is well aware of Chinese motives and is closely monitoring and trying to control the expansion of East European contacts with Beijing. [redacted]

Independence in Practice

Initial concern that the new independent foreign policy foreshadowed a shift toward a genuinely independent, evenhanded Chinese approach to the superpowers has, in our judgment, not been borne out by events. Beijing still sees itself locked in an adversarial relationship with Moscow and, by supporting insurgent groups fighting against Soviet troops in Afghanistan and Vietnamese forces in Cambodia, is actively opposing Soviet efforts to make inroads around China's periphery. Chinese leaders, moreover, have repeatedly expressed private support to US officials for the US conventional military buildup in the Pacific designed to counter the dramatic increase over the past decade in the Soviet military presence, especially air and naval forces, in the Far East. [redacted]

Moscow's continued refusal to address any of China's principal security concerns has, in effect, left Beijing no choice but to continue to rely tacitly on the United States as a strategic counterweight. Despite their occasional denials, we believe the Chinese are very worried not only about the relentless Soviet buildup of strategic theater forces (SS-20s and Backfire bombers) in the Far East but also by the pace of modernization of Soviet conventional forces along their border. China cannot afford to match the Soviets, nor does it have the technological know-how yet to develop the sophisticated weaponry it needs to counter the latest Soviet systems. The Chinese privately admit to US officials that they feel particularly vulnerable to Soviet armor and airpower. [redacted]

Even if China succeeds in acquiring the weapons technology that it wants from the United States and Western Europe, it is our judgment that it would take the Chinese years to produce and absorb such weapons in sufficient numbers to make a difference. That places a premium, in our view, on China relying in the meantime on political means to handle any Soviet attempts at military and political intimidation. Reducing tensions with Moscow is one way. But by

seeking to develop an arms relationship with the United States—which Moscow is likely to see as having strategic overtones—we believe the Chinese want to signal the Soviets that they are not isolated and susceptible to pressure. [redacted]

We believe China's military pressure on Vietnam, in turn, is intended in part to demonstrate to Washington and the ASEAN states that it can and does play a useful role in attempting to contain Soviet expansionism. But more important, it also sends a message to Moscow that China will not be intimidated. Last year, for example, a joint Soviet-Vietnamese amphibious exercise in the Tonkin Gulf provoked China to seize some Vietnamese territory and conduct an amphibious exercise of its own, leading to the last minute postponement of a long-awaited, high-level Soviet visit to China. This year, by contrast, the varying degrees of Chinese military pressure on Hanoi are without fanfare or Beijing's public discussion of Soviet support for the Vietnamese. This restraint fits into a broader pattern suggesting a Chinese willingness to improve relations with the USSR as long as the Soviets avoid confronting China on basic security issues. [redacted]

The Sino-Soviet talks over the past two years have led to some lessening of tensions and increased trade and cultural exchanges. But even in the economic sphere, the Soviets are at a distinct disadvantage in competing with the West. Although Sino-Soviet trade has steadily increased over the past few years, it remains only a small fraction of China's overall foreign trade—about 2 percent in 1984. [redacted]

Beijing has been much more aggressive in seeking Western technology and wooing Western companies to invest in China. Since last November, for example, China has signed contracts worth more than \$11 billion with Western firms for major development projects under the Seventh Five-Year Plan (1986-90). Direct foreign investment in China nearly doubled to \$4 billion by the end of 1984. By contrast, the Chinese are still talking to the Soviets about renovating a handful of Soviet-equipped plants built in the 1950s.

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Chinese requests for advanced US technology, moreover, have risen dramatically since Washington liberalized its technology transfer policy in mid-1983. The total value of high-technology export licenses approved by the United States for China in 1984 rose to at least \$1.5 billion—more than the total amount of trade between China and the USSR for the same year. [redacted]

While maintaining and expanding ties, including military, with the United States, China has not and will not shy from vocally criticizing US policy. We expect China will continue to criticize US foreign policy largely in areas where China has little strategic interest, indulging in a form of name calling. The Chinese have been most sharp in their commentary on US policy in southern Africa, Central America, and the Middle East. [redacted]

We expect the Chinese to be especially vocal when they believe US policy is counterproductive and harms the anti-Soviet effort. These include arms control in Europe, where the Chinese think the US position on theater nuclear forces plays into the hands of neutralists [redacted]

We expect the Taiwan issue will remain on the back burner unless the Chinese perceive new US efforts to raise the level of officialdom in dealings with the island or to increase the quality and quantity of arms sold to Taipei beyond the limits set out in the Sino-US communique of 17 August 1982. Beijing will continue to raise the issue with visitors in a pro forma fashion, but we believe the Chinese are not likely to try to turn US policy toward Taiwan into a test of the US-Chinese relationship any time soon. [redacted]

Potential for Fundamental Change

Given the advantages the Chinese believe they derive from posing as independent and nonaligned, we expect them to hew to their current line. But China might, in our opinion, reevaluate its strategic position and possibly produce fundamental changes in its foreign policy if:

- Moscow agreed to accommodate key Chinese security concerns by slowing down its deployment of new weapons and forces on the Sino-Soviet border, and

then began to cut back forces in areas of importance to the Chinese, particularly in Mongolia where the Soviets have five divisions.

