

CHINA'S CONTEMPORARY FOREIGN RELATIONS
AND DEFENCE DEVELOPMENTS

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PREFACE

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The ensuing sub-thesis is completely my own work. All sources used are acknowledged in the accompanying footnotes. Errors of fact, perception and interpretation are entirely my own.

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ERRATA

1. p. 10 first five lines : A more precise formulation of the contradictions delivered by Lin Biao in his Report to Ninth National Congress of The Communist Party of China is in order here. The analysis of the contradictions presented by Lin Biao focussed on the contradiction between oppressed nations on the one hand and imperialism and social imperialism on the other, as well as that between the proletariat and the bourgeoisie in the capitalist and revisionist countries. This contradiction also extended to that between imperialist and social - imperialist countries and among the imperialist countries, in addition to the contradiction between socialist countries on the one hand and imperialism and social imperialism on the other.

2. p. 12 line 1 : The PRC was voted into the United Nations on October 25, 1971, and assumed its seat later that autumn, not in 1972.

3. p. 21, line 3 : Should read,

"More than half of China's state visitors in 1975 were from the third world nations, and Beijing made concerted efforts to build relationships with Third World States in S.E. Asia.

4. Nine lines from bottom:

Hua Guofeng was named to posts of acting Premier in April and CCP Chairman in October.

p. 23 Beginning eight lines from bottom:

This gradual modification of this period of isolationism began in the early 1970s. At the same time the models of agricultural communes such as Dachai were praised as exemplifications of egalitarian management and were used to advocate rapid mechanisation of agriculture and remodernisation of industry on the premise of "self-reliance", whole plants, including fertilizer plants and turn-key technology and exports of

natural resources were imported gradually by the mid-1970s. Such a trend accelerated after Mao's death, reaching a peak in the ambitious ten-year plan presented by Hua at the National People's Congress (NPC) in February 1978.

This plan outlined Hua Guofeng's economic goals which envisaged the output per unit of major agricultural products reaching or surpassing advanced world levels by the end of this century. He projected the output of major industrial products to approach, equal or outstrip that of the most developed capitalist countries. Such an overly ambitious plan, intended to propel the national economy forward at high speed, was subsequently tempered under Hua's successor, Deng Xiaoping.

5. p. 47 line 4 : should read

"..... the Sino - US rift".

6. p.64 Footnote 10. Ye Jianying is Vice Chairman of the CCP Central Committee, Chairman of the National People's Congress Standing Committee.

7. p. 72 line 7 : China's coastline is approximately 6,360 Kilometres.

INTRODUCTION

After four decades of post-war revolutionary struggle, erratic swings of domestic policies and dramatic changes in leadership style, the People's Republic of China (PRC) is apparently set on a stable pragmatic path which is intended to take a technologically advanced nation into the twenty-first century. An international policy based on extensive economic relations with both Western and Eastern blocs, coupled with the promotion of global conciliation is the foreign policy formula which Beijing considers will best promote its domestic interests. Throughout the Maoist period which dominated almost thirty years of the Republic's existence, the global policy was one promoting a 'United Front' with fellow Third World nations based on the Five Principles of Peaceful Coexistence, while simultaneously attempting to extricate the nation from the overriding influence of the Soviet Union. To avoid "leaning to one side", being overdependent on any one major power, thereby became the leitmotif of Beijing's foreign policy as Sino-Soviet discord was paralleled by open criticism of the imperialistic aggression of the capitalist superpower, the United States. However, shifts in the global balance by the early 1970s and Washington's desire to conciliate with the People's Republic led to a reappraisal of Beijing's international posture, with the U.S.A. coming to be regarded more benignly.

Such a change was further defined with the assertion of a new, more pragmatic leadership in the wake of Mao Zedong's death, as Deng Xiaoping, former victim of the vicissitudes of the Cultural Revolution and the autocratic 'Gang of Four', consolidated his power. Determined to redirect the developmental course of China's political economy to the promised land of modernity, Deng promoted the formula of the 'Four Modernisations' as a panacea for China's economic backwardness. Agriculture, industry, science and technology and the military are to be restructured and modernised, a goal which has shifted China's geopolitical axis to the West while its focus of development no longer centres on the underdeveloped South. The PRC now looks to the technologically advanced, industrialised North, to Europe, Japan and the U.S.A., to further its reconstruction, thus reflecting the close interplay between domestic and foreign policies. This orientation answered the key external question of the modernisation drive, namely, how to minimise defence costs by broadening the anti-Soviet global coalition while simultaneously maximising economic benefits by widely opening China's doors to foreign capital, technology, trade and joint ventures.

Deng Xiaoping's assertion that "It does not matter whether the cat is black or white, as long as it catches mice" has become the pragmatic dictum of the 1980s. Responding to the perceived requirements of modernisation

and to the perceived imperatives of national security, Chinese foreign policy has shifted discernibly from Mao's value-oriented world order to Deng's power-oriented one. The present leadership's goal is primarily to build a strong, independent country, with nationalism the driving force and socialism regarded as a means of achieving such a goal rather than an end in itself. The achievement of Maoist egalitarianism with its emphasis on 'class struggle' has been denounced, a move which has been paralleled by less emphasis on a centrally planned economy. It appears that China is adopting a market approach, not unlike that of some of the less Sovietised Eastern European nations. Reformists have sought to open China's economy to the outside world, to pursue an 'Open Door' policy which has resulted in a dramatic expansion of China's foreign trade and foreign investments. This attempt to solve China's internal problems by applying pragmatic rather than ideological remedies is very much reflected in the contemporary foreign policy projected by Beijing. The leadership is aware that China requires primarily a stable regional and international environment or at least one in which threats to Chinese security are minimised as much as possible to allow all energy to be concentrated on economic reconstruction.

However, economic imperatives are not the only domestic considerations which are determining the nature of China's external relations. Security concerns

also impinge on the long-term aim of technological advancement, since a backward China is also a vulnerable one. Modernisation of the nation's strategic forces, with particular attention now being given to the naval and air legs of the People's Liberation Army (PLA), as well as fashioning a more streamlined, better-equipped and more highly efficient armed force, is regarded as imperative. Strategists are as aware as ever of the Soviet military superiority to the north and of the dangers as well as of the problems posed by a Soviet-backed, highly militarised Vietnam to the south-west. No longer able to rely on the masses of the PLA to wage a modern war effectively, the current leaders have realised that the cost of creating a modern force aimed with state-of-the-art weaponry is prohibitive since it would divert resources from overall modernisation. One solution has been to shop abroad as extensively as possible, with most of the latest military know-how being acquired from the United States. Although China has to rely on the U.S.A., one way of overcoming the dangers of such dependency and of alleviating security anxieties has been to adopt a more balanced, independent foreign policy path.

The Twelfth National Congress of the Chinese Communist Party (CCP) held late in 1982 ensured both Deng Xiaoping's position at the apex of power and endorsed his developmental strategy as correct. Deng proclaimed the priority of an independent foreign policy, averring that never

again would China be reduced to vassalage. It was now asserted that long-term interests were better served by standing somewhat apart from Washington; thus efforts were made to cement good relations with other industrial nations. By the mid-1980s perceptions by China and the United States of each other have changed considerably, with greater recognition of the limitation and the opportunities contained in the relationship. This has been paralleled by a shift in Sino-Soviet relations as rapprochement with Moscow is regarded as a course which will alleviate long-standing tension and provide scientific and technical cooperation. A similar approach to the reduction of security threats is also being currently adopted with Vietnam, which while still regarded as the aggressor in Cambodia is not receiving the harsh criticism which was meted out in the early 1980s. Projection of such a conciliatory posture is very important to Beijing's regional image which had to make amends for the belligerent stance it was seen to adopt by many of its Asian neighbours following the attack on Vietnam in 1979. Great pains have been taken to attempt to ensure that the reclamation of Hong Kong in 1997 will not be regarded unfavourably and that Beijing is viewed regionally as non-aggressive. It is hoped that adoption of an independent, conciliatory stance will produce a pacific international situation which will be conducive to present modernisation objectives.

Deng Xiaoping envisages a China which by the year 2000 will have quadrupled production, thereby producing a powerful, unified, nationalist and largely self-reliant country, practising its own successful version of socialism, independent of foreign domination. It would be capable of resisting threats to its territorial integrity and of exercising its rightful role in world affairs. Whether of course such a goal is realisable is dependent on many variables, both domestic and international. The continuation of a broad foreign policy base will best serve internal economic objectives. The pursuit of an independent, external policy will be one that ensures the widest involvement, thereby prohibiting an exclusive reliance on any one power that would prove detrimental. This will enable China to avoid commitments and obligations to either superpower, to diversify its political and economic options and also to remain free of involvement in local conflict. However, prospects for stability in such a foreign policy will also depend on external forces. By virtue of its continental dimensions, its billion people and its inherent power potential, China will be unable to avoid either the directions of the international system as a whole or the problems which arise in China's areas of more immediate interest in the East Asian region. Above all, whether China continues along its present path of modernisation, coupled with an independent foreign policy, will ultimately depend on its capacity to resist or deflect both internal and external pressures for change.

CHAPTER I

1970-1978 : FROM TURMOIL TO PRAGMATISM

As the 1970s opened, the People's Republic of China (PRC) was emerging from a decade of spasmodic transformation in both domestic developments and in the field of international relations. The Great Proletarian Cultural Revolution which had rent the nation since the mid-1960s was beginning to give way to stability. This internal upheaval had paralleled and influenced Beijing's schism with Moscow, culminating in open conflict between the two Communist powers in 1969. This estrangement brought to an end the path travelled in foreign relations since the Republic's inception twenty years earlier. Three years prior to the Communist victory, Mao Zedong¹ as leader and architect of China's revolutionary strategy, had assessed the global situation and predicted a struggle between imperialist and socialist blocs "...in the vast zone" separating the two, an area including "many capitalist, colonial and semi-colonial countries in Europe, Asia and Africa".² Identification with such struggle was later to emerge as one of the keynotes of foreign policy

¹ Mao Zedong (1893-1976) - Leader of the CCP during years of struggle against the Nationalists (KMT).

He was Chairman until his death in September, 1976.

² Mao Zedong, Selected Works Vol.IV, p.101, Talks with American correspondent Anna Louise Strong.

pronouncements, echoed from the Bandung Conference³ to Deng Xiaoping's address to the United Nations in 1974.⁴ Whilst Mao proceeded to announce in June 1949 that

The Chinese people wish to have friendly cooperation with the peoples of all countries and to resume and expand international trade in order to develop production and promote economic prosperity,⁵

demands of economic reconstruction, coupled with the state of Cold War bipolarity, virtually determined that China would initially align with the USSR. Although Moscow may have been regarded as lending "...a helping hand to struggling young nations...until they can navigate their own way"⁶, the 'path of Mao Zedong' continued to be upheld as an example for the oppressed countries of the colonial and semi-colonial world. Thus, from the outset it could be discerned that while Chinese foreign policy was designed to guarantee both the development and advancement of China's vital interests in world

³ The Bandung Conference was held at Bandung in April, 1955 and brought together the non-aligned and newly independent nations of Asia and Africa. It was here that Zhou Enlai as Foreign Minister made reference to Mao's 'Three-Tiered' Concept and enunciated the 'Five Principles of Peaceful Co-existence'. The period which ensued, until the late 1950s, came to be known as the 'Bandung Phase' of China's foreign policy characterised by lowered tensions and increased Chinese relations with the Third World.

⁴ Deng Ziaoping's UN speech will be dealt with more fully later in the chapter.

⁵ R. Berger, 'China's Policy and the Nixon Visit', Journal of Contemporary Asia, Vol.2, No.1, 1972, p.3

⁶ 'Differences Between Soviet and American Foreign Policies', from 'People's China', quoted in A. Lawrence, China's Foreign Relations Since 1949, London, 1975, p.29.

affairs, it was also envisaged as a vehicle to spread Maoist ideology and world revolution.

The Soviet 'revisionists', who by 1963 had come to rival the United States' imperialists as China's principal enemy, continued throughout the entire period of the Cultural Revolution to be denounced ritually by all factions. Simultaneously, ever more costly involvement experienced by the United States in Vietnam led to a toning down of criticism against the U.S., particularly as Beijing possibly came to see such involvement and its resultant failure as a positive insurance that no similar undertakings against China would occur. These were the only discernible aspects of a foreign policy stance during a period of vast chaos and disorganisation caused by three years of leadership purges and strident support for Maoist ideology and insurrection abroad, a period when disruptive spillovers of revolutionary turmoil resulted in foreign policy being relegated to a virtual limbo. By the late 1960s China found itself in a particularly weak and vulnerable position partly because its military forces had become embroiled in domestic chores involving the maintenance of civilian administrative affairs. This situation, coupled with the realities of the border conflict with the Soviets, was largely responsible for the transition to pragmatic reconstruction which culminated at the First Plenum of the Ninth Party Congress in April, 1969, a congress ushering in a more balanced foreign policy. Lin Biao in his report to the Congress, delivered a new analysis

of contradictions between oppressed nations and imperialism and social imperialism, between proletariat and bourgeoisie, as well as that existing between socialist countries on the one hand and the imperialism of the United States, coupled with Soviet socialist imperialism on the other.⁷ The references to the threat posed by both imperialism and social imperialism reflected Beijing's continued hard line toward both superpowers.

A growing confidence in foreign affairs was much more in evidence by early 1970. Beijing's growing confidence over its international position was conveyed in a statement by Mao in May condemning Washington for the invasion of Cambodia.⁸ Further reflecting this new confidence was Zhou Enlai's observation that China should strive to form a broad united front with all countries against the "one or two superpowers" which sought to bully the weak in their rivalry for world hegemony.⁹ This anti-superpower line was to be adopted as a major theme of China's foreign affairs throughout the decade. However, it became clear that China was using this primarily against the Soviet Union whereas the USA was repeatedly portrayed as a declining power with whom Beijing could negotiate and compromise as part of China's efforts to offset the power of the main adversary, the USSR. China's position in the

⁷ Peking Review, Special Issue 28/4/69, p.26.

⁸ R. Sutter, Chinese Foreign Policy After the Cultural Revolution 1966-67, Colorado, 1978, p.19.

⁹ *ibid.*

power triangle was shifting, as the practice of tilting towards the U.S.A., the less threatening superpower, as a balance against the more formidable Soviet power,¹⁰ now brought Beijing to view the USA more favourably. From the standpoint of realpolitik the PRC came to regard Moscow as the primary threat to her security, and the fear of a large-scale Soviet military attack was a major reason for seeking rapprochement with Washington in the early 1970s. While the attack on 'Big-Nation Hegemony' became part of Beijing's official vocabulary when presenting a world view, it was increasingly clear the most severe criticisms were levelled against its erstwhile ally. As the power of the US was perceived as waning,

US imperialism, which looks like a monster, is in essence a paper tiger, now in the throes of its death-bed struggle,¹¹

moves were underway to bring about Sino-American rapprochement. No major relationship in the world was, in fact, to change as much throughout the 1970s as the one between Beijing and Washington.

