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SEMINAR ON SOVIET ACTIVITIES IN ASIA

September 13, 1986

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NIO/USSR
11 September 1986

GORBACHEV IN ASIA

The key questions are:

What is Gorbachev trying to do in Asia with his new initiatives?

How will the Asians react?

How far will the Soviets go if the Asians play along, or fail to respond?

The first question is easy: Gorbachev is trying to turn the USSR from a badly underachieving actor into something more like a real political superpower in Asia. The gap between the Soviet image of what they ought to be and where they are is perhaps wider in Asia than it is in the Middle East.

The Soviet military power base is considerable and has been growing. But it is still rickety as a base for political power. Soviet land combat power is largely limited to facing China. The navy is susceptible to being bottled up. Nuclear strike forces offend the locals without gaining the USSR much political clout.

Soviet clients and allies -- Vietnam, Mongolia, North Korea -- are weak, isolated, and two not really under Soviet control.

The USSR is from nowhere on the economic front, while East Asia witnesses a Wirtschaftswunder impressing the whole world.

Gorbachev wants to break into this scene. His tools are:

A vague Asian Security System/Conference (a loser for Brezhnev 15 years ago).

A series of very niggardly "offerings" to China (Mongolian deployments, possible dealings on regional arms control, promise of better relations) and Japan (visits to the N. Territories, economic inducements) to see what can be got on the cheap.

A lot of diplomatic flag-showing in regional capitals.

This is certainly only a beginning. But it is not clear whether Gorbachev is now willing to go further in substance to sweeten his offerings to Asia.

Because of the great overhang of Soviet military power, he has the most room for maneuver on Sino-Soviet military/border issues. But the Chinese are also the hardest to bamboozle with moves that don't really change their regional security situation.

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The Soviets are not as inflexible as they sound on the Northern Territories. They are probably (and some senior Soviets have said so) willing to give on this issue for something really big, e.g., to finalize a real break in US-Japanese security relations. But the Japanese are not so stupid.

For the USSR to go very far on other issues, e.g., Indochina, Afghanistan, regional military balance, they risk their present equities in the region and might end up worse off than they are without changing Asia's orientation.

How will Asia react? We already have indications of mild interest but great skepticism, a kind of collective shrug of the shoulders.

Moscow lacks political/psychological leverage of the sort it still has in Europe: A "longing" to overcome the division of the Old Continent (and for the Germans, their country), and a lingering leftist nostalgia for solidarity with the Land of Revolution. Most Asians are not touched by this sentimentality.

Whatever their problems with the US, the Asians don't want another superpower, especially of the Soviet type, stomping around their region. What's it get them? From a power-political point of view, only trouble. From the economic point of view, only the opportunity to provide charity.

Local and even internal political/security issues can give the Soviets entree in some areas -- which regional experts must track. But these don't seem to promise to carry the Soviets into a new position of influence, unless there is an internal upheaval in China that somehow works to Soviet favor.

China is at the top of the list. But Chinese and Soviet aims are quite antithetical. China wants to use a modest Sino-Soviet rapprochement to assert the independence of its foreign policy, to gently pressure Washington to be more accommodating to China, to influence Soviet behavior, and generally to underwrite China's emergence as a regional superpower. If the USSR is ready to restrict its own ambitions sharply and to support China's, China will applaud. But Soviet aims are the opposite, and China will not applaud.

From Japan, the Soviets want erosion of the security tie to the US, limitation on Japanese military potential in the future, and economic help. It has very little to offer to get this; the islands are not enough, unless Japanese internal politics go haywire. Economic cooperation could be tempting in principle, but would require the Soviets to go beyond their present policies on joint ventures to make it profitable for the Japanese.

The stance of the United States is a crucial factor. If isolationism and protectionism or a body blow to our military posture (e.g., in the Philippines) were to alter the fact and image of US superpower commitment to East Asia, the Soviets would have much better prospects for the game they want to play.

Excessive US anxiety about current Soviet diplomacy in the region could also give the Soviets leverage.

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Assuming the US does not pull back from the region and that its countries are only mildly interested in Soviet approaches, but generally resistant to Soviet regional ambitions -- what do the Soviets do? Probably more of the same.

The Soviet foreign policy dilemma in Asia is of a piece with the entirety of Soviet foreign policy, made somewhat more visible by the lack of the "peace-arms control-detente" charade which can be played in Europe. The Soviet Union has only three ways to be a real superpower on a par with the US as it wishes to be:

The way it now proceeds, through a combination of essentially deceptive diplomacy (arms control, detente, etc.), aimed at magnifying the USSR's importance at little risk or cost, and subversion/penetration of vulnerable spots.

A bolder, more aggressive effort to project military cum subversive power in regions, to elicit cooperation (Finlandization) from the locals by threatening them more directly.

To join the community of advanced and advancing nations by paying the price of membership in reforms to the external policies and the internal life of the USSR.

In the late 1970s and early 1980s, we feared the Soviets might be headed for a global policy of the second type because the US seemed in decline and Soviet power in the ascendancy. But Soviet internal problems, US resurgence, and the enduring difficulties of playing raw power politics in the nuclear age blocked this development. It is not precluded in the future, but the risks to the USSR are great.

The third course really means a basic change, in a civilized direction, of the nature of the USSR and of its role in the world. Gorbachev wants us to think he's headed in this direction. We are unconvinced. Nevertheless, the logic of history has its claims, too. Even as the Nomenklatura and Russian tradition resist, history pushes in this direction. But these prospects cannot mature unless the outside world denies the USSR full superpower status based on imperial foundations, in Asia and elsewhere.

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 The Director of Central Intelligence
 Washington, D.C. 20505

National Intelligence Council

NIC #04254-86
 11 September 1986

MEMORANDUM FOR: Director of Central Intelligence
 Deputy Director of Central Intelligence

FROM: Carl W. Ford, Jr.
 National Intelligence Officer for East Asia

SUBJECT: Secretary Shultz's Asia Seminar: Sino-Soviet Relations
 and the US

1. Gorbachev's Vladivostok speech with its enticements for improving relations with China set off alarm bells in Washington and stimulated the Department of State to order a review of American foreign policy in Asia. Secretary Shultz, as a part of this process, has invited a number of key policy officials and outside experts to participate in a 13 September seminar examining Soviet intentions and activity in Asia. Much of the excitement and attention among Soviet specialists focuses on the motives for Gorbachev's initiative and whether or not Russian rhetoric will be followed by substantial concessions. Asian watchers look for signs that Beijing may be prepared to take the Soviets' bait.

