

London School of Economic and Political Science

China and the Middle East (1950-1988):  
A Changing Framework of Relations

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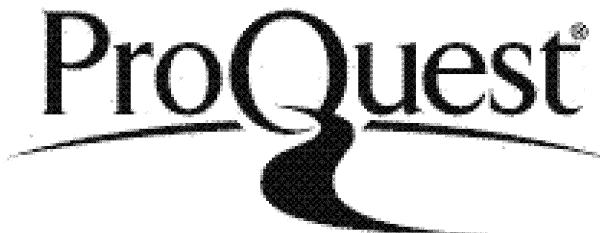
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### Thesis Abstract

This study examines China's relations with the Middle East. Its primary objective is to determine to what extent, and in what ways, China's involvement with the region has evolved. To accomplish this aim I have adopted an historical approach, examining China's relations with the Middle East between 1950 and 1988. The study is therefore subdivided into seven chapters, each of which treats a 'distinctive' period in the history of China's foreign relations since the founding of the PRC in 1949. For purposes of this study, the 'Middle East' is defined as the 'zone of Arab--Israeli confrontation', comprising the states of Israel, Egypt, Jordan, and Syria as well as including the PLO; plus the Persian Gulf, with emphasis on the states of Iran, Iraq, Saudi Arabia and Kuwait. Each chapter begins with a discussion of China's relations with the superpowers, and with developing countries. By indicating China's general foreign policy concerns, these sections hopefully shed light on the relative priority China attached to the Middle East in any given period. Thereafter, each chapter provides a country-by-country analysis of China's interaction with the Middle East, highlighting the opportunities and dilemmas that China encountered in the course of such involvement with the region. All chapters end with an 'evaluation' which assesses the nature of China's objectives and efforts as well as the success of its involvement. The chief findings of this study are: (1) that the Middle East has never been politically irrelevant or strategically inconsequential to China; (2) that the number of partners with whom China has engaged, along with the range and scale of Chinese involvement with the region (especially in the economic and military spheres), has expanded; (3) that the alternating pattern of 'involvement' and 'retraction' that once characterised China's interaction with the Middle East has, since the early 1970s, given way to a pattern of 'sustained engagement'. Accordingly, the study recommends attention to the prospects for, and possible ramifications of, China's future interaction with the region.

## CONTENTS

DEDICATION	7
ACKNOWLEDGMENTS	8
INTRODUCTION	9
<b>PART ONE: PROBING WITHOUT PROGRESS (1950-1965)</b>	
<b><u>CHAPTER I: "Leaning to One Side" (1950-1957)</u></b>	
A. The "Bandung Spirit"	25
B. An Evaluation	38
<b><u>CHAPTER II: The Cost of Militancy (1958-1965)</u></b>	
A. Strains in the Alliance	45
B. Invoking the United Front	61
C. An Evaluation	78

## **PART TWO: FROM PARALYSIS TO PRAGMATISM (1966-1977)**

### CHAPTER III: Socialist Fortress (1966-1968)

A. United Front, Inhospitable Climate	87
B. The Cultural Revolution and Foreign Policy	89
C. The Impact of the '67 War	91
D. Narrowing the United Front in the Middle East	96
E. Communism and Maoism in the Middle East	103
F. An Evaluation	107

### CHAPTER IV: Prelude to Pragmatism (1969-1971)

A. The Rise of "Social Imperialism"	113
B. Middle East - A Difficult Transition	117
C. Tentative Reimmersion in the Middle East	121
D. Continued Support for National Liberation	132
E. An Evaluation	146

### CHAPTER V: Thwarting Superpower Hegemony (1972-1977)

A. Sino-American <u>Rapprochement</u>	161
B. Third World Emphasis, Intergovernmental Level	163
C. Superpower Rivalry in the Third World	164
D. Deemphasis of Support for National Liberation	167
E. Upgrading Intergovernmental Ties	172
F. Focus on the Gulf	184
G. An Evaluation	199

PART THREE: ANTI-HEGEMONISM TO MODERNISATION (1978-1989)

CHAPTER VI: "Leaning to the Other Side" (1978-1981)

A. Modernisation First	215
B. Sino-American Entente	215
C. Economic Basis of Third World Relations	218
D. Expanding Middle East Relations	219
E. An Evaluation	246

CHAPTER VII: Developing Influence and Influencing Development (1982-1989)

A. Towards an "Independent" Foreign Policy	264
B. United Front on Cooperative Terms	265
C. "Independence" in the Middle East	267
D. An Evaluation	308

**CONCLUSION**

A. China, the Superpowers, and the Middle East	328
B. China and Middle East Regional Politics	331
C. The Domestic Setting and China's Middle East Relations	336
D. New Interests and New Aims	337
E. A Durable Network of Relations	338
F. Prospects	340
G. Closing Remarks	351

<b>BIBLIOGRAPHY</b>	358
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<b>TABLES</b>	367
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To my dear parents:  
with appreciation

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I never doubted or belittled grandma's advice. She seemed too self-assured to have been capable of erring. And as it has turned out, she has never been wrong. Grandma had a unique way of prioritising her advice: the more often she repeated it, the more important it was meant to be. The most frequently recited - and therefore the wisest - advice she offered can be roughly translated from Italian to read: 'Always hang around with people better than yourself.'

When I joined the LSE I realised I had taken grandma's advice. The instruction and supervision I received from the staff, and the personal relationships I struck with my peers, have been a constant source of inspiration and comfort. This thesis would not have been completed had it not been for the encouragement I received from my many friends in the IR Department of the LSE.

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## Introduction

### A. A Neglected But Important Subject

Literature devoted to China's relations with the Middle East is sparse. Only three authors have dealt exclusively and at length with this subject.<sup>1</sup> Of these three, only Hashim Behbehani and Yitzhak Shichor, have considered Sino-Middle East relations from the perspective of Chinese foreign policy. Whereas Behbehani's study is confined to Sino-Arab relations, the work of A.H.H. Abidi focuses on China's interaction with the countries of the Persian Gulf, principally Iran. These initial remarks raise questions about the salience of the subject on the one hand; and the way(s) in which this study might contribute to a fuller understanding of Sino-Middle East relations on the other.

Numerous books and articles have examined the extension of Cold War competition to the Middle East, accurately reflecting the impact and importance of superpower interests, activities and influence in the region. Next to superpower rivalry in the Middle East, French and British involvement there has received the most media and scholarly attention. This too is not astonishing. As U.S. allies and former colonial powers, France and Great Britain are presumed to be involved in the Middle East, thereby drawing attention even when the scale of their actual involvement might not necessarily warrant it. In contrast, to suggest that China has played a role of any kind in the Middle East seems a bit far-fetched. After all, China is only a putative world power, culturally distinct and for the most part

geographically distant from the Middle East.

In 1987 events challenged the presumption that China had no interests in the Middle East, nor the capacity to promote and protect them if it had. At that time U.S. naval vessels deployed to the Persian Gulf were discovered to be vulnerable to Chinese missiles sold to Iran. The ensuing political crossfire brought to public attention the extent of Chinese penetration of the Middle East arms market. These revelations provoked concern within the Reagan Administration that a new, potentially destabilizing round of regional arms competition might be under way. Suddenly, Chinese involvement in the Middle East mattered.

Perhaps China's instant promotion to relevance (vis-a-vis the Middle East) was merely belated recognition of an historical fact. Perhaps China's arms sales to the Gulf represented only one form of interaction among several in a relationship between China and the region which had developed incrementally. These propositions have not been tested. In any event, the scale and possible implications of these weapons transactions are reason enough to consider the context which made the sales possible.

A fresh study of Sino-Middle East relations is important for a second reason. It is well-recognised that the Middle East is a region of great complexity, volatility and global significance. It is also widely acknowledged that, in the past, developments originating outside the region (e.g. 19th Century European imperial rivalry, the outbreak of the First World War) have affected, indeed have crucially transformed

the region's politics. It is not suggested that China's activities in the region have crucially influenced the course of Middle East politics. Nevertheless, given the general significance of external players in shaping Middle East history, coupled with the region's international importance, some consideration of the way(s) in which China has, or might in future, affect the Middle East or any part of it, is needed.

A new study of Sino-Middle East relations serves a third important purpose; namely, shedding additional light on the subject of the evolution of Chinese foreign policy behavior. This study proposes to explore Sino-Middle East relations primarily from the point of view of Chinese foreign policy. It is not expressly aimed at deciphering what is meant by China's 'foreign policy interests'; nor does it seek to determine the degree to which the foreign policy instruments within China's possession are sufficient or appropriate to serve those interests.

Yet, in the course of investigating China's relations with the Middle East, these are naturally-occurring questions. Unavoidably, in identifying instances of Chinese involvement in the region, one is led to consider what has prompted these activities; that is, to seek to determine what 'interests' are at stake. Similarly, it is commonly recognized that, in the post-WWII era, China's relations with the superpowers have been its singlemost important set of foreign relations; and widely accepted that during this time the superpowers have been the predominant external players in the Middle East. It is therefore inconceivable

that a study of Sino-Middle East relations would fail to consider how China's relations with the U.S. and U.S.S.R., and how superpower rivalry in the Middle East, might have affected the PRC's interests and activities in the region.

#### **B. An Original Contribution**

This study does not purport to uncover new information. The originality of its contribution to knowledge lies elsewhere. First, no study of Sino-Middle East relations develops the subject beyond the mid-1970s. This study, in that it covers the years 1950-1988, extends the analyses provided by other authors. Moreover, as will be shown, the period from the mid-1970s onwards is perhaps the most revealing in terms of the expansion of Sino-Middle East relations. Most of Chapter 5, all of Chapters 6 and 7, and the majority of the findings of this study are drawn from the changes and developments in Sino-Middle East relations which occurred since the mid-1970s.

Second, this study, unlike others devoted to the subject, seeks to highlight throughout, and emphasize in the Conclusion, those factors which appear to have facilitated and constrained China's involvement in the region. The attempt to discuss, where evidence permits, how domestic factors (economic or political) within China might have impinged on China's efforts to build relations in the Middle East is notable in this regard (e.g. Chapter 2, Additional Constraints; and Chapter 3, The Cultural Revolution and Foreign Policy).

Third, even in the opening four chapters -- which span the

same period treated previously by Shichor and others -- there are numerous passages which reconsider or dispute the findings of these authors (e.g. Chapter 2, pp. 24-26); or simply contribute additional information as well as, hopefully, fresh insight (e.g. Chapter 4, Relations with the PLO).

### C. An Historical Approach and 'Multicausal' Explanation

The approach adopted in this study is mainly historical. The structure of the thesis reflects its chief aim; namely, drawing some general conclusions about the ways in which China's interests, activities, and fortunes in the region may or may not have changed. Accordingly, this study proceeds chronologically. Each chapter, moreover, treats a relatively 'distinct' period in the evolution of Chinese foreign policy generally.

The contents of each of the seven chapters consist mainly of analyses of China's involvement in the region occurring within that time frame. As previously mentioned, it is a fundamental aim of this study to trace the evolution of Chinese involvement in the region. As will become clear, the form and scale of this involvement has indeed changed. Accordingly, this study will examine China's political, economic, and military involvement with the Middle East, rather than confine itself to any one of these areas.

An historical -- or chronological -- approach is a convenient way to map the changes and continuities in China's relations with the Middle East. Yet, this study seeks to accomplish more than merely to describe a course of events or a set of interactions. It aims also to explain

recurring patterns of behavior, or for that matter, the emergence of new trends in Sino-Middle Eastern relations. It is therefore necessary to indicate at the outset how the second objective will be fulfilled.

The spectrum of literature on Chinese foreign policy offers several explanatory approaches.<sup>2</sup> J.K. Fairbank and M. Mancall, for example, suggest that the elite perception of a sinocentric world order (ie. a 'Middle Kingdom complex') is the principal determinant of China's foreign policy.<sup>3</sup> J. Gittings, S. Kim and L. Pye (among others) assert that Mao's decisive voice was the key causal variable.<sup>4</sup> Others, like K. Lieberthal, indicate that factional struggles within the Chinese leadership are determining.<sup>5</sup> P. Van Ness and H. Hinton, meanwhile, represent the view that ideology as well as national interests offer powerful explanations for Chinese foreign policy behavior; unlike, J.D. Armstrong, however, they emphasise the importance of national interests rather than revolutionary doctrine.<sup>6</sup>

Each of the approaches cited above sheds light on the nature of Chinese foreign policy. However, there are pitfalls in all of them. The historical legacy approach, for instance, posits an unbroken line of continuity between the external policies of Imperial China and the PRC. Yet, it fails to establish firmly the causal link between China's 'traditional' image of the world and its current international conduct. The Mao-dominant thesis, besides being time-bound, runs the risk of treating the Chinese

leadership during Mao's lifetime as though it were monolithic. The coalition politics approach also has its shortcomings; for one thing, it tends to suggest that differences within the leadership are evidence of factional strife, not mere policy divergences.

The defect which all of the explanatory approaches listed above have in common is their monocausality. This study favors a multicausal explanation. In that respect, it borrows from and builds on the work of V.P. Dutt, R. North, A. Whiting and others.<sup>7</sup> This study takes the position that Sino-Middle Eastern relations within any given period is the product of a changing framework consisting of three main elements: (1) China's relations with the superpowers; (2) opportunities and constraints supplied by developments occurring in the Middle East; and, from time to time, (3) significant developments (either economic or political) occurring inside China. Thus, Chinese involvement in the Middle East will be seen to have arisen from a blend of domestic as well as international factors.

#### **D. Some Basic Assumptions**

Locating the 'correct' time lines with which to subdivide China's involvement in the Middle East is a process that proceeds from certain fundamental assumptions. Perhaps the most important of these is the assertion that Chinese foreign policy has rather consistently operated from a strategic logic. The implications of this are several. Initially, it suggests that the Middle East may have figured more prominently in China's calculations on some occasions than on others. Next, it implies that China's leaders may at

times have assigned the Middle East an importance that bears little resemblance to the region's distance from China.

Above all, it suggests that the Middle East has been a changing rather than a static priority for China; its priority moreover, subject to revision, is set within the global strategic picture which in turn is painted by periodic re-evaluations of the world situation.

A second, equally important assumption is that -- whether one chooses to view Chinese foreign policy as emanating chiefly from ideological considerations, from reasons of 'state interests', or from some combination thereof -- what China has endeavored to do in the international arena, if not what it has been able to do, has been strongly conditioned by its position with respect to the superpowers. In the Middle East, where Soviet-American rivalry has been particularly intense yet where the region's politics have remained peculiarly fluid, the presence and activities of the superpowers have supplied not only incentives and opportunities for China to act, but have also imposed constraints and costs on China's acting. Thus, of the three variables identified earlier, the influence of the superpowers on China will be assumed to carry the greatest weight in guiding China's conduct in the region.

This assumption has a direct bearing on the geographic scope of the study. Understanding China's relations with the superpowers and the superpowers' relations with each other is central to understanding China's involvement in the Middle East. As a whole, the Middle East is notable for its

unusual degree of instability and its special importance to the superpowers. Yet, on the whole, superpower attention and activity has been geographically concentrated in the 'zone of Arab-Israeli confrontation' (that is, in the area which includes Israel, Egypt, Syria and Jordan) and the Persian Gulf. Accordingly, this study will explore Chinese involvement in the Middle East with special attention to these two sub-theaters of superpower rivalry.

A third and final assumption holds that China's domestic political and economic situation can have important implications for the conduct of its foreign policy. It is the perceptions of Chinese leaders interacting with the capabilities at their disposal which ultimately determine China's interests, obligations and aspirations. Through the eyes of the leadership, the global situation, China's place in it, and (for purposes of this study) developments in the Middle East acquire their image, meaning and relevance. Notwithstanding the difficulties of attempting to see the world as the Chinese leadership does, it is none the less necessary to recognise and to point to those apparent episodes in China's history when domestic economic and political turmoil may have impinged on Chinese foreign policy.

It is beyond the scope of this study to offer a precise account of the foreign policy debates that may have taken place since 1949 within the Chinese leadership. Still, it is important to acknowledge that such debates did in fact occur from time to time. This analysis argues from the position that Chinese foreign policy has, on the whole, enjoyed a

consensus within the Chinese leadership, though that consensus has not always prevailed, nor has it always been easily achieved. Consideration of competing and contending foreign policy viewpoints within the Chinese leadership will be offered in those instances when: (1) there is reasonably clear evidence of such foreign policy divergences; (2) the identities and respective positions of the contending 'factions' are readily ascertainable; and (3) there is a strong indication that such divergences may have had a direct bearing on China's involvement in the Middle East.

#### **E. Chinese Perceptions of and Interests in the Middle East**

As this analysis will demonstrate, Chinese interests and, correspondingly, the range of Chinese activities in the Middle East gradually expanded over time. Some preliminary indication of what those interests originally were, and what they later became, might be helpful to the reader.

First, China has continuously striven to win diplomatic recognition from Middle Eastern regimes while at the same time campaigning for the diplomatic isolation of Taiwan. Second, China has consistently attempted to curry favor among Middle East leaders in order to win support for its political positions. Many, if not most, of these positions have reflected Beijing's preoccupation with competing with, but more often, seeking to undermine the influence of one or the other superpower, or both.

For much of Mao's tenure as the PRC's paramount leader, and for several years afterwards, China faced strategic pressure from either the United States or the Soviet Union.

Briefly in the 1960s, China's relations with both superpowers were hostile. Whether or not Beijing was partly, or even principally, responsible for its strategically precarious situation is not at issue here. Assume that the threat of 'encirclement', for example, was real rather than imagined, or at least genuinely believed rather than simply portrayed that way for propagandistic purposes. Because of its vital geostrategic position, the Middle East, in this context, served as a strategic buffer for China. China's attention to the Middle East will be seen to increase during peak periods of hostility between China and either superpower; and during periods of perceived global expansionism by the U.S. or U.S.S.R. Thus, China has had a continuing strategic interest, of fluctuating importance, in the region. This interest has expressed itself in efforts to oppose, to the extent possible, superpower domination of, or condominium in, the region.

China's economic interests in the region will be seen to have developed relatively recently. The timing, magnitude and composition of Sino-Middle Eastern economic transactions moreover will be seen to derive from overall shifts in Chinese foreign policy; namely, the commitment to modernisation, and gradual acknowledgment of the importance of foreign economic relations in that process. It will be shown that arms sales are an integral component of that process. However, the argument will not be made that Sino-Middle East economic relations have at any time been deemed crucial to China's modernisation efforts.

PART ONE

PROBING WITHOUT PROGRESS

1950--1965

## Chapter I

### 'Leaning to one side'

1950--1957

The birth of the People's Republic of China in 1949 was part of the Cold War. This 'bipolar beginning' determined China's central strategic concern: its relations with the superpowers based on the superpowers' relations with each other. Since that time, the United States and the Soviet Union have provided (by virtue of their preponderant power) the 'maneuvering space' that has simultaneously freed and constrained China's ability to navigate in international waters. Samuel Kim reinforces this view by arguing:

At bottom, the superpowers have remained central to China's definition of global reality with attendant constraints and opportunities setting the outer limits and possibilities of Chinese foreign policy.<sup>8</sup>

After nearly four decades there is remarkably little to suggest either in China's rhetoric or behavior that the superpower rivalry occupies other than a paramount position in its strategic thinking. If anything, its ideology and capabilities support this contention.

In the early 1950s, China's need for rapid socialist economic transformation and the consolidation of political power arose within a context of mutual suspicion, reciprocal provocation and generally implacable enmity between the United States and the Soviet Union. Yet, at that time China's ideological affinity for the Soviet Union did not necessarily preclude a relationship of some kind with the

capitalist West (and the U.S. in particular). The U.S. decision to apply its then-indisputable political, economic and military pre-eminence to the task of Chinese 'containment' (which featured diplomatic and economic blockades, support for the Republic of China and the intervention in Korea) increased China's vulnerability. In response, China sought cover beneath the Soviet security umbrella and economic viability within a Soviet socialist framework. 'Leaning to one side,' therefore, provided the antidote to total isolation and potential catastrophe.

The Soviet remedy was particularly successful in attacking the economic ills of a backward country by supplying much-needed advice on the state organisational structure and the economic planning system; by assigning priority to industrial development; and by furnishing technicians as well as factory blueprints.<sup>9</sup> Being a Soviet ally also had important implications for China's quest for international legitimacy. Within the Soviet bloc, China gained the instant recognition of its members; this, in turn, enhanced China's credentials outside the bloc.

Yet, from the beginning, Mao insisted on a marriage between Marxist--Leninist principles and concrete Chinese experience. He made it clear that China would and must contribute to the development of socialist theory as well as to the Sino--Soviet alliance (although he did not elaborate on the precise content of that contribution). But the nature and extent of the partnership with the Soviet Union contemplated by China failed to coincide with the role which

the Soviet Union appeared to expect China to play, eventually poisoning their relations.<sup>10</sup> Nevertheless, strategic alignment with the Soviet Union, entailing as it did a subordinate and dependent position for China, remained tolerable for as long as it was deemed necessary. Into the 1950s, even as issues of dispute between them proliferated, China's alliance with the Soviet Union was the framework within which its security was preserved and its economic viability was ensured.

The Korean conflict was an initial testing ground. Its outbreak as well as its outcome posed the dilemma of China's status and behavior: capturing the prize of opportunity required snatching it from the jaws of strategic danger; exploiting it entailed reconciling ambition and limited capability. On the one hand, the Korean war enhanced the confidence and prestige of the new regime by dispelling any notion that China was an impotent giant. On the other hand, it stimulated new fears and hostilities in the non-communist world, contributing to the postponement of China's full entry into interstate politics. Above all, it postulated an international role for China enhanced and delimited by the combination of Sino--Soviet cooperation and American hostility.

Other than Korea (and perhaps partly because of it) such international initiatives as were taken by China in the early '50s occurred within the Sino--Soviet framework: as an extension of the alliance. U.S. hostility and China's related dependence on the Soviet Union had virtually compelled the PRC to operate on the margins of international rela-

tions. At the same time, however, a number of foreign policy breakthroughs occurred whose cumulative effect on China was to instill confidence. From April 1952, for instance, China had succeeded in entering a series of commercial relationships with West European countries. Also, China's invitation to participate in the Geneva Conference (April 1954) - though outside the framework of the United Nations - constituted an important step in the quest for both international legitimacy and international recognition as a world power.

Several additional factors converged to supply the impetus and opportunity for China's adoption of a more active, increasingly autonomous foreign policy. In 1955, the PRC was enjoying a second consecutive year of peace, following three decades of uninterrupted war. China had just begun to draw from the \$130 million loan extended by its Soviet ally. Furthermore, Stalin's death and the ensuing leadership transition in the U.S.S.R. furnished an occasion for China to pursue a more assertive foreign policy partly as a means of acquiring special status within the Soviet bloc. An active foreign policy also promised to assist China in safely counteracting the United States' continuing efforts to isolate it, thereby compensating for China's inability to launch a major frontal challenge to the international status quo it repudiated.

The rising tide of anti-colonial nationalism, manifesting itself in Afro--Asian solidarity and in the nascent concept of nonalignment concentrated China's attention on the

developing world. While recognising that few Afro-Asian leaders shared its ideological sympathies China nonetheless appreciated the advantages of cooperating with the nationalists.

#### A. The 'Bandung Spirit':

The attendance and participation of its delegation at the First Afro-Asian Solidarity Conference at Bandung was a watershed in China's international relations: signifying China's official identification with Afro-Asian nationalism; reflecting China's determination to exercise a degree of foreign policy autonomy while remaining committed to the Soviet alliance; and representing a 'fresh start' for China's foreign relations, underpinned by a fresh set of guiding foreign policy principles.

As early as 1951 a transformation of events in the Afro-Asian landscape had helped to produce a gradual transformation in the thinking of the Chinese leadership. A 31 October People's Daily editorial, commenting on developments in Iran and Egypt, remarked that Afro-Asian societies had begun to move from under the yoke of imperialism, establishing themselves as centers of effective anti-imperialist resistance.<sup>11</sup> The conviction that this trend had matured - along with China's capacities to help further nurture it - was the driving force behind China's participation at Bandung.

Yet, China's heightened interest in Afro-Asian nationalism did not automatically ensure a receptive audience at Bandung. On the contrary, China had acquired a reputation as a combative state with strong ideological

predispositions. In preparation for the conference, therefore, China took measures to allay suspicions about its ultimate intentions. China's 'spectacular success' at Bandung was preceded by a carefully crafted campaign to dispel doubts, which included Chou En-lai's meetings with Nehru and U Nu; suspension of verbal attacks on India; and the establishment of trade links with Indonesia, India and Burma.

At Bandung, Chou En-lai's proclamation of the 'Five Principles of Peaceful Coexistence' as the basis of China's foreign relations was important both as an act and as a statement of principles. By stressing China's natural affinities with Afro-Asian states, the declaration expressed China's conception of its unique international identity: Soviet ally and putative Afro-Asian leader. The theme of 'peaceful coexistence' promised a foreign policy,

marked by a readiness to resolve any difference by negotiation at the governmental level with all countries (including the U.S.) in the moderate tone of diplomatic language and by a willingness to recognise a commonality of purpose and interest between socialist China and national bourgeois governments of Afro-Asian countries.<sup>12</sup>

How much of a departure from past practice was the foreign policy launched at Bandung? The commitment to peaceful coexistence essentially amounted to the commitment of new means to the fulfilment of familiar aims. Those aims included the discouragement of new states' accession to U.S. efforts to isolate China; the acceleration of their strategic drift from the West; and the demonstration of

China's usefulness to, as a way of improving its status within, the Soviet alliance.

What was new, and by no means inconsequential, was the spirit of cooperation embodied in the Five Principles; and the pledge to bury differences in order to collaborate with the nationalists. China officially foreswore subverting nationalist regimes in the interest of advancing common aims. Chou En-lai's Supplementary Speech at Bandung captures the essence of this approach. In it, Chou declares:

The Chinese delegation has come here to seek common ground, not to create divergence...The overwhelming majority of the Asian and African countries and peoples have suffered and are still suffering from the calamities of colonialism. This is acknowledged by all of us...We have to admit that among our Asian and African countries, we do have different ideologies and different social systems. But this does not prevent us from seeking common ground and being united...China has no intention whatsoever to subvert the governments of its neighboring countries. On the contrary, it is China that is suffering from the subversive activities which are being openly carried out without any disguise by the United States of America.<sup>13</sup>

China's interest and efforts in the Middle East during this period can therefore be located within the framework of the 'spirit of Bandung.' The purposes and activities associated with Bandung incorporated the Middle East. Little conceptual or semantic juggling by China was required to accomplish this. After all, the People's Republic of China and the contemporary Middle East shared a Cold War beginning: while China confronted the dangers and opportunities of its revolutionary success, many of the countries of the Middle

East faced the problems and possibilities of recently acquired independence. These were commonalities that China recognised, emphasised and sought to exploit.

Until Bandung, China had paid scant attention to, and had had limited contact with, the Middle East. One commentator has aptly characterised China's involvement in the region up to that time as 'tentative dealing with marginal issues.'<sup>14</sup> The personal relationships forged at the 1955 Bandung Conference - in particular between Chou En-lai and Nasser - formed the basis of China's extending its relations in the Middle East. In its overtures to Nasser, and to the Arabs generally, China framed its desire to win friends in 'sweet reasonableness,' shrewdly refraining from hard-pedalling its ideology.<sup>15</sup> Thus, the 'Bandung approach' was extended to the Middle East.

#### **B. 'Revolutionary' Arab Nationalism:**

In order to appreciate fully China's initial interest in, and the scope available for its involvement in the region, it is useful to provide some further indication of the major developments occurring within the region at this time. Between the end of the Second World War and the time that China inaugurated relations with Middle East countries (the mid-1950s), two related developments had already taken place: the creation of the state of Israel (1948) and the Free Officers' Coup in Egypt (1952).

The '48 Arab-Israeli war, which led to the creation of the state of Israel, further discredited Arab regimes and undermined their legitimacy. At the same time provided additional impetus for the growth of 'revolutionary' Arab

nationalism. In a sense, therefore, this first event set the stage for the Officers' Coup, which subsequently brought Nasser to power in Egypt. Commenting on the importance of the Coup, Peter Mansfield argues that it

...was the seminal event of the mid-twentieth century. It was not only a milestone in the long history of Egypt -- the 'most important country' in Napoleon Bonaparte's words -- but it profoundly influenced the other Arab states and much of the Afro-Asian world.<sup>16</sup>

'Nasserism', with its commitment to Arab unity, socialism, and freedom from foreign domination took some time to develop. First it had to be conceptualised; then it had to be applied. The 1954 publication of The Philosophy of Revolution was an important turning point. From that moment forward, Nasser came to be associated not only with a revolutionary act, but also with a political ideology. Moreover, the ideas and ambitions contained in that body of doctrine linked Nasser's ambitions for Egypt with those of the Arab world (as well as the much wider Islamic world).

In the following two years (1955-56), Nasser's display of courage and defiance -- in concluding the Czech arms agreement, nationalising the Suez Canal, and surviving the tripartite invasion -- earned him a wide following.

'Nasserism', meanwhile, became the dominant current of 'revolutionary' Arab nationalism. With the fall of the Iraqi monarchy and the formation of the U.A.R. in 1958, Nasser attained the summit of his accomplishment.

Ba'thism, a second important form of 'revolutionary' Arab

nationalism began to develop in the 1950s, concentrated in Syria and Iraq. Unlike Nasserism, however, Ba'thism was an eclectic ideology, not identified with an individual of comparable achievement.<sup>17</sup> Ba'thism in the 1950s was initially purveyed by a small circle of largely Western-educated intellectuals. As an organisation, the Ba'th Party only began to develop in Syria after the fall of Shishakli in 1954. Thus, into the early 1960s, the dominant ideological current in the area was 'revolutionary' Arab nationalism: anti-colonial, anti-monarchist, with a socialist orientation. Among these, Nasserism was clearly better organised and possessed a wider base of popular support.

#### (i) China's relations with Egypt:

In the 1950s Egypt was the natural focus of China's interest in the region. In addition to Nasser's charismatic leadership, Egypt itself possessed a set of characteristics which warranted China's attention: a large state, increasingly at odds with the West, a predominantly Muslim country in a predominantly Muslim region.

Sino-Egyptian relations were cemented in the signing of the two countries' first commercial agreement (August 1955), calling for a trade balance strongly in Egypt's favor.<sup>18</sup> Reportedly, China played an indirect role in securing the 1955 Egyptian--Czech arms accord.<sup>19</sup> The PRC also agreed to purchase Egyptian cotton in 1955, capitalising on the failure of traditional Western markets to buy at acceptable prices.<sup>20</sup> In this way, the PRC sought to build credit with

Middle East nationalists, among whom Nasser was the most charismatic figure.

Following Nasser's nationalisation of the Suez Canal, the PRC demonstrated its approval and solidarity by extending a prepaid loan of 20 million Swiss francs (about \$5 million) and an additional donation of 170,000 Swiss francs through its Red Cross; offering rolled steel which it badly needed itself; and accelerating Egyptian-bound exports.<sup>21</sup> These measures constituted a stronger moral commitment than a material one. Nonetheless, they won Egypt's gratitude as well as Arab goodwill, though at the expense of inching China closer to the dilemma of taking sides against Israel.

The Suez affair made an impression on China. Besides furnishing an occasion for the PRC to demonstrate its friendship, Suez served as confirmation of the power of anti-colonialism. In March 1957 Chou En-lai, reflecting on Suez, commented that it was

a great revelation to us, showing that although the Asian and African countries are not yet powerful in material strength, that all aggression by the colonialists can be frustrated, as long as we maintain our solidarity and firmly unite with all peace-loving forces of the world and wage a resolute struggle.<sup>22</sup>

As this statement indicates, the Suez crisis was as important to China for what it signified as for what it concretely furnished by way of improving Sino--Egyptian relations. Chou's testimony is equally revealing in its suggestion that Sino-Egyptian relations constituted a single strand in the broader fabric of the struggle against imperialism.

Yet, one should not overrate the significance of the Suez affair to China, nor underestimate the potential problems that support for Nasser posed for China. When Chou En-lai made the address mentioned above, he had only just completed a tour of Eastern Europe, the Soviet Union and Asia. An important purpose of that tour - and this speech which reported on it - was to deflect criticism arising from the Soviet intervention in Hungary. It well may be that China's emphasis on Suez was - as part of a broader public relations appeal - primarily targeted at rescuing the Soviet alliance, and by extension, China, from embarrassment.

In addition, some months earlier, when Nasser had nationalised the Suez Canal, China did not rush to heap praise upon him. The Renmin Ribao editorial, which albeit commended Egypt, did not surface until four days after the event (i.e. until 30 July). Moreover, two weeks elapsed before the Foreign Ministry issued its official statement of support. Even when the tripartite intervention took place, China behaved with comparative restraint, cautiously recommending a peacefully negotiated resolution to the dispute. One can observe in these instances China's reluctance to embrace tactics which might taint the image that it had so carefully cultivated.<sup>23</sup>

If it had some initial reservations about Nasser's tactics, these in no way diminished the importance that China attached to Egypt. One indication of the degree of Chinese interest in Egypt was the background of the individual selected to head China's new trade office in Cairo. Chang Yueh, a man with stronger political than commercial creden-

tials, prior to his assignment to the PRC trade mission in Cairo, had served for seven years as deputy director of the foreign ministry's West European and African Affairs Division. Meanwhile, the Egyptian--Chinese trade link itself was limited in economic, but hardly insignificant in political, terms. At Bandung, Chou En-lai had issued a blanket invitation to all delegates in attendance to consider establishing ties with China. At first, only Egypt responded.<sup>24</sup> Nasser's prestige in the Afro--Asian world inflated the importance of this breakthrough.

In pursuing ties with Egypt, China's statist and internationalist aims comfortably meshed, yielding the additional benefit of diplomatic recognition, though not until 1956. Moreover, to the extent that Bandung symbolised Afro--Asia as what appeared to the participants to be a viable political concept, China's successful overtures towards Egypt carved a place for China in its development.

Unhappily, however, China's activities on behalf of, produced no discernible enhancement of its role within, the Soviet alliance. Furthermore, the fact that Egypt's recognition of the PRC (16 May 1956) was intended as a blow to the West<sup>25</sup> to some degree depreciated it. One commentator suggests that general Arab cordiality towards China at Bandung and thereafter reflected more the Arabs' desire to enlist China's verbal support in their dispute with Israel than to forge an enduring partnership with China based on common interests.<sup>26</sup>

Nasser's anxiety over reports that the Soviet Union might

agree to Western proposals to cooperate with the West in an arms embargo on the Middle East furnishes further evidence of the tenuousness of China's toehold in Egypt at this time.<sup>27</sup> Finally, though Beijing's efforts assisted China in breaking political isolation, it did so at the hidden cost of supporting the very cause it would expend much of its future energies to undercut: Soviet penetration of the Middle East.

### (ii) China's Relations with Yemeni

China's initial involvement in the Yemen in the mid-'50s was both facilitated and constrained by the roles of Nasser and the Soviet Union; and especially by the intricacies of Yemeni domestic politics. It was Nasser who reportedly persuaded King Saud to finance the Yemen's purchase of Soviet weapons when, in 1956, Britain successfully lobbied to prevent Western arms transfers to the regime of Imam Ahmed.<sup>28</sup> Thus, for as long as Nasser's regional ambitions roughly paralleled those of Moscow, and for as long as the Sino--Soviet alliance remained firmly intact, China appeared to have an entree in the Yemen.

A Chinese legation to Taiz and a complement of Chinese workers were dispatched to the Yemen not long after the January 1957 arrival of the first Soviet mission.<sup>29</sup> On 20 March 1958 China and Yemen signed a Treaty of Friendship. The accompanying agreement on scientific, technical and cultural cooperation included China's offer of a non-interest bearing loan of 70 million Swiss francs.<sup>30</sup> Yemen was by no means, however, the sole beneficiary of China's attention and resources. Such help as China offered to Yemen was part

of a broader Chinese effort to extend economic assistance to Afro-Asian countries.<sup>31</sup>

By the end of 1958, while five hundred Soviet technicians worked to construct a hospital as well as the port of Hodeida, and to improve the international airfield at Sana'a, one thousand of their Chinese counterparts labored to engineer and build the 143-mile Sana'a-Hodeida highway.<sup>32</sup> Therefore, China's modest activities in the Yemen, as well as being fostered by the influence of Nasser, were undertaken within the context of the Sino-Soviet alliance.

Neither the personal prestige of Nasser nor China's acting in concert with the U.S.S.R., however, was sufficient to ensure that Chinese efforts would yield significant and enduring benefits. Imam Ahmed, in whose hands official power was highly concentrated, resorted to foreign policy as a means of holding in check restive tribal factions, in whose hands actual (though fragmented) power resided. In this context, the Imam's invitation to the Soviets, and to the Chinese who accompanied them, was a reluctant undertaking: chiefly a response to a domestic political imperative.<sup>33</sup> What is more, the Sino-Soviet option was an alternative rather than a preference, thrust upon the Imam by the reluctance of the United States to reply favorably to his overtures.

Having negotiated successfully for Soviet weapons, the Imam - whose fears of dissidents reportedly led him to hold one tribal hostage for every ten rifles he distributed - left heavy equipment to rust, lest it fall into the wrong

hands.<sup>34</sup> The Imam's conduct was probably no less exasperating to the Chinese than to the Soviets, for he flatly refused to pay either for arms or for construction work.<sup>35</sup> Therefore, from the beginning, Chinese involvement in the Yemen was tied to the vagaries of local politics. Yet, at a time when the PRC languished in diplomatic isolation, relations of any kind, particularly at relatively low cost, remained important to the Chinese leadership.

(iii) China's Relations with Israel:

Up to the 1956 Franco--British--Israeli invasion, China had entertained the idea of relations with Israel without actually establishing them. In their separate struggles to earn international legitimacy, China and Israel faced a similar challenge.<sup>36</sup> Of particular appeal to China, Israel's early signs of nonalignment and neutrality had happily contrasted with the pro-Western orientation of some of the Arab regimes. Also, Israel appeared to offer a possible link to West European and U.S. industries.<sup>37</sup>

Although Israel had been the first West Asian country to have recognised the PRC (9 January 1950) and had supported the first resolution to admit Chinese representatives to the U.N. (19 September 1950), relations between the two countries remained cool.<sup>38</sup> The joint Suez invasion, however, marked the point at which China's anti-Western Middle East policy acquired a distinctly anti-Israeli dimension, as for the first time China publicly denounced Israel as an instrument of Western imperialism.<sup>39</sup> Only from this time did relations with Israel and those with the Arabs appear to be mutually exclusive.

The events of 1956 that involved Israel, and that produced a shift in Chinese policy regarding Israel, had implications that were not confined strictly to Sino--Israeli relations. The developments at Suez encouraged perhaps more than they disconcerted China. The 'loss' of Israel was amply counterbalanced by the further alienation of the Arabs (principally Nasserist Egypt) from the West; and by the friction arising within the Atlantic alliance. The nationalisation suggested to China that a general anti-imperial awakening was under way, and that the Arabs were at its forefront.<sup>40</sup> In addition, China's analysis of the inherent aggressiveness of capitalist imperialism was again confirmed, though at the price of its actual manifestation.

## Chapter I

### An evaluation

#### What were China's objectives?

In the early and mid-1950s, China's objectives and tactics as well as the outermost boundaries of its success in the Middle East were determined by: domestic political and economic consolidation; the unabated hostility of the United States; the related strategic alignment with the Soviet Union; and the upsurge of anti-Westernism embodied in Nasserism. Prior to, and during, the Korean conflict, China fixed its strategic attention on its immediate international neighborhood. Immediately thereafter, China rebounded with a strategic confidence that enabled it to shed its tentative posture towards the developing world. China's initial immersion in global politics, however, occurred within the confines of its limited capabilities and was insulated from the dangers of its potential excesses by its alliance with the Soviet Union.

The Middle East in the mid-1950s constituted a region of strategic opportunity: encouraging China to seize the initiative from the West, in collaboration with the Soviet Union, by exploiting anti-Western sentiment. By promising to shift the strategic battleground away from Chinese territory and to challenge the West to defend its monopolistic presence in the region, the Middle East offered China the occasion to pursue its statist and internationalist aims simultaneously. In addition, by predicated its relations

with nationalist regimes on opposition to a common enemy, China sought to gain the establishment of formal diplomatic ties, thereby strengthening its international legitimacy. Yet another set of related political aims underlay China's efforts in the region at this time: the elevation of its status within the Soviet bloc through the acquisition of influence in the Middle East, and the increase of its influence in the Middle East through the improvement of its standing within the Soviet bloc.

#### What were China's tactics?

Perhaps as much the result of necessity as of choice, China adopted a tactically flexible approach to the Middle East compatible with its limited means. First, beginning with the Bandung Conference, China encouraged and participated in Afro--Asian meetings and conferences, both to forge an anti-Western consensus and to promote its own image. Second, although it may have preferred nationalist to monarchical regimes, in practice China displayed little ideological rigidity. Further evidence of its flexibility lay in China's de-emphasis of support for local communist parties in favor of ties with governments in power. Third, Beijing offered its good offices as well as generous (though limited) material support in helping to offset the West's campaign against Nasser. Finally, China cautiously amended its position of rather strict impartiality on the Arab--Israeli issue as circumstances confirmed Israel's growing ties to the West.

### Were China's efforts successful?

It quickly became apparent that whereas Chinese activities in the Middle East were anchored in safety, economy and convenience, its influence in the region was not safely, economically and conveniently anchored. China's alleged role in facilitating the Czech arms accord is unsubstantiated. There is no doubt, however, about Chou En-lai's impressive performance at Bandung. The figure of responsible statesmanship that Chou cut at the Conference almost certainly enhanced China's image in the Afro-Asian world generally, including the Middle East. Nevertheless, China between 1949 and 1957 primarily filled a collaborative and subordinate role in the Middle East.

China's position as junior partner to a Middle East latecomer was an important, yet by no means the exclusive, impediment to its realising its aims in the region. If, at times, the PRC expressed its disappointment with Moscow's over-cautiousness, it developed a similar dissatisfaction with the independent-mindedness of Arab statesmen, principally Nasser.

Generally during this phase, China's efforts in the Middle East were confined to preliminary probing. Certainly, China made the important breakthrough of earning diplomatic recognition from Egypt, Syria and Yemen. At Bandung Chou En-lai's impressive personal diplomacy persuaded Arab states to support China's stand against Western imperialism, but this merely reflected a position that the Arabs themselves had already adopted. Not surprisingly, China's activities yielded no other concrete gains. On the contrary, China's

efforts were in several ways counterproductive.

First, to the extent that China was helpful to the Soviet Union's quest to carve a place for itself in the region, such assistance as China actually rendered - seen in the light of the eventual dissolution of the Sino--Soviet alliance - was ultimately harmful to Chinese interests in the region.

Second, China's activity in the Middle East almost instantly posed a dual dilemma: choosing sides and finding justification for doing so. China's courtship of nationalist leaders, for instance, risked the alienation of conservative Arabs, solidifying rather than eroding Western influence among them. At the same time, it compromised local communists, spawning mistrust while raising the twin issues of reliability and ideological consistency. China's position on the Arab--Israeli question was equally problematic. Maintaining impartiality in the Arab--Israeli conflict became increasingly awkward under the pressure of Arab opinion. Gradual abandonment of it, however, effectively barred the door to official Sino--Israeli relations.

Still, at affordable costs, China's activity enabled it to break into the international community. This happened at the same time that the Western monopoly in the Middle East was being challenged, a development which, though occurring somewhat independently of Beijing's efforts, was nonetheless important to its long-term prospects in the region. Finally, however unsusceptible to measurement, China's pro-Arab gestures earned Arab goodwill and built long-term political credit.

## Notes

(1) Yitzhak Shichor, The Middle East in China's Foreign Policy: 1949-1977 Cambridge: Cambridge University Press, 1979); Hashim S. Behbehani, China's Foreign Policy in the Arab World, 1955-1975 (London: Kegan Paul, 1981); and A.H.H. Abidi, China, Iran and the Persian Gulf (New Delhi: Radiant Publishers, 1982).

(2) Friedrich W. Wu identifies six (somewhat overlapping) types of approaches in 'Explanatory Approaches to Chinese Foreign Policy: A Critique of the Western Literature' in Studies in Comparative Communism, vol. xiii, no. 1, Spring 1980, pp. 41-62.

(3) See, for example, J.K. Fairbank, 'China's Foreign Policy in Historical Perspective' in Foreign Affairs, vol. 47, no. 3 (April 1969), pp. 449-463 or 'A Preliminary Framework' in The Chinese World Order, edited by Fairbank (Cambridge, Mass: Harvard University Press, 1968), pp. 1-19; and M. Mancall, 'The Persistence of Tradition in Chinese Foreign Policy' in Annals of the American Academy of Political and Social Sciences, vol. 349 (September 1963), pp. 14-26.

(4) See, for example, J. Gittings, The World and China, 1922-1972 (N.Y.: Harper and Row, 1974); S. Kim, The Maoist Image of World Order, World Order Studies Program Paper, Princeton University, 1977; and L.W. Pye, 'Mao Tse-tung's Policy Commitments, 1921-1976', Political Science Quarterly, vol. 91, no. 2 (Summer 1976), pp. 219-35.

(5) See, for example, K. Lieberthal, 'Domestic Politics and Foreign Policy', China's Foreign Relations in the '80s, edited by Harry Harding (New Haven: Yale University Press, 1984).

(6) See Harold Hinton, China's Turbulent Quest (Bloomington: University of Indiana Press, 1972); Peter Van Ness, Revolution and Chinese Foreign Policy (Berkeley: University of California Press, 1971; and J.D. Armstrong, Revolutionary Diplomacy: Chinese Foreign Policy and the United Front Doctrine (Berkeley: University of California Press, 1977).

(7) See, for example, Robert North, The Foreign Relations of China (North Scituate, Mass.: Duxbury Press, 1978, 3d ed.); V.P. Dutt, China and the World (New York: Praeger, 1966); Allen Whiting, 'China and the World' in China's Future: Foreign Policy and Economic Development in the Post-Mao Era (New York: McGraw-Hill, 1977), pp. 11-80.

(8) Samuel Kim, 'China and the World: In Search of a Peace and Development Line', China and the World, p. 169.

(9) Kenneth Lieberthal, 'Domestic Politics and Foreign Policy' in China's Foreign Relations in the '80s, edited by Harry Harding (New Haven: Yale University Press, 1984), pp. 47-48.

(10) Michael Yahuda, China's Role in World Affairs (London: Croom Helm, 1978), pp. 50-51, 60-61.

(11) Cited by Yahuda, op. cit., p.57.

(12) Yahuda, China's Role, p.75.

(13) Harold Hinton, editor, PRC: A Documentary Survey, Vol. I, "1949--1957: From Liberation to Crisis" (Wilmington, Delaware: Scholarly Resources, 1980), pp. 169--170.

(14) Moshe Ma'oz, 'Soviet and Chinese Influence on the Palestinian Guerilla Movement' in Soviet and Chinese Influence in the Third World, edited by Alvin Rubinstein (New York: Exposition Press, 1975), p. 75.

(15) M.S. Agwani, Communism in the Arab East (London: Asia Publishing House, 1969), p. 201.

(16) Peter Mansfield, The Arab World (New York: Thomas Crowell Company, 1976), p.286.

(17) For discussion of the development of Ba'thism and the Ba'th Parties of Syria and Iraq, see, for example: Nabil Kaylani, 'The Rise of the Syrian Ba'th, 1940-58: Political Success, Party Failure', International Journal of Middle Eastern Studies, vol. 3, 1972, pp. 3-23; Kamal Abu Jaber, The Arab Ba'ath Socialist Party: History, Ideology, and Organisation (Syracuse: Syracuse University Press, 1966); Patrick Seale, Asad: The Struggle for the Middle East (London: I.B. Tauris, 1988).

(18) See Shichor, p. 51; and Riad El-Rayyes and Dunia Nahas, editors, The Bear and the Dragon: A Study of Communist Involvement in the Arab World (Beirut: An-Nahar Press Services, 1973), p. 90.

(19) According to Mohammed Heikal, Nasser asked Chou En-Lai in Rangoon about the availability of arms from the Soviet bloc [Heikal, Cairo Documents (London: New English Library, 1973) pp. 54--55, 226--227]. Uri Ra'anana indicates that there are two versions of Chou's involvement in the transaction: one suggesting he triggered the deal, and the other that he helped break the deadlock [Ra'anana, The U.S.S.R. in the Third World (Cambridge, Mass.: MIT Press, 1969), pp. 57--60, 138--144]. Shichor, pp. 41--42, reviews these sources and concludes that Chou En-lai's precise role cannot be determined.

(20) See, for example, Joseph Khalili, Communist China's Interaction with the Arab Nationalists Since the Bandung Conference (New York: Exposition Press, 1970), pp. 28--29. For trade figures, see A. Doak Barnett, Communist Economic Strategy (Washington, D.C.: National Planning Association, 1959), p. 70.

(21) Ibid.

(22) Peoples Daily (6 March 1957) in Current Background, no. 439, p. 16.

(23) Renmin Ribao editorial in NCNA, no. 1612 (30 July 1956);

Chinese approval of Soviet response from People's Daily in NCNA, no. 1621 (13 August 1956); government statement reprinted in NCNA, no. 1624 (16 August 1956).

(24) Bruce Larkin, China and Africa: 1949--1970 (Berkeley: University of California Press, 1971), p. 17.

(25) See, for example, The Washington Post (17 May 1956).

(26) Agwani, p. 200.

(27) See, for example, Heikal, Cairo Documents, p. 62; and The New York Times (22 April 1956).

(28) See, for example, Edgar O'Ballance, The War in the Yemen (London: Faber and Faber, 1971), pp. 54--55.

(29) Ibid.

(30) Peking Review, no. 12 (25 March 1958).

(31) See Peking Review, no. 15 (15 April 1958) on aid to Algeria; no. 17 (29 April 1958) on aid to Indonesia; and no. 23 (10 June 1958) on aid to Cambodia.

(32) O'Ballance, p. 56.

(33) Ibid., pp. 55--56.

(34) Ibid.

(35) Ibid., p. 56.

(36) From April 1950 until August 1955 no country had recognised the PRC; moreover, the six which had recognised China prior to 1950 had not established diplomatic relations.

(37) Hashim S. Behbehani, China's Foreign Policy in the Arab World: 1955--1975 (London: Kegan Paul, 1981), p. 24.

(38) See The Jerusalem Post (18 February 1972) for a useful discussion of Sino--Israeli relations up to that time.

(39) See, for example, BBC/SWB/FE no. 613, (15 November 1956).

(40) See, for example, Chu Te's speech to the Eighth Congress in Eighth National Congress, vol. II, p. 342.

## Chapter II

### The cost of militancy

1958--1965

#### A. Strains in the alliance:

Developments outside the Middle East from 1956 to 1958, with important implications for Chinese policy in the region, had furnished cause for China to be optimistic about the anti-imperialist struggle. The Soviet Union's successful ICBM testing, followed by the launching of the Sputnik earth satellite (at a time when Beijing saw Moscow's fate entwined with its own) reinforced an individual confidence resting on a firm, if not ideal, collective foundation.<sup>1</sup>

In hindsight China's confidence at the time seems to have been unjustified. Yet, whether or not it was warranted, China's enthusiasm was important: first because it differed substantially in its intensity from that of the Soviet Union; and second because it generated a degree of Chinese militancy which was unacceptable to its alliance partner and therefore detrimental to the Sino--Soviet partnership.

Optimism about the prevailing strength of socialism and realism about the need to maintain a solid socialist edifice led China at first to submerge its dissatisfaction with the inadequacy of Soviet leadership (which it held responsible for disturbing the cohesion upon which China's security depended). In its reaction to the 1956 uprising in Poland, Beijing's disapproval of 'Great Russian chauvinism' was

clearly detectable, but not scathingly critical.<sup>2</sup> Commenting on the subsequent unrest in Hungary, Beijing reverted to strong support for the Soviet intervention,<sup>3</sup> and forcefully argued the need to preserve the integrity of socialism as well as socialist solidarity. Likewise, the PRC initially couched its disapproval of de-Stalinisation in the language of wise fraternal advice.<sup>4</sup>

Certainly, China was concerned about developments in Eastern Europe and about the quality of Soviet leadership in managing the affairs of the 'socialist camp.' Furthermore, China's foremost strategic concerns were resolving disputes over, and ensuring the security of, its borders. Nonetheless, Beijing devoted considerable attention to the developing world as a whole.

By 1958 a subtle but significant shift in the thinking of the Chinese leadership appears to have occurred which modified their attitude and approach towards Afro--Asia. In contrast to the thesis propounded during the brief Bandung phase, there seemed to emerge in China the revised view that peace was possible, but not imminent; and that peace could only be attained if and when national struggles were won.<sup>5</sup> Kuo Mo-jo, China's chief delegate to the 1958 Afro--Asian Solidarity Conference, described his country's position succinctly: 'We regard their struggles and their victories as our own.'<sup>6</sup> It is in this context that the development of China's policy towards the Middle East can best be understood.

#### (i) Crises and the Middle East:

China's interest in, and posture towards, the Middle East

conformed to these general patterns of sustained attention to developing countries and increasing militancy. Vice-premier Ch'en Yi asserted that the focal point of the struggle against imperialism was the East -- including the Middle East -- not Europe:

At present, the Egyptians and the peoples of other Arab countries stand on the Western advance line of struggle against colonialism.<sup>7</sup>

The enunciation of the Eisenhower Doctrine had been the first in a series of events related to, or occurring in, the Middle East which appeared to reinforce this thinking. To China, the Eisenhower Doctrine furnished evidence of 'rising imperialist contention' in Asia and Africa. In addition to indicating clearly America's hostile intentions, the Eisenhower Doctrine forewarned of a new round of Western interventionism, pinpointing the Middle East as a prime target. Mao drew the conclusion that the Middle East had become 'of great significance in the American plan for aggression.'<sup>8</sup>

In that this apparent imperialist thrust seemed to be aimed at the periphery of, not directly at, socialist countries, Beijing considered the new U.S. 'offensive' more of an opportunity than a direct threat to China. Still, Mao U.S. interventionism in the Third World generally, and in the Middle East in particular, to be dangerous:

The U.S. imperialists obstinately try to interfere in the internal affairs of other countries...The U.S. is still planning to invade independent Syria through Turkey and

Israel; it is still conspiring to subvert the anti-colonialist Egyptian government. This maniac aggressive policy of the U.S. has not only precipitated a crisis in the Middle East, but has also created the danger of a new world war.<sup>9</sup>

Assisting the countries and peoples of Afro--Asia to resist imperialist aggression was viewed by China as an ideological imperative. In addition, considering that the U.S. threat was aimed at the Middle East rather than at China itself, support for Afro--Asian resistance constituted a relatively safe form of socialist self-strengthening. The Middle East was considered a buffer or protective shield, which not only required support, but safely permitted it. From this perspective, Mao's bold, sweeping and unequivocal response to the Eisenhower Doctrine is less surprising:

Then shall we speak or not? Yes, we shall. We shall certainly support the anti-imperialist struggles of the people in Asia, Africa, and Latin America and the developing struggles of the people of all countries.<sup>10</sup>

Yet, Beijing's apparent conviction that a battle could be successfully waged against the 'imperialists' without inviting catastrophe was not necessarily shared by Moscow. Seen in this light, events in the Middle East, beginning with the enunciation of the Eisenhower Doctrine, functioned as a catalyst for a debate between China and the Soviet Union concerning under what circumstances and by what means to address the 'imperialist challenge'. The Eisenhower

Doctrine therefore can be said in effect to have tested the practical limits of Khrushchev's newly proclaimed commitment to 'peaceful coexistence'. Ironically, just as China's assessment of the world situation argued the merits and potentials of a confrontation with the West over the Middle East, the Soviet Union officially committed itself to avoiding one.