This transformation which was largely prompted by concern over Soviet pressure and Chinese preoccupation with gaining leverage against the Soviet Union, culminated in the historic visit of President Richard Nixon in February, 1972. That year was to be one of contrasts as foreign policy achievements, marked by the visits of the US President and Japanese Premier Tanaka, coupled

¹⁰ M. Yahuda, 'China and the Great Power Triangle' in G. Segal(ed), Peking and the Superpowers, p.19.

¹¹ Statement by Mao Zedong 20/5/70, R. Berger, op.cit, p.3

with the PRC's entry into the United Nations and the establishment of diplomatic relations with a wider range of states, stood out sharply against the dangerous divisions in the top leadership in the wake of Lin Biao's demise. This, however, was not in evidence in the triumph of the Nixon visit, one largely promoted, according to the President, by the necessity to break Beijing's global isolation. Just as China perceived a greatly reduced threat from the USA, so increased experience and knowledge of China likewise led to a diminution of American perception of possible threats to their interests. Vietnam, domestic social issues, the rapid rise of Soviet military power, combined with erosion of allied support for Washington's policy of isolating China, all prompted the United States to seek reduction of hostility towards China. Both leaders issued the Shanghai Communique in which agreement on several principles that should govern future relations was reached. Both announced opposition to interstate "collusion" or attempts by "major countries" to divide up the world into spheres of interest, and declared interest in reducing "the danger of international military conflict".¹² Included in this Communique was an hegemony clause, stating that

...neither should seek hegemony in the Asia-Pacific region and each is opposed to efforts by any other country or group of countries to establish such hegemony.¹³

¹² T.W. Robinson, 'China in 1972 : Socio-Economic Progress Amidst Political Uncertainty', Asian Survey January 1973, Vol.XIII, No. 1, p.3.

¹³ Peking Review No. 9, 1972, p.5.

This clause reflected Beijing's belief that Soviet activities and interests were viewed as part of their plan for world domination. Such behaviour was held as the rationale to 'adjust' China's policy towards the US, thereby enabling the broadest united front to be constructed to counter-balance the Soviet threat. Such a shift to a more balance-of-power stance is in its logic not too far from what is both a cardinal principle of most states' foreign policies as well as a traditional Chinese concept of 'the enemy of my enemy is my friend' nor does it run counter to the ploy of yi yi zhi yi or 'using barbarians to control barbarians'.

China was now emerging onto the international stage at a time when the bipolar, international system which had come into operation in 1945 was being modified, as superpower domination became less complete than it had previously been. The operational characteristics of such a system could only benefit the PRC given its desire to throw off the constraints of long-term isolation from the USA, to escape from the short-term isolation stemming from the Great Proletarian Cultural Revolution and most importantly to gain enough support to be able to counter the Soviet threat. Sino-US rapprochement prompted a breakthrough with Western Europe since the opening with the United States allowed Chinese foreign policy to become global in a very short time. Ambassadors, recalled during the Cultural Revolution, were sent out, with Beijing establishing diplomatic relations

for the first time with thirteen states, the most notable thereof being West Germany. Beijing played up the development of West European nations into a more closely unified force capable of challenging Soviet and US dominance in Europe, as well as encouraging, albeit to no visible effect, these Common Market states to heighten coordination not only in economic matters but also in political and foreign affairs. As 1973 opened the "international situation" was regarded as "excellent"¹⁴ and the year witnessed the first trip abroad of the new Foreign Minister, Chi P'eng-fei. While visiting France, Iran and Great Britain he spelled out a message to Western Europe, warning that

Hegemonism and power politics are still menacing the independence and security of nations, and this is the root cause of international tension.¹⁵

Underlying this was Beijing's fear of and opposition to the Soviet Union, an apprehension fuelled by the steady increase of Soviet accusations against all aspects of Beijing's role.

The Soviets charged that China was seeking superpower status, accusations which only served to confirm in Chinese minds the fact that this was a subterfuge for the predatory nature of Soviet intentions. This belief in Moscow's imperialistic ambitions was echoed at the Tenth Party Congress of August, 1973, one significant both on the domestic front and for Zhou Enlai's enunciation

¹⁴ Chinese New Year Message. Anhui People's Broadcasting Station 18/1/75, China News Analysis No. 916 13/4/73, p.2.

¹⁵ Peking Review No. 24, 15/6/73, p.15.

of Beijing's foreign policy stance. Leftist counter-currents in domestic politics were not yet strong enough to prevent the reappearance of rehabilitated leaders who had been subjected to the purges of the Cultural Revolution. Deng Xiaoping, formerly denounced as a "capitalist roader" was installed as Vice-Premier. This return to pragmatism was also reflected in Zhou's Report on the Fundamentals of Foreign Policy in which he pressed the familiar line of forming "the broadest united front" against the "hegemonism of the two superpowers". Zhou noted that both superpowers "contend as well as collude" with each other and advanced a clear-cut formulation of where balance lay:

Their collusion serves the purpose of more intensified contention. Contention is absolute and protracted whereas collusion is relative and temporary.¹⁶

He attacked Soviet Premier Brezhnev personally, declaring

What they [the Soviets] mean by the 'path of internationalism' is the path of turning China into a colony of Soviet revisionist social-imperialism.¹⁷

Perhaps the clearest and most definitive statement made throughout the 1970s elucidating China's Weltanschauung can be found in the speech delivered by Deng Xiaoping to the Sixth Special Session of the General Assembly in April 1974. Deng proclaimed the "international situation" to be "most favourable to the developing countries" but also warned that the world was in a

¹⁶ R. Sutter, op.cit., p.31.

¹⁷ China News Analysis No. 938, 2/11/73.

state of "turbulence and unrest" with the situation one of "great disorder under heaven" "...a manifestation of the sharpening of all the basic contradictions in the contemporary world".¹⁸ He set forth what was essentially Mao Zedong's 'Three-Tiered' concept of the world, which divided the international system into the 'First World' of the oppressive superpowers, the developed countries comprising the 'Second Intermediate Zone' and the 'Third World' of developing countries. The superpowers were seen as "vainly seeking world hegemony...", "the biggest international exploiters and oppressors". However, the most pointed attack was levelled against "...the superpower which flaunts the label of socialism", one regarded as "especially vicious", "...self-seeking and unscrupulous".¹⁹ This singling out of the Soviet Union for special criticism reflected the distance which existed between the two Communist powers. The 'Second World', that is "...the developed countries (which) are in varying degrees controlled, threatened or bullied by one superpower or the other". These countries, which according to Deng "...have the desire of shaking off superpower enslavement"²⁰ were urged to recognise their common interests with the Third World in opposing the superpowers. Viewing a US-Soviet clash in Central Europe as inevitable particularly shaped Beijing's policies towards Western

¹⁸ Peking Review No. 16, 19/4/74, p.6.

¹⁹ *ibid.*

²⁰ *ibid.*, p.7.

Europe. In directing attention to this 'Second Intermediate Zone', Deng stressed nationalism and urged the consolidation of West European economic and military unity as a means of withstanding superpower hegemony. The greatest attention, however, focussed on the 'Third World' with which China aligned itself. These "...numerous developing countries (which) have long suffered from colonialist... oppression and exploitation"²¹ were assigned the role of the primary revolutionary force, constituting a potential 'united front' which could be directed against the superpowers. This 'Three World Theory' was to provide a theoretical underpinning to foreign policy developments for the remainder of the decade.

By 1975 heightened prominence was being given to two central themes : to the older concept of a world in rising disorder and ripe for revolution was added the thesis that a confrontation between the US and USSR was inevitable since detente was merely a fraud to camouflage intense rivalry for hegemony. Such a concern was greatly to the fore at the Fourth National People's Congress in the January. Zhou averred that the "fierce contention" between the Soviet Union and the USA was "bound to lead to war some day"²² and offered Beijing's highest level endorsement for West European unity "...in their struggle against superpower control, threats and bullying". He routinely reaffirmed China's intention never to be a superpower and its solidarity

²¹ *ibid.*

²² R. Sutter, *op.cit.*, p.38.

with the Third World as "...the main force in combating imperialism, colonialism and hegemonism".²³ His dropping of all references to "US imperialism" and continued allusions to "Soviet social imperialism"²⁴ was indicative of further deterioration in Sino-Soviet relations.

While being noteworthy for its foreign policy pronouncements, this Congress also highlighted the major economic priorities for the rest of the decade. Zhou Enlai proposed a ten year plan plus a five year and annual plans to be drawn up stressing agriculture, light industry and heavy industry. Exhorting the nation "To learn from Tachai", the model commune, he advocated relying "mainly on our own efforts...[and to] learn from the good experience of other countries conscientiously".²⁵ He declared the first stage in such a process to be the establishment of

an independent and relatively comprehensive industrial and economic system in fifteen years, that is, before 1980.

Outlining what was later to be applied as 'The Four Modernisations', Zhou explained stage two as being one which would achieve

...the comprehensive modernisation of agriculture, industry, national defence and science and technology before the end of the century, so that our national economy will be advancing in the front ranks of the world.²⁶

²³ 'Chou's Report of the Work of the Government to the Fourth National People's Congress', Peking Review 24/1/75, p.24.

²⁴ R. Sutter, op.cit., p.41.

²⁵ Peking Review, op.cit., p.23.

²⁶ 'Renmin Ribao' 18/1/75 translated in Beijing Review 18:4, 24 January 1975, p.23.

This stance reflected the growing consolidation of a more pragmatic leadership, typified by the rehabilitation of the formerly disgraced Deng Xiaoping, who as Deputy Chairman of the Party urged at the same Congress that his compatriots not believe that "...grasping revolution is good insurance, while grasping production is dangerous".²⁷ This man, who was eventually to implement Zhou's 'Four Modernisations', painted a picture of demoralisation, incompetence and mismanagement and urged a change of course.

If such a transformation were to occur on the domestic front, a concurrent alteration of China's international alignment would also be necessary. However, at this particular juncture China's foreign policy was dominated by what Beijing saw as a major shift in the East Asian power balance. The collapse of the US-backed Saigon regime in the spring of 1975 led Chinese analysts to argue that Soviet actions were moving beyond a wholly Eurocentric orientation. Exhortations to "Guard against the tiger at the back door while expelling the wolf through the front gate",²⁸ were made in the press. Soviet leaders were accused of "following Hitler's beaten track" by publicly calling

²⁷ J. Gardner, Chinese Politics and the Succession to Mao, London, 1982, p.69.

²⁸ Ren Guping, 'Repulse the Wolf at the Gate against the Gate against the Tiger at the Back Door'. Renmin Ribao 29/7/75 cited in D.H. McMillen, China and the 'Contending Barbarians' : Beijing's View of the Contemporary World Order, Canberra, 1981, p.6.

for peace whilst privately pursuing expansionist aims.²⁹

"The other superpower which flaunts the signboard of 'socialism'"³⁰ was condemned as posing "...an even greater danger to the states and peoples in SE Asia than decaying US imperialism" and accused of "...trying its best to replace the United States as the overlord in Asia".³¹ By the end of that year, Deng Xiaoping, now effectively exercising administrative control, warned of the danger posed by the Soviet Union by reiterating the Chinese proverb:

"He who hears the wind in the bell tower should take precautions against the coming storm",

making it very clear that the principal contradiction from the Chinese viewpoint was that between the Soviet Union and the PRC. Such anti-Sovietism undoubtedly played a decisive role in Beijing's moves to broaden its international standing, as interaction with the 'Second World' expanded. China's emergent capacity to act as a major supplier of oil to foreign purchasers played a significant role in developing relations with Japan. In early May, high-ranking officials of the European Economic Community (EEC) visited Beijing and announced that official relations had been agreed upon. Qiao Guan-Hua, China's chief UN delegate, in late September praised the 'Second World' countries for "heightening

²⁹ "The Brezhnev clique is following Hitler's Beaten Track", Renmin Ribao, 2/7/75, translated in Peking Review 18:29, 18/7/75, pp.4-6.

³⁰ People's Daily, 1/5/75, 'Editorial' in Peking Review, ibid., p.13-14.

³¹ D.H. McMillen, op.cit., p.6.

their struggle against hegemonism". Relations with the 'Third World', however, continued to be of importance. More than half of China's almost fifty official visitors in 1975 came from this area, and Beijing made concerted efforts to build relationships with Third World states in SE Asia.

Nothing, however, either externally nor domestically, was to affect developments in China as drastically as the events of the year which followed. 1976 was to witness the demise of three giants from the Chinese stage, Zhou Enlai in January, Zhu , Chairman of the NPC in June, and the 'great helmsman', Mao Zedong himself in September. Prior to Mao's death the succession struggle was well underway, as the power-brokers, 'the Gang of Four', succeeded after Zhou's departure in removing from office his appointee, Deng Xiaoping. Their hold, nevertheless, was to prove tenuous without the support of Mao, and in October all members of 'the Gang' were arrested with Hua Guofeng's appointment to the positions of Premier and CCP Chairman. Such internal leadership politics in a highly fluid situation spilled over into foreign policy formulation and served to complicate continuation of Beijing's recently emerging pragmatic as opposed to a more ideological approach to international relations. In the mid-1970s, two political coalitions, radical and moderate Maoists, faced each other across a chasm of total animosity which foreshadowed the total confrontation which would

occur with the loss of the leader of the PRC. Zhou Enlai's death had been the catalyst for 'the Gang' to begin their run in earnest and launch a leftist-inspired campaign condemning both Confucius and Lin Biao. Xenophobic attacks on foreign culture and criticism of Chinese trade with foreign countries led to declining interest in Sino-US relations. Three months after their overthrow an article appeared in the People's Daily on the first anniversary of Zhou Enlai's death which excoriated the Gang's influence on foreign relations, accusing them of having "...obstructed our country from developing relations with other countries" as well as "energetically practising great-power chauvinism".³² In a speech delivered at the First Session of the Fifth National People's Congress in February 1978, Hua Guofeng declared the smashing of 'the Gang' to be a "tremendous victory" which marked the end of the Cultural Revolution and "...the beginning of a new period of development in its socialist revolution and socialist construction".³³ On Mao's birthday in the December following 'the Gang's' downfall, Hua republished Mao's 'On The Ten Great Relationships' in which there was a greatly strengthened and more explicit anti-Soviet thrust. Indicative of the path China now sought to pursue, there was also the addition of a passage in which Mao called for learning from

³² S. Fitzgerald, China and the World, Canberra, 1977, p.20.

