

UNITED STATES GOVERNMENT

Memorandum

DIA review completed.

State Dept. review completed

TO : EA - Mr. William Gleysteen

DATE: October 15, 1975

FROM : INR/REA - Herbert E. Horowitz

MORI PAGES 21-28 & 54-62

INR COMMENTS
ON
CIA PAPERS
(in this book)

SUBJECT: Briefing Book for Secretary Kissinger

We have looked over the briefing book for the Secretary's visit which you showed us, and--with the exception of the internal political paper--we consider it good work. The Sino-Soviet piece is very well done, and we have no problems with the two military papers. The articles on China's view of relations with the US and the general wrap-up on PRC foreign policy are also good, though we have a few minor criticisms which I will mention below. Our main problem is with the internal paper which we feel contains considerable over-interpretation. Rather than prepare a point-by-point critique, Chris Szymanski has drawn up an alternative view, which I enclose.

In our view, one major problem with the internal paper is its portrayal of a Mao under attack. This seems to hinge in part on interpretations of the recent Water Margin campaign with which we do not concur and which--at the very least--are debatable. Related to this inaccurate picture is the portrayal of a die-hard, anti-Soviet Mao "digging in his heels" against presumably powerful forces favoring relaxation in Sino-Soviet tensions. The paper admits that these supposed forces cannot be clearly identified, and this is a significant flaw. We do not see sufficient evidence to justify the assumption that a sizeable number of leaders, civilian or military, currently oppose Mao on this issue. Admittedly, "capitulation to Soviet revisionism" was mentioned in connection with the Water Margin campaign, but our readings of the material indicate that it is "capitulation to revisionism" in a domestic context which is under attack and that foreign policy is not directly involved. Another point--Huang Hua's alleged attack on Mao's Soviet policy which supposedly "identified him" with "the opposition" is apparently based solely on comments he made a while ago to an academic. We find it hard to justify such sweeping conclusions on the basis of one reported conversation.

Another misimpression regards the PRC military and its role in a presumed debate over China's Russia policy. ("The core element arguing for a change in policy is almost certainly the military.") We agree it is logical there must be some sentiment for PRC-USSR rapprochement in military quarters but see no hard evidence that such feelings are widespread. We agree that regional military commanders were under attack in last year's anti-Confucius, anti-Lin Piao campaign and that

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- 2 -

the campaign also contained attacks on persons accused of wanting to "sell out" the country to a foreign power. However, we saw no clear linkage in those debates between the former and the latter. The main issue for which regional commanders were under attack involved domestic politics and the commanders' alleged lack of responsiveness to central authority.

At another point, the paper overstates the civilian-military rivalry in China today. That Teng's job is to "chastise, split and partially mollify" the military establishment is a bit too dramatic. This is a basic problem with the entire paper--it generally paints too stark a picture of the "deep cleavages" in the "body politic" and, through overstatement and overgeneralization, creates an impression that is inaccurate and too pat.

Turning to the two other papers, the one on PRC views of relations with the US gives a slightly darker picture than we would paint, though it is generally close to the mark. The Chinese probably are more skeptical of the benefits of US-PRC detente now than they were two years ago. Certainly they worry that we are weaker today vis-a-vis the USSR than we were earlier, particularly before the fall of Saigon. Nevertheless, the PRC clearly wants Sino-US dialogue and normalization to stay on track. As the final sentence in the briefing paper points out, there is no indication whatsoever that the Chinese would want to run the risk of a return to their former hostile relationship with the US. As for the paper's contention that China is unwilling to "make many sacrifices" for continued good relations with the US, while the Chinese may not compromise on certain issues (e.g., on Tibet, the performing arts troupe, Mayors delegation, etc.) they do continue to make some significant concessions. Not the least of these is their willingness to maintain a high level diplomatic relationship with us despite our continuing recognition of Taipei. With no other country have they tolerated such an arrangement. 25X1

Concerning PRC intentions regarding Taiwan, the paper (and other portions of the briefing book) is too ominous and invites a seriously erroneous conclusion.

The paper on PRC foreign policy orientation is an excellent wrap-up of Chinese foreign policy goals. Again we think "plans 'to liberate' (Taiwan) perhaps within five years" gives an incorrect impression, and we do not believe it is "fairly certain that some important leader" 25X1

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- 3 -

prefer a less abrasive relationship with the Soviets." We also wish the authors of the paper and of the entire book would disabuse themselves of the idea that the recent further deterioration in Sino-Soviet relations can be traced to Mao's return from the provinces six months ago. In our view, the heightened Chinese Anti-Soviet line stems from events both pre-dating and post-dating the fall of Saigon, as well as from the changed situation in Southeast Asia brought on by that event.

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China in 1975: The Domestic Political Situation

The Chinese political situation in the past year has been characterized by a renewed emphasis on political stability, restructuring the government, and economic development. However, tension remains over such issues as succession, rehabilitation of cadres purged during the Cultural Revolution, local factionalism, and industrial problems. Disagreement over internal issues continues, and will most likely compound the succession process, but it is not evident that the Chinese leadership has hardened into several competing factions. There is no reason to postulate that there is active opposition to Mao Tse-tung nor solid evidence to suggest major disagreement over foreign policy issues. It is unlikely that Chinese foreign policy will be radically altered as a result of Chou's or Mao's death.

* * * * *

With Chou En-lai's health apparently worsening and precluding active involvement in state and Party matters, Vice Premier Teng Hsiao-p'ing has emerged as China's day-to-day leader. Since the restaffing of the government bureaucracy at the January National People's Congress (NPC), Teng has established himself as the PLA chief-of-staff, a vice chairman of the Chinese Communist Party and a member of the powerful Politburo Standing Committee. Both Mao and Chou have come to rely increasingly on Teng who can be expected to succeed Chou as Premier and play a key role in Party affairs after Mao's death. However, without the presence and support of Mao and Chou, the once-disgraced Teng could find his prestige and authority weakened, leading to increased leadership competition.

Compounding the succession problem is the recent rehabilitation of key figures purged during the Cultural Revolution who may or may not be allied with Teng. With the support of Mao, a September central directive called for the rehabilitation of once prominent pre-Cultural Revolution figures such as Chou Yang, Hsia Yen, Yang Han-sheng, Pa Chin, and Yu Chen-fei. Paralleling this are persistent rumors that former Peking mayor and Politburo member Peng Chen, once accused of actively opposing Mao, might be restored to a government position. To rehabilitate such individuals and restore thousands of other purge victims to important government and Party positions calls into question the goals and achievements of the Cultural Revolution itself. Many of Peking's so-called leftist leaders such as Chiang Ch'ing, Yao Wen-yuan, and Chang Chun-ch'iao based much of their careers on striking down these "rightists" and "revisionists." It would appear that beneath the surface the "left" would be deeply incensed and apprehensive over the widening circle of rehabilitation. Recent appearances of the leadership seems an obvious

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attempt to portray a sense of "stability and unity" at home and abroad. Meanwhile, local factional disputes such as the tumultuous Chekiang situation continue, coupled with bottlenecks in coal and steel production as China struggles, amid continuing labor problems, to meet the goals of the fourth five-year plan.

Despite the emphasis on stability and economic themes in the past year, the Chinese leadership and particularly Mao remain committed to the achievement of ideological purity in Chinese society -- a potentially disruptive issue. A resurgence of "revisionism" and a "restoration of capitalism" has been a real fear to the Chairman since the 1950's. Immediately after the January NPC, with its emphasis on stability and economic development, a "Dictatorship in the Proletariat" campaign was launched to remind the Chinese populace to be on guard against the spread of "bourgeois rights" and "bourgeois factionalism."