On 18 January 1957, Moscow and Peking issued a joint declaration which included a pledge to support the peoples of the Middle East and a vague promise to 'prevent' aggression against them. Sino-Soviet divergences were successfully submerged in the language of the communiqué. However, they were forced closer to the surface by Moscow's conduct in the ensuing month which included its proposal to ban arms transfers to the Middle East. In responding to the Soviet initiatives, Peking hinted at its displeasure by emphasising that the peoples of the Middle East alone should determine their needs.<sup>11</sup>

The winter of 1957--58 was an important juncture in the evolution of China's foreign policy. Events in the Middle East during that time contributed to changes in the overall structure of China's foreign relations; in turn, developments not specifically related to the Middle East had a pronounced effect on China's future posture towards the region. In summer 1958, following nearly one year during which the Sino--Soviet dispute over strategy had been confined to words, developments in the Middle East - beginning with the 13 July Iraq coup and leading to the Western interventions in Lebanon and Jordan - blossomed into

a crisis. That crisis clarified the differences between the degree of risk that Khrushchev was willing to accept and the degree that Mao wanted him to accept. Stuart Schram describes the significance of this season of change as

a major watershed in the history of the contemporary world. Before it, China's economic and other policies appeared basically similar to those of the Soviet Union, and the monolithic unity of the Communist bloc was taken for granted by most observers, despite the Yugoslav precedent. After it, China was embarked on a series of policies radically different from those of the Soviets both in style and content, and an evolution was in progress that would soon lead to an open clash between Europe-centered and Asia-centered forms of Communism.<sup>12</sup>

Concerning the interventions in Lebanon and Jordan, China appealed to the Soviet Union for a demonstration of its resoluteness. A Renmin Ribao editorial captures the seriousness with which China viewed the situation:

In the face of this U.S.-British war provocation, the peaceful and freedom-loving peoples of the world definitely cannot afford to look on with folded arms.<sup>13</sup>

The Chinese were scornful of Khrushchev's exclusive use of diplomacy to ward off the the U.S. and British troop deployments in Lebanon and Jordan. On the day of Khrushchev's arrival in Beijing (31 July), an article appearing in Red Flag contained poorly disguised, disapproving references to Moscow's position:

The peace-loving people certainly do not want war, but those who really treasure peace will never bow to threats of war. Peace cannot be

got by begging from the imperialists. War can be stopped and peace won only through mass struggle...<sup>14</sup>

Similarly, in response to apparent threats against Syria, China voiced concern that failure to take adequate measures to prevent the fall of the Syrian regime would boost Western confidence, thereby encouraging a direct attack on the 'socialist camp'.<sup>15</sup>

Both Chou and Mao linked the issues of Taiwan and the Middle East, associating them as two fronts in the same struggle against Western aggression.<sup>16</sup> China, which unsuccessfully prodded the U.S.S.R. to respond with force in the Middle East case, also expected firm support from Moscow in its confrontation with Taiwan, but received little.<sup>17</sup> This is not to suggest that the two sets of crises were identical in nature or equal in importance to China. Among other things, the Taiwan Straits episode was a crisis engineered by China. In addition, unlike the Middle East case, Beijing's brinkmanship in deciding to bombard Quemoy was an assertion of sovereignty. Thus, the Taiwan Straits crisis was of far greater consequence than its Middle East counterpart. Still, it is important to recognise the degree to which China's Middle East policy was integrally related to its global strategic posture and the way in which that posture was distinctly at odds with that of Moscow.

#### (ii) China's Relations with Egypt:

Developments at the regional level, directly involving the PRC, did perhaps more to produce China's disillusionment and spur its temporary retraction from the Middle East than any

perceived failure of Moscow's to accommodate its militancy.

Other than the 1958 opening of the New China News Agency office in Cairo, the period 1958 to 1963 witnessed a reduction of Chinese activity in the region that paralleled, if it did not actually arise from, a marked diminution of its influence.

During this time Beijing was repeatedly reminded that the independent ambitions of the region's pivotal figure, Nasser, neither ideologically nor strategically coincided with its own. Nasser's interest in maintaining a balanced position vis-a-vis the superpowers did not accord with China's preferences. Egypt's persecution of local communists - even though China's principal attraction to Nasser had an anti-imperialist rather than a strictly socialist foundation - earned similar disapproving, if inoffensively worded, criticism.<sup>18</sup>

On the occasion of Egypt's alleged role in the Shawwaf coup in Iraq, Beijing voiced its displeasure in more explicit terms, disturbed by Nasser's 'hegemonic' aims, which appeared to have assumed priority over the struggle against the West.<sup>19</sup> A Red Flag editorial characterised Nasser's actions against Qassem as 'arrogant attacks' and 'frenzied abuses'. Stitching these criticisms together was China's concern that the U.S., which typically disapproved of Nasser, was pleased and assisted by his efforts.

Consistent with its increasingly vociferous criticism of Moscow's 'capitulationism', China objected to Nasser's positive neutrality. However, China seemed reluctant to

challenge Nasser openly. For example, Beijing couched its disapproval of Egypt's association with Yugoslavia by focusing criticism on Tito.<sup>20</sup>

China's reluctance to attack Nasser is attributable not only to Nasser's prestige in the Middle East, but also to the importance that Beijing attached to Egypt as a bridgehead to Africa. It is helpful to recall that the establishment of the embassy in Cairo was also China's first embassy in Africa. Besides gaining an entree to the Arab world, China's link with Egypt had provided an outpost from which to monitor events and initiate contacts on the African continent. In 1958, just as Sino--Egyptian relations were experiencing difficulties, the Afro--Asian Peoples' Solidarity Organisation (AAPSO) located its new secretariat in Cairo. The Chinese mission to the AAPSO was, among other things, a channel to the Algerian National Liberation Front.<sup>21</sup> E. C. Chibwe refers to Cairo as the center for Afro--Arab and Afro--Asian discussion on economic cooperation, international trade, and economic aid for and among developing countries.<sup>22</sup> Thus, there was more at stake for China in its relations with Egypt than was apparent.

If China had complaints with Nasser's policies, Nasser in turn disapproved of China's policies. Nasser either genuinely suspected Chinese involvement in the Mosul and Kirkuk massacres in Iraq, or else used these incidents to highlight his differences with Beijing.<sup>23</sup> He seized the opportunity to express sympathy with the Tibetan revolt, and he warned China against interfering in Iraq.<sup>24</sup> Nasser deplored China's decision to permit ousted Syrian Communist

Party General Secretary Khalid Bakdash to deliver a blistering personal attack in Beijing in September 1958 in reaction to the formation of the UAR.<sup>25</sup>

As previously argued, despite undercurrents of disagreement on an ever-increasing number of issues, the Sino--Soviet alliance remained essentially intact until the close of the 1950s. Broadly speaking, the overarching objective of breaking Western predominance in the Middle East continued to be the shared primary purpose of Moscow and Beijing. Meanwhile, as Sino--Soviet friction intensified, the U.S.S.R. appeared to be no more successful than China in bending Nasser to its preferences. Khrushchev and Nasser quarrelled over the communists' direction of the Iraqi revolution; over Nasser's persecution of local communists (which was no less embarrassing to Moscow than to Beijing); and over the suggestion that the U.S.S.R. would accede to a limitation of arms transfers to the region.<sup>26</sup> Interestingly, the worsening of Sino--Egyptian relations paralleled deteriorating Sino--Soviet relations. However, there is no evidence that China's friction with one country adversely affected its relations with the other.

**(iii) Syria falls to the UAR:**

The 1958 crisis elevated the importance of Syria to the Chinese. So also did Nasser's uncooperativeness. For, if defending Syria against the West was Beijing's cardinal objective, cultivating relations with Syria in order to offset Nasser's influence was an important subsidiary aim.

As previously argued, however, supporting Syria against the West assumed a significance for China that was not necessarily shared by Moscow. Although, to the satisfaction of the Chinese, Syria 'escaped' a U.S. military intervention, this outcome was not attributed by Beijing to Moscow's resoluteness. In the meantime, Damascus had been subjected to intimidation while the Sino--Soviet alliance had been subjected to friction.

Yet, lack of firm Soviet support was by no means the sole barrier to closer association between China and Syria. The souring of Sino--Egyptian relations, which had heightened China's interest in Syria, tended to reduce China's prospects for cementing ties with Syria. Recall that Sino--Syrian relations had originally profited from cordiality between China and Egypt. Syrian recognition of the PRC, for example, has been attributed to Nasser's influence.<sup>27</sup> Throughout the 1950s, although Syria's domestic political situation was turbulent, its foreign policy never lay entirely outside the orbit of Nasser's influence. Ironically, just as China transferred its attention to Syria (partly to compensate for deteriorating relations with Nasser), Nasser succeeded in absorbing Syria into the UAR.

The formation of the UAR had consequences for China that cut two ways. Insofar as the union of Egypt and Syria represented a more solid front against Western imperialism, it was approved by Beijing. On the other hand, in light of China's deteriorating relations with Nasser, the formation of the UAR was less than a welcome development.

Unsurprisingly, therefore, Beijing refrained from either

strong criticism or applause.

Throughout the brief lifespan of the UAR, China maintained this cautious posture of neither extolling the union's virtues nor ridiculing it for its shortcomings. When, on 28 September 1961, Syria seceded from the UAR, China did not display its approval loudly and enthusiastically, despite the coolness between Cairo and Beijing. In fact, not until 11 October did China extend recognition to the new Syrian regime; and the PRC's ambassador, Hsu Yi-hsin, was not posted to Damascus until May 1962.<sup>28</sup>

How is one to account for China's response - or lack of one - to the reassertion of Syrian independence? In the absence of clear evidence, one is led to consider three possible explanations. First, Beijing's reaction to Syria's defection from the UAR could be interpreted as an exercise in caution and restraint: a measured response designed to avoid Nasser's further alienation. A second possibility - which also views China's hesitancy as purposeful - is that China recognised the secession as the latest episode in the ongoing but unresolved 'struggle for Syria' waged between Egypt and Iraq. China was therefore reluctant to behave in a manner that could be construed as 'taking sides.' Finally, the delay in both issuing formal recognition and assigning an envoy to Damascus could be explained as an indication that China simply could not assess the situation.

#### (iv) Relations with Iraq:

Although appearing reluctant to challenge Nasser openly,

China did not abandon its efforts to head off his influence. Whereas the formation of the UAR temporarily removed one opportunity, the 1958 Iraqi revolution seemed to provide another in its place. The revolution detached Iraq from the Baghdad Pact, without shifting the country into Nasser's embrace. The early receptiveness to, or at least tolerance of, Iraqi communists, was also encouraging to Beijing.

As in the Syrian case, China's position with respect to Iraq revealed and heightened friction between the PRC and the U.S.S.R. The Iraqi revolution, which had delivered a blow to the Baghdad Pact, signified to Moscow a satisfactory outcome; to Beijing, however, the affair represented an encouraging basis for liberating the entire region. In contrast to the subdued response to the formation of the UAR, China hailed the birth of the Iraqi republic. A Renmin Ribao editorial offers the following rationale for China's reaction:

The founding of the Iraqi Republic is especially significant for the Asian and African peoples because the Faisal monarchy of Iraq was the initiator of the Baghdad Pact and a cornerstone of U.S. and British imperialist aggression in the Middle East. Now this cornerstone has fallen with a bang, and moreover, Iraq has become an anti-imperialist forefront.<sup>29</sup>

China's instant recognition of the Iraqi Republic and warm congratulations to Qassem are a matter of record. Other aspects of Sino--Iraqi relations at the time, however, are less clear. Hashim Behbehani notes that, within eighteen months of the revolution, eight Iraqi delegations visited China while three Chinese missions journeyed to Iraq.

Primarily on the basis of this evidence, he concludes that Sino--Iraqi relations underwent 'rapid development.'<sup>30</sup> Yet, as Behbehani's own observations reveal, most of these were cultural and peace missions. Certainly, such missions indicate a degree of cordiality between the two countries. And they might have provided their members with the opportunity to assert their countries' similarity of purpose. However, it is uncertain at best that these meetings produced anything more substantial, even if they were intended to. Not until 25 May 1960, for example, did the two countries sign their first trade and payments agreement.<sup>31</sup>

It might be useful to view Sino--Iraqi relations in this period somewhat differently. China was attracted to Iraq for reasons besides the revolutionaries' apparent opposition to U.S. imperialism. At the time of the revolution, the Iraqi communists were well-organised and, in light of the excesses of the Old Regime, the views that they espoused were not anathema to the masses.<sup>32</sup> Initially, Iraqi nationalists and communists collaborated. Encouragingly, the Iraqi communists were anti-Nasserists who opposed incorporation within the UAR.<sup>33</sup>

Yet, it is difficult to imagine that attraction to Iraq prevented China from taking note of other developments in Iraq that, while equally obvious, were less promising. The 'united front' which succeeded in overthrowing the Iraqi monarchy was clearly disunited. Although Qassem sought the support of anti-Nasserist communists, he himself was not

ideologically committed to communism.<sup>34</sup> Throughout its period of growth and activity, the Iraqi Communist Party (ICP) operated under a thin veil of anonymity: it was never officially recognised as a legal political party. ICP officers were not allowed to occupy the highest rungs of local administration or to arm the People's Revolutionary Force. Even when the ICP reached the apex of its strength - dominating trade unions and organising the peasantry - Qassem quickly suspended ICP activities and dismissed its officials (especially those occupying positions in the military and broadcasting). Therefore, the ICP, though with a larger following and more diverse activities than communist parties elsewhere in the region, was nonetheless kept under close surveillance and held in tight check.

The communists themselves were largely responsible for the bloody skirmishes at Mosul (March 1959) and Kirkuk (July 1959).<sup>35</sup> The fragmentation of the post-revolutionary situation in Iraq as well as the association of local communists with brutal slayings and torturings probably counteracted whatever temptations existed for China to throw its full support behind either Qassem or the communists in Iraq.

One piece of evidence confirming that China was more of an interested spectator than a powerful actor in Iraq during this phase is the July 1959 Central Committee report issued by the ICP. In evaluating its efforts, the ICP Central Committee report, according to Uriel Dann, shows that

the ICP was independent in its decisions. The errors were of its own making and the lessons

were drawn by its own members. If outside influence was exerted, the report reveals no sign of it. The Soviet Union was mentioned quite perfunctorily, considering the customary party style, and China not at all.<sup>36</sup>

With the exception of the presence in Baghdad of Chinese cultural and other such delegations, there is little indication of either considerable involvement in, or influence over, Iraq. Given the change and complexity that characterised Iraqi domestic politics at the time, this is hardly surprising. If one takes the view that its modest efforts in Iraq reflected China's understanding of Iraq's domestic political situation, two interesting conclusions emerge. First, in exercising caution and restraint in its approach towards Iraq, China duplicated the policy it had adopted towards Syria, perhaps for similar reasons. Second, to the extent that its lack of involvement in Iraq was an expression of choice, China's policy towards Iraq represented a failure of commitment no different from that for which it had chided Moscow.

(v) Additional constraints:

China's relative withdrawal from Middle Eastern affairs in this period cannot be explained solely in terms of the mutual recrimination that characterised Sino--Egyptian relations; the vicissitudes of Middle East regional politics; or Sino--Soviet discord regarding the proper policy approach towards the region. During this period, China was not merely preoccupied with domestic economic reform, it was handicapped by the failures of, and the near-

famine conditions brought about by, attempts at reform.

The launching of The Great Leap Forward in 1958 produced a set of consequences which extended into the sphere of foreign policy. Whereas China developed an interest in competing with the U.S.S.R., it was more than ever unable to deploy the material resources necessary to do so. The funds to finance aid projects on the scale of the Aswan Dam, or even less ambitious ones, were even more scarce in the context of domestic economic hardship.

China's economic crisis had an effect on its foreign relations, but its foreign relations had an effect on the severity of China's economic crisis. Moscow's July 1960 decision to withdraw Soviet technicians from the PRC further hobbled the Chinese economy. Perhaps unwittingly, the U.S.S.R. contributed to the temporary crippling of China's economic foreign policy instruments. Ultimately, then, Moscow's action weakened China's competitiveness in the Middle East, as elsewhere. China's retreat from the Middle East in this period received its primary and initial impetus from its deteriorating political relations with Nasser. However, its retraction was strongly influenced by domestic economic upheaval, made worse by the Soviet departure.

#### B. Invoking the 'united front'

##### (i) Creeping isolation:

From the outset of the decade, interrupted by only a brief suspension in their polemic, the Sino--Soviet relationship steadily deteriorated. During the 1962 Sino--Indian border

conflict, the Soviet Union adopted a tacitly pro-Indian position. Beijing reacted with outrage.<sup>37</sup> Unlike the restraint that had formerly characterised its criticism of Moscow, China openly assailed the ineptness of the Soviet leadership. Following the Cuban missile crisis, for example, China decried Khrushchev's crisis management as 'adventurism' and 'capitulationism'.<sup>38</sup>

The events of 1962--63 suggested to China that Khrushchev was irredeemably revisionist, and that the Soviet Union had 'forfeited its place in the ranks of the vanguard of the international proletariat'.<sup>39</sup> To China, its criticisms and exhortations, whether politely or crudely expressed, had produced no discernible change in Moscow's policies. In denouncing the Partial Test Ban Treaty (1963) - as an affront to its sovereignty and a display of Great Power collusion<sup>40</sup> - China invoked the strident tone which signalled the total dissolution of the Sino--Soviet alliance.<sup>41</sup>

In light of the Sino--Soviet schism, the specter of superpower detente was anything but comforting to China. A new sense of creeping isolation contributed to a reformulation of China's foreign policy. Yet, it would be misleading to attribute this development solely to China's revised assessment of its relations with the superpowers. The period 1958--1962 had been marked by various questions and confrontations relating to China's sovereignty. The period had opened with the Taiwan Straits crisis; had included difficult negotiations over borders with Burma and Nepal; and had involved a simmering boundary dispute with

India that culminated in war.

Although nine of China's ten neighbors were socialist countries, relations with them remained complex and uneasy. By the end of 1962 China's economy began to recover, but China's tensions with, and concerns about, its neighbors failed to subside. Commenting on the backdrop to China's adoption of the United Front, Wang Gungwu argues,

The central issue of China's independence remained tied to the question of its sovereignty over the territories and peoples it inherited.<sup>42</sup>

When Mao adopted the United Front, he rehabilitated a framework which he had originally developed decades earlier, but made it conform to the exigencies of the early 1960s. Mao had long considered the vast geographic area separating the U.S. and the U.S.S.R. as the battleground of socialism and capitalism. The new version of the 'intermediate zone' was more expansive than its predecessor, however. It welcomed a broad range of potential allies including small and medium-sized capitalist countries. In addition, it deliberately excluded the Soviet Union from its ranks. The latter - no longer China's erring partner but a dangerous imperialist collaborator - was presented as a target rather than an integral part of the United Front.

China devoted a great deal of its energy to nurturing relations with the 'first intermediate zone', the developing world. China paid particular attention to Africa, which was depicted as a 'storm center of revolution.' Revealing the same propensity for generalisation and hyperbole formerly

reserved for reporting events in the Middle East, the Chinese official press transferred its coverage to Africa. The African continent was portrayed as,

...seething...The new situation created by the unfolding of the national independence movement in Africa is shaking the imperialist colonial system and hastening its collapse.<sup>43</sup>

Charles Neuhauser quotes the Chinese Army's Bulletin of Activities as a reliable indicator of China's interest in Africa, and of China's rationale for that interest:

Africa is now both the center of the anti-colonialist struggle and the center for East and West to fight for control of an intermediate zone, so that it has become the key point of world interests.<sup>44</sup>

The conviction that imperialism had concentrated its offensive strategy in this region, and possibly overstretched its capacities, fed China's interest in the developing world, but in Africa especially. This approach was merely a shift in emphasis and direction, however, in China's posture towards Afro-Asia. For China had consistently recognised the importance of new states, and had sought to enlist them in the struggle against a single foe.

The language of the United Front however was markedly more strident than the 'Bandung line'. In addition, United Front diplomacy was more potentially disruptive than Bandung diplomacy. Although China continued to conduct relations at the intergovernmental level, it actively encouraged the creation of sub-official organisations and retreated from

its adherence to non-interference in the affairs of new states.

China pledged itself to supply a sense of collective purpose. It relied primarily on words, in the form of cajolery, to portray itself as the base area, rather than the front line, of revolution. Although it relied primarily on persuasion by words rather than persuasion by deeds, China revived trade with, and dispensed new aid to, the developing world. Besides signifying the partial recovery of the Chinese economy, this shed light on the enduring attitudes of the Chinese leadership. For, whatever the quantitative indices of China's power, China's leaders seemed characteristically to reach beyond them. Somewhat consistently, ambition determined affordability, rather than the other way around. Michael Yahuda notes that:

Mao and his colleagues tended to think in global terms even though China's actual capabilities were only of regional significance.<sup>45</sup>

The essence of the United Front was tactical flexibility. While the Chinese official press talked the language of revolution, Chinese foreign policy behavior demonstrated an easy mix of ideological orthodoxy and pragmatism. Peter Van Ness describes China's foreign policy during this phase as

a militant, non-dogmatic assault on the status quo, one which welcomed as allies any groups or individuals willing to commit themselves to policies involving some degree of change in what Peking saw to be the right direction.<sup>46</sup>

Evolving from critic to ideological rival to claimant as the sole true source of socialism, the PRC pursued a dual policy of aligning with the governments of developing states against 'common' external enemies and encouraging revolutionary armed struggle.<sup>47</sup> Yet, to point out that China's United Front was a more expansive search for allies is not to suggest that it was an arbitrary one. China, at least as carefully as in the past, evaluated its prospective allies individually, assessing their predilections or revolutionary potential on a case-by-case basis.

**(ii) The Middle East On the Eve of the United Front:**

Beginning with the Syrian secession from the U.A.R. in 1961, a series of developments occurred within the Middle East which sharpened divisions within the Arab world. The first was the outbreak of civil war in North Yemen. In that conflict Egyptian troops were dispatched on behalf of the revolutionaries and in opposition to the Saudi-supported monarchists. Thus, a local conflict originating on the Arab periphery became a regional conflict of central importance to the future of inter-Arab politics.

Initially, this local conflict presented Nasser with an opportunity to recover the initiative in inter-Arab politics (following the U.A.R. setback). Eventually, however, the five-year intervention came to represent for Nasser a decade marked by overcommitment, and (in 1967) humbling defeat.

Second, in 1963 a Ba'thist-led coup took place in Iraq. Initial expectations that the Syrian and Iraqi Ba'thists

might agree to a federal union with Egypt were rather quickly disappointed. Neither Syrian nor Iraqi Ba'thists were willing to concede to a formula for union that might result in Egyptian predominance; nor was Nasser willing to accept anything less. Commenting on the importance of the Iraqi coup, Patrick Seale states,

The events in Baghdad changed the rules of Arab politics. Iraq, which Qasim's isolationism had kept out of play, re-entered the mainstream, and the Ba'th party was transformed. From being a divided and enfeebled rump of a party it suddenly looked like a major radical and pan-Arab force on a par with Nasser himself.<sup>48</sup>

Thus, during this period, a second axis of inter-Arab hostility developed: to the 'revolutionary' vs. 'traditional' Arab rivalry (e.g. Egypt vs. Saudi Arabia) was added a rivalry among 'revolutionary' Arab regimes (ie., 'Nasserists' vs. Ba'thists, and eventually Iraqi vs. Syrian Ba'thists as well).<sup>49</sup>

In the area of the Persian Gulf and the Arabian peninsula, other significant changes were under way. In 1961, Kuwait attained its independence, marking the initial phase of the British withdrawal from the area. As already noted, the North Yemeni civil war was transformed into an inter-Arab conflict as a result of the involvement of Egypt troops and Saudi support for the monarchists. In 1964, a tribal rebellion broke out in the Qara mountains in the Dhofar territory of Oman. Initially, this rebellion took on a 'nationalist and pro-Nasser coloration' primarily as the result of the spread of Nasser's ideas rather than as a

consequence of direct Egyptian involvement.<sup>50</sup> Within the next several years, the movement, which had originally been called the Dhofar Liberation Front (DLF), would elect a new leadership, assume a new name (The Popular Front for the Liberation of Oman and the Arabian Gulf), and elaborate a charter linking the Dhofari insurgency to mass struggle in the Gulf.<sup>51</sup> Thus, as China launched its United Front, inter-Arab politics was in a state of ferment and flux.

(iii) The United Front in the Middle East:

During the mid-1960s there were several indications that China had begun to attach greater importance to the Middle East than in the preceding several years. Shichor provides some useful evidence to support this.

First, the Chinese Foreign Ministry was reorganised in a manner which reflected the growing importance of Middle East (and African affairs). The Department of African and West Asian Affairs was divided in two, forming the Department of African Affairs; and the Department of North African and West Asian Affairs. Thus, a separate department was created with special responsibility for Arab affairs. In addition, Vice-Foreign Ministers Chi P'eng-fei and Tseng Yung-ch'uan were appointed to head this new creation, marking the first time that such high-ranking officials were charged with responsibility for Sino-Arab relations. Finally, experienced, senior diplomats were dispatched to Chinese missions in the Middle East, including Ho Kung-k'ai, former director of the Department of African and West Asian Affairs (who was sent to Egypt as counsellor and charge d'affaires).

Shichor also mentions the higher frequency of official messages of goodwill and support conveyed by China to Arab leaders; and points out the increase in the value and volume of Sino--Middle Eastern trade as well as the Middle East's share of Chinese economic assistance to developing countries.<sup>52</sup>

It is primarily on the basis of this evidence that Shichor describes the Middle East as 'special' to China. It is important to emphasise, however, that China's increased involvement in the Middle East reflected its greater attention to the developing world as a whole. China's heightened interest in the Middle East was, to a large extent, a function of its general effort to build a United Front. Viewed in this way, the Middle East was 'special' insofar as it could be incorporated in the struggle to oppose the U.S. and compete effectively with the U.S.S.R.

By the early 1960s, China was at odds with Moscow as well as with Washington. This meant, in effect, that China had three forces to contend with in the Middle East: the United States, the paramount 'imperialist' power; the Soviet Union, the PRC's socialist rival; and Egypt's Nasser, the region's most formidable but least manipulable figure.

Competition with the Soviet Union in the early '60s was an important factor in the broader theater of China's Afro--Asian relations. The open rift with the Soviet Union urged China's assertion of its status and presence in the widest possible terms.<sup>53</sup> The Middle East, which in the 1950s had served as a theater of Sino--Soviet collaboration, in the

1960s functioned as an arena of Sino--Soviet rivalry.

On what basis did China hope to further its prospects in the Middle East, or for that matter, elsewhere in the developing world? In other words, what was the rationale for extending the United Front to Afro--Asian countries, particularly to the Middle East? Van Ness argues that,

'the basic cement of Peking's desired alliance with the underdeveloped world was a common colonial experience and a continuing opposition to any form of foreign intervention or interference.'<sup>54</sup>

It is important to remember that the essence of the United Front was the endorsement of armed struggles with a minimum of direct involvement in them. Van Ness maintains that geographical proximity to China, along with degree of receptivity to Chinese foreign policy goals primarily determined those struggles in which China would invest more than mere words.<sup>55</sup> Using these criteria, it would appear that the Middle East was generally not a high priority within the framework of the United Front. Still, this does not mean that China abandoned interest or refrained from involvement in the region.

#### (iv) China's Relations with Egypt:

As in earlier years, China's highest hopes as well as its greatest difficulties in the Middle East lay in effectively managing its relations with Egypt. In this phase, as previously, Nasser's influence within the region seemed necessary yet impossible for China to harness.

The PRC appeared try to head off, or compete

with, Nasser for influence by recognising break-away Syria as well as Kuwait; by sponsoring 'rival' Afro-Asian organisations (e.g. the June 1964 Asian-African Economic Seminar, about which Egypt was not informed).<sup>56</sup> Even while trying to undercut Nasser in this manner, China continued to seek better relations with him.

China's ambivalence can be understood partly as a sign of respect for, and relative impotence in the face of, Nasser's stature in the region; and partly as a sign that Beijing did not necessarily want to expose Nasser to the West. A direct attack on Nasser's policies, as a means of seeking to alter them, threatened not only to fail to produce the desired effect, but also to be counterproductive. Seeking to provoke or discredit Egypt could have alienated many in the Middle East who were not otherwise hostile towards China and not otherwise Nasser's most ardent followers. Pressuring Nasser to adopt positions against his wishes also risked driving him further into Moscow's orbit.

It is unlikely that Beijing, though aiming to influence or to counteract Nasser's policies, sought to contribute to his downfall. However little interest he showed in taking cues from Beijing, China surely recognised that Nasser represented the strongest resistance to U.S. domination of the Middle East. On the one hand, China hoped to capitalise eventually on Nasser's misfortunes by quietly nurturing relations with his rivals. On the other hand, China tried to use Nasser's foreign policy reversals and anxieties as an opportunity to repair relations with him.

Were these signs of policy inconsistency? Was China unable to make up its mind about Nasser? One could argue that Beijing's apparently shifting posture towards Nasser was the very hallmark of the United Front, which relied on a blend of 'carrot and stick'.<sup>57</sup>

Some signs of conciliation between Cairo and Beijing arose during Chou's visit in December 1963, which resulted in China's agreement to purchase Egyptian cotton. The next year, China donated industrial equipment worth \$80 million to Egypt; Sino--Egyptian trade in 1964 doubled the previous year's.<sup>58</sup> This statistical evidence can, however, be read in two ways: either as a sign that China was aiming to improve relations with Egypt; or, more optimistically, as an indication that relations between the two countries were already better.

China's decision to extend aid to Egypt represented a departure from past practice. In the mid-1950s, aid to developing countries had been a subject of Sino--Soviet disagreement. At that time, China had taken the position - either on ideological grounds or based on the conviction that it was dangerous to spread scarce resources too thinly - that its ally, the Soviet Union, should limit its aid transfers to new states. China's decision to assist Egypt in the early 1960s partly reflected a shift in attitude produced by the changed climate of relations between Moscow and Beijing. However, competition with the Soviet Union required a large deployment of resources. Indeed, China's non-interest bearing loan represented its largest single commitment up to that time either in the Middle East or on

the African continent.

Did the size of the aid commitment and the mere occurrence of Chou's visit to Egypt following the long chill in Sino--Egyptian relations signal a fresh start or a false start? Although hailed in the Chinese press as a 'milestone,' the actual circumstances of Chou's 1963 visit and the events which followed from it require further review. First, Nasser was out of the country, unable therefore (or perhaps unwilling) to greet Chou upon his arrival. Second, at the official reception for Chou -- which Nasser did in fact attend -- Nasser's welcoming remarks barely concealed criticism of China and at the same time acknowledged the help rendered to Egypt by the Soviet Union.<sup>59</sup> Third, the collapse of Bandung II made it unnecessary for China to continue its efforts to block Soviet participation. Perhaps not coincidentally, Chinese shipments of industrial goods to Egypt scheduled for the period 1965--68 were never delivered. Sino--Egyptian rapprochement in fact never attained the depth suggested by Chinese press reports; moreover, China's enthusiasm for revitalising its relations with Nasser seemed to fluctuate according to its prospects for strengthening China's campaign against the United States and advancing its competition with the Soviet Union.

(iv) China's Relations with the Palestinians:

Another important aspect of China's application of the United Front to the Middle East was its approach to the Palestinian movement, which was itself undergoing a gradual

transformation. Understanding how the Palestinian movement evolved in this period is therefore crucial to explaining China's interest in and association with it. Traditionally, the Palestinian cause had been subsumed within the cause of Arab nationalism and subject to the authority of Arab governments. While their exponents languished under the tight restrictions of Arab regimes, the ideas of Palestinian self-determination and independent struggle had, in any case, failed to arouse broad appeal among Palestinians.<sup>60</sup>

In the early 1960s, however, the notion of the Palestinian cause as a chiefly Palestinian matter began to draw attention and win adherents among Palestinians. The newly formed Fatah embraced such a view as one of its core principles, spurring this development. Meanwhile, Arab leaders - partly as an outgrowth of their rivalries with one another - took initiatives that, in effect, conceded the idea's importance and unwittingly contributed to its popularity. The thirty-first session of the Arab League, for example, resolved to reconstitute the Palestinian 'entity.' Independently of the League, Qassem boldly recommended the formation of a Palestinian government in the West Bank and Gaza; he proclaimed a Palestinian Republic as well as the establishment of the Palestinian Liberation Army. Later, Nasser countered with a little drama of his own, calling the first Arab summit conference to unveil his proposal for the creation of the PLO.

The birth of the PLO at the Cairo Summit in 1964 was therefore a bid by Arab governments, by Nasser in particular, to reassert, not relinquish, control over the

Palestinian struggle. It signified their attempt to stanch by appearing to assuage, the growth of demands which their own actions (and inaction) had been partially responsible for stirring. If the PLO in its infancy was little more than a new version of an old practice, then Fatah - judged by its origins and aims rather than its capabilities at the time - was a departure from the past. Fatah, itself an embryonic organisation, was launched in secrecy from the Gulf, but not by Arab governments. On the contrary, Fatah sought a greater degree of Palestinian autonomy over the Palestinian struggle. Consequently, in seeking to incorporate the Palestinian struggle into its United Front, China encountered, if not a single movement with a dual identity, then certainly one whose identity was in a state of flux.

Recall that China essentially followed two paths in dealing with Nasser at this time: aiming to improve relations with him while simultaneously encouraging trends of which he did not necessarily approve. It is therefore unsurprising that China cultivated relations both with the PLO, which was intimately affiliated with Egypt; and with Fatah, which was not. During February 1964, Ahmed Shugairy, who was making preparations for the establishment of the PLO, was in touch with the Chinese ambassador in Cairo. The following month China hosted the visit of Fatah's two founders, Yasser Arafat and Khalil al-Wazir. One year later, Shugairy, then chairman of the fledgling PLO, duplicated the Fatah leaders' visit to China, obtaining approval for the opening of a PLO mission in Beijing.

Several aspects of these visits are noteworthy, even if the exact contents of discussions held during them are unavailable. First, in terms of protocol, China exercised care in receiving its Palestinian guests in a manner least likely to offend Arab officialdom. Whereas Shuqairy was granted meetings with China's top leaders, including Mao and Chou En-lai, Arafat and al-Wazir were hosted by Liao Ch'eng Chih, chairman of China's Afro--Asian Solidarity Committee. In addition, the Fatah team was invited to Beijing as part of an official Arab government (Algerian) delegation. Second, China pledged support to both sets of Palestinian representatives, with the strong suggestion that such support would include material assistance to either group. Yet, there is no evidence that the Chinese immediately acted on their promises.

In the case of the PLO, while the organisation had been created in 1964, it was not activated until after the June 1967 war. Similarly, Fatah, although committed in principle to rely primarily on armed struggle, was still in the process of coalescing as an organisation. In spite of the very modest scale of their guerrilla 'campaign,' Fatah's leaders remained concerned about Arab governments' reactions to their independent efforts; not until June 1965 did Fatah even openly associate its name with the few raids which it succeeded in launching against Israel. The most important Fatah training facilities were provided by Syria, but this cooperation was not something that either Fatah or Damascus chose to advertise, or to open to additional partners. Algeria was also openly sympathetic towards Fatah, providing

an office in its capital and an entree to China. Yet, President Ben Bella, who never ceased to be an ally of Nasser, feared that Palestinian raids might result in severe retaliatory strikes against Egypt. He therefore refused to allow arms to be shipped to the commandos via Algeria.

In view of these circumstances, China's initial approach to the Palestinian movement consisted of systematic contacts with both the PLO and Fatah. Support was registered, however, mostly in the form of promises and verbal encouragement, reflecting China's awareness of the ambiguous status and limited capabilities of the two organisations as well as their potentialities.

## Chapter II

### An Evaluation

#### What were China's objectives?

During the period reviewed here China launched an attempt to construct a socialist economic model and to apply a foreign policy independent of the Soviet Union. This phase is unique not only in terms of changes in the nature of Chinese objectives in the Middle East, but also in terms of the fluctuating earnestness or energy with which they were pursued. In the span of only seven years, China's interest in the Middle East appeared to have completed one full cycle: proceeding from mild indifference to energetic commitment, and finally to frustration and disappointment.

As the gap between Moscow and Beijing widened, the Middle East surfaced as an important theater of Sino--Soviet competition. Gradually, the priority of reducing Western predominance in the region merged with the importance of using the region to undermine Soviet accommodation with the West. Accordingly, China pursued a new set of objectives: a form of rivalry with the Soviet Union which would be unlikely to be catastrophic for China; and the neutralisation, if not the displacement, of the U.S.S.R. from the region. Yet, during this period the Chinese press devoted considerably more attention to developments in Africa than to the situation in the Middle East. This is one indication that, at the time, the Middle East was rated by China as a region perhaps equal in importance to Africa, but one less promising in its prospects.

### What were China's tactics?

Several factors converged which urged China to modify its tactics in the Middle East: (1) the deterioration of the Sino-Soviet alliance, which removed the cover and the material underpinning of China's diplomacy in the region; (2) preoccupation with, and hardship imposed by, the Great Leap Forward and the accompanying Soviet withdrawal of aid; (3) souring relations with the cornerstone of China's bilateral Middle East ties, Egypt; and (4) a more interventionist American approach to the Middle East as well as, more threateningly, to Southeast Asia. This set of developments guided China's determination of which policy instruments to select, the circumstances under which to apply them and the objects at which they were to be directed.

First, because relations with Nasser were on a downward spiral, resulting in the paralysis of its most important bilateral relationship, China shifted its attention to nearby Iraq, which initially promised to be, if not more malleable, then at least more revolutionary. Yet, China did not commit substantial resources to develop this relationship, reflecting both its attention to the vicissitudes of Iraqi domestic politics and its own economic constraints.

Second, China sought to diversify its political portfolio by engaging in a remarkably active series of diplomatic exchanges and official visits, culminating in Chou En-lai's

tour of the region.

Third, in an apparent bid to trump the Soviet Union, China embraced the embryonic PLO. China also met with and expressed support for the leadership of Fatah which, not being closely affiliated with Egypt, fulfilled Beijing's aim of competing with Nasser for influence as well as trying to improve relations with him.

Finally, in spite of the general austerity imposed by the failures of The Great Leap and compounded by the Soviet withdrawal, China arranged an economic aid package unprecedented in its scope.

In the late 1950s after an initial lapse, though not a complete cessation, of its activities in the region, China unleashed a Middle East offensive characterised by a mixture of policy instruments and a variety of targets both at and below the state level. More militantly anti-Soviet in its rhetoric, China evolved a set of tactics aimed at harnessing local elements in a global 'united front' against both the United States and the Soviet Union.

#### **Were China's efforts successful?**

Essentially, China combined a negative message with a negligible physical presence and obtained primarily negative results. However appealing in principle, China's project of building a coalition against Western and Soviet influence was impoverished by its running counter to the logic and reality of Arab politics. First, it challenged Nasser's personal, national and pan-Arab aspirations by seeking in effect to subordinate them to two transcendent causes: the

East--West conflict and the Sino--Soviet dispute. In addition it obliged Nasser to forfeit the framework of positive neutrality by which he hoped to insulate Egypt in his pursuit of his foreign policy aims. Second, it promised a theoretical collective security under China's leadership. Such an arrangement, however, was completely divorced from China's capability to provide it. Furthermore, it was predicated on a regional (if not global) community of interests more contemplated than real.

China astutely associated itself with the Palestinian movement while the movement was in its infancy, and as a result, probably succeeded in earning a measure of Arab goodwill but little else. Overall then, China's Middle East offensive - constituting a search for allies against the United States and the Soviet Union - provided more lessons than concrete gains. During this period China distinguished itself more as an irritant than as an intimate of the Arabs; at the same time it discovered the difficulty of dislodging the Soviet Union from, and opposing the United States in, the Middle East.

## Notes

(1) Yahuda, China's Role), pp. 95--98.

(2) See, for example, New China News Agency [hereafter NCNA] (31 December 1956), reprinting a 'People's Daily' article which demonstrates the care taken by China to air its dissenting views.

(3) Ibid.

(4) Ibid.

(5) Survey of China Mainland Press [hereafter SCMP], no. 1757:50 (17 April 1958).

(6) SCMP, no. 1744:49 (30 March 1958).

(7) Ch'en Yi, 'The Present International Situation and Our Foreign Policy', Eighth National Congress, Vol. II, p. 342.

(8) BBC/SWB/FE/699 (17 September 1957).

(9) See Mao Tse-tung's 'Speech at the Moscow Celebration Meeting', Renmin Ribao (7 November 1957) in China Bulletin, no. 480 (13 November 1957), p.3.

(10) Selected Works of Mao, 'The Talk of January 27, 1957,' pp.362--363.

(11) NCNA (5,6 March 1957); BBC/SWB/FE/641 (26 February 1957), p.2.

(12) Stuart Schram, Mao Tse-Tung (Baltimore: Penguin, 1966), p. 283.

(13) Renmin Ribao editorial (20 July 1958) in Peking Review, no. 30 (29 July 1958), p. 4.

(14) Peking Review, no. 31 (5 August 1958).

(15) BBC/SWB/FE/710 (24 October 1957).

(16) Donald Zagoria, The Sino-Soviet Conflict: 1956--1961 (Princeton: Princeton University Press, 1962), pp. 200--221 for a full discussion of the Taiwan Straits crisis, noting its linkages with the Middle East crisis.

(17) Ibid.

(18) See, for example, Peking Review, no. 22 (3 June 1958) and BBC/SWB/FE/835 (13 January 1959).

(19) See, for example, Peking Review, no. 14 (7 April 1959).

(20) Peking Review, no. 12 (24 March 1959).

(21) Alaba Ogunsanwo, China's Policy in Africa: 1958--71

(Cambridge: Cambridge University Press, 1974), p. 48.

(22) E. C. Chibwe, Afro--Arab Relations (London: Julian Friedman Press, 1977), pp. 18--19.

(23) Shichor, p. 87 argues that allegations of Chinese involvement in Kirkuk and Mosul were foundationless, fomented by 'biased circles, hostile to communism, to the PRC, and to Qassem.'

(24) Shichor, p. 82.

(25) See Khalili, pp. 22--23, quoting Nasser in an interview.

(26) See, for example, Mohamed Anis Salem, 'The Soviet Union and Egypt After Sadat' in The Soviet Union and the Middle East in the 1980s, edited by Mark Kauppi and R. Craig Nation (Lexington: Lexington Books, 1983), pp. 168--171.

(27) Joseph Khalili, Communist China's Interaction with the Arab Nationalists Since the Bandung Conference (New York: Exposition Press, 1970), p. 74.

(28) Shichor, p. 99.

(29) See, for example, the 16 July 1958 Renmin Ribao editorial reprinted in Peking Review, no. 21 (22 July 1958).

(30) Behbehani, p. 191.

(31) Peking Review, no. 22 (31 May 1960).

(32) Majid Khadduri, Socialist Iraq (Washington, D.C.: The Middle East Institute, 1978), pp. 5, 13.

(33) For a detailed discussion of communism and communists in Iraq, see Hanna Batatu, The Old Classes and the Revolutionary Movements in Iraq (Princeton: Princeton University Press, 1979).

(34) Marion Farouk-Sluglett and Peter Sluglett, From Revolution to Dictatorship (London: Routledge and Kegan-Paul, 1987), p. 54.

(35) Christine Moss Helms, Iraq: Eastern Flank of the Arab World (Washington, D.C.: The Brookings Institution, 1984), pp. 74--75.

(36) Uriel Dann, Iraq Under Qassem (New York: Praeger, 1969), p. 233.

(37) Harold Hinton, Communist China in World Politics, pp. 299--301.

(38) See, for example, Peking Review, no. 45 (9 November 1962).

(39) Peking Review, no. 1 (3 January 1964).

(40) See, for example, Peking Review, no. 31 (2 August 1963); and

no. 32 (9 August 1963).

(41) See, for example, Yahuda, China's Role, p. 120.

(42) Wang Gungwu, China and the World Since 1949 (New York: St. Martin's Press, 1977), p. 62.

(43) SCMP, no. 2001:43, from NCNA 23 April 1959.

(44) Quoted from Bulletin of Activities, no. 17 (25 April 1961) by Charles Neuhauser, Third World Politics, China and the AAPSO, no. 27, Harvard East Asian Monographs, Cambridge, 1968.

(45) Michael Yahuda, Towards the End of Isolationism (London: Macmillan, 1983), p. 99.

(46) Peter Van Ness, Revolution and Chinese Foreign Policy (Berkeley: University of California Press, 1971), p. 192.

(47) Yahuda, Towards the End, p. 33.

(48) Patrick Seale, Asad: The Struggle for the Middle East (London: I.B. Tauris, 1988), p. 76.

(49) For a classic study of these struggles, see Malcolm Kerr, The Arab Cold War: Gamal 'Abd al-Nasir and His Rivals, 1958-1970 (Oxford: Oxford University Press, 1971); see also Patrick Seale, Asad, especially pp. 75-103.

(50) Arnold Hottinger, p. 178.

(51) See, for example, Ray Cleveland, 'Revolution in Dhofar, Sultanat Middle East Forum, vol. 47, nos. 3 and 4 (Autumn-Winter 1971), pp. 93-103).

(52) Shichor, pp. 111--112.

(53) Behbehani, p. 24.

(54) Van Ness, p. 60.

(55) Van Ness, p. 189.

(56) Shichor, pp. 121--122.

(57) That the United Front incorporated these dual tactics is a key argument offered by J. D. Armstrong in his work, Chinese Foreign Policy and the United Front Doctrine (Berkeley: University of California Press, 1977).

(58) See, for example, Shichor, Appendix II, pp. 205--206.

(59) M.S. Agwani, Communism in the Arab East (London: Asia Publishing House, 1969), p. 210.

(60) Information for this section is drawn primarily from Helena Cobban, The Palestinian Liberation Organization (Cambridge:

Cambridge University Press, 1984); Alain Gresh, The PLO: The Struggle Within (London: Zed Books, 1985); Aaron David Miller, 'The Palestinians' in The Governments and Politics of the Middle East (Boulder: Westview, 1986), pp. 283-307; and Curtis, Michael et al (Eds.), The Palestinians (New Brunswick, N.J.: Transaction Books, 1975).

PART TWO  
FROM PARALYSIS TO PRAGMATISM  
1966--1977

### Chapter III

#### Socialist fortress

1966--1968

##### **A. United Front, inhospitable climate:**

The end of 1965 witnessed the merging of domestic and international developments hostile to the realisation of China's main foreign policy objectives and greatly responsible for the subsequent curtailment of its international activities. The overthrow of Nkrumah, the abortive PKI coup attempt in Indonesia, the UAR--Indian opposition to PRC seating at Bandung II, together with the postponement and eventual cancellation of that conference at Algiers undermined the foundation of China's United Front strategy, thus demolishing the theoretical structure of China's Afro--Asian foreign policy.

The decline of China's fortunes in the Afro--Asian context was matched by an additional set of international complications. The most important of these was the escalation of United States' involvement in Vietnam. The Chinese official press invented a new terminology to account for the revision of American tactics in Southeast Asia, designating the United States as a 'mad dog' rather than a 'paper tiger'. The attachment of new labels was accompanied by a review of U.S. tactics and reconsideration of how China should address them.

The intensification of American involvement in Vietnam was

presented - though not cavalierly dismissed - as a symptom of decline: a reckless act arising from despair. The augmented U.S. military presence in Vietnam was portrayed as an overextension of American overseas commitments. Publicly, Beijing played down the danger of calamity, focusing on the long-term inevitability of American defeat rather than on the short-term threats to Chinese interests.<sup>1</sup>

Compounding China's growing sense of isolation was an improvement in Japanese--South Korean relations. The signing of the 1966 Japan--ROK Treaty, which coincided with the American escalation in Vietnam, drew an outpouring of concern and condemnation in the Chinese press.<sup>2</sup> These reactions in China's official publications might not furnish a reliable guide to the perceptions of China's leaders, particularly during the Cultural Revolution, when invective and hyperbole appeared to have become the standards of journalistic excellence. Furthermore, to the extent that they indeed reflect the real concerns of the Chinese leadership, these publications do not authoritatively indicate that such sentiments were uniformly held by the leadership. Yet, recognising that China remains ever-sensitive to the possible revival of Japanese militarism, it is hard to imagine that the concerns voiced by the press were just empty rhetoric.

At the same time that these real or imagined assaults at the rim of China's strategic heartland were occurring, changes in the Soviet Union were under way. Leonid Brezhnev's accession to power had provided no relief in the

ongoing Sino--Soviet dispute. Brezhnev was not welcomed to office by the Chinese as a happy alternative to Khrushchev, but was instead excoriated for having reverted to 'Khrushchevism without Khrushchev.' Relations with the Soviet Union continued on a course marked primarily by acrimony rather than accommodation.

On the whole, especially at the outset of the Cultural Revolution, China's foreign relations were characterised by bitter disappointment and uncertainty. Yet, poor relations with both the United States and the Soviet Union, coupled with the recent failure to build a United Front against them did not extinguish China's militancy. It merely impelled China to scale down its objectives and adjust its tactics.

#### **B. The Cultural Revolution and foreign policy:**

Domestically, the onset of the Cultural Revolution, whose avowed primary purpose was the prevention of the restoration of capitalism, had an important (if only implicit) secondary aim: the protection of China against corrosive foreign influences.<sup>3</sup> Yahuda argues persuasively that there was nothing especially xenophobic in the foreign policy implications of this formula. During this period, China's isolation was in fact relative, not absolute.<sup>4</sup> Still, the series of estrangements that characterised the years 1966--1968 have a strong basis in the Cultural Revolution.<sup>5</sup> Diplomacy was not deliberately foresworn as a matter of policy; however, as a result of the tumultuous conditions of the Cultural Revolution, diplomacy was difficult, if not impossible to conduct.

In practical terms, the events of 1965 already mentioned eliminated the justification for China's foreign policy offensive of the previous two years. The Cultural Revolution (which itself was not caused, yet was fortified, by these foreign policy disappointments) probably reinforced the argument in favor of withdrawal. The outgrowth of these two sets of phenomena - the international and the domestic - was a revised Chinese analysis of the world which, by adjusting the framework within which events are interpreted and roles are identified, contributed to the alteration of China's foreign policy direction and content.

Perceiving itself in a new context, China portrayed itself and was seen as a 'socialist fortress', awaiting the outcome of national liberation struggles that it could support forcefully in moral and rhetorical terms, but on whose behalf it could not intervene.<sup>6</sup> Renmin Ribao on 25 August 1966 suggests the nature and extent of support for national liberation movements contemplated by China during the Cultural Revolution:

The task of the Marxist--Leninists and all revolutionaries is to arm the minds of millions upon millions of people with this great strategic principle that imperialism and all reactionaries are paper tigers and reinforce the revolutionary confidence and determination of the people to enable them to launch revolutionary attacks on still a bigger scale against U.S. imperialism and its lackeys.<sup>7</sup> [Emphasis added]

Under the influence of Lin Piao's 'Long Live the Victory of People's War', the Chinese Communist revolutionary

experience was universalised. Accordingly, China virtually ceased its appeals to established Afro--Asian regimes, thus temporarily abandoning its bi-level approach. By viewing states as the analogue of classes, the PRC during this phase envisaged itself as an ideological model, providing mainly inspiration and guidance.<sup>8</sup> Each national liberation movement was expected to make its own revolution.

#### C. The Impact of the '67 War:

The years 1966-68 were a period of monumental change in the Middle East. A full appreciation of China's involvement in the region during that time therefore requires attention to key developments in the Middle East and their ramifications. Undoubtedly the period's pivotal event was the 1967 Arab--Israeli war, which was the culmination of several significant trends and the catalyst for others.

Prior to the June war, inter-Arab relations had been discordant, indeed hostile. As indicated earlier, the incompatibilities among 'revolutionary' Arab regimes had been illustrated and deepened by the collapse of the U.A.R. Meanwhile, 'revolutionary' Egypt and 'traditional' Saudi Arabia had taken opposite sides and become directly involved in the North Yemeni civil war. Thus, there were two axes of inter-Arab rivalry by the time of the '67 war.

Suddenly and dramatically, the '67 war altered the political climate and to an extent revised the configuration of power in the Arab world. First, the Arab defeat, which was interpreted as a common Arab misfortune, led to an Arab reconciliation, albeit limited and temporary. Second, Arab oil producers -- Saudi Arabia in particular -- assumed financial responsibility for losses incurred

during the war and for the budding Palestinian movement, thereby improving their own security, leverage and stature vis-a-vis other Arab states (especially Egypt).

The war however imposed tremendous hardships on the Arab confrontation states, represented not only in loss of territory to Israel, but also in the absorption of tens of thousands of refugees. The influx of refugees was disruptive economically in the short-term and politically in the longer term. This was especially true in the case of Jordan. Thus, the defeat thrust obligations upon Arab regimes which further taxed their capacities and in turn undermined their popularity, if not their legitimacy.

To cope with the burdens of defeat -- which included a crushing blow to his own and Egypt's prestige -- Nasser decided to rearm while simultaneously seeking to maintain domestic consumption levels; in addition, he launched a 'war of attrition' against Israel. These policy decisions led Nasser to accept a degree of dependence on the Soviet Union that was otherwise repugnant, and therefore, unacceptable to him.

As a result of Nasser's decision to turn to the Soviets for greater assistance, the U.S.S.R. was presented with an occasion to augment its presence in the region. This was all the more ironic in that the Soviet Union could have been held accountable for the crippling Arab defeat. The swift, massive resupply of weapons in the immediate aftermath of the war, coupled with a willingness to accede to Nasser's request not only salvaged Soviet prestige but also provided Moscow with a degree of leverage it had not previously had.

United States involvement in the Middle East also changed as a result of the war. Until 1970 the U.S. tended to defer to U.N. representatives responsibility for pursuing a peaceful

settlement to the Arab-Israel dispute. Washington adopted a more active and vigorous role in support of Israel, countering Soviet assistance to Egypt with a substantial commitment of its own. In this way, the '67 war ushered in a period of 'no war, no peace' marked by the further militarisation of the Arab-Israel conflict and the superpowers' critical role in that process.

It would of course be incomplete to discuss the war and its aftermath solely in terms of inter-Arab detente, increased burdens on Arab regimes, and the reconstruction and bolstering of armed forces (including the superpowers' prominent role in that development). The '67 defeat of the Arabs was a psychological defeat which spun its own set of repercussions. To a young generation of intellectuals, the war was profoundly disillusioning. Compounding this disenchantment was the rapprochement between 'progressive' and 'conservative' regimes. Nasserism had yielded a humiliating military defeat; worse, it had ceased to be 'revolutionary'. Similar disappointment set in with regard to Ba'thism, which was accused of "surrendering to the intrigues and brutality of the military".<sup>9</sup>

The post-'67 Arab intellectual atmosphere was characterised by ideological defection, not just disaffection. Youths gravitated from Nasserism and Ba'thism to 'alien' ideologies such as Maoism. Ajami captures this transformation in observing that,

In the light of the June defeat, a younger generation was to dig deeper into the political tradition and social structure. It was to see in the ideas and deeds of the heroes of the 1950s and 1960s the dead hand of the past. A flood of new writings -- some indigenous, some the standard revolutionary tracts of Debray, Fanon, Mao, Guevara -- opened up new horizons. They gave a revolutionary tone to political discourse; they underscored the gao between young and the dominant order.<sup>10</sup>

The leading channel for Arab revolution following the '67 war was the Palestinian movement. The shock and disappointment of the war extended to the Palestinian population, strengthening the views and positions of the militants within it who emphasised the 'Palestinian character' of the Palestinian cause; and who advocated guerrilla armed struggle to liberate Palestine. Pan-arabists, like the Arab Nationalist Movement (ANM), which had previously opposed Palestinian separatism, were compelled to field commando units or risk losing credibility.<sup>11</sup> The war accelerated the process whereby Palestinian nationalism, which had formerly been encapsulated within Arab nationalism, assumed an identity of its own. Second, the war discredited the PLO leadership, which was widely viewed as Nasser's handiwork and therefore implicated in his military defeat. In this way the crisis in confidence in Arab regimes was at the same time a crisis in confidence in the PLO leadership. This in turn led to a third development; namely, the replacement of the PLO leadership by Palestinian militants.

