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China: Tilting the Balance in Its Approach to Post-Cold War South Asia

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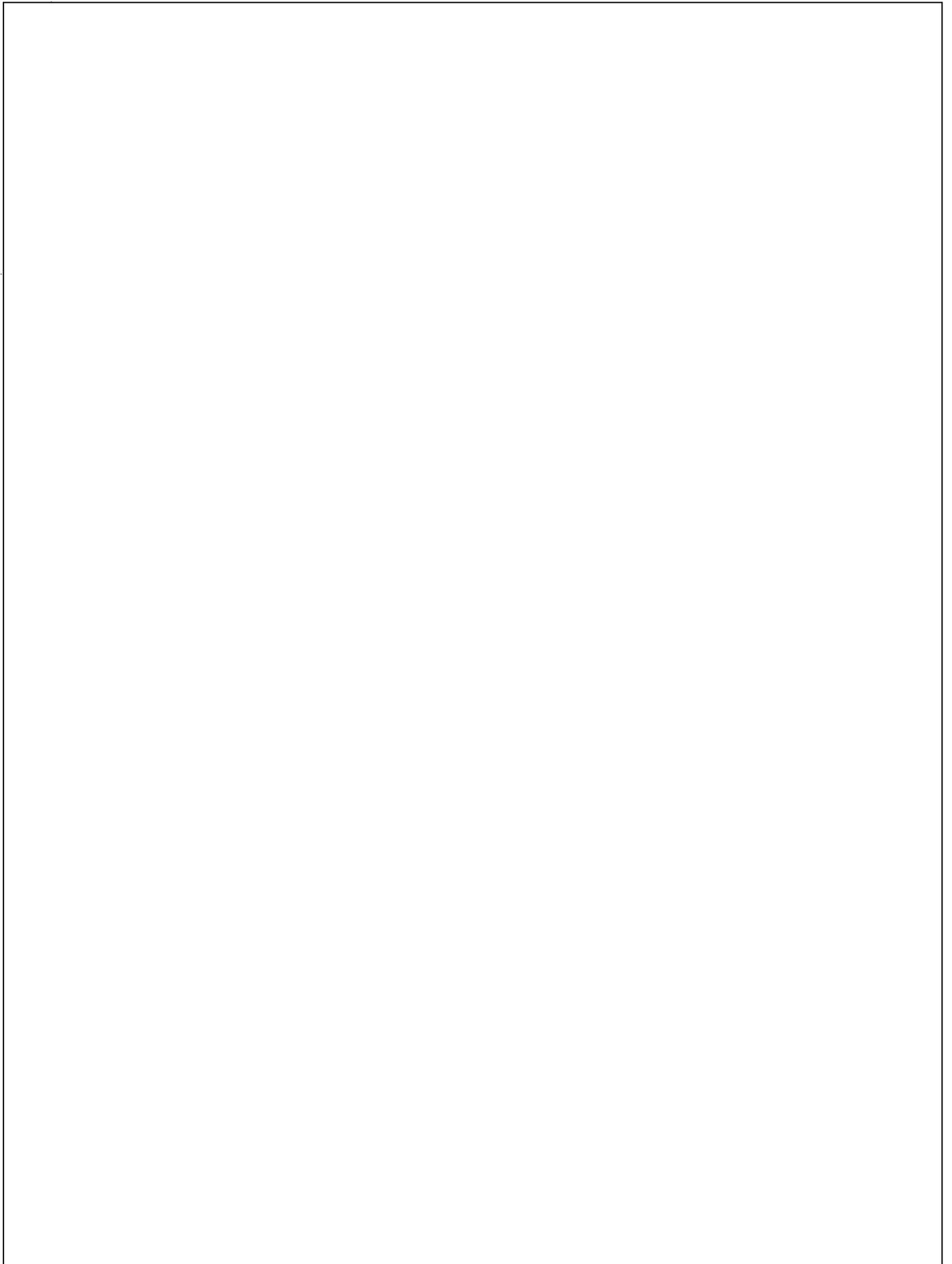
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Summary

China has shifted its approach to South Asia in order to capitalize on the new opportunities brought about by the end of the Cold War. Beijing is strengthening its political and economic links to India to counter what it sees as ongoing efforts by the West to fill the political gap left by the decline of Soviet influence in the region. Beijing simultaneously views its continuing special military and political relationship with Islamabad as a way to constrain India's ambition to establish preeminence in South Asia. Increased pressure on China to participate in global arms control and greater economic dependence on access to Western markets--especially that of the United States--have placed new limitations on that alliance, however. As a consequence, we believe Beijing will eschew transferring complete ballistic missile systems that would be nuclear capable