³³ Report by Hua Guofeng on the Work of the Government, delivered at the First Session of the Fifth National People's Congress 26/2/78, Peking Review No. 10, 10/3/78, p.7.

capitalist as well as socialist countries.³⁴

The shape which China's foreign policy was to take from this time forth seemed to reflect primarily the interests of central economic planners like Li Xiannian and Yu Qiuli, who strongly emphasised the pursuit of rapid development goals. There was little criticism of the USA for its detente policy which implied satisfaction with the overall balance in superpower relations. Hua in fact proceeded to point out the inherent weaknesses of both superpowers, a focus which seemed to suggest that China considered itself sufficiently secure to concentrate on construction of a strong economic base. There was a noticeable return to the pragmatic, geopolitical foreign policy laid down by Zhou earlier in the decade. In foreign economic relations, China's previous isolationism was modified gradually and selectively on the premise of 'self-reliance', thus allowing imports of whole plants and exports of natural resources.³⁵

At the close of the Fifth People's Congress Hua called for unity, better international relations and modernisation characterised by a 10% industrial growth and a 5% increase in agricultural expansion by the end of the following decade. Critical of "closed-doorism", the new leadership stressed the necessity of uniting with all forces against the USSR, but also depicted the United States as "temporary,

³⁴ Hua Guofeng's Republication of Mao's 'On The Ten Great Relationships', The China Quarterly, March 1977, No. 69, p.134.

³⁵ C.L. Hamrin, 'Competing "Policy Packages" in Post-Mao China', Asian Survey, Vol.XXIV, No. 5, May 1984, p.492.

vacillating, unstable, and unreliable".³⁶ In reappraising Mao's 'Three World's Theory', the Chinese analysis hinged on their perception of the Soviet Union and thereby subordinated the class analysis of international politics "...to the formation of a united front of Second and Third World states directed primarily against the most dangerous source of war, the Soviet Union".³⁷ Still upholding Mao's belief in the imminence of world conflict due to the "two hegemonist powers [being] locked in a fierce struggle for world domination", Hua stressed the expediency of modernisation. Declaring

We must race against time to strengthen ourselves economically and heighten our defence capabilities at top speed,

in order to cope with "possible social imperialist and imperialist aggression against us",³⁸ Hua pointed to the direction China's foreign policy was to adopt under his successor, the highly pragmatic Deng Xiaoping.

Having fallen from favour for the second time with the 'Gang of Four's' preeminence, Deng was returned at the July 1977 Plenum. He obtained the posts of Party Vice Chairman, Vice Premier and PLA Chief of Staff which he had formerly held, as well as being given responsibility for science, technology and education.

³⁶ People's Daily, 1/11/77, *ibid.*, p.495.

³⁷ 'Chairman Mao's Theory of the Differentiation of the Three Worlds is a Major Contribution to Marxism-Leninism', People's Daily, 4/11/77, p.11.

²⁸ 'Report by Hua Guofeng on the Work of the Government', Peking Review No. 10, 10/3/78, p.14.

Deng then pointed to Soviet expansionist goals and called for the maintenance of Beijing's traditional hardline approach in bilateral relations with Moscow and for the acceleration of efforts to cooperate with the West against the Soviet threat. All of Deng's comments on international affairs reflected a conviction that efforts to accommodate Moscow would only serve to invite aggression from the Soviets and also alarm potential friends in the West. While Hua continued to uphold the importance of ideology for policy formulation, Deng emphasised practical, concrete measures with a minimum of ideological theorising.³⁹ Intent upon ridding China of its past reliance on outmoded or dogmatic practices and policies, Deng envisaged economic self-reliance as central to foreign policy independence. It was he, from this time forward, who was to become instrumental in formulating a policy of greatly expanded contacts with the West. The technology acquired would, as Deng maintained, be incorporated "in a planned and appropriate way" and the "good things of foreign countries" had to be studied.⁴⁰ As Deng's power base consolidated and he moved inexorably to the position of chief power-broker, economic self-reliance came to be regarded as central to foreign policy independence, thus prompting the search for more firmly established ties with the advanced, industrialised West.

³⁹ D. Bonavia, 'Is Revisionist Socialism Really Right for China?', Far Eastern Economic Review, 6/10/78.

⁴⁰ G. O'Leary, The Shaping of China's Foreign Policy, Canberra, 1970, p.243.

CHAPTER II

1979 : CONSOLIDATION

The year 1979 proved to be one of consolidation and advancement, domestically and likewise internationally. The securing of a firm power base for Deng Xiaoping and his pragmatic approach was solidly endorsed by the Third Plenum of the Eleventh Party Central Committee of December 1978. Economic imperatives became predominant, as the Politburo announced that a decision had been made to "...shift the emphasis of our Party's work and attention of the whole people of our country to socialist modernisation". Both political movements and 'class struggle', particularly "large-scale turbulent class struggle of a mass character" were declared a thing of the past.¹ The Plenum's Communique called for sweeping structural reforms in the national economy to accommodate the demands of modernisation. Such changes would produce "...actively expanding cooperation in terms of equality and mutual benefit with other countries on the basis of self-reliance",² thus enabling China to "...adopt the world's advanced technologies and equipment".³ These resolutions were to determine not only the path of domestic development as enshrined in The Four Modernisations, "the greatest historic

¹ New China News Agency, 23 December 1978, in 'Putting it into the Books', Asiaweek, 12 January 1979, p.18.

² *ibid.*

³ *ibid.*

task of our time", but also to a large extent were to become the guiding principles of Beijing's foreign relations. Security was perceived in terms of a strong, contemporary economic base, one which would be acquired by borrowing from the more advanced Western economies, leading to the ultimate goal of self-reliance. The all-important Third Plenum, by restoring Deng to power, hence determined that unimpeded by public displays of dissension, he could implement a new foreign policy, forging close economic and political bonds with the West and Japan.

The normalisation of relations with both the United States and Japan, from mid 1978 to early 1979, was to be Beijing's most important diplomatic accomplishment, not only during that twelve month period, but also in terms of ensuing developments into the early 1980s. The Sino-Japanese Treaty of Peace and Friendship, signed in Beijing on 12 August 1978, formed part of China's overall foreign policy development. Deng Xiaoping saw this Treaty as one which would ensure benefits to China in its dealings with Japan, and by containing the crucial 'anti-hegemony' clause whereby both powers agreed to oppose 'big power' expansionism in the region, could act as a deterrent to threat from the Soviet Union. Moscow quickly responded to this by accusing Japan of 'capitulating to Peking', condemning the 'anti-hegemony' condition as of an "...openly anti-Soviet character...serving the self interests of Peking's

leaders".⁴ Undeterred by such protests and with concern for his country's security uppermost, Deng proclaimed that what was called for was "to adopt more realistic, practical steps - for instance unity between the United States, China, Japan, Western Europe and other countries... to deal with Soviet hegemonism".⁵ No longer was Beijing referring to a "United Front" with the Third World, but rather had now broadened its base, to suggest unity with the Western, industrialised bloc with the purpose of containing the Soviets.

Such a confident stance, in fact, followed in the wake of the establishment of diplomatic relations with the Carter Administration, an achievement which the Chinese Vice-Premier was to cement on visiting the United States in February 1979. Aware of the opportunities presented by American high technology, Beijing's leaders stressed the necessity to

...be skillful in completely utilizing these conditions and absorb foreign technology and capital to greatly accelerate construction in anticipation of exceeding the world's advanced standard.⁶

While such aims were overly optimistic and generated high expectations from U.S. business interests, Deng's visit did produce an agreement on scientific and technical cooperation on the basis of what the Beijing Review

⁴ Tass, 12 August 1978, in A. Haselkonn, 'Impact of Sino-Japanese Treaty on the Soviet Security Strategy', Asian Survey, June 1979, Vol.XIX No. 6, p.558.

⁵ Beijing Review, 9 February 1979, p.13.

⁶ Xu Ke and Lui Furong, 'Several Problems on Imports', Hongai No. 2, February 1979, in Translations from the Red Flag, 25 April 1979, p.48.

proclaimed as "equality, reciprocity and mutual benefit in the fields of agriculture, energy, space, health, environment, earth sciences and engineering..."⁷

While both parties concurred on the prospect of technological cooperation, with President Carter supporting China's attempt "...to move boldly towards modernisation",⁸ views diverged on the treatment of the Soviets. Deng's speeches were punctuated by anti-Soviet remarks as he referred to curbing 'the polar bear'⁹ and stressed both the untrustworthy nature of and the threat posed by Moscow. Carter, however, regarding negotiations with the Soviet Union as conforming with United States' interests, failed to support Deng's anti-Sovietism. The intensity of such references and Deng's attempt to engage Washington's support evinced the fact that he was using this trip not only to improve bilateral relations, but also to elucidate China's position on critical global and regional issues. Foremost in Deng's mind was the threat posed by a Soviet-backed Vietnam, which needed to be 'taught a lesson' for its actions against Kampuchea's Pol Pot government and for its border provocations against China. Deng emphasised the necessity

⁷ Beijing Review, 9 February 1979, p.12.

⁸ ibid.

⁹ Time, 5 February 1979, p.16.

...to act appropriately, since we cannot allow Vietnam to run wild everywhere. In the interest of world peace and stability and in the interest of our country, we may be forced to do what we do not like to do.¹⁰

This attitude was reiterated in Tokyo on the return leg of the U.S. trip, as the Vice-Premier advised the Japanese Prime Minister Ohira that China was considering taking action against Vietnam "...for its expansionist action against Cambodia...action which has been instigated by the Soviet Union".¹¹ However, while he failed to elicit the Ohira government's support for such an action, Deng felt more confident of what he perceived as United States assurance and that she would not criticise the P.R.C. should Beijing decide to deal with Vietnam.

The Sino-Vietnamese border conflict which erupted on 17 February 1979, to last for almost a month, was upheld by Beijing's leaders as a defensive counterattack with the primary objective being to pacify the border region, thus preventing harassment of the border peoples and expulsion of the persecuted overseas Chinese in Vietnam. In keeping with its domestic objectives, China declared that it did not "...want a single inch of Vietnamese territory", only a "peaceful and stable border" since such a peaceful environment was essential for the realisation of the Four Modernisations".¹²

¹⁰ New York Times, 31 January 1979, p.1.

¹¹ Mainichi Daily News, 8 February 1979, p.1.

¹² Xinhua News Agency in Beijing Review No. 23, 17 February 1979, p.8.

It was the fall of Phnom Penh which reinforced China's perceptions of a regionally ambitious Vietnam, threatening not only China's position in the Indo-Chinese peninsula, but also its standing among the non-Communist South-East Asian states which make up ASEAN. Thus, having to confront the PLA on the eastern border, caused Hanoi to divert its forces from Kampuchea, a consequence which was part of the Chinese gambit. Of greater consequence to Beijing's consternation about its security, however, was its belief that Vietnam was 'the Cuba of the East', a client-state of the Soviet Union and a pawn through which it could realise its global hegemony. Vietnam's assumption of full membership of COMECON in June 1978 and its conclusion of a twenty-five year Treaty of Friendship and Cooperation with the USSR in November, can be linked directly with Beijing's motives for mounting an attack. Beijing accused "...the Vietnamese authorities" of having become "emboldened by the support of the Soviet Union" and thus "mistaking China's restraint and desire for peace as a sign of weakness".¹³ The subsequent altercation can be interpreted as an attempt to test the Treaty with Moscow, determining Moscow's readiness to come to Vietnam's assistance. China was intent on demonstrating to Vietnam that its interests could not be consistently flouted with impunity, as well as showing Moscow that China was prepared to defend its interests of special sensitivity.

¹³ *ibid.*, p.3.

To have any chance of achieving both its regional and global goals, Beijing had to ensure a military victory, otherwise no political pay-off would be forthcoming. The original goals, however, were not fulfilled and the consequences were to have a direct influence on the nature of China's regional position, its international relations and the domestic situation throughout 1979. Although the SRV had to divert funds from an already overtaxed economy, Vietnam had not been 'taught a lesson' despite China's suffering over twenty thousand casualties. The expulsion of expatriate Chinese increased and Hanoi was undeterred from maintaining its influence over Kampuchea. China's inability to alter the overall status quo by force meant that on resumption of Sino-Vietnamese negotiations in the April, Vietnam, aware of the limits of Chinese power was more determined than ever to be firm, thus negating any basis for agreement. Beijing's feelings of disappointment with the response of the regional powers were compounded by the reaction of the West, particularly that of the United States. Deng had over-estimated the degree of tacit support, approval and understanding Washington exhibited for China's regional and global concerns, particularly for the reasons underlying China's actions in Indo-China. Such disapprobation was voiced in the New York Times which declared quite categorically:

We are opposed both to the Vietnamese invasion of Cambodia and the Chinese invasion of Vietnam... We call for immediate withdrawal of Vietnamese troops from Vietnam.¹⁴

¹⁴ New York Times, 19 February 1979, p.1.

Beijing's misjudgement of the U.S. mood not only applied in this instance but was also evidenced by Washington's stand on another issue which greatly concerned Beijing, namely, the status of Taiwan. Emboldened by the establishment of Sino-U.S. diplomatic relations, China immediately intensified its campaign for reunification of Taiwan to the mainland. It launched a barrage of official statements calling for a return of Taiwan to "the embrace of the motherland at an early date".¹⁵ Such intentions were dealt a severe blow in mid-year when the United States Congress passed the Taiwan Relations Act, which continued recognition of Taipei and refused to cease supplying arms to the Republic. This move not only strengthened Taiwan's resolve not to enter into negotiations with Beijing but also had a direct effect on Sino-American relations. Both this and the stance adopted by Washington over the Vietnamese conflict served to deflate the euphoria surrounding Sino-U.S. political attitudes.

A change was also beginning to become patent in the United States' and Japan's realization that the high expectations placed in trading relations with China may have been inflated. In the aftermath of the altercation with Vietnam, the first indications of China's reassessment of its economy were discernible. Domestically, the war had proven costly, resulting

¹⁵ Xinhua News Agency in Foreign Broadcast Information Service (FBIS), 2 February 1979.

in a temporary reevaluation of and increase in planned military expenditure. A long and agonising reappraisal was thereby set in motion, with promises to import large amounts of Western, particularly U.S. technology, being subjected to severe scrutiny. Ch'en Yun reemerged as new Vice-Chairman of the CCP and argued against the overly optimistic goals of the plans laid down in 1978. It was evident that China's borrowing needs were vast, something in the vicinity of thirty five billion U.S. dollars. Although credits were available, China possessed only very modest financial resources, totalling two billion in gold and foreign currency.¹⁶ Efforts were made to broaden China's trading base, and relations were greatly extended with what had been previously referred to as 'the Second World'. In early March, the British Secretary of State for Industry, Mr Eric Varley, negotiated a Sino-British economic agreement, calling for fourteen billion dollars in bilateral trade down to 1985. Trade with the European Economic Community increased by over fifty per cent by early 1979,¹⁷ as China sought advanced technology and equipment from a much wider market than previously. Zou Siyi, a leading member of the Export Bureau of the Ministry of Foreign Trade propounded,

We must adhere to the principle of first, use them; second, study them; third, transform them; and fourth, create new things.¹⁸

¹⁶ 'Peking's Puzzling Pause', Asiaweek, 16 March 1979, p.33.