The so-called 'Palestinian militants' were not a homogeneous or cohesive group; nor were Arab regimes indifferent to, or willing to acquiesce in, the detachment of the Palestinian movement from their control. Whereas all of the militant factions which emerged in the aftermath of the '67 war were committed to 'liberate Palestine' and to embark on a 'national war' to do so, there were in fact numerous ideological, political and personal differences among them.

Fatah, for example, at least theoretically pledged non-interference in the affairs of Arab states. In contrast, the Popular

Front for the Liberation of Palestine (PFLP), under the direction of George Habash, was strongly influenced by Marxist--Leninist ideology and therefore committed to Arab nationalist revolution. Moreover, the PFLP represented the view that the plight of the Palestinians was linked to social and political conditions throughout the Arab world. Hence, Fatah's promise of non-involvement was anathema to the PFLP. Meanwhile, the Iraqi and Syrian wings of the Ba'th Party sponsored the Arab Liberation Front (ALF) and Sa'iqa, respectively, both to remain involved in, and to retain an element of control over, the movement's activities.

1967 was also an important year for the South Arabian peninsula. North and South Yemen, by virtue of lying on the periphery of the Arab world, were physically untouched by the Arab--Israeli war and relatively insulated from its most severe repercussions. Perhaps the most significant, if only indirect, effect of the June war was the withdrawal of Egyptian forces from North Yemen. The Egyptian disengagement and the concomitant curtailment of Nasser's influence paved the way for the end of the civil war. It also relieved strategic pressure on Saudi Arabia, helping to ensure a strong Saudi influence over North Yemeni domestic political affairs.

Five months after the June war (30 November 1967), the last British troops evacuated Aden, bringing an end to the British military presence in the area. Although the National Liberation Front which assumed power after the British departure, had collaborated with Nasser in the North Yemeni civil war, even before the '67 war, they had broken with him.<sup>12</sup> Thus, the political power struggle which ensued in

chapter will describe in some detail, that struggle would result initially in improvement in the position of Marxist adherents, and culminate in their overthrow of the established leadership of the NLF.<sup>13</sup>

These changes within the Middle East had numerous yet somewhat contradictory implications for China's involvement in the region. On the one hand, for example, the disenchantment which turned some Arabs to 'alien' ideologies, including Maoism, was a welcome development. So was the growth of an increasingly militant Palestinian movement which embraced guerrilla armed struggle; that some factions were committed to revolution was presumably even more heartening. Such trends tended to reinforce the prevalent view in China that the world's 'revolutionary people' were indeed revolutionary.

On the other hand, these developments in the Middle East provided opportunities for an augmented superpower presence and influence. Consequently, they were not compatible with China's interest in seeing quite the reverse occur. The discussion which follows will examine China's involvement in the region, as it responded to these changes.

#### D. Narrowing the United Front in the Middle East:

In the Middle East at this time as elsewhere, neither the formulation of China's foreign policy nor the character of China's efforts was determined by the Cultural Revolution. Nevertheless, they were inseparable from this domestic phenomenon. Likewise, the results of China's previous efforts in the region were neither primarily responsible

for, nor inconsequential to, the character of the Cultural Revolution; the two were related.

It is important to recall that China's two-year 'offensive' in the Middle East had not yielded substantial benefits. On the contrary, China had failed to enlist either Egypt or Syria in its attempt at inclusion in Bandung II. Nasser's trip to Moscow in September 1965 and the Soviet--Egyptian communiqué issued upon his departure, besides indicating the difficulty of dislodging the U.S.S.R. from the Middle East, reminded Beijing of the independent will of Arab statesmen. China's diplomatic efforts and economic gestures alike were rebuffed. Neither Egypt nor Syria, for example, made use of the loans offered by China (sums of \$80 million and \$16.3 million respectively).<sup>14</sup> Trade between the PRC and the region declined precipitously in 1967, totalling only half the previous year's value.<sup>15</sup> The withdrawal of all but one of China's diplomats from the Middle East (i.e. all but China's representative in Cairo), seen in this context, reflects a decision strongly urged by circumstance.

Understandably, China's efforts to press Afro--Asian regimes against both the U.S. and the U.S.S.R., particularly given the PRC's inability to replace either of them militarily or economically, was too extreme to be acceptable.<sup>16</sup> Thus the basis of the United Front narrowed appreciably. Regimes with which China continued to deal were those that appeared to exhibit the highest degree of 'revolutionary potential' such as South Yemen, whose seeming hospitality as a guerrilla training base and arms transfer

station was attractive to the PRC. China replied swiftly to this opportunity, offering \$12 million in aid to South Yemen almost immediately after the British withdrawal.<sup>17</sup>

Whereas China reduced its diplomatic presence in, and material commitment to the Middle East during this period, China did not sever all contacts with, nor abandon all objectives with respect to, the region. Beijing's decision to keep one of its distinguished diplomats, Huang Hua, in Cairo throughout the Cultural Revolution, is one indication of Beijing's continuing interest in the Middle East, and especially in Egypt.

(i) China's Relations with the PLO:

In the Middle East during this period events unfolded rapidly, indeed dramatically, highlighted by the June '67 war. Among other things, the war fatefully altered the course and character of the Palestinian movement. As previously illustrated, Chinese foreign policy had itself begun to change, in some ways profoundly. In what manner, if at all, did these two sets of changes affect the Sino--Palestinian relationship?

Within the Arab world, the June '67 war was a humiliation, not just a military defeat. An atmosphere of gloom, even despair, permeated Arab society. The war undermined popular confidence in Arab governments, which were held accountable for the debacle. At least initially, this yielded a more tentative, and even less coherent policy on the part of Arab governments towards the Palestinian question. Meanwhile, among Palestinians, the war produced an upsurge of support

for guerrilla combat and for a leading, if not dominant, role for Palestinians in the struggle.

The foreign policy of the Chinese Cultural Revolution (at least in its radical phase: 1966--1968) seemed in some ways tailor-made to accommodate these developments. By the time of the '67 war, China's policy of cultivating national--bourgeois governments had already fallen from favor, and in its place Beijing had begun to concentrate support for national liberation and revolutionary movements.

The '67 war provided China with an occasion to unmask the Soviet Union's 'betrayal' of the Arabs as well as to condemn the Israeli attack as the handiwork of an 'imperialist lackey'.<sup>18</sup> The Chinese press admitted - though in understated terms - that the war constituted a 'temporary setback'; and that the Arabs' struggle against imperialist aggression would be a 'protracted one'.<sup>19</sup> In light of the U.N.'s 'ignominious record,' China cautioned the Arabs to avoid submitting the Palestinian question to the international organisation; and encouraged them instead to persevere in their armed struggle.

Meanwhile, the special attention that China accorded the Palestinian movement in the immediate aftermath of the '67 war was initially reflected in the intensification of its verbal attacks on Israel. Whatever form it took, Chinese support for the Palestinians had no apparent doctrinal basis. Still, ideological considerations were not necessarily irrelevant. The militant line which China espoused during the Cultural Revolution required some concrete commitment to give it credibility. Thus, even in

the absence of an ideological compatibility, there was some justification for Beijing to portray the link between China and the Palestinian movement as if such a compatibility existed.

Yet, China's support of the Palestinian movement probably served more than just this propagandistic purpose. Recall that the aims which underlay the United Front -- competing with the Soviet Union and undermining U.S. influence -- were not abandoned, even if the framework for advancing them was retired. The outbreak of war in the Middle East, and the accompanying intensification of Soviet--American rivalry in the region, undoubtedly drew China's attention. In this sense, China might be said to have viewed the Palestinian movement as a vehicle for undermining U.S. interests and competing with Moscow for prestige among the Arabs.

The post-'67 occupation of Arab land by Israel could conceivably have encouraged China that the Palestinian struggle could be successfully waged (though not on classic 'people's war' grounds). Fatah's decision in late 1967 to launch an armed popular uprising in the occupied territories might have lent further optimism, but then only briefly. For, Fatah had not had ample time to establish the necessary organisational base to conduct such a campaign. Hurried attempts to form guerrilla networks inside the occupied territories encountered stiff Israeli opposition and harsh reprisals.

Although launched prematurely and therefore unsuccessfully, these 'heroic failures' seemed to lead Fatah

and Beijing to the same conclusion: that the success, if not the survival, of the guerilla movement, depended on reaching some accommodation with Arab governments. This line of thinking helps to explain Fatah's fateful decision to enter the PLO, which it had formerly held in disdain. Fatah's entry into the PLO, as a means of enriching the prospects of the guerrilla movement, appears to have had more than just Beijing's blessing. In an interview with Khaled al-Hassan, Helena Cobban learned that 'some of the crucial mid-1968 meetings at which Fatah's take over of the PLO apparatus was planned were held in the home of the Chinese ambassador to Cairo.'<sup>20</sup>

At the Fourth PNC session (July 1968), during which Fatah bid successfully to take over the PLO, China's Huang Hua led the only non-Arab delegation in attendance. Similarly, at the conclusion of the session, China was the only non-Arab government to receive credit for its support. In the meantime, the Palestinian National Charter was crucially amended. Article 9, for example, was rewritten so as firmly to establish the primacy of guerilla activity. The new text read:

...armed struggle is the only way to liberate Palestine. Thus, it is the overall strategy, not merely a tactical phase.

Fatah's thesis - that the 'Palestinian' aspect of the struggle receive emphasis - was incorporated in the new version of Article 28 of the Charter to read:

The Palestinian Arab people insists upon the originality and independence of its national revolution and rejects every manner of interference, guardianship and subordination.

Studying these crucial changes in the Palestinian Charter tempts us to extremes: to leap to the conclusion that China drafted Fatah's platform and orchestrated its 'capture' of the PLO; or to dismiss China's role as that of an interested but inconsequential spectator, whose presence was appreciated but whose advice was disregarded. A more balanced view suggests that China was anything but indifferent to these changes, and played a limited, though ambiguous, role in their adoption.

The suggestion that the courses of Chinese foreign policy and the Palestinian movement were travelling roughly at the same pace in the same general direction is potentially misleading. Changes in the Palestinian movement might have been swift, but they were also complicated. When Fatah's efforts to launch an uprising inside the occupied territories were aborted in favor of building operational bases in Jordan and southern Lebanon, the ranks of the Palestinian guerrillas swelled, but so too did the number of individual commando units. Consequently, the Palestinian guerrilla movement experienced two simultaneous trends: proliferation in numbers as well as factions.

Furthermore, by agreeing to carry the various commando groups into the PLO with it, Fatah sought both to reconcile these trends and then to capitalise on them. This decision ensured Fatah of a predominant voice within the PLO, which

was itself thereby transformed into a forum of intra-Palestinian discord, not just rich debate. Henceforward, Fatah was party to a struggle consisting of two elements: the battle for the PLO and the battle by the PLO.

In supporting the PLO, therefore, China had to contend with these developments, and more. If the intra-Palestinian dimension of the movement's evolution warranted China's attention, so too did the reactions of other governments to these events. Nasser, for example, behind the scenes, offered to assist Fatah with arms and training and invited Arafat to join him in a July 1968 trip to the Soviet Union. In turn, the nascent Egypt--Fatah link aroused jealousies and concerns in Damascus, prompting Syria to fund, train and equip Sa'iqah. Thus China, in emerging as the main champion of the PLO outside the Middle East, had to confront the rapid changes within the PLO as well as the intricacies of inter-Arab politics. Said differently, by virtue of becoming the PLO's benefactor, China had to contend with the numerous and complex foreign policy implications of assuming such a role.

#### E. Communism and Maoism in the Middle East

On the whole communism and communist organisations developed a relatively narrow base of support in the Middle East. Unlike in Indochina, for example, there were only a few isolated cases in which communists either shared or themselves held political power in government. As has already been demonstrated, communists were active, indeed instrumental, in bringing down the Iraqi monarchy in 1958. As will be shown, in the aftermath of the '67 war,

the disillusionment with Arab revolutionary ideologies and leaders led many Arab youths to other 'alien' ideologies, including Maoism. Finally, it will also be demonstrated that in the late 1960s, Marxism had a strong following in South Yemen, where the area's only Marxist regime was founded in 1969.

Was the relatively limited appeal of communism and the relatively lackluster record of communist parties in the region attributable to China's (or for that matter, the U.S.S.R.'s) expediency in placing 'state interests' ahead of 'ideological' commitments?

As previously argued, China's initial attraction to Nasser was his growing prestige within and outside the Middle East. That Nasser was not a communist was less important than that he represented, and in many respects was responsible for, stirring anti-colonial nationalism. China's interest in Nasser therefore derived from China's aim of supporting Afro-Asian nationalism in the hope of thereby undermining Western influence. The subordination of an ideological commitment to communism in this regard should not be taken to mean that China had fully abandoned that commitment. Chinese officials continued to have dealings with, and to offer at least verbal support to local communists.

That the nature of the doctrine of communism is fundamentally at odds with the nature of the region is as powerful an explanation for communism's (or Maoism's) relative unpopularity in the Middle East as that China (and the U.S.S.R.) failed to provide adequate support for communist movements. Communism, as an atheistic doctrine, with a pillar of Middle East culture; namely, Islam. Thus Islam can be said to have served as a bulwark against communism or any of its variants.

Of course, an individual might -- and many do -- adhere selectively to an ideology: accepting some tenets while renouncing others. Moreover, not all Muslims, any more than all Christians, are such fervent believers that they cannot be 'converted' to communism. And not all Middle Eastern peoples are Muslim, in any case. So, the 'Islamic bulwark' thesis too is, at best, only a partial explanation.

Whatever its appeal among Middle Easterners, neither Maoism nor any variant of Marxism operated in an ideological vacuum. During the 1950s and 1960s just the opposite was true. Nasserism as well as Ba'thism were two indigenous 'revolutionary' ideologies, with strong organisational bases, and anchored in the military. Consequently, they typically, if not continuously, competed with communism and communists from a position of advantage. In promulgating revolutionary socialism, both Nasserists and Ba'thists succeeded to a large extent in co-opting would-be revolutionists and winning the approbation of discontented masses.

It must also be added that Arab regimes -- however revolutionary in outlook -- jealously guarded their political power once they attained it. However much they may have had in common with communists, Nasserists and Ba'thists once in power considered communists to be dangerous oppositionists and treated them accordingly. Nasser harassed and arrested them. Likewise, the Shah of Iran (and later, his successor, Ayatollah Khomeini) conducted periodic campaigns to destroy the Tudeh, or local communist, Party. As Patrick Seale points out, when the Ba'th seized power in Baghdad in February 1963, "its first act was to slaughter communists".<sup>21</sup> When Hafez al-Asad went about consolidating power in Syria, he formed the National Progressive Front, in which parties other than the Ba'th

might 'participate'. Yet, the communist party and other non-Ba' this members of the Front were in fact prohibited from canvassing for supporters in the military or among students.<sup>22</sup>

## Chapter III

### An evaluation

#### What were China's objectives?

In this highly radicalised stage of the Cultural Revolution, China's objectives in the Middle East shifted in emphasis but not in focus. If anything, the intensity of China's hostility towards both the U.S. and the U.S.S.R. increased and with it, the desire to win adherents to the struggle against a two adversaries. Fueled by the militancy associated with its domestic situation, tempered by the realism imparted by the collapse of the United Front in 1965, and anxious about, though encouraged by, the resistance of North Vietnam to American aggression, China registered the biggest changes in its Middle East policy in the style of its tactics rather than in the substance of its aims. The outbreak and outcome of the '67 Middle East war supplied China with a fresh incentive to upgrade its support for revolutionary change in the region both as an end in itself and as a means of subverting U.S. and Soviet influence.

#### What were China's tactics?

During this phase, China reduced its intergovernmental activities and correspondingly devoted more attention to national liberation movements. The 'socialist fortress' of the Cultural Revolution was garrisoned by an updated set of revolutionary principles and tactics that effectively narrowed the basis of the United Front to the cultivation of

two groups: the PLO and, to a lesser extent, the Popular Front for the Liberation of Oman and the Arabian Gulf (henceforth referred to as the PFLOAG and discussed fully in the next chapter). In withdrawing all but one of its ambassadors from the region, China in effect removed one leg of the United Front approach, which had aimed at cultivating relations with nationalist governments as well as national liberation movements.

China concentrated its efforts on channelling support to the PLO and the PFLOAG in the form of indoctrination, guerilla training, the limited supply of light arms and ammunition, and strident verbal encouragement. China's support for the PLO - begun partly to strengthen relations with Arab regimes which had sponsored its creation - served in effect as an alternative to relations with those governments.

#### **Were China's efforts successful?**

Support for revolutionary and national liberation movements in the Middle East yielded positive results for China, though limited and temporary. First, China benefited in the ideological war with the Soviet Union by attaching itself to these causes while the U.S.S.R. concentrated its energies on strengthening local regimes to advance its overriding interest in competing with the U.S. Second, by investing in the PLO and the PFLOAG, China succeeded in building credit among them that could pay future dividends in the event of their victory. Third, links with the PLO and

the PFLOAG enabled China to retain a toehold in the Middle East, however tenuous, while the superpowers and their local clients worked at cross-purposes.

The acknowledgment of these achievements, however, leaves unanswered the question of the depth and durability of China's influence among its revolutionary clients; the promise or doubtfulness of their revolutionary potential; and the degree of interest and potency of the superpowers as well as local regimes to counter or neutralise China's efforts.

First, while China clearly won the appreciation of, it did not necessarily win lasting influence within, the PLO. Second, what influence China was indeed able to exert over the PLO was directly related not only to the level of material support it was willing and able to provide, but also to the availability of assistance from other sources. Third, China's impact on the region through its influence over these groups depended on the effectiveness of the PLO itself. To the extent that the PLO's disunity and tactics subverted its own campaign, it poorly served the Chinese interests entwined with them.

What is particularly interesting about China's evolving relationship with the Palestinian movement is this: Disappointing relations with Arab governments in the past explains in part why China gravitated to Fatah in the first place. Fatah was, in a sense, 'the other channel' into Middle East politics. Beijing approved of, and encouraged, Fatah's efforts to acquire a degree of independence from Arab governments. Presumably, this sprang from the

conviction that a semi- or fully-autonomous Palestinian movement would be more amenable than Arab regimes to frustrating superpower designs in the region.

Yet, Fatah almost immediately confronted a dilemma: its desire for independence from Arab regimes and its reliance on Arab regimes were from the start never fully reconcilable. Ultimately, China, in supporting Fatah, shared that dilemma. This did not, however, work permanently to China's disadvantage. True, the Palestinian movement was not drawn away from Arab regimes and freed to act in ways that suited China's preferences. Nevertheless, China's commitment to the Palestinian cause in future helped to redeem Beijing's image in Arab eyes, and actually contribute to the rehabilitation of its relations with Arab governments.

## Notes

(1) Initially, American an escalation evoked China's concern about a possible military confrontation between the PRC and the U.S. Chou, commenting upon such an eventuality, clearly stated the PRC's intention not to initiate a conflict; he also warned that, should China be attacked, the war would not be limited or contained. See Peking Review, no. 20 (13 May 1966).

(2) See, for example, Peking Review, no. 10 (4 March 1966) and no. 15 (8 April 1966).

(3) Yahuda, Towards the End, p. 48.

(4) Ibid., p. 53.

(5) Bill Brugger, China: Radicalism to Revisionism: 1962--1979 (London: Croom Helm, 1981). p. 54; and Yahuda, China's Role, p. 203.

(6) Brugger, p. 54.

(7) Peking Review, no. 36 (2 September 1966).

(8) See, for example, Peking Review, no. 46 (10 November 1967).

(9) Fouad Ajami, The Arab Predicament (Cambridge: Cambridge University Press, 1981), p. 43.

(10) Ibid., p. 148.

(11) See, for example, Helena Cobban, The Palestinian Liberation Organization (Cambridge: Cambridge University Press, 1984), p. 41.

(12) Haim Gerber, Islam, Guerrilla War and Revolution (Boulder: Lynne Rienner, 1988), pp. 47-48.

(13) Ibid., pp. 88-103.

(14) Shichor, p. 124.

(15) Ibid., p. 138 and Appendix II, pp. 205--206.

(16) See, for example, Van Ness, p. 17 and p. 233.

(17) Chang Ya-chun, 'Communist China's Middle East Policy' in Issues and Studies, vol. xx, no. 8, August 1984, pp. 70--71.

(18) See, for example, Peking Review, nos. 24, 25 (9, 16 June 1967).

(19) Ibid.

(20) Helena Cobban, The Palestinian Liberation Organisation, (Cambridge: Cambridge University Press, 1984), p. 218.

(21) For a discussion of the communist movement in Syria, see for  
111

example, Seale, op. cit, especially Chapter 7; for information on the communists in Iraq, see Batatu's The Old Classes and the Revolutionary Movements in Iraq (Princeton: Princeton University Press, 1979); and for a general examination of communism in the Arab world, see Aqwani, op. cit.

(22) Patrick Seale Asad, p. 86.

(23) Ibid., p. 176

## Chapter IV

### Prelude to pragmatism

1969--1971

#### A. The rise of 'Social Imperialism':

Beginning in 1969, China gradually surfaced from three years of domestic political radicalism which had reinforced its tendency towards a militant foreign policy. The years 1966--68 had featured the severe curtailment of China's intergovernmental activities in favor of a morally and rhetorically strong, yet materially limited, commitment to national liberation movements. In a June 1968 speech, Chou En-lai hinted at the emerging themes of Chinese foreign policy in this phase:

We will continue to make great efforts to develop our relations with friendly countries on the basis of the five principles of peaceful coexistence. We will unite more closely with the people of all countries and carry through to the end the struggle against U.S. imperialism and its lackeys and the struggle against modern revisionism.<sup>1</sup>

Besides the foreign policy spillover of domestic political de-radicalisation, superpower behavior and its ramifications for Chinese security provided the main impetus for the full-scale resumption of China's international activities. The 1968 'Tet offensive', together with the subsequent enunciation of the Nixon Doctrine, was interpreted, or perhaps merely rationalised, by Beijing as a vindication of 'people's war' and of the Chinese analysis of the erosion of

capitalist--imperialist power.<sup>2</sup>

Conceptually, China linked events on the Asian battlefield with the domestic situation in the United States and Western Europe. The Chinese press energetically reported the West's domestic political and economic difficulties, portraying them as symptoms of general decline. Racial unrest, compounded by mass student demonstrations convulsed the United States, finding their analog in Europe, including the bloody confrontations that nearly broke the back of the French Fifth Republic. To Beijing, these developments revealed a social fragmentation that complemented the deepening economic crises afflicting the West.<sup>3</sup>

To the extent that these developments were genuinely heartening to the Chinese leadership, they were largely overshadowed by portentous changes in Soviet conduct and capabilities. The invasion of Czechoslovakia, in combination with the promulgation of the Brezhnev Doctrine sent a clear and ominous signal to Beijing. A 23 August 1968 People's Daily 'Commentator' article contained a highly significant new indictment of Soviet conduct. By branding the U.S.S.R. 'a gang of social--imperialists,' the People's Republic of China entered a new stage of hostility in its relations with the Soviet Union.<sup>4</sup> More menacingly, the buildup of Soviet Far Eastern forces, occurring when the Cultural Revolution had shifted the PLA's responsibilities to the twin chores of maintaining domestic order and managing civilian administrative affairs, underscored China's relative weakness.<sup>5</sup>

Still, the world situation did not seem entirely

unfavorable to China. In 1969, Sino--Soviet border clashes erupted on the Ussuri River. Ultimately, these incidents did not prove to be catastrophic for China. Furthermore, at the time of their occurrence, these hostilities did not appear to provoke hysteria in China. Nonetheless, the clashes underscored the dangers of disunity and unpreparedness, and highlighted the risks of self-imposed isolation and relative passivity in foreign affairs. The border conflict, which occurred on the eve of the convening of the Ninth CCP Congress, appears to have provoked reasoned soul-searching rather than panic. Emerging from the Congress was an appreciation of the need for China to reconsider and redefine its foreign relations. The following excerpt from an August 1971 issue of Beijing Review captures well the conclusions drawn from this reassessment:

The view that all enemies are the same, that they are one monolithic bloc, is not in accord with objective reality. Moreover, with the development of the situation and the people's revolutionary forces daily expanding, the enemies' contradictions will become more and more acute. The proletariat and its party must learn to concretely analyse the situation in class struggle in the international and domestic spheres at different historical periods and be good at seizing the opportunity to 'turn to good account all such fights, rifts, and contradictions within the enemy camp and turn them against our present main enemy.'<sup>6</sup>

China's reevaluation of the world situation depicted the 'enemy' as increasingly differentiated rather than monolithic. In turn, this prompted a more expansive

application of the United Front, which emphasised: (1) China's strict insistence on the 'Five Principles of Coexistence', signalling Beijing's desire to improve its image in order to win friends; and (2) China's concentration on strengthening intergovernmental relations in order to assert its status as a world power, within the interstices of superpower competition.

While 1969 is a convenient date to locate the start of China's transition to a pragmatic foreign policy, it falsely suggests that the transformation was instantaneous, comprehensive and successful. On the contrary, neither the Cultural Revolution nor the militant foreign policy associated with it was terminated abruptly; rather, domestic political deradicalisation and the moderation of Chinese foreign policy occurred gradually. China's overall aim to improve its standing and correct its image in the Middle East and elsewhere<sup>7</sup> by shifting emphasis to the cultivation of intergovernmental relations proceeded in discernible stages.

The deep-seated fear of American aggression subsided but did not vanish either with the 'Tet offensive' or America's early overtures towards China, indicating its willingness to consider an improvement in their relations. Rather, lingering preoccupation with the American 'threat' continued to fix China's attention on its immediate East Asian neighborhood.<sup>8</sup> Likewise, Moscow's increasingly worrisome strategic danger to China lay in the deployment and use of its enhanced military presence directly against Chinese territory.

Furthermore, at the intersection of American decline and Soviet ascendancy, Beijing noted growing evidence of superpower complicity.<sup>9</sup> Studying events past and present (dating from at least the 1967 Johnson--Kosygin Glassboro talks), Beijing inferred a collaborative Soviet--American effort to encircle, or at least to isolate, China.<sup>10</sup> Derisively referring to the U.S.S.R. as 'another ferocious international gendarme,' Beijing depicted Moscow's ambitions as 'predatory and unscrupulous'; it portrayed the Soviet Union as eager to collude with U.S. imperialism which, both despite and because of its own decline, was willing to turn deals with Moscow, ultimately to China's detriment.<sup>11</sup>

#### **B. Middle East - A Difficult Transition:**

Insofar as the Middle East is concerned, the period 1969-1971, though relatively brief, was anything but uneventful. Some, but not all, of the significant developments occurring in this period are directly traceable to the '67 Arab defeat. The most notable events - and those with possible implications for China's involvement in the region - were: (1) the revolutions in the Sudan (May 1969) and Libya (September 1969); (2) the increasingly costly 'war of attrition' and the eventual (7 August 1970) cease-fire; (3) the changing scale and character of superpower involvement in the region; (4) the Jordanian-Palestinian confrontation; (5) the Egyptian 'succession crisis'; and (6) the radicalisation of the regime in South Yemen.

In a sense, the revolutions in the Sudan and Libya were part of the after-shocks of the '67 defeat. In both cases,

pro-Western regimes caved in and were replaced by pro-Nasser military officers. M. Heikal, recalling conversations with the new revolutionary leaders (Numeiry of the Sudan and Ghadaffi of Libya), was struck by the extent to which these officers' past actions and future ambitions were affected by the war and by Nasser himself.<sup>12</sup>

Whereas the eagerness of Numeiry and Ghadaffi might have encouraged Nasser, other developments clearly did not. At the December 1969 Rabat Conference Arab leaders rejected Nasser's plea that they commit themselves fully to recover Arab territory by force from Israel. In addition, Nasser's 'war of attrition', as the result of Israeli deep penetration bombing raids, imposed a heavy burden on Egypt financially as well as psychologically.

Nasser's inability to reconcile these hardships and his ambition to recover lost territory and honor led him first to seek a greater military commitment from the Soviet Union; and later, to accept the United States' Rogers Plan, which brought about an Egyptian-Israeli cease-fire. In this manner, Egypt became the focal point of increasing Soviet involvement in the Middle East; and that involvement consisted primarily of arms transfers and supply of military advisers. The U.S. became part of this dynamic. Initially, Washington - by virtue of its relationship with Israel - was deemed capable of bringing about a diplomatic solution. Once Rogers' powers of persuasion were found wanting, however (by this time Sadat had assumed the Egyptian presidency), the U.S. plan was dismissed, reinforcing the argument in favor of reliance on Soviet arms.

Nasser's predicament overlapped with yet another important development; namely, the confrontation between the Jordanian government and Palestinian commandos residing within Jordan. By 1970, the free reign that Palestinian guerrillas had enjoyed in Jordan, was perceived by King Hussein as a threat to his authority. Palestinians also launched intermittent raids against Israel, provoking retaliatory strikes against Jordan. This constituted a second, related issue of contention. Finally, in September 1970 a Palestinian-Jordanian civil war erupted which ultimately resulted in the guerrillas' expulsion from Jordan into Lebanon.

Fittingly, Nasser spent the last days of his life interceding in the Palestinian-Jordanian conflict. His sudden death spawned still another major development; namely, a 'succession crisis' within Egypt.<sup>13</sup> Anwar Sadat and the principal rival whom it took several months to subdue (Ali Sabri) differed not only over who should lead Egypt but also over how. One important matter on which their views diverged was Egypt's relations with the superpowers: whereas Ali Sabri sought a close alliance with the Soviet Union, Sadat favored opening to the West.

Yet, Sadat had more to contend with than his rivals within Egypt. In inheriting his predecessor's office, Sadat also inherited his problems: in particular, Israeli control of the Sinai and the continued, costly closure of the Suez Canal. How to go about the restoration of Egyptian sovereignty (which included determining how best to deal with the superpowers) became Sadat's central foreign policy challenge - one with which Egypt's economic well-being and Sadat's own

legitimacy were entwined.

From the time that the British Government White Paper (31 December 1968) had pledged independence to the South Arabian Federation, the key problem had been how rather than when to implement the decision. The prospect of independence (ie. gaining power) had appeared to intensify factionalism within the nationalist movement. Thus, the coalition which assumed office in 1966 had been riven by division from the start. As mentioned in the last chapter, the NLF had managed to outmaneuver other factions (e.g., FLOSY) and capture power.

In June 1969, however, the extreme left wing of the party compelled Qahtaan al-Shaabi to resign the presidency in favor of a five-man council. That this council was composed of several Marxists strongly influenced the domestic and foreign policies which the new government adopted.

Proclaiming itself the 'spearhead' of Arab revolution in the area, the government pledged to assume 'historical responsibilities...for the elimination of the international imperialist and reactionary forces'.<sup>14</sup> These commitments, on the one hand, led to cooperation with PFLOAG and the more extreme elements within the PLO; yet, on the other hand to clashes with Saudi Arabia.

China meanwhile struggled to resolve contradictions of its own arising from its domestic political situation and from its changing relations with the superpowers. In devising and implementing a foreign policy in the Middle East, China's leaders also had to contend with these numerous and unresolved changes occurring in the region.

### C. Tentative reimmersion in the Middle East:

In the span of the first eighteen months of its initial emergence from the Cultural Revolution, China restored official ties with four Middle East governments: Syria (June 1969), Yemen (July 1969), Egypt (June 1970) and Iraq (December 1970). The successful re-establishment of official ties with these four countries, however, tempts us to overvalue the extent of China's foreign policy transformation, to overestimate the Middle East's strategic importance to China, and to exaggerate the strength of China's official relations with these regimes immediately upon their revitalisation.

Preoccupation with the growing Soviet threat, and in particular with its direct implications for China's security, marginalised the Middle East in Beijing's strategic thinking. China continued to subordinate the Middle East to its highest priority, the defense of its own borders. Nevertheless, as this analysis will demonstrate, Beijing remained committed to undercutting the superpowers in the region. Chiefly for that reason, China's dual tactic of continued support for national liberation movements and diplomatic reengagement included, though it did not focus on, involvement in the Middle East.

As previously demonstrated, China's relations with Arab regimes prior to the Cultural Revolution had been sporadic and superficial. Thus, China's 'restoration' of official ties beginning in 1969 signified little, in and of itself, other than the re-establishment of formal bases for the possible future strengthening of relations. Despite the

resumption of official ties, China's relations with Arab regimes which had been considerably less than intimate in the period preceding the Cultural Revolution, remained so until at least mid-1971.

(i) Relations with Egypt:

Sino-Egyptian relations - tentative and often somewhat strained - typified China's intergovernmental ties with Arab regimes in the immediate aftermath of the Cultural Revolution. Before 1966 the tone, if not the content, of Sino-Egyptian ties had been governed by the personal relationship between Nasser and Chou En-lai. As already illustrated, the leaders' mutual respect and admiration had been instrumental in preventing a permanent rupture in the two countries' relations. Still, official ties had failed to develop much beyond mere cordiality while divergences in strategy and tactics had led to temporary estrangement.

Appropriately, Chou's 2 February 1970 letter to Nasser signalled China's readiness to resume full diplomatic relations. The letter featured the first firm Chinese support of the Arabs since the end of the '67 war. Yet, it was more notable for what it suggested than what it explicitly stated. Chou's overture to Nasser contained familiar but still unwelcome advice. In less patronising language than on previous occasions, Chou recommended that Nasser take care to recognise his 'true' friends.<sup>15</sup> That two weeks elapsed before Nasser replied conveyed a message of its own. The contents of the Egyptian president's response

laced expressions of 'gratitude,' 'eagerness,' and 'admiration' with the polite rejoinder that Egypt was not only capable of discerning "true" friendship but also intent on maintaining it.<sup>16</sup> This was Nasser's way of saying that Egypt had no immediate intention of severing relations with the Soviet Union and required no advice regarding if and when to do so. Somewhat predictably, an additional four months passed before Cairo responded to Beijing's invitation to renew full diplomatic relations.

The two countries' characteristically unstable relations did not cease in 1969 to be punctuated by fundamental disagreements leading to public displays of irritation on both sides. The PRC continued to register its displeasure at the ongoing Soviet--Egyptian relationship, while Nasser reacted to China's objections defensively, sometimes resentfully.<sup>17</sup> At virtually the same time that it was preparing to post new diplomats to the Middle East, the PRC - under the pressure of Cairo's allegations of Chinese complicity in subversive activities - recalled Huang Hua, its ambassador to Cairo, and failed to fill the vacant post for almost one year.<sup>18</sup>

Further friction between Beijing and Cairo developed as a result of Nasser's acceptance of the June 1970 Rogers Plan. Beijing's irritation with Nasser on this subject reflected China's acute sensitivity to regional developments which it defined chiefly in the context of superpower relations:

U.S. imperialism and its partner are making every effort to plot a 'Munich' in the Middle East. The aim behind the plot of these 'superpowers' is to realize their fond dream

of dividing the spheres of influence in the Middle East between themselves at the expense of the interests of the Palestinian people...After prolonged closed-door bargaining with its partner, U.S. imperialism dished up a so-called 'political initiative' through U.S. Secretary of State Rogers on June 19 for the solution of the Middle East question...<sup>19</sup>

The same article recorded the indignation of the PLO, the Iraqi Revolutionary Command Council, and the Commander of the Syrian People's Army in their common opposition to the Rogers Plan. A later issue of Peking Review reprinted in its entirety PLO Chairman Arafat's official response to the Rogers initiative.<sup>20</sup> Meanwhile, high-ranking Chinese leaders, including Chou En-lai and Vice-Foreign Minister Chi Peng-Fei, received Arafat's special envoy, Housni Younes, in Beijing to discuss these developments.<sup>21</sup> Although details of these discussions were never disclosed, it is nonetheless useful to keep in mind the timing of the visit; and to recall that neither China nor the PLO favored the Rogers approach.

Furthermore, the manner in which China chose to express its dissatisfaction with Nasser is illuminating. Whereas it could have criticised Nasser personally for conceding support for the Rogers Plan, Beijing opted instead to identify quietly with those Arabs who themselves had begun to mobilise opposition to it. China continued to prefer circumventing Nasser to challenging him directly as a way of expressing disapproval for his policies.<sup>22</sup> Notwithstanding such care, one thing remained clear: The mutual annoyance that plagued Sino--Egyptian relations - even as China

pursued and ultimately achieved 'normalisation' with Arab regimes - was reminiscent of the countries' unstable courtship in the years prior to the Cultural Revolution.

**(ii) Relations with Syria:**

Syria, Egypt's ally against Israel, particularly after 1967 was no longer content to follow in the shadow of Nasser's foreign policy. Though appearing to chart a foreign policy course increasingly independent of Egypt's, to what degree did Syria's path diverge from Egypt's? and especially pertinent to this study, Was the path adopted by Syria likely to win China's approval?

Paradoxically, the same two factors which attracted China to Syria were mainly responsible for obstructing China's efforts to forge closer links with Syria: namely, Syria's relationship with the Palestinian guerrilla movement and Syria's relationship with the Soviet Union.

Syria's espousal of the Palestinians presumably found more favor in Beijing than Egypt's less militant line. Yet, a firm and active commitment by Damascus to assist the Palestinian guerrilla movement did not in itself imply a coincidence of views between Beijing and Damascus as to what this should entail. In fact, Damascus' material support to the Palestinian commandos failed to match the pitch of its rhetoric.

The Syrian regime was conscious of the dangers, as of the opportunities, of supporting the Palestinians. On the one hand, aid to the Palestinians satisfied an ideological and

fraternal obligation; paid dividends in the inter-Arab contest for leadership and prestige; and enabled Syria to maintain indirect, low-intensity hostility against Israel. On the other hand, enhancing the capabilities of the Palestinians meant arming a potential rival claimant of authority within Syria. Assisting the Palestinians to operate against Israel also risked provoking an unacceptable level of retaliation against Syria.

Gradually, Syrian support for the Palestinians came to be equated with Syrian control over the Palestinians. What originated as a clash over tactics, eventually evolved into a contest for authority: Syria's struggle on behalf of the Palestinians ultimately merged with Syria's struggle with the Palestinians. Thus, for all the theoretical promise of a Syrian-Palestinian axis with which Beijing could associate, there were these fundamental problems which cried out for China's attention.

Curbing Palestinian activities within Syria assumed a special importance during this period, for the struggle which had brought the Ba'ath Party to power in Syria was followed by a struggle within the Ba'ath, which culminated in minority Alawite rule. However much the ascendancy of a minority regime with secular Ba'athist credentials reinforced Syria's commitment to the Palestinian cause, events in Jordan in 1970 reinforced the new government's determination to hold the Palestinians in close check.

That the Palestinians were not permitted to reign in Syria but were instead reined in by Syria was of no small importance to the Soviet Union. As Syria's patron, Moscow

shared Damascus' concern about the dangers of arming the Palestinians. In addition, the Soviet Union increasingly bore the costs, and to some degree, the risks - both financial and otherwise - of maintaining Syria's defense. To the extent that Damascus required additional prodding to circumscribe the activities of the Palestinians, it is highly probable that Moscow was willing to provide it.

Yet, it would be misleading to suggest that Soviet--Syrian relations were uniformly cordial throughout this period. This is not the case. In mid-1969 the U.S.S.R. suspended arms deliveries to Syria, partly as the result of disagreement over U.N. Resolution 242.<sup>23</sup> This development lent brief encouragement to Beijing which, notwithstanding the possibility of complicating its relations with the PLO, welcomed any opportunity to deprive Moscow of a local client.

The initiative appears to have come from Damascus, which dispatched a military delegation to Beijing. Was the visit intended chiefly as a signal to Moscow? Was Syria genuinely and primarily interested in exploring what China had to offer? Evidence is unavailable as to the precise nature and outcome of the delegation's meetings with Chinese officials. Still, it seems unlikely that Syria seriously entertained the idea of making China a substitute for the Soviet Union. It is equally improbable that Beijing sought any more than to loosen Syria from exclusive reliance on the Soviet Union.

Several reports of the Syrian visit to China suggested that China had pledged material assistance to Damascus. Some

of these reports claimed that Beijing had promised to donate as much as \$15 million in arms to Syria.<sup>24</sup> Shichor, however, who contends that these reports originated in the Lebanese media, dismisses them as 'grossly inaccurate'.<sup>25</sup>

There appears to be as little reliable evidence to confirm the pledge as to deny that it was made. Nonetheless, it is possible to place the Sino--Syrian discussions in perspective, whatever their exact results. The deterioration of Syrian--Soviet relations proved to be as brief in its duration as it was rapid in its early tempo. Within months, Damascus and Moscow had mended fences, culminating in the visit of then-President Atasi and Defense Minister Assad to the Soviet Union. The Syrian--Soviet reconciliation suggests two things: first, the difficulty of dislodging Moscow, if that was indeed Beijing's original aim; and second, the possibility that the Sino--Syrian discussions in Beijing spurred Moscow to seek a rapprochement with Damascus (which could have been Syria's original intention, but was certainly not China's).

Notwithstanding the Syrian--Soviet reconciliation, the Chinese persevered in courting Damascus. In May 1972 the PRC extended an interest-free loan of \$45 million to Syria, to be applied to various development projects including the construction of a yarn factory, a sports stadium and the enlargement of a Chinese-built textile factory.<sup>26</sup>

Was such an offer sheer foolishness? Throughout Salah Jadid's tenure as Syria's president, Soviet--Syrian relations, even when they were not strained, were not close. Moscow was never enthusiastic about Jadid or his policies,

which were openly described as 'adventurist' and 'extremist.' Lingering misgivings about the ramifications of too great an investment in Syria carried into the early years of Hafez al-Assad's presidency. It was not until February 1971 that the Soviet Union signed its first substantial arms deal with the Syrian Ba'athists. The value of the transaction, estimated at \$700 million, dwarfed anything that China could afford either in military or in economic assistance. Notwithstanding the scale of this, or later investments in Syria, Moscow has never been able to purchase compliance from Damascus. It is not clear that Beijing understood the nuances of the Soviet--Syrian relationship; if it did, then China's continued attention to Damascus was rather astute.

(iii) Relations with Iraq:

The starting point for a Sino--Iraqi rapprochement was Moscow's threat to cut its aid to Baghdad. Thus, the circumstances of China's overtures to Iraq were similar in this respect to China's efforts to nurture relations with Syria. Beijing and Baghdad exploited this development to their mutual benefit, quickly concluding an economic and technical cooperation agreement, which covered trade as well as development issues. The terms of the June '71 accord called for Iraq to import sulphur while exporting chemical fertiliser to China. At the same time, China offered Iraq \$40 million in the form of an interest-free loan, repayable over ten years, with the start of repayment deferred until

1984.<sup>27</sup>

As previously demonstrated, Syria's relationships with the Palestinians and with the Soviet Union probably discouraged China from investing much in the way of resources or hope in winning influence in Damascus. The association between Iraq and China was a partnership with perhaps greater promise, but different and more wide-ranging complications. Iraq's troublesome relations with its neighbors were somewhat vexing to China: Beijing was on the verge of establishing ties with the Shah's Iran and only three months prior to its agreement with Baghdad had earned recognition from Kuwait. In addition, once Egypt announced its intention to break with Moscow, China's efforts to strengthen ties with Iraq had different implications. In this new light, Beijing had to reconsider whose revolution was worth following.

(iv) Relations with South Yemen:

South Yemen's importance to China rose in direct relation to Beijing's mounting concern with, and hostility towards, the Soviet Union. The augmentation of the Soviet naval presence in the Indian Ocean was a development which China closely monitored. Although at this point, Beijing did not infer from Soviet naval deployments a strong effort to anchor operations in the South Arabian peninsula, China was well aware of Aden's strategic importance.<sup>28</sup>

Between 1969 and 1972, Beijing's approach to South Yemen related to the twin elements of its foreign policy: expansion of intergovernmental relations and continued support for national liberation struggles. Aden was

favorably situated to facilitate Chinese efforts on behalf of such movements, particularly in the case of the Dhofari insurgency. In addition, China had decided to expand its commitment of resources to the countries of East Africa. In 1970, for example, Beijing undertook to build the TanZam railroad, which included extending a loan of \$401 million, the largest aid project sponsored by a communist country up to that time.<sup>29</sup> Accordingly, Aden figured both as a shield for China's burgeoning East African investments and as a bridgehead of communications to that part of the African continent.

In 1969, at about the time of the Syrian--Soviet reconciliation, a new regime came to power in South Yemen that appeared receptive to Chinese overtures, even if it sent no clear signal that it intended to tilt towards Beijing. Power was formally vested in a five-man Presidential Council, the NLF High Command. In practice, two figures dominated the group: National Front General Secretary Abd al-Fattah Ismail and President Salim Rubay Ali.<sup>30</sup> The former had returned from a Spring 1970 visit to Moscow with no significant new aid commitments. In contrast, Rubay Ali's subsequent meetings with Mao and Chou En-lai in Beijing elicited a Chinese aid offer of \$43 million, along with the promise to free another \$12 million originally pledged in 1967.<sup>31</sup>

Yet, China's competitive edge over the Soviet Union in its aid commitments to South Yemen guaranteed neither an enduring Chinese influence over the regime, nor the

permanent displacement of Moscow. Instead, South Yemeni domestic politics, interacting with inter-Arab politics, while discouraging more than tentative probing by the Soviet Union, ensured no more than a tenuous foothold in the PDRY for China.

The ascendancy of the ruling NLF in 1969 did not signal the eradication of personal differences and ideological cleavages inside South Yemen; nor did the NLF once in power succeed in resolving them. Rubay Ali's journey to Beijing so soon after Ismael returned empty-handed from Moscow could just as easily - and perhaps more accurately - be interpreted as a function of the two 'colleagues' rivalry with each other, as a sign of where each man's loyalties truly lay, with China or with the U.S.S.R.

Meanwhile, the border with the YAR was anything but tranquil. In addition, both Oman and Saudi Arabia were far from indifferent to the emergence of a Marxist regime on their doorsteps. The United States too, by not interfering in the Saudi transfer of American-manufactured weapons to South Yemeni dissidents, implicitly registered its hostility to the PSRY (as it was then called). Unsurprisingly, therefore, the U.S.S.R. refrained from making a material commitment to the regime. China, which initially profited from this climate of uncertainty, eventually had to contend with it.

#### D. Continued support for revolution

##### (i) The continued influence of Lin Piao:

Neither domestic political deradicalisation nor the

associated moderation of Chinese foreign policy was complete when, in 1969 Lin Piao delivered his Political Report to the Ninth Party Congress of the CCP. This address, in addition to revealing the considerable influence of its author in post-Cultural Revolutionary Chinese politics, also reflected by its content the still-prevalent Chinese view that the world's 'revolutionary people' were the sole potentially effective obstacles to Soviet--American global domination.<sup>32</sup>

In contrast, nowhere in Lin Piao's Political Report was there evidence of a major change of heart in favor of national--bourgeois regimes.<sup>33</sup> A definite answer to the question of whether Lin Piao's personal views formed the basis of China's foreign policy at this time or merely reflected it is not ascertainable; and not directly pertinent to this study in any case. What is clear as well as relevant to this analysis, however, is that the views he espoused - in particular, his emphasis on continuation of support for national liberation movements - shaped the character of China's renewed intergovernmental relations.<sup>34</sup>

The Ninth Party Congress' endorsement of 'people's armed struggle' reinvigorated China's revolutionary outlook. In practical terms it signalled a rededication to assist national liberation movements; correspondingly, it implied China's reservations about its newly-initiated project of resuming ties with national--bourgeois regimes. That the views emerging from the Congress failed to carry Mao's explicit support (though they presumably received at least

his tacit approval) hinted that primary emphasis in Chinese foreign policy on assistance to national liberation movements may have been contested. In retrospect, the debate which is believed to have taken place warned of the possibility that stress on support for national liberation movements would not last.<sup>35</sup>

In actual fact the transition in Chinese foreign policy from its emphasis on liberation movements to a concentration on intergovernmental activities was a matter of only about two years. In the intervening time, however, two important liberation movements in the Middle East - the PFLOAG and the PLO - drew China's attention. The simultaneous scheduling of visits to Beijing by Fatah and PFLOAG delegations in March 1970 reflected the way in which China related the two movements, even if it might have evaluated their prospects separately.<sup>36</sup>

#### (ii) Relations with the PFLOAG:

Two weeks after the June '67 war, the first Dhofar Liberation Front (DLF) delegation travelled to Beijing. Meetings with Chinese Defense Ministry officials at that time resulted in the promise of 'nominal aid' (i.e. light arms). The first such aid shipments were routed through Tanzania.<sup>37</sup> Yet, while offering rhetorical encouragement to the PFLOAG (the DLF's successor) and its maximalist aims of advancing revolutionary change throughout the Arabian peninsula, China saw its prospects for strengthening ties with the movement perceptibly improve only in mid-July 1969. It was then that China opened its embassy in Aden, which

soon thereafter became what one commentator described as a 'clearinghouse for Chinese weapons and supplies'.<sup>38</sup> There was cordiality between the PFLOAG and the Aden regime, both of whom Beijing assiduously courted. Besides offering a base from which to build and extend its influence, Aden provided the only opportunity in the Middle East for China's intergovernmental and revolutionary activities to coexist relatively harmoniously.

Further intensification of Chinese interest in and involvement with the PFLOAG was visible in Spring 1970, when a PFLOAG delegation travelled to Beijing for meetings with high-ranking PRC leaders, including Chou.<sup>39</sup> These talks reportedly produced a Chinese pledge to furnish the PFLOAG with heavy as well as light arms,<sup>40</sup> though there is no evidence available as to the quantity or type of weapons promised; nor is there proof that such weapons were in fact delivered. It is unlikely that, were massive quantities of weapons transferred, they would have gone completely unnoticed. It is therefore reasonable to conclude that China's material support was never more than modest. The question remains: why?

One explanation for China's apparent restraint in channelling arms to the PFLOAG is an ideological one: The Chinese revolutionary precept of self-reliance defined fraternal support as a supplement to self-help, not a substitute for it. Of course, the precept was sufficiently ambiguous to serve as a mask for China's own inadequate resources as well as for China's insufficient confidence in

a movement's potential. In the case of the PFLOAG, neither its military prospects nor its political agenda inspired confidence, probably affecting the scale of Beijing's material investment. A further constraint on China's supply - or at least, public acknowledgment - of aid to the PFLOAG was its desire to strengthen relations with Gulf regimes while simultaneously maintaining support of national liberation groups. Thus, in rhetorical as well as perhaps in material terms, the PRC restricted its support of the PFLOAG to 'low-level commentary' and was 'officially cautious' in admitting its assistance.<sup>41</sup>

China served as the PFLOAG's chief benefactor despite these apprehensions. Stephen Page argues that, until 1971, China was the PFLOAG's principal patron; almost all of its weapons were furnished by the Chinese, including some artillery and anti-aircraft guns.<sup>42</sup> This is partly attributable to the U.S.S.R.'s reluctance to befriend the movement. How appealing was Soviet ideology in the guerrilla war context of the South Arabian peninsula? How valuable was the U.S.S.R.'s sophisticated weaponry in the rural guerilla setting? How stable was the PFLOAG, or its local benefactor, the regime of South Yemen? Finally, given these uncertainties, what risk to Moscow's future relations with the region's other regimes would a material commitment to the PFLOAG entail? It is possible that Beijing was unaware of these complications or unrealistic in its assessment; or else adopted a tactical position by means of which these questions could be sidestepped, at least temporarily.

(iii) Relations with the PLO:

Chinese interest in the Palestinians' struggle was more intense yet also more problematic than its attachment to the PFLAOG. The activation of the PLO following the '67 war had virtually coincided with the 'radicalisation' of Chinese foreign policy at the onset of the Cultural Revolution. Although the Palestinian guerillas' adoption of armed struggle was, in principle, satisfactory to China, in practice it was awkward for China to support wholeheartedly. For one thing, the PLO was not a 'national liberation' movement in the pure doctrinal sense. For another, following their '67 defeat, Arab regimes found PLO militancy convenient to accommodate only in so far as they themselves could control it. The more that China sought to engage Arab regimes, the more careful it had to be in prodding the PLO. Thus, while it is not astonishing that Beijing embraced the Palestinians, it is equally unsurprising that its support provided a potential source of Sino--Arab friction and not just Arab goodwill.

Support for the Palestinians was urged upon China for reasons besides a common Sino--Palestinian view regarding the indispensability of armed struggle. What strengthened the Sino--Palestinian axis was the application of Soviet--American collaboration to the Middle East. Beijing interpreted in Moscow's December 1968 Five Point Proposal (and the U.S.' lack of resistance to it) as a joint effort to freeze the status quo in the Middle East preparatory to the superpowers' partition of the region between them.

Accordingly, Beijing identified the Palestinian guerrillas (especially in light of the seeming paralysis of Arab regimes) as the key force in the broader Arab struggle to frustrate the superpowers' 'criminal designs in the Middle East'.<sup>43</sup>

Supporting the PLO not only served to oppose the United States in the region, but by so doing compelled Washington to divert its attention and deploy its resources more widely. By contributing in this way to the global dispersion of American commitments, China in the longer term aimed at accelerating the process of U.S. decline. In the immediate future, such a tactic was diversionary: offering relief of pressure from China's borders. This approach was consistent with the traditional Maoist view that if the enemy is divided, it can be defeated - or at least held at bay until its strength is sapped. The struggle of the PLO was, in this sense, considered one of many bush fires the Chinese sought to fan, not necessarily in the grandiose expectation that the U.S. would be engulfed, but in the more realistic hope that it would be exhausted by its efforts to extinguish them.

On the surface, parallel Sino--Palestinian opposition to external intervention offered a promising basis for cooperation: China and the Palestinians rejected peace formulas advanced or embraced by the superpowers, or adopted by the U.N. (from which, until China's induction in 1971, both parties had been excluded). At the short-term expense of irritating Arab leaders, this common position offered the long-term prospect of sparking a general Arab reawakening

and recommitment to armed struggle.

While dismally unrealistic in hindsight, this expectation was bolstered at the time by China's impression - or hope - that Palestinian guerrilla activity was on the upswing.<sup>44</sup> Beijing seemed further encouraged by the joint action of Fatah and Palestinian commando units.<sup>45</sup> Even as late as July 1971 the Beijing official press expressed China's satisfaction with the election of a PLO Central Committee at whose first meeting a military command was formed.<sup>46</sup> Whether these reactions reflected a genuine faith in Palestinian unity or wishful thinking, is of course impossible to tell. Lillian Craig Harris has suggested that China's view of the PLO struggle and of the PLO was anything but a romanticised one; and that, accordingly, regardless of the actual quantity of Chinese material assistance delivered to the Palestinians (which, in any case, as will be discussed later, is difficult to determine precisely), from 1970 aid was predicated on unity.<sup>47</sup>

How then can Beijing's applause for Palestinian 'successes' be accounted for? In what proportion did compliments in the official press represent jubilation or relief on the part of the Chinese leadership? It is improbable that Beijing failed to have noticed or to have been disappointed by the movement's many shortcomings. First, the movement's fragmentation - on practical and doctrinal 'people's war' grounds - warranted concern. While commending undertakings aimed at unification, Beijing surely recognised that pro forma agreements among

Palestinian factions to cooperate under PLO auspices were honored more in the breach than in the observance.

Second, China eventually found the movement's military operations to be tactically unwise, if not counterproductive. Consisting by the early '70s of sporadic raids and increasing resort to terrorism, PLO military actions eventually earned China's disapproval.<sup>48</sup>

Third, the September '70 and July '71 clashes between Jordanian authorities and the PLO further weakened China's confidence in the movement for two reasons: (a) the dispersion of the PLO further contributed to the movement's disintegration; and (b) the fragmentation of the movement drove individual factions into the laps of rival Arab regimes, with some of whom China's disagreement over the Palestinian issue had impelled its affiliation with the movement in the first place.