More recently, the Criticize Water Margin campaign may be seen as part of the historical effort by Mao to prevent the development of "revisionism" in China. While the initial stages of the campaign in August suggested that one or more Chinese leaders such as Teng Hsiao-p'ing, Wang Hung-wen, or even Chang Chun-ch'iao might be coming under attack, later articles and statements by Chinese officials suggested broader themes. The campaign, reportedly initiated by Mao himself, remained within closely guarded parameters. The evidence available does not indicate that Mao was under attack or that some elements were attempting a defense of the deposed Lin Piao. As the campaign broadened, its attack centered on the general issue of "capitulation to revisionism" within China (i.e., backsliding towards capitalism, reduction of ideological commitment, etc.), rather than focusing on specific individuals. The campaign did not directly involve foreign policy issues, although fear of "capitulation to Soviet revisionism" did emerge as a minor theme in conjunction with the campaign. In any case, the campaign lost national focus after only one week of press attention, and the political mood shifted to the more mundane topics of agricultural development and the October 1 National Day celebration. The latter were marked by the conspicuous absence of the traditional October 1 editorial and the non-appearance of Chou En-lai, who has not been seen publicly since September 7 amid reports of worsening health problems.

One area where Chinese policy seems to be less controversial and has achieved broad agreement lies in the reassessment

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- 3 -

of Chinese foreign policy and strategic objectives in the wake of the Indochina denouement. Last May the Chinese leadership probably undertook a broad reevaluation of China's strategic world position. Since then, publicly and privately the Chinese have expressed increased concern over possible expansion of Soviet influence in the Far East and seemed to worry that the Soviet, "Asian Collective Security" arrangement might be more than a remote possibility. Some Chinese officials have even commented that China can no longer hope to avoid involvement in a war between the two superpowers. In this context, there has been no evidence that any group or individual Chinese leaders are actively pressing for a rapprochement with the USSR at this time.

Paralleling this, a series of central level meetings in June and July resulted in a re-evaluation of PRC defense policy. At a July meeting of the Military Affairs Commission, Teng and Defense Minister Yeh Chien-ying criticized China's army as weak and inefficient. A subsequent central directive, endorsed by Mao, called for modernization of the air force and the navy as well as streamlining the army and improving its combat readiness. Such a shift to a more conventional defense posture with less political involvement for the armed forces represents the culmination of a process begun following the Ninth Party Congress in 1969 and accelerated by the Lin Piao affair in 1971. Throughout this past summer, little evidence emerged to suggest major disagreement or factional disputes over these foreign policy and military issues. This apparent consensus stands in contrast to continued tension and differing policy stances over such domestic issues as succession, rehabilitation of purge victims, and the broader issue of Maoism versus revisionism.

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INDEX

- A. China's View of Relations with the United States
- B. PRC Foreign Policy Orientation
- C. The Domestic Political Situation in China
- D. The National Defense Posture of the PRC
- E. The Status of China's Strategic Weapons Program
- F. The Status of Sino-Soviet Relations

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10 October 1975

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MEMORANDUM

SUBJECT: China's View of Relations with the United States

China continues to see the United States as a major piece in the international chess game, but it seems to be more skeptical of the immediate and tactical advantages of the relationship than perhaps it was in the 1971-1973 period. The Chinese at this stage do not seem prepared to see the US connection deteriorate visibly, but they also do not seem prepared to make many sacrifices to keep it on course. Although the Soviet Union continues to receive the lion's share of adverse Chinese propaganda, in the past year the decibel level of anti-US rhetoric has risen somewhat; moreover, Peking obviously has no qualms in accepting such strains as the flaps over the Chinese cultural troupe and the US mayors' delegation have produced.

The Chinese entered into the present relationship with the Soviets very much in mind, and this consideration is still paramount in China's view of the Washington connection. Because of its possible salutary effect on Soviet attitudes the Chinese have very much wanted the President's visit to take place. Their reading of the political atmosphere in the United States in the wake of the Vietnam debacle, however, appears to have suggested to them that the trip might have been deferred. To ensure that it took place on schedule, throughout the spring and summer they were busy passing the word in all quarters that Mr. Ford would be welcome in China, that Peking considered the visit important, and that there were no preconditions attached to it. At the same time domestic audiences were being conditioned to expect little in the way of substantive advances in the bilateral relationship as a result of the trip. Specifically, they were informed that a breakthrough on the Taiwan problem was unlikely.

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These themes have also been prominent in Chinese conversations with foreigners. Chinese leaders and diplomats have stressed that China remains patient concerning the Taiwan problem and that it is in no hurry to see the issue resolved. Teng Hsiao-ning in particular has stressed, [redacted] the proposition that China would prefer a peaceful resolution of the issue; [redacted]

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An actual attack on Taiwan would divert considerable military resources from China's defense against a possible Soviet thrust; moreover, such an attack would not only destroy the nascent relationship with Washington but also that with Japan while souring relations with Western Europe and scaring off the nations of Southeast Asia. For these reasons it is unlikely that China is actually contemplating a move against the island, particularly within the time period mentioned in the documents. Nevertheless, these directives and instructions may well represent an accommodation to those who may be arguing that the current relationship with Washington has brought

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recovery of Taiwan no nearer.

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The five-year deadline mentioned in the instruction would correspond with the 1980 elections in the United States and could mean that Chinese leaders were considering stepped up pressure on Washington if it appeared at that time that the United States was prepared to postpone resolution of the problem indefinitely.

Signs of frustration regarding current US attitudes do not appear to be confined to this bilateral issue but also seem to spill over into areas of greater ultimate importance to China. Peking seems genuinely concerned about what it considers to be a deterioration of the balance of military power between Washington and Moscow. The Chinese appear to believe that Washington's overall international posture is defensive, while that of Moscow is aggressive; they seem concerned that the United States is entering at least a temporary period of neo-isolationism and probably fear that quarrels between the executive and legislative branches could limit Washington's freedom of action. US congressmen have been repeatedly advised to build up the American military arsenal, particularly in the area of conventional weapons. In this connection the Chinese have generally pointed to the possibility of a conventional war in Europe.

A parallel concern for the Chinese is continuing US efforts to cement detente with the USSR. They almost certainly believe that far greater US time and energy is expended on furthering the Soviet relationship than is expended on the Chinese connection, and that this effort has tended to strengthen Soviet self-confidence while correspondingly weakening the US will to resist putative Soviet encroachments. They also seem to suspect that the executive's defense of its Soviet policy in the public forum and in congress tends to create "false illusions" both among the US public and in Western Europe. The current negotiations concerning Soviet purchases of US wheat, for example, are almost certainly viewed in Peking as an example of US "defensiveness" and willingness to relieve Soviet distress. Given the multifaceted nature of the current US-Soviet connection compared to

the much more limited connection with Peking, the Chinese probably now suspect that Washington has pursued ties with China largely as a means of securing a "better deal" with Moscow.

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Peking, to be sure, sees such events as the Sinai II agreement as a positive development, but in the Middle East as in Europe it does not seem convinced that US staying power is very great, and the Chinese have warned the Egyptians and other Arabs to be prepared for a Soviet riposte. In any event, gains in the Middle East are probably offset in Chinese eyes by what they consider to be the deleterious effects of the Helsinki summit on the situation in Europe. They seem genuinely to subscribe to the somewhat simplistic view that at the conference the US gratuitously accepted the legitimacy of the Soviet position in Eastern Europe.

All of this does not imply that the Chinese no longer see much utility in the US connection; obviously they do. However, Peking's recent return to the theme that China must be prepared for war with the Soviets, which was in abeyance in the past two years, suggests that its view of the international scene, and by extension of the US connection, has darkened in the past six months or so. The Chinese, nevertheless, probably doubt that the factors they seem to believe limit US flexibility in the international sphere are permanent. And in any event they clearly do not, at this juncture, wish to run risks even greater than those they now face by reactivating an unlimited quarrel with Washington or permitting a public breach in the current relationship.

10 October 1975
OCI No. 1026-75

MEMORANDUM

SUBJECT: PRC Foreign Policy Orientation

There have been no major departures in Chinese foreign policy over the past year, although Peking has continued to make adjustments in the general diplomatic orientation it established in the early 1970s. In the past half year there has appeared to be a growing sense of strain underlying China's view of its prospects abroad, to which the outcome of the war in Vietnam, the Helsinki summit conference and continuing stagnation in its bilateral relations with the United States have probably all contributed. Despite the sometimes spectacular diplomatic gains of the early 1970s, Peking at this juncture does not seem certain that it has achieved a permanent and decisive breakthrough in the international sphere. But while there may be a growing sense of pessimism in China, this mood does not yet appear so pronounced as to result in a major reorientation of policy.