2. Those assembled by Shultz can be expected to conclude that:

- Gorbachev's more sophisticated diplomatic offensive, coupled with the Soviet military muscle in Asia will be a far greater challenge to US interests in the Pacific basin than the ham-handed, might is right approach that traditionally has alienated and frightened most Asians.
- The Soviet Union's relations with China will improve somewhat if Moscow is prepared to make concessions along the Sino-Soviet border and more so, if the Cambodian obstacle is overcome.
- But, Beijing is not expected to alter its current stance and orientation significantly. No one, for example, will argue that Sino-Soviet relations are returning to those of the early 1950s.

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- Some, however, will probably suggest that the new circumstances make it even more important that the US take Chinese sensitivities into account in our dealings with Taiwan (read: pressing Taipei on reunification and being more careful on arms sales).
- In short, the US faces more complex challenges and potentially troubling relationships with both Beijing and Moscow in the years ahead, but is not on the verge of a calamitous change in Sino-Soviet relations.

3. In support of this assessment, virtually all China watchers accept as an article of faith that Deng's opening to the West, and to the US in particular, signaled a fundamental shift in direction for China that will not be easily reversed by Deng or his successors. The twin challenges of the long term Soviet military threat and the requirements of economic modernization dictate that for now China will not adopt a genuinely equidistant position in its relations with Moscow and Washington.

4. But, the close working relationship envisaged by many US policymakers in 1979 and the early 1980s--when Deng talked of China, Japan and the US coordinating their activities to block advances by the "Polar Bear"--is a thing of the past. Increasingly, Beijing talks about a foreign policy independent of both superpowers and signals in various ways and deeds that such an objective is more than mere rhetoric. Prime Minister Hawke of Australia, for example, quotes Deng Xiaoping's approach to the Soviets as, "We want to improve economic relations and political relations, but in the end we will be friends but never allies," strikingly similar to the Chinese description of Sino-US relations.

5. The optimistic interpretation of Chinese intentions holds that while China's foreign policy rhetoric may have changed somewhat and even some backsliding may have occurred in its relations with Washington, Deng and other leaders privately still tilt decidedly toward the US.

AN OPTIMIST'S VIEW OF CHINA'S
RELATIONS WITH
MOSCOW AND WASHINGTON

EQUIDISTANT

Moscow (52) . _____ . _____ . _____ . Washington (79)

CHINA 86

They note that China has not changed its fundamental assessment of the Soviet threat--nor it is even reevaluating it. At the same time, they contend that Beijing is well aware that too positive a response to Gorbachev's proposals

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could jeopardize its access to US, Japanese, and Western European advanced technology, investment, trade, and defense cooperation--major Chinese political goals. Nor does Beijing want to signal its friends and enemies in Southeast and South Asia that it might reconsider its stand on Cambodia and Afghanistan.

6. While not quarreling with essential judgments, a revisionist view--admittedly speculative and only a whisper among the chorus--paints a somewhat less sanguine picture of US-China relations than suggested by the more upbeat conventional wisdom. It contends that China has already moved more equidistant between the two superpowers than most analysts wish to admit and many policymakers would be comfortable considering.

A PESSIMIST'S VIEW OF CHINA'S
RELATIONS WITH
MOSCOW AND WASHINGTON

EQUIDISTANT

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CHINA 86

It does not contradict Ambassador Lord's view that, "we can believe the Chinese when they assert flatly that they will never return to the relationship of the 1950s." It also accepts the view of last year's NIE, "that for the next two years and probably longer Beijing will not move to an equidistant position in its relations with Moscow and Washington." But, while the "three obstacles" remain an impediment to equidistant relations with Washington and Moscow for now, it believes the clear trend is for Beijing to move more toward the center and maximize its leverage with both superpowers.

7. Although this quasi-debate strikes me as simply a variation on the old argument of whether or not the glass is half full or half empty, there are several observations worth making.

- China in the conduct of its international relations operates on the principle of national interests not friendship. In fact, we know that the Chinese instead use friendship to entangle unsuspecting interlocutors for tactical advantage.
- In its drive to become the predominant power in Asia and a major actor on the world stage China will increasingly run afoul of US interests and alliance relationships as it pursues economic/trade advantages and political influence.

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-- Our habit of justifying US-China relations on the basis of a common enemy--the Soviet Union--and parallel strategic interests masks Beijing's perception of the United States as a secondary, but important, long-term adversary, and gives China more opportunity to play one superpower off against the other. A failure to appreciate the flip side of this coin could over the longer term undermine US interests.

8. In fact, we have operated in Asia during the last decade or so under especially ideal conditions. It has been a time when Communist nations fought and bickered:

- China and the Soviet Union faced off along their common border with a real danger that it could lead to major hostilities.
- China's invasion of Vietnam ended a long close relationship between communist neighbors.
- Hanoi became bogged down in a no-win war in Cambodia.
- Khmer Rouge atrocities soured several generations of non-communist Asians (except in the Philippines) on the promises of communist revolution.
- North Korean miscalculations and blunders, such as the Rangoon bombing, left the regime isolated from civilized nations and, for the most part, even its communist allies.

9. At the same time, our friends and allies prospered:

- Japan rocketed to the number two most potent economy in the world.
- Asia's "Tigers," South Korea, Taiwan, and Singapore, emerged with strong economies and equally strong connections with the US.
- ASEAN somehow hung together and began to make its influence felt. Particularly important, despite some reservations on the part of Indonesia and Malaysia, was ASEAN's united stand in support of Thailand and opposition to Vietnam's occupation of Cambodia.
- Also, American troops have not been engaged in combat in Asia in over a decade.

10. But, the future does not look nearly so bright:

- Japan's economic success and the progress several other Asian nations have made has now begun to pinch--the shoe will get smaller, count on it!
- Relations with Australia and New Zealand will become more complicated, if not worse.

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-- And, a communist victory in the Philippines could dangerously undermine US strategic interests in the region.