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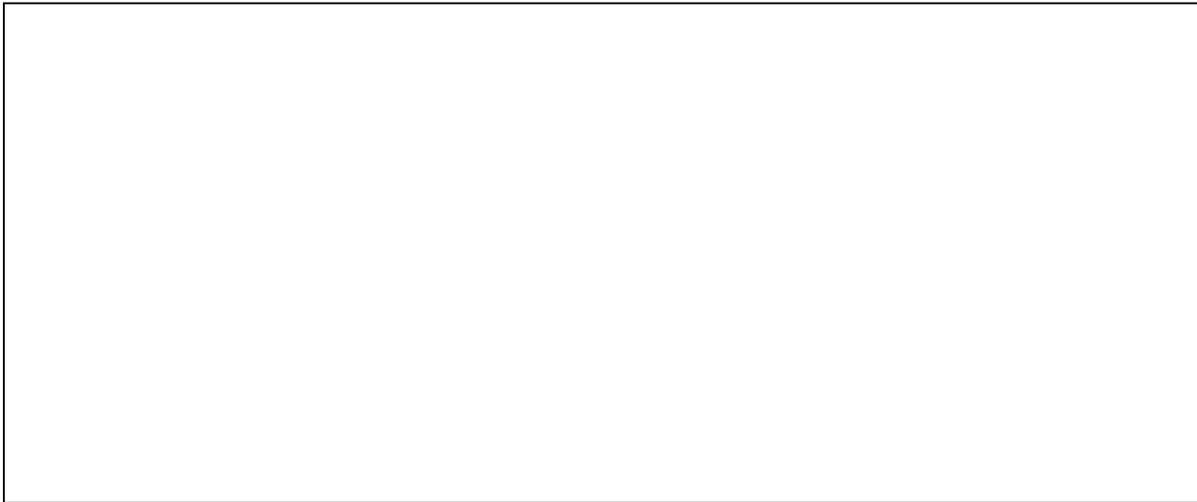
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Pursuing Improved Relations With India...

Despite historical Sino-Indian competition for influence in South Asia, Beijing in recent years has sought better relations with New Delhi as part of its effort to ease tensions with its neighbors in order to free resources for economic development. Beijing, moreover, apparently believes that better ties to India will reduce the chances for military confrontation on the subcontinent by affording the opportunity to lobby New Delhi to participate in multilateral and bilateral discussions with Islamabad--except on those issues that could require Chinese concessions. We believe part of Beijing's calculus is to cultivate India as a counterweight to the United States and the West:



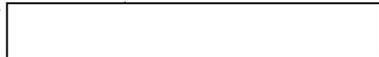
Since Rajiv Gandhi's 1988 visit to China, Beijing has steadily increased diplomatic contacts with New Delhi--culminating in Premier Li Peng's visit to India in December 1991. India and China issued a four-page communiqué at the end of Li's trip, describing agreements on the exchange of consulates in Bombay and Shanghai, the resumption of border trade, and cooperation on peaceful applications of space technology.



Both

sides have also sought an increased role for the United Nations, probably in the belief that the United Nations is less likely to be dominated by the United States and other Western countries because of China's position on the Security Council.