Perhaps most upsetting of all to China was the PLO's association with the Soviet Union. In the mid-'50s, when the Sino--Soviet alliance was fundamentally intact, Nasser (albeit to suit his own purposes) had facilitated Moscow's initial contact with the Yemen. More than a decade had elapsed, however, since China, which had initially profited from Nasser's mediation between Yemen and the U.S.S.R., was on good terms with either Nasser himself or with Moscow. Thus, it was an unsurprising repetition of history, with an unhappy twist for the PRC, when in December 1969, Nasser dispatched a delegation to Moscow with the aim of fostering a relationship between Fatah and the Soviet Union.<sup>49</sup> Adding to the irony was the indirect feedback to the PRC, which,

seeking to gain ground in the ongoing polemic with the Soviet Union, had advertised Moscow's inattention to the Palestinian cause. After years of increasing public criticism from Beijing, Moscow (inopportunely for China) began to address the PLO need for alternative sources of material support.

To some extent China overcame the fractiousness of the PLO by focusing on Fatah, whose comparatively large size and cohesiveness earned it a reputation as the linchpin of the PLO.<sup>50</sup> Yet Beijing eyed Fatah with some suspicion, especially as Arafat appeared responsive to Moscow. A practical constraint on China's material support to Fatah (or to any other PLO wing for that matter) was the difficulty of arranging and ensuring arms deliveries to the intended beneficiaries. The combination of great distances and Palestinian guerrillas' residence on the soil of sovereign Arab states caused China to rely on the transshipment of weapons and equipment. The success of these endeavors depended on the goodwill and (sometimes) active cooperation of intermediaries - Syria and Iraq, in particular. To the extent that Moscow enjoyed a degree of influence in Baghdad and Damascus unmatched by Beijing, cooperation was potentially (though not necessarily) more difficult for the PRC to obtain.

In July 1971 Syria reportedly seized a large shipment of Chinese-furnished weapons bound for the Palestinians and said to have included up to 200 tanks and armored personnel carriers.<sup>51</sup> Prior to the actual confiscation, a dispute

erupted between Fatah and the Iraqi-sponsored PLA General Command as to who should take delivery.<sup>52</sup> Compounding this and presumably motivating the confiscation was the belief that the weapons were earmarked for the new 'Yarmouk Brigade', which was to consist of a large number of defectors from the Jordanian army. Probably suspecting that the weapons would be turned on Jordan rather than Israel, the Assad regime - only one year in power and determined in any case to rein in Palestinians residing in Syria - ordered the seizure. In a related development, Syrian authorities imposed stringent new regulations to curb commando movements and arrested Fatah members.<sup>53</sup> While the maintenance of regime security and the improvement of Syrian--Jordanian relations provided ample incentive for Damascus to adopt these measures, speculation also emerged at the time that Moscow had encouraged Syria's interception of Chinese supplies. If indeed this is true, then the Syrian--Soviet reconciliation (previously discussed) had the additional consequence of jeopardising China's efforts vis-a-vis the PLO.

Regardless of possible Soviet interference, the transfer of arms and equipment to guerrilla movements is, by definition, a secretive business. As such, it is as difficult to report as it is to control. This is the case regarding China's material assistance to the Palestinian guerrillas. The circuitous route by which 'Chinese' weapons (many of which are either Soviet-made, Soviet-refurbished, or Soviet-copied) reach the hands of PLO commandos - if they ever do - mock attempts to measure Chinese support

accurately.

Furthermore, as in the case described above - where weapons were alleged to have entered Syria from Algeria - it is impossible to verify that the order to initiate movement originated in Beijing.<sup>54</sup> Reasons abound for those who publicise the discovery of arms caches (on those occasions when they consider it prudent to do so) either to exaggerate or to undervalue their contents. Likewise, donor or recipient may harbor ulterior motives which, in the end, obfuscate rather than clarify who is responsible, and for how much. Such are the many ambiguities associated with assessing China's 'actual' support of the Palestinians during those periods when the consensus is that they were indeed very supportive.

The discussion has thus far cited the practical constraints which made the process of transferring arms to the PLO difficult for China to accomplish; and difficult for the analyst to evaluate. Joseph Camilleri supplies an additional set of considerations which help to explain the boundaries of China's involvement with the PLO:

In the first place, regardless of the claims or requirements of her revolutionary ideology, China was obliged to behave within a fragmentary system of states as a territorial power committed to the defense of her own sovereignty, territorial integrity and other vital national interests which, by their very nature, often precluded the implementation of larger or more internationalist objectives. Similarly, the demands of her geography often combined to minimize the level of material assistance that could be extended to the revolutionary cause. But perhaps the most critical limiting factor in China's relationship with external

movements was her preoccupation with the requirements of state-to-state diplomacy. [emphasis added]<sup>55</sup>

Thus, it is useful to view China's assistance to the PLO within the broader framework of China's commitment to internationalist goals; and to appreciate not only China's difficulties in delivering arms, but also China's problem of reconciling support for armed struggle and responsible behavior within the international state system.

(iv) Fall of Lin Piao, rise of intergovernmental ties:

During 1971 a series of dramatic events occurred which urged China's adoption of a more decisively pragmatic foreign policy. One important event was the fall of Lin Piao. Besides contributing to the further stabilisation of China's political situation, Lin Piao's departure also removed perhaps the strongest voice in favor of retaining support of national liberation movements as the dominant feature of Chinese foreign policy.

Second, beginning with the 'Canadian formula' - which was applied in rapid succession by Italy, Chile, Austria, Turkey, Belgium and others in 1970--71 - China won recognition from a host of countries, hastening its immersion in 'regular' international politics.

Third, the United States' repeated overtures to China appeared more credible in the wake of Kissinger's July '71 visit to China and President Nixon's momentous trip the

following February. These meetings persuaded China of the seriousness of American intentions to improve bilateral relations as well as its determination to wind down its involvement in Vietnam.

Fourth, the PRC's induction into the U.N. as a permanent member of the Security Council, together with the second wave of recognitions generated by it (developments closely associated with the Sino-American rapprochement), further enhanced China's self-image. These breakthroughs did not in themselves promise a significant relief of strategic pressure against China. Yet, they offered the prospect of China's confronting it in less isolation.

Finally, as Soviet Far Eastern forces expanded to more than fifty divisions (culminating in the resumption of border clashes in 1972), China grew increasingly preoccupied with Soviet expansionism, not only on, but also beyond, its immediate doorstep.

## Chapter IV

### An evaluation

#### What was the context?

Chinese foreign policy springs from the conscious effort of China's leaders to produce a coherent picture of the developing trend in world affairs which entails identifying the main enemy, accurately estimating changes in its relative capabilities, and anticipating shifts in its tactics. The period 1969--1971 was one of strategic reassessment occurring simultaneously with China's emergence from the Cultural Revolution. As such, the importance of the Middle East to China as well as China's activities there bore the mark of a foreign policy in transition.

In this period imperialism remained the chief threat to China and to the 'world's revolutionary people' over whom China claimed leadership. Yet, Beijing read America's military engagement in Asia as contributing to the political fragmentation and economic deterioration of the Western bloc. Furthermore, offsetting Beijing's wariness of Washington was an undercurrent of conciliation spirited by a series of American initiatives towards which China appeared favorably, though cautiously, inclined.

At the same time, China inferred from enhanced Soviet military capabilities and the uses to which they had already been applied, the U.S.S.R.'s reversion to the expansionist policies of pre-revolutionary Tsarist Russia; or at least publicly portrayed Soviet conduct as such. Furthermore, in the onset of detente, Beijing saw a dangerous Soviet--

American collaboration aimed at China's isolation, if not actual encirclement. Accordingly, China observed, welcomed and sought to nourish resistance to both the U.S. and the U.S.S.R. at the intergovernmental level and (initially with greater emphasis) at the level of national liberation movements as well.

By 1969, support for the continuation of the policies of the Cultural Revolution had seemed already to have eroded considerably. Still, the primacy of Mao's personal leadership appears to have remained, if not unquestioned, essentially intact. As previously, Lin Piao exerted a strong influence on China's politics: just as the heavily weighted militant component of China's foreign policy from 1969 until Lin Piao's fall in mid-1971 bore his personal imprint, so too the de-emphasis of China's support for national liberation movements towards the end of this phase was directly traceable to his demise. Therefore, while the PRC's vigorous reentry into world politics - urged mainly by events external to China - seems to have enjoyed a consensus despite internal political factionalism, China's renewed involvement in world affairs acquired its character partly as an outgrowth of that struggle.

China's withdrawal from the Middle East during the Cultural Revolution had occurred as part of its broader retreat (relatively speaking) from international affairs. Similarly, China's reengagement in world politics incorporated its resumption of activities in the Middle East. Prompted by its revised assessment of the global

situation - which combined the easing of U.S. pressure on East Asia and a growing Soviet threat to Chinese security - Beijing did not attach special strategic importance to the Middle East in this phase. Yet, China detected a softening of Soviet--American relations, and sought to check any perceived attempt at superpower 'collusion,' including in the Middle East. Incipient Soviet--American detente, in Beijing's view, freed a dangerously militarised Soviet Union to pursue an expansionist foreign policy deemed ultimately harmful to China.

#### What were China's objectives?

In the immediate aftermath of the Cultural Revolution, China reaffirmed the instrumental value of the Middle East, which it considered a secondary strategic bulwark against Soviet--American global domination. Following the June '67 defeat of the Arabs, China noted two initially promising, inversely related local developments: (1) the discrediting of Arab regimes; and (2) the strengthening of national liberation movements. In the re-establishment of full diplomatic ties with Arab regimes and the simultaneous support of the PLO and the PFLOAG, China sought to take advantage of the weakness of Arab governments as well as to compensate for it in pursuing one overriding interest: resistance to the perceived formation of a Soviet--American condominium in the Middle East.

China aimed to exploit discontent within Arab societies (in the Arabian peninsula) and to capitalise on the unresolved Palestinian problem not merely for the sake of

ideological consistency but also for the purpose of counteracting superpower involvement in the region by circumventing recalcitrant or client regimes where it could not, or preferred not, to directly challenge them. China's principal objective in the Middle East at this time, therefore, was the displacement (as distinct from the replacement) of the United States and the Soviet Union.

At the same time, China rejuvenated its effort to gain international recognition, as much to serve the end of opposing superpower hegemony as to enhance national pride, to build international legitimacy and to strengthen international prestige. The seemingly modest objective of achieving 'preventive influence' in the Middle East, however, required a degree of tactical flexibility not entirely at China's disposal as well as a degree of local docility and superpower acquiescence beyond rather than within China's grasp.

#### What were China's tactics?

From 1969 until 1972, China's approach to the Middle East - normalising relations with local governments while nurturing the region's principal national liberation movements - mirrored the politically contradictory directions of its policy towards the superpowers, which trumpeted Beijing's opposition to the international duopoly of power even as it steered a course for rapprochement with Washington.

At the intergovernmental level, China strove to renew full

diplomatic relations and subsequently to revive the practice of exchanging official delegations with those countries with whom it had dealt prior to the Cultural Revolution.

Typically, as in the case of Egypt (with whom a complete resumption of official ties did not occur until shortly before Nasser's death), China continued to insist, though in language less patronising than in previous years, that local regimes abrogate relations with the U.S.S.R. As ever, such advice was not only rejected, but resented.

Seeking a broad base of intergovernmental relations (not only) in the Middle East from which to resist superpower hegemony and shatter its diplomatic isolation, China cast for friends among the newly independent as well as established Gulf states (Kuwait and Iran in particular). As in its early 1960s Middle East 'offensive', when China (however reluctantly) courted national--bourgeois regimes, between 1969 and 1971 the PRC displayed a willingness to go one step further: namely, courting conservative Gulf monarchies. [This will be discussed in detail in the next chapter.]

By the end of this phase China's customary utilisation of its membership in international organisations to boost its prestige and enlist support against its adversaries was employed from the high ground of international legitimacy provided by its 1971 induction into the U.N. Security Council. From this position Beijing attacked superpower interference in the Middle East; opposed their peace proposals; condemned Israeli acts of 'aggression' and 'intransigence'; linked the plight of the Arabs to that of

underdeveloped countries generally; and defended the cause of the Palestinians.

Beijing sought to marry economic policy instruments to its Middle East diplomacy in the form of aid and trade. China, which had pioneered the unfamiliar strategy of extending foreign aid despite itself being a developing country, revived the practice. Although in dollar terms Africa was placed far ahead of the Middle East as a recipient of China's foreign aid, still Beijing targeted Syria, Iraq and South Yemen for significant sums. In dispensing aid to these countries, China apparently sought to outmanoeuvre the Soviet Union, which had graduated in China's strategic reassessment from a mere socialist rival to a global predator at least on a par with the U.S.

The case of China's trade with the region revealed a similar pattern. In addition to concentrating its commercial relations on Syria, Iraq and South Yemen, Beijing also intensified its trade relations with Egypt (which had consistently been regarded as China's bridgehead to Africa).

China's cultivation of intergovernmental relations with Middle East countries in this transitional period was subordinated to its support of national liberation movements for several reasons: (1) the two major local movements (the PFLOAG and the PLO) had by then received only token support from the Soviet Union; (2) the movements' leaders, unlike local governments, appeared to share Beijing's commitment to opposing externally imposed settlements of their grievances;

(3) their tactics, if not their revolutionary credentials, roughly matched China's doctrinal formula for waging successful 'people's war'; and (4) the movements' material needs more realistically approximated China's capacity to satisfy them than was the case with Arab governments'.

Figures on the number and value of Chinese weapons delivered to the two movements are scarce and unreliable. Several factors account for this. First, claims by arms donors or recipients, intermediaries or interceptors, are more apt to be weighted in favor of preference than of truth. Second, offers of assistance, even where quantities are specified and publicised, while they are certain to be accepted, are not certain to be delivered. Third, trans-shipment of weapons/equipment is as difficult for the analyst to trace to its eventual destination as it is for the donor to guide to its intended destination. Fourth, notwithstanding the possibility of clearly identifiable markings and resemblances, even when weapons themselves reliably reveal the country of their manufacture, they do not necessarily denote the country that furnished them.

Nevertheless, the rough outline of credible information regarding Chinese arms transfers to the PFLOAG and the PLO shows a more sustained provision of weapons/equipment of greater quantity and higher quality to the PLO than to the PFLOAG, with a strong preference for Fatah (though not to the total exclusion of radical wings such as the PFLP).

#### **Were China's efforts successful?**

Beijing succeeded in reviving its diplomatic relations

with Egypt, Iraq, Syria and South Yemen. In addition, China earned formal recognition from both Kuwait and Iran. Although these diplomatic coups were important, they were not indispensable, as China herself has recently proved that it is possible to conduct commercial and military transactions in the absence of official diplomatic ties. Still, to China, whose longstanding campaign to acquire international legitimacy was, and continues to be, an issue related not only to its prestige but also to its security, the resumption and attainment of full diplomatic relations should not be underestimated.

Ironically, in the aftermath of the '67 war, when Beijing arguably could have capitalised on the Arabs' disillusionment with Moscow, China was embroiled in the Cultural Revolution. When China finally emerged from the Cultural Revolution, Middle East regimes hesitated to establish or resume ties with the PRC. They balked at deepening relations thereafter for several reasons.

First, as of 1969, even if the Cultural Revolution had been pronounced dead, memories of its excesses had not died with it. China's maltreatment of its Muslim population evoked a lingering mistrust and suspicion in the Middle East.

Second, China's tactics in the Middle East continued to be confrontational rather than cooperative or conciliatory. For most of the period, China continued to press upon Arab leaders militant positions that were ideologically unappealing and strategically unaffordable. For Arab regimes, opposing either or both superpowers remained an expedient, not an orthodoxy. It was employed as circumstances warranted, not as ideology dictated; by

choice not as the result of cajolery.

In seeking to enlist Middle East regimes against the superpowers, China essentially revived the largely unsuccessful pre-Cultural Revolutionary practice of defining local allegiances in terms of external rivalries. To Middle East governments, whose security and development needs China could not hope to meet, the PRC's bid to displace Moscow was unacceptable in the absence of its ability to replace Moscow.

By any estimate Beijing's support of the PLO and the PFLOAG was a highly economical and ideologically consistent course culled from a narrow range of options that delivered mixed results. By helping to sustain the PLO, China contributed to the derailment of superpower peace initiatives. [In that local resistance to such initiatives was strong irrespective of China's position and efforts, the PRC's contribution in this respect should not be exaggerated.]

Second, China's assistance to the PLO earned a measure of Arab goodwill by stoking the fire of the Palestinian cause. Paradoxically, however, these same efforts threatened to embarrass Arab regimes, or else to endanger them by unnecessarily implicating them in China's provocative militancy. Thus, at best, the Sino--Palestinian connection was received with a mixed reaction in the Middle East. Sino--Middle Eastern relations were thereby complicated nearly as much as they were consolidated by China's support for the PLO.

Third, in beating Moscow to the sides of the PLO and the PFLOAG, China struck a blow in its polemic with the Soviet Union. Ironically, the damage rebounded to China's disfavor, as Moscow increased, rather than downgraded, its support for the PLO.

Additionally, China dealt itself the unhappy lesson that, in the Middle East perhaps more sharply than anywhere else, opportunism cuts both ways: just as the PRC had exploited Moscow's distance from the PLO, the PLO, by extending feelers to the Soviet Union, appeared to play Moscow and Beijing off against one another.

China's support to the PFLOAG, with its simultaneous encouragement of OPEC and cultivation of bilateral ties with Gulf states revealed difficult choices on the horizon. For the time being, however, Beijing's assistance to the PFLOAG outflanked the Soviet Union without pre-empting relations with Gulf states which were, in any case, only just getting under way.

One is struck by the degree to which, by the end of 1971, events in the Middle East (as well as in the broader theater of China's foreign relations), on balance, evolved if not directly in China's favor, then at least not to its detriment - often irrespective of its efforts and sometimes despite them. The ring of encirclement did not close around China at the Middle East. On the contrary, China by the end of this phase enjoyed an unprecedented degree of international acceptance. The persisting militancy of China's foreign policy did not fatally impair its drive to resume or even expand its intergovernmental contacts. Inter-Arab rivalries, heedless of Beijing's clarion call for unity, might have actually advanced rather than retarded the cause of opposing superpower domination. A divided Arab world appeared as effective in preventing superpower domination as a united Arab world (for which China had so ardently campaigned).

At the same time, rapprochement with the United States offered to do more to reinforce China's drive towards respectability in

the Middle East than any of the numerous efforts China had aimed directly at the region. Indeed, while it would be an overstatement to suggest that Washington's opening to Beijing opened the Middle East to China, the two developments are not independent of one another. Thus, entering 1972, as China found itself escorted to, if not deposited at, the threshhold of foreign policy pragmatism, it also discovered that the door to the Middle East stood, as ever, ajar.

## Notes

(1) NCNA (18 June 1968).

(2) See, for example, Peking Review, no. 5 (2 February 1968), which contains three Renmin Ribao commentaries applauding the Tet 'avalanche' and describing its implications; and U.S. Foreign Broadcast Information Service Daily Reports: China [hereafter FBIS--CHI] (22 April 1970), A1-2, which characterises the Brezhnev Doctrine as a doctrine of hegemony.

(3) The PRC perceived all of the following as symptoms of the fragmentation of the Western bloc: the new strategy of 'flexible response' [Peking Review, no. 1 (3 January 1969)]; DeGaulle's proposal for an 'independent Europe' [Peking Review, no. 14 (4 April 1969)]; French opposition to the U.S. proposal for special drawing rights [Peking Review, no. 15 (12 April 1968)]; and the 'great storm' of protests and strikes [Peking Review, no. 22 (31 May 1968)].

(4) FBIS--CHI--68 (23 August 1968), A5--8.

(5) Occurring on the eve of the convening of the Ninth CCP Congress, the clash on the Ussuri hastened the restructuring of the CCP, underlined the danger of disunity, and reminded the Chinese of the implications of passivity. Besides elevating the U.S.S.R. to a parallel position with the U.S., it gave impetus to China's immediate resumption of diplomacy as a safeguard. See, for example, Gungwu, China and the World, especially pp. 122--125.

(6) Peking Review, no. 35 (27 August 1971).

(7) El-Rayyes and Nahas, p. 106.

(8) The climax of Beijing's anxiety over the U.S. invasion of Laos is captured in a Renmin Ribao commentary, which likens the escalation to the Korean conflict and identifies the incursion as a direct threat to China, warning against further provocation [See Peking Review, no. 9 (26 February 1979)].

(9) Peking Review, no. 12 (21 March 1969).

(10) Collusion was charged in all of these cases and more: Kosygin's visit to India [Peking Review, no. 5 (2 February 1968)]; the formation of ASEAN [Peking Review, no. 12 (21 March 1969)]; impending Soviet--American 'nuclear colonialism' as evidenced by the Nuclear Non-Proliferation Treaty and the start of SALT negotiations [Peking Review, no. 12 (22 March 1968), no. 13 (28 March 1968) and no. 28 (12 July 1968)]; and American 'acquiescence' in the Czech invasion [Peking Review, no. 35 (30 August 1968)].

(11) Peking Review, no. 24 (13 June 1969).

(12) Mohammed Heikal, The Road to Ramadan (London: William Collins

and Sons, 1975), pp. 69--75.

(13) For further details, see, for example, Mohammed Heikal, Autumn of Fury (London: Andre Deutsch, 1983); Ray Hinnebusch, Jr., Egyptian Politics Under Sadat (Cambridge: Cambridge University Press, 1985), esp. pp. 40-55; Hirst, David and Beeson, Irene, Sadat (London: Faber and Faber, 1981).

(14) Cited in J. Bowyer Bell, 'South Arabia: Violence and Revolt' in Conflict Studies, no. 40 (November 1973).

(15) See Hsinhua and The Egyptian Gazette (3 February 1970); and The New York Times (3 and 8 February 1970).

(16) See Hsinhua (18 February 1970).

(17) Heikal, p. 277 wherein Heikal recalls Nasser's having assured Arafat (who was set to visit Beijing) that Egypt was betraying no one.

(18) From July 1968 until September 1969 there was no Chinese ambassador to Cairo.

(19) Peking Review, no. 32 (7 August 1970). See also Hsinhua (31 July 1970).

(20) Peking Review, no. 34 (21 August 1970).

(21) Peking Review, no. 35 (28 August 1970).

(22) See The New York Times (27 August 1970); The Daily Telegraph (30 August 1970).

(23) See, for example, Avigdor Levy, 'The Syrian Communists and the Ba'ath Power Struggle, 1966-1970' in The U.S.S.R. and the Middle East, edited by Shimon Shamir and Michael Confino (Jerusalem: Israel Universities Press, 1973), pp. 407--411.

(24) The Times, London (19 May 1969) and Le Monde (22 May 1969).

(25) Shichor, pp. 150--151 cites Syrian President Atasi's admission of their having been "exaggerated."

(26) Shichor, p. 170 indicates that this was the first loan to Syria in over eight years.

(27) The money did not, however, become available until 1973 [See El-Rayyes and Nahas, p. 110; and Shichor, p. 172]. Ironically, by that time, China had withdrawn its support for the Dhofari rebels while Iraq had become their chief benefactor, constituting a point of divergence in Sino--Iraqi relations.

(28) During this period press commentary appeared to focus more on the U.S. than on the U.S.S.R. in terms of activity in the area of the Arabian peninsula. Shichor, pp. 145-54, emphasises the relative unimportance of this area to China at a time when Soviet pressure was aimed directly at China.

(29) See, for example, Ian Greig, The Communist Challenge (London: Foreign Affairs Publishing Company, 1977), pp. 82--83.

(30) R.L. Bidwell, The Two Yemens (Boulder: Westview Press, 1983), pp. 230--31, 239, 248.

(31) Stephen Page, The Soviet Union and the Yemens: Influence in Asymmetrical Relationships (New York: Praeger, 1985), pp. 25--26. Peking Review, no. 34 (21 August 1970) announces the aid offer and reprints Rubay's speech reaffirming his commitment to support revolutionary movements; no. 32 (7 August 1970) links developments in the Peninsula to the Palestinian struggle.

(32) Peking Review, no. 18 (30 April 1969).

(33) Ibid.

(34) See, for example, Michael Y.M. Kau. (Ed.) The Lin Piao Affair: Power, Policy and Military Coup (White Plains, N.Y.: International Arts and Sciences Press, 1975); Ronald Keith, The Diplomacy of Zhou En-lai (New York: St. Martin's, 1989); and Michael Yahuda, China's Role, esp. Chapter 8.

(35) Yahuda, China's Role, pp. 169--197 argues throughout that turning points in Chinese foreign policy were strongly shaped by Mao himself. In this section, Yahuda contends that, while not to be identified with the 'leftist current' (whose main concern was in any case, chiefly domestic policy), the gradual shift away from foreign policy of the Cultural Revolution was not only urged, but was decided, by Mao himself.

(36) Peking Review, no. 14 (3 April 1970).

(37) Behbehani, pp. 176--77, 182.

(38) Aryeh Yodfat, 'The PRC and the Middle East' in Asia Quarterly, no. 3, 1977, p. 229.

(39) See, for example, Peking Review, no. 15 (10 April 1970).

(40) See, for example, Behbehani, p. 182 in an interview in 1977 with a former PFLOAG leader.

(41) Behbehani, p. 183.

(42) Page, pp. 126--27.

(43) See, for example, Peking Review, no. 5 (31 January 1969).

(44) See, for example, Peking Review, no. 21 (24 May 1968); no. 26 (28 June 1968); and no. 47 (22 November 1968).

(45) See, for example, Peking Review, no. 3 (16 January 1970).

(46) Peking Review, no. 30 (23 July 1971).

(47) Craig Harris, 'China's Relations with the PLO,' p. 141. Harris advances the argument that the PRC had made it clear from 1970 on, that support would be predicated on Palestinian unity.

(48) See, for example, The Observer (17 May 1969), The Times, London (9 August 1970), The New York Times (7 January 1971), The Christian Science Monitor (5 November 1970); and John Cooley Green March, Black September (London: Frank Cass, 1973), p. 143.

(49) See, for example, Behbehani, pp. 171--172.

(50) The Daily Telegraph (5 July 1971).

(51) The International Herald Tribune (7 July 1971).

(52) The Daily Telegraph (5 July 1971).

(53) The Times, London (7 July 1971) and The Guardian (7 July 1971).

(54) Ibid.

(55) Joseph Camilleri, Chinese Foreign Policy (Oxford: Oxford University Press, 1980), p.95.

## Chapter V

### The greater enemy

1972--1977

#### A. Sino--American rapprochement:

Between 1972 and 1978 China's move towards foreign policy pragmatism gathered momentum, fueled by the interplay of important international and domestic developments. Chief among these developments was a perceived shift in the East--West balance in Moscow's favor, coupled with an internal politico--economic situation plagued by uncertainties. Drawn principally from these circumstances, China's foreign policy in this phase featured: (1) a steady though cautious movement into closer tactical alignment with the U.S. against the Soviet Union; and (2) an increasing attention to, and courtship of, the governments of the world's small and medium powers. Accordingly, the period 1972--1977 represents an intermediate stage in the evolution of Chinese foreign policy pragmatism. It follows, more than it departs from, the path taken in the preceding three years.

Prior to 1972 Beijing adhered to the view that Soviet--American rivalry had a dual character, consisting of both collusion and contention in varying proportion to one another. After 1972, Beijing continued to adhere to this view, which provided the conceptual basis for its interpretation of superpower detente. Beijing regarded the flowering of Soviet--American detente as a 'smokescreen' for Soviet expansionism, ultimately working to China's

disadvantage.<sup>1</sup> China traced the emergence of this new pattern of superpower rivalry to two related developments: the continuing erosion of U.S. strength and the corresponding increase in the Soviet Union's military capability and assertiveness.<sup>2</sup> At the intersection of American decline and Soviet ascendancy Beijing saw the superpowers scrambling for position, primarily in the developing world.

The additional expansion of Soviet Far Eastern forces and the resumption of Sino-Soviet border hostilities in 1972 contributed to the further deterioration of the two countries' relations. Having previously recast its former ally as a socialist rival, and later as an imperialist accomplice, China in this period reclassified the Soviet Union as its 'principal' enemy.<sup>3</sup> Beijing expressed concern about the buildup of Soviet land forces along the Chinese frontier and the continuing development of Soviet naval capabilities (which appeared aimed at the U.S.S.R.'s eventual attainment of 'sea hegemony'<sup>4</sup>). Soviet involvement in Africa in the mid-'70s, specifically in Angola and the Horn of Africa, reinforced the belief that the U.S.S.R. had become the 'more ferocious' superpower: reckless, treacherous, the most dangerous source of world war.<sup>5</sup> In the light of Soviet behavior, American decline was as troubling to Beijing as it was encouraging. That decline was amply illustrated to Beijing by economic recession, Watergate and the withdrawal from Vietnam. Measured against a dangerously militarised Soviet Union, these developments

impelled Beijing to seek an improvement in its relations with the United States.

China's preoccupation with the Soviet threat helps to explain Beijing's undisguised approval of the American decisions to trial-produce the Cruise missile, to initiate production of the B-1 bomber, and to test-launch the Trident system. The Chinese press welcomed these developments as Washington's 'awakening' to 'real' Soviet intentions and capabilities.<sup>6</sup> Sensitivity to the Soviet threat, however, did not blind Beijing to America's enduring strengths and tendencies. The impairment of the American position in Asia, owing principally to the U.S. withdrawal from Vietnam, signified to China that the Soviet Union had dislodged the U.S. as China's principal enemy. Yet, there was no suggestion that the U.S.S.R. had replaced the U.S. as China's only enemy. For the time being, then, Beijing's ambivalence about tilting towards Washington was resolved in favor of rapprochement without entente. The uncertain domestic political situation following the deaths in rapid succession of China's three principal leaders in 1976 ensured that, throughout this period, China's strategic movement into de facto alliance with the United States was anything but inexorable.

#### B. Third World emphasis, intergovernmental level:

Thanks in part to improved Sino--American relations, Beijing would succeed by the end of 1977 in establishing diplomatic ties with 114 countries. This development serves as a clue to China's tactics as well as evidence of its

achievements. Building upon Mao's 'Theory of the Three Worlds' as articulated in Deng's 1974 speech to the U.N., China placed new stress on cultivating intergovernmental relations, though not necessarily with a 'loss of revolutionary perspective or a denial of principle'.<sup>7</sup>

The basis of China's relations with the Third World in this period was economic nationalist, not socialist aims.<sup>8</sup> Regarding the Third World as an 'increasingly important force,'<sup>9</sup> Beijing's policy towards developing nations was a means of confronting changes in the international situation, deemed to have occurred chiefly as the result of changes in the relations between the superpowers.<sup>10</sup> R. Sutter identifies the CCP Tenth Party Congress (August 1973) as a 'milestone' in the development of Chinese foreign policy. He argues that, as of this congress, the PRC emphasised geopolitical considerations, with little attention to revolutionary movements and armed struggles.<sup>11</sup>

#### C. Superpower rivalry in the Third World:

The intensification of superpower contention appeared to Beijing to be concentrated in, though not exclusive to, the Middle East. With the end of the Indo--Pakistani war and the convening of the Paris peace talks, Beijing saw a tempering of superpower competition on two fronts, but not on all fronts. Throughout this period, the Chinese official press devoted a great deal of space to coverage of Soviet and American naval activity in the Indian Ocean and eastern Mediterranean.<sup>12</sup> The Soviet navy was said to be 'swarming'

in the eastern Mediterranean, where the U.S. had strengthened its forward deployed Sixth Fleet. A spate of articles shared the conclusion that these activities were symptomatic of a superpower struggle for 'maritime supremacy'.<sup>13</sup>

Following from this analysis, the Middle East acquired its importance as a 'pivotal area'.<sup>14</sup> The region's critical geostrategic position - linking two theaters of superpower competition - boosted the Middle East's significance to China.<sup>15</sup> Beijing was particularly attentive to the behavior of the Soviet Union. By 1977 the thesis would become more explicit: having mapped the activities of the U.S.S.R., Beijing would come to portray them as a coordinated effort to outflank the West. Hua Guofeng's Political Report to the Eleventh National Congress of the Chinese Communist Party is revealing in this respect:

Soviet--U.S. contention extends to every corner of the world, but its focus is still in Europe. The Soviet Union has massed its troops in Eastern Europe and at the same accelerated its plunder of strategic resources and its scramble for strategic bases in Africa and the Middle East in an attempt to encircle Europe from the flanks by seizing the Persian Gulf in the East, thrusting round the Cape of Good Hope in the South and blocking the main navigation routes of the Atlantic Ocean in the West.<sup>16</sup>

The 1973 Middle East war and its aftermath incorporated all of those crosscutting features of local politics and superpower rivalry that led China to adopt this thesis. Occurring in tandem with American disengagement from Indochina, the outbreak of the October War fired Beijing's

enthusiasm - or hope - for coordinated Third World opposition to superpower hegemonism, and Soviet expansionism in particular.<sup>17</sup> To Beijing, the war was notable for its unprecedented display of Arab unity and initiative. At least, this is where China chose to place its emphasis. Deng Xiaoping's speech to the U.N. General Assembly (10 April 1974) not only commended the Arabs on their initiative, but also presented the rationale for China's support:

...In the fourth Middle East war, the people of the Arab countries and Palestine broke through the control of the two superpowers and the state of 'no war, no peace' and won a tremendous victory over the Israeli aggressors...China is a socialist country and a developing country as well. China belongs to the Third World...the Chinese government and people firmly support all oppressed peoples and oppressed nations in the struggle to win or defend national independence develop the national economy and oppose colonialism, imperialism and hegemonism.<sup>18</sup>

Yet, the outcome of the war provided China with as much cause for concern as for confidence. The prevailing condition of no--war, no--peace was not only an outgrowth of superpower rivalry, but also food for its continuation. At a time when China was especially wary of the U.S.S.R., this stalemate was viewed by Beijing as evidence of the Soviet Union's enhanced capabilities; and as an invitation to further Soviet penetration of the region. Accordingly, China's Middle East policy during this period reflected a desire to help transform 'the epicenter of the world's trouble' into a barrier against superpower hegemonism and Soviet expansionism in particular.

However, it is important to avoid exaggerating the Middle

East's strategic significance to China; and to avoid drawing the conclusion that China's strategic interest in the Middle East during this period was its exclusive interest in the region. Regarding the first point, Soviet--American contention in the Third World at this time was as intense in Africa as in the Middle East. China's military clients and military outlays in Africa during this period reflected that fact.<sup>19</sup> The Middle East, therefore, as a strategic priority to China, was related to, if not on a par with, its interest in Africa. Second, as this chapter will demonstrate, in addition to the region's strategic value, China discovered and began to cultivate other avenues of cooperation with the region's states.

D. De-emphasis of support for revolution:

(i) Relations with the PFLOAG:

Consistent with its increasing emphasis on cultivating intergovernmental relations, China correspondingly de-emphasised its support for national liberation movements. In the case of the PFLOAG, China virtually abandoned the movement, confining itself to applause for the PFLOAG's self-reliance.<sup>20</sup> The occasion of the commencement of the eighth year of the Dhofar insurrection witnessed the first allusion of any kind to the movement in the Chinese press in months; seen in this light, China's praise for the PFLOAG seemed more a commemoration of its past struggles than a rededication to the movement's future.<sup>21</sup> Thus, in 1972 China became the first communist state to terminate aid to the Dhofari insurgents, as it would be the first among them to

normalise relations with the Sultanate of Oman six years later.<sup>22</sup> What could explain China's change of heart?

By 1970 the PFLOAG was thought to have recruited 2,000 full-time guerrillas as well as 4,000 part-time civilian supporters; and to have amassed sufficient weapons and ammunition to wage an effective campaign against the royalists.<sup>23</sup> From that point, however, both the shortcomings of the organisation and the efforts of the Sultanate to combat it dimmed the PFLOAG's revolutionary promise, probably contributing to China's decision to withdraw support. The 1970 coup by Sultan Qaboos, who introduced plans for a changed political and economic future for Oman, also laid the basis for the reorganisation of the Sultan's Armed Forces (SAF). By addressing grievances, the Sultan won defectors; by bolstering the military, the Sultan won battles.

The PFLOAG's own tyrannical practices - which included preaching against Islam, confiscating property, and abducting children to ensure 'popular' cooperation - crippled the movement. So too did the ideological splits within it between Marxists and Dhofari nationalists.<sup>24</sup>

As China moved to consolidate relations with Kuwait and Iran, continuation of support for the PFLOAG became increasingly problematic. The reorganisation of the SAF, which resulted in the formation of an armed force of 10,000, included not only British RAF and SAS teams but also the Imperial Iranian Battle Group (as well as a detachment of Jordanian engineers) in a support capacity.<sup>25</sup> Thus, placing

Chinese weapons in the PFLOAG's hands risked alienating Kuwait (which extended non-military support to the Sultanate); it also threatened to inflict casualties on Iranian soldiers, thereby indirectly jeopardising Sino--Iranian relations. China's continuation of aid in such circumstances would have been a costly enterprise aimed at an apparently lost cause.

(ii) Relations with the PLO:

Support for the Palestinians, unlike assistance to the PFLOAG, was not necessarily incompatible with China's high priority nurturing of relations with Arab regimes. To some extent, continuing support for the Palestinian cause served rather than endangered Sino--Arab relations, for the cause of Palestine was the cause of the Arabs: regime status, if not stability, depended on looking after it.

In the past China had used the Palestinian cause partly to circumvent uncooperative Arab leaders, Nasser in particular, in order to satisfy its overriding strategic aim: thwarting superpower domination. By this time, circumstances had changed, even if, fundamentally, China's aims had not. For one thing, Nasser had died. For another, China's interest in removing the taint of its subversive image was ascendant. Furthermore, the role and activities of the PLO - an instrument of, as well as a catalyst for, inter-Arab rivalries - continued to evolve.

In 1974, the PLO acquired a degree of legitimacy that it had not previously had, both within the Arab world and the broader international community. Arab heads of state at the

Rabat Summit officially bestowed upon the PLO a status which they had formerly withheld: sole legitimate representative of the Palestinian people. Largely through the efforts of the Arab League, the PLO in the same year earned U.N. observer status. Notably, the PLO facilitated its own acceptance by declaring a change in its own policy: expressing for the first time its willingness to pursue a diplomatic solution, while reserving the right to utilise armed struggle.

The improvement in the status of the PLO provided a convenient opportunity for China to transfer its support of the Palestinian cause from the battleground of the Middle East to the forum of the U.N. Doing so enabled China to maintain its commitment openly yet within the bounds of international acceptability. In this way, China could conceivably enhance as well as preserve its reputation. China's delegates to the United Nations supported and applauded the admission of a Palestinian representative to the international body; it waved the plight of the Palestinians before the General Assembly as an illustration of superpower insensitivity; and it attributed the irresolution of the Palestinian problem to 'superpower obstruction and sabotage'.<sup>26</sup>

Notwithstanding its use of the U.N. to trumpet the cause of the Palestinians, China continued to regard this forum as 'a platform for pronouncements rather than a vehicle for change'.<sup>27</sup> One illustration of this was China's reaction to joint draft resolutions S/11036 and S/11039 worked out

between the U.S. and the U.S.S.R. during the '73 war. Huang Hua attacked these efforts as a 'concoction...allowing of no full consultation between the states members of the Security Council...'<sup>28</sup>

When eight nonaligned nations collaborated to submit revised draft resolution S/1146/Rev., which recommended the establishment of the UNEF II, the Chinese delegation was less openly critical but no more supportive of the measure. In the end, although it did not exercise its veto power, China nonetheless opted not to participate in the proceedings or financing arrangements for setting up the UNEF II.<sup>29</sup>

Unsurprisingly, therefore, China's provision of weapons to the Palestinians did not altogether cease. In 1976, PLO officials still credited China as 'the main source' of weapons since the organisation's inception. While conceding that no weapons had been transferred by the PRC for more than one year, Hamad al-Aydi (head of the PLO mission to Beijing) nevertheless emphasised that China continued to provide 'a very high percentage' of all assistance rendered to the PLO.<sup>30</sup>

The chief reason for the continuing flow of Chinese arms and equipment to the Palestinians lay in China's efforts to wrest the movement, Fatah in particular, away from the Soviet Union. From 1972, in yet another illustration of the Middle East's revolving door, the Soviet Union had reportedly stepped up its support of the Palestinian guerrillas in order to offset its declining influence in Egypt, much as China had done when Nasser proved troublesome

in the 1960s. Soviet calls for a Geneva conference weakened, as a by-product of Soviet--Egyptian friction. Accordingly, the Palestinian resistance movement (together with Syria) emerged as the sole remaining channels for direct Soviet input in the Arab--Israeli dispute.<sup>31</sup>

China's interest in the PLO during this period reflected its interest in obstructing the Soviet Union. To the extent that Chinese assistance to the Palestinians might have appeared to fluctuate, some explanation can be found in the changing interests, efforts and fortunes of the Soviet Union with respect to the Palestinian movement.

#### **E. Upgrading intergovernmental ties:**

China's intergovernmental activities in the Middle East during this period are important for several reasons. First, 1972--77 is a watershed in China's involvement in the region in terms of the number, variety and duration of its ties. In the past China's intergovernmental contacts were sporadic. Those regimes with which Beijing enjoyed cordial relations were few in number and radical in orientation. This phase marks the beginning of China's sustained engagement with a wide range of regime types that includes the central pillar of the Arab world, Egypt.

Second, 1972 is the point at which China's intergovernmental ties assumed priority over its dealings with revolutionary movements. Formerly, the PRC had pursued a bi-level approach to the region, simultaneously courting local governments and revolutionary groups. With the

exception of assisting the PLO, from 1972 and consistently thereafter, China confined its relations in the region to intergovernmental activities.

Third, whereas prior to 1972 China's interaction with Middle Eastern regimes had been predominantly political and cultural, in this period Sino--Middle Eastern relations laid a foundation for an entire complex of ties to follow. Previously, China's military role in the region had been limited to the low-level supply of weapons and equipment to national liberation movements. Likewise, its trade with, and economic aid to, the region - except for its partnership with South Yemen - was as generous as circumstances permitted (but circumstances normally permitted very little). The years 1972--77, however, mark the stage at which China entered the Middle East arms bazaar to stay and, more tentatively, steered a course towards significant economic ties with the region.

Fourth, the increasing scale and complexity of China's relations with Middle East regimes produced correspondingly more numerous and important implications: for China, for the constituent states of the region and for the superpowers.

(i) Relations with Egypt:

Following Nasser's death, China attempted to reconstruct and expand its relations with Egypt. Early in 1971 Beijing had already appeared to have laid the groundwork for a more constructive Sino--Egyptian dialogue. One explanation for Beijing's muted support for the PLO from early January '71, for example, was the incentive of building better ties with

Cairo.<sup>32</sup> Additionally, China's first U.N. delegation had heartily supported Sadat's early peace efforts: partly, because they had been initiated by a local, rather than an external, party; and as importantly, to send a signal of goodwill towards Egypt's new leader. The gesture was celebrated as such in the Cairo press.<sup>33</sup>

In the years 1972--77 China built upon this foundation by supporting General Numeiry (initially against a Soviet-backed coup attempt) in Sudan. Almost certainly the Soviet Union's opposition to Numeiry was the major determinant of China's decision to assist him. After all, the Sudan was geostrategically positioned near China's large East African investments; it was also crucially placed to advance or impede Moscow's presumed bid for maritime supremacy.

Inseparable from Beijing's interest in undercutting Moscow, however, was its aim to win over Egypt whose national security and regime stability required a close attention to developments in the Sudan. China's support of Numeiry implicitly expressed respect for the integrity of Egypt's national sovereignty and Sadat's leadership. Thus, it can be regarded as an important confidence-building gesture towards Egypt.<sup>34</sup>

China rode the momentum of Sadat's efforts to distance Egypt from the Soviet Union, exchanging high-level delegations with Cairo in March 1972.<sup>35</sup> It is insubstantiable and probably exaggerated to conclude that these discussions resulted in President Sadat's subsequent expulsion of Soviet advisers from Egypt. Nevertheless, the

meetings clearly indicated Sadat's intention to lessen Egypt's dependence on the Soviet Union and his willingness to pursue more fruitful relations with China in order to help do so.

Less than a month after the Chinese delegation returned to Beijing, President Sadat proclaimed (in a statement reported in the Chinese press) that Soviet installations in Egypt were 'facilities,' not 'bases'; and that there were no restrictions on Egypt's consolidating relations with the PRC.<sup>36</sup> Other than acting as a warning to Moscow and an invitation to Beijing, Sadat's message had important domestic audiences. At the time Sadat issued his statement he remained preoccupied with solidifying his political position within Egypt. Thus, these considerations are likely to have contributed to his decision to evict the Soviets: a desire to suppress the 'left' opposition which was closely attached to Moscow; a need to accommodate the Egyptian officer corps which was dissatisfied under Soviet tutelage; the wish to provide evidence of strong leadership to a population exhibiting both anomie and restiveness. Accordingly, Sadat's manoeuvering between China and the Soviet Union was rooted in Egypt's domestic politics.<sup>37</sup> Thus, an opening to China had its instrumental value to Egypt as much on a domestic political plane as on an international one.

China reacted to President Sadat's expulsion of Soviet personnel from Egypt with unconcealed jubilation.<sup>38</sup> Beijing cheered the Egyptian press' ripostes to Moscow's charges of ingratitude and unreasonableness as though Cairo's cause

were its own, classifying the Soviet Union as a cheap 'ornament dealer', unwilling rather than unable to meet Egypt's legitimate needs.<sup>39</sup> Ironically, these accusations echoed the jeers which China had aimed at the United States in the period immediately preceding the Czech arms deal.

The development of Sino--Egyptian ties during this seemingly fertile period stalled, however, with the outbreak of the '73 Middle East war. Moscow's massive resupply of weapons and equipment represented an investment China could not have matched even had it wanted to. Indeed, the Soviet--Egyptian quarrel had been papered over - even before the outbreak of the war. Rubinstein asserts that, 'by the fall of 1972 Sadat appreciated that there was no substitute for access to the Soviet arsenal'.<sup>40</sup> Furthermore, the restoration of the Soviet--Egyptian military relationship followed a conciliatory gesture by Sadat (i.e. the unilateral extension of the five-year agreement which granted the U.S.S.R. naval facilities in Egypt). By March 1973 Soviet arms deliveries to Egypt resumed. Meanwhile, Soviet weapons transfers to Syria rose to unprecedented levels of value and sophistication.

China was unable to govern the Soviet--Egyptian relationship, and possibly unable to fathom it. Were Sadat's differences with Moscow profound and irreconcilable? Or, was Sadat's caviling mere dissimulation, aimed at wresting concessions from the U.S.S.R. and building false confidence in Israel? For the most part, Beijing was confined to reacting to events impossible to predict. Nevertheless,

China responded astutely to Sadat's gambit in launching the October '73 war and in acceding to the cease-fire arrangement that terminated it. In this instance, China confronted a situation that it did not have a hand in shaping. Yet its position was no worse than that of the superpowers, which had deployed comparatively greater resources and entertained much larger risks. Happily for Beijing, the initiative taken in launching the war came from Cairo, not Moscow or Washington. If Beijing had reservations about Sadat's move, they were not publicly expressed.

Meanwhile, China celebrated Egypt's decision to attack Israel as an historic breaking of the Middle East stalemate, whose imposition it had consistently attributed to superpower machination. It was on this basis that China registered its unequivocal support.<sup>41</sup>

China's response to the cease-fire arrangement required more careful treading. Beijing's disapproval of the cease-fire was grounded in the same reasoning as its approval of the launching of hostilities: whereas the latter had overridden the preferences of the superpowers, the former acceded to them. On the other hand, the suspension of fighting - no matter who orchestrated it - saved the Egyptian Third Army. China did not want an Arab defeat, nor did it wish to advocate a position which could be construed as an invitation to catastrophe. Beijing resolved its ambivalence on the cease-fire issue by opting to abstain from U.N. Resolution 338.<sup>42</sup>

China's decision not to oppose the cease-fire resolution might have been influenced by additional considerations. For

example, were a cease-fire not to have been reached, more superpower involvement would probably have followed.

Conversely, peace negotiations while the cease-fire was in effect promised to expose additional Soviet--American divergences, displaying and aggravating the contradictions between them and local regimes.

Furthermore, at a time when Beijing was concentrating its energies on cultivating better relations with the Third World, a strong stand against the cease-fire might have been construed as a position in favor of more bloodshed.<sup>43</sup> Thus, Beijing's behavior differed from past practice, when its militancy squandered even minor opportunities to earn goodwill.

Following the '73 war, President Sadat was no less intent than before its outbreak on distancing Cairo from Moscow. As though to rein in Sadat, Moscow stood firmly against the cancellation of Egypt's arms debts and postponed trade talks aimed at reviving the Egyptian economy.<sup>44</sup> Barely one month later it was reported that China had donated 30 MiG engines to Egypt.<sup>45</sup> Though not substantial in purely military terms, this transaction had important implications, both military and otherwise.

First, the engines were a gift, which contrasted sharply with the Soviet practice of selling arms, payment for which had contributed to the intensification of Soviet--Egyptian discord following the war. Supplying military equipment in the form of a donation, therefore, not only squared with Beijing's call for mutually beneficial Third World

cooperation; it also embarrassed the Soviet Union.

Second, the 30 MiG engines (especially as Egypt had about 600 combat aircraft) represented a comparatively small military transfer. Still, it was a helpful addition to the Egyptian arsenal.<sup>46</sup> More importantly, the gesture set a foundation for future Sino--Egyptian military (and perhaps economic) cooperation.

Third, the effect, if not the purpose, of the donation was to provide political ammunition for President Sadat. As previously mentioned, some Egyptian officials associated Egypt's military security with continuing reliance on Soviet military assistance. The Chinese donation served as a sign that there may indeed be life after Moscow.

Events proceeded somewhat rapidly following the MiG engine donation. Within several days of each other, Chinese Ambassador Chang Tung met first with Egyptian Prime Minister Mamdouh Salem and then Vice-President Hosni Mubarak,<sup>47</sup> after which it was disclosed that China had offered to cooperate with Egypt on its industrial development.<sup>48</sup> Less than one week after the disclosure, Mubarak was dispatched to Beijing where an airport greeting complete with honor guards and dancing girls displayed China's enthusiasm at the developing Sino--Egyptian ties.<sup>49</sup> Mubarak's meeting with Chairman Hua culminated in the signing of an historic arms protocol, providing for China's supply of spare parts for Egypt's MiG-17 squadrons.<sup>50</sup> Soon thereafter, it was revealed that China had promised to overhaul hundreds of Egypt's grounded MiG and Sukhoi aircraft.<sup>51</sup>

Cairo's newspapers which, subsequent to Mubarak's visit,

painted the Chinese as altruistic heroes, used the protocol as a platform from which to snipe at Moscow.<sup>52</sup> In Sadat's May Day speech, the Egyptian President referred to the results of the Mubarak trip as 'unimaginably wonderful.'<sup>53</sup> Yet Sadat was careful to suggest that Egypt's actions should not be construed as a wish to break 'historic ties of friendship with any party' [viz. Moscow].<sup>54</sup> This qualification reaffirmed Sadat's commitment to greater foreign policy independence - to China, a less than ideal but acceptable outcome.

To appreciate fully China's consolidation of ties with Egypt one must place these developments in the broader context of Sino--Soviet rivalry at the time. China's overtures to Egypt were part of a set of global initiatives which included Beijing's success in resuming full diplomatic relations with India and in winning Singapore Prime Minister Lee Kuan Yew's pledge to visit China's capital.<sup>55</sup> In a sense, Egypt was one of several Third World countries over which Beijing and Moscow competed for influence. Interestingly, China served much the same purpose for Egypt. Prior to having solidified ties with Beijing, Egypt had unsuccessfully sought aid from India; after having courted China, Egypt immediately renewed its efforts to negotiate a new trade package with the U.S.S.R.<sup>56</sup> Hence, China and Egypt used one another partly to influence their respective relations with Moscow: Egypt, to extract further commitments on favorable terms from the Soviet Union; and China, to help relieve Egypt's dependence on the Soviet Union, thereby

subverting Soviet efforts in the region.

**(ii) Middle East oil and China:**

During Chou En-lai's 1964 tour of Africa, he had stressed the importance of the careful utilisation of natural resources. In so doing, he had asserted a recurring theme in Chinese foreign policy: the indivisibility of political independence and economic self-reliance. Yet, not until the beginning of the next decade did the substance of international relations appear to catch up with, if not overtake, the slogans of Chinese foreign policy.

On the eve of China's admission to the U.N., OPEC ministers decided in Caracas to raise oil taxes and oil prices. Unsurprisingly, a Renmin Ribao editorial applauded the action as a triumph over 'big-nation hegemony.'<sup>57</sup> Shortly thereafter, Renmin Ribao's Commentator drew a more explicit connection between the superpowers' strategic rivalry in the Middle East and initiatives to regain indigenous control of oil, and considered the implications of one for the other:

In the eyes of the imperialists, the so-called Middle East question is, in essence, the oil question, the question of how to divide spheres of influence...Warring for supremacy among themselves, they have brought terrible upheaval and disasters to the area...The demand of OPEC member states for higher oil posted prices and tax rates reflects the strong desire of the people of these countries to rid themselves of imperialist plunder and exploitation.<sup>58</sup>

The events which evoked these somewhat predictable observations spurred no sustained coverage by the Chinese

press and produced no perceptible retooling of Chinese foreign policy. Throughout the remainder of 1971 and in the early months of the next year, the subject of Third World resource power surfaced in the form of responses to the intermittent, though encouraging, actions of OPEC members to improve their oil income.<sup>59</sup> Beijing appeared preoccupied during that time with the official business of occupying its seat rather than visibly focused on defining its role in the international community.

Chou Hua-min's April 1972 address to the third plenary meeting of the UNCTAD, which pledged 'resolute support' for the redress of Third World economic grievances, was the first official indication of the content of China's evolving Third World policy.<sup>60</sup> In effect, the speech formally rededicated China to the promotion of 'economic justice' without, however, arrogating to China any particular responsibility for ensuring its achievement. It announced, or perhaps merely presaged, China's commitment to the attainment of essentially revolutionary ends with reliance on essentially reformist means.

In the Arabs' use of the 'oil weapon' in 1973, the potentials of the exercise of Third World resource power, which Chou En-lai had expounded in the previous decade, seemed to Beijing to be set on course for their full realisation. China interpreted the ramifications broadly, predicting that:

[it will] have a far-reaching influence on the people of the Arab and Third Worlds in their future struggle against imperialist

aggression and plunder and in defense of independence, state sovereignty, and national resources.<sup>61</sup>

The use of the Arab 'oil weapon' in 1973 transformed Chinese foreign policy. First, it injected substance into Beijing's otherwise hollow exhortation of the Third World to wage war against superpower hegemony. Second, in emphasising the Third World's application of economic pressure to redress its grievances, China was able to salvage its materialist--revolutionary credentials while simultaneously continuing to recast its image as a responsible member of the international community. Thus, the '73 oil embargo sparked China's call for Third World control of Third World resources, the centerpiece of Beijing's Third World policy from the late 1970s onwards.<sup>62</sup>

The oil politics of the '73 Middle East war had other important consequences for China's foreign policy. First, at a time when the U.S. only nine months previously had signed the cease-fire agreement with Hanoi and China's concern was rising over the possibility of Moscow's consolidating its position in Indochina, Beijing used the oil embargo as an opportunity to re-establish links with its Southeast Asian neighbors. China (which, by 1965, had become a net oil exporter) compensated for shortfalls in oil supplies to Thailand and the Philippines by offering them low sulfur content crude.<sup>63</sup>

At the same time China sharply criticised Moscow's oil sales and pricing policies during the crisis, accusing the Soviet Union of war profiteering and extortion.<sup>64</sup>

(Ironically, one decade later - while selling arms to both belligerents in the Gulf conflict - China would find itself trying to sidestep similar criticism.) Thus, the use of the oil weapon supplied China with an opportunity to win friends as well as to denounce old enemies, suggesting that a position on the sidelines had its benefits.