China's major preoccupation continues to be the Soviet Union. Peking continues to attempt to undercut Soviet policy wherever possible, and to consolidate its own influence at Moscow's expense whenever it can. Since last spring, however, Peking has appeared to view Soviet intentions with greater apprehension, showing renewed concern that Moscow is maneuvering to "surround" and isolate China. This heightened concern seems directly related to the outcome of the Indochina war, which the Chinese seem to believe foreshadows further diminution of US power in Asia and consequent opportunities for Moscow to pick up some of the slack, particularly in Southeast Asia. Since last summer Chinese anti-Soviet rhetoric has noticeably increased and has acquired a sharper edge. It is possible that some sort of exchange between two powers may have occurred in the summer, but there is at present no direct evidence of this. The

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Chinese, however, have again begun to stress the possibility of a Soviet attack to domestic audiences, and a "preparations for war" movement reminiscent of that of 1969-72 appears to be beginning.

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a decision was apparently taken to streamline and modernize the Chinese force structure over the next several years; this decision was justified in terms of the necessity to fend off a putative Soviet attack.

Bilateral relations between the two powers remain frozen, and both have claimed that there are no prospects for early improvement. The Chinese, moreover, have recently begun to raise in public issues of considerable sensitivity to Moscow. They have begun to refer to the Soviet helicopter they downed in northwest China for the first time since shortly after its crew was captured in mid-March 1974, and in a speech early this month a member of the Chinese Politburo raised the spectre of a Soviet attempt to stir up trouble among the ethnic minorities in Sinkiang province. The annual Sino-Soviet river navigation talks (which normally deal with such mundane matters as the setting of navigational buoys in the Ussuri and Amur rivers) were skipped this year because of Chinese insistence that the discussions would have to include larger issues. The border talks in Peking remain deadlocked and are currently in recess.

Signs continue to surface in China from time to time that the issue of the proper relationship with Moscow is a contentious one in the upper reaches of the regime. It seems fairly certain that at least some important elements in the Chinese leadership would prefer a less abrasive relationship with the Soviets, but it is impossible to judge how widespread this sentiment is. In any event, it is likely that some at least consider the issue less as a serious policy question than as a means of scoring points off possible opponents in the jockeying for power now taking place in Peking. In fact, relations with Moscow have probably deteriorated rather than improved over the past six months--that is, since Mao returned to the capital after a long sojourn in the provinces.

Chinese concern that Moscow might succeed in isolating and "surrounding" China has clearly conditioned Peking's approach to relations with North Korea. In the past

year China has supported Pyongyang's position on reunification and withdrawal of US forces from the peninsula and on related issues in the United Nations far less equivocally than was the case in the early 1970s. Kim Il-song's visit to China last spring and the recent visit of Politburo member Chang Chun-chiao to Korea clearly was meant to underline the closeness of the present relationship--from China's point of view at least--at the expense of Moscow. This unabashed cultivation of Pyongyang has paid off to some degree. For the past year the Koreans have not bothered to edit out anti-Soviet remarks by Chinese leaders when replaying their speeches in Korean media. Moreover, by identifying closely with Chinese support for Prince Sihanouk and with the Chinese position on Cambodia generally the Koreans have appeared to endorse--by implication at least--Chinese attempts to circumscribe Soviet influence in Indochina. Peking's cultivation of Pyongyang underscores its belief that it is playing for high stakes in Korea and that its vital interests are involved in the attempt to ensure a lesser degree of Soviet influence on the peninsula than it seems to believe now exists in Indochina.

Concerns about Soviet machinations also condition Peking's relations with Japan, but in this case China's fears are clearly exaggerated. The Chinese game here is to keep Moscow off balance and to throw as many roadblocks as possible in the development of closer Japanese-Soviet relations. In any assessment of the possibility of expansion of Soviet influence in Asia, Japan obviously assumes an important place in Chinese eyes, and Peking's hardening on the issue of the anti-Soviet "hegemony clause" in the proposed Sino-Japanese treaty of peace and friendship roughly paralleled the denouement in Indochina. The Chinese clearly see the issue as a litmus test of current Japanese attitudes toward Peking and Moscow respectively, and crude Soviet pressure on the Japanese to resist inclusion of the clause in the treaty certainly raised the stakes for the Chinese. Moreover, Peking is apparently more suspicious of Miki than it was of the amiable Tanaka, and this suspicion doubtless was reinforced by what the Chinese clearly regard as Japanese backtracking from the position Tokyo adopted when relations were established in 1972.

However, despite the continuing difficulties over the hegemony clause, Peking is certainly not prepared to write off Tokyo. The Chinese took a relatively relaxed view of Japanese arrangements allowing for resumption of air traffic to Taiwan and Chiao Kuan-hua showed considerable flexibility in exploring face-saving formulas to resolve the hegemony issue in his recent talks with Miyazawa in New York. Economic relations between the two countries remain strong, and the Chinese have largely kept the negotiations on the peace treaty isolated from other aspects of bilateral relations. Miyazawa's talks with Chiao were characterized as the most extensive and productive discussions between the two countries since relations were established.

Peking continues to go through the motions of searching for a gesture that would lead Taipei to enter into meaningful talks on the future of the island--the latest such gesture was the release of a considerable number of "agents" who had been captured while infiltrating the mainland in the 1960s, but it clearly does not expect a response from the Nationalists. In fact, the Chinese mood with respect to the Taiwan problem has darkened somewhat in the past few months. Teng Hsiao-ping continues to tell foreign visitors that Peking is prepared to wait for quite some time before the resolution of the problem and can afford to do so, but internal audiences are now being warned that there is a strong possibility that Nationalist leaders--in particular Chiang Ching-kuo himself--will attempt to reach an accommodation with Moscow. At the same time the populace is apparently being told that China's military establishment has been instructed to draw up plans to "liberate" the island, perhaps in five year's time--that is, by the time of the 1980 elections in the United States.

It is unlikely that the Chinese leadership rates the possibility of a rapprochement between Moscow and Taipei as highly as these internal instructions would suggest, or that, given China's problems with its northern neighbor, it would be willing to divert the major military resources required for a conquest of the island while at the same time ensuring a disruption of its relations with Washington and the creation of major problems in its relations with Western Europe, Japan and the countries of Southeast Asia. However, the new instructions may

represent a concession to elements in Peking who may be arguing that China's current foreign policy line has not brought reunification of the island with the mainland significantly closer. It is probably no coincidence that the Chinese populace is also being told not to expect a major breakthrough on the Taiwan issue as a result of President Ford's upcoming visit to China.

In contrast, the Chinese undoubtedly consider Southeast Asia an area where they have made some progress in the past year. Thai recognition followed quickly on that of the Philippines; both moves were clearly a gain for Peking, but it almost certainly does not expect either Indonesia or Singapore to follow suit any time soon. China is continuing to offer material aid to the insurgencies in Burma and Thailand and to offer moral support to insurrectionaries in Malaysia and the Philippines, but its current emphasis is clearly on state-to-state relations. Ne Win, for example, will visit China later this year. As part of their effort to draw the nations of Southeast Asia closer to Peking, the Chinese are emphasizing the potential threat from the USSR--an expansionist superpower with vast if undefined designs on the region. These scare tactics undoubtedly reflect genuine Chinese concerns, but Peking is also very much aware of the utility of this line of argument in creating a bond of common concern with the countries in the area. A similar mix of genuine concern and tactical considerations lies behind Peking's parallel claim that the Southeast Asian nations have much to fear from Hanoi but little to fear from China; this second argument is likely to fall on fertile soil and already has had a positive effect in building a new relationship with Thailand. At this juncture the Chinese clearly see a period of relative stability in the region to be in their interest; they remain relaxed on the question of US bases in Thailand and the Philippines, both with Thais and Filipinos and with third parties.

