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SINO-SOVIET RELATIONS: SLOW BUT STEADY PROGRESS

SUMMARY

Since General Secretary Gorbachev's Vladivostok speech in July 1986, the USSR has moved to address directly China's fundamental security concerns while China has become more receptive to Soviet efforts to project flexibility on the issues. The range and level of political contacts have grown and trade has risen dramatically from US\$300 million in 1982 to roughly US\$2.6 billion. Cultural and other non-political contacts are now almost daily occurrences; border tensions have been reduced; progress has been made on the border demarcation issue; and each side has begun to portray publicly the other's experience in economic reform in a positive light. [redacted]

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Although the Chinese continue to resist Soviet calls for a summit and resumption of party-to-party ties, the likelihood of a high level meeting within the next year--between foreign ministers, prime ministers, or presidents--has increased. Moscow seems pleased with the pace of progress to date and is unlikely to force that pace by making any grand gestures that would put Beijing on the spot. Instead Moscow is likely to continue to nudge Beijing to upgrade relations by making small unilateral gestures to insure progress continues toward eventual rapprochement. These could include a withdrawal of a small number of troops from the border, more movement on a Cambodian settlement, or concessions on the

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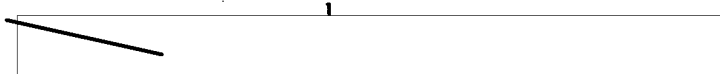
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border dispute. Moscow may also probe for new areas of parallel interest, such as concern over Japan's defense policy. [redacted]

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While Beijing appears to have decided that Gorbachev is sincerely striving to reduce Sino-Soviet tensions as part of his effort to create a more peaceful international environment in which to pursue domestic reform, Chinese Kremlin-watchers continue to debate the extent of Gorbachev's flexibility and his staying power in the face of continued opposition at home. Moreover, the Chinese believe that the Soviet Union will remain the principal threat to China over the long term, and recognize that Soviet and Chinese aspirations in Asia will continue to be at odds. [redacted]

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In his speech at Vladivostok in July 1986, Secretary General Gorbachev made it clear that Moscow intends to increase its political and economic influence in Asia. The chief target of Soviet courtship in Asia is China. Both Moscow and Beijing seek a stable and non-confrontational relationship--especially along their border--in order to concentrate on domestic reforms and modernization. Both sides also seek to use their improving relations with each other to increase their leverage with Washington and their ability to maneuver within the Sino-Soviet-US strategic triangle. [redacted]

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Moscow seeks a normalization of relations with China marked by the resumption of party-to-party ties. It has also repeatedly called for a summit and would probably view one between Gorbachev and Deng Xiaoping as a major step toward the resumption of party ties even though Deng is not the leader of the Party. The Soviets may still have some hope of bringing the Chinese back into the "socialist" fold eventually, but for now and the foreseeable future would gladly settle for a China which is equidistant from the US and the USSR. Moscow would like the array of Sino-Soviet contacts eventually to match China's existing relationships with the US--including regular high level visits and some form of military contact. At a more specific level, Moscow may want to codify the relationship with a statement of principles--similar to the declaration on "basic principles of relations" signed by the US and USSR in 1972--which would include some form of non-aggression clause. [redacted]

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Moscow is taking advantage of warming Soviet-US relations in the wake of the INF agreement and the Soviet-US summit in Washington to encourage China to respond to Soviet initiatives to improve bilateral relations. General Secretary Gorbachev's call for a summit in his interview with the Chinese international relations journal, *Liaowang*--the first Chinese interview with a Soviet leader in more than two decades--was clearly intended to capitalize on any nervousness in Beijing created by the Soviet-US summit in Washington to encourage the Chinese to upgrade the level of the Sino-Soviet political dialogue. Although the Chinese told the US Embassy in Beijing that *Liaowang* did not have prior Ministry of Foreign Affairs permission for the interview and Chinese press accounts of the interview omitted Gorbachev's call for a summit, we suspect Beijing may have intended to prepare educated Chinese readers for--and remind the West of--the possibility of an eventual breakthrough in Sino-Soviet political contacts. [redacted]

