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SINO-SOVIET RELATIONS

There does not seem to have been any fundamental change in the Sino-Soviet relationship since Stalin's death. The Peiping regime continues to enjoy a status in the Soviet bloc far superior to that of the Eastern European satellites. At the same time, it remains firmly committed to the Soviet world-view and world program, and its dependence on the Soviet Union is increasing.

Moscow, so far as we can tell, has not moved any farther toward direct control of Peiping. Soviet propaganda gives

Communist China special mention, distinct from the "people's democracies;" it has begun to present China as a world power; it gives Mao Tse-tung special stature among non-Russian Communist leaders; and just this month it has begun again to offer China as a model for other Asian Communist movements. Moreover, Soviet personnel in China still appear to be avoiding direct

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acem to be disputing Peiping's authority over the border regions; and there is as yet no evidence that personnel shifts among the Chinese Communist leadership have been designed to please Moscow.

Although the Kremlin would presumably like to control Peiping directly, it does not really need to. The Peiping regime,

Moscow's only voluntary ally, remains faithful. Peiping has
repeatedly expressed its confidence in the new Soviet leadership,
and Malenkov has recently stated publicly that China's development is in "reliable hands." Peiping has continued to follow
the Soviet lead in both foreign and domestic affairs. There is
no evidence of Sino-Soviet disagreement on any major matter,
including the Korean war.

In the Far East, Moscow and Peiping continue to have the common aims of eliminating Western influence from the area, annexing "colonial" Asia to the Orbit, and preventing the resurgence of an armed non-Communist Japan. In the current phase

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been emphasizing political forms of action, the two parties show the same coordination of their actions that they displayed during the primarily military phase from 1948 to mid-1951.

Other Far Eastern Communist movements continue to acknowledge Soviet primacy while receiving outside aid principally from Peiping.

Peiping's economic and military programs both strongly indicate a long-range intention to remain oriented toward Moscow. Both will increase Peiping's dependence on the Russians and enhance their influence in Chinese councils.

Communist China's five-year construction program, which began this year, will depend heavily for its success on Soviet advisory and technical aid, Soviet loans, and Soviet bloc industrial equipment. The Soviet aid agreement signed this summer runs through 1959. This date may mean that another five-year loan, for the period 1955-1959, will follow the 1950-54 loan of Approved For Release 2003/08/08: CIA-RDP79R00890A000200010014-9

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\$300,000,000.	

Speculation that the Chinese Communists are dissatisfied with the extent of the aid program or the size of the long-term credits cannot be confirmed. Although it is possible that Peiping has hoped for greater aid and credits than it is receiving, the volume of both has almost certainly been sufficient to deter Peiping from contemplating defection on such grounds.

Moreover, Peiping's new deference to Soviet advisors, in connection with the "learn from the USSR" program, suggests that these advisors will play an increasingly overt and authoritative role. Finally, China's trade with the Soviet orbit, which rose from 26 percent of its total foreign trade in 1950 to 72 percent last year, remains high in 1953.

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Moscow and Peiping are still working to develop a modern Chinese army and air force and to improve the weak navy. Soviet aid to the Chinese Communist military establishment continues to be substantial, and there are still thousands of Soviet

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military advisors in China.	

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The only matter on which Moscow and Peiping have been pursuing different lines, so far as we know, concerns the past and present stature of Mao Tse-tung. Soviet propaganda has generally credited Mao only with developing Soviet theses on the Chinese revolution, while Peiping's propaganda has usually claimed for Mao a larger role as theorist and tactician. Moreover, Peiping

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has continued to praise Mao's personal leadership in strong terms despite the Soviet emphasis since Stalin's death on "collective leadership." However, both Moscow and Peiping are compromising in their propaganda on these points and seem to wish to avoid a dispute.

There are several areas of potential conflict between Moscow and Peiping, in addition to the issue of Mao's stature. Among them are the levels and terms of Soviet economic and military aid, the Soviet and Chinese role in the Far Eastern Communist program, Soviet activity in the border regions, and the Soviet attitude toward Chinese internal affairs. Compromises will presumably be necessary, and some friction will presumably be unavoidable. There is still every reason to believe, however, that there will be no significant weakening of the Sino-Soviet alliance in the foreseeable future.

OUTLINE: SINO-SOVIET RELATIONS

- I. Summary: No fundamental change in Sino-Soviet relations since Stalin's death:
 - A. Peiping's status in Soviet bloc remains far superior to Eastern European satellites; but
 - Peiping remains firmly committed to Soviet B. world-view and world-program.
- II. USSR has not moved farther toward direct control of Peiping:
 - Moscow gives Communist China special mention;
 - **B**. Moscow presents China as a world power:
 - C. Moscow offers China as a model for Asian Communist movements:
 - Soviet personnel do not intervene in Chinese internal affairs:
 - E. Moscow does not dispute Chinese authority in border regions: and
 - F. Chinese Communist personnel shifts do not seem designed to please Moscow.
- III. The Peiping regime remains voluntarily faithful to Moscow:
 - Paiping has repeatedly expressed confidence in new Soviet leadership:
 - B. Malenkov has stated China is in "reliable hands;"
 - Peiping follows Soviet lead in both foreign and domestic affairs: and
 - No evidence of Sino-Soviet disagreement on any D. major matter.
 - IV. In the Far Eastern Communist program, Moscow and Peiping
 - Have common sime of eliminating Western influence, annexing "colonial" Asia, and preventing Japanese resurgence;

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- B. Show same goordination of action in current phase, emphasizing political forms of action, as in past phase emphasizing military action.
- V. Peiping's economic dependence on the USSR is great and increasing:
 - A. Five-year construction program, begun this year, will depend heavily on Soviet aid, loans, and industrial equipment;
 - B. Another five-year loan, for period 1955-59, may follow the 1950-1954 loan of \$300,000,000;

C.	

- D. Seviet aid and credits have almost certainly been large enough to deter Peiping from contemplating defection;
- E. Soviet advisors will probably play an increasingly overt and authoritative role; and
- F. China's trade with the Soviet orbit remains high, approximating 70 percent.
- VI. Moscow and Peiping are still working to develop a modern Chinese military establishment:
 - A. Soviet military aid continues to be substantial;
 - B. Still thousands of Soviet advisors in China; and

C.	

VII. Only known difference in Moscow and Peiping lines concerns stature of Mac Tse-tung:

- A. Soviet propaganda has usually credited Mao only with developing Soviet theories, while
- B. Chinese have usually claimed for Mao a larger role as theorist and tactician; and

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- C. Peiping has continued to praise Mao's personal leadership despite Soviet emphasis on "collective leadership." However,
- D. Both Moscow and Peiping are compromising on these points and seem to wish to avoid a dispute.
- VIII. There are other areas of potential Sino-Soviet conflict:
 - A. The levels and terms of Soviet economic and military aid;
 - B. Soviet and Chinese roles in the Far Eastern Communist program;
 - C. Soviet activity in the border regions; and
 - D. Soviet attitude toward Chinese internal affairs. However.
 - E. Still every reason to believe that there will be no significant weakening of the Sino-Soviet alliance in foreseeable future.