In contrast, Peking does not appear to be relaxed about relations with Vietnam; [redacted]

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While the Chinese view of Soviet influence in Hanoi is undoubtedly exaggerated, Peking certainly does believe that Moscow has the inside track in Vietnam--a view that is apparently shared by the Soviets themselves. Even

apart from putative Soviet influence in Hanoi, the Chinese appear to consider Vietnam a relatively well-armed, potentially expansionist and generally troublesome close neighbor, and it seems prepared to take the lead in keeping Hanoi in check. Chinese relations with Cambodia are apparently being cultivated with an eye to both Moscow and Hanoi without very much regard for Vietnamese sensibilities, and Peking has been telling its populace in south China that a dispute with Hanoi over the common border is developing. It has also instructed its diplomats to admit to differences with Vietnam if asked, and it is apparently preparing to emphasize publicly its claims in the South China Sea through a slogan calling for "liberation" of the Spratly Islands, many of which are occupied by Vietnam.

The Chinese undoubtedly recognize the disadvantages of an open breach with Hanoi, however, and it is not yet clear how far they are prepared to push their differences. If the recent visit of Le Duan to China was designed to patch up the developing quarrel, it does not seem to have achieved this end. There are indications that the Chinese were fairly niggardly in their aid offers, and the Vietnamese left without the publication of a joint communique and without entertaining the Chinese at the customary farewell banquet. The Chinese seem relatively relaxed about Vietnamese and Soviet influence in Laos, however, claiming that Lao xenophobia will eventually reduce the role of both Hanoi and Moscow in that country.

Relations with India, like those with the USSR, remain frozen. The Chinese seem somewhat more relaxed about the Himalayan border kingdoms than they did a year ago, but they are certain to consider Mrs. Gandhi's "legal coup" a good indicator that relations with Delhi will remain strained for some time to come. Peking is apparently unwilling to provoke India--it may have possible Indian moves in the Himalayas in mind--and it has reported the developments in Delhi in low key, but the Chinese are probably pessimistic about a significant improvement of their position on the subcontinent. They undoubtedly take satisfaction both in the coup in Dacca and in their subsequent establishment of relations with Bangladesh--Chiao Kuan-hua played a major part in the Bangalee-Pakistani negotiations which paved the way for the latter development, but Peking is not likely to

believe these gains greatly alter the balance of power on the subcontinent and may even fear that Delhi will be tempted to intervene in Bangladesh in order to restore the status quo ante. The Chinese continue to cultivate the Pakistanis and are perhaps more relaxed about the situation in Afghanistan than they were a year ago.

Peking continues to see Iran as the key to its Middle East policy and is persisting in its low-key wooing of Teheran. The Chinese have told the Iranians that they welcome improvement of Iran's relations with Iraq, but they consider Syria far more important to the balance of forces in the area than Baghdad and have urged Teheran to forge ties to Damascus in order to draw Syria away from Moscow. The Chinese are clearly pleased with the Sinai II agreement and have told the Egyptians as much, in particular commending Sadat for his open criticism of the Soviets. Peking is not especially optimistic that anti-Soviet momentum in the area can be maintained, however. The Chinese appear to fear Syrian intervention in the Lebanese situation, and they seem to think that Moscow may attempt to play the Palestinian card, arming and encouraging the fedayeen. To cover their flank they continue to refuse to write off the Palestinians entirely and they continue to offer them verbal support in the United Nations and other forums. China's current interest in the Gulf states does not appear to be especially high. As they have since late 1973, however, the Chinese continue to endorse the actions of OPEC. Nevertheless, they seem unable to reconcile their position on this matter with arguments that rises in the price of oil tend to harm the economies of the Western European and Third World states, and have generally responded to such arguments with embarrassed evasions.

In general the Chinese continue to make what they consider the proper noises with respect to Third World issues. Much of this rhetoric, however, is just that; in practice Chinese actions remain cautious. Historically, Chinese interest in the underdeveloped nations has been highest when Peking has been unsure of its position in the international arena. Attention to the Third World in the past two years is probably a reflection of current uncertainty. In the past year some strains--none thus far overwhelming--have developed in China's relations with several African states which Peking has been

cultivating for some time. Last summer the Chinese were at odds with Zambia over Kaunda's desire to achieve a solution to the Rhodesian problem in concert with South Africa. The Chinese pressed for an insurrectionary policy and argued vigorously against cooperation with Pretoria-- a position they doubtless thought would keep their revolutionary credentials untarnished without much cost. Peking is also almost certainly concerned about gains by the MPLA in Angola, but thus far they have not protested a Tanzanian decision to embargo Chinese arms shipments to Holden Roberto's rival FNLA.

Chinese interest is much more directly focused on Europe, which continues to remain the central factor in Peking's rhetorical and rather apocalyptic public analysis of the international scene. China continues to cultivate nearly all of the West European states; streams of visitors, both officials in office and opposition leaders, have visited China in the past year. Both Franz-Joseph Strauss and Edward Heath have recently completed second visits to Peking; Teng Hsiao-ping visited France last spring--his only official visit other than to the United Nations since his return to power in 1973. The burden of the Chinese message to the Europeans remains constant: Unremitting vigilance is necessary to frustrate Soviet designs on Europe. This message in only slightly different form is being passed to the maverick nations in Eastern Europe as well. Official Romanian delegations to China have all but tripped over each other in the past two months, and the Yugoslav premier is currently in China-- the first Yugoslav premier to make the journey. At the welcoming banquet for Bijedic, Teng Hsiao-ping unabashedly raised the spectre of a Soviet attack on Yugoslavia following Tito's death, occasioning a Soviet walkout.

Chinese importunings in Europe are obviously undertaken with an eye toward Moscow, in the hope that if the Soviets become more preoccupied with their western flank they will have less energy and inclination to concentrate on problems in the east. Peking's interest in Europe, however, is not simply tactical; they seem genuinely concerned that Moscow is gaining a freer hand there. In this regard, the recent Helsinki summit unquestionably increased Chinese anxieties. Although they have not devoted as much propaganda attention to the meeting as they have to some other issues, the Chinese almost certainly believe that the conference tended

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to legitimize the Soviet position in Eastern Europe while presenting Moscow with opportunities for political advances further west. The publicity surrounding the signing ceremony and the fact that the meeting was held at the summit level probably reinforces this line of Chinese analysis and may have increased Peking's current sense of relative isolation and vulnerability.

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REVIEWED, PP. 21-2810 October 1975
OCI No. 1025/75

MEMORANDUM

SUBJECT: The Domestic Political Situation in China

China has damped down the political ferment so evident last year and has made some progress toward defining a new structure of power in anticipation of the death of Mao Tse-tung and Chou En-lai. Last January's National People's Congress (NPC) restaffed the governmental apparatus and probably defined the political roles of several leading figures more clearly. However, deep cleavages remain in the body politic, evidenced by continuing unrest in several provinces, strikes in the industrial sector, and the emergence of a new campaign criticizing the 14th century novel "Water Margin." At this juncture political problems do not seem to have gotten out of hand, as they may have done in the spring of 1974, but despite repeated calls for "stability and unity," that goal has not yet been achieved in a meaningful sense.

Chinese politics continue to be dominated by the succession question. This is a problem of at least ten years standing, but in many respects it is still unsolved. Jockeying for position is more muted than last year, but it obviously continues just below the surface of events. Major political fault-lines remain a split between left and right within the party and a cleavage between civilians and important elements within the military. Within these major groupings personal cliques and political shadings almost certainly also exist. Despite the obvious gains associated with the NPC and its ancillary meetings, Vice Premier Teng Hsiao-ping recently admitted to a group of New Zealand journalists that the succession, when it occurs, is likely to be troubled.