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Moscow, for its part, probably is convinced the publication of the interview is proof that Soviet efforts to address Beijing's three obstacles to normalization--the Soviet invasion of Afghanistan, Moscow's support for Vietnam's occupation of Cambodia, and the Soviet military buildup in Mongolia as well as along the Sino-Soviet border--are not

being dismissed in Beijing as merely rhetoric. A Soviet Foreign Ministry official told US Embassy officials in Moscow in February that the interview could not be interpreted as anything else but a "calculated political move" by Beijing. [redacted]

The recent warming of US-Soviet ties has apparently left Beijing wondering about the implications for China. Chinese officials and scholars have expressed concern [redacted] that Washington may devalue its relations with Beijing as warmer US-Soviet ties develop and may be less receptive to Chinese positions on a range of bilateral issues such as technology transfer and Taiwan. [redacted]

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The Soviet-US summit and INF agreement also coincided with a period of Sino-US tensions over Tibet, human rights, family planning, and Washington's decision last October to suspend a planned liberalization of sensitive high technology exports to China because of Chinese silkorm missile sales to Iran. Although the US lifted its freeze on further liberalization of technology exports to China in March, China may still conclude that progress in its relations with the USSR might make the US more responsive to Chinese concerns on other issues. [redacted]

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Growing Political Contacts

Under Gorbachev the range and level of political contacts have grown, although both sides acknowledge that these are still limited. Chinese leaders believe that Gorbachev sincerely desires better relations and are more receptive to Soviet political overtures, although still careful to avoid any appearance of party-to-party relations. Moscow has begun briefing the Chinese after Soviet-US arms control talks in Geneva and sent Deputy Foreign Minister Rogachev to Beijing after the Reagan-Gorbachev summit in Washington. The Foreign Ministers meet regularly at the opening of the UN General Assembly, but China has refused to schedule an exchange of foreign ministers' visits agreed to in 1985. Moscow and Beijing have also begun to exchange views on regional issues such as Latin America. [redacted]

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Many of the delegates visiting each country serve in both a governmental and party capacity. Moscow tends to handle contacts with the Chinese in party channels to ease the way for the formal resumption of party ties while China handles them only in governmental and nonofficial channels, reiterating that it is not ready to restore party ties. [redacted]

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Soviet press coverage of the Chinese party congress and Chinese media treatment of the 70th anniversary of the Bolshevik revolution last fall illustrate Soviet courting of China through Party channels and China's positive but cautious response through non-party channels. The Soviets publicized Gorbachev's message of congratulations to Zhao Ziyang on his election as General Secretary of China's Communist Party--congratulations never acknowledged in the Chinese press--and Party Secretary Dobrynin received the head of the Chinese Friendship Association delegation attending the Bolshevik Revolution anniversary. For the anniversary, Zhao Ziyang--using his non-Party title of Premier of the State Council--as well as others sent greetings to President Gromyko and Premier Ryzhkov. The Chinese also hosted a reception in the Great Hall of the People and had Vice Premier and Politburo member Wan Li--identified in Chinese media only in his governmental position--attend a reception at the Soviet Embassy. [redacted]

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At a reception in February marking the 70th anniversary of the founding of the Soviet Army, Soviet Defense Minister Yazov--in a speech subsequently cited without comment in the Chinese press--extended Soviet courting of China to the military sphere by putting a positive gloss on Soviet actions in the Far East and stressing positive changes in the military situation along the Sino-Soviet border. He noted that the

elimination of SS-20s in Asia under the INF treaty highlighted Soviet efforts toward military detente in Asia and claimed the Soviets had reduced the number of their troops along the Sino-Soviet border in addition to the partial withdrawal from Mongolia in 1987. Yazov also sent greetings marking the 60th anniversary of the Chinese Army. [redacted]

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Steady Progress in Non-political Spheres

The range and level of economic, cultural, and scientific exchanges have steadily expanded since a sports agreement was signed in 1981. The Chinese have been more receptive to Soviet overtures under Gorbachev for expanding non-political contacts, and exchanges of visits to the respective capitals and even to local areas have become almost daily occurrences. Moscow sees the trend in exchanges in these areas as setting the stage for movement in political relations. [redacted]

