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Foreign Policy and Strategic Perspective

~~(C)~~ The overarching goal of China's foreign policy remains achieving a dominant role in Asia and dealing equally with the superpowers on global issues. As it expands its global influence, China is willing to compete directly with the superpowers, as demonstrated by Beijing's recent sale of CSS-2 intermediate range ballistic missiles to Saudi Arabia.

- o ~~(C)~~ Since early 1987, Chinese foreign policy has become increasingly independent. Although Beijing continues to regard Moscow as its principal long-term security threat, China and the Soviet Union are steadily moving toward reestablishment of fully normal diplomatic relations. Despite a new found confidence in their ability to sustain a more independent foreign policy, China's leaders will continue to safeguard relations with Washington.

~~(C)~~ China's View of the Global Balance. From Beijing's perspective, the international environment is in flux. New forces and trends are developing that reduce the risk of global conflict, permit concentration on economic development, and provide an opportunity for China to enhance its global status.

- o ~~(C)~~ In Beijing's view, the United States and the Soviet Union have achieved rough strategic parity and their ability to define the course of global affairs is declining. Also Beijing believes that the Soviets under Gorbachev recognize the need for thoroughgoing economic and political reform and are therefore actively seeking to reduce international tensions to gain the breathing space they require. The United States also requires international stability to deal with its own domestic priorities. Both superpowers have therefore begun to improve their relations, thus reducing the risk of global conflict.

- o ~~(C)~~ Developments in international economic relations also limit superpower influence. Global economic multipolarity is growing and has encouraged a drive for greater foreign policy independence. Beijing assesses these tendencies to have loosened the ties of the traditional international system and sees in them an opportunity to enhance China's global status. The result for China is a more assertive stance worldwide and a new willingness to test the limits of Beijing's relations with both superpowers.

~~(e)~~ China and the Soviet Union. Having decided that Gorbachev is sincere in his desire to implement far reaching political and economic reform, Beijing has determined that its interests are well served by moving towards establishment of fully normal diplomatic relations. Talks at the Vice Foreign Minister level have paved the way for higher level contacts. Party-to-party and military ties--the sine qua non of relations between socialist states--will probably be established within the next year.

- o ~~(e)~~ Moscow's process of withdrawal from Afghanistan, its limited reduction of forces stationed in Mongolia, and its pressure on Vietnam to withdraw from Cambodia have begun to remove China's well known "Three Obstacles" to normal relations. These Soviet initiatives, plus Gorbachev's perceived commitment to domestic reform, have led China's leaders to conclude that they have a "window" within which the likelihood of Soviet military action against China is virtually nonexistent.
- o ~~(C)~~ Accordingly, China will use the period of grace, which Beijing estimates to comprise between twenty and thirty years, to concentrate on its own modernization program. During this time, China will emphasize the political and economic aspects of its competition with Moscow while building solid relations with the Third World. This will, in the judgment of China's leaders, enable China to compete more effectively with Moscow after the window closes.

~~(e)~~ China and the United States. China's improved relations with the Soviet Union mean that the original strategic basis for normalization of relations with Washington no longer weighs as heavily in Beijing's calculus as it did in the past. However, because China still regards the Soviet Union as the

