



No. 36

October 23, 1985

## IS BEIJING PLAYING ITS MOSCOW CARD?

### INTRODUCTION

Vice President George Bush's trip to the People's Republic of China (PRC) last week brought into sharp focus the growing complexity of Sino-American relations. On the one hand, the United States and China can benefit enormously from more trade, wider scientific and cultural exchanges, and continued high-level consultation on important regional and global matters. But on the other hand, official statements made by PRC leaders and journals such as Beijing Review indicate that China is assuming a more confrontational stance on the Taiwan issue.<sup>1</sup>

Not coincidental to this hardened position on Taiwan is the parallel development that, in line with its "independent" foreign policy, the PRC now considers its relations with Moscow to be of equal importance to its relations with the U.S. This perception on the part of the Chinese contrasts dramatically with views encountered by Bush during his tenure as chief of the U.S. diplomatic mission in Beijing in 1974-1975 and his first trip to China as Vice President in 1982. At that time, the PRC described the Soviet Union as a threat to its security, and Beijing gave Sino-American relations clear precedence over Sino-Soviet ties.

This new phase of Sino-Soviet relations was kicked off after the death of Soviet leader Konstantin Chernenko last March. Vice Premier Li Peng, representative of China's newer generation of leaders and a Soviet-trained engineer, headed the Chinese funeral delegation. The two communist parties exchanged official greetings for the first time in more than two decades. A parliamentary

<sup>1</sup> "Sino-U.S. Relations: Opportunities and Potential Crisis," Beijing Review, October 14, 1985, pp. 21-24.

delegation from the PRC laid a wreath at Lenin's Tomb and that of the Unknown Soldier. Ranking Chinese officials referred to Soviet leader Mikhail Gorbachev as "Comrade."

Reciprocating, the Soviet leaders warmly received Li Peng and his delegation. Gorbachev told Li that the two countries should "continue and heighten their level of dialogue, jointly work to reduce differences, and make progress in a wider scope of areas."<sup>2</sup>

In the short time since Chernenko's death, Sino-Soviet relations have improved rapidly. In April the sixth round of the Moscow-Beijing normalization talks produced a wide range of economic and scientific cooperation agreements, along with pledges to continue efforts to improve relations and to expand political, economic, trade, scientific, technical, cultural, and other ties.

In recent months, new ports of entry have been opened along the Sino-Soviet border, while chief consulates have been approved for Leningrad and Shanghai. Vice Premier Yao Yilin of the PRC State Council visited the Soviet Union in July, the highest ranking senior official to visit the USSR in 20 years. His visit led to the signing of a five-year \$14 billion trade agreement. In a significant comment on Yao's visit, the PRC foreign policy journal Liaowang said:

The years of estrangement in Sino-Soviet relations are now over. In recent years, as a result of long efforts made by both sides, there have been positive changes.... China enthusiastically advocates the normalization of Sino-Soviet relations on the basis of the Five Principles of Peaceful Coexistence and the resumption of the friendship and good-neighborliness between the two countries.<sup>3</sup>

And in September it was announced that Soviet and Chinese foreign ministers would exchange visits for the first time in two decades.

The key question for the United States is whether these exchange visits and trade agreements signal a "fundamental improvement in Sino-Soviet relations," as proclaimed by Moscow's propaganda.<sup>4</sup> Further, what effect, if any would improved Sino-Soviet relations have on U.S. policy toward Beijing?

---

<sup>2</sup> Far Eastern Economic Review, March 28, 1985, p. 10.

<sup>3</sup> Liaowang, July 30, 1985, in FBIS-China, August 12, 1985, p. C2.

<sup>4</sup> "Moscow Radio Peace and Progress," September 13, 1985, in FBIS-Soviet Union, September 16, 1985, p. B1.

Intractable problems, of course, continue to separate the two communist behemoths. Neither trusts the ultimate intentions of the other. Neither feels it can make significant concessions on such key security-related issues such as the Soviet presence in Afghanistan, Moscow's support of Hanoi's invasion of Cambodia, and the imposing USSR military installations along the Sino-Soviet and Sino-Mongolian borders.