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Teng himself has been a major gainer over the past year. As PLA chief-of-staff, he now holds a major position within the military hierarchy; he is in addition a vice chairman of the party and a member of the powerful Politburo Standing Committee. He is clearly slated to succeed Chou as premier and already runs China on a day-to-day basis. Over the past year Chou has remained a highly influential figure behind the scenes, but his recent relapse has almost certainly placed him on the sidelines for the moment. He could partially recover from his present illness, as he did late last year, but continuing bouts of illness are likely to make his role in decision-making a constantly diminishing one. His death, however, would not be as traumatic for China as it would have been a year ago or in an earlier period. Indeed, the regime can count as a major success its management of the transition from Chou to Teng of primary administrative authority.

Although Teng's central responsibilities are governmental, he has long been an advocate--and a symbol--of party supremacy in the management of the state. As his political fortunes have risen, not surprisingly the institutional balance of power within the regime seems to have shifted somewhat toward the party, partially at the expense of the military. The "rehabilitation" of party aparachiki disgraced during the Cultural Revolution has been going on for some time, but it seems to have accelerated since the NPC, and has included an increasing number of controversial party figures who were major targets of the 1966-1969 upheaval. Most of these figures have been close associates of Teng, and many have been reappointed to the very jobs they held prior to the Cultural Revolution. Revitalization of the party is far from complete, however. The important Central Committee secretariat, which went into limbo early in the Cultural Revolution, has not yet resurfaced. Moreover, given his close association with arch-villain Liu Shao-chi before that "revolution" and his own fate during the upheaval, Teng is a far more controversial figure than Chou En-lai has ever been.

As an advocate of the "rehabilitation" process and as the primary beneficiary of that policy, Teng is almost certainly regarded by the left wing of the party with some antipathy and apprehension. Signs of opposition to him have surfaced from time to time in domestic propaganda, and an attack on the "rehabilitation" policy

appeared to be a major theme in the initial propaganda associated with the campaign criticizing "Water Margin." But the left does not appear to be doing well at this juncture.

This is particularly true of the chief spokesman for that wing of the party, Chiang Ching, who appears to have been eased out of her sensitive position as overseer of cultural and educational affairs.

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A recent directive, endorsed by the Chairman, which rehabilitates a considerable number of cultural bureaucrats who were major targets of the early phases of the Cultural Revolution is still another political body blow to Chiang Ching. In fact, the symbolic importance of several of the cultural bureaucrats is such that their restoration to grace tends to undercut the entire rationale of the Cultural Revolution itself.

The legitimacy of the 1966-1969 upheaval still remains a political issue in China, and one in which Mao's own prestige is engaged. But he now may be prepared to suffer losses on this score in order to make gains in other quarters. The newly-rehabilitated cultural figures were advocates of literary policies which the Chairman opposed for many years, but those policies include an effort to create a more popular and less overtly propagandistic cultural milieu. Mao may hope to broaden the base of support for policies he currently considers to be of overriding importance by cultivating China's influential intelligentsia. Moreover, some of these newly-rehabilitated bureaucrats are close personal friends of Teng Hsiao-ping. Mao now seems prepared to rely on Teng and on the strength the vice premier commands through his ties and contacts in the party and government apparatus even if this means giving way on minor policy issues and tolerating personnel appointments he might abjure in ideal circumstances. This approach roughly parallels that which he took with Lin Piao and Chou En-lai in the mid-1960s and the early 1970s respectively.

It may well be that at this point the Chairman feels it necessary to co-opt strength where he can find it. The past year does not seem to have been an easy one for him. The problem of the succession is as much on his mind as it is on the minds of his subordinates,

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and he appears to be far from certain that the policies he has been pushing most strongly for the past several years--in particular unremitting opposition to the Soviet Union--will be pursued with equal vigor after his death. Circumstantial evidence suggests that he would have preferred last year's anti-Confucius campaign to have continued somewhat longer than it did--perhaps until it had claimed several significant victims. There were almost certainly aspects of last January's National People's Congress about which he was unhappy--his absence from the congress and the party meeting immediately preceding it was a telling and unmistakable gesture of disassociation. More interestingly still, Mao in the past year seems to have been subject to personal criticism unparalleled since the difficult days following the collapse of the Great Leap Forward.

This criticism has not been widespread or concerted, but it is obviously significant. The Chairman appears to have been vulnerable on two counts. On the one hand, he has been accused of choosing his lieutenants (particularly Lin Piao) unwisely, of shifting domestic policies erratically, and of undermining the prestige of the regime by encouraging the ferment associated with the Cultural Revolution and the anti-Confucius campaign. On the other hand, Mao has also been accused of being too rigid in his opposition to the Soviet Union. One of those making this charge was Huang Hua, China's ambassador to the United Nations. Finally, a call to criticize the Chairman on unspecified grounds appears to have been embedded in at least one of the initial articles associated with the "Water Margin" campaign.

Mao seems to have reacted to this criticism in two ways. As noted above, he appears to have attempted to mollify and co-opt his critics on the right by further disassociating himself from his wife and from the Cultural Revolution itself. These moves undoubtedly have not sat well with the left wing of the party, and the cry to oppose the "emperor" which sounded at the outset of the "Water Margin" campaign was probably a leftist reaction to them. On the other hand, Mao has continued to dig in his heels on the issue of opposition to the USSR. He is obviously obsessed on this subject and is probably prepared to sacrifice a good deal to gain his way on this issue.

The suggestions that Mao was overly rigid on this question surfaced shortly after the National People's Congress, and it is entirely possible that the Chairman came under some pressure to modify his Soviet policy at the congress and in the months preceding it. It would appear, however, that he has subsequently attempted to turn the tables on his critics. The key moment may have occurred last spring when, after nine continuous months in the provinces, Mao suddenly reappeared in Peking. His reappearance in the capital coincided almost exactly with the fall of South Vietnam, and it is likely--although direct evidence is lacking--that the Chairman seized on this event to argue that the Soviets, with greater influence than China in Hanoi, were in a good position to "surround" and isolate China--and that consequently his policy of unyielding opposition to Moscow was the only reasonable course to follow. Subsequent events--Moscow's renewed interest in an Asian security pact, Mrs. Gandhi's "legal coup" in India, and large-scale Soviet exercises in Siberia--could only have reinforced this argument. In any event, following Mao's return to Peking Chinese propaganda against Moscow hardened noticeably, relations with Hanoi deteriorated markedly, Peking grew more rigid on the issue of the anti-hegemony clause in the proposed Sino-Japanese treaty of peace and friendship, and for the first time in two years Peking began to stress the possibility of a Soviet attack on China to domestic audiences.

If these signs represent a tactical victory for the Chairman, there is no indication that the fundamental issue has been resolved. Chinese propaganda continues to inveigh against possible backsliding and eventual compromise with Soviet "revisionism." Low level Chinese cadre are being officially told that the "Water Margin" campaign is designed to immunize the country against this possibility, and in fact the emphasis on the propaganda connected with the campaign has shifted from an initial attack on the evils of "amnesty"--i.e. rehabilitation--to the terrors of "capitulationism," a shorthand phrase for compromise with Moscow. While this strongly suggests that the debate has not been stilled, the propaganda presents the possibility of Chinese leaders knuckling under to Moscow not so much as a clear and present danger, as was the case during the anti-Confucius campaign, but rather as a danger in the period after Mao's death.

It is, however, much easier to identify the outlines of the debate on the issue of relations with Moscow than to identify specific individuals who may be arguing for a less antagonistic policy toward the Soviets. Those Chinese officials who have commented on opposition to Mao's rigid approach to this issue have suggested that this opposition included a number of disparate elements; the fact that Huang Hua appeared to identify with the opposition suggests that at least some members of the foreign ministry may question current policy--not surprisingly, since diplomats would be likely to see the disadvantages of unrelenting antagonism to Moscow in the context of the Sino-US-Soviet triangular relationship. But the core element arguing for a change in current policy is almost certainly the military. Traditionally the PLA, or at least some portions of it, have seen advantages in a greater degree of cooperation with Moscow; both of China's former defense ministers, Peng Te-huai and Lin Piao, were accused of preparing to "sell out" to the Soviets. Moreover, propaganda connected with the anti-Confucius campaign, while not identifying specific individuals, seemed to indicate that opposition to current policy was centered among the powerful regional military commanders.