The Sino-Indian Border Dispute: A "New" Chinese Proposal

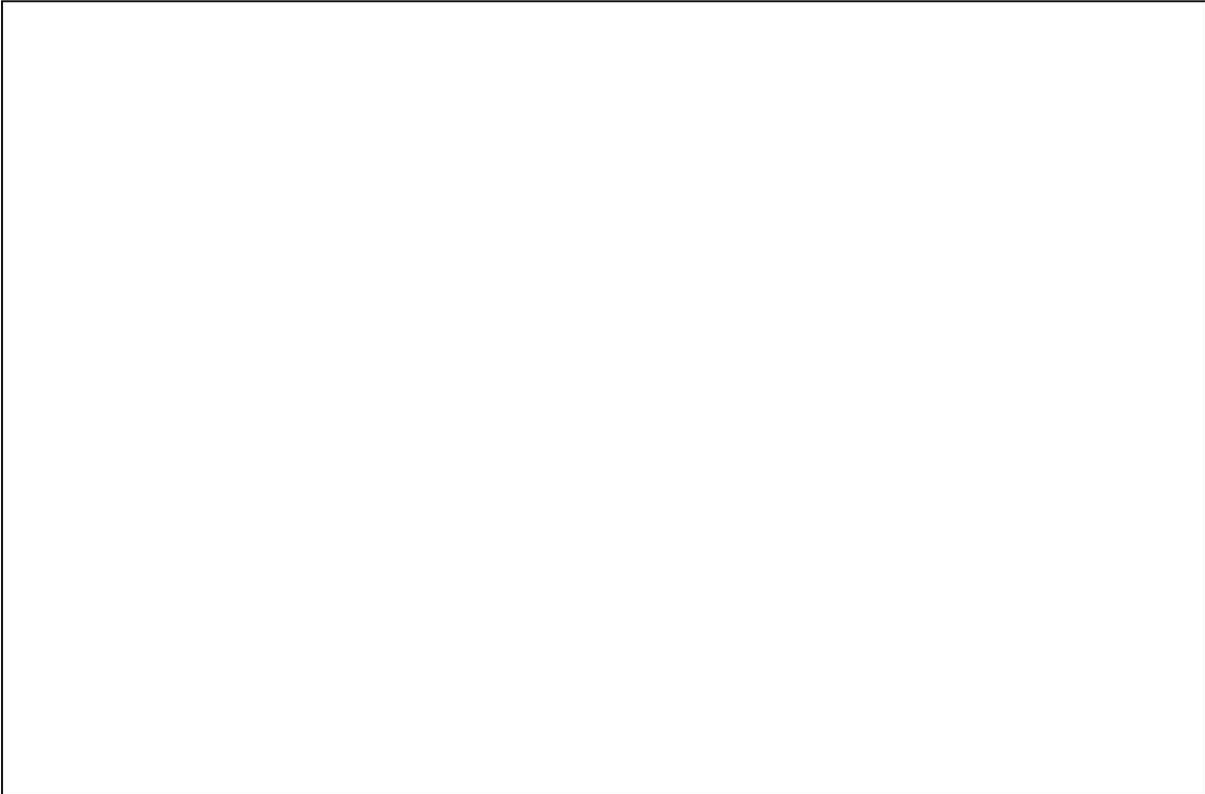
The Sino-Indian border dispute revolves around two main areas of conflict. In the west, China occupies an area of 24,000 square kilometers that India considers part of its Kashmir state. This area, known as Aksai Chin, is strategically important to China because the road that crosses it connects northwest China with Tibet. In the east, India occupies a 77,000-square-kilometer area that it considers essential to the control of its sensitive northeast. This area is now the state of Arunachal Pradesh. China and India fought a border war over this eastern section in 1986 and China still claims sovereignty over it. 

India insists that the border should be drawn along the mountain ridge lines and should be determined sector by sector. 