¹⁷ Beijing Review, 16 March 1979, p.25.

¹⁸ Beijing Review, 27 April 1979, p.17.

Such a doctrine, somewhat reminiscent of the philosophy of the late nineteenth century 'Self-Strengthening' period which advocated use of Western things for Chinese ends, reflected China's twofold desire of not becoming overly dependent on any single outlet and of simultaneous self-reliance.

This goal, however, was not seen as being as readily attainable when the Second session of the Fifth National People's Congress was convened in mid-1979. Hua Guofeng in addressing the Congress conceded that his colleagues had underestimated the "great consequences of the ten years' sabotage by Lin Biao and the 'Gang of Four'" for the country's economy.¹⁹ He announced that there would follow a three year "adjustment" period during which priority would be given to light industry, agriculture and energy supply...",²⁰ since the grandiose economic targets of 1978 were now considered imprudent. This reflected a far more prudent and realistic assessment of China's problems with the realisation that the country was not ready for high-speed development. A policy of self-reliance was advocated as "China's only logical choice", with "the only way for China to realise successfully her Four Modernisations", being dependence "...on her own efforts while seeking external assistance as an auxiliary".²¹ Changes were implemented in China's

¹⁹ 'A Congress Compromise', Asiaweek, 29 June 1979, p.20.

²⁰ *ibid.*

²¹ Huan Xiang, p.43.

foreign trade policy as a determined effort was made to promote invisible exports such as tourism, to eliminate the state monopoly of foreign trade and an acceptance of foreign investment on Chinese soil. A 'Joint Ventures' law was passed in July, stipulating that foreign firms must put up at least a quarter of the capital.²²

The main reason for instituting these was to improve the type of foreign trade in response to slow growth rates and low labour productivity. Such "readjustment, transformation, consolidation and improvement" also applied to the political sphere where Deng Xiaoping, having regained the prominence he had lost following the Vietnam debacle, successfully overcame a leftist counter-attack on his rule,²³ and steered the nation again along a very pragmatic path. Thus, by mid-year, growing preoccupation with domestic problems largely contributed to the rather low profile of Chinese diplomacy.

The border war with Vietnam, coupled with the nature of Beijing's relations with the West, also had direct bearing on Sino-Soviet relations throughout 1979. Moscow reacted with a firm rejection of Chinese

²² K.B. Bucknall, 'Implications of the Recent Changes in China's Foreign Trade Policies', The Australian Journal of Chinese Affairs, Issue No. 5, 1981, p.4.

²³ The 'leftists' mounted an attack on Deng's rule in the aftermath of the Sino-Vietnamese conflict and questioned the responsibility attributed to Mao for China's problems. By mid-year they had been labelled by the Dengists as adherents of the "two whatevers": whatever Mao had said must not be changed and whatever Mao did not say must not be done.

demands that it reduce aid to Vietnam and responded to calls for cuts in border troop strength to 1964 levels by increasing the number of divisions along the Sino-Soviet border from forty-six to fifty-four by the end of the year. However, whilst the National People's Council meeting in April decided not to extend the 1950 Sino-Soviet Treaty of Friendship and Cooperation, it was proposed that negotiations be held between both powers for solution of outstanding issues and improvement of relations.²⁴ Perhaps this can be interpreted as a result of feeling let down by Washington in the wake of the Sino-Vietnamese clash, plus the realisation that Soviet power was unlikely to diminish in the Indo-Chinese region, hence necessitating an attempt at 'fence-mending'. As tentative as such suggestions were they did not disguise a deep antagonism towards the Soviet Union which was depicted as not wanting "...to see China develop" and always bent on "weakening and disrupting China, checking expansion of Chinese influences".²⁵ Any slight sign of a thaw in relations between Beijing and Moscow, however, was abruptly destroyed with the Soviet intervention in Afghanistan in mid-December. The Chinese Ministry of Foreign Affairs levelled a forthright attack on the Soviets, declaring

²⁴ Xinhua Weekly No. 14, 7 April 1979, p.3.

²⁵ Wen Wei Po, 29 September 1979, China Report No. 25, pp.21-2.

Afghanistan is China's neighbour...and therefore the Soviet armed invasion of that country poses a threat to China's security. This cannot but arouse the grave concern of the Chinese people.²⁶

It was condemned as "armed intervention" which "violates all norms of international relations", perpetrated by Soviet authorities who "have never had scruples in trying to realise their hegemonistic ambitions".²⁷ This invasion served not only to exacerbate anti-Soviet feelings but also had direct repercussions on China's relations with the West which had lost their earlier intensity. In fact, it proved to be a propaganda windfall for Beijing in its effects on Sino-U.S. relations since it reinforced the most sinister interpretations of Soviet strategy in both nations. China now turned increasingly towards the United States, as its much publicised relations with the Third World were neglected with Beijing standing firmly behind the U.S. boycott of the Moscow Olympics.

The year had certainly been one of marked changes both internally and in China's external relations. There was by the end of 1979 greater stability at the top of the bureaucratic hierarchy than at any time since the 'Gang of Four's' overthrow three years before. Marxism had been castrated as class struggle was no longer spoken of or given much credence. By the spring of 1980, 'Seek truth from facts' was bruited to be

²⁶ Zhang Haifang, Vice Minister of Foreign Affairs, Beijing Review No. 1, 7 January 1980, p.3.

²⁷ *ibid.*

the essence of Marxism. According to Sinologist Ross Terrill, there had occurred "...a de-escalation from totalitarianism (where nothing is value free) to authoritarianism (where power of the state is not coincident with the sovereignty of an ideology)." ²⁸ This shift paralleled the approaching culmination of Deng Xiaoping's drive for power, with the leadership managing to convey an overall sense of optimism, unity and forward momentum. A significant shift was evident in the focus of investment priorities, from the Stalinist concentration on heavy industry to one giving top priority to export-g geared light industry. In a little over two years, China seemed to have moved out of the world of black and white choices, extending itself far more widely in its relations with the technologically-advanced West, as it pursued a determined path of economic development without diversions. The door had opened far more than ever to non-Chinese ideas and presence with Beijing exhibiting a new level of openness to international economic factors and to foreign cultural influences. So, as 1980 opened the mood was one of cautious optimism - far better prospects for relations with the United States and other Western nations, a concern about improving its standing in South East Asia, combined with a fervent desire for progress, all blended with an acute awareness of the limits of future possibilities.

²⁸ R. Terrill, 'China Enters the 1980s', Foreign Affairs, Spring 1980, pp.921-2.

CHAPTER III

A NEW DIRECTION FOR THE 1980s

The early 1980s witnessed a China determined to put behind it the disequilibrium of the immediate post-Mao years. The Twelfth National Congress of the CCP held in September 1982 was seen as the event which would close the preceding chapter of economic backwardness and political instability by giving official endorsement to the new China of Deng Xiaoping. Top-level Party approval of the modernisation programme which had been pursued rigorously during the previous three years, meant that its advocates, the Dengist faction, had ensured their unchallenged preeminence. This Congress evaluated both domestic achievements and China's international stance, reflecting more confidence and a greater degree of national pride. An independent path was advocated in Beijing's dealings with the outside world, one which would result from maintaining a greater degree of distance from both superpowers. Such a realisation was largely due to the transformation which had occurred in Sino-American relations. The headiness characteristic of the earlier relationship gave way to tension and condemnation as the overtly anti-Communist Reagan Administration pursued a policy of active support for what Beijing regarded as the 'illegitimate' regime in Taiwan. The prevailing characteristics of the international system during this period saw an undeniable heightening of Soviet-American rivalry, including a degree of ideological repolarisation

marked by a return to Cold War rhetoric. Against this background, Moscow attempted to capitalise on the Sino-US denouement by stepping up its overtures to Beijing. Although a slight improvement was discernible in their relationship, China remained very aware of the greater benefits of a pro-Western alignment.

The type of international role China sought at the beginning of this decade had to be one which could best fulfil domestic considerations. According to Deng Xiaoping, China's isolation and estrangement from the international system had left China economically, militarily and diplomatically vulnerable, a state which could be ameliorated by China's global integration. The political vision advocated by Deng depended critically on a beneficial relationship between a relatively tranquil, even benign international environment and China's domestic development. One method of achieving this goal was the adoption of an 'Open Door' policy:

We are standing at another turning point in Chinese history...China has now adopted a policy of opening doors to the world in a spirit of international cooperation.¹

Such a view led to the initiation of new commercial practices previously unthinkable for any Chinese government, including the establishment of export processing zones and joint venture arrangements, as well as the solicitations of foreign capital and technology for the developments of China's offshore reserves. However, the initial

¹ 'Why China has Opened Its Door' in Foreign Broadcast Information Service (FBIS) - PRC 12/2/80, pp.L1-L2.

enthusiasm which accompanied such commercial adventurism was modified by a note of caution in 1981, as Vice Premier and Foreign Minister, Huang Hua, admitted that modernisation was proceeding too quickly. In an attempt to avoid "...the same mistake of overemphasising heavy industry and accumulation over consumption" he advocated that while welcoming "cooperation with foreign countries" China "should act according to our capability".²

Huang's proposal had been echoed in an earlier article in the Workers' Daily which likewise upheld a "moderate policy in foreign affairs", one which would enable working "against time to tide over difficulties and quicken accomplishment of our country's socialist construction..."³ Such an admission did not cause a weakening of Deng's power base, however, which was to be further consolidated at the Sixth Plenum of the Eleventh Central Committee in June 1981, when Hu Yaobang replaced Hua Guofeng as Party Chairman.

The adoption of a more cautious approach was not only due to internal developments, but was directly linked to the changing nature of the relationship between Beijing and the one power it had depended on more than any other to further its modernisation, the United States. From the summer of 1980 through to the latter

² 'Restructuring Chinese Policy in the Wake of Chairman Mao'. Interview with Huang Hua by Canadian Journalist Peter Stursburg in International Perspectives, May/June 1981, p.2.

³ Worker's Daily, 4/2/81 in C.L. Hamrin 'Competing "Policy Packages" in Post-Mao China', Asian Survey Vol.XXI, May 1984, p.509.

months of 1982, Sino-US relations experienced a particularly troubled and tense period. The situation began to deteriorate in August 1980 when Ronald Reagan, as Presidential candidate, refused to endorse the Shanghai Communiqué or the normalisation agreement of the Carter Administration. He advocated that the Taiwan Relations Act would become the bedrock of his China policy, thereby ensuring that Sino-American relations were bound to be unsettled from the outset of the Reagan Presidency.⁴ This early stance adopted by the Reagan Administration was seen by China as a contravention of its national sovereignty and so aroused hostility in Beijing that use of force to regain 'this lost territory' was considered rather than "intending to settle by relaxation or preparing for long-term struggle".⁵

This reaction led to Reagan's attempt to stabilise the situation by announcing in March 1981 that the Pentagon had decided not to upgrade relations with Taipei. However, sensitivities remained and were exacerbated by disputes over trade quotas and tariffs, coupled with Chinese disappointment with the slow pace of technological transfers; a situation which had led Foreign Minister, Huang Hua, to proclaim that American technological assistance could be likened to "loud thunder but little rain".⁶ To improve the situation,

⁴ M. Oksenberg, 'A Decade of Sino-American Relations', Foreign Affairs, Fall 1982, p.191.

⁵ Renmin Ribao (People's Daily), 8/1/81, FBIS 29/1/81, p.L12.

⁶ D. McMillen, 'China in Asian International Relations', SDSC Working Paper No. 72, Canberra, June 1983, p.4.

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U.S. Secretary of State, Alexander Haig, went to Beijing in June and announced that they were considering approving applications for weapons exports licences to the PRC. The seriousness of such an offer was somewhat undercut when Haig, in an effort to allay ASEAN fears, stated in Manila that "as an arms market, China ranks somewhere between Togo and Zaire".⁷ Such attitudes clearly influenced the alteration of China's external posture which became discernible in a series of articles in the July editions of Renmin Ribao (People's Daily). These praised the late Zhou Enlai's diplomatic style while simultaneously stressing the "independence and sovereignty" of China as a keystone of its foreign policy.⁸ American imperialism and aggression in both Korea and Vietnam was attacked, with Washington's intransigence on the Taiwan issue described as violation of Chinese territorial integrity.

Such harsh criticism of the United States continued unabated throughout 1981 and into the following year. Deng Xiaoping informed foreign reporters that if projected US military aircraft sales of the FX fighter to Taiwan proceeded,

We shall react sharply...China will not swallow this. This is interference in our internal affairs.⁹

⁷ D.M. Lampton, 'Misreading China', Foreign Policy No. 45, Winter 1981-1982, p.104.

⁸ V. Petrov, 'China Goes It Alone', Asian Survey Vol.XXIII No. 5, May 1983, p.583.

⁹ New York Times, 28/12/81, p.3.

China's position on the status of Taiwan was clearly spelt out in Renmin Ribao which adamantly proclaimed that

...there is only one China; Taiwan is part of China; and the government of the People's Republic of China is the sole legitimate government of China.¹⁰

Beijing's steadfastness coupled with the Reagan Administration's realisation that any possible Sino-Soviet rapprochement would be inimical to the global balance, led to the decision in January 1982 not to proceed with sale of the FX. The issue of Taiwan, however, continued to be the principal crisis between both powers throughout the year, with no attempt at resolution being made until August.