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Trade has increased dramatically from \$US300 million in 1982 to \$US2.6 billion in 1986. Although it declined 20 percent last year, apparently because of China's inability to meet some of its supply commitments, Chinese dissatisfaction with certain Soviet equipment, and the decentralization of foreign trade mechanisms in both countries which hindered implementation of central directives at the working levels, the Soviets expect it to rise by 25 percent in 1988--a realistic expectation in our view--bringing it back roughly to 1986 levels. According to the US Embassy in Moscow, a Soviet official predicted in February that trade will return to the 1986 level but will not go beyond that in the near future because of temporary disruptions resulting from the recent reorganization of Soviet foreign trade mechanisms, lack of quality products to trade, and lack of real experience in modern economics. Another factor that will probably constrain trade is that both the USSR and China consider their access to western technology and trade with the West as more valuable than their economic ties to one another and will probably continue to export their better quality goods to the West instead of to each other. Disputes over product quality have already surfaced. [redacted]

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Border trade has increased in importance now that local regions on both sides are allowed to engage in direct trade, and provinces not on the border are also permitted to trade goods through the border provinces. Such trade directly helps the depressed economies of border regions which cannot compete with the exports of the major populated areas and represents trade over and above that controlled by the annual bilateral agreements. Both sides are cooperating to develop the infrastructure to accommodate increased border trade, including a railway link between the capital of Xinjiang province in China and the Sino-Soviet border through the Dzungarian Gate, which is expected to become operational in 1991. According to Chinese media, Beijing issued a document in March designed to facilitate development of Xinjiang's export-oriented economy. Growth in border trade, however, is constrained in the near term by the limited size of the Soviet far eastern market and the limited variety of products manufactured on both sides of the border. [redacted]

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Scientific, cultural and academic exchanges occur almost daily in the outlying areas as well as in Beijing and Moscow. An intergovernmental plan for cultural cooperation for 1988-1990 was signed in December to further develop these contacts. Exchange visits of youth, trade union, media, medical and Academy of Sciences delegations have also become commonplace. Friendship delegations from individual cities have exchanged visits, and scholars have visited to learn about the other country's economic reform program. Student exchanges resumed in 1983 and contacts between Soviet and Chinese think tanks are growing. [redacted]

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These academic and think-tank exchanges have coincided with an increase in discussions and commentaries on the parallel nature of Soviet and Chinese reforms. Although each side realizes the limited applicability of each other's reforms, the fact that Soviet and Chinese media over the last two years have portrayed them in a positive light is a reversal of the critical nature of such commentaries in the past. The Soviets are no longer presenting the Soviet model of socialism as superior and a model to be copied by all socialist countries, and the Chinese no longer publicly belittle Soviet reform efforts as too little, too late. Soviet media portray the parallel interest in economic reform as an important area of common ground that can form the basis for closer bilateral relations across the board. The publication of Deng Xiaoping's selected works in the USSR and the publication of Gorbachev's book in China further underscore the growing interest in learning about one another's experiences with reform. [redacted]

Movement on the Obstacles

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At the ninth round of Sino-Soviet normalization talks in October 1986, Moscow altered its approach to Beijing's three obstacles to normalized relations by publicly abandoning its original position that these were "third country" issues that Moscow was not empowered to discuss. Although efforts to improve Sino-Soviet relations began under General Secretary Brezhnev, the agreement in 1986 to discuss these issues--not just listen to what the Chinese had to say about them--was a watershed and paved the way for the steady progress in the relationship to date. Since that time, the Soviets have withdrawn some troops from Mongolia and have agreed to withdraw from Afghanistan.

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Beijing seems to use the three obstacles as a tool to control the pace of progress in political relations. By reserving the right to determine whether Soviet actions on the obstacles are significant, Beijing can raise or lower the price to Moscow of improved relations. Beijing thus is capable of declaring at any time that Moscow has met China's concerns on the obstacles enough to warrant an upgrading of political relations, possibly to include a summit. [redacted]

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Beijing, for example, has altered its position from demanding resolution of all obstacles to singling out Cambodia and changed its rhetoric from calling on Moscow to force Vietnam to withdraw to calling on Moscow to "urge" Vietnam to withdraw. In public and private comments, China continues to cite the Cambodian obstacle in order to counter Soviet claims of progress in relations. Nevertheless, the fact that China has singled out Cambodia as the main obstacle--and links it alone to a Sino-Soviet summit--raises the possibility that progress on this issue alone could create an opening for a breakthrough in political relations. [redacted]