11. Even more worrisome is the possibility that the splits between the communist powers in Asia over the past 15 years, which we have benefited from greatly, may have been more anomaly than real. We are unlikely to be so lucky over the next 10-15 years. Although a monolithic communist block is not in the cards, look for closer relations and cooperation between Moscow, Beijing, Pyongyang, and Hanoi, not less.

12. We also should not get so bogged down measuring the legs of the strategic triangle and boldly predicting no return to the 1950s, that we lose sight of the fact that it is almost certainly in China's interest to have better if not warm relations with Moscow.

13. Improved Sino-Soviet relations and even an equidistant relationship, however, need not seriously harm US interests. We still retain important political, economic, and military advantages for protecting and advancing US interests in Asia. The danger lies in not adjusting policies incrementally as new situations and conditions pertain. In fact, I suspect that much of the passion expended arguing China's continued tilt to the west and the stress put on the Soviet Union being China's principal adversary, stems primarily from present and future policy considerations.

14. Our China policy is essentially founded on the state of play in the world circa 1979--China seriously at odds with the Soviet Union, in a shooting war with Vietnam and having newly normalized relations with the United States. Seen from this perspective, policies such as transferring dual use and military technology to China, and restricting arms sales to Taiwan make some sense.

15. But, if you accept the proposition that circumstances have changed, if only a little, and the future prospects are somewhat more worrisome, you might expect some rethinking and fine tuning of our approach coming out of State and the Pentagon. Instead, we put the best face on the changes occurring in Asia and especially Sino-Soviet relations, and continue to march down the same road--only faster. Quite frankly, I would be far more comfortable with marching on, but a little more carefully.



Carl W. Ford, Jr.

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NIC #04254-86
11 September 1986

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: Secretary Shultz's Asia Seminar: Sino-Soviet Relations
and the US

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Central Intelligence Agency



Washington, D.C. 20505

USSR - China

DIRECTORATE OF INTELLIGENCE

15 August 1986

Possible Soviet Initiatives Along The Chinese Border

Summary

Gorbachev's comments in Vladivostok last month indicate that his regime is indeed making a more determined effort to improve the USSR's position in Asia, as several Soviet officials have predicted within the past year. His remarks also suggest that the Soviets, after years of "hanging tough," are now willing to address at least some of China's main security concerns-- especially on its northern border--in order to achieve that goal.

[redacted]

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The Soviets could follow-up on Gorbachev's speech in various ways:

- Adopt a more conciliatory position on China's territorial claims against the USSR.
- Announce a token force reduction in the Soviet Far East.
- Withdraw some of their forces from Mongolia.

Judging from the evidence at hand, the Mongolian option may be exercised first, perhaps even before the next round of Sino-Soviet political consultations is held in Beijing this October. The Soviets could, however, hold off until after the October round ends, if only to get a better reading of Chinese intentions before making any concessions.

[redacted]

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This memorandum was prepared by [redacted] Office of Soviet Analysis. Information available as of 7 August 1986 was used in its preparation. Comments and queries are welcome and may be addressed to the Chief, Third World Activities Division [redacted]

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Gorbachev has not made any promises on the China border question akin to his announcement that the Soviets will withdraw six regiments from Afghanistan by the end of this year. But he has shown more flexibility than any of his predecessors on three issues--the Sino-Soviet border dispute, troop deployments on both sides of that boundary line, and the Soviet military presence in Mongolia. These issues together are one part of the "three obstacles" cited by China as impediments to improved relations between Beijing and Moscow; the Soviet occupation of Afghanistan and Soviet support for Vietnamese occupation of Cambodia are the other two. [redacted]

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In his Vladivostok speech, Gorbachev spoke about turning the frontier between the USSR and China into a "zone of peace and friendship" and noted that the two sides had already taken a few steps in that direction, especially along the Amur River in the Far East. He added that the official border there "could pass along the main navigation channel"--raising the possibility of a deal regarding Chimnaya Island (Heixiazi), opposite Khabarovsk--long a major sticking point in the Sino-Soviet border negotiations. According to [redacted] the Sino-Soviet border talks during the 1970s, Gorbachev's comment constitutes an offer to cede that island to the Chinese. [redacted]

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Gorbachev also called for major force reductions in Asia and proposed starting in the Far East, adding that Moscow was ready to discuss with Beijing "specific steps aimed at a balanced reduction in the level of land forces." His statement on that point was the first time any top Soviet leader has publicly endorsed reductions of that sort since the Soviet military buildup opposite China began in the mid-1960s. [redacted]

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Gorbachev also announced that the Soviet and Mongolian leaders are examining the question of the withdrawal of a "considerable number" of what we believe to be 60,000 Soviet troops now stationed in Mongolia. He said nothing about any preconditions for such a withdrawal. No Soviet leader has ever publicly stated that the USSR was considering reducing its forces in Mongolia--some units have been there "temporarily" since 1966. Moreover, both Moscow and Ulaanbaatar have insisted for nearly a decade that China must sign a nonaggression pact with Mongolia or find another way to alleviate Mongolian security concerns before any Soviet troops can be withdrawn from Mongolia. [redacted]

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Concrete progress on any of these matters will, of course, require a good deal of give on both sides. Beijing has

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stonewalled repeated Soviet requests for a resumption of their border talks, and Moscow has insisted repeatedly that it will not improve relations with China at the expense of its friends or allies like Mongolia. But Gorbachev and his colleagues reportedly are convinced that Moscow has made some mistakes with China over the past few years, as Gorbachev himself reportedly stated in a wide-ranging critique of Soviet foreign policy [redacted]

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[redacted] They may believe that an effort to accommodate Beijing on some of its main security concerns is worth certain risks, given the strategic importance of China in their overall scheme of things.