It may be very significant, however, that Premier Zhao Ziyang just told Vice President George Bush in Beijing that China was "willing to develop relations with the United States, and also willing to improve relations with the Soviet Union."<sup>5</sup> His statement clearly was intended to indicate that Beijing now wants the U.S. to believe that China considers relations with the two super-powers to be of equal importance. Until recently, relations with the U.S. were always given precedence. How much Zhao Ziyang's statement honestly reflects his views and how much it is designed to prevent the U.S. from taking for granted its relations with China is uncertain.

The impact of improved Sino-Soviet relations on U.S. policy toward China is very complex. Since fundamental security issues continue to divide the Chinese and the Soviets, U.S. strategic interests are served by friendly Sino-American relations. Limited U.S.-China defense cooperation, for example, raises Soviet anxiety, complicates Moscow's defense planning, and generally makes it more difficult for the USSR to pursue hegemony in Asia.

As such, reduced tension between the USSR and the PRC lowers somewhat China's contribution to U.S. security interests. Fewer Soviet divisions will be "tied down" along the Sino-Soviet border, and the probability increases that China will remain neutral in any U.S.-Soviet confrontation.

Under these circumstances, it is important that the Reagan Administration resist the temptation to entice China into greater strategic cooperation by offering to sell advanced weapons or making additional concessions on Taiwan. Moves currently underway within the Executive Branch to enhance significantly PRC military capabilities and to limit future U.S. support of Taipei should be discouraged. Emphasis instead should be placed on increased trade with China, as well as on scientific cooperation, education and cultural exchanges, and the sale of nondefense-related technology.

#### PARAMETERS OF SINO-SOVIET RELATIONS

In the 36 years since the founding of the People's Republic of China, relations between the PRC and the Soviet Union have

---

<sup>5</sup> The New York Times, October 15, 1985, p. A14.

swung spectacularly. The two countries closely cooperated against the U.S. during the Korean War. Throughout most of the 1950s Sino-Soviet relations were close. By the end of the decade, however, serious strains emerged over territorial disputes, ideological differences, intra-communist bloc rivalry, conflicting strategy toward the West, and personal animosity between Nikita Khrushchev and Mao Zedong.

In 1960 Khrushchev withdrew all Soviet advisors and aid from China. Relations between the two communist countries deteriorated steadily, and in March 1969, the two sharply clashed militarily in several places along the Sino-Soviet border. During the spring and summer of 1969 the Soviet Union mobilized its forces in the region in apparent preparation for a major attack against China. Concerned that such a war would rapidly escalate, and seeing an ideal opportunity to take advantage of the Sino-Soviet split, the Nixon Administration warned Moscow that an attack against China would threaten U.S. interests. The U.S. position reduced the imminent threat of war, and by fall 1969 the crisis had abated somewhat. Nonetheless, Sino-Soviet tensions remained high until the early 1980s.

Since 1982 Soviet and Chinese leaders repeatedly have called for improved relations. This June, Gorbachev declared in a Ukraine speech:

I believe time has shown both sides that neither benefits from separation, even less from unfriendliness and suspicion, and that good-neighborly cooperation is entirely possible and desirable. We, for our part, intend to actively contribute to ensuring that the negative period in Soviet-Chinese relations, which has engendered many artificial later developments, be fully surmounted. I am sure that this will ultimately be the case.<sup>6</sup>

Chinese leaders have echoed these sentiments. Communist Party General Secretary Hu Yaobang in April, for example, said there was no reason why China should not "have relations of friendship and good neighborliness" with the USSR.<sup>7</sup>

Results of Sino-Soviet normalization talks, which began in October 1982, to date have been mixed. Two-way trade has increased from about \$330 million in 1982 to nearly \$2 billion projected for this year. (U.S.-China trade during 1985 will be about \$6 billion.) In July a \$14 billion five-year trading agreement was signed, which will boost annual trade to about \$3 billion by 1990. The Soviets also have agreed to help China build seven new plants and upgrade some 17 others. In addition, several scientific and cultural agreements have been signed.

---

<sup>6</sup> Dnepropetrovsk speech, June 26, 1985.

<sup>7</sup> The Washington Post, April 10, 1985, p. A6.