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Cambodia

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The USSR wants an eventual political solution in Cambodia, [redacted] but its immediate objective is to convince Beijing--without alienating Hanoi--that it is trying to address Beijing's concerns on this issue. To this end, Moscow has stepped up the level of its involvement in the search for a negotiated settlement. Moscow has not yet, however, appeared willing to strain relations with Hanoi by publicly adopting positions that could undercut Vietnamese interests or through coercive action such as reducing military or economic aid--steps that could force an early Vietnamese pullout. Instead, Moscow clearly hopes that highly visible efforts to promote negotiations and private diplomatic pressure on the Vietnamese will be enough to convince Beijing of its sincerity.

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--The Soviets publicly supported the talks in France in December and January between resistance leader Prince Sihanouk and Cambodian Prime Minister Hun Sen and provided financial and logistical support for the Hun Sen delegation,

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--A Soviet Embassy official in Beijing has confirmed to US Embassy officials that the Soviets, as reported in a Western press story, are willing to meet with resistance leader Prince Sihanouk. [redacted] a Soviet Embassy official held an inconclusive meeting with Sihanouk's son, Ranariddh, before the January round of Hun Sen-Sihanouk talks--the first Soviet contact with Sihanouk's faction.

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--Moscow also publicly supported the Cambodian government's five-point peace proposal of October 1987, which calls for, among other things, a coalition government that would include the three resistance factions and a senior government post for Sihanouk.

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Moscow may also be moving in private to go a step further toward satisfying China's demands that the USSR "urge" Vietnam to withdraw.

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[redacted] the Soviets have begun to prod the Vietnamese more energetically to seek a political settlement. They are asking Vietnam to "retreat somewhat from its maximum demands" concerning Cambodia. [redacted] Moscow is talking directly to Hanoi's client regime in Phnom Penh about a settlement.

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[redacted] the Soviets are emphasizing to Vietnam their growing impatience with the stalemate in Cambodia and the economic burden on Moscow of Vietnam's occupation.

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The Soviets may be resorting to public pressure on Hanoi to withdraw from Cambodia. A report in the Western press in February quoted an unnamed Soviet diplomat in Beijing as saying that Vietnam would withdraw by 1990 because the burden of its presence in Cambodia was "intolerable"--leaving it ambiguous whether the burden was intolerable to Hanoi or to Moscow. A Soviet Embassy official in Beijing told the US Embassy that the article was meant as a hint to Vietnam of Moscow's dissatisfaction with the Cambodian situation. Despite the official's claim that the interview was aimed at Hanoi, however, the choice of a diplomat in Beijing to give the interview to the Western press suggests that the article was intended at least as much to impress China and the West as to prod Hanoi. In any case, the story was the first public statement by the Soviets about the financial burden of Vietnam's occupation of Cambodia.

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[redacted] the Chinese believe the Soviets are becoming more forthcoming on the Cambodian issue. They told Under Secretary of State Armacost in November that the Soviets were somewhat more flexible during the discussions in Beijing in October, agreeing for the first time that Cambodia should emerge as a neutral country and offering to help bring about a political settlement.

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Beijing has also adjusted its position in the past few months to demonstrate a willingness to compromise. China's press offered support for Sihanouk's efforts in his negotiations with Hun Sen in January despite reservations by Pol Pot's faction, the Khmer Rouge, which is the most powerful resistance group and which is backed only by Beijing. Beijing has also privately indicated to the US and Thailand that it no longer supports the Khmer Rouge as the "main body" in a future government, although it does want the group to be represented. Although the Chinese worry that Sihanouk might

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negotiate an agreement they cannot live with, they apparently recognize that Moscow, by pressuring Hanoi and Phnom Penh to negotiate with Sihanouk, has taken a step toward accommodating Chinese interests. [redacted]