- Sino-Soviet relations still lag behind China's ties with the West, and Moscow could lose more political ground by standing still if Washington and Beijing move closer.
- An improvement in Sino-Soviet ties would weaken the US position in the Sino-Soviet-US triangle. Moscow also may again hope for an opportunity to influence Chinese domestic politics. [redacted]

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The following is a speculative look at various steps that the Soviets might take--based on what we know about their territorial dispute with China, the military balance along China's northern perimeter, and the situation in Mongolia--to follow up on Gorbachev's speech in Vladivostok. We would emphasize at the outset, however, that the Kremlin has yet to admit that there are any "disputed areas" along the border with China, or that its military forces in that area pose any "threat" to the Chinese. [redacted]

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Possible Soviet Moves on the Border Dispute

The Soviets have asked the Chinese on a number of occasions over the past five years to agree to a resumption of their border negotiations, which have been suspended since June 1978. To encourage the Chinese, Moscow could take a more conciliatory position than previously on some or all of Beijing's main demands--that Moscow admit that certain parcels of land are in dispute, withdraw its military forces from those areas (all of

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them are in Soviet hands at present), and agree in advance to return all territory that is subsequently determined to be rightfully China's. A few Chinese leaders have, in recent years, hinted at some flexibility on those points in their own public statements, and while the Soviets almost certainly are not prepared at present to make wholesale concessions, they may be willing to make some conciliatory gestures:

- The Soviets might start the bargaining by proposing that both sides keep their regular army units and border guard detachments out of all disputed areas along their common border (see map 1). This gesture would cost Moscow very little in military terms, but probably would be seen as a significant move in Beijing. The Soviets currently have only small border guard units stationed within those disputed areas.
- They could recognize Beijing's claims to almost all of the 700 disputed islands in the Amur and Ussuri Rivers. Most of those islands have little importance in either economic or military terms. The Soviets could, at the same time, offer to purchase the strategically important Chimnaya Island [Heixiazi], opposite the city of Khabarovsk. We doubt that they would hand the island over to the Chinese, however, except as part of a final settlement on the border dispute.
- They might revive their suggestion about setting up a joint commission to restudy the old treaties and other relevant documents, and then conduct a new survey before installing additional border markers where needed. This approach would finesse for the moment the question of which documents, other than formal treaties signed by both sides, have a legitimate bearing on the subject.

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Potential Force Reductions in the Soviet Far East

The Soviets could make some token unilateral gestures involving their forces opposite China. Although our understanding of how the Soviets see their military requirements in that part of the world is imprecise, we can conceive of several "disengagement" packages that would probably not disturb the existing balance of forces. The USSR has such an overall advantage vis-a-vis China that even if the Soviet air and ground troops in the area were cut by as much as ten percent--that is, by about 60-70,000--they would still retain a decisive local advantage in ground forces. While Beijing has about 1.7 million troops opposite the USSR and Mongolia, its armed forces have much less firepower and mobility than Soviet or Mongolian units. China's main forces are, moreover, based 100-200 miles back from

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the border, and thus hardly in a position to mount a sudden offensive into the USSR or Mongolia. This situation may change in the coming years because the Chinese have abandoned their old strategy of "luring the enemy in deep" for a more forward defense posture,² but the Soviets have a good opportunity at present to deal from strength. While they presumably remain unwilling to make moves which would significantly alter the military balance, they could:

- Withdraw or deactivate one or more of their ground force divisions stationed in the Soviet Far East near the Chinese border. Units guarding strategic targets, such as the Trans-Siberian Railroad or the Vladivostok naval base, probably would not be pulled out, but other units in that area could be moved and not have a major impact on Soviet capabilities.
- Withdraw some SS-20s from areas close to China. The Soviets would, however, have a hard time finding alternative sites that would not have adverse effects on European arms negotiations. [REDACTED]

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A leadership decision to remove significant numbers of Soviet troops from the Chinese border would test Gorbachev's grip on the Soviet Ministry of Defense. There are signs that he has been managing leadership relations with the military pretty well so far, and in the end would probably get his way on Chinese border cuts of the size contemplated in this analysis. [REDACTED]

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Reducing the Soviet Presence in Mongolia

While determined to keep Mongolia in the Soviet camp, the Kremlin could undertake any one of several moves to alleviate Beijing's concern over the extent to which Mongolia has been transformed into a staging area for an offensive Soviet drive into China. The five Soviet divisions stationed in Mongolia are the most combat-ready Soviet ground forces facing China. These divisions, plus the three divisions that the Mongolians now have, have acquired added importance in recent years as a counterweight to the Chinese buildup on the Vietnamese border. The Soviets could withdraw one or more divisions at this time, however, without seriously eroding their overall security situation. Indeed, they would only be trimming their military presence in Mongolia back to its level during the 1970s. A move of this sort would not necessarily call into question Moscow's support for

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Ulaanbaatar, and it could easily be reversed by reintroducing the withdrawn units if Sino-Soviet relations worsened.

- Moscow also could make a greater effort to promote a Sino-Mongolian political dialogue, especially if the Chinese gave any sign of a willingness to negotiate a nonaggression pact or an agreement on nonuse of force with the Mongolians.
- The Soviets may regard the consular pact signed during the recent visit to Mongolia by a Chinese vice foreign minister, the first agreement of its kind between China and Mongolia in over 20 years, as an earnest of Chinese good intentions toward Mongolia.

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The Problem with Demilitarized Zones

We have examined the possibility that Moscow might, as a more significant gesture, offer to keep all regular ground force units, as distinguished from KGB border guards, some distance-- say, 30 kilometers--from the Chinese border. Such an offer could even be part of a package of confidence-building measures (CBMs) that also provided for advance notice of any military exercises or major troop movements within, say, 200 kilometers of the border, better cross-border communications, and the like.

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Our analysis of the Soviet force posture along the border indicates, however, that creation of such a narrow "demilitarized zone" would require the USSR to relocate some seven divisions and dismantle an extensive system of fortified zones along the border

A move of this magnitude would, in our view, be well beyond the kinds of gestures examined so far and have significant strategic implications. It would, for example, require the Soviets to leave long segments of the Trans-Siberian Railroad unprotected, and probably would have large cost implications. Accordingly, we believe that such a demilitarized zone, while probably impressive to the Chinese, would be such an important military concession by the Soviets that it would be seriously considered only as part of a major political agreement.