Other accords permit limited student exchanges. This latter got off to a rocky start in August when the first Soviet students at Beijing University "trashed" their dormitory rooms and left the country because of the cold treatment accorded them by the Chinese.<sup>8</sup>

Despite noticeable improvements in Sino-Soviet relations at economic, cultural, and even political levels, there are significant clashes of national security interests. The Chinese (in a pattern all too familiar to American negotiators) have announced that there are "three obstacles" that must be removed before Sino-Soviet relations can be "normalized." To be ended, demands Beijing, are:

- 1) Soviet aid to Vietnam in the latter's invasion of Cambodia;
- 2) the stationing of large numbers of Soviet troops along the Sino-Soviet and Sino-Mongolian borders;
- 3) Soviet aggression against and occupation of Afghanistan.

During his July visit to the United States, PRC President Li Xiannian noted that Sino-Soviet relations had improved somewhat, but

...so long as the three obstacles are not removed, one can hardly think of normalizing Sino-Soviet relations. Even if the three obstacles are removed, the Sino-Soviet relationship will not revert to that of an alliance like the one in the 1950's. China is now determined to follow an independent course of diplomacy; it will not enter into an alliance with one power or another.<sup>9</sup>

The Chinese indicate that, of the three obstacles, reduction of Soviet support to Vietnam is the most important. The Soviets, on the other hand, claim that their involvement in Vietnam, Afghanistan, and Mongolia concerns "third parties" and is thus an inappropriate topic for Sino-Soviet bilateral talks. Moscow suggests that China first work with the USSR to create "a more positive atmosphere" for future substantive steps. The Soviets have indicated, however, they would be willing to remove a few Red Army divisions from along the Chinese border as a gesture of good will.

Sino-Soviet cooperation in the security field is limited because of the lack of a common enemy and because of conflicting strategic interests. The Soviet Union fears that China will become more aggressive in the future as its economy grows and as it

---

<sup>8</sup> Japan Times, August 21, 1985, p. 5.

<sup>9</sup> Xinhua, July 26, 1985, in FBIS-China, July 29, 1985, p. B2.

modernizes its military forces. The PRC, meanwhile, is convinced that the USSR will remain an expansionist power in Asia. The PRC views the Soviet intervention in Vietnam, Afghanistan, and Mongolia as part of a classic Russian strategy to encircle China; whereas the USSR sees its presence in these countries as key to its overall global strategy.

As Professor Kenneth Lieberthal of the University of Michigan told the House Foreign Affairs Committee in August 1983, China's three demands are unlikely to be accepted by the Soviets because "these Soviet military assets, acquired over a period of years at great cost, are central to the larger Soviet regional strategy for counterbalancing U.S. forces in Asia, and for insuring Japan's vulnerability."<sup>10</sup>

Recent trends, in fact, indicate that Moscow is stepping up its activity in the Pacific and Indian Ocean basins. These include:

- o requests to use Wonsan, North Korea, as a naval base;
- o the fishing treaty with the Pacific island nation of Kiribati and efforts to enter into similar agreements with other South Pacific island-nations;
- o the large military buildup at Vietnam's Cam Ranh Bay, including the permanent deployment there of Soviet MiG-23s, Bear and Badger bombers, nuclear and conventional submarines, and surface combat warships;
- o the decision to make the Pacific Fleet the largest of the USSR's four fleets;
- o expanded naval operations in the Pacific, including deployment of the first Soviet carrier battle group this April;
- o renewed efforts to create an Asian collective security arrangement in which Moscow would be the "guarantor" of peace in the region.

There are, however, important incentives to China and the Soviet Union to continue to improve relations. For Beijing, these incentives include China's desire to 1) reduce regional tensions so that it can pour more resources into economic modernization; 2) drive a wedge between Vietnam and the Soviet Union; 3) gain better economic and political access to Eastern Europe;

---

<sup>10</sup> Testimony of Kenneth G. Lieberthal, U.S. Congress, House of Representatives, Committee on Foreign Affairs, Subcommittees on Europe and the Middle East and on Asian and Pacific Affairs, The Soviet Role in Asia (Washington, D.C.: U.S. Government Printing Office, 1983), p. 365.