Yet, the benefits could not be reaped without facing certain costs. In exploiting the opportunity to urge Third World states to reassess their relations with the superpowers and form coalitions among themselves, China was in effect counselling America's allies to reassert their independence. This position created a degree of tension between China's Third World policy and the process of improving relations with the United States. Furthermore, in endorsing use of OPEC oil price rises in order to demonstrate its solidarity with the Arabs and the Third World generally, China in effect advocated economic disruption of oil-dependent states.

#### **F. Focus on the Gulf:**

As indicated in the previous chapter, one of the new twists in China's Middle East policy following its emergence from the Cultural Revolution was its turn to the Gulf. During the years 1972--1977 Beijing continued with reasonable success to woo the Gulf states, concentrating its energies as before on Iran and Kuwait. The withdrawal of Britain from east of Suez had raised the possibility of a Soviet effort to augment its military presence in the area. It is almost certain that Beijing was aware of, and

concerned about, such an eventuality.

The American response to the declining British presence and a massive Soviet naval buildup in the Indian Ocean consisted of two elements: (1) the accelerated construction of its military installations on Diego Garcia; and (2) reliance on Iran to ensure regional stability. The common Sino--American strategic interest in thwarting perceived Soviet expansionism in the area not only bolstered U.S.--Chinese detente but also supplied Beijing with a strong motive to pursue bilateral ties with Gulf regimes, irrespective of their political orientation and independently of Washington.<sup>65</sup>

(i) Relations with Iran:

Beijing's initial ties with the Shah, officially commencing in August '71, may have appeared to be 'a rapprochement between two incongruent states'<sup>66</sup> Yet, the two countries did in fact have compatible interests and perspectives. First and foremost, they shared a common border with, as well as a common mistrust of, the Soviet Union. The strategic dimension of improved Sino--Iranian relations was of particular importance to China. To some commentators, China appeared interested in forming 'a chain of friendly states reaching all the way to the Balkans along Russia's southern flank'.<sup>67</sup> According to this view, Iran was a vital part of China's effort, a potential block against the physical link-up of Soviet--Indian forces; a zone of passage for Chinese flights to and from Eastern Europe; and

a country which could help share the burden of China's costly security assistance to Pakistan.<sup>68</sup> The Shah's visit to Rumania and Yugoslavia to consolidate relations with them seemed to match China's support of these Soviet 'rejectionists.'

Second, the Shah aimed to divide domestic political opposition while Beijing wished to disarm Soviet-leaning Iranian communists; for similar though not identical reasons, therefore, Beijing and Tehran had common ideas about the character of Iran's domestic political order.

Finally, just as the Shah entertained a larger regional role for Iran, Beijing sought a more influential Third World role for China. Viewed separately, each country's objective was enhanced by a more active foreign policy that included (but of course was not limited to) the two countries' cooperation with one another. It is important to note, however, that the two countries' individual ambitions were not necessarily compatible with each other.

The Beijing--Tehran connection had a primarily strategic foundation strengthened by the two countries' continuing quest for status and prestige. At first limited to symbolic and political gestures of goodwill towards one another, China and Iran not long thereafter also explored the possibility of more fruitful economic ties. On Iran's part, the Shah's probable motive for carrying Sino--Iranian relations forward to economic cooperation was emphasis on Iran's development. Economic modernisation, together with a strong military base and an activist foreign policy, formed the tripod on which rested the Shah's plan to enhance

Iranian's security and status. China was a potential new market for Iran's infant industries: if nothing more, at least a hedge against declining Western demand or increasing political pressures.

Beijing probably recognised in the Shah's drive for modernisation its own pursuit of economic development, a priority to which Chou En-lai officially committed China in January 1975.<sup>69</sup> Even before that time, however, China had begun to invigorate its foreign trade. In fact, by autumn 1973 the PRC, by its own account, had entered trade relations with 140 countries, signing protocols with 50 of them.<sup>70</sup> Economic cooperation with Iran based chiefly on trade, therefore, was part of a global initiative undertaken by China to expand its intergovernmental relations and while doing so, to support its own economic development. During this period - with Sino--Iranian trade relations an exemplary case - China continued to use foreign trade principally as an instrument to bolster its strategic and political aims, with the impact of foreign trade on Chinese modernisation viewed mainly as an added bonus.

The \$70.4 million value of Sino--Iranian trade in 1972 represented a seven-fold increase in their bilateral trade over the 1970 figure.<sup>71</sup> China contracted for the purchase of 50,000 tons of sulfur, to be supplied during the first half of 1973 by the NIOC (National Iranian Oil Company).<sup>72</sup> Sino--Iranian trade ties were cemented in April 1973. At that time, Iranian Minister of Economy, Hushang Ansari, visited Beijing where he signed the first long-term Sino--Iranian

trade and payments agreement.<sup>73</sup> This accord envisaged a turnover valued at 4.8 billion rials, with 70% of the goods consisting of Iranian industrial exports (including chemical fertilisers) to China, and the transaction conducted on a barter basis.<sup>74</sup>

Trade talks in 1976 pledged the two countries to a 30--40% increase in the value of their trade for the following year. Discussions produced two additional modifications of the '73 accord: the expansion of Iran's export list to include petrochemicals and heavy machinery; and the commitment to ensure a better trade balance for Iran.<sup>75</sup> In 1977 an agreement was reached on the exchange of industrial and consumer goods, calling for a trade total of \$30 million.<sup>76</sup> At the same time, China arranged to purchase \$600,000 worth of ball bearings to help offset a one-year suspension in sales by Japanese suppliers.<sup>77</sup> Such trade was enhanced by China's willingness to accept the Iranian rial in payment when other countries would not.<sup>78</sup>

The exchange of manufactures, however, was not the only important aspect of Sino--Iranian economic cooperation. Iran seemed to be a stable Third World country, on a course for development; moreover, as a member of OPEC, it was well-situated (even if not necessarily inclined) to exercise leverage against 'superpower hegemony'. Such were the political implications of Iran's oil wealth; there was also the economics of oil itself. Iran constituted an 'independent' Third World source of oil to fill shortfalls in China's domestic production. China began to purchase Iranian crude oil in 1974, the arrangements most likely made

during Li Chiang's visit to Tehran in that year.<sup>79</sup> In 1977 China negotiated an additional purchase of Iranian oil, estimated at 300,000 tons.<sup>80</sup>

Additionally, Iran, with access to Western oil technology, had the potential to advise on as well as demonstrate oil exploration and extraction methods useful to China's own energy development. Interestingly, the discussions that took place during Li's Chiang's 1974 visit are believed to have focused on Beijing's desire to secure Iranian investment in China's domestic petroleum industry.<sup>81</sup> Perhaps not coincidentally, Li's visit followed soon after the Shah's trip to Moscow, during which he had accepted in principle a Soviet offer to assist in the construction of a natural gas pipeline to pass through Russian territory in the direction of its potential West European customers.

In 1972 a Chinese oil study group visited Iran.<sup>82</sup> Less than one month before the Yom Kippur War, the Chairman of the NIOC, Dr. M. Eqbal, visited Beijing.<sup>83</sup> Although an exact account of these meetings never emerged, it is easy to speculate as to the nature of China's interest. The NIOC had, by 1972, gained a wide reputation as one of the most effective organisations within oil-producing countries in the areas of oil exploration and extraction.<sup>84</sup> The NIOC had a proven track record of international oil exploration activities that included work in Britain's North Sea fields, as well as international experience in refining, distribution, and transportation - where China's petroleum industry was bottlenecked.<sup>85</sup>

The early 1970s therefore constituted the formative stage of Sino--Iranian relations. Shared concern about the Soviet Union stimulated the search for avenues of bilateral cooperation.

**(ii) The importance of domestic factors:**

Neither Sino--Iranian trade ties nor China's trade with the Middle East as a whole emerged as an essential component of China's modernisation campaign during this period. In fact, though economic modernisation had been proclaimed a Chinese policy priority, China's domestic political situation was not conducive to a full-scale drive towards development. Even had it been, it is doubtful that foreign trade would have constituted the central element of China's economic modernisation.

China's seeming hesitancy to assign priority to modernisation and to commit itself to a significant deepening of foreign economic relations reflected more than an unresolved internal debate over economic choices. Between 1972 and 1978 China's domestic political situation was fluid, and at times, turbulent. Strikes in China's major cities as well as peasant resistance to agricultural policy during this period reflected social discontent arising from China's economic stagnation, which in turn was related to China's political uncertainties.<sup>86</sup>

Structurally, the competition between three institutional hierarchies - the state, the CCP, and the PLA - exacerbated, if they did not actually cause, China's continuing economic woes.<sup>87</sup> Even when major transfers of PLA regional commanders

in 1974 signalled the subordination of the military in domestic affairs, civilian jockeying for position offset the potential gains.<sup>88</sup> Finally, the deaths, in rapid succession, of Premier Chou En-lai, NPC Chairman Chu Te, and Party Chairman Mao (in January, June, and September 1976) added even further uncertainty to China's political situation, spilling over into its foreign policy. Not until the arrest of the Gang of Four in the late autumn of 1976 did China's foreign policy take a softer line, or modernisation receive full attention. Not until the political resurrection of Deng at the end of the following year did foreign trade occupy an important place in what became China's first priority: development.

Thus, it is clearer why Sino--Middle East trade did not figure as prominently in China's regional policy as perhaps it could have, and later did. Yet it is important to note with whom, in what product areas, and on what terms China did trade during this 'preparatory' phase, if only to view the development of Sino--Middle East trade in its proper light - as a gradual rather than a sudden phenomenon, as a potentially enduring rather than a transitory one.

#### (ii) Relations with Kuwait:

China, even at this time, was far from inactive in initiating trade ties to improve its domestic economic situation. In addition to its relations with Iran, Beijing turned to Kuwait, focusing its interest on the purchase of chemical fertilisers. There was of course the added incentive of using Sino--Kuwaiti trade ties as yet another

potential lever to gain input into OPEC policy.

Despite these attractions and some initial progress in their commercial relationship, the association between China and Kuwait failed to strengthen during this period, chiefly because of lingering memories of China's persecution of its Muslim minorities and its more recent support for Gulf revolutionary movements. Chinese insistence on Kuwait's termination of relations with Taiwan also impeded the development of Sino-Kuwaiti ties.

Not until August 1975 did Kuwait dispatch its first ambassador to Beijing.<sup>89</sup> In Spring 1977 Foreign Minister Huang Hua met his Kuwaiti counterpart, Shaikh Sabah al-Ahmad al-Jabar,<sup>90</sup> presumably to discuss consolidation of Sino--Kuwaiti ties. This effort followed by several weeks the visit to Beijing of a seven-member delegation representing the Kuwait Chamber of Commerce. A trade agreement between the two countries was finally concluded in the last month of 1977.<sup>91</sup> On the whole, however, it can be said that the mid-'70s served as a period of Sino--Kuwaiti familiarisation and confidence-building rather than substantial cooperation.

The context and content of China's nascent economic cooperation with Iran has already been addressed. Hopefully, the brief discussion of China's domestic situation has uncovered additional evidence as to why Sino--Iranian relations did not develop further and faster. What this discussion has not intended to suggest, however, is that China's internal troubles and policy debates pre-empted the initiation of new forms of cooperation with Middle Eastern

governments, or stifled progress in relationships that had only recently been struck. This discussion is also not meant to suggest that China's internal political and economic situation was the exclusive, or even the primary, reason why Sino--Middle East economic cooperation failed to expand more than it did.

**(iv) Relations with Iraq:**

Sino--Iraqi relations, like China's relations with Kuwait, received a comparatively late start, though for different reasons. In seeking improved relations with Iraq, China confronted both an obstacle and a risk: Beijing had to determine how to compete successfully with Moscow, whose ties with Baghdad were too intimate to avoid; and how to avoid alienating Iran and Kuwait, whose relations with Baghdad were too antagonistic to overlook.

In April 1972 Iraq concluded a Friendship Treaty with the Soviet Union. This accord was sandwiched between two highly concentrated periods of expanding political, military, and economic cooperation between Moscow and Baghdad. Because China could not hope to match the Soviet Union's considerable investment in Iraq, the budding relationship between Moscow and Baghdad in the early and mid-'70s might have sparked China's interest, but also discouraged its involvement.

At about the mid-point of the decade, two sets of developments occurred, offering prospects that China's dilemmas might be resolved. The first development was Soviet--Iraqi friction. One indication of the shallowness of

Soviet--Iraqi 'friendship' (despite the scale of Soviet involvement in Iraq) came in the form of a comment made by Iraq's irascible Saddam Hussein, who remarked that 'communism' (i.e. the U.S.S.R.) was a 'rotten, atheistic yellow storm which has plagued Iraq.'<sup>92</sup> The suggestion here is that differences between Moscow and Baghdad was possibly, but not necessarily, advantageous to China. Furthermore, it is impossible to tell how much of Saddam Hussein's rhetoric was substance, and therefore how deep the rift between the Iraq and the Soviet Union truly was. Finally, Saddam's comments, if taken literally, offered China no more hope than the U.S.S.R. of being on intimate terms with Baghdad.

When, in 1975, the tension between Iran and Iraq was defused by Algeria's successful mediation, a second impediment to China's pursuit of better relations with Iraq was removed. It can hardly be attributed to coincidence that Beijing had refrained from warming to Baghdad until that time. Thus, circumstances appeared to have rescued China from having to make uncomfortable choices.

When Sino--Iraqi relations finally took root (in 1975), they had a strong economic orientation. In that year China laid the cornerstone for its construction of a 666-meter bridge linking the Baghdad--Mosul highway with the international road to Turkey.<sup>93</sup> This choice of project is revealing in two respects. First, it illustrated China's preference for helping to build its partners' infrastructure. Second, in effect, if not by design, it served as China's answer to Moscow's gas pipeline scheme for

Iran.

Bridge construction began shortly after China had contracted with Baghdad in May 1975 to purchase some 50,000 tons of sulphur for the ensuing six-month period, largely to compensate for supply problems due to worldwide shortages.<sup>94</sup> This transaction led to more substantial purchases later, such as Iraq's agreement to provide an additional 100,000 tons in partial implementation of a July '77 trade protocol, the full details of which were not disclosed.<sup>95</sup> Even before the signing of this accord, however, China had rapidly emerged as an important Iraqi trade partner in some commodity areas, agreeing to purchase over 100,000 tons of Iraqi dates, thereby becoming Iraq's leading customer for this product.<sup>96</sup>

It is useful to examine these purchases against the backdrop of Chinese economic policy at the time in order to grasp fully what purposes they were intended to serve. Throughout this period foreign imports were meant to play only an 'auxiliary role'<sup>97</sup> in China's development. It is therefore probable that China's purchases from, and general expansion of economic ties with, Iraq aimed mainly to sweeten the political atmosphere between the two countries, at a time of souring relations between Iraq and the Soviet Union.

Whereas it is difficult to attribute China's emergence as a major customer for Iraqi dates exclusively to the dietary habits of the Chinese population, this is not to suggest that all of China's purchases from Iraq were designed chiefly to gain political advantage at the expense of

Moscow. China's imports of Iraqi fertilisers, for example, served a compelling economic interest. Throughout 1975--76, Beijing wrangled with Japan (its principal source of fertilisers and leading trade partner) over the twin issues of volume and price. In a round of negotiations that ended in deadlock, China sought from Japan expanded supplies at further discounted prices while Japan pressed for supply cuts and price increases.<sup>98</sup> This may well have induced China to diversify its suppliers. The Gulf regimes (in this case, Iraq) were especially suitable candidates since China, in any event, sought more advantageous political and strategic relations with them.

In reviewing China's relations with Iraq during this period it is important to comment on two things: the tactics employed and the record of achievement. China's utilisation of foreign economic relations to establish or consolidate strategic and political ties in the Middle East was not a new approach. What was new, however, was the extension of this approach to the Gulf sub-region, and its application against, rather than in solidarity with, the Soviet Union. Such activity appeared to pave the way for amicable relations between China and Iraq. Yet, no corresponding deterioration in Soviet--Iraqi relations could be attributed to China's efforts.

#### (v) Relations with North and South Yemen:

China continued to nourish its relations with North and South Yemen by relying on trade and aid to an extent

unequalled in its relations with other Middle East countries, if only because the small size and backwardness of the two countries made it more feasible to do so.

In South Yemen (January 1975), groundbreaking ceremonies marked the beginning of China's technical assistance in the construction of a farm tools and hardware factory.<sup>99</sup> Notes were exchanged between Chinese and South Yemeni officials announcing agreement on China's construction of a 224-km. road from Shihr to Sayhut.<sup>100</sup> In December of the same year, the two countries signed an industrial cooperation agreement planning for the construction of a yarn mill.<sup>101</sup> Further road construction agreements were concluded following China's completion of the Mahfid--Mukalla highway in 1977.<sup>102</sup>

In North Yemen (YAR) China also concentrated on relatively small, 'high impact' projects to improve basic living conditions. In September 1975 China turned over to North Yemen the Taiz Revolutionary General Hospital which it had built and donated.<sup>103</sup> China later signed an agreement to work towards the establishment of an agricultural experimentation station in North Yemen.<sup>104</sup> In June 1977 Beijing announced its intention to dispatch medical teams to the YAR.<sup>105</sup> Later in that year a Chinese delegation appeared in San'a to negotiate with the state company responsible for equipping the YAR's armed forces and security apparatus.<sup>106</sup> Finally, not long after the Chinese completion of the Huth--Sa'da leg of the San'a--Sa'da highway, the two countries signed a trade agreement.<sup>107</sup>

Still, despite China's efforts to strengthen the economic infrastructure of both South Yemen and the YAR individually,

relations between Aden and San'a alternated between conflict and rumors of possible merger. These unpredictabilities broadcast the clear message to Beijing that the local situation was not necessarily conducive to building - in accordance with Beijing's wishes - a stable buffer against Soviet expansionism. Of course, it was perhaps reassuring to China to know that the volatility of the South Arabian peninsula was no easy environment for the Soviet Union to operate in, or from.

## Chapter V

### An evaluation

#### What were China's objectives?

Several important developments converged to form the basis of China's Middle East policy between 1972 and 1978: (1) the reclassification of the Soviet Union as China's principal enemy; (2) the corresponding thawing of Sino--American relations; and (3) the fluidity of China's domestic political situation (especially towards the end of this period). The combined impact of these developments caused China to focus more intently on the Second and Third Worlds, emphasising intergovernmental relations in order to combat the superpowers' drive for hegemony, especially that of the Soviet Union. China also set for itself a second and related task, that of modernisation, tentatively opening its door to more vigorous foreign economic relations in order to do so.

As of 1972 Beijing observed a shift in the East--West balance in Moscow's favor and an intensification of superpower contention occurring chiefly in the eastern Mediterranean and the Indian Ocean. These circumstances accentuated the Middle East's strategic importance to China. Soviet activity in the Middle East was viewed in connection with its seeming efforts to fill the vacuum in Indochina created by the U.S. withdrawal. Regarded as parallel initiatives aimed at China's encirclement, Soviet moves in Southwest Asia were strategically related to, though not equated with, Soviet activities in Southeast Asia. Thus, whereas twenty years earlier China had supported the Soviet

Union's effort to challenge Western predominance in the Middle East, China in this phase sought to curry favor with local regimes in order to combat the expansion of the Soviet presence and influence in the region.

By 1972 China had succeeded in normalising relations with most of the countries of the world. Still, China had not won universal recognition nor had the recognition it had attained necessarily assured it of a degree of prestige and influence commensurate with its strategic needs or political aspirations. In the Middle East, particularly in the Gulf, Beijing sought to engage local regimes in official bilateral relations in order to: (1) enhance its strategic position vis-a-vis Moscow; (2) detach them from Taiwan; and (3) boost China's status as the legitimate leader of an emergent force in world politics, the Third World. While not dissimilar from its campaign for status and influence elsewhere, China's political objectives in the Middle East at this time acquired special importance following the use of the Arab oil weapon, which demonstrated to Beijing the potentialities of Third World resource power and the desirability of becoming its champion.

Beijing's drive towards economic modernisation got a late start, and then proceeded cautiously. Overall, China's foreign policy during this period placed security ahead of modernisation. Yet, the urgent need to modernise the Chinese economy did begin to make its presence felt in the PRC's foreign relations. Tentative though they were, China's efforts to bolster its economy through foreign economic

relations were noteworthy. This was as true in its Middle East policy as in its foreign policy generally. For the first time, Beijing pursued economic ties in the Middle East not merely to further its strategic and political interests, but also in (limited) service of its development.

#### **What were China's tactics?**

In the previous period, although foreign policy pragmatism may have been China's general direction, it was not clear that it had been China's unequivocal choice. On the contrary, even while appearing set on responding favorably to Washington's overtures and having taken steps to build its intergovernmental relations, Beijing nonetheless had placed primary emphasis on support for a select few national liberation movements. In the Middle East, China had concentrated its energies in this regard on the support of the PFLOAG and the PLO. Between 1972 and 1978, however, Beijing reversed the emphasis, laying greater stress on developing intergovernmental ties while correspondingly tapering its support to liberation movements.

In the case of the PFLOAG, Beijing's material assistance was discontinued by 1972. Gradually, Beijing also withdrew its rhetorical support: first, by breaking with the PFLOAG's maximalist aim of liberating the entire Gulf; later, by reducing the frequency of its verbal support for the PFLOAG's perseverance and self-reliance; and finally, by eulogising the movement's past struggles.

While Beijing's relations with the PFLOAG consisted of a steady drift towards complete dissociation, its relations

with the PLO between 1972 and 1978 were much more complex. Tactically, China utilised its position in the U.N. as well as its provision of material assistance to conduct its relations with the PLO. In the first half of the period Beijing maintained a comparatively low level of material support to the PLO that reflected: (1) lingering disappointment with the PLO's displacement from Jordan; (2) disapproval of the upsurge of PLO-sponsored acts of terrorism; (3) increasing reliance on Arab governments as the primary vehicles for regional change; and (4) displeasure with the PLO's links to the Soviet Union.

By 1974, however, Beijing resumed material support to the PLO that carried into the next phase of China's Middle East involvement. Several factors converged to produce this change. First, in the wake of the '73 war, Arab governments' unanimous recognition of the PLO as the sole legitimate representative of the Palestinian people in effect gave China the 'green light' to upgrade its support of the organisation without fear of alienating Arab regimes. Second, the admission of the PLO to the U.N. with 'observer' status, coupled with the PLO's stated willingness to consider a political solution, presented Beijing with a face-saving remedy for continuing support without impairing its fragile international image. Third, in response to the Soviet Union's post-'73 efforts to find a channel through which to influence or impose a peace settlement, Beijing used its material assistance to the various Palestinian guerrilla factions to preclude the U.S.S.R.'s co-optation of

the movement.

China used the U.N. consistently as a platform for its pronouncements in support of the Palestinian cause which in turn enabled Beijing to discredit the superpowers and rally the Third World against them. The manner in which Beijing used its voting power in the U.N., however, was more illustrative of its true policy than the fervor of its rhetoric. In abstaining from, rather than opposing, cease-fire resolutions and peace proposals, China revealed that:

(1) though it no longer reviled the U.N. as a mere superpower prop, it still did not regard the institution as a major vehicle for change; (2) it would not openly press its own militancy or the militancy of the PLO against the will and wishes of moderate Arab governments; and (3) it would not terminate its support of the Palestinian cause which it continued to view as the crux of Middle East turmoil whose root cause was superpower meddling.

At the intergovernmental level, China intensified its efforts to add breadth and depth to its relations with local regimes, regardless of their political orientation. While continuing to rely heavily on exchanging delegations of various kinds at various levels in order to cultivate a better image, Beijing mixed its policy instruments and policy partners. Though foreign trade was not yet an integral part of China's modernisation effort, there were signs that foreign economic relations could compensate for problems with domestic production. Thus, in its relations with Iran, Iraq and Egypt as well as in its interest in Kuwait and Bahrain, Beijing strove to diversify its sources

of aluminum, ball bearings, crude oil, and chemical fertilisers.

Despite its increasing commitment to its own modernisation, China did not abandon its aid program to the Middle East nor alter the generous terms of its economic assistance. It concentrated its aid efforts on small-scale projects aimed primarily at improving basic living conditions (e.g. constructing small mills, factories, hospitals, roads and bridges). Though directing those efforts mainly where its presence was already significant (e.g. South Yemen and the YAR), Beijing diversified its aid recipients to include Egypt, Iraq and Syria. China's most important aid transfer during this period was its first-time military donation (i.e. MiG engines) to Egypt in 1976.

On both a bilateral and multilateral level, China stepped up its 'oil diplomacy', largely as the result of the momentous use of the Arab oil weapon during and after the '73 war. At first confining its support to OPEC's supply and pricing initiatives, China broadened its position by encouraging the Third World generally to press its claims against the superpowers by exercising resource power.

#### **Were China's efforts successful?**

During this period China failed to win official recognition from additional Middle East governments, though it did prepare the ground for such an achievement, particularly in its courtship of Bahrain.

In its bid to deliver more fruitful economic benefits from

its relations with Kuwait, Beijing was only mildly successful during this period. As illustrated by the delayed posting of its official envoy to Beijing, Kuwait exhibited some misgivings about plunging too deeply too quickly into a relationship with China, whose record of accomodation with its own Muslim population and whose support of Gulf stability was too recent to be convincing.

Sino--Iranian relations were also somewhat tentative during this period, though for different reasons. On China's part, its hesitancy might be attributable to its concern about the Shah's regional hegemonic ambitions which were a potential source of local disturbances, not merely a deterrent to them. Perhaps less important, yet of probable consideration, was the Shah's hostility to communism. Notwithstanding the Shah's growing reliance on U.S. arms, he was not unwilling to consider economic cooperation with the Soviet Union. It is not clear how this was regarded in China. Were the Shah's overtures to Moscow considered by Beijing merely as a ploy to draw more attention and benefits from the United States? If not, such overtures might have been greeted in Beijing with some misgiving.

Recall that, in nurturing Iran's independence, Beijing sought to improve its own strategic and political position. It is impossible to say precisely whether or not either country's position was significantly enhanced by their relations. Less ambiguous, however, was China's success in obtaining short-term economic benefits from Iran as well as improving its image in Tehran by providing an additional market for Iranian products.

In the early part of this period, China's courtship of Baghdad was less than enthusiastic. China's incentive for pursuing closer ties with Iraq was boosted by the amelioration of Iran-Iraq tensions in 1975 and the intensification of Soviet--Iraqi friction shortly thereafter. Even in the late 1970s, however, China's economic relations with Iraq developed somewhat slowly, partly because Baghdad had not yet devised a specific development scheme. Nevertheless, China's engineering and construction work - modest in scale though it was - built a lasting reputation.

Worry about over-identification with Washington might have contributed to opening Iran to China. Likewise, concern about over-reliance on Moscow perhaps impelled Iraq to build ties with China. Alternatively, one could argue that Iran and Iraq each sought to win additional concessions from their respective superpower allies by making overtures to China. Similar logic could be used to explain the progress in Sino--Egyptian relations. In that respect, whether China was exploiting opportunities or itself being used by Middle Eastern regimes is irrelevant. For, one thing is beyond dispute: China during this period gained 'access' to the region, and in so doing, began to establish both a reputation as well as a presence that it had not formerly had. For example, more important than the quantity, dollar value, or level of sophistication of Chinese arms transferred to the region was the fact that they were furnished promptly and unconditionally when needed. The same

can be said of China's political support. The manner of Beijing's giving - perhaps more than the gift itself - accomplished two things. First, it highlighted the inadequacies of the superpowers. Second, it earned China unprecedented respect and appreciation; and therefore the possibility of more productive future relations.

China's withdrawal of support from the PFLAOG deprived Beijing of an ideological weapon in its propaganda war with the U.S.S.R. Yet, by paving the way for China's adoption of a credible position of support for Gulf stability, it began the process of beating the superpowers to the side of peace. In its support for the PLO, Beijing succeeded in doing enough to preserve its revolutionary credentials, to prevent Moscow's cooptation of the organisation, and to stay on the right side of an important Arab issue - without doing too much so as to impair its relations with Arab moderates.

Beijing's relative success in channelling the 'right amount' of support for the PLO, however, was greatly facilitated by several developments at the local level. First, a less intransigent and militant Arafat made Beijing's moderate stand appear less expedient. Second, Arafat's determination to obtain support where he could get it, without bankrupting the movement's independence, made it possible for Moscow to attach itself to the PLO but impossible for it to absorb the PLO.

As previously shown, China's tactics and developments in the Middle East had not always co-existed harmoniously. During this period, however, China's efforts and the region's politics for the most part converged. In some

respects, China's 'open door' seemed well-suited to the revolving door of Middle Eastern politics.

## Notes

(1) See, for example, Peking Review, no. 3 (14 January 1977).

(2) Ibid.

(3) See, for example, Deng's speech to the United Nations General Assembly for an official view of the 'world situation', reprinted in Peking Review, no. 15 (12 April 1974).

(4) See, for example, Peking Review, no. 2 (14 January 1972), which lists and describes the principal Soviet naval activities from 1969 (i.e. fleet visits, global maneuvers, etc.) that drew China's attention and concern.

(5) See, for example, Peking Review, no. 45 (4 November 1977) which provides Beijing's rationale for considering the U.S.S.R. the 'more ferocious' superpower.

(6) Peking Review, no. 8 (18 February 1977).

(7) Greg O'Leary, The Shaping of Chinese Foreign Policy (London: Croom Helm, 1980), p. 23.

(8) Carol Lee Hamrin, 'Domestic Components and China's Evolving Third World Theory' in China and the Third World: Champion or Challenger?, edited by Lillian Craig Harris (London: Croom Helm, 1986), p. 53.

(9) See, for example, Peking Review, no. 43 (27 October 1972).

(10) Sarah-Ann Smith, 'China's Third World Policy as a Counterpoint to the First and Second Worlds' in Champion or Challenger?, p. 53.

(11) Robert Sutter, China's Foreign Policy: Developments After Mao (New York: Praeger, 1986), pp. 20--24.

(12) See, for example, Peking Review, no. 2 (14 January 1972).

(13) See, for example, Peking Review, no. 15 (14 April 1972).

(14) Reference Materials, no. 42 in Issues and Studies, vol. x, no. 9 (June 1974), p. 99.

(15) For the connection between China's 'new' foreign policy line and the Middle East's 'centrality,' see, for example, Huang Hua's 5 December 1972 speech to the U.N., reprinted in Hsinhua (7 December 1972). The speech echoes China's special concern with Soviet expansionism, stating that '... they want to realize the old Tzar's cherished ambition for the control of the Mediterranean Sea and the establishment of hegemony in the Middle East.'

(16) Reprinted in Peking Review, no. 35 (26 August 1977).

(17) In a retrospective on the events of 1976, Peking Review, no. 6 (4 February 1977) paid special tribute to a series of

Middle East initiatives antagonistic to apparent Soviet designs: the Egyptian-Sudanese defense pact, the meeting of Arab Gulf foreign ministers, the militarisation of the Shah's Iran. In the following edition, the Chinese press saluted the U.N. General Assembly's resolution declaring the Indian Ocean a 'zone of peace' [See Peking Review, no. 7 (11 February 1977)]. In all cases, these reactions typified China's public confidence and enthusiasm of the period, whether or not justified, and whether or not genuine.

(18) Harold Hinton (Ed.). Selected Documents: Government and Politics in Revolutionary China, 1949-1979 (Wilmington, Del.: Scholarly Resources, Inc., 1982), pp. 349--350.

(19) See, for example, George T. Yu, 'The Tanzania-Zambia Railway: A Case Study in Chinese Economic Aid to Africa' in Soviet and Chinese Aid to African Nations, edited by Warren Weinstein and Thomas Henriksen (New York : Praeger, 1980), p. 119.

(20) Peking Review, no. 4 (28 January 1972).

(21) Peking Review, no. 25 (23 June 1972).

(22) Calvin Allen, Jr., The Modernization of the Sultanate (Boulder: Westview Press, 1987), pp. 73, 119.

(23) Ibid. See also, F.A. Clements, Oman: The Reborn Land (London: The Longman Group, 1980), p. 97, who describes government measures and successes in stifling guerilla activity inside Oman and heading off supplies from Yemen.

(24) Allen, op. cit.

(25) Ibid.

(26) See, for example, Hsinhua (27 November 1974).

(27) Lillian Craig Harris, 'China's Relations with the PLO' in Journal of Palestine Studies, vol. vii, no. 1, Autumn 1977, p. 142.

(28) U.N. Documents 5/PV.1747 (21 October 1973), p. 67.

(29) See Samuel Kim, China, the United Nations and World Order (Princeton: Princeton University Press, 1979), pp. 212--221.

(30) The Daily Telegraph (3 July 1976).

(31) See, for example, Behbehani, pp. 116--131; and Chang Ya-chun, p. 90.

(32) The International Herald Tribune (8 February 1971) mentions an uncharacteristic 10-day hiatus (during January 1971) in China's ritual coverage of the PLO, interpreting this as a sign of a policy review.

(33) The Egyptian Gazette (11 November 1971).

(34) The Christian Science Monitor (16 November 1971).

(35) Peking Review, no. 13 (31 March 1972).

(36) The Times, London (19 April 1972).

(37) Ibid.; see also, Alvin Rubinstein, Red Star on the Nile (Princeton: Princeton University Press, 1977), esp. pp. 192--198; Mohammed Heikal, The Sphinx and the Commissar (New York: Harper and Row, 1978), esp. pp. 238--255; Amnon Sella, Soviet Political and Military Conduct, pp. 72--83; Adeed and Karen Dawisha, 'The Soviet Union in the Middle East', pp. 20--21; and Galia Golan, Yom Kippur and After, pp. 21--28.

(38) See, for example, Peking Review, no. 30 (28 July 1972); The New York Times (6 August 1972).

(39) Peking Review, no. 37 (15 September 1972); and no. 42 (20 October 1972).

(40) Rubinstein, p. 223.

(41) See, for example, Deng's U.N. speech, reprinted in Peking Review, no. 16 (19 April 1974).

(42) The Guardian (25 October 1973).

(43) The Observer Foreign News Service, no. 31634 (30 October 1973).

(44) For China's reaction to Moscow's handling of Egypt on these subjects, see, for example, Hsinhua (7 February 1976).

(45) The Financial Times, The Guardian, and The Daily Telegraph (26 March 1976).

(46) The Financial Times (26 March 1976).

(47) Hsinhua (2 and 7 April 1976).

(48) The International Herald Tribune (13 April 1976).

(49) The Guardian, The Daily Telegraph, and The Japan Times (19 April 1976).

(50) The Times, London and The New York Times (22 April 1976).

(51) The Daily Telegraph (28 April 1976).

(52) The International Herald Tribune (26 April 1976).

(53) The Egyptian Gazette (6 May 1976).

(54) Ibid.

(55) The New York Times (23 April 1976).

(56) The New York Times (23 April 1976).

(57) Peking Review, no. 5 (25 January 1971).

(58) Peking Review, no. 8 (19 February 1971).

(59) See, for example, Peking Review, no. 4 (28 January 1972) and no. 11 (11 March 1972).

(60) Peking Review, no. 17 (28 April 1972).

(61) Peking Review, no. 48 (30 November 1973).

(62) See, for example, King Chen, editor, China and the Three Worlds (London: Macmillan, 1979), p. 44, who links China's subsequent Third World policy to the '73 War, listing those measures and meetings which thereafter won China's endorsement, comprising China's overall program of advocating Third World resource power and independence.

(63) The New York Times (17 November 1973); and Arthur J. Klinghoffer, "Sino-Soviet Relations and the Politics of Oil" in Asian Survey, no. 6 (June 1976).

(64) See, for example, Hsinhua (27 December 1974)

(65) On China's desire to enlist Iran in defending the security of the Indian Ocean see, for example, Mark Mancall, China at the Center: 300 Years of Foreign Policy (New York: The Free Press, 1984), pp. 480--481.

(66) A.H.H. Abidi, 'Iran--China Relations: A Historical Profile' in China Report, no. 3 (May--June 1981), p. 33.

(67) David Bonavia, 'China Seeks Network of Friends' in The Times, London (20 June 1973).

(68) Ibid.

(69) At the CCP Second Plenum, Chou made the first explicit statement by a Chinese official concerning a timetable for modernisation. Although Deng, a 'moderniser', was elected Vice-Premier at the Plenum, the policy study and recommendations generated a fierce debate that temporarily set back the modernisation campaign. On Chou's speech, see Peking Review, no. 4 (24 January 1975).

(70) Hsinhua (21 September 1973).

(71) Hsinhua (27 October 1973).

(72) Middle East Economic Digest (7 February 1973).

(73) BBC/SWB/ME/W720/A1/1 (17 April 1973).

(74) Ibid.

(75) BBC/SWB/ME/W884/A1/1 (7 July 1976); BBC/SWB/FE/W885/A/16 (14 July 1976).

(76) BBC/SWB/ME/W945/A1/2 (6 September 1977).

(77) For reports of the bearing purchase, see BBC/SWB/ME/W944/A1/4 (14 December 1977). On the subject of the Japanese suspension of sales to the PRC, see BBC/SWB/FE/W959/A/19 (14 December 1977).

(78) Rodney Wilson, Trade and Investment in the Middle East (London: Macmillan, 1975), p. 82 reports that Iranian rials were not as freely convertible as the currencies of other major (non-Middle Eastern) oil exporters because of its comparatively smaller currency holdings; the PRC was willing to accept trade payment in rials rather than in U.S. dollars.

(79) Le Monde (3 December 1974).

(80) BBC/SWB/ME/W945/A1/2 (25 October 1977).

(81) Ibid.

(82) BBC/SWB/FE/3992/A4/1 (18 May 1972).

(83) Hsinhua (28 September 1973).

(84) BBC/SWB/FE/4416/A4/1 (5 October 1973).

(85) Le Commerce du Levant (31 June 1973).

(86) David S.G. Goodman, 'Power and Policy' in The China Challenge: Adjustment and Reform, edited by Goodman, Lockett and Segal (London: Kegan Paul, 1986), p. 5.

(87) Ibid.

(88) Ibid.

(89) Hsinhua (7 August 1975) and The Japan Times (10 August 1975).

(90) Hsinhua (6 May 1977).

(91) Hsinhua (28 December 1977).

(92) Quoted by Adeed Dawisha, 'The Soviet Union in the Arab World: The Limits to Superpower Influence' in The Soviet Union in the Middle East, edited by Adeed and Karen Dawisha (London: The Royal Institute of International Affairs, 1982), p. 17. Dawisha describes deteriorating Soviet--Iraqi relations marked by a decline in trade and the Iraqi condemnation of the Soviet invasion of Afghanistan.

(93) Hsinhua (2 August 1975); and BBC/SWB/FE/W840/A/8 (20 August 1975).

(94) BBC/SWB/ME/W952/A1/4 (25 October 1977).

(95) Hsinhua (29 September 1975); and BBC/SWB/FE/W847/A/28 (8 October 1975).

(96) Hsinhua (20 December 1976); and BBC/SWB/FE/W910/A/13 (5 January 1977).

(97) BBC/SWB/FE/5534/A4/5 (11 June 1977).

(98) BBC/SWB/FE/5613/A4/3 (13 September 1977).

(99) Hsinhua (20 December 1976) and BBC/SWB/FE/4811/A4 (11 December 1975).

(100) Hsinhua (9 May 1975).

(101) BBC/SWB/ME/W856/A1/6 and FE/5082/A4/1 (9 December 1975).

(102) BBC/SWB/FE/5665/A4/2 (12 November 1977).

(103) Hsinhua (29 September 1975); BBC/SWB/FE/W847/A/28 (8 October 1975).

(104) BBC/SWB/FE/5400/A4/2 (30 December 1976).

(105) BBC/SWB/FE/5534/A4/5 (11 June 1977).

(106) BBC/SWB/FE/5613/A4/3 (13 September 1977).

(107) BBC/SWB/ME/W952/A1/4 (25 October 1977).

Chapter VI  
'Leaning to the other side'  
(1978--1981)

**A. Modernisation first:**

The course of Chinese foreign and domestic policy (1978--1981) as well as the connection between them is inseparable from the political ascendancy of Deng Xiaoping. The Eleventh Party Congress (August 1977) was a watershed both in terms of Deng's personal political career and in the course of China's policy.<sup>1</sup> The Congress confirmed Deng's political resurrection by approving the policy changes he espoused. Thus, economic modernisation became the centerpiece of Chinese policy, both foreign and domestic. Placing development first, however, did not imply that China's strategic position had suddenly improved; nor did it guarantee certain improvement in the immediate future. Rather, the emphasis on modernisation acknowledged the indivisibility of security and development. It signified, if only implicitly, a recognition and acceptance of the principle that: security is unobtainable in the absence of development, and development is unachievable in a climate of international instability.

**B. Sino--American entente:**

From the outset, however, the perceived intensification of superpower rivalry - more overt with the unravelling of Soviet-American detente - appeared to place at risk China's

'New Long March.' In Beijing's view, the U.S.R. continued to be the principle cause of instability, revealing by its behavior 'its strategy for world domination.'<sup>2</sup> When the Sino--Soviet alliance had been intact, China had regarded the U.S. as the primary instigator of regional conflict. During this period, however, China portrayed turmoil in the Third World as being directly linked to Soviet aggression.

Events not only appeared to confirm this analysis; they reinforced it. Threatening China's immediate strategic position (or at least its regional aspirations), relations with Vietnam deteriorated. By July 1978 the PRC had terminated aid to Hanoi.<sup>3</sup> Unhappily, Vietnam signed a Treaty of Friendship with the Soviet Union in November of the same year,<sup>4</sup> formalising a relationship which China had watched develop with increasing misgiving. Within two weeks of the signing of the treaty, the first shipment of Soviet MiG-23s arrived in Hanoi.<sup>5</sup> Then, in February--March 1979 Sino--Vietnamese tension, heightened by the Vietnamese invasion of Cambodia, gave way to open conflict.

Sino--Vietnamese hostility came increasingly to be regarded by Beijing not as a localised problem, but as part of a set of global developments occurring at Soviet instigation.<sup>6</sup> Other events, though perhaps less alarming to Beijing, were similarly interpreted. Moscow's augmented supply of weapons to India, for example, though by no means the first of its kind, was viewed not as a discrete act, but as part of a broader set of initiatives displaying hostile Soviet intentions.<sup>7</sup> The 1979 invasion of Afghanistan was viewed not as an isolated case of Soviet aggression;

instead, it was regarded by Beijing as a key element in a Soviet global offensive which fed on Washington's 'feeble remonstrations'.<sup>8</sup>

Beijing's concern about the augmentation of Soviet military capabilities and activities in the late 1970s echoed the sentiments that had been expressed twenty years earlier about the United States. Concern about the security of Chinese territory, as two decades before, intensified Beijing's concern. Beijing had once exhorted the Soviet Union firmly to resist U.S. 'aggression'; and had eventually expressed displeasure about Moscow's 'timidity'. Likewise, in this period - of necessity, if not by preference - Beijing relied on the U.S. to curb Soviet 'expansionism'; and, similarly, voiced its dissatisfaction with Washington's response.

Beijing's deep appreciation of the Soviet menace helped resolve its ambivalent attitude towards the United States in favor of de facto entente. Sino-American alignment in turn resulted in the temporary de-emphasis of Beijing's cardinal strategic principle, the 'Three Worlds Theory' into a period of relative dormancy.<sup>9</sup> Yet, it did not diminish China's interest and activity in the Third World. On the contrary, the Third World continued to figure prominently in China's strategic, economic, and political future. As the zone of greatest instability, it constituted a vast belt of danger and opportunity, directly linked to China's security and important to China's modernisation.<sup>10</sup>

### C. Economic basis of Third World relations:

As successful modernisation came to be increasingly associated with China's deeper immersion in the world economic system, moderation supplanted militancy as the hallmark of Chinese foreign policy conduct, especially in the Third World. The idea of pursuing modernisation was not new, but the level of commitment to it, along with the chief means for its accomplishment, were qualitatively different. Prior to Deng Xiaoping, Hua Guofeng had committed China to a set of economic reforms which A. Doak Barnett referred to as 'palliative rather than fundamental'. <sup>11</sup> Deng departed from his predecessor by, among other things, assigning a major role for China's modernisation to foreign economic relations.<sup>12</sup> China's main objective - more readily achievable in the context of Sino--American entente - was the acquisition of Western technology and investment.<sup>13</sup>

Focus on the U.S., Western Europe and Japan, however, did not correspondingly reduce Chinese interest in expanding economic cooperation with the Third World. As one observer astutely noted,

China can hardly overlook the primacy of enlarging imports from the Third World and socialist economies on a selective, if not a special, basis - if only to siphon off to the extent possible trade balances with the West, notwithstanding the political considerations thereof.<sup>14</sup>

Formerly China had been at the center of Third World controversies, deservedly earning a reputation for stirring, if not starting them. As this analysis will go on to show, beginning in 1978 Beijing sought to avoid controversy and to pursue consensus; to pursue avenues of economic cooperation

with, rather than attempt to stir revolution within, Third World countries.<sup>15</sup> Lin Zhimin asserts that the new emphasis on seeking stability rather than fostering change introduced a 'conceptual gap'; that is, it presented Beijing with the problem of determining how to profit from greater contact with other countries while remaining a champion of Third World causes.<sup>16</sup>

#### **D. Expanding Sino--Middle East relations:**

The Chinese view of the Middle East between 1978 and 1981 reflected its preoccupation with Soviet behavior. Meanwhile Beijing's policy approach to the region reflected its decisive tilt towards Washington and its emphasis on the economic dimension of foreign relations. Chinese publications made frequent references to the Middle East as an integral link in the Soviet effort to forge an 'iron ring of encirclement' around China.<sup>17</sup> Such remarks, perhaps more metaphor than worry, nonetheless revealed Beijing's close attention to events in the Middle East, and close association of these developments with Soviet activity. China regarded the Middle East both as 'an[sic] epicenter of the world's trouble' and as a prime target of Soviet troublemaking.<sup>18</sup>

Beijing closely monitored what it regarded as a determined Soviet effort to 'outflank' the United States in the Middle East (as well as Africa).<sup>19</sup> The period began and ended with regional disturbances construed by China as having a Soviet source or as being conducive to Soviet exploitation: the isolation of Egypt in the Arab world and the subsequent

assassination of Sadat; turmoil in the South Arabian peninsula; revolutionary upheaval in Iran, followed by the outbreak of the Gulf war; and new patterns of Israeli aggression, epitomised in the extension of Israeli law to the Golan Heights and the pre-emptive air strike against Iraq's Osirak nuclear facility.

To Beijing this chain of circumstances was unparalleled. Its cumulative violence and unpredictability maintained at a high level of risk, including the possibility of superpower confrontation, at a time when China had decisively 'leaned to the other side'. To repeat, these events did not occur in isolation, nor were they perceived as such by Beijing. Sandwiched between them was the Sino--Vietnamese conflict and the Soviet invasion of Afghanistan. The second incident confirmed Moscow's willingness to resort to force; the first case demonstrated the implications of Soviet behavior for China's own security.

At the time, Chinese security was defined in especially broad conceptual and conspicuously non-territorial, terms. During this period, the Middle East figured prominently in Beijing's strategic calculations primarily because disturbances in the region jeopardised the stable environment seen as the precondition for Chinese modernisation; and because successful modernisation was deemed to be the bedrock of Chinese security.

#### (i) Relations with Egypt:

During this period Beijing and Cairo continued to find

common ground for political, military, and economic cooperation. The basis for Sino--Egyptian understanding was the two countries' resistance to the Soviet Union, both outside and within the Middle East.<sup>20</sup>

Yet there were difficulties with, if not limits to, Beijing's political alignment with Cairo. Sadat's separate peace with Israel resulted in Egypt's isolation. Such a division among the Arabs hardly favored a durable peace. The absence of a comprehensive and enduring Arab--Israeli settlement raised the possibility of continuing, if not strengthening, Soviet influence in the region. For, Beijing regarded division among the Arabs as fertile ground for Soviet meddling. This is precisely what China had hoped to prevent.

Beijing's rather bland reaction to the treaty, which was more remarkable for what it did not say, underlined China's ambivalence. Beijing's response did not, for example, explicitly criticise or openly express reservations about the Egyptian--Israeli peace. It did, however, emphasise Soviet 'gains'. and it voiced scepticism about U.S. 'credibility'. The governing sentiment of the official reaction was a thinly disguised resignation.<sup>21</sup> Such lukewarm support on this important matter illustrated China's overriding concern with the effects of Sadat's peace initiative on Arab rejectionists' ties to Moscow.<sup>22</sup> Ironically, Sadat, upon whom Beijing had primarily relied to offset, if not weaken, the Soviet relationship with Arab rejectionists, presented instead the occasion for its further consolidation.

Another dramatic step forward in Sino-Egyptian military cooperation, however, partially compensated China for this disappointment. In January 1978 Egypt reportedly sent a Soviet MiG-23 to China.<sup>23</sup> Later, it was revealed that the Soviet plane had been exchanged for 80 Chinese fighter planes as well as Beijing's pledge to assist with their assembly and pilot training.<sup>24</sup> According to sources in the Japanese Defense Agency, the MiG-23 transfer was the first in a series of contemplated swaps, expected to include small numbers of SAM land-air missiles, MAT anti-tank missiles, and T-62 tanks.<sup>25</sup>

The importance of this transaction lay in its timing and in the circumstances which supplied the motives for it. At the time the Soviet Union had taken advantage of the United States' initial hesitation in throwing full support behind the Sadat initiative. Moscow had begun to press the Arab rejectionists to derail the Egyptian peace effort.

Accentuating Cairo's growing isolation, Libyan troops were mobilising on Egypt's borders. In addition, \$1.5 billion in U.S. military credits were not forthcoming.<sup>26</sup> The Carter Administration's tactic of 'tying together' arms transfers to Egypt, Jordan and Israel was stymied by strong opposition in the U.S. Congress.<sup>27</sup> Saudi Arabia compounded Cairo's difficulties by its failure to finance the proposed purchase of 50 F-5s, citing their exorbitant cost.<sup>28</sup>

Thus, on Egypt's part, the aircraft swap promised immediate relief, both in symbolic and concrete terms. First, the acquisition enabled Cairo to free its MiG-21

squadrons for redeployment along the increasingly hostile Libyan border. Second, the Chinese supply of aircraft (however inadequate as a substitute for either U.S. or fresh Soviet equipment) demonstrated to the superpowers that, in a limited sense, they were not indispensable. Third, the aircraft deal notified the Egyptian military that Cairo could make good on its declared intention to diversify its sources of arms.

In Beijing's case, the Sino-Egyptian aircraft swap should be viewed in the broader context of its desire to modernise the military, and not merely the civilian, sectors of its economy. By this time a modified Chinese concept of national defense, focusing on the protection of China's urban and industrial strongholds, had already begun to evolve.<sup>29</sup> That concept stressed the relationship between weapons and tactics, with attention centering on military research and development.<sup>30</sup> Without exaggerating its importance, the procurement of the MiG-23, which came at a time when the MiG-21 was the most sophisticated combat aircraft in China's inventory, assisted in these efforts.<sup>31</sup> The MiG-23 served as a prototype for cheap, labor-intensive aircraft production. As importantly, the MiG deal set a precedent for future Sino-Egyptian military cooperation. As the lessons of the Sino-Vietnamese conflict were absorbed, reliance on international collaboration to re-equip the PLA figured more prominently than before in Beijing's calculations.<sup>32</sup>

Ties between Cairo and Beijing also had a noteworthy economic dimension. Trade between the two countries grew steadily from a total of \$120 million in 1978 to a height of

\$210 million in 1981.<sup>33</sup> China's special interest in Egypt centered on phosphates and minerals. In Spring 1979 a Chinese geological delegation examined the quantity and quality of phosphate ores in Egypt's western desert, concluding its study with discussions about future joint prospecting (involving the Egyptian Survey Authority).<sup>34</sup>

Besides its interest in mutually beneficial trade and ore-mineral exploitation, China also exhibited interest in collaborating to develop Egypt's petroleum industry.

Apparently, this was a major reason why an Egyptian petroleum delegation led by Minister of Industry, Oil and Mines, Ahmed Hillal visited Beijing in early 1978.<sup>35</sup> China contributed to Egyptian development projects under the aegis of the United Nations' FAO as well as through its own AGRICON (the China International Engineering Corporation for Agriculture, Livestock, and Fishery). In 1979, for example, with an investment of 4 million Egyptian pounds, the PRC completed the construction of the Ismailia fish farm; trained Egyptian specialists in fish breeding; and planted 20,000 fruit trees.<sup>36</sup>

In a sense, China's cooperation with Egypt in all of these endeavors is reminiscent of the assistance it had rendered two decades earlier. At that time, China, as a member of the Soviet bloc, aimed to rescue Egypt from the adverse consequences of Nasser's unilateralism. On this occasion, Beijing, informally aligned with Washington, opted to assist Egypt in surviving the unilateralism of Sadat. In both cases, Beijing's efforts were strongly motivated by the

optimal desire to detach Egypt from, but a willingness to settle for lessening Egypt's dependence on, one or the other superpower.

Despite its relatively small scale, Chinese assistance to, and economic cooperation with, Egypt should not be underestimated. Measured purely in monetary terms, these endeavors might have been of relatively unimportant. In the longer term, such involvement might have set a foundation of political confidence in the ultimate quest for political influence.

#### (ii) Relations with Jordan:

China's 'breakthrough' in Egypt was a new and encouraging stage in an old and often tumultuous relationship. In contrast, Sino--Jordanian relations had no history and held comparatively less promise. In the past, China had derisively referred to the Jordanian monarchy as a stooge of Western imperialism. Less prone to public displays of invective, King Hussein generally appeared no more keen than Beijing to establish relations. Yet, in July 1978 the two countries signed their first trade agreement, stipulating the reciprocal granting of most-favored-nation trade status.<sup>37</sup>

Three decades of acrimony and avoidance hardly favored the creation of a trade partnership. The turn-around in Sino--Jordanian relations was, however, the product of a much more current history. Jordan's special appeal to China at the time was its closer association to Washington than to Moscow. King Hussein, in publicly expressing his displeasure

about 'indiscriminate' Soviet arms transfers to the region,<sup>38</sup> practiced a politics that was roughly compatible with China's.

Based on the 1978 trade agreement, China made sizable purchases of Jordanian phosphates and expressed interest in future purchases of potash.<sup>39</sup> In turn, China agreed in 1981 to participate in a third-party joint venture with France to build a 1,523-unit apartment complex in the first stage of a large housing construction project near Amman.<sup>40</sup> Such instances of Sino--Jordanian economic cooperation, modest at the outset, probably received an initial boost from the loose politico--strategic linkage of Washington, Amman, and Beijing.

**(iii) Relations with the PLO:**

Beijing sought during this period to improve its relations with Arab moderates and with Washington, without making a casualty of its commitment to the Palestinians. However, China's attitude towards the Palestinian issue was one of growing impatience - with Washington as much as with the PLO.

The source of Beijing's trouble with the United States was Washington's apparent 'vacillation.'<sup>41</sup> The Chinese held the view that the United States was inconsistent in two respects: the energy and sense of urgency with which it pursued a comprehensive peace settlement; and the standards of accountability to which it held the opposing sides in the Arab--Israeli conflict regarding the employment of force. As the period progressed, China - like the Arabs -

began to question the wisdom of relying on American diplomacy to resolve the Palestinian problem.

The Camp David process was a landmark in the history of U.S. Middle East peace efforts in terms of the sustained attention devoted to, and the results earned by, the enterprise. How, then, is one to interpret China's silence? It is probable that Beijing welcomed the initiative, but questioned the approach. The Camp David process brought Israel and Egypt to the bargaining table, engineered a peace between them, and led to the return of the Sinai to Egypt. What Camp David failed to accomplish (and perhaps could not realistically have been expected to) was the resolution of the Palestinian question which, China had consistently regarded as the 'crux' of the Arab--Israeli dispute. The Camp David process called for future negotiation of the Palestinian problem, but did not set the negotiations immediately in motion.