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Implications

Although all of these possible gestures would fall well short of Beijing's stated demands regarding the "threat from the North," they would point to a Soviet willingness to discuss

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Chinese concerns in that area seriously. In time, moreover, they might lead to further progress on the Sino-Soviet border dispute, significant force reductions on both sides of that line, or some sort of an understanding on Mongolia. [REDACTED]

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If the two sides were to make progress on any of these issues, it would be the most significant development in their relationship since the low point in 1969, following the sharp clashes along their border. Moscow and Beijing would, of course, still have major differences--especially over Afghanistan and the Vietnam/Cambodia question. But even a hint that the Soviets and Chinese were making progress toward what Gorbachev termed "the creation of an atmosphere of good-neighborliness" along China's northern perimeter would have an impact in the West, complicating US and allied dealings with both the USSR and China. [REDACTED]

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There could, at the same time, be certain negative consequences for the Soviets. In particular, the Japanese would almost certainly regard any Soviet concessions to the Chinese on their border dispute as a precedent for their own territorial claims against the USSR. The Japanese might well fail to recognize the differences between the two cases, and decide to press their claims to the Northern Territories with more vigor in the future, believing that this approach would eventually force the Soviets to return at least some of the islands to Japan. By the same token, Hanoi and Kabul could well become a good deal more worried about the possibility that Moscow might sacrifice their interests to its own, and thus seek even more in the way of Soviet reassurances. [REDACTED]

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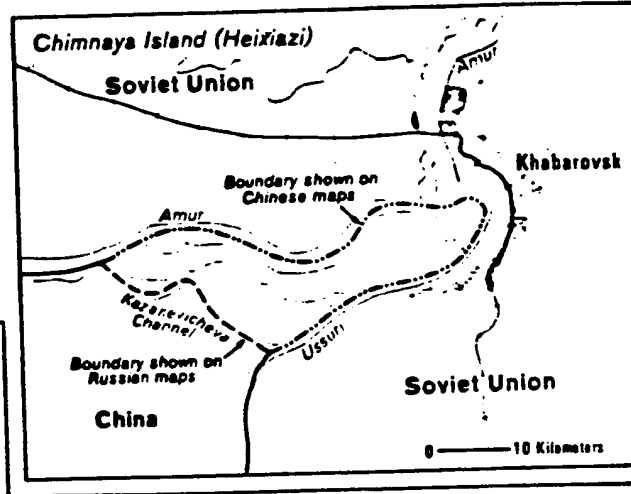
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Map 1

Disputed Areas on the Sino-Soviet Border

□ Principal areas in dispute between China and the Soviet Union. Chinese claim the Soviets hold islands in the Amur and Ussuri and areas in the Pamirs which were not given to Tsarist Russia even by the "unequal treaties" of the 19th century.



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SUBJECT: Possible Soviet Initiatives Along The Chinese Border

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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

4 September 1986

Possible Chinese Responses to Gorbachev's Speech [redacted]

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Summary

We believe China will seize the opportunity presented by Gorbachev's Vladivostok speech to push for further Soviet concessions, to increase Chinese leverage with the United States, to explore ways to reduce the Soviet threat to China, and to sow concern in Hanoi about the reliability of Soviet support. Domestically, Deng may see an opportunity to set the course for China's relations with the USSR before he hands over power to his successors, leaving them free to focus on the reform program. [redacted]

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In our judgment, China has not changed its fundamental assessment of the Soviet threat--nor is it even reevaluating it. By publicly calling for Soviet concessions on Cambodia, Beijing has placed a constraint on how far it can go with Moscow and tried to reassure Washington. In responding to Gorbachev, we believe Beijing will attempt to probe for and encourage additional concessions from Moscow without alarming the United States and China's Asian friends or allowing Moscow

This memorandum was prepared by [redacted]
[redacted] Office of East Asian Analysis. Information available as of 4
September 1986 was used in its preparation. Comments and queries are welcome and
may be directed to the Chief, International Security Branch, China Division, OEA, [redacted]

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to exploit a Sino-Soviet dialogue to enhance Soviet leverage in the triangle. In keeping with its "independent foreign policy," moreover, China will continue to send mixed signals in its press commentary on both Soviet and US actions.

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When the ninth round of bilateral consultations begins in Beijing in October, we believe, in addition to pressing on Afghanistan and Cambodia, Beijing will push Moscow to:

- Withdraw the majority of Soviet troops from Mongolia.
- Pull back troops from its border with China.
- Reduce SS-20s deployed in the Soviet Far East.
- Curtail reconnaissance flights against China through North Korean airspace.
- Relinquish Chimnaya/Heixiazi Island across from Khabarovsk.

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In our judgment, significant Soviet concessions in at least one area could induce China to make one or more of the following counter-concessions:

- Conclude a mutual nonaggression pact with Mongolia.
- Revive Sino-Soviet border talks.
- Agree to confidence-building gestures along its northern border.
- Set dates for foreign ministerial talks.
- Expand Soviet access to senior Chinese leaders.
- Increase working-level exchanges and consultations.

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We believe the Chinese will continue to rebuff Soviet efforts to reestablish party ties and will not agree to a summit between Gorbachev and either preeminent Chinese leader Deng Xiaoping or General Secretary Hu Yaobang prior to significant Soviet concessions on Cambodia and Afghanistan. China will most likely normalize party relations with Eastern Europe--a move apparently sanctioned by Moscow as a way to facilitate possible normalization of Sino-Soviet party ties later--to promote Chinese influence in the region at Moscow's expense. The Chinese also will continue to expand defense and economic ties with the United States.

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Beijing's Soviet Policy on the Eve of Gorbachev's Speech

In the months preceding Gorbachev's speech on 28 July, the Chinese increasingly exhibited signs of frustration with Moscow's refusal to follow up its smooth rhetoric with concessions on any of what China calls the "three obstacles" to improved relations: Soviet support for Vietnam's occupation of Cambodia, the Soviet presence in Afghanistan, and the deployment of Soviet troops in Mongolia and along the Sino-Soviet border. Beijing last year tried to encourage Gorbachev to reassess Moscow's hardline policies toward China's security concerns by agreeing--without corresponding Soviet concessions--to resume long-suspended trade union and parliamentary relations and to exchange visits by their foreign ministers in 1986. We believe these moves were also designed to increase Beijing's leverage with Washington.¹



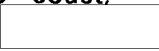
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Moscow's continued intransigence at the last three biannual Sino-Soviet consultations and its blatant efforts to exploit the impression of improved Sino-Soviet ties to enhance its position vis-a-vis Washington, however, caused Beijing to brand Gorbachev's foreign policy as meaningless "smile diplomacy" and to back away from the exchange of foreign ministers. We believe Beijing chilled political relations for two reasons. First, the Chinese wanted to remind Moscow that the Soviets must address at least one of the "three obstacles" if gradual normalization of relations were to continue. At the same time, the Chinese sought to reassure the United States, Thailand, Pakistan, and others that China remained committed to resisting the security threat posed by the USSR and its Asian allies.