4) demonstrate to the Third World China's true independence from both the U.S. and the USSR; 5) acquire Soviet technology and help in refurbishing old Soviet-built factories; 6) gain some concessions on the "three obstacles"; and 7) demonstrate domestically and internationally China's intention to remain in the socialist camp.

Incentives for Moscow include the USSR's desire to 1) reduce the threat of a two-front war; 2) present the world with a more united socialist movement and demonstrate Moscow's ability to resolve difficult intra-bloc problems; 3) undermine the appearance and prospects of Sino-American military and strategic cooperation; 4) exert some influence over the course of China's economic modernization; and 5) reduce Chinese pressure on the pro-Soviet regimes in Afghanistan and Vietnam.

There are indications that Sino-Soviet relations may soon improve qualitatively. Soviet Vice Foreign Minister Leonid Ilichev, in Beijing for talks with Chinese officials earlier this month, noted that "the prospects are bright" for improved relations.<sup>11</sup> And in a particularly warm message to PRC leaders on the occasion of the 36th anniversary of the founding of the PRC, the Supreme Soviet Presidium said:

Our country has consistently pursued its principled line in the field of Soviet-Chinese relations and advocates their serious improvement, the further development of mutually advantageous ties and contacts, and the expansion and intensification of political dialogue. The Soviet Union proceeds from the conviction that it is essential to restore good-neighborliness and all-around cooperation between the two countries on a mutually acceptable and equitable basis, which would conform with the fundamental interests of the Soviet and Chinese peoples and promote the consolidation of security in Asia and the positions of peace and socialism.<sup>12</sup>

What emerges is a rather complicated mosaic of Sino-Soviet relations. A return to an alliance relationship seems out of the question. But so does direct military confrontation. Both sides likely will try to improve the relationship in areas of mutual benefit.

#### STRATEGIC BASIS OF SINO-AMERICAN RELATIONS

The decision of the Nixon Administration in 1969-1972 to begin normalizing relations with the PRC and the consummation of

---

<sup>11</sup> AFP, October 2, 1985, in FBIS-Soviet Union, October 2, 1985, p. B1.

<sup>12</sup> Izvestiya, October 1, 1985, in FBIS-Soviet Union, October 1, 1985, p. B1.

that process by the Carter Administration in 1978-1979 were essentially strategic decisions. The fundamental perception of American policy makers was that friendly relations with China served vital U.S. strategic interests because of the expanding Soviet threat. That Ronald Reagan shares this perception is clear from his statement accompanying the August 17, 1982, U.S.-PRC joint communiqué on future arms sales to Taiwan. He said:

Building a strong and lasting relationship with China... is vital to our long-term national security interests and contributes to stability in East Asia. It is in the national interests of the United States that this important strategic relationship be advanced.

From 1969 until 1980, Chinese leaders generally shared American strategic perceptions of the Soviet threat. In 1980, however, an important shift in PRC strategic perceptions began in the wake of reasserted American strength in response to the December 1979 Soviet invasion of Afghanistan. In place of calls for Sino-American strategic cooperation, Beijing formulated its so-called independent foreign policy. As described recently by Premier Zhou Ziyang, this policy bars China from entering into an alliance or establishing "strategic relations" with any superpower. Nor will it allow the social system or ideology to predetermine its relationship with other countries. This means that ties with both capitalist and communist countries will be pursued along the lines of the Five Principles of Peaceful Coexistence.<sup>13</sup>

In late 1983 Huan Xian, director of China's Institute for International Affairs, explained why Beijing switched from "coordinated measures" against Moscow advocated by Deng Xiaoping in 1979 to an "independent" foreign policy in the 1980s.

What has changed is the international situation. In the early seventies the Soviet Union had very strongly expanded toward the outside militarily and had become a threat to everybody. For this reason China offered cooperation to each state that felt threatened by the Soviet Union.

Near the end of the Carter administration's term and at the beginning of the term of the Reagan administration, the Americans determinedly and energetically put up a front against the Soviet Union politically and militarily in the struggle for superiority in nuclear armament, in the matter of the European intermediate-range weapons, in the Caribbean region, in the Middle East and, finally, also in Asia.

---

<sup>13</sup> Xinhua, June 18, 1985, in FBIS-China, June 19, 1985, p. G3. The Five Principles, dating from a 1954 agreement with India, are mutual respect for each other's territorial integrity and sovereignty, mutual nonaggression, mutual noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.