Beijing's silence in respect of the Camp David agreements surely did not mean that China had no opinion. What it did mean was that the opinion held could not be openly expressed without generating political controversy. Public support of Camp David would have been tantamount to approval of a framework for peace that, whatever its merits, had excluded the PLO, not to mention other Arab states with which China was cultivating relations. In effect, Camp David postponed (ultimately indefinitely) the question of Palestinian autonomy which China deemed crucial to an overall settlement. On the other hand, there were strong reasons for Beijing to refrain from publicly criticising Camp David: (1)

the desire to avoid damaging relations with either the U.S. or Egypt; and (2) the wish to withhold judgment pending clear indication that 'stage one' of Camp David (i.e. a separate Egyptian--Israeli peace and return of the Sinai) would be followed negotiations over Palestinian autonomy.

Additional evidence suggests that China's silence about Camp David masked disapproval, or at least lack of confidence, rather than support. The tell-tale sign of China's disillusionment was a recommitment to the PLO chiefly in the form of support for the positions which it espoused. Within the period spanning fall 1978 and summer 1980, at least three major PLO--Fatah delegations travelled to Beijing to confer with Chinese leaders. Sandwiched between them was Premier Hua Guofeng's June 1979 address to the Chinese People's Congress in which he declared support for a political solution to the Palestinian question, but at the same time voiced China's support for Palestinian statehood and the right of return, neither issue expressly dealt with in Camp David.

Subsequent to Camp David, if not partly because of it, the Arabs were in disarray and Israel was emboldened. Neither the achievements nor the shortcomings of Camp David rendered the PLO irrelevant. Paradoxically, the PLO was consolidated by being thrust on the defensive. PLO 'diplomacy' was reinvigorated: Arafat divided his time between manoeuvering within and mending inter-Arab rivalries in order to keep the Palestinian movement alive. Consequently, in reaffirming its

support for the PLO, Beijing was challenged to adapt to its ambiguous role: to maintain a commitment to the Palestinian cause in order to nourish its relations with Arab regimes; to continue to support the PLO in order to offset the influence of Moscow; yet to disassociate itself from PLO excesses, verbal or otherwise, which might irritate the Arabs or antagonise Washington.

Divergences between Beijing and the PLO leadership, though perhaps only visible from time to time, were never fully reconciled.<sup>42</sup> Beijing, which fruitlessly encouraged the U.S. to abandon its partiality towards Israel, was equally unsuccessful in its efforts to hold the PLO to its own evolving standards of acceptable conduct. Arafat's first trip to China in ten years (October 1981) threw into bold relief the sharp differences between Beijing and the PLO which lay beneath the surface of their amicable relations. Coinciding with the assassination of Egypt's President Sadat, Arafat's visit became an unexpected embarrassment to Beijing when the PLO Chairman used the occasion to denounce Sadat's peace efforts.<sup>43</sup> Only one month before Arafat's indiscretion, reports from Beijing had indicated that China had supplied arms to the PLO.<sup>44</sup>

PLO ties to Iranian oppositionists also placed China in an awkward position. China's support for the PLO was confined to the context of the Arab--Israeli dispute. A stable Iran served the common Sino--American strategic purpose of providing a buffer against Soviet expansionism. China could not have sought to encourage, or to have wished to be implicated in, subversion of the Shah. It was not until

the latter part of the period in discussion that serious opposition was mounted against the Shah. Thus, the PLO--Iranian oppositionist link was a potential dilemma for China, but a remote one.

(iv) Relations with Israel:

China performed yet another tightrope act in quietly developing its relations with Israel. Unlike its cooperation with Egypt - which threatened to distance China from Arab hardliners only - a visible improvement in Sino--Israeli relations jeopardised China's ties with the Arab world generally. Nevertheless, Israel's highly prized military technology and expertise constituted a powerful inducement for Beijing to assume political risks. Of course, military cooperation with Israel and a softer stand on the Arab--Israeli dispute was not a fixed cost. At any given time, the real price for Sino--Israeli cooperation depended on China's not going too much further politically than the Arabs themselves; and proceeding at least as quietly in non-political areas of cooperation.

A March 1978 People's Daily editorial indicated the nuancing required to strengthen Sino--Israeli contacts without weakening Beijing's position among the Arabs. The language of the article offered the oblique suggestion that China was prepared to recognise Israel were Israel willing to tame its aggressiveness.<sup>45</sup> However, Israel's settlements policy, bombing raid on Iraq's nuclear reactor site and activity in South Lebanon rendered this formula irrelevant;

thus, the merits of its vagueness were never fully tested.

Three months before this editorial, in discussions with a visiting delegation of the American Jewish Congress, Chinese Deputy Premier Keng Piao had declared that, with respect to Israel, China was 'essentially in agreement with Egypt.'<sup>46</sup> These remarks are notable for reasons other than their obvious ambiguity. First, they reveal China's cautious willingness to follow Egypt's lead rather than to define its own position. Second, they illustrate Beijing's tactical preference for keeping all political channels open, for practicing evasion rather than entertain the risk of being held to account for strong conviction.

As early as 1979 China sought to capitalise on its relationship with the United States and Arab moderates. Beijing is reported to have suggested to Washington a division of labor in brokering a Middle East peace settlement. At that time Foreign Minister Huang Hua is said to have recommended to the members of the U.S. Senate Foreign Relations Committee that the United States exert pressure on Israel while the PRC used its leverage on Arab moderates.<sup>47</sup> Such an arrangement promised a role for China that it otherwise could not obtain, while implicitly excluding Moscow.

However, the success of such a project (other than securing the willingness of Washington to participate in it) depended on two developments that in fact never materialised: a less 'biased' U.S. position towards Israel and a more conciliatory position by Israel. The 'strategic cooperation' agreement between Washington and Tel Aviv

evoked perhaps the most open sign of Beijing's frustration; up to that time China's criticism of the United States was tame.<sup>48</sup>

The combination of Israeli activity buffered by American passivity, hindered the launching of open and direct Sino-Israeli relations. Perhaps more importantly, it deprived China of an enlarged role in the peace process. Despite these political disappointments, China could take encouragement from both present circumstances and future possibilities. True, an enhanced political role had temporarily eluded China. Still, the loss of an apparent opportunity was not accompanied by a squandering of political capital. Beijing had committed itself to the cause of peace, working behind the scenes to offer assistance. Offering to collaborate did not appear to have compromised its position among the Arabs.

(v) China and revolutionary Iran:

As previously mentioned, China and the United States had a common strategic interest in supporting the Shah of Iran. Although Sino--Iranian relations had been formally established in 1971, Chairman Huang Hua's arrival in Tehran on 29 August 1978 marked the first visit made by a high-ranking Chinese official to Iran.<sup>49</sup> Thus, when in 1979, Iran was no longer the Shah's, Beijing shared Washington's dilemma. As one observer noted,

Pro-American anti-Soviet Iran was the spindle on which China's strategic calculations turned. The spindle broke and the Chinese became uncomfortably

aware that the first non-Communist leader their Chairman had ever visited [Hua Guofeng's visit to the Shah, 1978] was an execrated fugitive, for whose blood his vengeful successors were ready to outrage all established codes.<sup>50</sup>

The fall of the Shah had far-reaching implications for Chinese foreign policy which were related to, not divorced from, Beijing's strategic alignment with Washington. First, the Iranian revolution deprived Beijing - as it did Washington - of a reliable cushion against Soviet expansionism.

Second, by publicising the excesses of the Shah's regime, the revolution highlighted Beijing's past association with tyranny. This was a source of great embarrassment to China, given its claim to Third World leadership.

Third, the Khomeini regime's revolutionary militancy, by threatening neighboring countries, jeopardised the stable international environment deemed essential to successful Chinese modernisation.

Fourth, the revolution complicated Sino--American entente by threatening to make Beijing as culpable for its silence as for its association with either antagonist. China was compelled to camouflage its differences with Washington over Iran, by quoting others and accusing the Soviet Union of gloating.<sup>51</sup>

For China, the emergence of Khomeiniism in Iran was ill-timed and ironic. China had spent the better part of a decade successfully rehabilitating its image and integrating itself gradually into an international system which the militant Iranian revolution repudiated in principle and

challenged in practice. This was not only difficult for Beijing to reconcile ideologically. It also complicated the business of conducting relations at the intergovernmental level with Tehran. Furthermore, Iran's primary adversary in the immediate aftermath of the fall of the Shah, the United States, was temporarily Beijing's co-defender against Soviet expansionism. The immediate targets of Iran's militant foreign policy were the Arab Gulf states, with whom China had only recently improved ties. How to preserve relations with Iran's revolutionary regime, in the context of Sino-American entente and in a manner which did not alienate the Arabs thus became the peculiar dilemma of China's initiation in Gulf politics.

Towards the revolution itself, Beijing was little more than coolly receptive. Initially, the Chinese press referred to the revolution merely as 'turmoil' or 'turbulence.' Afterwards, Beijing confined itself to factual reporting, commenting tersely on the course of events.<sup>52</sup>

Once the revolution succeeded in deposing the Shah, Beijing appeared intent on making the best of a situation that it could not change. Encouragingly, the Khomeini regime rebuffed a Soviet offer of military aid.<sup>53</sup> This refusal also provided post facto justification for Beijing's earlier unwillingness to support the American campaign to impose sanctions on Iran.<sup>54</sup> Tehran's expulsion of a Soviet diplomat six months later further improved Tehran's credentials in Beijing's eyes.<sup>55</sup> In contrast, Beijing, which had exhorted the U.S. to exercise restraint in its dealings with Iran,<sup>56</sup>

made less of an effort to disguise its disapproval of Washington's behavior, particularly in the wake of the hostage rescue attempt.<sup>57</sup>

Both in so far as the revolution and the related U.S.--Iranian tension were concerned, Beijing sought deliberately to remain on the political sidelines as a means of preserving friendships with both countries. When the Gulf war erupted between Iran and Iraq, Beijing adopted the same tactic, quickly declaring its neutrality.<sup>58</sup> On the other hand, assuming these positions implicitly acknowledged China's inability to prevent or suppress local developments potentially hostile to its interests, they were merely a function of China's impotence. On the other hand, China might be seen to have made a merit of its weakness. Declaring its neutrality in the war sent a signal of goodwill to the belligerents and displayed a commitment to the peaceful resolution of conflict. Viewed this way, Beijing demonstrated a keen appreciation of the ways to which apparently harmful circumstances could be turned to its advantage.

#### (vi) Relations with Kuwait:

As the situation in Iran became increasingly turbulent, China's interest in Kuwait correspondingly grew (though there is no evidence of a causal link between the two). Beijing's attraction to Kuwait in fact ante-dated the Iranian revolution; moreover, it had political and economic, not merely strategic dimensions. Within OPEC, Kuwait was notable for having staked out an independent position,

highlighted by its firm stand against the Western oil 'majors' and Saudi domination of OPEC policy.<sup>59</sup> Insisting on its right to alter prices and production according to fluctuating market conditions, Kuwait announced two substantial cutbacks to its three major Western customers (BP, Gulf and Shell).<sup>60</sup> Kuwait's initiatives in this respect coincided with China's efforts to link Third World states in the exercise of their resource power. The purpose of Kuwait's efforts - to conserve its assets until such time as it could sell processed products<sup>61</sup> and to campaign for a more favorable deal for oil producers<sup>62</sup> - intersected with those of China.

During this period, China displayed an appetite for Kuwaiti oil and not just a fascination with Kuwaiti oil policy. At the same time that Beijing was applauding Kuwait's assertiveness, it was negotiating directly with Kuwait for flexibility in supplying crude oil to China. China had not imported Kuwaiti oil since the mid-'70s. However, when domestic production stuck at a plateau of 106 million tonnes in both 1978 and 1979, China turned to the Gulf.<sup>63</sup> In the same period and for similar reasons - lagging domestic production and a desire to diversify its foreign sources - China imported substantial quantities of Kuwaiti chemical fertilisers (from a value of \$77 million in 1977 to a high of \$121.4 million in 1980).<sup>64</sup>

Kuwaiti oil policy was complemented by an inventive security policy which served the additional (financial) purpose of finding outlets for surplus petrodollars. Primarily aiming to purchase security and goodwill, Kuwait

spread its money liberally in the Gulf as well as, more broadly, in the Arab and Muslim worlds. These efforts, first of all, converged with Beijing's emphasis on South--South cooperation. More importantly, because the investment of Kuwaiti petrodollars reached into East Asia, Kuwaiti policy converged with China's immediate strategic concerns, as the subsequent discussion will show.

Following the departure of the Shah, for example, Kuwait extended \$200 million in soft loans to Pakistan.<sup>65</sup> Subsequent joint political efforts between Kuwait and Pakistan to oppose the Soviet presence in Afghanistan<sup>66</sup> meshed comfortably with Chinese interests. Similarly, Kuwait's offer of \$167 million in grants to Indonesia, in conjunction with its support for ASEAN's efforts to find a political solution to the Kampuchean problem, were welcomed by China.<sup>67</sup> Thus, the effect, though presumably not the intention, of Kuwait's effort was to bolster Third World economies and political initiatives in areas of strategic sensitivity to China.

As indicated, China was the indirect and unintended beneficiary of Kuwait's loans and investments to West and East Asian governments. The ready availability of Kuwaiti petrodollars also sparked Beijing's interest in drawing funds directly to China. In 1981, Chinese officials discussed for the first time just such a possibility with their Kuwaiti counterparts.<sup>68</sup>

Kuwait was targeted to play yet another role in the expansion of China's foreign economic relations. Beijing

sought to use Kuwait as a channel through which to probe the Middle East export market. In September 1981, the Sino--Kuwaiti trade center opened an exhibition designed to market Chinese products and expertise to the Arab world.<sup>69</sup>

Sino--Kuwaiti interests, though convergent, were not coincident. Kuwait displayed a foreign policy pragmatism that resembled Beijing's, but adopted specific policies that, in some cases, were directly opposed to China's. Kuwait counterbalanced its assistance to Pakistan by providing substantial quantities of crude oil to India.<sup>70</sup> Second, while supporting the cause of an exclusively Arab security arrangement, Kuwait - which spurned a U.S. arms sales proposal, ostensibly for financial reasons - moved to finalise weapons purchases from the Soviet Union.<sup>71</sup> Third, notwithstanding its condemnation of Soviet aggression, Kuwait, the only Arab country to have full diplomatic relations with both superpowers at this time, encouraged its Gulf neighbors to establish links with the U.S.S.R.<sup>72</sup>

These divergences between Kuwait and China, however, were soon to be resolved when Beijing itself adopted a similarly balanced approach to the superpowers. In the meantime, however, Kuwait's position with respect to the Soviet Union was only minimally satisfactory to China.

(vii) Relations with North and South Yemen (PDRY):

Chinese publications might have misread or purposely exaggerated Soviet activity in the Arabian peninsula when referring to it as an imminently successful pincer movement aimed at domination of the Red Sea.<sup>73</sup> Nonetheless, the

numerous articles reporting these events indicate China's close attention to developments in this area. The Soviet--South Yemeni Treaty of Friendship of 1978 formed the official basis for the stationing of large numbers of Cuban troops as well as Soviet military advisers, technicians and pilots;<sup>74</sup> and for the positioning of sophisticated Soviet weaponry in South Yemen.<sup>75</sup> Early in 1980 Aden conceded the expansion of the U.S.S.R.'s Hadibu base on Socotra Island.<sup>76</sup> Estimates ranged wildly, reporting anywhere from 1,000 to 5,000 troops in Soviet uniform in South Yemen (bunked, ironically, in British-built barracks).<sup>77</sup> Access to enlarged military facilities in South Yemen also improved the Soviet Union's ability to conduct surveillance activities. Thus, Aden, which had once been described as a clearinghouse for Chinese weapons channelled to national liberation movements, appeared to Beijing to have become a Russian military warehouse, anchoring the Soviet effort to knot local regimes into a strategic cordon.

Complementing the augmentation of the Soviet military presence in the PDRY was a series of political developments equally unwelcome to China. First, Aden did not condemn the Soviet invasion of Afghanistan. Second, by early 1980 the PDRY had already severed ties with Egypt, joining the Soviet-supported 'Steadfastness Front'.<sup>78</sup> Third, South Yemeni officials were reported to have held discussions with their Ethiopian and North Vietnamese counterparts, meetings which had implications for China's East African investments in the first case, and East Asian security in the second.<sup>79</sup>

In responding to these developments, the PRC did not

drastically alter its policy. Rather, China patiently maintained its trade and aid commitments to the PDRY, continuing to play the hand that it was dealt. Beijing's patience with - or resignation over - an augmented Soviet presence and influence in South Yemen appeared to be unexpectedly rewarded by Ali Nasser Mohammed Hassani's accession to power in early 1980.<sup>80</sup> Seeming less doctrinaire and more committed to independence than his predecessor, Hassani resumed Aden's efforts to heal relations with its Arab neighbors.<sup>81</sup> Counterbalancing a Spring 1980 visit to Moscow, Hassani shortly thereafter travelled to Saudi Arabia.<sup>82</sup> As though to demonstrate South Yemen's aim to moderate its policies, Hassani urged restraint upon the Gulf belligerents. This effort received particular attention in the Chinese official press, in that it matched Beijing's stated policy towards the Gulf conflict.<sup>83</sup> Offsetting a large-scale Soviet naval visit and the subsequent arrival of Soviet Vice-Minister of Defense Sokolov, Hassani called for a regional summit to discuss the elimination of foreign bases.<sup>84</sup>

Hassani's seeming pragmatism drew little official comment from Beijing. One would have perhaps expected China to have expressed approval of Hassani's flexibility. However much Beijing might have welcomed Hassani's foreign policy as an improvement, there were numerous and compelling reasons not to overrate or to overreact to it. First, given the fluidity of South Yemeni politics, there was no guarantee that either the moderation of PDRY foreign policy or the man chiefly

responsible for its adoption would survive for very long. Second, China could not have failed to have appreciated South Yemen's dependence on the Soviet Union, both for arms and for aid (though Soviet aid never quite matched South Yemen's needs or expectations).<sup>85</sup> Beijing surely recognised the degree to which the Soviet Union had become entrenched in the PDRY. Third, Hassani's rapprochement with Arab Gulf regimes produced no zero-sum outcome for China. Although it paralleled China's policy approach, it did not clash with that of the Soviet Union, which itself had adopted a softer line towards the Gulf monarchies and had grown ambivalent about a radicalised PDRY. There was no cause therefore for Beijing to anticipate either a decoupling from Moscow or a significant diminution of Soviet influence.

In neighboring North Yemen the assassination of Ahmed Hussein Gashmi brought Ali Abdullah Saleh to power - in the same month that developments in South Yemen had opened Aden's door to wider Soviet penetration. Thus, the turbulence in South Yemen so disturbing to Beijing was matched by instability in Sana'a, and exacerbated by a brief border war between the two neighbors. Although interested in the outcome, China refrained from becoming directly embroiled in the local turmoil. Instead, China appeared to rely on Saudi Arabia and the United States to defend North Yemen. Yet, very few of the \$100 million in American arms earmarked for San'a and financed by Saudi Arabia were actually transferred by Riyadh.<sup>86</sup> Thus, the Saudi--American connection, which Beijing appeared resigned, if not content, to rely upon, was subverted by the overriding influence of

inter-Arab rivalry.

In sharp contrast, the Soviet Union, which on other occasions had reportedly supplied leftist rebels in the YAR with tanks and artillery, gained a reputation for directness and swift fulfilment of weapons orders.<sup>87</sup>

Meanwhile Saleh's government, though accepting weapons from Moscow, pledged its adherence to nonalignment and opposition to entangling alliances.<sup>88</sup> Saleh's October 1981 journey to Moscow did not necessarily signal a betrayal of these principles. It probably reflected instead mounting domestic pressures. Saleh's trip was most likely aimed at bartering a degree of accommodation with the Soviet Union in the form of: (1) a deferral of the YAR's military debts; and (2) a Russian pledge to lean on the PDRY to end support of the National Democratic Front.<sup>89</sup>

Beijing persevered in seeking to offset, rather than to prevent, the possible strengthening of the Soviet position in North Yemen. Yet, because of the YAR's small market and deteriorating foreign exchange position, China's efforts to build trade relations were narrowly circumscribed. Winning construction contracts in the YAR was a more realistic (and ultimately a more successful) approach. In 1978, on the basis of competitive terms that matched the YAR's austerity, China won four construction contracts in North Yemen: to build an airport and a heliport; and to design two roads.<sup>90</sup> The following year, China agreed to transform and expand a Sana'a textile factory.<sup>91</sup> Overall in 1979, the Chinese Construction and Engineering Company (CCEC) entered

into twenty project agreements with the YAR.<sup>92</sup> It was in Yemen that China first experimented with joint venture construction activities, entering an agreement to form the Yemeni--China Building and Engineering Company. The aim of this endeavor was participation in housing construction projects outside as well as within North Yemen.<sup>93</sup> Beijing also signed a protocol in this period, calling for the dispatch of a sixty-member medical team to the YAR.<sup>94</sup>

(viii) Relations with Iraq:

Closer Sino--Iraqi ties during this period were forged in an atmosphere of coolness between Moscow and Baghdad. In the context of the Ethiopian--Somalian war and the Ethiopian civil wars, Iraq had backed Somalia and later, the Eritrean separatists, adopting in both instances, positions which clashed with those of the Soviet Union.<sup>95</sup> Early in 1980, Iraq promised North Yemen \$300 million in aid, an initiative taken independently of Moscow which displayed a shrewd combination of goodwill and assertiveness in a Saudi 'preserve'.<sup>96</sup> Iraq's conduct, though signifying no complete or permanent rupture with Moscow, was probably encouraging to Beijing nonetheless.

There were also economic incentives for Beijing to pursue closer relations with Iraq. In principle, Iraq shared China's aim of developing foreign trade. Receiving a Chinese delegation led by Minister of Foreign Trade Li Chiang, Iraq First Deputy Taha Yassin Ramadam commented: 'Our objective is to free ourselves from the superpowers' rivalry so as to preserve the stability of the world situation.'<sup>97</sup>

In practice, Chinese--Iraqi economic cooperation centered on Chinese construction and labor contracts, and fertiliser purchases. China's effort to improve its international economic competitiveness at the time included authorising state companies to do business overseas. One such enterprise, the China Road and Bridge Engineering Company offered its first tender in Iraq, outbidding seven other international competitors for the contract to build the fourth bridge at Mosul.<sup>98</sup> In the first case of its kind, Japan's Chiyoda Chemical Engineering and Construction Company reached an agreement with China to employ 700 Chinese workers in Iraq's Baiji oil refinery project.<sup>99</sup> Besides tying the two Far East giants together into a Middle East petroleum venture, this project is noteworthy for setting China on a path towards the large-scale export of its labor to the region.

Throughout this period, China continued to ply the Middle East for cheap supplies of chemical fertilisers. Although the PRC derived most of its urea and ammonium phosphates from Japan,<sup>100</sup> price increases encouraged China to diversify its sources.<sup>101</sup> In 1978, for example, China contracted with Iraq to import \$4 million worth of chemical fertilisers.<sup>102</sup> Pursuing deals such as this became increasingly desirable to Beijing as, by 1981, the PRC's financial position deteriorated, and price negotiations with Tokyo became correspondingly more troublesome.<sup>103</sup>

As a member of the Arab 'Steadfastness Front' with ties to Moscow, Iraq occupied a position in the Arab--Israeli dispute that had to be considered, if not eventually

accommodated. The regime of Saddam Hussein possessed two additional characteristics which presumably Beijing had to consider: its ruthlessness and its independent-mindedness. Ultimately how stable and how manipulable was such a regime? By the end of the first year of the Gulf conflict, no clearcut answer to these questions had emerged. What was clear by then, however, was that Iraq had become involved in a protracted struggle for its own survival rather than emboldened by a quick, decisive victory over its neighbor, Iran. Suddenly, Iraq's relationships with its Arab neighbors were completely transformed: from having pledged generous aid to North Yemen, to having to appeal for, and become indebted to, the wealthy Arab Gulf sheikdoms for assistance. These changes, by clouding Iraq's future, made the future of Sino--Iraqi relations not necessarily bleak, but somewhat more unpredictable.

## Chapter VI

### An evaluation

Under the guidance of Deng Xiaoping, modernisation became the central objective of Chinese foreign as well as domestic policy, and the preservation of international stability became the essential prerequisite for its successful pursuit. From 1979 China tilted decisively towards Washington, and the development of foreign economic relations received unprecedented policy emphasis.

#### What were China's objectives?

As previously, China regarded the Middle East as a uniquely volatile region and an important zone of superpower competition. To the extent that China associated successful modernisation with a tranquil international environment, developments in the Middle East were carefully scrutinised by Beijing. China was especially sensitive to the augmentation of the Soviet military presence and activity in the region, which it interpreted as part of a global strategic offensive. Thus, the economic and strategic dimensions of China's Middle East policy merged.

Safeguarding modernisation was closely associated with blunting the Soviet Union's apparent Middle East advance.

China's objectives in the Middle East, however, were not only to protect modernisation, but also to promote it. China hoped to reap military as well as non-military benefits from the region. In the military sphere China sought both weapons and technology in a cost-effective, selective effort

to re-equip the PLA and upgrade its indigenous arms production capability. Second, China looked to the Middle east as a potential export market, with an eye towards building its manufacturing base and drawing vital foreign exchange. Third, China turned to Middle East suppliers to diversify its sources of specific raw materials: especially fertilisers, and to a lesser extent, crude oil. Finally, China tried for the first time to attract Arab investors.

The overall aims of protecting and promoting modernisation took precedence over, but were not necessarily incompatible with, China's political objectives in the region. Beijing, which had formerly sought Third World leadership as an ideological model, strove during this period to gain a reputation for its commitment to, and solidarity with Third World governments in pursuing economic development. While continuing to urge resistance to superpower domination, Beijing emphasised modernisation, not revolution. This period marks the point at which Beijing clearly subordinated 'peoples' armed struggle' to regional stability. China's approach to the Middle East reflected this general trend.

#### **What were China's tactics?**

Ostensibly, 'modernisation first' was an economic doctrine aimed at quintessentially economic goals. Underlying the commitment to modernisation, however, was an entire complex of strategic as well as political considerations. In addition to raising China's standard of living, modernisation promised to strengthen its security and

enhance its world political standing.

Initially, Beijing pursued the comprehensive goals of modernisation by shifting into alignment with the United States. The swing in the direction of Washington promised to minimise China's strategic exposure to the U.S.S.R., to secure vital access to Western technology, and to complete the political rehabilitation of China's international political image.

Part of China's modernisation campaign involved the reequipment of its military. In the light of heightened concern about the Soviet threat, Beijing looked to the Middle East to provide Soviet-made weapons prototypes to improve its own aging systems. Swaps with Egypt and, to a lesser extent, feelers to Israel for the acquisition of technology and expertise were the principle vehicles for China's military cooperation with Middle East regimes.

The launching of Chinese modernisation had the effect of reinforcing recent past practices in the area of economic cooperation. First, in an effort to improve its agriculture, China continued to explore opportunities to develop and acquire fertilisers from the Middle East. Second, because oil figured prominently in China's overall modernisation - notwithstanding improvements in its domestic production capability - Beijing maintained an interest in purchasing crude oil in modest quantities at reasonable prices from Gulf producers.

The application of the 'open door' to the Middle East added new dimensions to China's economic relations with the region. First, Beijing sought to draw Arab petrodollars to

China in the form of loans and investments. Second, China joined foreign competitors in bidding for engineering and construction projects in the Middle East. Third, China demonstrated a willingness to participate in third country ventures in the region. Finally, Beijing took the unprecedeted step of entering labor contracts, dispatching significant numbers of workers to the Middle East.

Temporary strategic alignment with the U.S. offered China interesting tactical possibilities in its aproach to the Middle East. Beijing sought to exploit its association with Washington in order to improve its reputation and enlarge its role in the region, ideally at Moscow's expense.

Reminiscent of the Sino-Soviet strategic partnership which introduced China to the region in the mid-1950s, the Sino--American relationship more than a quarter of a century later initially functioned as a channel for China to expand its activity in the area.

The Beijing--Washington connection at first suggested to China a division of labor that could, by facilitating the resolution of the Arab--Israeli dispute, crowd out the Soviet Union. Beijing hoped to exert leverage on the moderate elements of the PLO as well as on Egypt and Jordan. It relied on Washington to deliver Israel and move Saudi Arabia to support a negotiated settlement. It is important to note, however, that the U.S. had already strengthened its hand in respect of Egypt and Jordan by disbursing considerable foreign aid to them. Thus, how much China realistically could have hoped to have

contributed is questionable. In any event, China, which had striven to play a bridge-building role in the Middle East on behalf of the Sino--Soviet alliance in the opening decade of the Cold War, briefly revived the tactic, this time to undercut Moscow.

Although it is difficult to establish a causal nexus between China's revised relationship with the U.S. and its political adjustment vis-a-vis Israel, it is impossible to avoid the suggestion that the two developments were in some way related. Whether or not China's amended position on Israel was chiefly influenced by its desire to strengthen ties with Washington, the shift was nonetheless gradual and subtle. China ritualistically continued to deny reports of official contacts with Israelis, playing down their significance or rationalising their occurrence when evidence of their having taken place was irrefutable. Deftly, Beijing committed itself to hinting at normalisation with Israel. It allowed foreign journalists and diplomats to convey by conjecture what was politically inadvisable for China to declare openly: the acceptability of a compromise solution on Palestine.

Correspondingly, China - which in the mid-'70s had begun to allude to the Palestinian cause as a 'just' rather than an 'armed' struggle - appears in this period to have laid increasing emphasis on a political, as opposed to a military, solution.

Beijing did not, however, manifest its preference for a negotiated settlement by launching bold initiatives of its own. Rather, China confined itself to encouraging and

supporting locally inspired peace efforts. Because such efforts typically isolated their sponsors, manufacturing a paradoxical form of Arab unity, the PRC was careful not to lavish praise upon them. Instead, the volume and tone of Beijing's support displayed overriding attention to preserving friendships.

The unresolved Palestinian problem was a longstanding challenge to Beijing's skilfulness in winning and maintaining friends in the Arab world. The Iranian revolution and the ensuing Gulf war introduced a second, equally perplexing policy test. In the Gulf, Soviet activities and American interests appeared to be an explosive mixture stirred in a crucible of local instability. At the outset of the Gulf conflict, it was not clear that Washington and Moscow would come to some arrangement with one another concerning the war.

China's official declaration of neutrality was a damage-limiting exercise in political face-saving. Such careful political treading, unlike in the past, was driven by a strong economic incentive, and not merely by powerful political or secondary strategic considerations. Where politics could not be pressed directly into the service of modernisation, Beijing was careful to ensure that politics would not indirectly interfere with it.

#### **Were China's efforts successful?**

Between 1978 and 1981 Chinese involvement in the Middle East occurred in the shadow of Sino-American strategic

alignment. Accordingly, an assessment of China's success in the region raises two initial questions. First, what, if anything, did Sino-American entente help to produce and what did it prevent? Second, did China's activities in the Middle East strengthen or weaken its relationship with the United States?

The combined pressure of the Beijing--Washington relationship did not deter Soviet aggression or peacefully resolve any of the numerous and complex political problems in the region. The common U.S.--Chinese interest in maintaining regional stability and thwarting Soviet penetration from its periphery, however, was buoyed by local resistance to territorial and ideological domination. Thus, an uneasy equilibrium prevailed irrespective of, and to a degree despite, Beijing's association with Washington.

The Soviet invasion of Afghanistan, the Iranian revolution, the onset of the Gulf war, and the intermittent eruption of conflict in the southern Arabian peninsula formed a chain of events which shifted American attention from the Arab--Israeli peace process to developments East of Suez. As a result, the Palestinian problem, long considered by China to be the crux of the Middle East's chronic instability, was seen to fester. Beijing perceived the U.S. as enabling Israel to do as it pleased politically as well as to get what it wanted militarily. Strongly, but quietly, China opposed this approach. Noting a connection between Israeli aggression and American passivity, China gradually carved a position whose language concealed its true substance (in the interest of preventing a rupture with

Washington).

The 'unsatisfactory' performance of the United States on the Palestinian issue contributed to China's overall disillusionment with Washington. Washington's response to the Palestinian question was tolerable to China only for as long as China's temporary alignment was deemed necessary.

During this period a significant political role for China in the Middle East was at least theoretically attainable within the context of Sino-American entente, but highly improbable outside it. In the absence of a firm U.S. commitment in practice to drive Israel to the bargaining table, and without itself carrying sufficient weight to broker a comprehensive peace, China concentrated on a preserving friends among Arab moderates and preventing further alienation of Arab militants. This involved continued political dissociation from Israel, delicate separation from U.S. Middle East policy, cautious commitment to the PLO, and reserved support for unilateral peace initiatives. Accordingly, China practiced preventive politics in the Middle East.

Seen in this light China's hand was deftly played. Consisting of a proper blend of conviction and equivocation, Beijing's distinctive position on key regional issues neither crippled Sino--American entente nor visibly damaged China's existing relations in the Middle East. Whether China deliberately chose the political sidelines or was relegated to them, the benefit was the same: a limited role at least ensured limited rancor.

From 1978 economics came to supersede politics as the prime mover of China's foreign policy. Still, China's economic fortunes in the Middle East were both conditioned and constrained by political and strategic circumstance. China's establishment of economic ties with Jordan, for example, occurred in the context of Jordanian cooperation with Washington, at a time when China was itself strategically aligned with the United States. Similarly, China's heightened economic interest in Kuwait coincided with Kuwait's assertiveness within OPEC and financial assistance in key strategic areas of the Third World. Thus, the launching of new economic relations with the Middle East was not divorced from the region's politics.

The maintenance and expansion of economic ties in the Middle East would seem to have required China to refrain from any flagrant affront to local sensibilities. In fact, how difficult to satisfy would such a condition have been? Despite not having official diplomatic relations, China nonetheless conducted trade with Israel. This open secret did little apparent injury to China's relations with the Arabs. Likewise, China's trade with Saudi Arabia operated in the absence of official diplomatic ties between the PRC and Riyadh, and in the presence of flourishing commerce between Taiwan and the Saudi kingdom. China continued to engage in trade with Iran, even after the fall of the Shah; and invoked neutrality in the Gulf war to maintain economic cooperation with both belligerents. Political circumstances, therefore, complicated but did not undermine the process of China's building economic relations with the region. The

success of these efforts, moreover, depended less on China's leverage over, than on Beijing's steering clear of, the region's volatile politics. Thus, business without politics was possible; indeed, business without politics flourished.

Between 1978 and 1982 China's economic activity in the Middle East built upon nearly a decade of modest efforts and achievements in two basic areas. First, in an effort to boost its agriculture - a cornerstone of China's 'four modernisations' - Beijing continued to explore avenues of cooperation in the Middle East. Jordan joined Kuwait and Iraq as sources of fertiliser. Second, to supplement its domestic energy production, China purchased crude oil, especially from Iran.

This period is notable for the introduction of several new dimensions to Chinese involvement in the region. In the military sphere China collaborated with Egypt to exchange equipment needed to upgrade the partners' respective forces. Collaboration of this kind was comparatively inexpensive, both in political and financial terms. Also, the PRC for the first time acquired Israeli military expertise and technology. (More details are supplied in the next chapter.)

Apart from military cooperation, China also for the first time solicited Arab loans and investments, though the fruits of its efforts were not borne for a couple of years. In addition, China vigorously competed for, and for the first time won, engineering and construction contracts in the Middle East. Though relatively few in number, small in scale, and confined in geographic scope, these achievements

too were significant in laying the groundwork for more extensive and lucrative deals in the future.

Activity in the Middle East during this period was a cut from the broader cloth of China's changing international relations. Expanding economic and military cooperation with Middle Eastern countries was part of a 'globalisation' of Chinese foreign policy which received its impetus and character chiefly from the commitment to modernisation. Thus, the development of Sino-Middle Eastern economic and military ties was part of a new phenomenon rather than the phenomenon itself.

Furthermore, the period represents merely the exploratory phase of the 'open door'. Developing foreign economic and military relations received official approval as well as encouragement. Yet, in terms of foreign trade, investments and technology transfers, this was a period of prospects rather than accomplishments. Recognising that the commitment to modernisation did not produce China's instantaneous and complete integration into the world economy helps to place the limited scale of China's activities in the Middle East in more realistic perspective.

In order to enrich its prospects in the Middle East, China had to practice an astute diplomacy. This entailed facing two challenges: (1) how to capitalise on improved relations with the United States without being held accountable for Washington's errors and misjudgments; and (2) how to adopt positions on the region's important political issues that would not enmesh China in the area's conflicts and rivalries.

On the whole - and unlike in the past - China opted to react to, rather than actively to seek to shape, the contours of Middle East politics. This was a matter of choice not of indifference. The choice suggested a realistic appreciation of the possible harmful effects of applying pressure, not just an understanding of China's relative lack of influence in the region. The period is notable for what China did not say and did not do: a cultivated silence replaced potentially injurious criticism or denunciation; relations were pursued, undertaken and continued without political preconditions.

To the extent that China had a message to convey, it was pitched in unusually positive terms and cautious language: in a manner least likely to offend. In advocating, for example, Third World solidarity and the common struggle for economic development, China (rather successfully) sought to transcend particular regional problems in order not to become embroiled in them.

## Notes

(1) Jia, Qingguo, 'China's Foreign Economic Policy' in The Chinese View of the World, edited by Yufan Hao and Guocang (New York: Pantheon Books, 1989), pp. 59-76. In this piece the author argues that the commitment to modernisation arose from four related pressures: domestic political as well as economic, ideological and international.

(2) See, for example, Chairman Huang Hua's address to the United Nations, reprinted in Beijing Review, no. 40 (6 October 1978).

(3) Beijing Review, no. 28 (14 July 1978).

(4) See Beijing Review, no. 45 (10 November 1978) and, tying the treaty to Soviet aggression, see Beijing Review, no. 50 (15 December 1978).

(5) Beijing Review, no. 47 (24 November 1978).

(6) Beijing Review, no. 25 (23 June 1978).

(7) See, for example, Beijing Review, no. 12 (23 March 1979), which stresses a continuing pattern of Soviet attempts to exacerbate Sino-Indian relations.

(8) Beijing Review, no. 4 (28 January 1980).

(9) See Samuel S. Kim, 'China and the Third World: In search of a Neo-Realist World Policy' in China and the Third World: Chinese Foreign Policy in the Post-Mao Era, edited by Samuel S. Kim (Boulder: Westview Press, 1984).

(10) Beijing Review, no. 5 (2 February 1979) emphasises greater Soviet (as opposed to American) responsibility for the perpetuation of the Middle East conflict.

(11) A. Doak Barnett, 'Ten Years After Mao' in Foreign Affairs, no. 1 Fall 1986, p. 38.

(12) Doing so, of course, required retooling the Chinese economy in order to adapt to more lively participation in the international economic system. China's initial efforts in this regard included: participation in compensation trade; engagement in joint ventures; and adjustment to overseas marketing requirements. For further discussion, see V. Vithal Babu, 'China's Foreign Trade' in China Report, vol. 15, no. 6, November-December 1979.

(13) Sino-American alignment, for example, had no small impact on Japan's eventual decision to sign the Peace and Friendship Treaty (August 1978) that formed the basis of the two countries' economic cooperation.

(14) *Ibid.*, p.52.

(15) Robert Sutter, 'Strategic and Economic Imperatives and China's Third World Policy' in China and the Third World: Champion or Challenger?, Lillian Craig Harris, editor (London: Croom Helm,

1986).

(16) Lin, Zhimin, 'China's Third World Policy' in The Chinese View of the World, pp. 227-259.

(17) See, for example, Xinhua (28 December 1979).

(18) See, for example, Xinhua (21 December 1981).

(19) See, for example, Beijing Review, no. 40 (6 October 1978).

(20) China and Egypt, for instance, reportedly sought to coordinate their political opposition to Soviet infiltration of Angola [See Le Monde (19/20 March 1978) and The Egyptian Gazette (26 March 1978)].

(21) Xinhua (29 March 1979).

(22) Le Monde (5/6 March 1978).

(23) The International Herald Tribune (19 January 1978); The Guardian (19 January 1978).

(24) The Financial Times (23 June 1978).

(25) Cited in BBC/SWB/FE/5718/A4/1 (20 January 1978).

(26) The New York Times (23 June 1978).

(27) Facts on File, Vol. 38, no. 1945 (17 February 1978).

(28) Ibid.

(29) Although the public airing of this transformation in thinking appears to have post-dated the Sino-Egyptian transaction, it is reasonable to suppose that the internal debate which produced the 'new military thinking' occurred before, if not simultaneous with, the decision to swap planes with Cairo. See Beijing Review, no. 32 (11 August 1978) for a glimpse of China's changing notion of defense.

(30) BBC/SWB/FE/6023/BII/5 (23 January 1979).

(31) The New York Times (6 June 1979); The International Herald Tribune (25 June 1979).

(32) Elliott Joffe and Gerald Segal, 'The PLA Under Modern Conditions in Survival', August 1985.

(33) For the 1978 trade figures, see BBC/SWB/ME/W1030/A1/1 (8 May 1979) and FE/6099/A4/2 (24 April 1979); for 1979 and 1980, see ME/W1059/i 27 November 1979); and for 1981, see ME/W1139/A/4 (23 June 1981).

(34) The Egyptian Gazette (12 April 1979).

(35) Xinhua (25 February 1978); The Egyptian Gazette (28 February 1978).

(36) China's Foreign Trade, No. 1, 1984, pp. 23--24.

(37) BBC/SWB/ME/W991/A1.

(38) The New York Times (17 September 1976)

(39) Xinhua (13 April 1979).

(40) This project was undertaken by the China Aerotechnology Import-Export Corporation. See BBC/SWB/FE/W1137/A/16 (10 June 1981).

(41) Xinhua (24 June 1980).

(42) Le Monde (9 October 1981).

(43) The International Herald Tribune (10 October 1981); Le Monde (11/12 October 1981).

(44) The International Herald Tribune (4 September 1981).

(45) Xinhua (3 March 1978).

(46) Reported in The New York Times (20 April 1979); also discussed by Michael Eppel, 'China and the Middle East' in New Outlook, vol. 22, no. 2, March 1979.

(47) The New York Times (20 April 1979); The Straits Times (21 April 1979).

(48) Xinhua (14 September 1981); Xinhua (5 December 1981).

(49) Beijing Review, no. 46 (8 September 1978).

(50) Dennis Bloodworth, 'Why Khomeini Upsets China' in The Observer (9 December 1979).

(51) See, for example, Xinhua (22 November 1979) and BBC/SWB/FE/6275/A4/3 (19 November 1979).

(52) See, for example, Xinhua (25 January 1979); and for the PRC's official response to the birth of the Islamic Republic, see Beijing Review, no. 15 (13 April 1979).

(53) Beijing Review, no. 4 (28 January 1980).

(54) See Beijing Review, no. 3 (21 January 1980).

(55) See Beijing Review, no. 29 (28 July 1980).

(56) See, for example, Beijing Review, no. 4 (28 January 1980).

(57) See Beijing Review, no. 18 (5 May 1980).

(58) See Beijing Review, no. 3 (21 January 1980).

(59) See, for example, The International Herald Tribune (25 March 1980). The Financial Times (13 March 1980) reported Kuwait's demands that international oil companies participate in

downstream investments as the price for entering long-term supply agreements.

(60) The Daily Telegraph (24 March 1980), The International Herald Tribune (25 March 1980) and Le Monde (26 March 1980) report the circumstances surrounding the first cutback. The second cutback, which was initiated in reply to the three companies' refusal to accede to a \$3 per barrel surcharge, was reported by The New York Times (31 March 1980), The Daily Telegraph (31 March 1980) and The Financial Times (31 March 1980).

(61) The New York Times (17 April 1980).

(62) The International Herald Tribune, Special Supplement (July 1980).

(63) The Financial Times (8 October 1980).

(64) Clyde Winters, 'Economic Relations Between Kuwait and China' in The Arab Gulf Journal, vol. 6, no. 2 and Supplement, October 1986, p.37.

(65) Dawn (21 July 1981).

(66) Dawn (10 September 1980).

(67) Xinhua (16 September 1980) and Dawn (17 September 1980).

(68) Xinhua (10/11 November 1981).

(69) See BBC/SWB/FE/W1165/A/17 (23 December 1981).

(70) In 1981 Kuwait provided India with 800,000 tonnes of crude oil, largely to offset supply shortfalls arising from the Gulf War. See, for example, The Hindu (8 November 1980) and The Hindu (20 November 1980).

(71) On the Middle East's 'centrality,' see, for example, Huang Hua's 5 December 1972 speech to the U.N., reprinted in Hsinhua (7 December 1972). The speech echoes China's special concern with Soviet expansionism, stating that '... they want to realize the old Tzar's cherished ambition for the control of the Mediterranean Sea and the establishment of hegemony in the Middle East.'

(72) The Financial Times (22 September 1981); The Egyptian Gazette (22 September 1981); Le Monde (24 September 1981).

(73) See, for example, Beijing Review, no. 31 (3 August 1979) on the nature of Soviet 'global strategy'.

(74) The Soviet--South Yemeni Treaty was reported in The Guardian (12 February 1980); information on troop deployments is available in The International Herald Tribune (22 January, 9 April 1980) as well as The Guardian (9 April 1980) and The New York Times (10 June 1980).

(75) The International Herald Tribune (25 February 1980) and The New York Times (10 June 1980).

(76) Xinhua (6 January 1980).

(77) The New York Times (10 June 1980).

(78) The Times and The Financial Times (7 January 1980).

(79) The International Herald Tribune, The Times, and Xinhua (14 November 1980) reported the Ethiopian talks while The Egyptian Gazette (31 December 1981) reported Vietnamese Deputy Premier Tran Qu Ynh's visit to the PDRY.

(80) See, for example, Robert Stephens, 'Yemen Loosens Kremlin Grip' in The Observer News Service, no, 39877 (24 April 1980).

(81) In 1976 Salem Robaya Ali had normalised relations with Saudi, adopting an apparently pragmatic foreign policy. In June 1978 Ismail overthrew and executed Robaya, who had striven to curb the export of revolution. For a discussion of this turnaround, see The New York Times (15 June 1980).

(82) The Financial Times and The New York Times (28 June 1980) reported the Moscow trip. The Guardian (1 July 1980) discussed the significance of the subsequent visit to Saudi Arabia.

(83) See, for example, Xinhua (26 September 1980).

(84) Beijing's contrasting reactions to these events can be found in Xinhua (1, 25 June and 8 July 1981).

(85) For a discussion of the inadequacy of Soviet economic assistance, see Stephan Page, The Soviet Union and the Yemens: Influence in Asymmetrical Relationships (New York: Praeger Publishers, 1985).

(86) The New York Times (20 June 1980) discussed the U.S. emergency aid. The New York Times (19 March 1980) and The Daily Telegraph (20 March 1980) described the concessions that the YAR had made to Riyadh to secure previous pledges of assistance.

(87) See, for example, The International Herald Tribune (6 June 1980).

(88) Xinhua (14 October 1981).

(89) Suggesting the underlying motives for Saleh's trip to Moscow, The Guardian and The Daily Telegraph (8 September 1980) reported the civil conflict while Dawn (28 October 1981) mentioned a \$900 million drop in the YAR's currency reserves in the preceding eighteen months.

(90) BBC/SWB/FE/6201/A4/1 (23 August 1979).

(91) BBC/SWB/FE/6313/A4/1 (8 January 1980).

(92) Xinhua (30 June 1980).

(93) This new approach was reported in Xinhua (16 December 1980). The first project undertaken by the enterprise was a 350-unit housing cooperative in the YAR.

(94) Xinhua (17 April 1979).

(95) See, for example, The Guardian (2 June 1978).

(96) See, for example, The Financial Times (28 March 1980).

(97) Reported in Xinhua (13 April 1980).

(98) Reported in Xinhua (27 May 1980).

(99) See, for example, The Financial Times (28 July 1980).

(100) Kyodo (11 May 1978) and BBC/SWB/FE/W982/A/16 (31 May 1978).

(101) In 1980, for example, price increases of 20% were announced by Japan, as reported in Kyodo (12 February 1980) and BBC/SWB/FE/W1072/A/20 (5 March 1980). Note that there was an increasing correlation between Chinese crude oil price hikes and chemical fertiliser price increases/supply cutbacks, as reported, for example, in BBC/SWB/FE/W1044/A/19 (15 August 1979); FE/1055/A/16 (31 October 1979); and FE/W1057/A/13 14 November 1979).

(102) BBC/SWB/ME/W970/A1/3 (8 March 1978).

(103) BBC/SWB/FE/W1121/A/22 (18 February 1981).

## Chapter VII

### Developing influence and influencing development

1982-1989

"When elephants fight each other, grass suffers."<sup>1</sup>

#### A. Towards an 'independent' foreign policy:

Beginning in 1982 Beijing proclaimed its commitment to an 'independent' foreign policy. The rubric of 'independence' corresponded in policy terms chiefly to the restructuring of China's relations with the superpowers. This readjustment aimed at a reduction of tension with the Soviet Union and a distancing from the policies of the United States.<sup>2</sup> The objective of modifying its posture towards the superpowers followed from recognition that the U.S. and the U.S.S.R. posed comparable threats to China by endangering the stability of the international environment deemed essential to Chinese modernisation. Strategic neutrality aimed at the amelioration of regional tensions, the conservation of resources and the development of economic relations.<sup>3</sup>

Beijing pursued detente with the Soviet Union as a supplement to, rather than a substitute for, cooperation with the West and self-reliance. Substantive issues continued to divide the two countries.<sup>4</sup> Meanwhile, China explored an improvement in, without immediately seek normalisation of, relations with the U.S.S.R. Whereas multiple channels of communication featuring active trade and institutionalised diplomatic contacts ended Sino--Soviet estrangement, they did not spawn a new era of Sino--Soviet

alignment.<sup>5</sup> On the contrary, some commentators viewed Beijing's maneuvering into detente with Moscow merely as a creative adaptation of the competitive containment of the 1970s, designed in part to combat the residual signs of Soviet hostility.<sup>6</sup>

China's strategic confidence was lifted by several encouraging developments which, on balance, seemed to demonstrate the flagging vitality of Soviet expansionism. Disturbances in Poland in particular was portrayed in the Chinese official press as a sign that the cohesiveness of the Soviet empire was at best in flux.<sup>7</sup> Growing evidence of Soviet economic stagnation, besides posing potential challenges to the basis of the Soviet system, introduced fresh constraints on Soviet foreign policy.<sup>8</sup> The U.S.S.R.'s entanglement in Afghanistan, by draining resources and damaging prestige, was economically and politically costly.<sup>9</sup> Finally, the U.S. decision to proceed with the development of SDI initially promised to preoccupy and burden the Soviet Union.<sup>10</sup> The perceived blunting of the Soviet strategic advance therefore prepared the ground for a less combative posture by China towards the U.S.S.R.

#### **B. United Front on cooperative terms:**

During this period, Beijing adjusted its Third World policy in a manner that complemented the changes in its posture towards the superpowers. Reidentification with the Third World served as a means of demonstrating independence; and pursuing independence functioned as a means of restoring China's credibility in the Third World.<sup>11</sup>

China, in effect, rehabilitated the United Front, casting it in a cooperative rather than an antagonistic mold. The major elements of this approach were: (1) a revival of its foreign assistance program; (2) the extension of new support to the U.N.; and (3) emphasis on nonalignment and South--South cooperation.<sup>12</sup>

The stress on development was not accompanied by a deemphasis of politics. Rather, development goals were promoted and protected by the adoption of a revised set of tactics aimed at pursuing political objectives without incurring damage either to China's reputation or its existing relations. For example, just as its criticism of the superpowers was more even-handed and less vitriolic than in the past, China's attitude towards Third World 'collaboration' with either superpower was seemingly more tolerant. To the extent that it discouraged alignment with either Moscow or Washington, China relied on a combination of persuasion and permissiveness to do so.

China exercised special care in choosing when to take a firm political stand and when to avoid one. Generally, Beijing adopted strong political positions on issues where there already existed a strong Third World consensus (e.g. apartheid). Conversely, Beijing skirted issues hotly contested within the Third World (e.g. disputes between Ethiopia and Somalia). China confined its support to movements and struggles which were more or less 'universally popular' in the Third World (e.g. the ANC and SWAPO).

Underlying China's policy towards the Third World in this

period, and its policy towards the superpowers, were an important set of views: concerning the roots of conflict, the problems and opportunities of developing countries, and the content of China's potential contribution as a world power. For one thing, war was no longer portrayed as moncausal and inevitable. The future was projected as an outcome based on crucial choices, but those choices were not pitched sharply between capitalism and socialism. Huan Xiang captured this change in thinking in an article in Beijing Review in November 1984, writing,

We must boldly, decisively choose between war and poverty on the one hand or peace and prosperity on the other.<sup>13</sup>

Thus, by 1984, peace and development were conceptualised as a whole. China's reidentification with the Third World emphasised the common pursuit of modernisation rather than the common struggle against hegemonism. In 1986, Deng Xiaoping defined China's world role in terms of its potential contribution to world peace; and predicated the fulfillment of that potential on China's degree of development.<sup>14</sup>

#### C. 'Independence' in the Middle East:

Policy towards the Middle East was an important point of divergence between Beijing and Washington: firm ground upon which to stake out an independent foreign policy. During this period Beijing abandoned its position of tolerance and quiet disapproval of America's Middle East policy, asserting publicly and forcefully that a 'strategic consensus' was

unobtainable in the absence of Arab support and that Arab support was unobtainable in the presence of U.S. partiality towards Israel.<sup>15</sup>

In response to Secretary Haig's two early 1982 Middle East visits, Beijing emphasised that the change in Washington's Middle East policy nonetheless failed to qualify as a 'positive Middle East policy' in the light of its ambiguous attitude towards the Palestinians.<sup>16</sup> Dispassionately yet firmly, Beijing characterised the U.S. veto of a U.N. Security Council Resolution calling for the imposition of sanctions on Israel as 'erroneous policy.'<sup>17</sup> As though to underline its disassociation from Washington by the intensity of its language, Beijing charged U.S. 'connivance' with Hitlerian 'gangster logic' in reaction to Israel's 1982 invasion of Lebanon.<sup>18</sup> Consistently, China maintained that the U.S.' militarisation of the Eastern Mediterranean and the Persian Gulf, besides inciting Israeli aggression and provoking hostility, expressed a 'desire to see the world plunge into chaos.'<sup>19</sup> On the whole China opted during this period to ride the wave of moderate Arab disillusionment with Washington.<sup>20</sup>

The diminishing credibility and eroding influence of the U.S. in the Middle East during this period reinforced China's movement towards foreign policy independence. Meanwhile, the reactivation of Soviet Middle East diplomacy in an increasingly sophisticated form helped shape the character of China's role in the region. As early as 1982, Beijing noted Soviet diplomatic efforts to reenter the Middle East, predicated on a new round of regional

instability deemed to have weakened the U.S. position among the Arabs.<sup>21</sup> Two years later, Beijing remarked that Moscow was 'launching a diplomatic offensive to return to the Middle East,' counterbalancing its role as peace broker with a large-scale military investment in Syria and a resumption of arms supplies to Iraq.<sup>22</sup>

With the ascendancy of General Secretary Gorbachev, the Soviet Union exhibited a policy flexibility in the Middle East that included meetings with Israeli officials in Helsinki; the promotion of PLO factional reconciliation indirectly via Algeria and through dialogue hosted by Moscow; expressions of interest in financing the UNIFIL interim force in South Lebanon; arms sales accords with, and an agreement to lease three Soviet ships to, Kuwait; diplomatic contacts with Oman and the UAE; upgraded contact and trade relations with Saudi Arabia; and efforts to resolve the issue of Egypt's military debt.<sup>23</sup>

There is no evidence that Beijing regarded Moscow's 'success' in the Middle East as anything more than a rectification of its abnormal eclipse from the region in the late '70s. Still, China's activism towards the end of this period should nonetheless be viewed against the backdrop of heightened Soviet activity in the region. The Soviet Union was viewed, or at least publicly portrayed by Beijing as less of a danger, though no less a challenge, to China. The apparent reduction of the possibility of Sino--Soviet armed conflict left intact the prospect of continued Sino--Soviet rivalry.