For Mao the military may be an obsession second only to the Soviet issue itself. He has many reasons to distrust important elements in the military hierarchy, particularly the regional commanders. They tended to play their own power game during the Cultural Revolution, and a number of them may have sat on the fence during the Lin "coup" crisis in 1971. The power of these men and of many of their subordinates has declined in the past several years, but--significantly--none has suffered ultimate political disgrace, despite the major assault on them mounted during the anti-Confucius campaign. In fact, several commanders who remained under a political cloud were apparently restored to good standing at a major meeting of military leaders in Peking early last summer.

This meeting seems to have been of major importance, and the decisions that have flowed from it smack strongly of compromise. Individual commanders were given a clean bill of health, but the military establishment as a whole was subjected to a new assault, initiated by Mao,

by Defense Minister Yeh Chien-ying and by Teng Hsiao-ping. All charged that the military was flabby, inefficient and overly concerned with political action at the expense of military preparedness; the remedies prescribed were streamlining, specialized military training and modernization of the military plant. Taken together, the assault and the remedy are likely to further diminish the army's prestige, reduce its active political role and to make it more responsive to centralized political direction. At the same time the prospect of specialized training and modernization are likely to make a powerful appeal to those elements of the military who have long argued for greater efficiency and professionalism; this group suffered a relative eclipse in influence during the Lin Piao era. Significantly, the appeal for greater professionalism was made in the context of the need to prepare for a possible Soviet attack on China.

This line, which, as noted above is being fed to the general populace as well, represents a departure from that which was dominant last year, when Chinese propaganda appeared to argue that neither compromise with the Soviets nor a step-up in development of advanced weapons was necessary since Moscow was planning to attack in the West, not the East. Although the possibility of a Soviet attack is now conceded, the issue of advanced weapons procurement is carefully avoided in the document which sets forth the decisions of last summer's military conference. Recent propaganda indicates, however, that while modernization of China's conventional weapons armory is contemplated, no crash advanced weapons program is likely to be undertaken. This essentially is the "Maoist" position established in last year's anti-Confucius debates.

This half-a-loaf policy coupled with the effort further to diminish the PLA's prestige undoubtedly does not recommend itself to at least some elements within the military. Indeed, the issue of the army's prestige was raised directly in several articles connected with the opening phase of the "Water Margin" campaign; these articles harked back nostalgically to the palmy days of Lin Piao and appeared to defend and praise Lin for the glory he reflected on the army. Like the apparent leftist harping on the "amnesty" issue which occurred at the same time, these articles suggest that China's

current political "outs"--the left and the military--attempted to capture the new campaign, much as they attempted to divert the anti-Confucius campaign in the spring of 1974. An authoritative People's Daily editorial on September 4, however, appeared to turn back this challenge, and the campaign has subsequently subsided into a relatively low-key affair.

In the complex attempt to chastise, split and partially mollify the military establishment, Teng Hsiao-ping is undoubtedly playing a major role. His relationship to the soldiers, like his relationship to Mao, is ambiguous: he acts as their civilian overseer and taskmaster, but he is also more acceptable in this role than many other civilian leaders. Teng undoubtedly hopes to secure the support of significant military elements during the succession period, and he has been inserting men close to him in important posts within the central military hierarchy, some in the Political Department headed by the army's other civilian overseer--and Teng's potential rival--Chang Chun-chiao.

Teng, however, has constituencies other than the army to consider. He is, for example, playing an important part in the drive to develop and modernize China's economy--a drive which the low-keyed "bourgeois rights" campaign initiated early this year seems designed to support. He is also deeply involved in a recent effort to mechanize Chinese agriculture. Both these efforts are likely to absorb a significant portion of China's limited budget, leaving less for a resentful military. Moreover, the conservative cast of these policies is likely over time to generate counterpressure from the now-eclipsed left, which still has deep roots in the political soil. In short, the potential for powerful strains which could pull apart the collegial leadership slated to share power after the demise of Mao and Chou is already present--and most of the major domestic problems of the past decade still remain largely unsolved. A period of prolonged division in Peking could very largely immobilize China both at home and abroad before the eventual emergence of a younger and presumably more technically oriented leadership group.

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October 1975

THE NATIONAL DEFENSE POSTURE OF THE PRC

1. Peking has the largest conventional armed forces in the world and a small, but growing nuclear capability. China's army, navy, and air force have a combined total of more than four million men. These forces maintain largely a defensive posture. Peking reportedly intends to streamline and modernize its armed forces in order to improve their combat effectiveness.

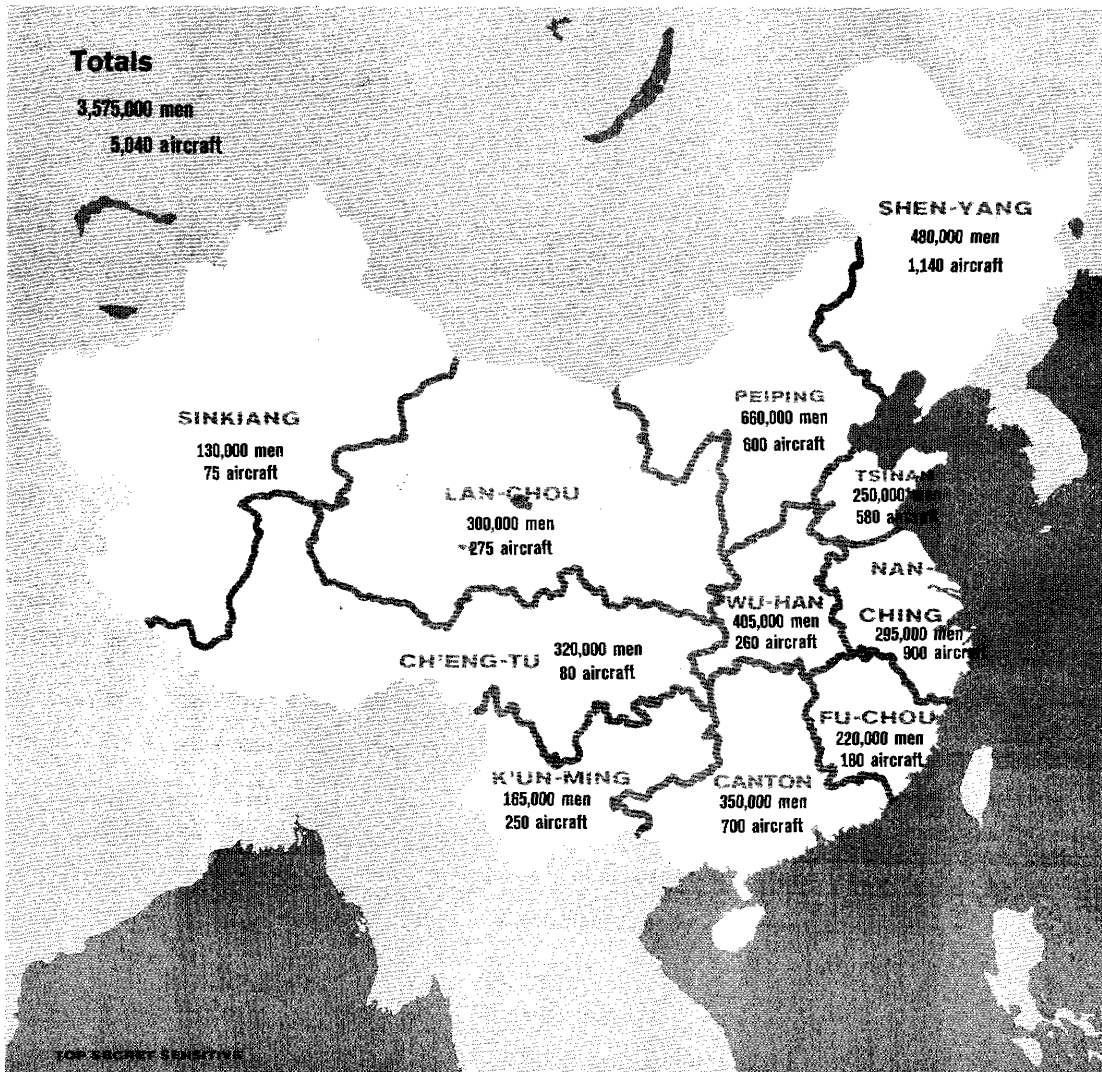
2. The Chinese army currently has approximately three and a half million men in main, local, and support forces backed up with 6000 tanks and assault guns and 14,000 pieces of field artillery. Most of the main forces are organized into 37 armies. Nearly half of the Chinese ground forces are now concentrated in the four military regions which border the Soviet Union.