The Sino-U.S. Communique, also dubbed 'Shanghai II' was negotiated on August 17 and concentrated on the Taiwan problem. Whilst oblique references were made to the principles agreed on by both sides in the first Shanghai Communique and the later Joint Communique on the Establishment of Diplomatic Relations, this agreement focussed on bilateral rather than anti-Soviet issues. Beijing reiterated its fundamental policy of striving for peaceful reunification of Taiwan, while the USA disavowed any intent to infringe upon Chinese sovereignty or territorial integrity or to pursue a 'two Chinas' or 'one China, one Taiwan' policy. Washington also indicated that it did not seek to carry out a

¹⁰ People's Daily, 31/12/81 in Xinhua News Agency, 7/1/82, p.3.

long-term policy of arms sales to Taiwan and that it intended to reduce sales gradually. Although Chinese diplomatic relations with the Netherlands had been downgraded due to submarine sales to Taipei, this stance was not adopted with the United States since its arms sales were "a problem left over from history" and more significantly, such a move would have been overly detrimental to China's economic interests. However, reaching agreement did not produce an end to China's criticism of American policy. As late as December, Renmin Ribao asked rhetorically whether it should or

...should not be called hegemonism if the United States ignores the principles of international relations, violates the sovereignty of other countries and interferes in their internal affairs in this way?¹¹

The persistence of such rhetoric may not have been solely attributable to Washington's attitudes but should also be examined in light of the fact that simultaneous moves were afoot to effect a change in the nature of China's relations with its long-standing adversary, the Soviet Union.

Whilst as late as December 1981, Huang Hua had called for an international anti-Soviet united front "...to keep vigilance, strengthen consultations and coordinate actions"¹² to support the Afghan and Kampuchean peoples against aggression, such a line was soon to disappear as early 1982 offered prospects of improvements

¹¹ People's Daily in FBIS, 31/12/82, P.B1.

¹² FBIS, 16/12/81, p.D4.

in Sino-Soviet relations. Shortly after President Reagan's inauguration, the Soviets launched a broad "confidence-building" campaign, intending to take advantage of the Sino-Soviet rift. In March, Soviet leader Leonid Brezhnev issued an unusually forthcoming call for improvements in relations between Moscow and Beijing. In a pointed reference to Chinese criticism of US arms sales to Taiwan, Brezhnev averred,

We have never supported, and do not support now in any form, the so-called concept of two Chinas, but have fully recognised and continue to recognise China's sovereignty over Taiwan island.¹³

He declared the Soviet Union ready "to continue talks on existing border questions" and prepared to come to terms with mutually acceptable measures to improve relations "on basis of mutual respect for each other's interests, non-interference in each other's affairs and mutual benefit."¹⁴ He even went as far as declaring China a socialist state and called for an expansion of economic, cultural and scientific relations. Instead of reacting positively to such gestures, Beijing responded very cautiously since Soviet aims were too transparent and no substantive concessions were offered. The main concern which still loomed large with the Chinese was the northern threat posed by the deployment of Soviet troops along their common border. This situation was interpreted as belying Brezhnev's overtures:

¹³ N. Chanda, 'Brezhnev Breaks the Ice', Far Eastern Economic Review, April 2, 1982, p.12.

¹⁴ "Xinhua News Agency", Issue No. 685, 1/4/82, p.6.

While massive Soviet troops are deployed along the Sino-Soviet border, Brezhnev in his speech denied that the Soviet Union constitutes any threat against China and that his country has never interfered in China's internal affairs.¹⁵

A reduction of border tension was regarded, however, as being in Beijing's definite interest, particularly since it could justify better to the PLA military budget cutbacks which were seen as serving economic progress.

Although China did drop its strident calls for the development of an international united front against Soviet hegemonism, its main motivation was to restore its foreign policy freedom of action. Both superpowers were regarded as intent on global preeminence, a view iterated by Zhao Ziyang,

Facts have shown time and again that the superpowers are bent on controlling, subverting, exploiting and invading other countries...and thus have posed a grave threat to peace and tranquillity...¹⁶

This statement made a month after Brezhnev's overtures was a significant departure from China's single-minded anti-Sovietism as Zhao implied that the US as well as the USSR was dangerous. China's strong desire to move away from close association with the United States had an important bearing on the decision to resume talks with Moscow in October 1982, after an almost three year break. Ideally, Beijing would have wanted to achieve both an American capitulation on

¹⁵ *ibid.*

¹⁶ 'Xinhua News Agency', 19/4/82 in FBIS, 20/4/82, p.16.

Taiwan plus a modest improvement in relations with Moscow, plus at the same time continuing to obtain security and economic assistance from the West. However, while such a situation could not be realised, what Deng Xiaoping did try to attain was a more balanced stance vis-a-vis the superpowers. When addressing the issue of the complex relationship between Moscow, Washington and Beijing, Wu Xueqian, who had replaced Huang Hua as Foreign Minister at the end of 1982, stated that Sino-Soviet and Sino-US relations are two different things and could not be linked. He proceeded to outline China's policy towards both powers:

We are willing to maintain relations with the two superpowers on the basis of the five principles of peaceful coexistence,

and stressed that

The basic principle of our foreign policy is independence. In other words, we will neither cling to any big power nor submit to the pressure from any big power.¹⁷

Such nationalistic assertions were the hallmark of the most significant internal development of 1982, the historic Twelfth Congress of the CCP.

This, the Party's Twelfth Congress since 1921, was prepared for carefully by the Dengist regime since it was regarded as the event which would give the official imprimatur to Deng's vision of new China. The Congress's ideological stance was distinctly at variance with that of its predecessors as it attempted to outline

¹⁷ Xinhua News Agency Weekly Issue 762, 22/9/83, p.4.

a new policy agenda for the 1980s. In his opening speech, Deng Xiaoping outlined a priority order for this agenda by stressing that

Economic reconstruction is at the core of these tasks as it is the basis for solution of China's external and domestic problems.¹⁸

This emphasis on production as the highest priority underlay all the proceedings and was in total contrast to the ideology of the Cultural Revolution and subsequent rule of the 'Gang of Four'. Deng told his audience that China needed 'experts' equipped with Western technical and scientific skills, but sufficiently imbued with 'Socialist spiritual civilisation' to render them immune to what he described as the 'sugar coated bullets' of Western decadence.¹⁹

Deng, however, while opening the Congress, left centre stage to his newly elevated designate to the post of Party Secretary, Hu Yaobang. It was Hu's Report delivered on September 1 which was the Congress's high point. Entitled, "Create a New Situation in all Fields of Socialist Modernisation", it proceeded to deliver a series of anti-Maoist hammer-blows, consigning to the historical scrap-heap most of Mao's post-1956 policies. He stressed the necessity "to chart a correct course and define the correct strategic steps, principles and policies so that we can more thoroughly eliminate

¹⁸ L. Dittmer, 'The Twelfth Congress', The China Quarterly, p.116.

¹⁹ J. Mirsky, 'China's Twelfth Party Congress' in The World Today, December 1982, Vol.30 No. 12, p.473.

the negative consequences of the decade of domestic turmoil".²⁰ He proclaimed that the focus of both the Party and state had shifted to economic reconstruction and more significantly to

liquidating the "left" mistakes that persisted in our economic work over the years,

so that the "correct principles of readjustment, restructuring, consolidation and improvement" could be implemented.²¹

Continuing to emphasise the primacy of strong economic development, he forecast that with conscientious endeavour "China could quadruple its gross annual value of industrial production by 2000".²² In order to achieve such a goal, Hu was very aware that over-reliance on any one external power would prove inimical to China's self interests.

It was now realised that markets for light industrial and agricultural exports and imports of all levels of technology to upgrade China's existing infrastructure could be better sought through expanded relations with all countries. This more "independent" foreign policy stance enunciated by Hu was also upheld by Deng in his address when he warned:

No foreign country can expect China to be its vassal, nor can it expect China to swallow any bitter fruit detrimental to Chinese interests.²³

²⁰ Xinhua News Agency Weekly, 7/9/82, p.3.

²¹ *ibid.*

²² *ibid.*

²³ D. Bonavia, 'The Flight of the Phoenix', Far Eastern Economic Review, 10/9/82, p.13.

Still with the memory of more than a century of what was regarded as "aggression and oppression", a more assertive, nationalistic stance was now in evidence, as Hu averred that

the Chinese will never again allow themselves to be humiliated as they were before, nor will they subject other nations to such humiliation.²⁴

Faced with a similar dilemma to the scholar-gentry of the late nineteenth century who realised the functional value of Western technology but upheld the primacy of Chinese civilisation, Hu Yaobang warned against over-regard for imported products and extolled the Chinese path:

While pursuing the policy of opening to the outside, we must guard against, and firmly resist, the corrosion of capitalist ideas, and we must combat the worship of things foreign or fawning on foreigners.²⁵

Adopting a determined tone, Hu proceeded to prescribe clearly the conditions for continued relations with the superpowers. With a viewpoint very much shaped by events of the preceding year, the Secretary declared that Sino-American relations would have to be founded on "mutual respect for sovereignty and territorial integrity and non-interference in each other's internal affairs..."²⁶ He then addressed the issue of relations with Moscow and noted that Soviet leaders had often expressed a desire for improved relations. As Hu

²⁴ L. Dittmer, *op.cit.*, p.121.

²⁵ A. Whiting, 'Assertive Nationalism in Chinese Foreign Policy', in Asian Survey, Vol.XXIII No. 8, August 1983.

²⁶ D. Bonavia, 'Thoughts of Secretary Hu', Far Eastern Economic Review, 10/9/82, p.13.

Yaobang iterated, "deeds, rather than words, are important"; more explicitly, "practical steps to lift their threat to the security of our country",²⁷ and only then would a move towards a normalisation be possible. At this particular point no Soviet threat was regarded as imminent since Beijing was very aware that an ailing Soviet economy, coupled with problems for the Soviets in Poland and Afghanistan, plus support for the Hanoi regime were all sufficient to divert Moscow's attention.

So, as the Congress came to a close, Deng, his allies and proteges were preeminent in both the Politburo and Standing Committee, thus securing their economic and foreign policies. With their staggering promise to increase production four times by the end of the century came the necessity for a more multipolar global approach. Having realised that a failure to open up "the prospects for developing foreign economic relations" would obstruct the "development of political diplomatic relations with foreign countries",²⁸ an increased flexibility and expanded options were now deemed necessary. A breakdown in Sino-Japanese relations had occurred in 1982 due to changes in Japanese school textbooks which attempted to whitewash some of Japan's aggressive actions and atrocities in China from 1931 onwards.

This, combined with renewed Chinese fears of a revival of Japanese militarism had led to furious denunciations

²⁷ L. Dittmer, op.cit., p.121

²⁸ 'Hongqi' No. 81982 in FBIS, 11/4/82, P.K4.

by Beijing. Pragmatic considerations, however, now prevailed since increased economic links with Japan were regarded as integral to technological modernisation.

In addressing the Congress Hu Yaobang had pledged to

...work to eliminate all hindrance to the relations between our two countries and make the friendship ...flourish from generation to generation.²⁹

Such a desire was followed up by Hu's week-long visit to Japan in 1983. During this time both countries, being aware that long-range economic plans depended on cooperation and regional stability, attempted to reassure each other on matters such as militarism in Japan and peace in the Korean peninsula. Although reassurances could be forthcoming about conditions in the north-east, Beijing's attention continued to be diverted to a still troubled Sino-Vietnamese border. China's main regional preoccupation remained Vietnamese-occupied Cambodia, with the Chinese providing ongoing military backing to the Pol Pot regime. Over-involvement, nonetheless, was not favoured by Beijing's leaders who were desirous of curtailing defence expenditure and rediverting funds to the all-important task of development.

Not to be overlooked as a component of the strongly emergent nationalistic theme of foreign policy during this period are the irredentist foreign policy priorities, alluded to continually in Hu's Report as "the unification of the motherland". Ranked by Deng Xiaoping as second

²⁹ Hu Yaobang's Address to the Twelfth Congress.

only to economic development as one of the "three major tasks of our people in the 1980s",³⁰ national reunification of the state was to be achieved by integration of traditionally Han frontierlands incorporating Taiwan and the commercially vital colony of Hong Kong. How and when to assert sovereignty over this British colony, usurped under the 'Unequal Treaty' system of the late nineteenth century on a one hundred year lease, was to prove yet another very sensitive external problem in 1982.

In July Beijing announced that it proposed eventually to rule Taiwan, Hong Kong and Macau as "special administrative regions". This was followed by a further claim when British Prime Minister Thatcher held discussions in Beijing in September, that China intended to recover the whole of Hong Kong not just the New Territories when the lease expired in 1997. Mrs. Thatcher adopted a legalistic stance and declared that the three treaties governing Hong Kong Island, Kowloon Peninsula and the New Territories were valid in international law, a claim naturally refuted by China. Aware of the importance of arriving at an harmonious, mutually acceptable outcome which would not exacerbate the long-held mistrust of the former colony's inhabitants, Beijing began issuing more favourable and supportive statements about Hong Kong's future, insisting that the status quo would remain.³¹

³⁰ L. Dittmer, *op.cit.*, p.121.

³¹ J. Kallgren, 'The Turmoil of Modernisation', Asian Survey, January 1984, p.64.

The Dengist regime was fully cognisant of the state of domestic development at the beginning of 1983, that as one assessment depicted,

China's industrial and technical level lags about 20 years behind the developed capitalist countries and its agricultural production level is about 40-50 years behind.³²

So, while emphasizing progress in the countryside, five goals of industrial development were also established. These covered a broad spectrum, ranging from the need to balance development by increasing light industry, energy resources and factory productivity to facilitating foreign investment, plus establishing a fiscal system. These achievements could not be realised without a broader cooperative base between China and the rest of the world.

Whilst trade and cultural exchange between the PRC and the Soviet Union had grown considerably, relations with Moscow cooled to a great extent in 1983. Ostensibly over the question of Soviet support for the Vietnamese invasion of Cambodia, Beijing was becoming further aware that while detente with the Soviets brought benefits, it could not provide the technology transfer and markets which ensued from ties with the West.³³ On the other hand, the stalemate which had been reached in Sino-American relations remained. The problem of Taiwan, still referred to by President Reagan as "a long-term ally

³² Ren Tao and Zhang Jingsheng, 'Why a Change in Emphasis?', Beijing Review No. 1, 8/1/83, p.16.

³³ R. Terrill, 'Why China is Smiling at the Russians', The Bulletin, 15/3/83, p.77.

and friend"³⁴ continued to prove a stumbling-block. This was compounded by the stand of the protectionist bloc in Congress which raised objections to the level of textile imports from China. Chinese anxiety to purchase high technology items without complicated or lengthy delays, nevertheless led to an attempt at 'fence-mending' between Beijing and Washington by the end of the year. Zhao Ziyang had this as a high priority when he visited the U.S. in January 1984. He made references to Moscow's "southern strategy" to achieve global hegemony and spoke of the "inevitable" development of "enduring Sino-US friendship".³⁵ While Beijing may have at the declaratory level upheld economic independence as the key to consolidation of its political autonomy, in practice it found itself having to adhere to a policy of relative self-reliance, whereby it must maintain "open door" economic relations with other more developed states, particularly the most technologically advanced USA.

³⁴ The Sydney Morning Herald, 2/4/83, p.8.

³⁵ FBIS, 16/1/84, pp.B1-B2.