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Afghanistan

Chinese officials have stated privately for years that the Soviet presence in Afghanistan does not threaten China, and Afghanistan has clearly been the least important of the obstacles to the Chinese. Nevertheless, the Chinese have reacted positively to Moscow's agreement to withdraw. Even before this agreement, China softened its usual media criticism on the anniversary of the Soviet invasion in December, and Chinese commentaries have highlighted Soviet efforts to create an acceptable environment for withdrawal. [redacted]

[redacted] would be willing to cooperate in moving a settlement forward, perhaps by participating in an observer force to monitor the Soviet withdrawal. [redacted]

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The Military Buildup Along the Border

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The Soviets withdrew one of their five divisions from Mongolia last year, playing it up as one more unilateral Soviet gesture to reduce military tensions with China. They have given considerable play to the INF agreement in propaganda aimed at China, presumably because the Chinese have included the SS-20s in the Soviet Far East as part of the buildup of Soviet forces along the border. Defense Minister Yazov claimed in his speech in February that the USSR has not added to its ground forces in Asia for a number of years, and has not increased the size or scope of military exercises in the region. In fact, although the Soviets have kept the size of their exercises constant, they continue to modernize their ground, air, and naval forces in the region. [redacted]

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China for its part, while privately recognizing the Soviet withdrawal of one division as a concession, minimized the gesture in its media and public comments. The Chinese media called for the withdrawal of all divisions from Mongolia and in Beijing's view, the Soviet military presence in Mongolia is only one part of the problem of the Soviet military buildup along China's northern border. [redacted]

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[redacted] increased civilian contacts--including border trade and the opening of river ports--suggests that tension has lessened somewhat along the Sino-Mongolian and Sino-Soviet borders over the past four or five years. In fact, both sides played down a border incident in July 1986; the Chinese ignored a wayward Soviet missile which apparently landed on the Sino-Soviet border in September 1986; and they continue to ignore occasional Soviet aircraft intrusions into Chinese airspace. On the negative side, the Chinese do take exception to the Soviet reconnaissance flights over the sensitive Yellow and East China Seas--where Beijing conducts missile tests--which involve overflights of North Korean territory. North Korea granted the Soviets overflight rights--the first flight occurred in December 1984--apparently in return for Soviet promises to provide P'yongyang with advanced Soviet weapons. [redacted]

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Moscow has proposed confidence building measures along the border such as notification of troop movements and mobilization and invitations to observe military exercises, but Beijing continues to insist that Moscow reduce its forces along China's northern perimeter first. Several factors could persuade Moscow to consider and implement substantial military drawdowns should it deem the political climate right for such a gesture:

--the improvement of Soviet monitoring capabilities and the substantial technological superiority over Chinese forces allows the Soviets to better monitor and control the border region.

--the political leadership, already pressuring the Soviet military to reduce and conserve resources, may conclude that reducing tensions along the Sino-Soviet frontier is part of a set of conditions necessary to implement Gorbachev's plans to effect some reallocation of resources from the military sector to the civilian.

--the warming of relations to date and increased economic ties, including border trade, have generally lowered tensions along the border and reduced--but not eliminated--the mutual perceptions of threat.

--organizational and structural changes in Mongolia's four divisions will enable Mongolia to protect Soviet security interests to a greater extent in the future. The ongoing redeployment of Mongolian Army assets to the primary avenues of approach may be an indication of Soviet intentions eventually to shift more of the defense burden to indigenous forces. [redacted]

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Moscow probably would not offer significant troop cuts as a unilateral concession, despite its overall advantage in air and ground forces along the border, but would consider such a move as part of a broader political agreement. [redacted]

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Progress in the Border Talks

Although the border demarcation issue is not one of the three obstacles, the Soviets, in our view, regard a solution to the territorial dispute along the border as a prerequisite to any significant troop cuts. A breakthrough on the border issue could set the stage for progress on other issues as well. Soviet concessions on the border to date already signal to the Chinese that Moscow is now treating Beijing as an equal--a primary source of continual tension. [redacted]