This stopped the Soviet Union, and the rivalry of the two superpowers considerably intensified throughout the world. It seems that the Russians still do not feel strong enough to react to the U.S. offensive. In our view, a certain balance between the two has emerged, especially in the military field.<sup>14</sup>

This important reassessment of the international correlation of forces gave PRC leaders sufficient confidence in a strong U.S. response to further Soviet aggression in Asia that they could turn their attention to other Chinese national priorities such as economic modernization and the reunification of the mainland with Hong Kong, Macao, and Taiwan.

Partly because it missed early signals that the Chinese were moving toward a more independent foreign policy, the U.S. bowed unnecessarily to Chinese pressure on arms sales to Taiwan in 1981-1982 to preserve Sino-American strategic cooperation. The result was the decision in January 1982 not to sell Taipei the F-20 fighters that it needs and the signing of the August 17, 1982, communiqué. In the communiqué, the U.S. pledged that

it does not seek to carry out a long-term policy of arms sales to Taiwan, that its arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms, the level of those supplied in recent years since the establishment of diplomatic relations between the United States and China, and that it intends to reduce gradually its sales of arms to Taiwan, leading over a period of time to a final resolution.

Scarcely a month following the signing of this agreement, Party General Secretary Hu Yaobang formally announced China's independent foreign policy and its willingness to improve relations with Moscow. Since then, PRC leaders repeatedly have rejected all notions of a strategic alliance with the United States.<sup>15</sup>

In response to China's distancing itself strategically from the U.S., the Reagan Administration since 1983 publicly has emphasized the economic and technological aspects of Sino-American relations.

But the strategic foundation of U.S. China policy remains fundamental in the minds of key American policy makers. The

---

<sup>14</sup> Der Spiegel, December 26, 1983, in FBIS-China, December 29, 1983, pp. A7-A8.

<sup>15</sup> Just prior to Zhao Ziyang's January 1984 trip to the U.S., for example, China's Observation Post said that it was "wishful thinking" on the part of Washington that China could become an ally of the United States. Washington Post, January 17, 1984, p. A9.

framework for substantive military ties has been building quietly since the September 1983 visit to the PRC of Defense Secretary Caspar Weinberger. Specific areas of military cooperation later were identified during the June 1984 visit to the U.S. of Defense Minister Zhang Aiping, Navy Secretary John Lehman's trip to China in August that year, Chairman of the Joint Chiefs General John Vessey's visit to the PRC in January 1985, and during the continuous stream of exchange visits between working-level U.S. and PRC military delegations.

In June 1984, Reagan declared that the sale of U.S. weapons to the PRC would "strengthen the security of the United States and promote world peace." Since China is a communist nation, such a statement by the President is required by the Arms Export Control Act before government-to-government purchases can be made under the Foreign Military Sales (FMS) program.

Last month the Administration notified Congress of its first FMS sale to China, a \$98 million package including the design and general layout of an artillery munitions factory and data packages for M82 primers, M577A1 and M739A1 fuzes, and M107 155mm projectiles. Last year the PRC purchased commercially 24 S70C2 Sikorsky helicopters (a civilian version of the military Black Hawk), and in August this year China signed a contract with General Electric for 5 GE LM2500 gas turbine naval engines for destroyers.<sup>16</sup>

Other evidence of increased military cooperation appears in announcements that the Administration is willing to sell the PRC Hawk anti-aircraft missiles, improved TOW anti-tank missiles, Mark 46 anti-submarine torpedoes, Phalanx anti-missile guns, modern towed sonars, and Emerson Electric APG-69 radar, electronic missile fire control systems, and other avionics for use in China's advanced fighters. This month Air Force Chief of Staff General Charles Gabriel was in Beijing, presumably to discuss how the U.S. can help modernize the PRC air force. Information on arms sales packages is difficult to obtain because of Chinese requests for secrecy and fear on the part of the Administration of possible adverse U.S. domestic political reaction from the still large and effective grass-roots groups concerned about the security of the Republic of China on Taiwan.

Thus, despite U.S. and PRC disclaimers, the Reagan Administration is pressing ahead with plans to increase U.S.-Sino strategic cooperation.