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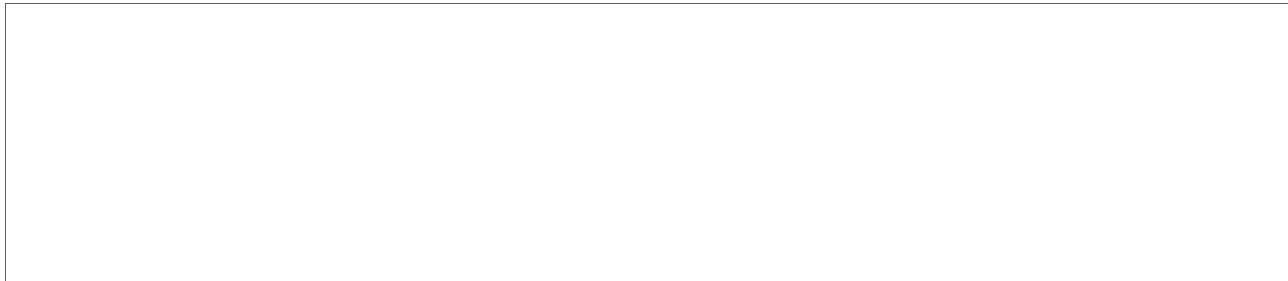
Indeed, Soviet military developments prior to Gorbachev's speech did little to persuade Beijing that Moscow had altered its long-term strategy of encircling China. Although Gorbachev has not deployed any new ground forces or SS-20s in the Far East, he has markedly stepped up reconnaissance flights targeting the Chinese coast, expanded the Soviet Pacific Fleet, and upgraded Soviet airpower in the region.



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Gorbachev's Proposals

In his speech given in Vladivostok on 28 July, Gorbachev made the following new proposals concerning China:

- The Soviet Union will withdraw six regiments from Afghanistan by year's end.
- Moscow is ready to discuss "concrete steps" to reduce land forces along the Sino-Soviet border.
- Soviet and Mongolian leaders are examining the removal of a "substantial part" of what we believe to be approximately 60,000 Soviet troops in Mongolia.
- The Soviet Union and China could cooperate in space exploration.

Gorbachev once again:

- Proposed bilateral discussions "any time, and at any level" on improving relations.
- Suggested the official boundary on the Amur River might pass along the main shipping channel instead of the Chinese bank. (Although this is the first time Moscow has publicly proposed this boundary formula, the Soviets did so privately as early as 1964.)
- Resurrected his call last year for a Helsinki-style Asian security conference.
- Reiterated Soviet willingness to establish a rail link between Soviet Kazakhstan and Chinese Xinjiang.
- Endorsed already-begun bilateral negotiations to jointly develop the Amur River Basin.

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Factors Governing China's Response

[redacted] statements by senior Chinese officials indicate that Beijing sees Gorbachev's proposals as failing to address China's top security concerns--Vietnam's efforts to expand its influence at China's expense and Soviet efforts to encircle China militarily.³ Chinese strategic thinkers have also stressed [redacted] [redacted] that China's assessment of the Soviet threat has not changed. [redacted]

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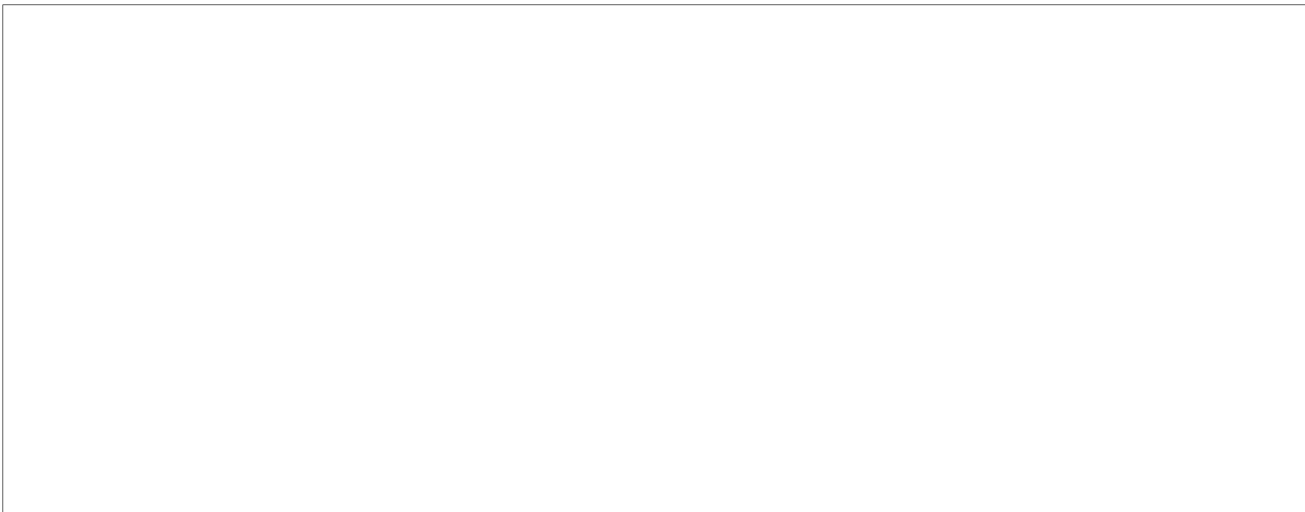
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Nonetheless, we believe China has compelling reasons to begin a dialogue with Moscow on Gorbachev's proposal. In our judgment, Beijing believes further marginal improvements in Sino-Soviet relations would:

- Buy time for China to modernize its forces along the border. Beijing is in the process of implementing a new defense strategy that it believes requires at least a decade of reduced tensions to become completely credible.⁴
- Stimulate competition between Moscow and Washington to woo Beijing.
- Increase tension in Soviet-Vietnamese relations, a major Chinese goal, by playing on Hanoi's fear of being sold out by Moscow. Vietnam periodically dispatches delegations to Moscow to seek reassurances of Soviet support.
- Assist domestic political goals. [redacted]

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At the same time, Beijing is well aware that too positive a response to Gorbachev's proposals could jeopardize its access to US, Japanese, and Western European advanced technology, investment, trade, and defense cooperation--major Chinese political goals. Nor does Beijing want to signal its friends and enemies in Southeast and South Asia that it might reconsider its stand on Cambodia and Afghanistan. Therefore, we believe China will attempt to:



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- Encourage Soviet flexibility while continuing to criticize on the three obstacles and other security issues.
- Probe for major Soviet concessions on the three obstacles and China's northern boundary.
- Reassure Washington of China's pro-Western tilt without forgoing the option of being able to play the "Soviet card."
- Reduce Moscow's ability to play the "China card" against Washington.
- Keep Thailand and Pakistan from wavering on Cambodia and Afghanistan. [REDACTED]

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Domestic Fallout from the Gorbachev Speech

Deng and his reform allies can gain in two areas from some further relaxation in Sino-Soviet relations, in our view. First, any reduction in tensions tends to benefit China's economic modernization program. Second, progress on the issue should smooth the transition to power for Deng's successors. [REDACTED]

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We believe Deng has designed many of China's foreign policy initiatives, most notably closer relations with the West, to support his economic reforms. Consequently, although he distrusts the Soviets, Deng would probably be willing to be more flexible if he believes he can win real Soviet concessions that can help his modernization goals. Avoidance of border tensions allows a more measured pace of military modernization and frees transport, manpower, and other resources. Deng may also hope to expand exports of goods China cannot trade elsewhere and gain further Soviet assistance in modernizing Soviet-built factories. [REDACTED]

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On the political front, Deng may see an opportunity to set China's Soviet policy before he hands power over to his successors. We believe that Deng has kept foreign policy issues closely under his own control, relying on his personal prestige and influence to manage this sensitive area. Deng's successors will not have his personal clout and therefore might be more vulnerable to groups that either have a different foreign policy orientation or seek to exploit foreign affairs for domestic political ends. The more Deng can stabilize relations with Moscow and win agreement on how to proceed, the more likely we believe his successors will be able to carry on the reform program with a minimum of distraction. [REDACTED]

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In our estimation, Deng's conservative opponents, who argued last year for a more flexible approach to the Soviets, cannot capitalize politically on Gorbachev's initiatives. We believe that recent political developments have greatly weakened the conservatives--especially those at the top--and have

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made it increasingly unlikely that the conservatives will be able to challenge Deng. In any case, it is our judgment that the conservatives are suspicious of both the United States and the Soviet Union. Thus, while there is some support among the conservatives for more distant relations with Washington, we also see very little active pressure for closer political relations with Moscow. [REDACTED]

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Possible Chinese Responses

We believe the Chinese will use scheduled contacts over the next several weeks to seek further indications of Soviet intentions, but the ninth round of vice foreign ministerial consultations in Beijing in October provides the best venue to engage the Soviets in a meaningful dialogue on Gorbachev's proposals. Outlined below is our speculation about what the Chinese may say in October and why. [REDACTED]

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Security issues. Remarks by Chinese strategic thinkers support our judgment that China will not be satisfied with Gorbachev's implicit pledge to freeze the number of SS-20s in the Far East or his explicit promise not to relocate in the region any SS-20s that might be removed from Europe. We believe the Chinese will continue to press for their total withdrawal. We also expect China to protest overflights of North Korea by Soviet reconnaissance planes targeting the Chinese coast, Moscow's expansion of its Pacific fleet, and the upgrading of Soviet airpower in the Far East. [REDACTED]

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We nevertheless believe that the Chinese view Gorbachev's offer to withdraw troops from Mongolia and the Sino-Soviet border as an important unilateral gesture. If the Soviets commit themselves to withdraw one or more of their five divisions in Mongolia--a move that would not jeopardize Soviet or Mongolian security--Beijing could reciprocate in a number of ways without compromising its own security. Chinese options include:

- Announcing the "deactivation" of the 69th Field Army opposite Mongolia [REDACTED]
[REDACTED]
- Agreeing to warn each other of military exercises or major troop movements near the Sino-Mongolian border.
- Pulling back tank regiments from selected border defense divisions along the Mongolian frontier.

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If the Soviets go beyond a token withdrawal and pull back most if not all of their forces from Mongolia, we believe the Chinese would be willing to go further, perhaps signing a friendship treaty with Mongolia that would renounce any claim to Mongolian territory and serve as a de facto mutual nonaggression pact--something the Soviets have been seeking. [REDACTED]

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We believe a Soviet proposal to negotiate some sort of demilitarized zone along the Sino-Soviet border would be far less attractive to China than deactivation of Soviet divisions. Beijing has always expressed greater concern about the number of Soviet divisions in the Far East than about their proximity to the Chinese border. Nonetheless, if the Soviets offered to pull back all regular ground units 30 kilometers from the border, China, in our judgment, could respond by transferring northern border security duties from the PLA to the People's Armed Police. [REDACTED] deployed 100 kilometers back, leaving small [REDACTED]

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Expanded Political Contacts

China's cautious response to Gorbachev's initiative comes amidst a flurry of high-level exchanges with the Soviet Union and Mongolia that we believe is a combination of earlier scheduling, Chinese interest in Gorbachev's proposals, and Moscow's desire to portray Sino-Soviet relations as improving:

- Soviet First Deputy Premier Arkhipov arrived in China for "acupuncture treatment" on the eve of Gorbachev's speech and met with Vice Premiers Li Peng, Wan Li, and Yao Yilin before returning to Moscow on 26 August. According to a Western press account, Arkhipov presented the Chinese with an advance copy of the speech.
- Vice Foreign Minister Liu Shuqing proceeded with a long-scheduled trip to Mongolia--the highest-level Chinese visit to that country in over 20 years--which culminated in the signing of a consular treaty on 9 August. This treaty is consistent with similar agreements Foreign Minister Wu Xueqian signed in Berlin and Budapest in late spring, but takes on added significance because it follows on the heels of Gorbachev's Mongolian overture, which the two sides also discussed.
- Beijing Mayor Chen Xitong began a two-week visit to Moscow 17 August, the first such mayoral visit since the 1950s.
- Soviet Deputy Premier and Alternate Politburo member Talyzin, possibly accompanied by Deputy Foreign Minister Rogachev, is scheduled to visit China in early September as the guest of Vice Premier Li Peng. [REDACTED] the Chinese in early May pushed for the visit of a deputy premier to reciprocate for Vice Premier Yao Yilin's visit in July 1985. Talyzin's visit is in response to this, but its timing nevertheless fortuitously strengthens the impression of improved ties

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following Gorbachev's speech.