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Gorbachev broke the long impasse on the border issue at Vladivostok when he publicly announced Soviet agreement with the long-held Chinese position that the border passes along the main channel of the Amur River, in effect acknowledging Chinese claims that the disputed islands in the river are on China's side of the border. (This position was privately accepted by Soviet border negotiators since the 1960s, but the Soviets always excluded the main islands opposite the Soviet city of Khabarovsk) Two months later, in September 1986, Foreign Ministers Wu and Shevardnadze announced that both sides had agreed to resume border talks at the deputy minister level after a nine-year suspension. Beijing and Moscow conducted a joint survey of the Amur River last summer and signed an agreement in November on the use of border water resources. The working group agreed in February to conduct joint aerial photography. The Soviets are certainly aware that aerial photography will show that the islands are on the Chinese side of the main channel. [redacted]

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Nevertheless, the border talks most likely will be protracted. The last meeting of the experts group was in early April and focused on the technical aspects of organizing joint aerial photography of the eastern sector. Although we believe Moscow is prepared eventually to return the more than 700 smaller river islands to Beijing, the main sticking point in negotiations will probably be the fate of Tarabarovskiy and Bol'shoy Ussuriyskiy Islands (Heixiazi Dao) located directly across from Khabarovsk. The Soviets may eventually be willing to acknowledge Chinese ownership of those islands. Soviet Far Eastern Institute Director Titarenko told US Embassy officials in Moscow in

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March that the Khabarovsk section of the border dispute was resolvable in that it was not essential to Beijing and therefore the Soviets could offer "attractive compensation." Alternatively, the Soviets may be prepared to cede those islands in return for some kind of assurances from the Chinese not to build any military or intelligence collection installations on the islands. Moscow will also probably be careful to claim that the natural flow of the river has changed the border in order to avoid setting a precedent that could apply to the Northern Territories claimed by Japan or to any other disputed territories along the USSR's borders. [redacted]

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Domestic Constraints on Gorbachev

Gorbachev could face opposition within the leadership to making concessions to the Chinese on troop withdrawals from the border or on the territorial issues. If so, the sharpest criticism would probably come from the military and key leaders sympathetic to military concerns such as KGB Chief Chebrikov and "Second Secretary" Ligachev-- whose views on defense are closer to those of the traditional military line than are Gorbachev's. They have been the most critical on domestic issues but have not yet addressed Asian relations directly. The military probably would oppose a return of the islands opposite Khabarovsk and would almost certainly disapprove of any Soviet proposal unilaterally to withdraw troops from the border area that could upset the current configuration of forces. Gorbachev would probably need tangible evidence of Chinese willingness to agree to a mutually acceptable border accord--possibly involving Chinese concessions on the Pamir area on the western sector of the border in exchange for Soviet concessions on the river islands in the east. He may also need assurances that the Chinese would be willing seriously to discuss mutual force reductions along the border, which he could probably sell domestically as a way to channel savings into the domestic economy. Gorbachev would probably also want a commitment from the Chinese to attend a summit or establish party ties. [redacted]

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The Chinese Domestic Equation

We can identify no strong pro-Soviet constituency in the Chinese leadership, and fear of imperiling crucial trade, technology, and other ties between China and the West inhibits even those who would like to see China follow a middle road between the superpowers. Many of the party have little interest in sharply improved relations with the Soviets. They see China's interests as best served by expanded contact with the more technologically advanced--and wealthier--West. Some leaders, especially those in their 50s and 60s--many of whom are Soviet-trained--support treating the two superpowers as more or less equivalent. Their statements suggest that they are not so much pro-Soviet as suspicious of the West. Some, such as Premier Li Peng, also have indicated that they believe greater economic ties with the Soviet Union would be advantageous to China. In particular, trade with the Soviets would preserve scarce foreign currency holdings. [redacted]

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Perhaps the most important impediment to full normalization of Sino-Soviet relations is the firm opposition of China's top leader Deng Xiaoping. Deng is deeply distrustful of the Soviets and skeptical that greatly improved relations with the USSR would yield significant benefits for China. We believe he has already achieved his main goal--relaxation of tensions on the border. Deng tightly controls Chinese policy toward the Soviets, and while some other senior leaders favor a less restrictive policy, they have been unable to influence this issue much. [redacted]

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Deng has the support of senior military leaders, who tend to follow Deng's lead in foreign policy. Moreover, many of them share Deng's suspicions, remembering Soviet