#### IMPLICATIONS FOR U.S. POLICY

The quiet, renewed emphasis on strategic cooperation with the PRC, reflected in increasingly higher levels of weapons made

---

<sup>16</sup> The Washington Post, September 19, 1985, p. A33.

available to Beijing, is difficult to justify while the Chinese are trying simultaneously to improve their relations with the USSR and to distance themselves from the U.S. Moreover, conservatives within the Chinese leadership, such as Politburo standing committee member Chen Yun, are attempting to redirect the course of economic modernization away from market incentives back to more direct Party control. Further, the Chinese have signaled persuasively they do not want a military relationship with the U.S. Indeed, by publicly stating that nuclear armed vessels would not be allowed to visit Chinese ports, they made it impossible for U.S. destroyers to pay a courtesy call at Shanghai last July.

In another important development, Beijing announced in June that it now sees the U.S. as the stronger of the two superpowers. In the past, such a pronouncement often has preceded China's leaning in the direction of the weaker superpower to maintain the balance of power. Of late, the PRC increasingly refers to the U.S. as a hegemonistic superpower, accusing Washington of "launching an ideological offensive against socialism worldwide."<sup>17</sup>

Moscow has been quick to take advantage of this cooling of Chinese ardor for the U.S. Soviet leaders even have suggested that China join the Soviet Union in an Asian security alliance. Last month Moscow Radio declared:

...the U.S. imperialists know very well that improved Soviet-Chinese relations will play an important role in Asian security. The United States knows that the Soviet-Chinese alliance in the 1950's exerted a powerful, positive influence on the situation in Asia by foiling many aggressive plots of the U.S. imperialists.<sup>18</sup>

Under these circumstances, it makes no sense for the Administration to give China weapons that will do little to enhance PRC deterrence against a Soviet attack but will increase Chinese capabilities to attack or intimidate the Republic of China and other noncommunist Asian nations. As such, plans by the Administration to upgrade PRC naval and air capabilities should be reconsidered and delayed.

As for the fate of Taipei, one result of reduced Sino-Soviet tensions is that Beijing will be able to divert extra resources toward reunification with Taiwan. As Sino-Soviet relations improve, the PRC will intensify pressure on the U.S. to dilute its support of Taipei. The heavy emphasis placed on the Taiwan issue by the Chinese during Bush's recent trip to the PRC is a troubling reminder that Beijing may not have the patience necessary to resolve this issue in a constructive way over a period of time.

---

<sup>17</sup> Beijing Review, June 24, 1985, p. 23.

<sup>18</sup> Moscow Radio Peace and Progress, September 13, 1985, in FBIS-Soviet Union, September 16, 1985, p. B1.

## CONCLUSION

Improved Sino-Soviet relations weaken the strategic foundation of Sino-American relations. Strategic factors were critical to the decision of Nixon to visit the PRC in 1972, to Carter's normalization of relations with China in 1979, and to Reagan's acceptance of the August 17, 1982, communiqué. But a month after the communiqué, the PRC moved to improve relations with Moscow and to limit strategic cooperation with the U.S. Just how much further these developments will proceed is uncertain. U.S. experts have been surprised at the pace of improved Sino-Soviet relations because these analysts have tended to overemphasize the outstanding issues between the two countries and to underestimate the many incentives that lead both Moscow and Beijing to want to improve their relationship.

In the final analysis, pragmatic leaders in the Soviet Union and China recognize the important role each will play in East Asian affairs in the future. The two countries can either coexist peacefully or remain locked in confrontation. Evidence suggests that, while conflicting interests and mutual distrust will continue, both countries want to reduce tensions as low as possible and to maximize mutual benefits. This is being done steadily through gradual increases in trade and cultural and scientific exchanges and in the level of state-to-state and party-to-party relations.

In view of improved Sino-Soviet relations, U.S. policy makers should not attempt to "purchase" Chinese strategic cooperation through military sales or additional concessions over Taiwan. Instead, in its ties with Beijing, Washington should stress trade, cultural and scientific exchanges, exchange of high-level visitors, and sale of nondefense-related technology.

Martin L. Lasater  
Director, Asian Studies Center