CHAPTER IV

SECURITY PERCEPTIONS AND DEFENCE MODERNISATION

"China desires peace, not war. In the effort to modernise our country, we Chinese people naturally need a durable and stable, peaceful environment... We wish to see an easing of U.S.-Soviet relations rather than a sharpening of their confrontation which increases the danger of war... We definitely would not like to see what we have built through hard work devastated by war".¹

This statement made in a recent report by Premier Zhao Ziyang highlights Beijing's foremost security concerns. Modernisation is upheld as synonymous with strength, which coupled with both political stability and internal cohesion are regarded as important to the maintenance of national security as is the military capacity to ensure sovereignty and to render the country invulnerable to external attack. Perceptions of security have influenced defence priorities which are being aligned with the contemporary modernisation programme. An awareness of the urgency to obtain 'state-of-the-art' military technology and hardware has a great deal of bearing on China's interaction with the rest of the world.

China's immediate security concern is to maintain its political and territorial integrity. Features such as size, location, natural resources, coupled with a vast population have been constants governing

¹ Premier Zhao Ziyang's Report on the Work of the Government. Second Session, Sixth National People's Congress, 15/5/84.

China's security outlook, as relevant to the continuity of past dynastic stability as to the effectiveness of present Communist Party control. The sheer vastness of its area and its pivotal location give it common frontiers with twelve other nations, thereby producing a continentalist approach to defence of the heartland. This, in turn, produced a strategic bias toward land warfare and keeping extramural threats at bay. Strategic concerns focussed on the northern reaches where Russian control in the late seventeenth century² reached its peak after 1850 as Slavic influence passed to Central Asia, specifically to the Chinese dependency of Xinjiang.³ Vulnerabilities of this northern border rendered Chinese strategists particularly sensitive to the frontier which today as a Sino-Soviet border, including outer Mongolia, extends for some 7,000 miles and continues to be as prepossessing as ever.

Contemporary fears of northern vulnerabilities remain with the Soviet strategy of 'encirclement and isolation' still seen by Beijing to be most in evidence along the Sino-Soviet border and in Mongolia. The Soviet ability to amass troops on its frontiers at

² After the Treaty of Nerchinsk (1689) the Qing Dynasty (1644-1912) failed to consolidate their hold on the Amur Valley. It was not until 1847 that Russia undertook seriously to advance the frontier beyond the Nerchinsk line and established control over the territory between the Ussuri River and the Sea of Japan.

³ The Treaty of St. Petersburg, signed in 1881, remained the basis of Sino-Russian relations in Central Asia until the end of the Chinese imperial system in 1912. Russia gained the right to open consulates in Sinkiang and Mongolia and was granted duty-free trade as far as the Great Wall.

short notice is considered by the Chinese as the most salient feature of the Soviet military threat. Fears of a sudden preemptive attack constitute the 'worst case' scenarios of Chinese strategists, particularly when the country lacks any sophisticated early-warning system. This may explain why since 1979 the PRC has agreed to operate an electronic intelligence-gathering station in Xinjiang jointly with the United States, presumably to monitor launches from Soviet Central Asia. Such close strategic liaison with the U.S.A. constituted part of the strengthening web which at this stage was binding both powers more closely. Security concerns determined that strategic considerations were the most immediate ones underlying China's search for a new modus vivendi with the Soviet Union when bilateral talks recommenced in October 1982. Beijing sought a resolution of three obstacles: Soviet support for Vietnam in Cambodia, their military presence in Afghanistan and deployment of troops along their borders.⁴

The initial tilt toward the USA of the late 1970s which was based on a combination of 'strategic cooperation' against an 'expansionist, hegemonic' Soviet Union and a desire to tap American technological resources, had given way by mid-1983 to a more balanced posture, while the inclination has nevertheless remained pro-Western since the West is regarded by Beijing's pragmatic leadership

⁴ 'Peking-Moscow Relations', Far Eastern Economic Review, 28/4/83, p.26.

as a means to the acquisition of extensive technical, including military technology, transfer. Now determined never to "...attach ourselves to any country or group of countries",⁵ the Chinese do not want to repeat the error of the Republic's first two decades when the total reliance on Soviet technology and expertise had ill-fated consequences, especially in the area of defence. Having gone under the 'Soviet umbrella' resulted in China's now being at least twenty years behind the superpowers in military hardware.

The withdrawal of Soviet technicians in the early 1960s led to Mao's advocacy of 'self-reliance' which while theoretically admirable could not bring China into a technologically advanced world. The conflict with the Soviet Union in 1969 brought home the degree of military vulnerability and thereby the necessity to reexamine defence provisions. China's defence policy, an essentially defensive one, has long maintained a balance, albeit at times uneasy, between the two concepts of nuclear force to deter strategic attack and 'People's War', mass mobilisation to counter conventional invasion. Based on Maoist military thought, the latter has been and to a large extent is still China's fundamental strategy. It is essentially a mobilisation approach to defence, assuming that an enemy bent on total victory would have to follow up nuclear strikes with a ground invasion against which the Chinese hold advantages

⁵ 'President Reagan's Visit to China', Asiaweek, 11/5/84, p.14.

derived from vast territory, difficult terrain and massive population. The Chinese situation calls for regular-force leadership of paramilitary forces, resort to mobilisation and use of protraction.

In May 1978, Deng Xiaoping, then Vice-Premier, maintained that if the USSR resorted to war, China's main weapons would still be 'People's War' with the best organisational form being the combination of field armies, regional armies and militia. He declared that Chinese strategy would be one of "gaining mastery by striking later" and would annihilate the invaders by first luring them into China's vast territory.⁶ However, the fact that it is unlikely that the Soviets would accommodate China by launching the type of attack best met by a 'People's War' has led to recent arguments that such a strategy is not as applicable to most types of conflicts in which the People's Liberation Army (PLA) is likely to be engaged. The veiled debate of the late 1970s has focussed on 'People's War' under modern conditions and advocated the abandonment of vestiges of support for Maoist strategy, declaring that "some of his principles no longer fit the actual conditions of future wars..." By that time it was fast becoming obvious that an "active defence" was necessary since

⁶ 'Official Views of People's War', China Recorder No. 1, 8 August 1978, p.3.

It is no longer possible to cope with a concentrated enemy attack with rifles, machine guns, hand grenades and dynamite charges. We must have sufficient anti-tank artillery and guided missiles.⁷

This realisation of the state of military backwardness and the subsequent attempt to rectify it, have along with the overall desire to modernise the economy, been strong motivations in shaping Beijing's contemporary external relations.

A great deal of the credit for the present approach to defence modernisation can be attributed to Deng Xiaoping. Intent on ridding China of its past reliance on outmoded practices or policies, Deng realised that technological backwardness posed the greatest threat to national security and that

...in the present age in which science and technology is developing by leaps and bounds, we will be the subject of attack if we do not have modernised and powerful national defence strength...⁸

and thereby included defence modernisation in the current programme. Deng's winning coalition in late 1978 was presented with dire economic prospects. An ambitious version of the 'Four Modernisations' announced early in 1978 was judged too costly, too rapid and likely to exacerbate structural imbalances in the economy. Defence modernisation therefore became clearly subordinate to economic reconstruction and had to flow from rather

⁷ Sun Yu, Lecture to the PLA Military Academy, BBC World Broadcast, SWB/FE/6023, 11/5. Cited in G. Segal, 'The PLA and Chinese Foreign Policy Decision-Making', Pacific Affairs Vol.53 No. 4, Winter 1980-1981, p.687.

⁸ 'Defence White Paper' 1978, in J. Harris, 'Enduring Chinese Dimensions in Peking's Military Policy and Doctrine', The Enduring Chinese Dimension, p.332.

than precede industrial modernisation, necessitating that difficult military choices had to be made concerning which areas of the PLA were to receive attention first.

While aware that "...economic construction is a prerequisite for national defence construction",⁹ Beijing nonetheless regards modern military prowess as pivotal to both security and the ability to project a strong international image. As outlined by Ye Jianying¹⁰ in a speech celebrating the thirtieth anniversary of the PRC's foundation, this means that China

...will raise her national defence capabilities concomitantly with her economic development and be strong enough to defend her security and resist and defeat foreign aggressors in case of a modern war.¹¹

If this is to be accomplished a number of vital key questions in regard to military modernisation must be carefully answered in order to maximise expenditure. Foremost is the 'mix' of military forces and in what specific defence sectors acquisitions are needed, followed by the size of the modern force which security needs dictate. The speed of development must also be considered along with the avenues of availability, a problem raising the associated dilemma of the degree of external assistance

⁹ Liberation Army Daily 1/8/79, cited in G. Segal, 'China's Strategic Posture and the Great Power Triangle', Pacific Affairs Vol. 53 No. 4, Winter 1980-1981, p.685.

¹⁰ Ye Jianying (b. 1897) From the Communist uprising in Canton in 1927 to the 'coup' against the 'Gang of Four' in 1976, Ye has been central to the Party. He carries no official title, but is a member of the Standing Committee of the Politburo.

¹¹. 'Defence : The Fourth of the Four Modernisations'. In N. Lee, The Chinese People's Liberation Army 1980-1982 : Modernisation, Strategy and Politics, p.6.

opposed to indigenous developments. Although it has been estimated that it would cost China from forty-one to sixty-three billion U.S. dollars just to obtain a 'confident capability',¹² to be able to deter only a conventional attack from the Soviet Union, modernisation of each arm of the PLA, both nuclear and conventional, is proceeding slowly. Deng has kept defence spending lean in an effort to carve away at inflationary military strength levels. As he explained in 1980:

Unless we reduce bloatedness we won't be able to raise the army's combat effectiveness".¹³

While any massive rearmament for ground forces remains on hold, the Chinese leadership has chosen to place more emphasis on naval and nuclear modernisation, thus necessitating the acquisition of technologically advanced Western hardware. Aware of the fact that "in any future war against aggression" that it will be impossible "...to use broadswords against guided missiles", China's defence planners have long upheld the necessity to maintain a nuclear research programme. The late Premier Zhou Enlai managed to ensure that there was no interference in training and work in the nuclear sphere during the Great Proletarian Cultural Revolution, thereby resulting in the fact that the nuclear installations and research programme at Lop Nor suffered far less than any other PLA units and defence industry. Until late 1978 the Chinese nuclear

¹² D.H. McMillan, China and the Contending Barbarians, p.11.

¹³ 'China's Anniversary Show', Time, October 15, 1984.

deterrent remained based almost exclusively on outmoded delivery systems of Soviet design, consisting principally of intermediate-range bombers and liquid-fuelled, medium and intermediate-range missiles. In May 1980, a solid fuel ICBM, the CSS-4, with a six to seven thousand kilometre range was tested, an event which elicited immediate Soviet condemnation and had a direct bearing on the feeling of threat existing between them. The People's Daily responded that China's attitude to nuclear weapons was a defensive one:

We will never be the first to use them and we are against any country using them for blackmail.¹⁴

It went on to aver that the Soviet Union's reaction

...not only shows that China's possession of long-range rockets has further affected the Soviet position of monopoly, but also that it is 'gauging the heart of a gentleman through its own measures'.¹⁵

Moscow's condemnation arose from consternation, understandable in light of the fact that gradual deployment of not only ICBMs and of MRBMs, the CSS-2 and CSS-3 with an eleven hundred kilometre range, has for the first time given China a credible retaliatory capability against the European USSR. This nuclear programme is regarded by Beijing as an important symbol of China's international independence and self-reliance.

¹⁴ 'A Clumsy Trick' - Soviet Reaction to China's ICBM', People's Daily, 28/5/80, SWB FE 6434/A2/I, 2/6/80.

¹⁵ *ibid.*

It is believed that both maximum economic and strategic effectiveness is to be obtained by diversifying nuclear capabilities. The first reason for so doing relates to the vulnerability of China's forces to nuclear or conventional strikes by the Soviet Union. The PRC has attempted to avoid the problem of vulnerability by camouflaging or increasing the mobility of its MRBMs and ICBMs. But the vast majority of China's missile force still uses the antiquated method of non-storable liquid fuels with long fuelling times. Although launch-on-warning is an option, Chinese missiles are theoretically vulnerable not only to the Soviet SS-20 but also to rapid land and air operations against those missiles deployed near the Soviet border. Moreover, China's aged nuclear bomber force of approximately ninety B-6s is considered vulnerable on the ground and in the air because of the lack of sophisticated air defence and advanced aircraft electronics. The Chinese believe complacency is unwise and as a result have put a great deal of effort into deploying ICBMs into hard mountain silos and developing a SLBM force. While such strategic developments have given the PRC a certain degree of flexibility, the Chinese are still no match for Soviet forces in a nuclear exchange and would be capable of no more than a posture of minimum deterrence. Thus, it is in China's interests to support arms' negotiations and the development of detente between the superpowers, since international tension only serves to highlight its own military inadequacies.

The cost of upgrading the defence posture would be inhibitive to overall economic development, a realisation which has led to a reassessment of the less costly conventional capabilities. This has required an examination of the PLA which is essentially a defensive force, embracing all arms of the services and commanding a total manpower of over four million. More than simply a fighting force, the PLA has been a highly political institution, having played an active role in political affairs since its inception. Over the past two decades its leadership has been repeatedly purged in punishment for meddling in Peking's power struggles. After having adopted a 'Leftist' stance during the Cultural Revolution and having been regarded by Lin Biao as a personal political tool when called on to suppress the turbulence, the PLA is regarded by the present leadership as prone to supporting factions. Starved of new technology and indicted for arrogance and privilege, the PLA has had most grievances against Deng's anti-Maoist policies.

Political control of the PLA is essential since as a recent China-watcher has commented,

It is no exaggeration to say that the success or failure of the Four Modernisations may hinge on whether the Party under Deng is able to exercise control of the gun.¹⁶

In order to achieve this Deng has restricted the PLA to an essentially military role in an attempt to eradicate an addiction to the exercise of power acquired during the Maoist period. It is essential if China is to

¹⁶ 'Deng Takes on the Army', Asiaweek, 23/3/84, p.23.

encourage foreign investment that there be no likelihood of a return to anarchy of the previous decade and that China be considered a reliable trading partner. Since it still adheres to Maoist canons of warfare that prize men over machines, the PLA is the biggest stumbling block to the modernisation and efficiency-oriented policies of the Dengist administration. Professionalisation of military ranks has proceeded with hundreds of commanders being sent to special training units in order to acquire the essential knowledge needed to operate modern equipment. This is in accordance with Deng's vision of what a modern army should be: professional, above all, more concerned with soldiering than politicking; backed by sophisticated weapons and properly trained to use them.