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failure to support the communists during the Chinese civil war and the experiences of the 60s. However, among the second-tier military leadership, which includes a number of Soviet-trained generals, there is some sentiment in favor of a middle course between the US and the USSR. [redacted]

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After Deng's death, we expect some softening on the Chinese side; although the successor generation is not enthusiastic about the Soviets, most of them probably lack Deng's almost visceral dislike. For pragmatic reasons--trade advantage, cheaper goods, Soviet concessions, possible increased leverage in the strategic triangle--Deng's successors will probably accelerate China's gradual policy of relaxation. However, we doubt that they will take the step the Soviets want--party-to-party relations--soon. It remains an unpopular and potentially politically risky move with few apparent gains for China. [redacted]

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Outlook

Moscow and Beijing appear to be moving toward an eventual rapprochement--albeit far short of the close relationship of the 1950s. Beijing is giving Moscow positive signals while carefully controlling the pace. We expect Moscow to continue to try to nudge Beijing to upgrade political contacts by making more unilateral gestures perhaps including a withdrawal of a small number of troops from the border, more explicit public commentary on a Cambodia settlement, or concessions on the border dispute. Moscow may also attempt to elicit Beijing's public support in areas where parallel sentiments already exist such as on US policy toward Central America, SDI, and concerns about Japanese defense policy, as well as probe for new areas of possible convergence. [redacted]

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Although unlikely, we cannot altogether rule out a characteristic "grand gesture" by Gorbachev to push the Chinese further. He is limited, however, in the areas in which he can make such a gesture. We do not believe, for example, that the Soviets are prepared to take the steps needed to prod the Vietnamese out of Cambodia, or to withdraw unilaterally a substantial number of their forces from the border. Since they have already announced their forces will withdraw from Afghanistan, the only remaining area for a grand gesture would be the border demarcation dispute--perhaps a unilateral announcement by Gorbachev that the Soviets have decided to give China the disputed islands opposite Kharbarovsk. However, Gorbachev is unlikely to "throw away" what could be an important bargaining chip in the future for an uncertain Chinese response. The Soviets have had less success eliciting a positive Chinese response when they have pushed hard in public for a leap forward in relations--the Chinese were slow to respond, for example, to the Vladivostok speech--and Gorbachev is unlikely to risk destroying the current momentum by putting the Chinese on the spot. Beijing is not now prepared to respond with a "grand gesture" of its own such as reestablishing full party-to-party ties, and would resent Moscow's effort to force the issue in this way. [redacted]

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Short of an all-out push for a full normalization of relations--which probably would include occasional summit meetings, periodic high-level meetings, and the restoration of formal party-to-party ties--the way seems clear for an exchange of visits of foreign ministers, premiers, or presidents within the next year. Both sides agreed in principle to a foreign minister's meeting apart from the meeting held each fall at the UN General Assembly but they have never followed through. This agreement could be

reactivated and a meeting could be set in either Beijing or Moscow, possibly in conjunction with the border talks or normalization discussions. A resumption of some form of military contacts would also be a sign of significant progress in the relationship.

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Historical animosities, reciprocal perceptions of threat, and Chinese reticence to upgrade relations will probably prevent a return to the alliance relationship of the 1950s. The Chinese are sensitive about their sovereignty and position within the socialist community, and despite Soviet assurances that Moscow wants a relationship based on equality, Beijing will remain skeptical of Soviet overtures. Beijing also seeks to maintain an independent stance vis-a-vis Moscow and Washington and will avoid an alliance in order to maintain leverage within the triangle. Both countries need Western technology and capital for their respective modernization drives and China in particular would be careful not to jeopardize its access by entering into an alliance with the Soviets.

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Although a closer relationship may lead Moscow and Beijing to be tougher in their bargaining positions with the US--especially if both see their leverage in the strategic triangle as enhanced by closer relations--better Sino-Soviet relations would not necessarily have a negative impact on US interests across the board. Should the Soviets and Chinese, for example, begin to cooperate on such issues as jointly restraining North Korea or pressing Vietnam and the resistance toward a Cambodian settlement, this cooperation could have positive implications for stability in East Asia. At the same time, however, the Soviets and Chinese will continue to compete for influence elsewhere in the region, especially in Southeast Asia and eventually in South Korea.

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