- The United States moved toward detente with the USSR and reached an accord on arms control that Beijing believed seriously compromised Chinese security.
- The United States accorded Taiwan greater official status and/or increased arms sales to Taipei.
- The succession to Deng brought to power a more xenophobic government committed to a tougher stand on Taiwan or a more genuinely independent foreign policy posture.
- China's economic development program, including the opening to the West, failed, especially if caused by protectionism in the markets China is banking on for future economic growth. [redacted]

None of these cases is highly likely and certainly would not come about overnight. Moscow, for example, has refused to offer even modest concession to Beijing, believing—probably correctly—that such concessions would only whet China's appetite. To withdraw from Afghanistan, or reduce aid to Vietnam, or reduce forces in Mongolia or elsewhere along the Sino-Soviet border as the Chinese demand, moreover, would run directly counter to Soviet efforts to establish a position of military dominance in Asia and the Pacific. While Moscow may be prepared to make some conciliatory gestures, we do not believe Soviet leaders are prepared to give up these strategic gains in exchange for the uncertain advantages of improving relations with China. Soviet officials in fact have indicated privately that they regard China as simply trying to play off the superpowers against each other, hoping to trigger a bidding contest between Moscow and Washington for Beijing's favor—a game they have made clear they will not play. [redacted]

There is room, however, for manipulation of the Sino-Soviet relationship short of resolving their fundamental security issues. Upon Gorbachev's selection as the new Soviet party leader, for example, the Chinese

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were quick to improve the atmosphere surrounding their relationship in order to probe for change in the Soviet position, enhance their maneuverability in the strategic triangle, and keep tensions with Moscow low. In the months ahead, []

[] the two sides will increase the frequency and raise the level of official exchanges, with both capitals presumably seeing tactical advantages to be gained in their relations with Washington. Foreign Ministers Wu and Gromyko will probably meet this summer, and a meeting of Chinese and Soviet premiers could eventually occur. []

A US-Soviet arms accord that undermined China's own deterrent capability probably would strain Sino-US relations. Beijing, for example, made it very clear two years ago that it opposed any agreement on intermediate-range ballistic missiles that would allow the Soviets to transfer their SS-20s deployed in the European theater to the Far East. China is also beginning to show serious concern about the Strategic Defense Initiative, fearing that if the ABM Treaty is abandoned Moscow will boost its antimissile defenses to the point where it could neutralize China's limited but—from its point of view—extremely valuable nuclear deterrence. []

If the United States reversed its policy toward Taiwan by granting it greater official status or agreeing to sell the island advanced weaponry that violated the 1982 August communique, US relations with China would be seriously damaged. At a minimum, we believe the Chinese would suspend any developing security dialogue and probably threaten, at least, to downgrade relations as they did in 1981. They also probably would suspend any arms purchases and pull whatever diplomatic and economic levers at their disposal to change US policy. []

It is more difficult to predict what impact a change in leadership could have on foreign policy. The present policy clearly bears the stamp of Deng Xiaoping. If his chief lieutenants—Hu Yaobang and Zhao Ziyang—became locked in a power struggle with others over the succession, it is conceivable that they might try to shore up their domestic position by adopting a tougher stand on Taiwan that adversely affected both security cooperation and economic relations with the United States. In doing so, however,

they would know that they were running a serious risk of leaving themselves vulnerable to Soviet pressure. []

Even in the unlikely event that radicals returned to power, they would face the same sobering options of seeking to maintain some kind of strategic relationship with the United States, attempting to bluff a threatening Soviet Union, or accommodating themselves to Soviet dominance. In short, China's military weaknesses vis-a-vis the Soviet Union would impose serious constraints on whomever was in power in Beijing. []

Were the leadership's economic reform program, including the opening to the West, to collapse, for whatever reason, the conservatives who favor a return to more Stalinist economic policies would be in a strengthened position. This in turn would weaken the pull toward interdependence that Western markets and technology now exercise on Chinese foreign policy. Although the strategic imperatives that still largely drive US-Chinese relations would remain, the reformists—assuming they remained in power—would be forced to operate under greater fiscal and, presumably, political constraints. That would at a minimum inhibit their ability to pursue further military cooperation and an expanded arms relationship with the United States. []

Outlook

We believe Beijing's adherence to a pragmatic, nationalistic foreign policy is likely to endure for some time and certainly as long as the present reform-minded leadership retains power. Paradoxically, China's foreign policy has remained remarkably consistent over the past 15 years. Even for periods of strong leftist influence during the Cultural Revolution, Chinese foreign policy was colored by a strong anti-Soviet hue and marked by a tendency to look to the United States as the only worthwhile counterweight to the security threat posed by the USSR. The present policy has the virtues of enjoying a broad base of support among Chinese leaders of various ideological stripes and of giving Beijing greater tactical flexibility in conducting its relations with both superpowers that we believe any Chinese leader probably would try to capitalize on. []

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In practice, this means that the Chinese will probably continue to pursue close economic and political ties to the West in order to obtain advanced Western technology and capital investment and to ensure greater access to Western markets for their exports as long as these policies continue to produce results. We expect them also to move ahead, but more cautiously, in expanding US-Chinese military cooperation. They will probably remain wary, however, of making commitments on security cooperation against the Soviet Union and will be sensitive to international perceptions on this score.

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In any event, we think there is little likelihood of China openly aligning itself again with Washington, as it did from 1979 to 1981. Instead, we expect it to continue to play down the nature and extent of whatever security cooperation develops. The Chinese also will probably continue to probe for changes in Soviet policy toward China now that Gorbachev has assumed power and seek ways to reduce tensions with the USSR, as long as they do not have to sacrifice anything of importance or kowtow to Soviet bluster. Trade and economic cooperation should, therefore, increase—limited, however, by the barter nature of the trading arrangements and China's preference for Western technology. We cannot rule out the possibility, moreover, that Beijing might agree to resume the long-stalled border negotiations. In maintaining and expanding the dialogue with Moscow, Chinese leaders probably would rationalize such a tack as buying valuable time for China to concentrate on internal development.

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