Not only does the Dengist regime regard political control of the PLA as essential to security, but the acquisition of advanced military technology is likewise seen as integral to a credible defence posture. The fact that in terms of equipment, training and logistic support, China still lags more than a generation behind its powerful neighbour, the Soviet Union, directly influences the national image that China can project abroad. In the late 1970s the main force divisions were seen to be deficient in all types of modern weaponry with shortages being especially glaring in precision guided and anti-tank missiles and advanced tank technology. The realisation arose that "...paying attention to

learning from advanced experiences of foreign countries"¹⁷ was necessary if such advanced equipment was to be obtained. No longer could the strategy of 'storing grain and digging tunnels deep' be regarded as tenable for a country that envisaged itself modernised by the Twenty-first Century. Beijing has broadened its horizons and looked to what it designates the industrialised 'Second World' for hardware, as well, of course, to the United States. Thus, West European nations such as France and Germany, as well as Great Britain have been approached to make up the deficiency in anti-tank aircraft and communications equipment.

Since the Air Force had suffered more than any other arm from the technological gap with the overwhelming majority of its aircraft obsolete, approaches were made by the British in 1978 to conclude a deal to sell a number of Harrier VTOL jets to Beijing. Although this deal was not finalised due both to China's claim of financial pressures as well as to a lack of technological back-up, it was regarded by Moscow as inimical to East-West relations. It elicited a note from Leonid Brezhnev to West European leaders that any consummated weapons transfers with China would seriously damage relations with the Soviets. West Germany is more than any other country, acutely aware of Moscow's response to possible transactions with China, and thereby took the step of financing components to weapons systems manufactured

¹⁷ Defence White Paper 1978, op.cit.

by multinational consortia with headquarters elsewhere. Such a reaction highlights the degree to which China's implementation of its defence requirements has created a ripple effect in the international arena.

Although China has the second largest number of combat aircraft in the world, most are either obsolete or obsolescent. Over half of the Air Force's four and a half thousand fighters and ground-attack planes are elderly versions of the Mig-19, lacking air-to-air missiles and sophisticated electronics, hence centring present concentration of overcoming such deficiencies. Great Britain has recently supplied aircraft engines, artillery and radar, with France being a chief source of helicopters. Of greater significance for defence modernisation, however, has been the breakthrough occurring in June 1984 of Washington's decision to sell arms to Beijing. After the tension of the preceding year, the Reagan Administration agreed in principle on the first sale of weapons and military technology to the PRC since 1949. Zhang Aiping, China's Defence Minister, along with the US Secretary of State, Caspar Weinberger, worked out an agreement to sell Hawk air-defence missiles, improved artillery and TOW anti-tank missiles to China.¹⁸ So far, China has been unable to develop either an effective modern fighter-bomber with nuclear-delivery capability or an air-superiority fighter. However, it is hoped that intended improvements, particularly

¹⁸ Canberra Times, 15/6/84.

in air strike capacity, will reduce some of the advantages of a prospective Soviet invader fielding massive amounts of armour under an impenetrable aerial umbrella.

Recent Soviet air and naval build-up in the South China Sea with bases at Cam Ranh Bay and Da Nang has served to highlight China's lack of a viable naval deterrent. A century of vulnerability and a seven thousand mile coastline notwithstanding, until of late little effort has been devoted to developing maritime military strength. While the pace of production of shipbuilding increased in the 1970s, until the latter part of that decade naval logistic systems continued to be shore-based with lack of ASW capabilities and overall firepower deficiencies severely reducing force effectiveness.¹⁹ With a navy which failed to offer a deterrent, it was decided to give the navy the lion's share of defence modernisation funds. Beijing, in November 1982, decided to purchase more than a hundred million pounds sterling worth of naval equipment from a British consortium. This deal included surface-to-air missiles and naval sonars for ASW and navigational and fire-control radars to refit China's destroyer fleet.

These technological advances were complemented by the successful firing of an SLBM in the East China Sea in October 1984, revealing China's mastery of such advanced technology. The Navy's current manpower

¹⁹ J.D. Pollack, 'The Logic of Chinese Military Strategy', The Bulletin of Atom Scientists, January 1979, Vol.35 No 1., p.30.

of 360,000 is more than double its 1970 strength, with the number of combat vessels having doubled since 1980.²⁰ Despite the fact that it possesses two Han-class nuclear-powered submarines carrying cruise missiles, the CSS-NX-4, reported to have a 1,600 kilometre range and still an experimental weapon, it is nonetheless potent if only because its existence assures China that part of its nuclear deterrent can survive a first strike. Lacking a single international-class destroyer, the Chinese Navy still remains basically a coastal defence force, with a limited offensive potential. While able to inflict substantial damage to an invader from the sea, its 'blue-water' capability is still extremely limited because of inadequate air defence in the open ocean beyond range of ground-based air support. Although efforts are being made to overcome these weaknesses, most of them will still exist in the 1990s thus rendering China strategically vulnerable in a vital area of national defence.

While these defence developments are proceeding, it must be realised that China's acquisition of a soundly developed defence base is to be accomplished within the context of overall technological advancement which, in turn, is helping to fashion the country's approach to its foreign affairs. In order to bring China into the more advanced ranks by the end of the century, Beijing is pursuing a two-track policy of political

²⁰ 'China's Anniversary Show', Time, op.cit., p.9.

authoritarianism and economic liberalisation. This has very much come to entail a continued adherence to Mao Zedong's precept of yangwei zhong-yong, 'adopting Western knowhow for Chinese use', which according to Deng Xiaoping is "still our principal goal in treating all (foreign) culture".²¹ Notwithstanding the PRC's ritualistic attacks on the 'hegemonism' of the two superpowers, the Chinese understand that they cannot afford the risks and uncertainties of excessively provoking either or both. While a strategy of isolation and estrangement from Washington and Moscow is inherently dangerous for Beijing's security interests, the Chinese also understand that close alignment with either global power at the expense of the other is not a workable long-term strategy.

Thereby, flexibility is the keynote which is essential for China's present strategy of dealing with the rest of the world. The requirements of a very ambitious modernisation programme have in turn increased reliance on trade and on natural resources outside of the PRC's militarily enforceable sphere of influence. The protection of offshore oil and fishing resources, the protection of sea lanes in the South and East China Seas, a more focussed effort to limit Soviet influence in Asia, as well as the desire to raise its political profile in the region are all elements in China's evolving security portfolio.

²¹ Lam Wo-lap, 'Why Deng Needs Mao', Asiaweek, 27/1/84, p.28.

CHAPTER V

1984-5 : PURSUIT OF AN INDEPENDENT PATH

China pursues an independent foreign policy. We do not attach ourselves to any big power or any group of powers, nor do we enter into strategic relations, let alone alliances with any big power or group of powers.

General Secretary Hu Yaobang
Address to National Press Club
Canberra, 16 April 1985.¹

Hu Yaobang's assertion that China is to be independent and non-aligned has emerged as the hallmark of China's approach to its external relations in the mid-1980s. This doctrine of independence which was developed further throughout 1981 has found its clearest expression in Beijing's moves to extend its options beyond full reliance upon the United States. With an approach that resembles the stance adopted towards the West in the last decades of imperial rule, China has once again opened its doors to the advantages to be gained from a more technologically sophisticated West. Such a realisation arrived at by the General Committee in October 1984 found expression in the pronouncement that "National seclusion cannot lead to modernisation",² and has been accompanied internally by a shift towards a market-based economy. 'Socialism with Chinese characteristics' is the present goal of internal reform, as Maoist economic dogmatism has ceded

¹ Speech by General Secretary Hu Yaobang, 16 April 1985, Background (Canberra), 20 April 1985, pp.A22-A23.

² R. Delfs, 'On the Road to a Second Founding', Far Eastern Economic Review, 21/3/85, p.64.

to entrepreneurship. Concentration on domestic concerns has absorbed most of the leadership's attention throughout 1984 and into 1985, with foreign-policy initiatives and activities being somewhat more curtailed than at the outset of the decade. Although Beijing regards a balanced stance between the two superpowers as most desirable, the achievement of modernisation has necessitated a more open relationship with the U.S.A., while simultaneously countering this with a more extensive approach to international relations.

Sino-American relations in 1984 were highlighted by Premier Zhao Ziyang's trip to the United States in January and President Reagan's reciprocal visit to China two months later. Zhao struck a note of warning on his departure from Beijing, declaring:

If the U.S. does not change its attitude towards Taiwan, Sino-U.S. relations will never be able to develop steadily and permanently.³

However, on arrival in Washington, he agreed to shelve the thorny Taiwan issue and announced that while Beijing's ultimate goal was to "completely remove this obstacle (Taiwan Relations Act)" it would be prepared to accept for the time being, Washington's recognition of the People's Republic as the sole government of China and to phase out gradually arms sales to Taipei.⁴ This modification was obviously due to Zhao's desire not to raise obstacles to the achievement of his more pragmatic

³ 'Building a Bridge to America', Asiaweek, 20 January 1984, p.7.

⁴ 'He's Suave, Tough, Pragmatic', Asiaweek, 27 January 1984, p.36.

goal, that of obtaining "massive capital and advanced technology". As Zhao stressed to the National Council for U.S.-China trade, such an injection was required "in order to blaze a new trail and build socialism with Chinese characteristics".⁵ Seeking hard cash to bankroll China's modernisation programme, Zhao urged Congressional leaders to change legislation banning the extension of long-term, low-interest, U.S. credit to communist Third World states. While failing to obtain compliance with this from Congress, the Chinese Premier and President Reagan, however, did conclude an industrial and technological agreement which guaranteed that both parties would "take all appropriate steps to create favourable conditions" for future trade investment and know-how exchange.⁶

En route to Beijing, President Reagan noted that

a stable and enduring U.S.-China relationship provides a vital contribution to peace and well-being of the peoples of East Asia...⁷

Contributing to the stability of this relationship was the nuclear energy pact which was signed between both powers on Reagan's arrival in Beijing. By providing the legal framework for the sale of U.S. nuclear reactors, materials and technology to China,⁸ this agreement did much to placate Chinese feelings of hostility over

⁵ *ibid.*, p.38.

⁶ *ibid.*, p.39.

⁷ 'How Close?', *Asiaweek*, 11 May 1984, p.8.

⁸ *ibid.*

Washington's continued arms sales to Taipei. Zhao Ziyang advocated guarding against the tendency evident in the United States to upgrade relations with Taiwan.⁹ The fact that this issue remained an impediment to closer ties was also apparent in Deng's remark to the President that only "when the Taiwan question is resolved, the knot in Sino-American relations will be untied".¹⁰ Lest this visit be interpreted as signifying close alignment with the U.S., the Chinese leadership made a concerted effort to indicate its displeasure with any aspects of United States' foreign policy. American actions in West Asia, Southern Africa and Latin America were disparaged and President Reagan's televised address had carefully excised from it references to the U.S. occupying no foreign land, nor committing "wanton acts", as well as references to "hand-to-hand" cooperation between both powers. While such moves reflected Beijing's desire to be seen pursuing an independent foreign policy line, they were also made with the object of smoothing the way for more 'normal' relations with the USSR.

Although earlier 'normalisation' talks with the USSR were postponed indefinitely in the wake of the Soviet intervention in Afghanistan, Chinese leaders

⁹ *ibid.*, p.15.

¹⁰ *ibid.*

had responded more positively to Soviet overtures in the early Reagan years. This slight improvement in Sino-Soviet relations, however, suffered a setback in the wake of Reagan's trip to China, with Moscow's displeasure being evident in the abrupt cancellation of the planned visit of Soviet First Deputy Premier, Ivan Arkhipov, the highest ranking official to visit since the breakdown of relations in the late 1960s. However, as the year progressed both sides realised that they had a great deal to gain from a reduction of tensions and improvement in their bilateral relations at a practical level, notwithstanding lack of concurrence on sensitive political, military and ideological issues. As the late Soviet leader, Konstantin Chernenko remarked in October,

The normalisation of relations between China and the Soviet Union will be helpful for a healthy situation on the Asian continent,¹¹

a pragmatic realisation which led Moscow to rescind its earlier cancellation, sending Arkhipov to Beijing in December. Prepared to set aside "different views on international issues and domestic constructions",¹² China reached broad agreements with the Soviets on redevelopment of Chinese industry, on scientific and technical cooperation and on conclusion of a long-term trade agreement designed to increase bilateral trade.

¹¹ M. Lee, 'A Back Seat for Politics', Far Eastern Economic Review, 10/1/85, p.16.

¹² Zhao Ziyang, *ibid.*, pp.15-16.

Zhao informed Arkhipov that such a "relatively smooth development" of Sino-Soviet economic and trade relations, proved that outstanding bilateral problems could be solved with a positive attitude.¹³

Growing accord between the two powers was more clearly in evidence at the beginning of this year with Beijing's endorsement of Mikhail Gorbachev, Chernenko's successor, to the post of Party General Secretary. On wishing his Soviet comrade "great accomplishments in the course of Soviet socialist construction" and saying that China was "willing to work toward further developing relations...",¹⁴ Hu Yaobang for the first time since their long-standing estrangement, had officially referred to the USSR as a socialist state. Hu's most unusual omission of the three outstanding obstacles in the path of normalisation¹⁵ in his message to Gorbachev was not repeated by Premier Deng during the bilateral talks in April. In fact, Deng Xiaoping reaffirmed these 'obstacles', averring that they were all of "equal gravity", needing to be removed "gradually" in order to ensure a "thorough" normalisation of relations.¹⁶

¹³ *ibid.*, p.15.

¹⁴ M. Lee, 'A Crack in the Ice', Far Eastern Economic Review, 28/3/85, p.10.

¹⁵ Such obstacles have been discussed earlier. These are the reduction of Soviet forces along the Sino-Soviet border, as well as withdrawal of Soviet intervention from both Vietnam and Afghanistan.

¹⁶ N. Chanda, 'No Boat to China', Far Eastern Economic Review, 30/5/85, p.16.

Nevertheless, Deng's suggestion that the Soviet Union could eliminate one obstacle by encouraging Vietnam to withdraw its troops from Cambodia, while appearing to be at variance with his unexpected pronouncement that the Soviet Union could "still retain the bases provided by Vietnam",¹⁷ is in fact in keeping with Beijing's realisation that the Soviet bases in Vietnam are there with Hanoi's approval, whereas the Vietnamese military presence in Kampuchea is unwarranted. However, whether such a gesture may have been designed to placate either Moscow, Hanoi or both is unclear. This softening of attitude can undoubtedly be attributed to Beijing's desire to see a firmly established zone of peace around its periphery.