--Following a meeting of the party military commission in July, Peking distributed a new central directive which calls for reducing the armed forces in size and giving increased emphasis to specialized units.

--The only evidence that Peking might be implementing this directive has been an increase in naval training.

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China-Ground and Air Forces by Military Regions



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--The bulk of the cuts clearly would be absorbed by the army, [redacted]

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[redacted] large and inefficient bureau-
cratic staffs are prime candidates.

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--The paring of staffs and even the large cuts in troop strengths should not seriously hamper China's military capability.

--The manpower reductions will at least partially be offset by increases in mechanized, anti-tank, chemical, and other technical and specialized forces. These should enhance China's firepower, mobility, and flexibility.

3. China currently has the third largest air force in the world, but it is no longer growing as fast as it did in the late sixties.

--Most of China's 5,000 aircraft consist of outdated MIG-15, 17, and 19 jet fighters, although the Chinese also possess several dozen of the more modern MIG-21s and some 350 of the locally produced F-9 fighter-bomber. China's bomber force consists of less than 600 aircraft, mostly old IL-28s.

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--China's air force is clearly a defense force.

While jet fighters are scattered throughout the country, Peking has concentrated almost half of its MIGs at eastern bases.

--None of these aircraft measures up to the performance and sophistication of modern US or Soviet aircraft. Nonetheless, because of sheer numbers of fighters, the Chinese are capable of inflicting heavy losses on an attacking air force during clear weather. They are less effective against high speed aircraft and have a limited nighttime capability.

4. China's aircraft do not compare favorably with modern Soviet and Western aircraft, consequently they do not adequately perform the complex military tasks necessary in modern warfare. In an effort to overcome this shortcoming, Peking has embarked on a modest program of aircraft development coupled with selective import of foreign aircraft technology.

--China has been working for more than five years on a new fighter which we call the Hsi-an A. It is a large delta-wing interceptor with twin engines, and we estimated that it is capable

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of flying at high altitudes at speeds greater than Mach 2. The Hsi-an A, which was first seen in 1970, has undergone periodic flight testing. There is no evidence, however, that it has entered series production and it could not be operational in significant numbers [redacted]

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--The Chinese also have developed a large new amphibian aircraft for use in anti-submarine warfare, [redacted]

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--Occasional rumors that Peking is interested in obtaining French or British fighters remain unsubstantiated. The Chinese have not made a serious effort to obtain foreign combat aircraft.

4. The Chinese navy continues to perform essentially as a coastal defense force, although it is slowly attaining a modest capability for more extended operations. The navy consists of 20 major surface ships, more than 150 guided missile boats, over 70 attack submarines, and large numbers of small, lightly-armed patrol craft.

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--At the present time the navy lacks a surface-to-air missile capability. This shortcoming forces them to limit their naval operations to areas along their coast where their naval forces can be protected by land-based aircraft.

--China produces her own naval ships and weapons and has made no attempt to obtain them from foreign sources.

--In addition to the ships that they obtained from the Soviets during the 1950s, the Chinese have produced their own version of some Soviet-designed ships as well as some of their own unique design. The Chinese now produce several destroyer escorts, patrol boats, and submarines. They have produced one nuclear-powered attack submarine of their own design which has been under going sea trials

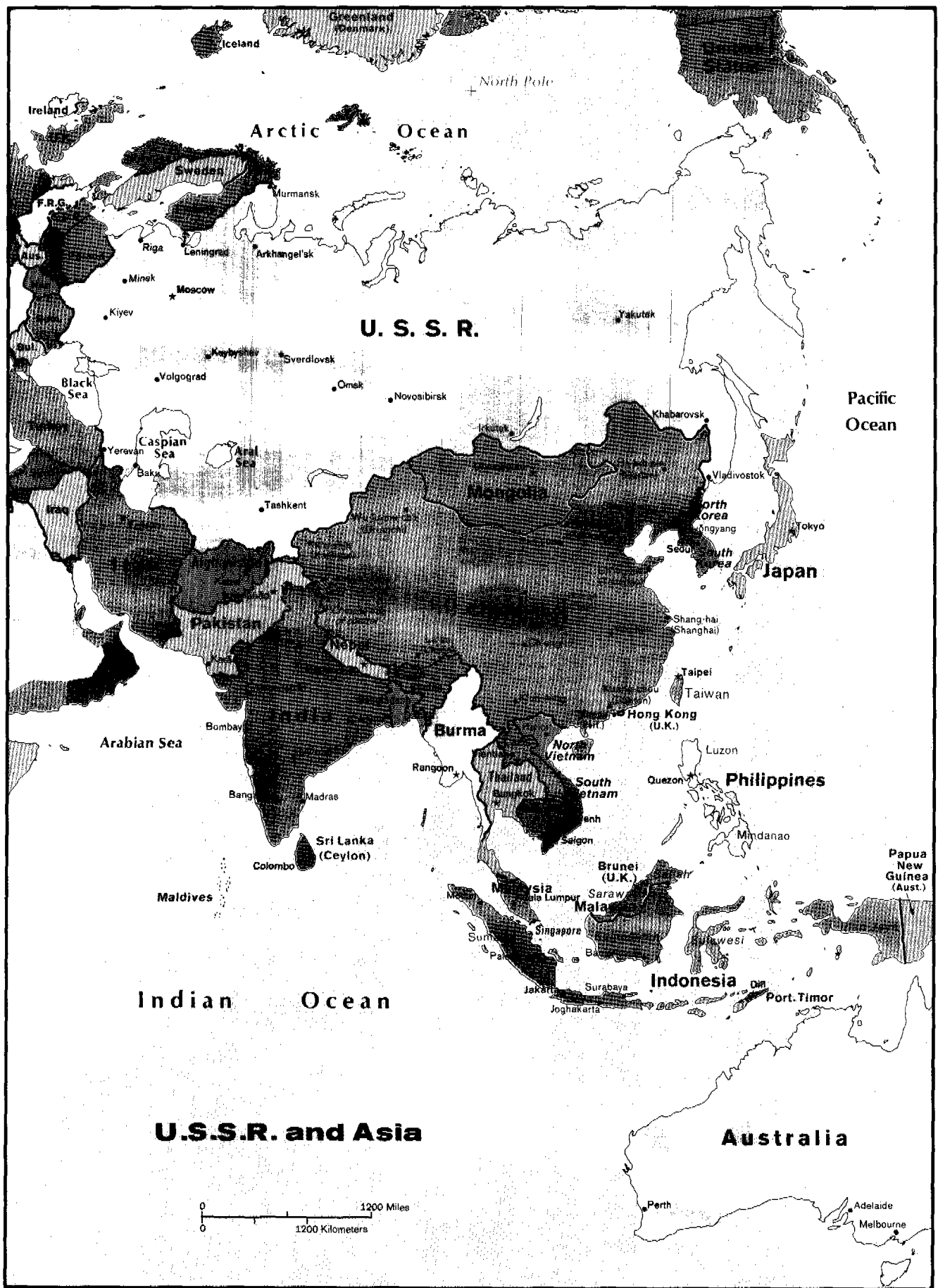
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Strategic Considerations

5. As can be seen from this overview of the forces at Peking's command, the capability of Communist China's general purpose forces is impressive. But there are constraints under which the strategic planners of the PRC are forced to operate, and these constraints as well as changing circumstances have shaped the national defense posture that we see today.