The thawing of relations between China and the Soviet Union tended to dilute the strategic importance of the Middle East to China. However, the region remained an area of Sino--Soviet competition: for markets as well as for political influence.

(i) Relations with Egypt:

In December 1982 Zhao Ziyang became the first Chinese Premier to visit Cairo in nineteen years.<sup>24</sup> Like his predecessor, Zhao sought to solidify Sino--Egyptian relations in order to enhance China's position, not only in the Middle East, but throughout the Third World. Following the collapse of Sino--Soviet entente Chou En-lai in 1963 had sought to rehabilitate China's image as an independent actor, depending on Egypt to serve, among other things, as a bridgehead to Africa. Similarly, Zhao, nearly two decades later, used Cairo as the jumping-off point for an eleven-nation tour of Africa which aimed at restoring China's standing within the Nonaligned Movement following several years of Sino--American alignment.<sup>25</sup> Thus, with the March 1983 New Delhi conference of nonaligned nations looming on the horizon, Zhao's visit to Egypt launched a broad Chinese campaign to regain the confidence of the Third World.<sup>26</sup>

At the time of Zhao's visit, Beijing's wish to rehabilitate its image was reciprocated by Cairo, which likewise sought to revitalise its prestige among developing countries generally and especially in the Arab World. Two developments converged to boost Egypt's importance and potential usefulness to China: (1) Egypt's gradual

reintegration into the Arab world; and (2) Egypt's increasingly fluid maneuvering between the superpowers. As early as 1982 Jordan and Sudan exhibited signs of a thawing with Cairo.<sup>27</sup> Iraq reportedly received \$400 million in Egyptian weapons, leaving Syria, along with Libya, the strongest opponents of Egypt's reincorporation.<sup>28</sup> By late 1983, Jordan had ended its trade boycott of Egypt; and PLO Chairman Arafat, fresh from defeat in Lebanon, had mended fences with Egypt.<sup>29</sup> China's relations with Cairo responded in part to this dynamic.

Cairo's growing rapprochement with Moscow paralleled its increasing difficulties with Washington, rekindling Soviet--American competition for Egypt. The 1983 Soviet--Egyptian scientific and cultural agreement, together with Cairo's acceptance in principle of the reinstatement of the Soviet Ambassador in Egypt (absent since 1981), signalled a warming trend between the two countries.<sup>30</sup> Egypt's inability to obtain satisfactory levels of U.S. military assistance reinforced the political incentives to diversify its sources.<sup>31</sup> Strained Egyptian--American relations formed the context of Egypt's turn to the U.S.S.R. for military spare parts in 1985; the linkage between the two developments was noted in Beijing.<sup>32</sup> China's late 1984 forecast of a new round of Soviet--American wrestling in the Middle East responded to the U.S.' lifting its suspension of arms to the region following Moscow's overtures to Cairo. Operating in the environment of intensified Soviet--American competition for Egypt, China reportedly sold between \$500 and \$700

million in arms to Egypt in the first seven and one-half years of the '80s.<sup>33</sup>

Even as Egypt continued to develop its indigenous military capability, it depended greatly on arms transfers from abroad. While the U.S. remained Cairo's chief foreign supplier, the Mubarak government maintained its commitment to diversify its sources. China, building on previous cooperative ventures in the military sphere, remained actively involved with Egypt.<sup>34</sup> The new twist in Sino--Egyptian military cooperation involved Egyptian purchases of Chinese weapons which were then transferred to Iraq, reported to have included 100 F-7s (People's Republic of China version of the MiG-21) and 260 tanks (similar to the T-54).<sup>35</sup> Activities of this kind helped Egypt to consolidate its relations with Iraq, accelerating the Arab--Egyptian thaw. More directly beneficial to China, the weapons sales earned vital foreign exchange; moreover, by contributing to the stalemate in the Gulf war, the transactions supported China's economic investment in Iraq without flagrantly violating its proclaimed neutrality.

Budding Sino--Egyptian military cooperation had an additional spinoff in the 1980s. NORINCO (China's state defense manufacturers) used the Cairo International Defense Equipment Exhibition to market its hardware. In November 1987, for instance, China introduced its copy of the Soviet AGS-17 Planya 30mm grenade launcher as well as an indigenously designed 35mm weapon (type W87).<sup>36</sup>

Another fruitful aspect of Sino--Egyptian relations in this period was the development of economic ties, to which

Zhao pledged China in an exclusive interview with MENA in December 1982.<sup>37</sup> In 1984, the CCEC won its first construction contract in Egypt, initially contracting to build 1,000 flats in Egypt's 'October 6 City,' 17km. from Cairo.<sup>38</sup> Only two months later the CCEC landed yet another building contract, this one for a 6,000-unit complex in Alexandria Province valued at 39 million Egyptian pounds. In October 1985, China contracted to build 9,000 additional housing units, bringing the total value of its building activity in Egypt in the two-year period to 200 million Egyptian pounds.<sup>39</sup>

A fascinating example of Sino--Egyptian economic collaboration - and illustrative of China's broader program of South--South cooperation - was a study of, and recommendation on, the use of Egyptian kaolin. The study concluded that Egyptian kaolin, if mixed with high-grade Chinese kaolin, could be used to produce high voltage transmission lines.<sup>40</sup> [Eventually, this might lead to Sino--Egyptian cooperation in electrification projects, thereby contributing to the partners' development.]

Sino--Egyptian relations in this period consisted of an array of activities. In quantitative terms, Chinese involvement in Egypt was not comparable either to that of the Soviet Union in the past, or to that of the U.S. Yet, viewed strictly in relation to the history of Beijing's relationship with Cairo, cooperation between the two countries - in scale and in kind - was both impressive and promising.

(ii) Relations with Jordan:

China after 1982 continued to encourage a moderate and unified Arab position, independent of superpower manipulation. Beijing gently pushed for Egypt's gradual reintegration into the moderate Arab camp. While Cairo remained on the periphery of Arab politics, however, China found King Hussein's active diplomacy much to its liking. Beijing lauded Jordan's monarch for working to restore and strengthen Arab unity while at the same time resisting and preventing superpower control of the Middle East.<sup>41</sup> Until Cairo's reconciliation with Arafat, moreover, Jordan served as an important PLO--Chinese meeting place; King Hussein hosted a three-way discussion that involved PLO Chairman Arafat and Chinese President Li Xiannian in March 1984.<sup>42</sup>

It is important to note that the warming of Sino--Jordanian relations took place against the backdrop of strained relations between Amman and Washington, and successful probing by Moscow. The rupture between Amman and Washington widened over the subject of weapons sales. In March 1984, the Reagan Administration, under U.S. Congressional resistance, retracted its offer to sell Stinger missiles to Jordan. The unacceptability of U.S. conditions on Stinger purchases impelled Jordan to search for other sources, resulting, for example, in an agreement to buy Soviet air defense equipment.<sup>43</sup> The situation further deteriorated when some \$1.55--1.9 billion in military sales was deferred pending meaningful Jordanian--Israeli peace talks, and later postponed indefinitely.<sup>44</sup> In a rare interview with journalists, Jordanian General Zaid ben

Shaker explicitly declared his country's disappointment over U.S. sales to Iran which included Hawk missiles.<sup>45</sup> The U.S.-Iranian transaction was particularly disturbing because, although Jordan too had been offered Hawk missiles, the offer had been tied to unacceptable conditions. Thus, an American adversary appeared to have received better treatment than an American ally.

Against the background of Jordan's disenchantment with Washington and cordiality towards Moscow, China vigorously pursued economic, not merely political ties, with Amman. As with Egypt, China's construction work anchored its economic involvement in Jordan. In 1986, the Jordanian government celebrated China's five years' construction work in the country on the occasion of the completion of the Tafeilleh Polytechnical Institute.<sup>46</sup>

Certainly the most controversial aspect of China's economic cooperation with Jordan was the two countries' alleged collaboration in nuclear power plant construction, including an installation at Daya Bay, thought to be worth \$7 billion.<sup>47</sup> Jordan's United Trading Company (UTC) was said to have contracted with China to participate in the construction of such a facility.<sup>48</sup> The reluctance of Western governments - France and Great Britain in particular - to release sensitive technologies is thought to have provided the impetus for Sino--Jordanian cooperation.<sup>49</sup> Purely business considerations (i.e. questions of price and quality of technology) no doubt figured prominently in cementing this deal. However, it is important to note that, in this,

as in other instances, Sino--Middle Eastern ties originated in the context of other external actors' failure or unwillingness to meet demands or fulfil expectations.

Jordan's UTC, the firm involved in the purported Daya Bay plan, contracted in 1985 with the Fuzhou Electric Power and Xiamen Electric Power Bureaus for two power generation projects in Fujian Province, estimated to be worth \$89.5 million.<sup>50</sup> Jordan's satisfaction with such developments, and an indication of its appreciation of the advantages of an enhanced Chinese role in the region, was reflected in Amman's sponsorship of the 'Sino--Arab dialogue.' During these discussions, Prince Ibn Talal stressed the potential of combining Arab capital and Chinese labor as the first step in broadening economic cooperation between China and the Arab world.<sup>51</sup>

**(iii) Relations with Israel:**

Were the Palestinian issue to have been resolved to the general satisfaction of the Arabs, China would have been able to exploit, if not a more vigorous economic and military relationship with Israel, then at least one involving fewer precautions and less potential embarrassment. While China went so far as to endorse the existence of Israel,<sup>52</sup> the PRC stopped short of establishing diplomatic relations. Yet, Moscow's revitalisation of its Middle East diplomacy, which included strong hints at links with Israel,<sup>53</sup> exerted competing pressure on Beijing to reconsider its policy towards Tel Aviv. China overcame this dilemma by proceeding circumspectly and indirectly. Chinese

officials are believed to have relied on Rumania as an intermediary to arrange a meeting with Prime Minister Shimon Peres in 1985.<sup>54</sup> When Chinese and Israeli officials met directly, Beijing opted for the U.N., where its position on the Security Council provided an acceptable cover for its discussions.<sup>55</sup>

During this period, the Soviet Union was pursuing similar 'quiet' contacts with Israel. It is interesting to note that Soviet--Israeli and Chinese--Israeli relations followed a similar course. As the decade progressed, both the level at, and frequency with which, official contacts took place between Israel and the two socialist rivals rose. In 1987 Prime Minister Shamir, for example, was reported to have met with Foreign Minister Eduard Shevardnadze at the U.N.<sup>56</sup> This meeting occurred barely one year after China's Permanent U.N. Representative Li Luye was believed to have held discussions with Israeli Foreign Ministry Director General Abe Tamir, also using the U.N. as a venue.<sup>57</sup> In 1987 the Soviet Union opened a consular mission in Israel; and in July of the following year, Israel dispatched a six-member consular mission to Moscow - the first in twenty-one years.<sup>58</sup> No such steps, however, were taken by Israel and China.

These developments raise at least two interesting questions. First, to what extent were improvements in Sino--Israeli and Sino--Soviet relations on the political front a function of the competitive relationship between China and the U.S.S.R.? Second, what significance, if any, is there to the fact that Soviet--Israeli political relations appear to

have outpaced Sino--Israeli political ties?

In the first instance, it is useful to note that, for Moscow, improved political relations with Israel reflects primarily its competition with the U.S. in the Middle East, and to a much lesser extent its interest in competing with China for influence in the region. Relations with the U.S. continue to occupy an important place on China's foreign policy agenda as well. One could speculate that improved political ties with Israel are a means of 'servicing' Sino-American relations. Furthermore, although the subsidence of the Soviet strategic threat might have removed one incentive for China to seek to undercut or outplay the U.S.R.R. in the region, China's interest in competing successfully for political influence in the Middle East is a compelling one. Improved political ties with Israel might therefore be driven by the urge to keep up with Moscow.

The pace which China has chosen to develop its political relationship with Israel is hardly surprising. For nearly a decade the hallmark of China's political posture towards the region has been caution. Viewed in this light, the Sino-Israeli political relationship has not 'lagged behind' that of the Soviet Union and Israel. Rather, Beijing has conceded the initiative and the notoriety to Moscow while retaining the option of following that course or avoiding it, as the political circumstances so dictate.

Israel's primary appeal was its potential contribution to China's economic and military modernisation. Israel possesses the dual advantages of access to U.S. military

technology and indigenous capability. Israel has specialised in retrofits and upgrades, depending in part on Soviet weaponry captured in its 1973 and 1982--85 wars.<sup>59</sup> There is, then, a special compatibility between Israeli capabilities and Chinese needs that has formed the natural springboard to their collaboration.

The People's Republic of China reportedly succeeded in acquiring into Israel's weapons and military technology as early as 1976.<sup>60</sup> In 1979 Israel is reported to have agreed to a deal to mount 105mm cannons onto Chinese T-69 tanks and to help the People's Republic of China build a Chinese version of the Gabriel sea-to-sea missile.<sup>61</sup> In a separate development, IMI (Israeli Military Industries), the cannon's manufacturer, is believed to have supplied the People's Republic of China with a 60mm hyper-velocity gun suitable for mounting on armored vehicles or towing.<sup>62</sup> From 1981, Israel military advisers, previously dispatched in groups of 24 for 1--2 month shifts were said to number close to 200, sent for 3--6 month assignments.<sup>63</sup>

In 1982 delegates from the Israel electronics firm Tadiran went to the People's Republic of China to offer advanced electronics equipment for tanks.<sup>64</sup> Following an alleged 1984 defense agreement valued at \$1.36 million<sup>65</sup> the Israeli Defense Ministry Director General travelled to Beijing, reportedly to move discussions forward on the sale of military hardware believed to include 52 Kfir combat aircraft.<sup>66</sup> Revealing the concerns and priorities which led China to seek Israel's military cooperation, Beijing in the same year reportedly contracted for the multibillion dollar

Israeli installation of an electronic early warning system on the Sino--Soviet border.<sup>67</sup> If not the most important military pact signed by the two countries, certainly the most sensational when it was revealed in November 1987, was Israel's reported deal with the People's Republic to supply the Chinese armed forces with new missile warheads and armor-piercing devices.<sup>68</sup>

Israel's willingness to cooperate in China's military modernisation has been fueled by political and economic interests. Naturally, Israel hopes that its contribution to Chinese military modernisation will be sufficiently appreciated to yield political benefits in the form of official diplomatic ties; a possible reduction of material assistance to the PLO; and a moderate and accommodating Chinese voice in the United Nations Security Council. Domestically, Israel has had to compensate for the collapse of the Lavi jet fighter program. Sending Lavi technicians (though not necessarily Lavi technologies) to China partially offsets the financial losses and political damage associated with the project's cancellation.<sup>69</sup>

Additional evidence suggests a correlation between enhanced Sino--Israeli military cooperation and the downturn of Israel's business with South Africa.<sup>70</sup> Israel Aircraft Industries' loss of a \$200 million contract to upgrade Spain's Mirage III fighters provided yet another incentive for Israel to pursue alternative customers, such as China.<sup>71</sup>

Sino--Israeli military cooperation is one of those relationships that everyone is aware of and no one can

prove: cloaked in uncertainties and intrigue; briefly illuminated by sensational revelations that often conceal more than they expose. Ironically, Sino--Israeli military business has remained shrouded in the same secrecy as China's provision of arms to the PLO, with rumor and denial their common predictable element. To preserve the relative secrecy of their association, the Israelis and Chinese have adopted a variety of clandestine games. Israelis have travelled to China by circuitous routes that resemble the course Chinese weapons have travelled to the Middle East: passing first through 'friendly' countries; carrying American or false passports; engaging in discussions in Hong Kong to minimise visibility.<sup>72</sup> Just as China has sought to conduct its business covertly for fear of irritating the Arabs, so Israel has favored secrecy, not only in deference to Beijing but also to avoid antagonising Washington.

Sino--Israeli trade, slightly less sensitive than military cooperation between the two countries, but until recently conducted under a similar veil of secrecy, has gradually increased. China's agricultural modernisation plans have attracted it to Israel, whose expertise is widely acclaimed in the fields of arid-zone development, irrigation systems, seed and breed cultivation, and pest control.<sup>73</sup> In 1986 China was reported to have purchased six Merkav tractor prototypes worth \$900,000.<sup>74</sup> In September of the same year, a visiting Chinese agricultural delegation was believed to have signed a \$500,000 contract for irrigation and fertilisation.<sup>75</sup> By Spring 1988, nearly 100 joint ventures were thought to be under discussion, in areas ranging from

agriculture to textiles to chemicals.<sup>76</sup> In turn, Israel has negotiated to purchase Chinese steam coal.<sup>77</sup>

Typically, Israeli exports have been purchased by foreign companies and resold to China without clear Israeli markings.<sup>78</sup> Israeli businessmen have frequently entered the People's Republic of China on other passports, as part of non-commercial delegations. In 1986 Agriculture Minister Aryeh Nechemkin was rumored to have travelled to Beijing, but the visit was vehemently denied.<sup>79</sup> Yet signs of a more relaxed atmosphere have been evident in recent years. In Spring 1986 nine Israeli businessmen entered the People's Republic of China using Israeli passports.<sup>80</sup> Six months later, Chinese officials announced that Israeli experts would be permitted to attend international conferences held in China.<sup>81</sup> Direct telephone links, set up in 1986, have facilitated contacts.<sup>82</sup> Trade links moved even further out of the shadows with a visit to Tel Aviv by a Chinese delegation in late 1988.<sup>83</sup>

The Chinese missile trade in the Gulf did not appear to have damaged Sino-Israeli relations. To the extent that it disapproved of Beijing's practices, Israel refrained from publicly saying so; and redirected its worries and warnings elsewhere. For example, in response to China's sale of East Wind missiles to Saudi Arabia, Israeli officials suggested that a pre-emptive attack should not be ruled out if the missiles were deployed. Tel Aviv also used the sale as an occasion to intensify its lobbying efforts in the United States in order to obtain funding (i.e. a U.S. contribution

of 80% of the cost) for production of Israel's Arrow anti-tactical ballistic missile.<sup>84</sup>

**(iv) China, Palestine, and the PLO:**

As previously argued, Chinese support for the Palestinian movement sprang from several considerations: (1) the avowed wish to defend the Palestinian struggle as a matter of commitment to the cause of national liberation, though not at the cost of tarnishing China's improving image as a 'responsible' state; (2) the interest in competing with, and undercutting whenever possible, the Soviet Union; and (3) the desire to demonstrate solidarity, and thereby consolidate relations, with Arab governments.

Before 1982 China had consistently argued that Arab--Israeli reconciliation depended on a resolution of the Palestinian problem, and that the participation of the PLO was indispensable to its accomplishment. Whereas it chose to emphasise the Palestinian issue as a common Arab bond, China had long been aware of the fissiparous tendencies of both Arab intergovernmental politics and the PLO; and had long recognised its own fundamental powerlessness to correct those tendencies. A disproportionate amount of the rhetoric China had expended on behalf of the Palestinians over the years exhorted the various factions of the PLO to close ranks and the various Arab governments to line up solidly behind a unified PLO.

Prior to this period, the PLO, with Arafat frequently besieged at its fractious center, had existed in a complex regional and international setting, and had to a large

degree been subject to its vicissitudes. Other than superficially, these systemic constraints did not change after 1982, nor did China's limited capacities to insulate or liberate the PLO from them. From 1982 onwards, China's support of the PLO - which remained part opportunity and part dilemma - was essentially reactive: to the spasms of violence and the gestures towards peace which alternately characterised the period.

The bloody clashes, which erupted in 1982 and resulted in the eviction of the PLO from Beirut, were an extension of the 1975--76 Lebanese civil war, and a direct result of the 1982 Israeli invasion. Thus, the events of 1982--83 were part of an ongoing and bloody confrontation in which the PLO was one of four competing actors, each struggling to assert its purposes from, or extend dominion over, a disintegrating Lebanese state. It is not surprising, therefore, that as the PLO became more deeply enmeshed in the struggle for Lebanon, China refrained from becoming further entangled with the PLO.

China reacted cautiously to the 1982 strife in Lebanon. In response to the June Israeli invasion, the Chinese government, as expected, issued a firm condemnation. Chairman Arafat's discussions with the Chinese ambassador to Tunis in July, while perhaps eliciting private assurances of continued support, produced a sympathetic but token response by China that manifested itself publicly in two ways. First, China made two commitments of relief aid to the PLO, announced several weeks apart, channelled through the Palestinian Red Cross and the UNRWA.<sup>85</sup> Second, on the

political front, Chinese Premier Zhao Ziyang met with Pakistan's President Zia in an apparent, but not discernibly successful, effort to open an 'Islamic channel of communications' through which to express concern and exert leverage.

When the PLO evacuation did in fact occur, a Renmin Ribao editorial (27 August) saluted the PLO for having courageously withstood a 'severe test.' More revealing, the editorial asserted that 'the international community should seek to bring about a comprehensive, just and durable solution.'<sup>86</sup> The wording of this article, rather more explicitly and firmly than before, expressed China's evolving preference for an international effort to address the Palestinian issue. Characteristically, however, the editorial refrained from recommending an appropriate forum.

For the most part, then, China waited passively on the sidelines while the violence in Lebanon ran its course. The twin principles of 'unity' and 'self-reliance' that had traditionally guided China's assistance to national liberation movements, continued to exempt China, in theoretical terms, from an obligation to provide any more for the PLO than the PLO was willing and able to provide for itself. In practical terms, the meek Arab response to the Israeli invasion, coupled with relative Soviet passivity and American ambivalence towards it, enabled China to escape criticism.

In contrast, some PLO officials did publicly complain about Soviet inaction, carrying their dissatisfaction to the

floor of the sixteenth session of the PNC at Algiers, where they raised the question of the nature and advantages of PLO--Soviet relations in open debate.<sup>87</sup> It is possible that the inaction of the PRC received less attention than that of the Soviet Union simply because less was expected of China. Yet, if true, this merely points out that possessing, or being thought to possess, inferior capabilities entails lower risk of embarrassment for having failed to use them.

One of the confrontational axes in the Lebanese situation (1975--onwards) pitted Syria against PLO Chairman Arafat. Syrian President Assad clashed with Arafat on a number of strategic and tactical matters. The Palestinian role in Lebanon, and the nature of Palestinian activities within Lebanon, formed an important basis for intermittent verbal battles between the two leaders, ultimately leading to armed clashes between their forces.

Moscow - which favored both Arafat and Assad - was occasionally placed in the unenviable position of trying, unsuccessfully, to curb this internecine feuding; or otherwise seeking to avoid being asked to do so. China, on the other hand, neither actively engaged in trying to reconcile the two parties, nor was expected to. When, in 1983, Arafat's followers were besieged in Tripoli, Beijing exploited Moscow's apparent inaction by delivering arms to Arafat in two shipments, in August and again in October. Although their exact value and contents were never disclosed, both the International Herald Tribune and Le Monde reported that the arms packages 'almost certainly' included light as well as medium artillery, guns, mortars

and grenades.<sup>88</sup>

China's response to the violence involving the PLO in 1982--83 caused no apparent injury to its relations with the PLO itself, with Arab governments, or with the United States; and did no visible damage either to its reputation generally, or to its competition with the Soviet Union. Immediately following the PLO evacuation from West Beirut in August 1982, however, a new set of challenges arose with respect to China's support of the Palestinians. Exploiting the PLO's departure, the Reagan Administration launched a peace plan, partly as an antidote to Israel's creeping annexation of the West Bank and Gaza.

The Reagan Plan did not expressly rule out the possible establishment of an independent Palestinian state. Instead, it linked the Palestinian 'entity' with Jordan, thereby squeezing out the PLO. The plan also did not call for a complete Israeli roll-back to its pre-1967 frontiers.

What was China's response? On the surface, the Reagan Plan clashed with China's insistence on direct PLO representation in negotiations as well as with its preference for an indigenously-sponsored peace effort. Nevertheless, China refrained from officially condemning the plan, while the Beijing press merely criticised it as exhibiting 'a lack of a sense of reality.'<sup>89</sup> China's comparatively soft line on the Reagan Plan was probably dictated by the following considerations. First, in the interest of preserving good relations with the U.S. - which remained a strategic pillar of China's 'independent' foreign policy - Beijing hesitated

to launch a vituperative attack on the American proposal. Second, the Reagan Plan not only contemplated the direct involvement of Jordan but also appeared to enjoy the blessing of Egypt, two Arab countries with which China had striven to develop close ties. Third, Israel rejected the plan within twenty-four hours. That rejection, in conjunction with the formula's implicit exclusion of the Soviet Union and Syria, doomed the Reagan Plan to failure. To the extent that it opposed the plan, China could rely on the collapse of the initiative without itself having to do much to obstruct it. Finally, the PLO itself did not categorically denounce the plan (perhaps in order to appear comparatively moderate in the light of Israel's rejection). Thus, China was spared any uncomfortable choices.

In contrast, China endorsed the (second) Fez Plan, though not enthusiastically. Premier Zhao, for example, politely complimented the Saudi effort as a 'solid foundation' upon which to build. In his 4 October 1982 address to the U.N. General Assembly, Foreign Minister Huang Hua called the Saudi plan a 'good basis' for a settlement of the Palestinian problem.<sup>90</sup> To China, the proposal warranted a degree of support as much because of who sponsored it as because of its contents. The Fez proposal had the merit of being an 'Arab' plan, sponsored by a regime with which China was seeking an improvement in bilateral relations. Second, in contradistinction to the Reagan Plan, the Fez proposal reserved a role for the PLO in future negotiations.

Unlike either the Reagan or Saudi initiatives, the Brezhnev Plan drew neither gentle support nor gentle

reproof. Indeed, there was no official reaction whatsoever to the Brezhnev Plan. Moreover, the Beijing press failed to report that the Soviet Union had in fact introduced a peace proposal. Ignoring the Soviet initiative reflected the gradual thawing of Sino--Soviet relations as well as China's concern not to appear in any way hostile to the call for peace.

Consistently, China followed the practice of: reacting approvingly, if unexcitedly, to announcements or expressions of PLO--Arab government coordination; admonishing the U.S. for its inattention to the Palestinian question, or gently yet reprovingly commenting on the shortcomings of the U.S. approach towards peace; ignoring rather than attacking Soviet peace initiatives. Especially during periods in which it has detected a flurry of Soviet activity in the Middle East, China has more vigorously lent its weight and prestige to the PLO, and to Arafat in particular. This was the case, for example, in 1984 when, prior to the convening of a full PNC conference at Algiers (aimed at PLO reconciliation), the Chinese invited Arafat to Beijing and offered their full endorsement, including the promise of additional arms.<sup>91</sup> Meanwhile the U.S.S.R. had withheld such support. Soviet and East European delegates, for example, uncharacteristically did not attend the conference.

Some months later, Arafat - who had already visited Saudi Arabia, Iraq and North Yemen - launched an effort to convene an international conference under U.N. auspices during a trip to Beijing as part of a joint Palestinian--Jordanian

delegation. Although there is no evidence that China instigated the effort, there was every incentive for China to welcome it (including the Soviet Union's opposition).<sup>92</sup>

The pattern of Chinese receptiveness to Arafat's attempts to obtain a political solution to the Arab--Israeli conflict has been rather consistent. Especially now that the Soviet threat has appeared to China to have taken a less virulent form, there is little incentive for China to seek to obstruct his efforts, even if there might be cause to question the prudence of his tactics. The PRC has remained duly attentive to, and sympathetic towards, the intifada. Seemingly without hesitation - even if without much fanfare - Beijing extended recognition to the newly proclaimed state of Palestine in Fall 1988.<sup>93</sup>

**(v) Relations with Kuwait:**

Prior to 1982 Kuwait drew Beijing's attention by exercising its financial power within the context of OPEC and beyond it. Kuwait's financial leveraging served as a model of Third World resource power - the cornerstone of China's foreign policy in the '80s - and provided a stimulus to Chinese modernisation. In more practical terms Kuwaiti loans and investments were channelled to beneficiaries of geopolitical and strategic value to China. Additionally, Kuwait furnished China directly with oil and chemical fertiliser. Thus, in both symbolic and concrete terms, Kuwait had no small appeal to Beijing.

From 1982 Kuwait's importance to China, if anything, grew, as Beijing succeeded in attracting Kuwaiti petrodollars to

the mainland, on numerous occasions and in significant amounts. The primary vehicle for loans and investments to China was the Kuwait Fund for Arab Economic Development, which on two occasions in 1982 transferred substantial sums of money to assist China. The Fund's first loan to the People's Republic of China, in the amount of \$50 million, was earmarked for the building of the Ningguo cement plant in Anhui Province.<sup>94</sup> In November 1982 the Fund extended a loan of \$35 million at generous terms for the construction of a wood products plant in Hunan Province.<sup>95</sup> In total, in the period 1982--83 alone, Kuwait extended over \$150 million in loans to the People's Republic of China.<sup>96</sup>

By late 1984 Kuwait was set to launch a second wave of loans. Highlighted by a \$30 million low interest loan for the construction of the Shaxikou hydroelectric power station in Fujian, the Kuwait Fund also helped to finance construction of a small auto factory in Tianjin, a silk factory in Beijing, a glazed brick factory in Shandong, and a fibreboard factory in Fujian.<sup>97</sup>

As the number of projects partially funded by Kuwait increased, so did the breadth of Sino--Kuwaiti economic relations generally expand. Already by 1984, Kuwaiti interest in China spread outside the Fund to Kuwaiti industrialists. In December 1984, spurred by the visit of China's Sun Fang, Chairman of the Council for the Promotion of International Trade, the People's Republic of China signed letters of intent with Kuwait's Al Raes International Investment Corporation to undertake projects in China.<sup>98</sup> Almost immediately, a joint company involving Kuwait, China,

and Tunisia was formed to establish a chemical fertiliser production facility at Qinhuangdo.<sup>99</sup> Little more than one year later, Kuwait and China signed an investment protection agreement presumably aimed at facilitating joint ventures.<sup>100</sup> In 1985 alone Kuwaiti investments in 14 separate projects in China topped \$300 million.<sup>101</sup> In 1988 KFAED funded at least two significant development projects: supplying \$10.56 million in loans (39% financing) for construction of the Ginan-Yao Shian Airport; and \$18.27 million for phase one of the Jinzhou harbor project (aimed at meeting demand, especially for oil products, in Liaoning Province).<sup>102</sup>

China in 1987 announced that its decision not to increase oil exports that year was made in support of Kuwait's position in OPEC.<sup>103</sup> In addition to sending a signal of commercial goodwill, this measure built upon growing Sino--Kuwaiti cooperation in the field of oil development. Two years prior to this show of solidarity, a visit to China by Kuwaiti Minister of Oil and Finance (and also Kuwait Fund Chairman), Shaikh Al-Khalifah al-Sabah laid the foundation for Sino--Kuwaiti cooperation in the petroleum sector, opening the possibility of future joint ventures in energy resource development.<sup>104</sup> One of the areas under discussion was joint exploitation of petroleum and natural resources on Hainan Island.<sup>105</sup> The following year, the Kuwait Foreign Petroleum Exploration Company (KUFPEC) - a subsidiary of the Kuwait Petroleum Corporation (KPC) - entered a joint venture with Atlantic Richfield to develop the Yaching B--1 gas field nearby Hainan island.<sup>106</sup> Thus, China's deferential

step in Kuwaiti's direction in 1987 sacrificed short-term oil export earnings at declining world prices - a stronger symbolic than material commitment - to preserve the longer-term prospect of energy development cooperation with Kuwait.

Considering the downward pressure on oil prices, the staying power of Kuwait's financial activities in the People's Republic of China was nothing less than remarkable. Kuwaiti investment in China forged ahead in 1987--88, highlighted by the funding of a polypropylene project in Luyoyang, Hunan Province<sup>107</sup> and a decision to cooperate on the production of chemicals.<sup>108</sup> Meanwhile, Sino--Kuwaiti economic relations were not limited to drawing on Kuwaiti financial power or eliciting oil development cooperation.

As early as 1985 eight Chinese companies involving 44 labor service contracts placed no fewer than 10,000 Chinese workers in Kuwait.<sup>109</sup> Labor service contracts in Kuwait were part of a more general effort to generate foreign exchange. Between 1979--1986, the People's Republic of China signed 423 such contracts involving 60,000 workers who together raised \$530 million in foreign exchange.<sup>110</sup>

In 1986, a scientific cooperation agreement was signed aimed at joint efforts to control desertification and develop agriculture.<sup>111</sup> Meanwhile, trade between the two countries continued to flourish, somewhat surprisingly, given the small scale of the Kuwaiti market, whatever the marketability of Chinese products and however high the price of oil. In 1983 Sino--Kuwaiti bilateral trade amounted to \$160 million.<sup>112</sup> Two years later, the value of that trade dipped to \$100 million,<sup>113</sup> a still not unsubstantial figure.

Perhaps more illustrative of Beijing's future commitments to expand exports not only in Kuwait but throughout the Gulf was the 1985 arrival in Kuwait of China's first full container transport which inaugurated the PRC's direct shipping link to the Gulf.<sup>114</sup>

China's economic relationship with Kuwait appeared to have developed impressively, especially considering its setting: regional hostility, big power competition, depressed oil prices, superimposed on the invariable problem of distance. Yet, Kuwait's willing association with China did not imply an intimate political or strategic partnership. For Kuwait, cooperation with China occurred in the context of the Iranian threat, of less than ideal relations with the U.S., and of an overall policy decision to diversify its financial portfolio and political contacts.

In 1984, illustrative of its international course and following a rebuff by the U.S.,<sup>115</sup> Kuwait purchased an estimated \$327 million in arms from the U.S.S.R. and for the first time admitted Soviet technicians to assemble and operate equipment as well as to furnish training assistance.<sup>116</sup> The feasibility of further investment in China was studied concurrently with the practicability of funding Soviet projects.<sup>117</sup> Though Kuwait was by no means slipping into Moscow's pocket nor had it ever been in Washington's, it did not appear to be in Beijing's either.

#### (vi) Relations with Iraq:

Unlike neighboring Kuwait, Iraq had been formally aligned with the Soviet Union, though the strength of the two

countries' commitment to each other was never beyond question. In 1982, following a two-year suspension, Moscow resumed arms supplies to Iraq.<sup>118</sup> The U.S., for its part, moved to heal a seventeen-year breach in its relations with Baghdad by removing Iraq from its blacklist of supporters of international terrorism, endorsing the sale of civilian aircraft and providing loans.<sup>119</sup> By 1984 Washington had taken the decision to restore diplomatic relations with Baghdad.<sup>120</sup> The superpowers shared a preference for a stalemate rather than a decisive victory by either belligerent in the Gulf war. Beijing sought to profit from the stalemate without being responsible for maintaining it.

At least one aspect of China's relations with Iraq paralleled its activities in Kuwait; notably, the business of labor contracts. In the period 1979--1986, nearly 20,000 Chinese laborers were assigned to 143 projects in Iraq. Unlike in the past, these laborers worked on Chinese projects rather than for international contractors.<sup>121</sup> Between 1985 and 1987, China launched 23 such projects, each with investments in excess of \$10 million and three with investments surpassing \$100 million.<sup>122</sup>

Chinese workers remitted substantial sums in foreign exchange; moreover, their performance built a reputation from which China could bid with confidence both inside and outside Iraq. Second, Chinese overseas workers demonstrated China's attention to bilateral friendship and South--South cooperation.<sup>123</sup> Third, Chinese workers abroad were well-positioned to learn from indigenous and third parties.

Finally, Chinese labor-service contracts promised to spur the export of Chinese building materials and machinery.

From late 1981, China's construction business in Iraq was no longer confined to the provision of cheap, efficient labor. Between that time and early 1984, the People's Republic of China won 84 construction contracts, generating more than \$316 million, the most impressive of which was the Jifinor irrigation project, itself alone valued at \$170 million.<sup>124</sup> In May 1984, the People's Republic of China contracted for its largest irrigation project in the Gulf, the \$174 million Kifil Shinafiya scheme, which aimed at bringing large areas in three provinces (i.e., Najat, Qadissiya, and Babylon) into productive farming.<sup>125</sup> Thus, at the half-way point of the decade, China's construction activities in Iraq topped \$600 million.<sup>126</sup>

China was a willing partner, and a competitive one. Chinese labor was cheap and government-supported. The PRC was amenable to participation in three-party construction schemes.<sup>127</sup> China's competitiveness in Iraq was enhanced by its willingness to assume risks others preferred to avoid. Payments delays, lack of export insurance, scarce credit, the sundry changes and uncertainties of operating in a war-torn country: all of these risks failed to dim China's determination to maintain its position and by doing so, hopefully improve it in the future.

Furthermore, in Iraq, Chinese laborers gained a reputation for quality work and timely completion of projects. The announcement of the Sino--Iraqi agreement to launch the Kifil Shinafiya control barrage project virtually coincided

with the opening of the Saddam bridge at Mosul to traffic.<sup>128</sup> The Kifil Shinafiya project, in turn, finished ahead of schedule. The 1986 agreement that laid the basis for the next five years' cooperation in irrigation and drainage, highways, and bridge and railroad construction was signed as Chinese workers diligently worked to fulfill existing contracts.<sup>129</sup> Even where there were delays or mid-project design changes (e.g., the \$193 million N. Jazira irrigation and \$225 million New Hindiya barrage projects), the Chinese earned credit for the confidence and perseverance displayed in seeing the projects through to completion.<sup>130</sup>

Although China earned significant sums through its labor and construction activities in Iraq, by far its largest money-earner was military sales. Thus, while China publicly espoused the position that a tranquil international environment was the essential prerequisite for its successful modernisation, it privately exploited the Gulf conflict to its economic advantage. As early as 1982 Beijing denied that it had sold weapons to Iraq, claiming that such activity was incompatible with its principled stand.<sup>131</sup> Nevertheless reports continued to emerge which linked the Chinese to Iraqi arms acquisitions. During March and April of 1984, for example, China is said to have delivered 300 T-59 tanks to Iraq by way of North Korea.<sup>132</sup> Other reports asserted that China had periodically relied on Egypt to pass arms to Iraq.<sup>133</sup> The U.S. Arms Control and Disarmament Annual Report estimated Chinese arms supplies to

Iraq between 1981--85 to have reached nearly \$3 billion.<sup>134</sup>

(vii) Relations with Iran:

China practiced its own version of 'neutrality' in the Gulf war. For mainly economic reasons, it carried on a lucrative arms trade with both Iraq and Iran, while for mainly political reasons it denied that it had sold weapons to either. Throughout 1985 reports surfaced which indicated a flourishing arms trade between China and Iran. In March 1985 Beijing was reported to have agreed to provide \$1.66 billion in arms to Tehran, including 12 Shen Yang J-6 aircraft, 200 T-59 battle tanks, as well as an undetermined number of multi-barrelled rocket launchers, surface-to-air missiles and field guns.<sup>135</sup> Several months later, Beijing reacted to the disclosure that it had sold Scud 1-A and 1-B surface-to-surface missiles to Iran in much the same fashion as it had replied to previous reports, flatly rejecting the revelations as 'groundless' (a reply containing more inadvertent humor than truth).<sup>136</sup> HQ-2 surface-to-air missiles (based on SAM-2s), alleged to have been furnished by China, were sighted during the February 1986 Faw offensive.<sup>137</sup>

A more potentially destabilising arms transaction allegedly occurred in 1987 when, it was reported, China sold SS-N-2 (i.e. Styx) missiles to Iran. With a range of 80 km., these missiles were reported to be deployed at Kuhestak and Qeshm Island near the port of Bandar Abbas, positioned threateningly at the choke point of the Straits of Hormuz.<sup>138</sup> In the two-year period spanning the disclosure

and presumed termination of U.S. secret arms sales to Iran, China, according to the Abu Dhabi newspaper Al-Itihad, transferred \$3.1 billion in arms to Iran.<sup>139</sup>

Though the core of Sino--Iranian relations during this phase was military cooperation, Beijing and Tehran continued to explore other avenues of association. The value of Sino--Iranian trade reached \$200 million in 1984, for instance, and the two countries confidently announced their interest in expanding economic cooperation in dam/hydroelectric power plant construction.<sup>140</sup> In August 1986 Iranian Oil Minister Gholam Reza Agazadeh journeyed to Beijing to solicit China's support for its campaign in OPEC to trim production and stabilise oil prices.<sup>141</sup> Also in 1986 Iran signed a letter of intent, contracting with the People's Republic of China's Great Wall Industrial Corporation for use of its Long March III rocket to launch a satellite.<sup>142</sup> The following year, a Sino--Iranian oil deal was finalised, with Iran to supply one million tons of crude oil in the next twelve-month period. Discussions also focused on bilateral oil exploration possibilities.<sup>143</sup>

A strong economic incentive drove China's program of military sales to Iran. The most obvious inducement was the opportunity to earn foreign exchange, which could then be applied to purchase both civilian and military technology from the West. Once Iran lost its ability to pay cash for Chinese arms, Beijing is reported to have accepted payment in Iranian oil which in turn, it sought to exchange for West European manufactures.<sup>144</sup> Yet, China's gradual rapprochement with Moscow notwithstanding, Beijing's desire to find

counterweights to Soviet southern expansionism continued to exert a powerful influence on Chinese foreign policy.<sup>145</sup> Thus, the strategic dimension of Chinese arms sales to Iran cannot be discounted, for the disintegration of Iran is not in China's best interest.

If Chinese arms sales to Iran were primarily economically motivated and ultimately financially lucrative, the feedback from such transactions was politically unfavorable. Especially following the summer 1987 U.S. decision to reflag and escort Kuwaiti tankers, China's profitable arms trade with Iran collided with America's newly improvised Gulf protection policy. In order to safely police commercial traffic in the Gulf, the U.S. insisted on curbing Sino--Iranian arms traffic. Thus, while the termination of clandestine U.S. arms transfers to Iran indirectly assisted China's increased military activities in the Gulf, the post-Irangate U.S. Gulf policy inhibited China's involvement.

Indicating the seriousness with which it viewed Chinese arms sales to Iran, the Reagan Administration announced that the expansion of U.S. technology transfers to China would be conditional upon the cessation of China's weapons transfers to Iran.<sup>146</sup> Paradoxically, China's lucrative trade in arms threatened to jeopardise the access to technology that its arms income sought to sustain. Reflecting U.S. alarm and the strain on the Sino--American relationship, in another instance, U.S. officials considered (though they eventually rejected) the option of intercepting Chinese weapons bound for Iran.<sup>147</sup> Heightened American concern in this case arose

from intelligence reports that Styx missiles - a variation of Silkworm, with a mobile rather than a stationery launch capability - could jeopardise U.S. vessels. In addition to irritating Washington, reports of Chinese arms sales to Iran likewise antagonised the Arabs, notwithstanding Beijing's reported denials and assurances. In May 1987, for instance, a seven-member Arab League delegation travelled to Beijing, reportedly raising this issue at all levels of discussion with Chinese officials.<sup>148</sup>

One of the aspects of Sino--Iranian arms trade which has been simultaneously an embarrassment and a relief to China is the publicity that has attached to it. Despite satellite photography and sophisticated human and electronic surveillance, the arms flow has been difficult to pinpoint at its source and to follow to its ultimate destination. Reminiscent of China's arms supply to the PLO in the late '60s, its transfers to Iran have been clouded in no small degree of uncertainty. Evidence is fragmentary at best. Even while Western European and Asian diplomats are definite in linking China to substantial deliveries of arms to Iran and share the view that North Korea is Beijing's 'common conduit' to Tehran,<sup>149</sup> pinning down responsibility and ascertaining the exact scale and frequency of deliveries is virtually impossible. Thus, while there is an apparently yawning gap between what Beijing says and what it does, its precise measure is indeterminate. To some extent, China's continued 'success' in this area depends upon maintaining this uncertainty at some level. On the other hand, to the extent that China is unable to fix its arms at a 'safe level

of rumor,' its lucrative business can be a politically costly one.

(viii) Relations with Saudi Arabia:

In this period China's insistence that Riyadh sever relations with Taiwan was unofficially retired as a precondition to the establishment of fruitful Sino--Saudi ties, even if it was not abandoned as an ultimate political objective. A similar pragmatism prevailed in Riyadh, where the long-range benefits of diversifying trade and political relations overrode the Saudis' enduring antipathy towards communism.

Between 1978 and 1982 Saudi Arabia had supported anti-Soviet activities in the Arabian peninsula and in the Horn of Africa. By so doing, Riyadh pursued a strategic objective in common with China, though not for identical reasons. From 1982 onwards, Chinese and Saudi attitudes concerning the superpowers continued to correspond with one another. While Beijing as well as Riyadh perceived the Soviet strategic threat as diminishing, they also shared a growing disillusionment with the United States. These parallel rather than diverging attitudes towards the superpowers supplied a hospitable climate for the improvement of Sino--Saudi relations.

Although it is difficult to establish with any certainty which of the two priorities was higher, China sought both commercial and political advantages from better relations with the Saudi kingdom. Sino--Saudi economic activity developed more visibly and more rapidly than Sino--Saudi

political cooperation. In every year from 1982 to 1986 - a trend that began at the outset of the decade - the annual value of Chinese exports to Saudi Arabia surpassed \$100 million, making the Saudi kingdom the PRC's leading Gulf trading partner.<sup>150</sup> In the first nine months of 1987, China was reported to have sold goods to Saudi Arabia in excess of a value of \$231.4 million; during the same period, the PRC made \$66.8 million in purchases from Saudi Arabia, thus preserving a trade balance in its favor.<sup>151</sup> In December 1987, Jia Shi, Chairman of the China Council for the Promotion of International Trade (CCPIT) led the first delegation of its kind to Riyadh. The ensuing discussions resulted in part in an agreement for China to buy 340,000 tons of SABIC products (including urea, chemical fertilisers and plastics) in 1988, at an estimated cost of \$65 million.<sup>152</sup>

Both before and after Jia Shi's visit to Riyadh, Saudi officials were reported to have encouraged the infusion of private Saudi capital into the Chinese economy. The general strategy envisaged the repurchase for reexport of Chinese products manufactured with the assistance of Saudi private investment. Transactions such as this one held certain advantages for both of the prospective partners. For China, Saudi investment funds offered an additional lubricant to the national economy. Buy-back arrangements promised a guaranteed external outlet for Chinese manufactures. In addition, Saudi marketing and distribution expertise might succeed in placing Chinese products in new or protected

markets in which China had not previously sold. Other than to diversify its economy, the general incentive for Saudi Arabia to pursue this avenue of cooperation was the opportunity to trade an enduring asset (oil money) for a permanent deficiency (labor-intensive industrial capability).

Whereas Sino--Saudi economic cooperation, cultivated in the absence of diplomatic relations, developed gradually and quietly, Sino--Saudi military cooperation occurred suddenly and dramatically. In March 1988, revelations of the sale of Chinese CSS-2 missiles to Saudi Arabia made international news headlines and drew the attention of policymakers in numerous capitals, particularly Washington and Tel Aviv. Set in the context of growing Sino--Saudi commercial ties, and viewed in the light of the Saudi strategic environment which made it possible, this transaction was not as astonishing as it appeared at the time.

The diminution of the Soviet strategic threat in this period was accompanied by the deterioration of Riyadh's regional security environment. The menace emanating from Iran, coupled with signs of American unreliability, prompted Riyadh to reassess its military needs and diversify its sources of military equipment. Saudi sensitivity to the Iranian threat peaked twice: in 1984, and again in early 1988. On both occasions, Washington appeared to be hesitant, if not unresponsive, to Saudi security concerns.

In 1984, a U.S. election year, Washington shunted aside Saudi arms purchase requests. Among the weapons which the Saudis sought - but Washington refused to sell - were Lance

surface-to-surface missiles.<sup>153</sup> The Reagan Administration further postponed a decision on Saudi weapons proposals while it awaited the findings of a government study on arms transfers and Middle East regional stability. The priorities of the U.S. Congress as well as the White House at this time clashed with Saudi Arabia's security concerns and its preference to retain the U.S. as its principal arms patron. The American government wish to assuage Israeli fears and to disarm the pro-Israeli lobby in an election year dovetailed with its determination to pre-empt a regional arms race by limiting weapons transfers. Not coincidentally, Sino--Saudi meetings concerning possible missile sales were reported to have first taken place at this time.<sup>154</sup>

In 1987--88, the Iranian threat was again keenly felt in Saudi Arabia while Riyadh and Washington were at loggerheads. Under Congressional pressure, the Reagan Administration was compelled to modify a \$1 billion-plus Saudi arms sale, trimming missile transfers from the original package. The timing of the U.S. decision was as important as its content. In 1987, revelations of covert American arms transfers to Iran - though they presumably had ceased - magnified the Saudi impression of U.S. unreliability. The 'war of the cities' accentuated the dangers of using missiles against civilian targets and impressed upon Riyadh the need to possess weapons of a similar kind, if only for deterrent purposes. An added concern at this time was Israel's successful test-launching of the Jericho-II strategic missile, which compounded Saudi

Arabia's worry.

Unlike in 1984, U.S. reluctance to transfer missiles to the Gulf was reinforced by emergent superpower detente. One of the concrete manifestations of improving superpower relations was the signing of the INF agreement in December 1987. This accord imposed a worldwide ban on the superpowers' deployment or transfer of missiles with a range of 500 to 5,000 kms. The CSS-2 missiles eventually sold by China to Saudi Arabia are an INF-range system. Thus, China profited not merely from what the U.S. was unwilling to furnish, but also from what the superpowers were forbidden to provide under the terms of their treaty.

The context (i.e. the Gulf war) and the type of weapon (i.e. a missile of a range never before deployed in the region) stirred such controversy that other aspects and implications of the sale were overshadowed. First, Saudi Arabia was not the first Arab country to have sought alternative suppliers once its demands were spurned by the U.S. Congress. Second, China was not the only source whom the Saudis approached and from whom they acquired weapons to supplement U.S. arms. Third, even at \$100 million each, the 10--15 missiles purchased from China represent only a tiny fraction of the estimated \$31 billion in American arms and military construction projects 'conceded' by the U.S. Congress between 1978 and 1987, or the multibillion-dollar Tornado fighter aircraft deal concluded with Great Britain.<sup>155</sup>

Finally, to the extent that attention was paid to the political - and not merely the military - reasons for the

deal, that attention seemed to concentrate on Saudi Arabia's motives for acquiring the missiles. A closer examination of the context in which the deal occurred uncovers an additional political incentive for China to agree to provide the weapons. As early as 1984, the Soviet Union had made overtures to Saudi Arabia (about the time that China is believed to have first discussed the possibility of arms sales to the Saudis). In early 1988 (not long before the missile sale was reported to have occurred) Foreign Minister Shevardnadze made the first trip to Riyadh of any such high-ranking Soviet leader. It is therefore possible that an element of Sino-Soviet competition was present in China's decision to go ahead with the sale. With the withdrawal of Soviet troops from Afghanistan and the ending of the Cold War, the U.S.S.R. can only emerge as a more effective competitor for political influence, investment funds, and other forms of cooperation. While there is no evidence that China clearly foresaw this challenge, it is not implausible to suggest that China acted on the Saudi request for missiles for reasons besides short-term cash earnings.

Chapter VII  
An evaluation

**What were China's objectives?**

China's objectives in the Middle East since 1982 have been shaped by its general aim of carving an independent foreign policy. Its goals in the region, therefore, spring from a global strategic first principle: close attention to superpower rivalry without close alignment with either superpower. China's activities in the region recently have represented an overall attempt at reidentification with the Third World on its own merit, with primary emphasis on economic cooperation.

China's emergent first interest in the Middle East since 1982 has been to do business. The amelioration of Sino--Soviet relations has helped to make this priority strategically affordable. At the same time China's decoupling from Washington has facilitated its implementation. As China has increasingly sought to place business ahead of politics in the Middle East, its strategic repositioning between the superpowers has enabled it to apply more freely economic criteria to its choice of partners and activities.

Whereas economics has been the central focus of Sino--Middle Eastern relations in ths period, it has not been the exclusive one. Moreover, although China's maneuvering between the superpowers has had a primarily beneficial impact on its cultivating economic ties in the region, it has not had a determining one. Presenting a favorable

political image, though not indispensable to conducting business in the Middle East, has remained an important consideration for at least two reasons: first, because of China's continuing interest in acquiring a world leadership role; second, and related, in order to compete effectively for influence with the Soviet Union. Producing this image has entailed above all, reestablishing credibility on the issue of Palestine and reaffirming a position of neutrality in the Gulf war.

#### **What were China's tactics?**

The distinction between ends and means is difficult to sustain in the case of China's economic involvement in the Middle East since 1982. China has stepped up the effort to enlarge exports to the region, yet this has apparently not been done for its own sake. Without intending to suggest that income from Middle East exports has been earmarked for special purchases, it is clear that foreign exchange earnings have helped China pay for Western technology. Thus, development of the Middle East as an export market - linked as it is to the acquisition of western technology - has been placed in the service of a very important goal of Chinese modernisation. The desirability of using exports to earn vital foreign exchange helps to explain China's dramatic shift from donor to salesman in the military sphere. In 1982, China altered its practice of granting generous military assistance in favor of generating military sales instead.

China targeted Egypt, with whom it had steadily developed reliable military cooperation, to serve in a variety of capacities: as customer, as showroom, and as intermediary: buying Chinese weapons, exhibiting and transferring them. Furthermore, China sought to turn the Gulf war from a political dilemma to a profitable enterprise by selling or bartering weapons to both belligerents. Saudi security concerns arising from the Iran--Iraq war converged with repeated U.S. congressional reluctance to match Saudi requests for arms transfers. Thus the events in the Persian Gulf, along with the U.S. position on the Arab--Israeli issue, invited China to cast for military sales in Saudi Arabia.

If, with respect to Egypt and its three Gulf customers (i.e. Iran, Iraq and Saudi Arabia) China's emphasis in the military sphere has been on sales, its focus, with regard to Israel, has been on acquisitions. Beijing has solicited Israeli cooperation particularly in those areas in which, conveniently, China's military modernisation plans and Israel's expertise complement each other (i.e., tank, missile guidance systems).

Besides seeking Israeli cooperation in the military field, China has solicited help from the Middle East for another component of its modernisation. As China's modernisation plans have evolved, so has the danger of uneven development. Coincidentally, the populations of two of China's more backward provinces, which, significantly, lie along the Sino--Soviet frontier are substantially Muslim. China has sought Arab loans and investments especially but not

exclusively to develop these regions, where a natural compatibility of interests may not only alleviate China's concerns but also lay groundwork for further cooperation.

In this period China has concentrated on participating in ventures in the Middle East at least as vigorously as it has solicited Arab funds for projects in China. The vanguard of this effort has been its involvement in construction projects, an area of economic cooperation in which China's reliability and competitiveness in the Middle East have already shown themselves. Since 1982 China's involvement in this field has developed beyond the mere supply of Chinese labor. Chinese firms have competed for a wider range of customers, for larger-scale contracts, and for opportunities to engineer as well as to supply materials, not just manpower.

China's political tactics in the Middle East have been employed to serve Chinese modernisation and to advance China's standing in the Third World. While consistently adhering to the principle that the Third World must resist superpower manipulation, China has invoked new ways to attain that end. In addition to promoting South--South cooperation, China has adopted an apparently contradictory posture of strongly urging peace while at the same time canvassing for customers for its arms. The principal forum for its peace advocacy has been the U.N. while the major showcase for its weapons in the Middle East has been the Persian Gulf.

It is more apt to suggest that, during this period, China

has practiced astute politics, rather than no politics at all. In the past, China had had few commerical relationships of significant value with the region. In the relative absence of economic interests or economic prospects, China had acquired a reputation in the region for stirring controversy which was painfully difficult to dispel. To a much greater extent than in the past, China has sought to practice politics in the Middle East in such a manner as to least interfere with doing business in the Middle East.