- We expect Wu and Soviet Foreign Minister Shevardnadze to discuss Gorbachev's proposals in the third annual Sino-Soviet foreign ministerial meeting at the opening of the UNGA in September in New York.
- Party General Secretary Hu Yaobang and President Li Xiannian will host a visit to China by East German General Secretary and President Honecker in October. Honecker's visit to China--the first such trip in many years by a Soviet bloc party leader other than Romania's Ceausescu--and the expected reestablishment of party ties most likely signal similar developments with other East European Communist parties. Although intended by Beijing to increase Chinese influence in East Europe, Honecker's party position and the certainty that Moscow has approved his trip nonetheless will give the visit a Sino-Soviet focus as well.
- Rogachev in October will lead the Soviet delegation to Beijing for the ninth round of Sino-Soviet vice ministerial consultations.

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Boundary Talks. We think it likely that China could decide to reopen formal border negotiations, which broke down in 1978 after Beijing publicly insisted on Soviet withdrawal from disputed areas and added a new demand that Moscow reduce its forces along the Sino-Soviet border to the level of Khrushchev's time.⁵ Gorbachev's acceptance of the deepest channel (thalweg) of the Amur River as the line of demarcation gives China most of the disputed islands in the river. Ownership of Chimnaya (Heixiazi) Island opposite Khabarovsk, however, is likely to be a sticking point, and any negotiations on the border are likely to be protracted as both parties weigh the impact on disputes with other nations.

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Amur River Basin and Railway Cooperation. China earlier this year reopened to Soviet shipping the port of Tongjiang on the Songhua River near the Amur, and we believe the two sides will sign an agreement on use of the basin based on their recent expert-level negotiations. China has announced that it plans to extend the Harbin-Longzhen railway 240 kilometers to Aihui on the Amur River and might cooperate with the Soviets in building a rail bridge across the Amur between Aihui and Blagoveshchensk to facilitate border trade. In the west, China plans to add some 400 kilometers to the single-track Lanzhou-Urumqi railway, extending it to within 80

⁵ Prior to 1964, the Soviets deployed only 11 active ground-combat divisions with fewer than 3,500 tanks and armored vehicles opposite China.

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kilometers of the Soviet railway terminus at Druzhba. We would not be surprised if Beijing accelerated its construction schedule and agreed to connect the two railways as a sign of goodwill to Moscow.

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Areas Where Beijing is Unlikely to Accommodate Moscow

Beijing has stated it will not compromise with Moscow on Afghanistan and Cambodia, and we believe China will hold significant improvements in political relations--such as party ties and a Deng/Hu-Gorbachev summit--hostage to meaningful Soviet movement on these "obstacles." China probably calculates that even the hint of China's flexibility on these issues would greatly harm its credibility with the United States, and such Asian friends as Pakistan and Thailand. Moreover, we believe the Chinese will attempt to assuage their friends' natural suspicions of any Sino-Soviet border agreement, and may couple progress in one area with stepped-up criticism of Soviet activity elsewhere, especially Cambodia and Afghanistan. We expect the Chinese to reject Gorbachev's proposed Asian security conference, as they have in the past. Beijing also will not, in our view, agree to forswear the option of strategic cooperation with Washington against Moscow.

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Finally, Beijing's pride in its own space-launch capabilities most likely will keep China from taking Gorbachev up on his offer to join the ranks of Mongolia, Cuba, and various East European satellites as a junior partner in the Soviet space program. The Chinese, moreover, have already expressed interest in a US invitation to participate in a future space shuttle mission.

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Positive Signals China Can Send in Other Areas

Even if the Chinese rule out concessions specifically linked to Gorbachev's proposals on the grounds that Gorbachev merely responded to earlier Chinese gestures, they could nevertheless reward Gorbachev and encourage further Soviet concessions in other ways. Possible moves might include:

- Expanding Soviet access to senior Chinese leaders.
- Increasing consultations between working-level officials on international issues, including relations with the United States.
- Regularly exchanging views (but not intelligence) between think tank experts on economic development and foreign policy issues.
- Proceeding with the exchange of foreign ministerial visits.
- Exchanging visits by editors of Pravda and People's Daily.

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Without significant progress on Afghanistan or Cambodia, however, we believe the Chinese remain highly unlikely to agree to a summit between Gorbachev and Deng Xiaoping or Hu Yaobang. Such a move would be too close to a resumption of party ties, which Beijing probably believes would give the Soviets excessive leverage within the strategic triangle while undermining China's credibility as an independent actor in both the West and in the Third World. [REDACTED]

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Outlook for the Remainder of 1986

We expect the Chinese to try to use Gorbachev's initiative to encourage US concessions on Taiwan, trade, and technology transfer, although Chinese officials in private probably will take pains to reassure the United States and others of China's continued goodwill. Beijing, in our judgment, will use Defense Secretary Weinberger's coming visit and the first port call to China by US Navy warships this fall both to press the Soviets in October for concessions on Gorbachev's proposals and other security concerns, such as Soviet reconnaissance overflights of North Korea against China, and to balance any improvements in ties with Moscow. China will also closely monitor developments in US-USSR relations as a possible Reagan-Gorbachev summit approaches, out of concern that Beijing may be caught behind the curve. Finally, in keeping with its "independent foreign policy," China will continue to send mixed signals in its press commentary on both Soviet and US actions. [REDACTED]

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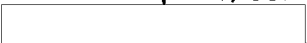
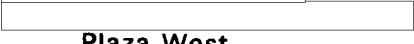
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