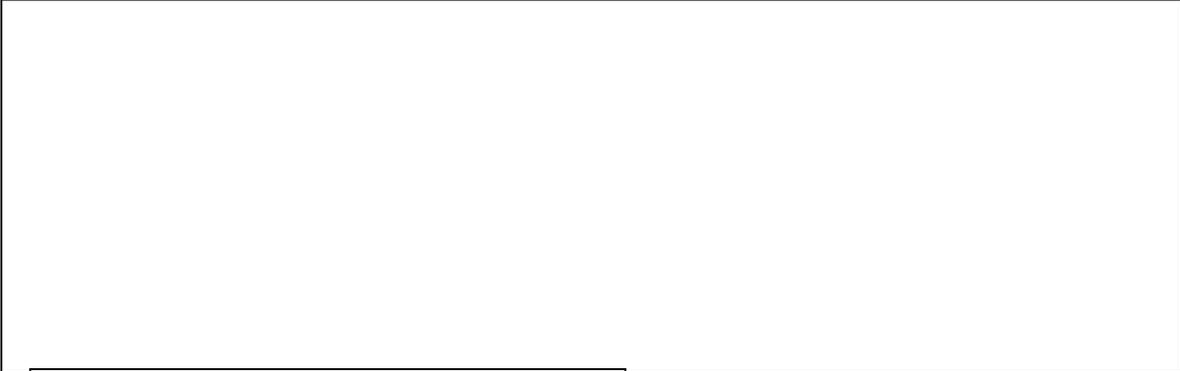


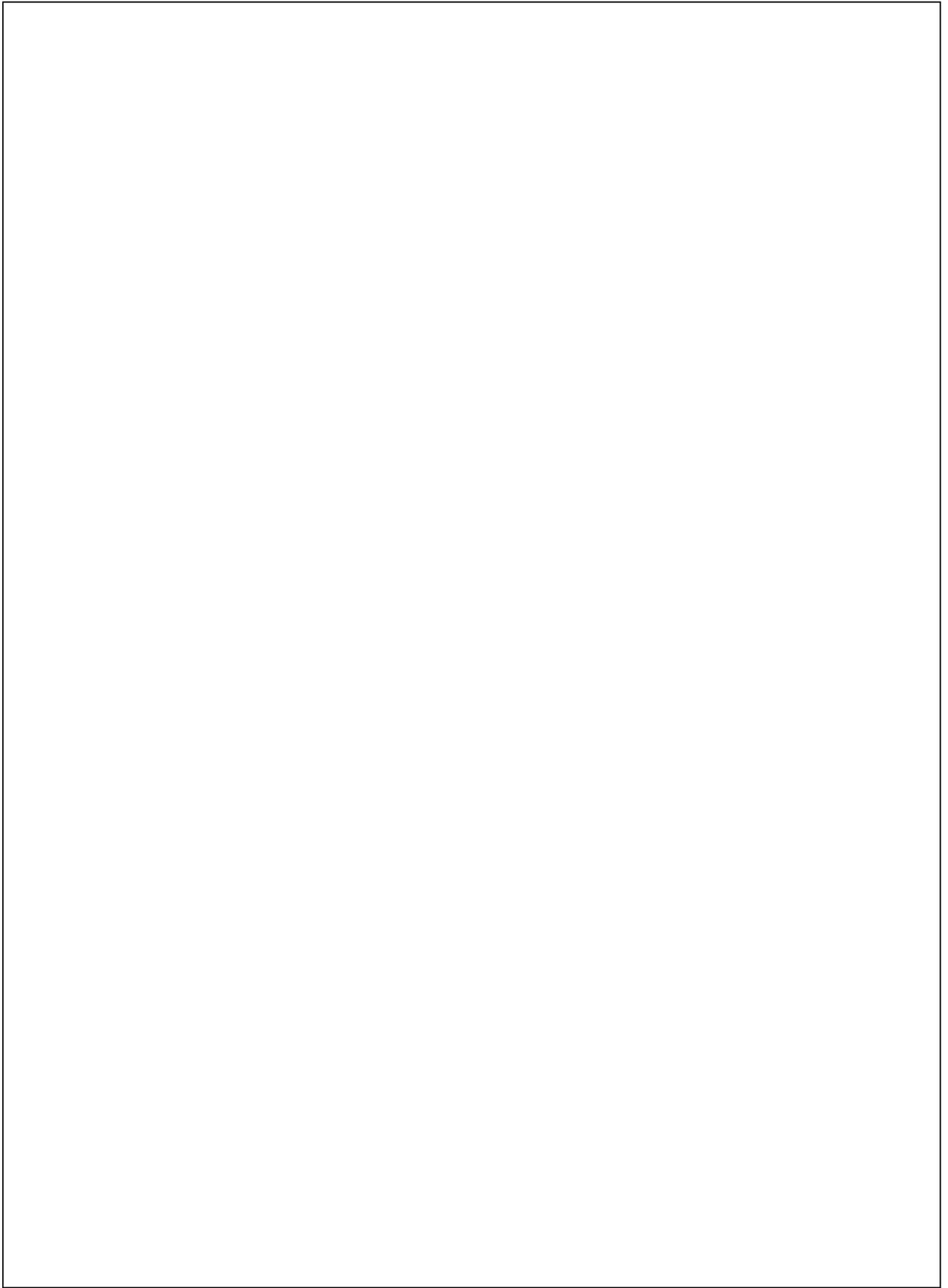
Despite the advances that have been made in the Sino-Indian border dispute, the negotiating process remains slow and deliberate, and Beijing appears to have no sense of urgency in solving it. Most Chinese statements regarding the border stress that the solution will be long in coming and will be possible only with negotiations and concessions by both sides. 





The bilateral relationship has moved forward in other areas, demonstrating that Beijing is hoping to minimize the border dispute as a roadblock to other areas of cooperation. Beijing and New Delhi officially reopened cross-border trade through Tibet in July, though total bilateral trade reached only about \$300 million during the first half of this year. Cross-border trade had been suspended for 30 years before it was agreed during Li Peng's visit in December to resume trade between June and September of each year. Meanwhile, Beijing and New Delhi have expanded space cooperation discussions in a move that builds upon a space technology accord signed in late 1991. 