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6. Before 1969, the major threat perceived by Peking was an attack from the sea by the US and/or the forces of the Republic of China. But after the Sino-Soviet border clashes of 1969 (the Damansky Island incident most notably) Peking was increasingly concerned with the threat of attack by the USSR. Accordingly, those in charge of defense planning were forced to rethink their defensive concepts and to reorient the armed forces to meet these new conditions.

7. They wasted little time. By mid-1970, five armies were repositioned northward--three armies reinforced the immediate border regions and two armies became part of the augmented strategic reserve forces in the Wuhan Military Region. Concurrently, units were reoriented within the border regions to defend against a Soviet attack.

--Illustrative of these deployments is the fact that prior to 1969 there were six armies in the Peking Military Region--five in the north China Plain and one in reserve.

--By 1970 the force had been increased to nine armies. Two army groups of three armies each were positioned in the mountains north of the capital with one army group in reserve.

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TOP SECRET/SENSITIVE

8. Clearly the Soviet threat--in both the short and the long term--had become the dominant factor in Chinese strategic planning. By the time the Chinese had completed their force re-orientation, almost half of the ground forces (about 1.6 million men) and the air force (over 2,000 aircraft) was committed to counter the Soviet threat.

--In addition to this formidable force, an additional 425,000 troops and 250 aircraft is immediately available to reinforce from the central reserve in Wuhan.

--Further, almost three-fourths of the tanks and over half of the ground attack aircraft in the Chinese inventory are positioned to defend those areas threatened by the USSR.

9. Despite this relatively massive repositioning of forces to the North, other areas of the mainland have not been neglected. For example, along the eastern coast the PLA planners continue to position some 875,000 men and 1,700 aircraft.

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10. Peking's current military strategy can best be described as all-around defense but with a preponderance of power in the North. The forces are prepositioned in each threat area at levels perceived sufficient to blunt initial assaults.

- All reserve forces are required to be prepositioned and prepared to act quickly to bolster areas under attack. Once these formations are committed, units in other parts of China probably would be required to move into vacated staging areas and assume a role of reconstituted strategic reserves.
- At some point the mobilization of civilian manpower (in militia units) would be required to replace deployed units.

Limiting Factors

11. A factor severely limiting the PRC's capability to form new units is the lack of heavy weapons stockpiles and a restricted capacity to produce these weapons.

- Even if we assume that Peking's vulnerable weapons production facilities could continue to produce at reduced levels after being

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attacked, and that some new facilities could be activated, it would still be difficult to replace equipment lost or destroyed in combat.

--Only in the long term would industry possibly begin to produce enough heavy equipment to equip any substantial numbers of new units.

--Until then, fully equipped units would be available only from those existing at the commencement of hostilities. This means that no one area of operation would be self-sufficient even for the short term.

--An attack against any sector eventually reduces the conventional forces available for all-around defense and links together the fortunes of each threat area. Moreover, any Chinese attempt to launch offensive operations draws down forces essential for the defense of China.

12. It is our judgment that as long as Peking's relations with the USSR are strained, the border situation remains tense, and large numbers of Soviet forces are deployed along the border, China is not likely to mount major military operations elsewhere.

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- Limited military operations are, however, still a possibility in situation where there is a high expectation of success with relatively little risk. The best example of this would be the operation in the Paracels which occurred last year.
- We do not believe that Peking has the capability to initiate a successful major operation against Taiwan or the Pescadores event though Communist spokesmen have recently reiterated that force is one option in solving the Taiwan problem.
- An attack against the offshore islands of Chinmen and Matsu is possible but this carries a degree of risk which would probably preclude a direct assault on the islands. However, a sea and air blockade is an option that Peking could probably carry out.

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No Objection to Declassification in Part 2010/07/22 : LOC-HAK-469-16-1-3

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STAE DEPARTMENT REVIEWS
COMPLETED, PP> 54-62

October 1975

THE STATUS OF SINO-SOVIET RELATIONS

Sino-Soviet Political Relations

1. The Sino-Soviet dispute, which covers an entire range of issues, remains intense, and there are no signs of reconciliation. In fact, the Soviets and Chinese disagree so thoroughly and the Chinese demands are so extreme that "reconciliation" is not the proper concept; "a reduction of the degree of hostility" would be more appropriate to the situation. Senior Vice Premier Teng Hsiao-ping recently told that there had not been "an inch of progress" in Sino-Soviet relations and implied that there would be no change even after Mao's death.

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--The Chinese have not withdrawn their demand, in the border dispute, for a withdrawal of Soviet troops from all areas designated as "disputed" by Peking. The Soviet leaders have indicated that they will not comply with the demand (except for turning over some river islands to the Chinese--an offer which the Chinese reject as insufficient).

--The Chinese refuse to re-establish party-to-party relations, which were broken off in

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1966, and have asked the Soviets derisively as to where ("in which drawer") they have sequestered the Sino-Soviet Treaty of 1950.

--the Chinese refuse to end the public political polemic, sustaining attacks on Brezhnev by name.

2. Strategically, the Chinese are less concerned about the possibility of an imminent Soviet attack than they were in 1969. Although they have recently briefed cadres on the probability of China being involved in any future US-USSR war, they still take the position that the main Soviet threat is to the West and that a US-USSR war is the most likely form of war.

--The line that China probably would be involved in a new world war is not new: the Chinese have said, and continue to say privately, that a major Soviet attack in the East would involve China (after involving the US and Japan).

--The Chinese are still avoiding aggressive patrolling along the Sino-Soviet border, which has remained free of fire-fights ever since the Chinese agreed to resume border negotiations in the fall of 1969. We calculate that the Chinese will want to avoid provoking the

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Soviets by resuming such patrolling or by withdrawing from the border negotiations. A continuation of the negotiations stalemate seems to be the prospect for the near future.

--An increasingly active concern is the Chinese fear that the Soviets might further "encircle" (Peking's word) China by attaining bases in Vietnam and elsewhere in Southeast Asia as the US reduces its presence.

3. The Chinese, despite the events of April 1975 in Indochina, still view the US as the only counterweight to the USSR globally. They seem willing to acquiesce in a continued US military presence in the Far East (other than in the special case of Taiwan) and have privately chided foreign diplomats for opposing the building of a US base in the Indian Ocean.

4. They are also worried about the Helsinki Conference results, fearing that Europeans will not further expand, and indeed may even reduce, their armed forces.

--Teng Hsiao-ping recently stressed that the US must recognize the significance of a strong and united Europe because the focus of Soviet policy was Europe.

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--The Chinese position is: any reduction in the overall military strength of Western Europe improves the Soviet capability to deal militarily with China.

5. The Soviets see no sign of a diminution of Chinese hostility to Moscow, and their private assessment--namely, that even Mao's immediate successors will not significantly reduce this hostility--has been surfaced.

--The Soviet party journal, Kommunist, which declared in August 1975 that it would be "unrealistic to expect change" in Peking's policy only as a result of Mao's or Chou's death (only as a result of "one or two crisis phenomena" in China).

6. Our own estimate is that Mao's anti-Soviet animus exceeds that of other Chinese leaders, and that his death probably will allow for a reduction of the intensity of Peking's hostility. The result probably will be a limited improvement of relations, however, and still short of reconciliation.

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Sino-Soviet Military Balance

7. The military situation along the Sino-Soviet border continues to be relatively stable, and aside from small skirmishes near the border, we see little chance in the short term that either side will resort to military action to resolve the long standing territorial disputes. Each side appears to have adequate forces to defend its own territory. As things stand now:

--The Chinese still hold the Soviet crew as well as the helicopter that strayed across the border in early 1974.

--There have been unconfirmed reports of occasional clashes between Soviet and Chinese forces, and during the summer navigation season on the Ussuri River, both sides frequently complained of provocations.

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