A reduction of peripheral tensions, thereby ensuring that modernisation can come to fruition, is the clear intention of the present pragmatic leadership. Nowhere has the need been more urgent than along the Sino-Vietnamese border, an area that has had the potential to erupt again into open conflict. Vietnam's success in sweeping the Kampuchean guerillas across the border into Thailand in the first months of this year aroused fears that China would now consider it necessary to 'teach the Vietnamese' a second 'lesson'. Wu Xueqian informed a press conference in Singapore in February that reprisals would be taken "...if Hanoi continues to make provocations"

¹⁷ *ibid.*

and warned that thirty divisions were available for use against Vietnam.¹⁸ However, after months of threatening, the Chinese press toned down its criticism of the country, a development which is linked with Beijing's efforts to improve relations with the Soviet Union. While not weakening in its opposition to the Vietnamese occupation of Cambodia, the Chinese leadership, not forgetful of their inability to teach Vietnam a 'first lesson', has decided it could not afford to launch a major military campaign against a highly militarised neighbour. Undoubtedly even a limited war is regarded as inimical not only to the long term modernisation programme, but also to the non-aggressive image Beijing is fostering both internationally and regionally.

This image is vital to China's relations with neighbours, North Korea and Japan. Japan, now China's largest trading partner, is despite what is regarded by the Chinese as a disappointingly low level of investment and technological transfer, vital to present modernisation; while North Korea's increased military cooperation with the USSR aroused sufficient concern in Beijing for Hu Yaobang to visit Kim Il Sung in May this year. A more conciliatory image was also projected by Wu Xueqian at the Bandung Conference of non-aligned nations in April. Wu made it clear that China wanted to restore normal relations with Indonesia, severed following

¹⁸ R. Nations, 'Hanoi's Slow Learners', Far Eastern Economic Review, 7.2.85, p.11.

the abortive 1965 coup and downfall of President Sukarno. Such overtures, as well as offers to pursue economic, technical and cultural relations, failed to arouse a positive response from Jakarta which still regards China as the greatest potential threat to its north. A slight tone of regret was expressed by the South China Morning Post which editorialised that

Indonesia may have missed a rare opportunity of mending ties with Peking.¹⁹

Such gestures are in keeping with the regional image which Beijing has projected throughout the recent Sino-British negotiations over Hong Kong's future. Beijing is very aware of the danger of the loss of global goodwill, of the damage which could be done to the enthusiasm of Western bankers and businessmen, should it clumsily repossess an unwilling community. The Joint Declaration on Hong Kong signed in the Great Hall of the People in December 1984, has allowed the colony

...to continue to decide its own economic, financial and trade policies and to participate as appropriate in international organisations and agreements.²⁰

Hong Kong is to be granted the status of a Special Administrative Region (SAR) with a high degree of autonomy and a pledge that the fundamentals of the existing social system and free-market economy will remain unchanged

¹⁹ R. Nations, 'Wu-ing Suharto', Far Eastern Economic Review, 23/5/85, p.14.

²⁰ M. Lee, 'The World is Witness', Far Eastern Economic Review, 27/12 - 3/1/85, p.10.

for fifty years after 1997. It is apparent to the present Chinese leaders that Hong Kong's success is based on individual freedoms which if denied would severely undermine confidence, thereby endangering Hong Kong's function as the world's third largest financial centre. It is a lucrative market for the sale of Chinese goods, food and raw materials at international market prices with the spillover effects being most evident in the neighbouring province of Guangdong. Guided by pragmatic reason instead of dogma, Beijing is very aware that the future of Hong Kong is inextricably bound to that of the mainland's modernisation drive. Consideration has been given to the fact that the approach used with Hong Kong has bearing on the intention to reunify with Taiwan, since adverse external reactions would only serve to exacerbate the existing difficulties inherent in such a process.

Much of Beijing's present international stance can be largely attributed to the transformation which is taking place in current ideology. In mid-1984 Deng Xiaoping heralded forthcoming domestic changes in a speech entitled Build Socialism with Chinese Characteristics in which he openly questioned socialism and Marxism, asserting that "Our understanding of these questions in the past was not completely clear".²¹ This was followed six months later with a surprising statement in the People's Daily casting doubt on the

²¹ R. Delfs, 'Reports of a Death Greatly Exaggerated', Far Eastern Economic Review, 1/3/85, p.88.

capacity of Marxism-Leninism "to solve our current problems".²² Such questioning of Marxism-Leninism and attempts to adapt it to Chinese conditions, or as Deng phrases it, "Socialism with Chinese characteristics", is not a contemporary phenomenon. From the Yan'an period of the 1930s in which the fledgling Chinese Communist party was consolidated under Mao Zedong, the Russian model of revolution has been moulded to fit a peasant-based economy which had yet to undergo the capitalist, industrialised phase. While having little choice but to 'lean to the Soviet side' in its first decade, Mao was determined to make a Chinese revolution, creating a brand of socialism that could be best applied to an underdeveloped, agrarian economy. The Dengist interpretation of China's revolutionary path is one promoting the necessity for an industrialised state, not necessarily based on the Soviet model of a centralised socialist economy.

The Dengists now maintain that since the commodity economy is a natural stage of socialist development that a backward and underdeveloped China cannot bypass, previous attempts to accelerate the transition to Communism prematurely led to disaster. Such thinking was embodied in A Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure

²² *ibid.*

produced by the Third Plenum of the Twelfth Central Committee in October 1984. This document has heralded what the leadership hopes to be the onset of a transition to an economy in which market forces are to be more effective, one that will not adhere as rigidly to the Soviet-type centrally planned model. Accordingly, the essential task of socialism is interpreted as being "to develop the forces of production, create even more social wealth and meet the people's growing material and cultural needs."²³ Market forces along with expanding enterprise autonomy and material incentives, are to be gradually incorporated into what has hitherto been a more tightly controlled economy.

The areas which are to serve as models of this system are special areas, coastal cities and Hainan Island which have been designated Special Economic Zones (SEZs). With the aim of encouraging foreign investment, such zones offer specially designed tax and other incentives, encouraging foreigners to invest in joint ventures, cooperative enterprises or wholly foreign-owned operations. While opponents of economic reform see these zones as "polluted circles" where the "capitalist road" is being followed,²⁴ the central government is determined to raise the level of technology by opening up these coastal cities. Closely associated

²³ R. Delfs and R. Bonavia, 'A New King of Socialism', Far Eastern Economic Review, 1/11/84, p.25.

²⁴ J. Marshall, 'China Extends Open Door Trade Policy', The Canberra Times, 10 August 1984, p.5.

with such moves have been recent major efforts to expand trade already established with the U.S.A., Japan and Western Europe, as well as with the less Sovietised countries of the Eastern bloc such as Hungary, Czechoslovakia and Poland. In June and September 1984, China's Foreign Economic Relations and Trade Minister, Chen Muhua, made two trips to the region and spoke of a new era in China's trade relations, concluding trade pacts with these countries.²⁵ The demands of modernisation are hence necessitating extending China's base of foreign relations. The goal, as iterated by Hu Yaobang in a recent speech, is "to quadruple" both the "gross output value of industry and agriculture" as well as "the volume of foreign trade".²⁶ Hu proceeded to state that achieving such "developmental objectives" will incur a "break with self-seclusion" and opening up to "...the outside world while bringing down regional trade barriers at home".²⁷

²⁵ 'A Wedge in the Bloc', Far Eastern Economic Review, 18/10/84, p.77.

²⁶ Hu's Speech to Advisory Committee of Economic Planning and the Business Community, 17 April 1985, Background, 20 April 1985, pp.A27-A28.

²⁷ Speech by General Secretary Hu Yaobang to National Press Club, op.cit., p.A2.

CONCLUSION

As China anticipates the end of the century with high expectations, many observers still question the likelihood of such a pragmatic course being pursued beyond the tenure of the present leadership. Will this modernisation drive, like so many attempts at reform in the past, give way to a reactionary backlash with the demise of the Dengist faction? If such an ambitious programme falls drastically short of expectation will there be a return to leftist principles and a more rigidly controlled system? It must be wondered whether this period of domestic liberalisation and its concomitant conciliatory foreign posture is an interlude or in fact the road China will travel until the ideal of 'standing on two legs' is realised. Given the changes of direction which have occurred over more than three decades of the PRC's existence such doubts and concerns naturally arise.

Under Deng Xiaoping, China is as stable and as united a nation at present as it has been for well over a century. As long as he remains alive and active there is little doubt that the path he has laid down for China is the one to be followed. If all goes according to Deng's plan he should be able to retire nominally in a year or two, handing over power to younger effective leaders who agree with Dengist principles.

The existing 'Open Door' policy has the endorsement of the leadership and mass support, since it is cheaper and easier to buy from abroad. Indeed there is no realistic alternative to reform and to keeping the door open to the West, so that China can benefit from infusions of Western technology. Any other course of action would almost certainly have a disastrous impact on economic productivity. Deng has warned that the 'theory of speeding up' and of setting targets too high was one of the worst mistakes of the Maoist era, causing such disasters as The Great Leap Forward. The present ideology holds that China must undergo a slow and historic quasi-capitalist transformation with a continuation of decentralising, market-oriented reforms.

However, current modernisation policies are unlikely to proceed undisturbed without further lurches in political and economic attitudes and power structures. Although the Dengist faction currently has the upper hand, tensions within the Party between Left and Right, and between educated and uneducated, contain potential for political setbacks. Deng has not been able to neutralise either those conservative Party veterans favouring more orthodox socialist methods or Leftist Party hacks and ideologues, despite his replacement of such middle-level leaders with pragmatists. Seeds of leftist opposition are also still to be found among many of the senior PLA commanders who remain uneasy about the policy of diverting so much of army resources and military production to

aid the civilian sector. As head of the CCP's Military Affairs Committee, Deng has reserved for himself the most important military post, a position which has enabled him to reduce manpower levels and insist that priority be given to the modernisation of weapons and combat training. In so doing, Deng has gone far in reducing the enormous political influence which the military wielded under Mao, however, he has not succeeded in shifting all opposition in the PLA. These measures have been taken to ensure as smooth a post-Dengist transition as possible, one unlike the turbulent interregnum following Mao's death, thus ensuring an uninterrupted reform process. It follows that a China committed to reform will also continue to be a China with a strong interest in peace and stability abroad since a reforming China requires a peaceful, stable international environment.

Beijing's declaratory claim to foreign policy independence and strategic autonomy is regarded as the most suitable for modernising China. As desirable as such a stance might be, Beijing still faces and will continue to encounter problems in defining a position distinct from Moscow and Washington. While equidistance between the two and never 'leaning to one side' again is regarded as the only position of strength from which to act, it is going to remain, as it has in the past, extremely difficult for Beijing to maintain such a posture. The act of balancing one superpower against the other is still a very delicate one as recent Sino-American interaction testifies. Beijing's failure in May 1985

to finalise arrangements for a port call to Shanghai by U.S. naval ships is seen as tantamount to cancellation, and has focussed U.S. concern about limits of political cooperation with China. While American officials regard this as much posturing on Beijing's part, there is concern that such a refusal, coupled with growing Sino-Soviet normalisation, could endanger American consensus favouring support for the PRC. The most likely reason for this is Washington's fear that steps taken to establish a joint Sino-Soviet scientific and technical commission could complicate U.S. technological transfer to China due to the possibility of such technology ending up in the USSR.

Despite the problems of diplomacy inherent in moves by Beijing to balance its relations between both powers, a closer reestablishment of ties with Moscow is clearly regarded as more advantageous than continued hostility. Viewed objectively, both the Chinese and Russians have a great deal to gain from reduced tensions. Prior to Mao's death the Chinese opposed detente for ideological and strategic reasons but for Beijing the Maoist policy of confrontation was both risky and costly. With the most urgent priority being modernisation, a reduction of risk has also meant less drain on Chinese resources. Even while Beijing nevertheless feels threatened by the Soviet Union to the north and Vietnam to the south, it still makes sense for the Chinese to try to contain Soviet military expansion by advancing

their economic and political relations. As pragmatic economic relations evolve to tap what both sides have described as the considerable potential for mutually beneficial business-like cooperation, a more conducive atmosphere for discussing their political problems might well be created. If the scope for Sino-Soviet relations widens, as is indicated by the current unusually positive attitude towards Soviet leader, Gorbachev, the obstacles in their political relationship must be set in a larger perspective and thus occupy a less dominant position. While current indications are that existing atmospherics could well turn out to provide a dramatic climatic change, it is unlikely that relations will return to anything resembling the Sino-Soviet accord of the 1950s, as the PRC will never again submit to the role of junior partner.

The attainment of a strong, independent, largely self-reliant nation is the desired end of all current political, economic and foreign policies. But as General Secretary Hu Yaobang recently conceded:

...we have not yet completely lifted our country from poverty and backwardness. It is by no means easy to modernise a vast poor country like China and secure for it a place among the advanced nations...¹

A task of such vast proportions will undoubtedly absorb the leadership's interests for the foreseeable future. A major effort is presently underway to reduce the

¹ Speech by General Secretary Hu Yaobang at the National Press Club Luncheon, Canberra, 16 April 1985, Background, pp.A20-A21.

massive demographic problems facing planners. With strict enforcement of the policy of one child per family, the authorities hope to cut drastically the present population of over one billion. This is regarded as integral to the success of the drive to modernise. The results of this population curtailment will not be effective until at least the first decade of the twenty-first century, thereby necessitating the direction of resources in the near future to the awesome tasks of feeding, clothing and housing the present generation. Coming to terms with such internal problems has thus ensured that the present commitment to reform as a means of achieving economic modernisation will continue, albeit cautiously. Since China's socialist construction needs a lasting environment of international peace, the likelihood of Beijing becoming entangled in either regional conflicts or superpower dissension is very remote. The declaratory policy "...is to help maintain world peace and develop friendly relations with all countries...",² a foreign policy strategy which offers favourable prospects for continuity and stability. Such an approach, coupled with technological modernisation, will also shape Beijing's strategic outlook as economic expansion will produce a growing national self-confidence and a capacity to meet either large-scale or local military threats. The advocacy of a 'zone of peace', plus concentration on creating a more efficient, technologically sophisticated military force will allow the necessary

² *ibid.*, p.A22.

breathing space to produce a self-sufficient defensive capability. Achievement of these goals is very dependent on the maintenance of internal stability and of a broadly based foreign policy. If as Zhao Ziyang asserts:

China has opened its door and will never close it again,³

then it is possible that this may lead to the realisation of the goal of modernisation and independence. The present pragmatic course, while one of the many attempted solutions to China's post-war reconstruction, may be workable. It is not to be overlooked that the P.R.C. is a Communist nation and there are no indications that it will be otherwise, a fact, however, that does not preclude the adoption of a more ideological, rigid stance again both at home and abroad.

³ Zhao Ziyang, Washington, January 1984, 'He's Suave, Tough, Pragmatic', Asiaweek, op.cit., p.36.

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