A South Asia Nuclear-Free Zone and the Five-Nation Talks

With the goal of blocking the proliferation of weapons of mass destruction in South Asia and as an effort to reduce the risk of another Indo-Pakistani war that could tempt the belligerents into a nuclear exchange, the United States suggested multilateral five-nation (India, Pakistan, China, the United States, and the CIS) talks to address the issues of nonproliferation and underlying security concerns. After a period of hesitation, Beijing last year agreed to participate in these talks. China may originally have been concerned that the initiative would compromise its nuclear capabilities; in agreeing to attend, Beijing has implied that its nuclear arsenal would not be subject to negotiation. Beijing certainly realizes that reduced tensions would create a better environment for Chinese regional economic development by lessening the burden of supporting the Pakistani military at concessionary prices. [redacted]

[redacted]

While reportedly supporting Pakistani calls for a nuclear-weapons-free zone that would include India and Pakistan, the Chinese will remain wary of Indian arguments that nonproliferation is a global issue. Beijing undoubtedly infers from this argument that India envisages a South Asian nuclear-weapons-free zone extending well into China and affecting missiles deployed in its southwest. Despite progress on implementing conventional force confidence-building measures (CBMs), we believe Beijing would be wary of becoming engaged in nuclear CBMs, which would probably place unequal restrictions on the mature Chinese forces. Even if India made an effort to reduce the threat of nuclear conflict in South Asia, we believe China would continue to view India as a potential threat and would not risk reducing its small strategic arsenal while still facing perceived security threats from Russia and the United States. [redacted]

[Redacted]

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[Redacted] In a move paralleling their bilateral MTCR assurances, Beijing acceded to the nuclear Non-Proliferation Treaty (NPT) in March under intense Western pressure and when it became clear China would be the only permanent member of the UN Security Council (Perm Five) not party to the treaty.

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Outlook

We believe Beijing will continue its dual-track approach to South Asia, hoping to maintain its delicate balancing act with India and Pakistan by tilting its policy away from outright support of Pakistan to allow cultivation of New Delhi. However, Beijing will continue to maintain close ties to Islamabad in order to preserve Pakistan's role as a counterweight to India [Redacted]

[Redacted] As a consequence, China will continue to push for a peaceful settlement of the Kashmir crisis while avoiding outright support of Pakistan on the issue. [Redacted]

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China will probably also pursue increased trade and technological cooperation with India for the economic benefits it derives. From the military perspective, China will probably reach agreement on confidence-building measures and may well respond to India's decision to withdraw its forces from disputed territory. [Redacted] Because of the complexities of the border talks and both sides' sensitivity on sovereignty, a border demarcation agreement will probably prove elusive. [Redacted]

[Redacted]



A number of events, however, could upset Beijing's strategic calculations:

- A breakdown in negotiations or the status quo between Islamabad and New Delhi that would force Beijing to take sides. 

- India's fielding of advanced, longer range strategic missile systems. Indian missile development would at least threaten continued Sino-Indian space cooperation and possibly also border negotiations by confirming Chinese suspicions of India's nuclear threat. Tensions over such issues would be fueled if other irritants in the relationship were increased, such as pro-independence activities by Tibetan exiles in India. 

Appendix

The China-Pakistan Relationship in Perspective

The relationship between China and Pakistan traces its roots to the era of Cold War diplomacy. Pakistan was one of the first countries to recognize the People's Republic of China after its founding and lobbied intensively for it to regain the China seat in the United Nations. Throughout the 1950s and 1960s, Pakistan paved the way for China to expand its relations with other countries, while China supported it militarily as a counterweight to Soviet influence in the region. This was especially true during the Indo-Pakistani War of 1965. Concerned by what China perceived as Moscow's effort to encircle it with pro-Soviet regimes, China backed the more rightwing Pakistanis over the Indians because the latter were being supported by the Soviets. Similarly during the Bangladesh independence war in 1971, China renewed its support for Pakistan--this time against Soviet-backed India and Bangladesh. This policy approach culminated in the 1972 Chinese declaration of support for Pakistan in the event of offensive action by India. [redacted]

For Pakistan, the relationship has meant development assistance, a stronger voice in world forums, and greater security. Pakistan views China as a counterweight to both India and the former Soviet Union in the region. Chinese support continues to include joint projects, such as the Sandak copper mine; financial and military aid, including [redacted] cultural and technical exchanges; cooperation in defense and space technology, such as the Chinese launch of the first Pakistani meteorological satellite; and high-level political visits. [redacted]

China has also sustained close military cooperation with Islamabad for over three decades. Almost 75 percent of Pakistan's tanks and more than 50 percent of its combat aircraft are Chinese, and the Pakistanis rely on China to help maintain the equipment. China, moreover, which previously was second only to the United States in supplying military equipment to Pakistan, has emerged as Pakistan's primary supplier now that the United States has suspended its military support. [redacted]