On the two key issues of the period - the Arab--Israeli dispute and the Gulf war - China has cast itself in the cause of peace. China did not crudely denounce any peace initiative, regardless of its sponsor; nor denigrate any peace effort, regardless of its prospects. The mild praise reserved for the Fez Plan, the mild criticism in response to the Reagan Plan, and the carefully crafted silence in reply to the Brezhnev Plan demonstrate a consistent effort on the part of China to avoid needless antagonisms. By declaring neutrality and holding to that policy throughout the Gulf conflict, China likewise sought to cultivate the image of a country unwilling to meddle in regional disputes.

#### **Were China's efforts successful?**

Applied to the Middle East, Beijing's 'independent' foreign policy (1982--89) has consisted mainly of a gradual disassociation from the practices of Washington. The perceived improvement in China's strategic situation vis-a-vis the Soviet Union has appeared to make such a shift affordable; the heightened visibility and flexibility of

Soviet Middle East diplomacy has made it advisable. China's 'independence' then has amounted to a position of political non-affiliation with either superpower. In the short term, this approach offers expanding commercial ties; in the longer term, greater political influence.

Interestingly, many if not most of China's major opportunities to cut its own path in the Middle East have, as in the past, derived from superpower initiatives in the region or superpower responses to regional developments. In the area of arms sales, for example - where the PRC has recently generated as much controversy as currency - the superpowers' unwillingness or inability to fulfill local expectations has provided opportunities for China to exploit. Thus, the precise character of China's policy independence has to a large extent depended on what the superpowers have or have not done.

An assessment of China's efforts in the Gulf to do business without doing politics begins fittingly with a paradox: though successful modernisation is thought generally to rely on a tranquil international environment, tolerable levels of regional hostility have provided substantial economic benefits to China. Beijing accurately read and exploited the superpowers' common commitment to maintain a stalemate in the Gulf conflict. As a result, its arms sales to both Iran and Iraq earned considerable foreign exchange. Moreover, the publicity attaching to these sales has served as free advertisement of the availability of Chinese military merchandise and of the quality of its

combat performance. China's practice of treating Iran and Iraq solely as customers inflicted direct injury on Beijing more in contemplation than in actual fact. Neither side publicly denounced China for provisioning its enemy, suggesting that what was intended primarily as business was sanguinely regarded as such.

Taking no sides in the war while selling arms to both belligerents was lucrative business but not trouble-free politics. First, this practice almost certainly damaged China's international image, and may have rekindled suspicions about its trustworthiness. Beijing in this period had sought to portray itself as a strong advocate of peace and South--South cooperation. Large-scale arms sales to Iran and Iraq clashed with this latest tactic in China's longstanding quest to capture the prize of a Third World constituency.

Second, Chinese missile sales to Iran have antagonised the United States, with whom Beijing has sought a politically independent yet economically fruitful relationship. Washington expressed its irritation in potentially disabling terms: predicating the liberalisation of future technology transfers to China on Beijing's cessation of missile sales to Tehran. Thus, China was made to suffer an affront to its nationalist sensibilities and to sacrifice an immediate cash payoff for the future promise of technology it needs but might not be able to afford.

The introduction of Chinese missiles into the Iran-Iraq conflict produced yet another set of consequences, bearing sharper ironies and deeper controversies, not merely more

lucrative trade: namely, the redefinition of the security needs of the entire Middle East. Oddly, Saudi Arabia's purchase of Chinese missiles was taken largely as a countermeasure to blunt an Iranian threat made more menacing by the acquisition of Chinese missiles. Thus, China profited by helping to secure Riyadh from the danger it was instrumental in creating.

The range of Saudi missiles obtained from China enables them to be deployed at a safe distance from anything currently in the Iranian inventory. At the same time, however, these weapons, which are suitable for carrying nuclear and chemical payloads, give Saudi Arabia the putative capability to strike Israel. Naturally, China's sales to Riyadh have raised widespread speculation and concern in Israel, where work on the Jericho missile system has duly accelerated, with assistance wrung from Washington. Washington in turn - pressed by the competing demands of its Israeli ally for enhanced security, the obligations of the recent INF agreement, and the challenge of Moscow's peace diplomacy - has leaned on China to pre-empt a local arms race and further 'slippage' in America's managerial role in the region. The Assad regime's expression of interest in Chinese missiles, indicative of its determination to keep pace with its Israeli adversary and Arab rivals, suggests that Washington's concern is not misplaced. Therefore, in largely unintended and unforeseeable ways, China's sales have had a tremendous impact: on the military balance in the Arab-Israeli conflict; on the pace and character of inter-

Arab rivalry; on the dynamics of the U.S.--Israeli alliance; and on the pattern of Sino--American relations. Thus, in fulfilling its primary objective of extending its commercial military ties to the Middle East, Beijing has irrevocably set in motion crosscutting sets of events, not all of them favorable to China.

The drama that has understandably accompanied Chinese missile sales to the Gulf has tended to overshadow one additional avenue of Chinese military involvement in the Middle East while calling unnecessary attention to still another - each of them rich in its own contradictions. In comparative silence, Beijing has continued to enjoy military cooperation with Cairo, which in this period has functioned as a channel for Chinese weapons headed to Baghdad. Chinese arms, therefore, have served as a quiet vehicle for the thawing of Egyptian--Iraqi relations, and more broadly, for the reintegration of Egypt into the Arab fold.

In contrast, the furore over Chinese missile sales to the Gulf focused eyes on the development of Sino--Israeli military cooperation. The possible participation of Israeli technicians in the improvement of Chinese missile guidance systems implicated the Israeli government in the development of weapons sold and deployed to Arab customers, causing disturbance in Washington and posing a danger to Israel. Moreover, such cooperation pointed to much broader Sino--Israeli economic ties, not only complicating Israel's dialogue with the Soviet Union but also embarrassing China before its Arab audience. Therefore, China's success in selectively re-equipping the PLA and enhancing the

marketability of its military wares by virtue of Israeli assistance must be viewed in the light of the political awkwardness it created.

Certainly the commercial aspect of Chinese military involvement in the Middle East has been the PRC's most sensational activity in the region: providing by far the most foreign exchange and producing by far the widest international repercussions. Still, China's economic role in the Middle East has included a multitude of other activities, participation in construction projects chief among them. The Gulf war tapered China's expanding building activity in Iraq but did not terminate it. Moreover, the reputation that Chinese laborers and later, Chinese engineers, acquired principally in Iraq and in adverse conditions helped to project China further afield in the Middle East; namely, in Jordan and Egypt. China's success in winning engineering contracts which provided for the export of machinery and materials and not merely manpower, in an ever-widening field of construction activity, is a notable achievement in itself; perhaps more important, it helped to establish a track record that can improve China's competitiveness in other regional markets.

Downward-moving oil prices have had mixed effects on China's relations with Gulf producers, with Kuwait in particular. On the one hand, the soft oil market has drastically cut into the foreign exchange earnings of the PRC which urged a more competitive posture by China among oil producers. However, China has supported Kuwait's

production and pricing policies rather consistently, and by doing so has preserved the good relations conducive to cooperation in other areas. Despite declining oil prices and the shrinking value of the dollar which has thinned the availability of petrodollars for recycling, Kuwait has continued to invest significant sums in China. These contributions of course have not been sufficient in themselves to propel Chinese modernisation. But then, they were not intended to be. Instead, they have breathed life into select areas of the Chinese economy at a propitious time.

The political dimensions of Chinese involvement have deliberately taken a back seat to Chinese economic activities in the region. Even so, as has been indicated, strictly economic relations often result in politically complicating outcomes. During this period, China has not entirely abandoned its search for political leadership. Instead, given the priority assigned to modernisation, China has placed primary emphasis on promoting and protecting its own development, confident that the political benefits will follow accordingly.

What political fire China has attempted to breathe into the Middle East has been independent of, yet dependent upon, the changing tactics and fortunes of the superpowers. The Soviet effort to seize the diplomatic initiative on the Arab-Israeli issue by extending feelers to all interested parties has challenged Beijing to display comparable flexibility. In some ways this has been advantageous to China. Following rather than beating the Soviet Union to

normalisation with Israel, for instance, enables China to preserve its credentials with the Arabs. Supporting PLO factional reconciliation rather than endeavoring to engineer it allows China to maintain its revolutionary posture in the absence of revolutionary activity, at no risk of failure. Championing the cause of an international peace conference under U.N. auspices without actively engaging in its organisation permits the PRC to parallel the positions of the superpowers, without being harnessed to them; to profit from eventual participation without becoming embroiled in the difficult negotiations for its initiation. Perhaps more consciously than ever before, China has chosen the political sidelines in the Middle East, and thus enjoys a position relatively uncontaminated by superpower alignment or unpopular revolutionary doctrine.

## Notes

(1) Xinhua (19 April 1982).

(2) Huan, Guocang, 'China's Policy Toward the United States' in The Chinese View of the World, pp. 143--173. The author argues that policy toward the U.S. since 1982 no longer rests primarily on shared security interests (ie. opposition to the U.S.S.R.). He adds that Beijing seeks to separate issues on which it has common interests with the U.S. from those on which the PRC has its own distinctive views.

(3) See Carol Lee Hamrin, 'Domestic Components and China's Evolving Three Worlds Theory' in The China Factor, edited by Gerald Segal (London: Croom Helm, 1982), p. 51.

(4) In particular, the Vietnamese occupation of Kampuchea, the Soviet invasion of Afghanistan, and the highly militarised Sino--Soviet border.

(5) See Steven I. Levine, 'The End of Sino--Soviet Estrangement' in Current History, vol. 85, no. 512, September 1986, p. 245.

(6) See Chi Su, 'China and the Soviet Union' in Current History, vol. 83, no. 494, p. 245.

(7) Commentary gradually shifts from voicing concern over the possibility of Soviet intervention to raising the issue of Soviet weakness. See, for example, Beijing Review, nos. 51 (22 December 1980) and 25 (22 June 1981).

(8) Some of the earliest discussion by Xinhua correspondent Wang Cong Jee in Beijing Review, no. 4 (26 January 1981).

(9) There is some tension between Beijing's public encouragement of the United States to resist Soviet aggression from a position of 'strength' and its avowed support for disarmament.

(10) See Sarah-Ann Smith, 'China's Third World Policy as a Counterpoint to the First and Second Worlds' in China and the Third World: Champion or Challenger?, edited by Lillian Craig Harris (London: Croom Helm, 1986), p.53; and Robert Worden, 'China's Balancing Act: Cancun, the Third World and Latin America' in Asian Survey, xxiii, no. 5, May 1983, p.619.

(11) See Sarah-Ann Smith, 'China's Third World Policy as a Counterpoint to the First and Second Worlds' in China and the Third World: Champion or Challenger?, edited by Lillian Craig Harris (London: Croom Helm, 1986) p. 53; and Robert Worden, 'China's Balancing Act: Cancun, the Third World, and Latin America' in Asian Survey, vol. xxiii, no. 5, May 1983, p. 619.

(12) See John Copper, 'China and the Third World' in Current History, vol. 82. no. 485, p. 245.

(13) Beijing Review, no. 48 (26 November 1984).

(14) FBIS-CHI- (3 November 1986), K7.

(15) Xinhua (18 February 1982).

(16) FBIS-CHI-82-022 (2 February 1982) B3--4.

(17) Xinhua (22 January 1982).

(18) Xinhua (11 June 1982).

(19) FBIS-CHI-87-029 (12 February 1987) I2.

(20) FBIS-CHI-87-046 (10 March 1987) B4--5. The major damage to American prestige and credibility among the Arabs was done by the '83 U.S.--Israeli 'strategic cooperation' agreement, the failure of the U.S. to satisfy Arab requests for arms, and the 1987 Iran arms component of the 'Contra' affair.

(21) FBIS-CHI-82-019 (28 January 1982) I1.

(22) FBIS-CHI-84-087 (3 May 1984) C2--4; FBIS-CHI-84-088 (4 May 1984) C3.

(23) FBIS-CHI-86-160 (19 August 1988) C2--3; FBIS-CHI-87-093 (14 May 1987) C2--8; and The Christian Science Monitor (9 July 1987), p. 14.

(24) The Egyptian Gazette (20 December 1982).

(25) The International Herald Tribune, The Financial Times, and The Guardian (21 December 1982).

(26) Facts on File, vol. 42, no. 2166 (21 May 1982), p. 368.

(27) Facts on File, vol. 42, no. 2174, (16 July 1982), p. 504; Facts on File, vol. 42, no. 2198 (31 December 1982), p. 984.

(28) Facts on File, vol. 43, no. 2250 (31 December 1983), p. 975.

(29) Ibid.

(30) Facts on File, vol. 43, no. 2218 (20 May 1983), p. 362; Facts on File, vol. 44, no. 2269 (11 May 1984), p. 341.

(31) Egypt's failure to obtain F-16s, as reported in The Washington Post (3 January 1982) prompted a search for military aid elsewhere, culminating in a purchase of 20 French Mirage-2000 fighters [See Facts on File, vol. 42, no. 2148 (15 January 1982), p. 12]. Egypt's request for additional economic aid was rejected in 1985, with discussion bogged down over Egypt's military debt and international payments problems [See Facts on File, vol. 45, no. 2312 (15 March 1985), p. 180].

(32) Xinhua (22 October 1985).

(33) Far Eastern Economic Review (22 September 1988), p. 42.

(34) In 1985, China shipped 94 M-60A3 tanks to Egypt, according to FBIS-CHI-85-087 (6 May 1985) B1. Later that year, \$24 million in sales were announced, including the transfer of 2AW/TPQ-37 artillery radar systems [See FBIS-CHI-85-215 (6 November 1985) B2].

(35) Daniel Sneider, 'China's Arms Bazaar' in Far Eastern Economic Review (18 December 1986), p. 23.

(36) International Defense Review, vol. 21, no. 1, 1988, pp. 14--15.

(37) FBIS-CHI-86-250 (29 December 1982) I3--4.

(38) October 6 City, one of nine planned satellite towns. Contract valued at \$6.65 million. China was one of only five contract awardees out of 39 Egyptian and foreign bidders [See FBIS-CHI-84-037 (23 February 1984) I3].

(39) Xinhua (10 October 1985).

(40) FBIS-CHI-84-119 (19 June 1984) I1.

(41) FBIS-CHI-82-237 (9 December 1982) I2--3.

(42) FBIS-CHI-84-053 (16 March 1984) I2--3; Arafat--Chinese Ambassador FBIS-CHI-84-229 (27 November 1984) I3; PLO--Jordanian delegation to Beijing FBIS-CHI-85-093 (14 May 1985) I2].

(43) Facts on File, vol. 45, no. 2303 (1--11 January 1985), p. 5.

(44) At first the Reagan Administration opted to go ahead despite opposition [Facts on File, vol. 45, no. 2327 (28 June 1985), p. 477 and no. 2341 (4 October 1985), p. 724]. Then, the Administration agreed to delay until March 1986 to await the possibility of meaningful Israeli--Jordanian talks [Facts on File, vol. 45, no. 2344 (25 October 1985), p. 800. The House finalised the delay in November 1985, but in February the proposal was shelved indefinitely [For the Chinese reaction, see Xinhua (4 February 1986)].

(45) The Christian Science Monitor (8 April 1987).

(46) Xinhua (23 July 1986).

(47) FBIS-CHI-84-231 (29 November 1984) W3.

(48) Ibid.

(49) Ibid.

(50) FBIS-CHI-85-003 (4 January 1985) I2.

(51) FBIS-CHI-86-194 (23 October 1986) I1.

(52) Party General Secretary Hu Yaobang, on the occasion of King Hussein's visit to Beijing, referred to 'the Israeli

people's right to peaceful existence,' suggesting a carefully worded attempt to counterbalance support of the Palestinians [See Facts on File, vol. 42, no. 2198 (31 December 1982), p. 986.]

(53) Soviet motives included sweetening the atmosphere for the convening of a Geneva summit. Links with Israel offered the Soviet Union the opportunity of being in opposition to 'talk with all parties' [On reports of Moscow's cautious maneuvering, see Facts on File, vol. 45, no. 2354 (31 December 1985), p. 971.]

(54) Facts on File, vol. 45, no. 2310 (1 March 1985), p. 132.

(55) See Sophia Woodman and Dorian Hancock, 'Rebuilding the Mideast Bridge' in The Middle East, September 1987.

(56) The Guardian (10 June 1988).

(57) FBIS-CHI-87-060 (30 March 1987) A1.

(58) The Washington Post (27 July 1988).

(59) See, for example, The Financial Times (22 April 1988).

(60) Equipment between 1976 and 1988 was estimated at \$4 billion [The Washington Post (29 May 1988)].

(61) The Financial Times (22 April 1988).

(62) Le Monde Diplomatique (March 1985).

(63) The Washington Post (23 May 1988).

(64) Details of this visit were reported in BBC/SWB/ME/1203/A1/7 (21 September 1982). On the succession of visits by other Israelis as well as by those non-Israelis acting on behalf of Israeli firms since 1975, see Yossi Melman and Ruth Sinai, 'Israeli--Chinese Relations and their Future Prospects' in Asian Survey, vol. 27, no. 4, April 1987, pp. 403-404.

(65) Jane's Defense Weekly (20 November 1984).

(66) Ignacio Klich, 'Israel's China Syndrome' in Middle East International, no. 241 (11 January 1985), p. 15.

(67) U.S. News and World Report (6 June 1988).

(68) Jon Swain, 'Israel in Secret Missile Deal with China' in The Sunday Times, London (3 April 1988).

(69) Israeli technicians were reportedly seen - as were signs of their work - in Chengdu, where it is believed that development of a new Chinese fighter aircraft by the Chengdu Aircraft Corporation is under way [Ibid.].

(70) The Sunday Times, London (10 April 1988).

(71) The Financial Times (23 May 1988). The loss of this contract not only exacerbated the state-owned company's financial problems, but deprived it of important market penetration of West Europe, impelling the company to seek business in other regions.

(72) Jon Swain, op. cit.

(73) Liat Collins, 'Sino--Israeli Ties: The Chinese Perspective' in The Israel Economist (November 1987), p. 8.

(74) A. Eilon, 'Israel in China' in The Israel Economist (January-February 1987), p. 24.

(75) FBIS-CHI-86-219 (13 November 1986) I1--2.

(76) The Financial Times (22 April 1988).

(77) Ibid.

(78) Dan Halpern, updated by Nettie Feldman in The Israel Economist (November 1987). pp. 14--18.

(79) Ibid.

(80) A. Eilon, op. cit.

(81) Halpern, op. cit.

(82) The Financial Times (22 April 1988).

(83) The Financial Times (21 October 1988).

(84) The Washington Post (29 June 1988).

(85) Xinhua (4 and 23 August 1982).

(86) Reprinted in Beijing Review, no. 36 (6 September 1982).

(87) Galia Golan, 'The Soviet Union and the PLO Since the War in Lebanon' in Middle East Journal, vol. 40, no. 2, Spring 1986.

(88) The International Herald Tribune (27 October 1983) and Le Monde (29 October 1982).

(89) Beijing Review, no. 38 (20 September 1982).

(90) Beijing Review, no. 41 (11 October 1982).

(91) The International Herald Tribune (7 May 1984) and The Financial Times (8 May 1984).

(92) The International Herald Tribune (10 May and 9 September 1985).

(93) The International Herald Tribune (21 November 1988).

(94)FBIS-CHI-82-132 (9 July 1982) I1. Total project cost was estimated at \$125 million. The facility's output was envisaged at 1.5 million tons annually, making it one of the PRC's largest.

(95)FBIS-CHI-82-217 (9 November 1982) I1.

(96)FBIS-CHI-85-004 (7 January 1985) I3--4.

(97) Ibid.

(98) Xinhua (13 December 1984).

(99)FBIS-CHI-85-004 (7 January 1985) I3--4.

(100)FBIS-CHI-86-026 (7 February 1986) I1.

(101)FBIS-CHI-86-177 (12 September 1986) I3--4.

(102) MEMO, vol. 13, no. 1 (23 January 1989) and MEMO, vol. 12, no. 6 (25 March 1989).

(103)FBIS-CHI-87-079 (24 April 1987) I2--3.

(104)FBIS-CHI-85-013 (18 June 1985) I2.

(105)FBIS-CHI-85-004 (7 January 1985) I3--4.

(106) According to the terms of this deal, China National Offshore Oil Corporation (CNOOC) holds a 51% equity stake, with Arco China Inc. and Santa Fe Minerals Asia (acting for KUFPEC) owning a 34% and 15% share respectively. The scheme envisages a submarine pipeline to provide feedstock and power generation for contemplated gas-based joint ventures, and the possible supply of gas to Canton and LNG to Japan. [See Middle East Economic Survey, vol. 32, no. 9 (5 December 1988).]

(107)FBIS-CHI-87-054 (20 March 1987) I3.

(108)FBIS-CHI-87-079 (24 April 1987) I2--3.

(109)FBIS-CHI-85-004 (7 June 1985) I3--4.

(110) Middle East Economic Digest, vol. 30, no. 31 (2--8 August 1986).

(111) Xinhua (21 July 1986).

(112)FBIS-CHI-85-004 (7 January 1985) I3--4.

(113)FBIS-CHI-86-177 (12 September 1986) I3--4.

(114) This vessel is reported to have a 724-container capacity, expected to sail every two months.

(115) Facts on File, vol. 44, no. 2281 (3 August 1984), pp. 557--558.

(116) Facts on File vol. 44, no. 2284 (24 August 1984), p. 627.

(117) FBIS-CHI-86-100 (23 May 1986) I2; Xinhua (14 July 1986).

(118) Facts on File, vol. 44, no. 2265 (13 April 1984), p. 262.

(119) FBIS-CHI-84-107 (1 June 1984) I2.

(120) Facts on File, vol. 44, no. 2298 (23 November 1984), p. 893.

(121) Middle East Economic Digest, vol. 30, no. 31 (2--8 August 1986).

(122) China Market, no. 11, 1987, pp. 26--27.

(123) China's Foreign Trade, no. 2, 1983, pp. 8--9.

(124) FBIS-CHI-84-041 (29 February 1984) I2.

(125) FBIS-CHI-84-097 (17 May 1984) I1.

(126) Jonathan Crusoe, "Economic Outlook" in Iraq in Transition, edited by Frederick Axelgard (Washington, D.C.: Center for Strategic and International Studies, 1988), pp. 51--52.

(127) See Crusoe, op. cit., on China's participation with Construстро Mendes Junior, Brazil's largest construction firm.

(128) Xinhua (1 August 1984).

(129) FBIS-CHI-86-083 (30 April 1986) I3; and (30 July 1986) I3.

(130) Ibid., p. I-1.

(131) Beijing Review, no. 48 (29 November 1982).

(132) FBIS-CHI-85-127 (2 July 1985) V1--2.

(133) Daniel Sneider, 'China's Arms Bazaar' in Far Eastern Economic Review (18 December 1986), p. 23.

(134) The Middle East, September 1987, p. 20.

(135) FBIS-CHI-85-127 (2 July 1985) V1--2.

(136) FBIS-CHI-85-208 (28 October 1985) I1.

(137) Ibid.

(138) FBIS-CHI-87-054 (20 March 1987) I1.

(139) FBIS-CHI-87-067 (8 April 1987) I1. Many of these arms were believed to have been shipped via North Korea [See The Wall Street Journal (21 December 1987) and The New York Times (13 January 1988)].

(140) The Wall Street Journal (21 December 1987).

(141) Xinhua (28 August 1986) and FBIS-CHI-86-168 (29 August 1986) F1.

(142) Jane's Defense Weekly (28 November 1982).

(143) MEMO, vol. 11, (28 August 1987).

(144) FBIS-CHI-85-173 (6 September 1985).

(145) Xinhua (28 August 1986).

(146) FBIS-CHI-86-191 (2 October 1986) I6.

(147) The New York Times (11 June 1987).

(148) The New York Times (11 June 1987).

(149) The New York Times (10 March 1988).

(150) FBIS-CHI-86-142 (30 July 1986) I2-3.

(151) The Middle East, March 1988.

(152) Ibid.

(153) Middle East International (2 April 1988).

(154) Following the 5 June 1984 downing of an Iranian jet in Saudi airspace, Riyadh took numerous steps to counter the Iranian threat: a buildup of air defenses (which included attempts to acquire missiles for that purpose), participation in military production joint ventures with Brazil, the purchase of anti-aircraft tanks from West Germany. [See Facts on File, vol. 44, nos. 2281 (3 August 1984), 2292 (19 October 1984), 2255 (3 February 1984); and vol. 45, no. 2308 (15 February 1985).]

(155) The Washington Post (8 July 1988).

## Conclusion

### A. China, the superpowers, and the Middle East:

China has tended to view Middle East developments in a global context. Beijing has, for example, always attributed the lack of improvement in the region's stability and economic well-being primarily to superpower competition or connivance. Typically, therefore, China has defined its status and mission in the region in relation to the superpowers, with overriding attention to opposing, offsetting, competing with or seeking to distinguish itself from the policies of either or both the U.S. and the U.S.S.R.

During the years 1955-57 (when China first became involved in the region), the Sino--Soviet alliance was intact; Sino--U.S. relations, on the other hand, were generally hostile. In collaboration with the Soviet Union, China cultivated relations with nationalist leaders in the region and supported their policies in the expectation that, by doing so, Western influence would be undermined.

In the latter part of the 1950s Beijing's tactics with respect to nationalist leaders changed, as did its attitude regarding Soviet policy in the Middle East. These changes reflected a general trend in Chinese foreign policy: from 'peaceful coexistence' to 'militancy'. U.S. interventionism in the Middle East, and the confidence that it could be safely and successfully opposed, was greatly responsible for producing these changes. Yet, despite reaching new conclusions about the 'correlation of forces' and adopting

new tactics to reflect these changes, the substance of Beijing's strategic aims in the Middle East remained essentially the same: to oppose the United States.

As, by the early 1960s, the Sino--Soviet relationship deteriorated, the Middle East became for China not only a strategic buffer (vis-a-vis the United States), but also an arena of competition for influence with the Soviet Union. The Middle East therefore acquired special significance to China by virtue of its growing importance to both superpowers and China's hostile relations with both superpowers.

By the end of the 1960s, the Sino--Soviet relationship had further degenerated: from a competitive to a confrontational relationship. Related to this - though related also to developments within China - a thaw in Sino--U.S. relations occurred. Again, China's relations in the region reflected these broader strategic considerations. Initially (ie. until 1972) the revival of China's diplomacy in the region was accompanied by a continuation of its support for revolution and armed struggle in the region. By the middle of the decade these 'contradictions' began to be resolved -- as the debates within China themselves were resolved, and as the relative dangers posed by the superpowers to China were clarified.

Soviet--American detente came to be seen by the Chinese as an opportunity for the expansion of the Soviet presence and influence in 'strategically crucial' regions, including the Middle East. The '73 war and subsequent enlargement of the Soviet naval presence in the Mediterranean Sea and Indian Ocean coincided with Soviet troop build-ups on the Chinese border,

and with the development of closer ties between the U.S.S.R. and India as well as Vietnam. This combination of circumstances increased the strategic salience of the Middle East to China, and helps to explain China's efforts to cultivate relations with the leaders of the Gulf countries.

Between 1979 and 1982, events external to China (together with the end of the Mao succession crisis) resulted in a foreign policy in which some of the trends of the preceding period crystallised. The normalisation of Chinese--U.S. relations was based to a large extent on the common strategic aim of countering the Soviet Union. China's relations with the Middle East were designed chiefly to serve that purpose. Cooperation with the Gulf countries, the U.S. and Pakistan to assist the mujaheddin in Afghanistan and support for the Camp David peace process (whatever its shortcomings) reflected the aim of undercutting the U.S.S.R.

By 1982 the need for strategic cooperation with the U.S. had become less urgent; that is, the threat posed by the Soviet Union to China had begun to diminish. Policy divergences between Washington and Beijing, including their respective positions on the Palestinian question, were less tolerable in an atmosphere of declining strategic pressure from Moscow. This is not to suggest, however, that after 1982 the Middle East had become strategically irrelevant to China.

The Middle East has retained its strategic importance to China for two reasons. First, China has recently enjoyed, and is committed to preserve, unprecedeted good relations

with both superpowers. Yet, there is no indication that the Chinese leadership assumes this favorable climate will inevitably and indefinitely prevail.

Second, China's commitment to modernisation has ultimately led to a redefinition of Chinese 'security'. 'Security' has come to include the continued health and growth of the Chinese economy, not just the defense of China's borders. That China's economy has become enmeshed in the global economy has in turn produced on the part of the Chinese an increasing interest in global stability. Even though China's own economic interests in the Middle East are only modest, there is little doubt that the region's stability and the well-being of the global economy are inextricably linked. It is this link that gives the Middle East a new kind of strategic importance to China.

#### **B. China and Middle East Regional Politics:**

Historically, there has been a tight interaction between external powers in the Middle East and the politics of the region. Rivalries and confrontations at the local and regional level have been notoriously difficult to disentangle. Nevertheless, some generalisations can be offered with respect to the ways in which developments within the Middle East might have facilitated or constrained China's efforts to build relations in the region.

In the 1950s the power of ideology, personality and policy merged to make the Middle East attractive to China. At that time, 'revolutionary' Arab nationalism, consisting chiefly of two forms - Nasserism and Ba'thism - was the prevailing

ideological trend in the Arab Middle East. Nasserism, originating in Egypt, drew a wider following in the region than Ba'thism (which struck roots in Syria and Iraq). Both ideologies were anti-monarchist and anti-colonial. In addition, both Nasserists and the Ba'thists (though neither were communists) espoused socialist principles. Thus, there was a degree of convergence between these ideologies and the principles advocated by China.

Nasser led a successful revolution, resisted U.S. overtures to join a pro-Western defense pact, nationalised the Suez Canal, and withstood a combined French-British-Israeli invasion. The Chinese communists too had made a revolution, had successfully struggled to overcome foreign occupation. Thus, there appeared to be a great deal that Egypt and China possessed in common. The concept of 'Afro-Asian solidarity', however ambiguous, struck a responsive chord in both capitals.

China's early success in cultivating relations with Nasser and other Arab leaders must also be attributed to Chou En-lai, who made China's commitment to 'Peaceful Coexistence' credible. In addition, China's leaders astutely used trade, economic aid, and timely statements of encouragement to show support for Nasser.

Yet, as this study has shown, this period of cordiality and cooperation was short-lived. 'Radical' Arab nationalists shared China's concern about and displeasure at the U.S. willingness (in conjunction with Britain) to intervene militarily in the region's politics. However, Nasser and

China, like China and the Soviet Union, differed on the question of how to oppose the West, and what risk to assume in doing so. In addition, China's continuing contact with local communist parties (regardless of the scale or impact of its support) strained relations between the PRC and Egypt. Thus, unlike in the earlier period, China's preferences and tactics diverged from those of Nasser; to an extent, the constraints under which China operated were therefore self-imposed.

Communist activity in Iraq, and to a lesser degree in Syria, in the late 1950s might have appeared at first to offer China an opportunity to expand its influence. However, there is no indication that these local communists were subordinate either to the Soviet Union or China; or for that matter, dependent on them. In addition, the 'success' which the communists in these two countries attained was relatively fleeting. The combination of pressure from the Ba'th Party (and military elements within it) and Nasserists emasculated the communist movement. Thus, the relative autonomy of the communists, coupled with the strengths of its rivals, constrained China's efforts to strengthen ties with the Middle East through these channels.

China sought to revive its relations with the region in the early 1960s, relying on the tactics which it had employed relatively successfully a decade earlier. Beijing made a fresh commitment of economic aid and trade (with a balance in favor of its Middle East partners), coupling it with Chou's personal diplomacy. Yet, China sought to draw support not only against the U.S. but also in its polemic

than that the traditional leadership might be overthrown.

Despite the commonalities between China and the groups with whom China sought to curry favor, the local and regional political environment in which they operated was decisive - and less favorable to China. There were, for example, instances in which Chinese arms intended for Palestinian commandos were confiscated by Arab governments intent on keeping a tight rein on the movement. The fragmentation within the Palestinian movement and within the governing NLF also dimmed their prospects for success, and the Chinese interests entwined with them.

In general, China was in no position to dictate the course of events in the Middle East. For example, Beijing could not, had it wanted to, compelled Egypt and Jordan from acceding to the Rogers Plan; nor prevented Egypt and Syria from relying on the Soviet Union for arms. China could not satisfy the military needs of the Arabs; nor could it conceivably bring pressure to bear on Israel. China was simply not a superpower.

If not being a superpower had its drawbacks, it also had its advantages. One of the by-products of China's re-emphasis of intergovernmental relations and the thawing of Sino-U.S. relations was the PRC's admission to the United Nations. There, China was able to champion the Palestinian cause and support resource (in the Middle East context, oil) power. China from the mid-'70s afterwards became not so much a substitute for the superpowers, but an alternative. The distinction is slight but important, and requires some further elaboration.

When Sadat expelled Soviet advisers and later abrogated the Soviet--Egyptian Friendship Treaty, it cannot be said that Beijing stepped in to replace Moscow. But, the breach between Cairo and Moscow provided Beijing with an opportunity to demonstrate its willingness to cooperate with Egypt on Egypt's terms. In instances where Middle East leaders have been unable to obtain support from the East or West bloc, they have either solicited China's assistance or welcomed it when Beijing has offered to provide it. Some further discussion of this point - as it relates to Sino--Middle East economic and military cooperation -- will follow.

#### C. The Domestic Setting and China's Middle East Relations:

Noticeable fluctuations or interruptions in China's pattern of engagement in the region are directly traceable to its inadequate capabilities, or general conditions of domestic political or economic turmoil.

In the late 1950s the failures of The Great Leap Forward, compounded by the termination of Soviet economic assistance, greatly contributed to China's retraction from the Middle East.

A second time (in 1966) domestic upheaval reinforced the trend towards the curtailment of China's activities in the region. This trend received its primary impetus from the collapse of the United Front in 1965: a string of foreign policy defeats that demonstrated the bankruptcy of China's plan to build a global coalition against Western imperialism under its own aegis.

On a third occasion, the persistent influence of Lin Piao (until his fall in 1971) postponed the burial of China's emphasis on the support of revolutionary and national liberation movements, lending little credibility to its efforts to build relations with Middle Eastern governments. Similarly, the political factionalism that led to the eventual demise of the 'Gang of Four' (1976--1978) delayed China's decisive shift to the cultivation of economic and military cooperation in the Middle East.

#### **D. New Interests and New Aims:**

Prior to the Cultural Revolution China pursued neither economic nor military cooperation with the Middle East strictly for its own sake. Rather, China's trade with, and aid to, the region (limited though it was) functioned as instruments to further its strategic and/or political ambitions: to assist China to break diplomatic isolation; to induce local regimes to join China's campaign to reduce Western predominance in the region; to enlist supporters in its rivalry with the Soviet Union; to combat presumed superpower bids to partition the region between them; or to impede an apparent Soviet strategic advance.

These politico--strategic objectives have not been abandoned. China continues to be interested in countering superpower influence in the region, as in earning a Third World leadership role. The overarching priority of modernisation, however, has gradually eclipsed these aims. In its day-to-day practice, China's policy in the Middle East is a series of loosely connected bilateral

relationships, emphasising chiefly economic and military cooperation. Thus, while the Middle East's strategic importance is never totally beyond consideration nor is China's long-term political ambition, China's primary interest is in discovering ways to integrate the region into its overall modernisation scheme and determining how best to accomplish it. Yet, this is not meant to suggest that the scale of Sino--Middle East relations is at present more than modest, or that it is likely to expand substantially in the foreseeable future. [See 'Prospects' and Table 1 for further details.]

#### E. A Durable Network of Relations:

For twenty years (i.e. during the 1950s and '60s), Chinese involvement in the region had been spasmodic and superficial. China's exertions in the Middle East alternated with periods of disinterest or disillusionment. Its partners were few in number (e.g. Egypt and the Yemens); its relations were typically short-lived and highly charged with political controversy.

Gradually since 1969 China has cultivated a wider array of partners, almost exclusively at the intergovernmental level. Emphasis has been placed on sustainable relationships; accordingly, China has practiced preventative politics (i.e. that politics which least impedes the conduct of business), steering clear of political controversy.

Following in the slipstream of regional politics has required that in important instances China has had to alter

the terms of longstanding commitments. In particular, China has: (1) quietly withdrawn any political precondition to doing business (e.g. Saudi Arabia); (2) pursued amicable business partnerships while maintaining a facade of acceptable hostility (e.g. Israel); and (3) reissued its prerequisites for the settlement of grievances as well as the preferred means of attaining it (e.g. the Palestinian question).

More than ever, China has pursued trade with whomever is willing to engage in it, and on flexible terms. Prior to the launching of the Four Modernisations, China's imports from the Middle East were (with the exception of crude oil purchases) primarily political gestures of goodwill; exports to the region, similarly, were largely intended to maintain a rough balance of trade. Since 1978, however, China has probed the Middle East market in order to extend the external component of its own modernisation drive and has selectively imported those products particularly helpful to its own development (e.g. chemical fertilisers).

Particularly in the construction field, China has exported manpower on a substantial scale in the 1980s. Increasingly, it has competed successfully for engineering and not merely labor contracts in the region, providing openings for the possible sale of construction machinery and materials.

Concomitant with its need to generate foreign exchange, China has developed the commercial arm of its military production and pursued weapons sales in the Middle East on a large scale. This has resulted, among other things, in a shift in the nature of Chinese aid practices. Whereas

formerly China transferred arms to the Middle East largely as a form of foreign assistance, it now does so as a form of business. China has also begun to acquire more than just foreign exchange; namely, military technology and expert assistance (especially from Israel); and Arab loans and investments (particularly from Kuwait).

**F. Prospects:**

**Sino--Middle Eastern economic cooperation:**

China possesses an enormous population and an abundance of natural resources. The conventional wisdom argues that a country thus endowed is not a natural candidate for an export-reliant economy. China's traditional emphasis on self-reliance likewise argues against the development of a national economy deeply and extensively committed to international trade.

If indeed exports can never claim the role of the driving force of Chinese economic growth, this is not to say that they cannot serve as its lubricant. If the flow of foreign goods and foreign capital is restricted by political and economic choice - as well as China's absorptive capacity - that is not to suggest that the introduction of loans, investments, particular commodities and technology cannot be usefully assimilated (i.e. helpful in spurring the development of the Chinese economy). Thus, there is nothing that precludes Sino--Middle Eastern economic cooperation save a willingness to cooperate, a degree of complementarity, and the pressures and possibilities

provided by the international economic system.

(a) China and Gulf reconstruction: The postwar reconstruction of Iran and Iraq is a process directed by unforeseeable developments, not just fixed choices. Even if the sustainability of the Gulf cease-fire and the stability of the two regimes were a certainty, world oil market conditions - upon which the successful rebuilding of the two countries' economies so crucially depends - would not be predictable. Thus, the prospect for China's cooperation in, and its deriving benefits during, Gulf reconstruction is a hostage of circumstance.

Nevertheless, some things can be said with reasonable certainty about the current situation. First, what China needs is precisely what Iran lacks; namely, foreign exchange and chemical fertilisers. Presently, Tehran cannot pay cash for Chinese imports nor can it supply in great quantity a single product that would make Sino--Iranian common interest in countertrade attractive to Beijing. Furthermore, the soft oil market reduces the probability that Iranian crude oil, bartered for Chinese imports, could be profitably resold by Beijing. However, were Chinese crude oil production to fail to meet rising domestic demand (which has occurred in the past), Iranian crude oil would be useful for China's own consumption.

Iranian chemical fertiliser production was in danger of being dealt a severe blow until Japan's Mitsui agreed to pay nearly \$2 billion in exchange for abandoning the Bandar Abbas petrochemical complex. The failure to revive and

complete this project, whose largest facility had been designed to produce considerable quantities of chemical fertilisers further narrows the possibility for Sino--Iranian economic cooperation.

These observations suggest that whatever China is able to offer Iran will have to be offered on terms less than optimally beneficial to Beijing. In the past, however, China has scraped together generous foreign assistance packages, particularly when its political and/or strategic interests were at stake. Despite the overall softening of Sino--Soviet relations, the recent upsurge of Soviet--Iranian economic cooperation might qualify as sufficient incentive for Beijing to devote greater consideration to Iran's reconstruction, and how China could contribute to it. In the early hunt for postwar reconstruction business in Iran, the Shanghai China Trade Enterprise is regarded as being among the top ten most favored, highest potential competitors in the world (and the only non-European enterprise so rated).<sup>1</sup>

Iraq's future begins with its recent past. During the Gulf war, Baghdad accumulated an estimated \$65 billion debt. In slightly less than an ideal oil market, it is conceivable that repayment of debts and the rebuilding of the economy could operate in tandem. Today's oil market is, however, an especially poor one. Moreover, while a substantial portion of its debts are likely to be forgiven by its Arab creditors, the same is unlikely to be true in the case of the approximately \$14 billion owed to Western sources.

Iraq's cash shortage and debt problem has implications for

China which cut in opposite directions. As with Iran, Iraq's inability to pay cash is a dampener on China's business enthusiasm. On the other hand, China's experience finding a flexible formula for cooperation, in the presence of risk and in the absence of hard currency, is its advantage over other competitors for Iraq's business.

Sino--Iraqi economic cooperation, under these circumstances, is likely to depend more on the partners' willingness than on their ability to pursue mutually beneficial relations. Iraq has the present capacity and the past record of selling chemical fertilisers to China. Second, Chinese construction activities in Iraq, which antedated the Gulf conflict, proceeded despite it. Third, the degree of privatisation introduced in Iraq in order to prime the war economy opens opportunities for economic cooperation below as well as at the intergovernmental level. All of these factors form an encouraging basis for Sino--Iraqi economic cooperation.

(b) Kuwait: Today, the Kuwaiti regime is comparatively stable and reasonably safe. Of all the Arab Gulf states, Kuwait's downstream capacities are perhaps the most impressively developed. Kuwait has appeared to have overcome its recent budgetary chaos. Therefore, there are no visible impediments to the maintenance or possible expansion of Sino--Kuwaiti trade other than the size of Kuwait's market. In fact, in such a hospitable climate for Sino--Kuwaiti economic cooperation, Beijing can be expected to solicit the assistance of Kuwait in opening up other parts of the Arab

market to Chinese exports.

The outlook for substantial Kuwaiti loans and investments in China is not necessarily less optimistic. However, the dramatic increase in Sino--Soviet border trade might slow Beijing's search for Arab funds. The cross-border trade, which is a function of Sino-Soviet detente, is based on the two countries' common interest in ensuring that their respective frontier Muslim populations remain tolerably calm by being adequately fed. Still, these efforts do not preclude the desirability of Arab funds, which could be used as a hedge against deteriorating Sino--Soviet relations or as a stimulus to other parts of the Chinese economy.

Active solicitation of Kuwaiti money does not guarantee its availability. On the positive side, Kuwait's successful transition from a lop-sided dependence on crude oil sales argues for the continued availability of funds for loans and investments, despite the soft oil market. Western insistence (e.g. Britain) that Kuwait limit its investment shares is an incentive for Kuwait to retarget its loans and investments. However, there is an upsurge of competition for Kuwaiti money that could cut into the amounts made available to China: from Egypt and Algeria (both susceptible to fundamentalist unrest) as well as the reformist Soviet Union (with whom Kuwait has steadily improved relations).

(c) Saudi Arabia: Sino--Saudi trade has occurred despite the failure to establish diplomatic relations, and has remained an open secret because of it. The unprecedented

publicity attaching to Chinese missile sales to Saudi Arabia provided an opportunity for the two countries to air out their relationship. Hints of Saudi Arabia's readiness to forge official ties with China surfaced before and after this transaction. Though insubstantiable, one could argue that these signals were deliberately floated by Riyadh to test the international climate before proceeding with normalisation. In any case, the indications of a formal Sino--Saudi thaw encountered strong resistance from Taiwan, with whom Saudi Arabia has also enjoyed fruitful economic cooperation.

It remains to be seen whether Riyadh can find a political climate congenial enough to embark on open and direct relations with the PRC; that is, relations which will not simultaneously undermine its ties with the ROC. Until such time, economic relations between Beijing and Riyadh are likely to develop, though not without periodic displays of caution and hesitancy on the part of Saudi Arabia.

(d) Egypt: Egypt has traditionally been regarded as the 'center' of the Arab world, and China's consistent attention to Egypt acknowledges that tradition. Contemporary Egypt, moreover, has potential assets that form an encouraging basis for the future development of Sino--Egyptian economic relations: an industrial base; a relatively skilled worked force; a large population (export market), and a comparatively good infrastructure.

Still, the Egyptian economy is in disarray. Compounding its problems, the World Bank and USAID recently decided to

withhold structural loan disbursements totalling \$580 million. Egypt's present situation - caught between the economic necessity for rationalising prices and the political necessity of maintaining subsidies for basic commodities and services - invites and discourages Chinese economic cooperation. Perhaps likely to tilt China in favor of assuming some financial risk is the Soviet Union's resumption of interest in Egypt. Recently, Moscow has rescheduled Cairo's \$3 billion arms debt over 25 years; has signed a deal valued at 120 million Egyptian pounds for the expansion of the Helwan Iron and Steel Works; and has agreed to expand bilateral trade to an annual value of £500 million. Above all, Egypt's readmission to the Arab League, in conjunction with its readoption of an 'active' foreign policy both within the Middle East and as a member of the African community of states, provides a strong incentive for China to search for ways to further consolidate its relations with Cairo (despite the disincentives to rush to compete with Moscow).

(e) Israel:

China's 'invisible' trade with Israel has produced no 'visible' adverse political side-effects when it has attracted notice. Both partners continue to draw benefits from the politically shrunken market for Israeli products and expertise.

Israel manufactures highly desirable items which China has an interest in buying, including advanced medical equipment,

electronics and computer technology. Access to sophisticated medical equipment is not only a boost to China's own health care system; also, because building hospitals and dispatching medical teams and supplies has traditionally been an important component of China's foreign assistance program, the availability of such equipment lengthens the reach of China's aid projects. In the case of computer and electronics technology, Israel offers a convenient alternative to Western suppliers, particularly the U.S., much of whose products are subject to more stringent export-licensing restrictions and tied to political preconditions. Israel's experience in soil cultivation, herbicides and pesticides is an important complement to the Arab countries' supply of chemical fertiliser in the development of China's agriculture.

**Sino--Middle Eastern military cooperation:**

(a) Sales: Assessing prospects for Chinese military sales in the Middle East requires addressing three basic questions. First, what is China willing and able to sell, and for how much? Second, who else is willing and able to supply, and at what price? Third, who is willing to buy what from whom, and why?

The quality and variety of China's military equipment has already improved while its prices remain competitive. The military technology made increasingly available to China - directly from the U.S. and other Western sources, as well as through Israel and Pakistan - has been incorporated into its weapons systems, increasing their sophistication. The

weapons sold to Iran and Iraq were combat-tested, providing their own advertising; the controversy associated with these sales, ironically, provided further free marketing. The civilianising of many of China's military factories might impinge on economies of scale, working to the detriment of China's price competitiveness. Still, as China's existing military enterprises become competitive with each other for overseas business, they will probably be able to deliver more attractive products.<sup>2</sup>

China's involvement in arms sales to the Middle East is not limited to the role of principal arms supplier.

Coproduction arrangements are another avenue into the region's arms market. Still another mode of access has recently been used by China -- that of intermediary between European suppliers (France and Italy) and customers with whom direct arms deals were constrained by Western alliance politics (Syria and Iran).

Yet, particularly in the missile field, China has numerous competitors: Argentina (Condor II) and Brazil (Avibras SS-300 and Orbita MB/EE-600) have already entered the Middle East market; Taiwan (Skyhorse) is developing the capacity to join them. Egypt, if it is successful in reviving the Arab Organisation of Industries (AOI) will contend for the Middle East market from the position of insider, in a number of weapons categories. Emergent Soviet--American detente, coupled with budgetary constraints among producers and potential customers indicates a temporarily contracting global arms market that will stiffen competition.

The strength of competition for the Middle East arms market also depends heavily on how the superpowers resolve their current ambivalence. Both the United States and the Soviet Union, for reasons of improvement in East--West relations, have a strong incentive for stabilising arms transfers to the region. Equally, they share a parallel economic interest in, to the extent possible, retaining a relative arms 'monopoly' in the Middle East. Furthermore, the superpowers seek to retain political influence in the region irrespective of the amelioration of relations between them. This, one can argue, is contingent on reliably servicing clients' military requests.

The end of the Gulf war is not necessarily the end of the the Gulf arms trade boom. Iran's defense remains a self-avowed priority of its reconstruction. Iraq retains the world's largest standing army; its power and prestige in inter-Arab politics depends to an extent on the uncertainties that its maintenance of a large military capability can project. For Saudi Arabia, purchasing security by purchasing arms from suppliers besides the United States is not only a political imperative, but increasingly a military one. Syria, for whom strategic parity with Israel is a priority not shared in Moscow (despite the weaknesses of the Syrian economy) is also a potential customer.

Apart from the unresolved Arab--Israeli dispute and the renewal of inter-Arab rivalry following the cessation of the Iran--Iraq war, there is also the pervasive condition of regime insecurity which makes the Middle East a fertile arms

market. To the extent that local regimes aim to preserve domestic order by turning weapons on discontented elements of the domestic population (or by merely threatening to do so), the demand for weapons is that much greater. Thus, whereas the global arms market as a whole may indeed be shrinking, there is every evidence that the Middle East arms market is stable, if not expanding.

(b) Acquisitions: Sino--Soviet detente might lessen the urgency, but it does not erase the need for China to continue to selectively reequip and modernise its military. Doing so on a tight budget requires that China solicit help from those sources which offer the best mix of low cost, high sophistication, and no political preconditions. Israel, and to a lesser extent, Egypt, are the two countries in the region with whom China has traded in the past who most suitably match this formula.

Early in the 1980s, China had already obtained valuable military hardware in swaps with its Middle East partners. These items included MiG-21s, Sukhoi SU-20s, export versions of the MiG-23, a MiG-23 engine, T-62 tanks, SAM-3 and SAM-6 anti-aircraft missiles as well as Sagger anti-tank missiles. Many of these items, moreover, were delivered intact, complete with manuals and spare parts.<sup>3</sup>

Israel is gradually moving into new arms markets - the South American one, for instance. A larger market for Israeli military equipment, however, is not necessarily harmful to China. Additional customers enable Israel to prime its defense industry to produce even more

sophisticated materiel which China might gain access to.

Egypt's emergence as China's potential competitor for arms sales to the Middle East does not negate the contribution it could continue to make to China's military modernisation.

Egypt, for instance, could serve as yet another back door to Western military technology, as Cairo succeeds in integrating European countries into the development of its indigenous arms-producing industries.

#### G. Closing remarks:

Up to the time that Yitzhak Shichor formulated his argument (the late 1970s), it was generally accurate to say that China's involvement in the Middle East had alternated between periods of 'expansion' and periods of 'contraction.' Then, the observation that China had been a low-impact, marginal player in the Middle East was strongly borne out by the facts.

Extending the historical record forward an additional ten years, however, urges the revision of some of this thinking. Agreed, China today, as in the 1950s, has no 'vital' interests in the Middle East: it obtains nothing essential to its survival from the region that it cannot otherwise acquire elsewhere. Yet, what explains China's persistence in 'returning' to the Middle East following its several 'retreats' in the 1950s and '60s? And why has China, since its emergence from the Cultural Revolution, 'remained' in the Middle East, without the curtailment or interruption of activities that previously characterised its involvement in

the region?

From its revolutionary beginning, China's leaders have sought a role for China larger than its objective capacities to immediately achieve and sustain. Furthermore, China's security has been consistently defined in global terms, even though its primary strategic focus has always been East Asia. Also, the more recent political tension over the character of Chinese modernisation has been resolved in favor of linking China to, rather than distancing it from, the world economy. There is, then, a Chinese 'cosmology' that invests its conception of 'interests' with a broad meaning. One needn't dichotomise Chinese ideology and Chinese national interests to see that China's apparent notion of 'interests' makes no clear distinction between 'needs' and 'wants.' (Perhaps no country's does.) Thus, the Middle East has never been as far away from China as its geography or its culture might otherwise indicate.

The Middle East has always occupied a place in China's strategic calculations and figured, sometimes prominently, in its political ambitions. More recently, the region has been fitted for certain roles in China's modernisation. Ultimately, then, it is incomplete to emphasise the interests that China does not have without considering the interest that China takes in the Middle East. Because China resides in a changing international strategic, economic and political environment, Beijing has from time to time reformulated how much the Middle East means to China.

The question of interests momentarily aside, can it be

said that China has always had a presence in the Middle East? Since the early 1950s, China has never totally disengaged from the region, even during those periods when the temporary diminution of its interest has justified the curtailment of its activities, or adversity has virtually compelled it. China has maintained a presence in the Middle East at some level and sometimes at several: state-to-state, party-to-party, and people-to-people. In the long-run, this 'trichotomisation' of Chinese policy has made shrewd sense, enabling China to demonstrate a continuous, if fluctuating, commitment of interest and resources.

Confronting ponderous economic challenges that neither could possibly solve for the other, China has not assumed responsibility for the economic development of the Middle East, nor has the Middle East been targeted as a major catalyst of China's modernisation. The separate economies of China and its Middle Eastern partners might not be immediately complementary, and might in fact prove eventually to be competitive. Still, recent events demonstrate a mutual recognition that each has a role to play in the other's development.

Particularly in its construction activities, China has made noticeable contributions to the development of the infrastructure of North and South Yemen, Iraq, and to a lesser extent, Egypt and Jordan. Chinese labor contracts in the region have been cash earners, advertisers, and escape hatches for surplus labor. Although trade with the region has not been extensive, it has not been negligible. It has been growing; and it is very useful in diversifying China's

trade contacts and filling in important commodity areas.

Chinese--Middle Eastern economic relations may not as yet have produced a visible improvement in China's global status and prestige. Yet, it has confirmed in practice China's rhetorical commitment to South--South cooperation. The now-routine business of offering what is wanted in exchange for what is useful, on mutually affordable financial terms and without political preconditions, is not bound to generate political influence for China, but it is apt to. Moreover, what China is unequipped to furnish directly and exclusively, it is willing to collaborate with others in providing. Similarly, Middle Eastern partners can be useful channels of access and not mere targets for the direct absorption of Chinese products. Again, there is no evidence that such an elaborate scheme is yet in place. The implications, however, are clear, even if the plans are not.

China's military sales have had more wide-ranging effects than perhaps any other facet of China's involvement in the region. It is an exaggeration to argue that China has itself caused a new round of arms competition in the Middle East; however, it understates China's role to contend that the revelation of its missile sales in the Gulf merely exposed a single event in a broader development that would have occurred regardless of Chinese participation.

China's rapid emergence as the world's fifth largest arms exporter is directly linked to its weapons sales in the Middle East. Its earnings were boosted by its transfer of 'big price tag' items to the Gulf, but not limited to them.

Iran and Iraq were its principal customers, but not its exclusive ones. The context for China's largest recorded arms sales was the 1980s' Gulf war, but China's military cooperation with Middle Eastern regimes ante-dates that conflict and has not been confined geographically to the Gulf. Perhaps most important, its prospects for future military cooperation are not conditional upon the outbreak of war; moreover, it is not necessarily confined to the role of direct supplier.

Competition for business and influence in the Middle East is a continuous dance with frequent changes of partners. China's recent behavior displays a unique appreciation of this fact and a willingness to take cues from the changing rhythms of the region's politics. This willingness to accomodate change rather than to seek either to preempt it or to conform it to China's preferences is the product of both choice and necessity.

China, unlike Japan, for instance, enters the Middle East from a position of relative strength. It has only as much to lose as it seeks to invest psychologically, for its material stake in the region is cushioned by its modest scale, non-essential character, and diversified packaging. Unlike the United States and the Soviet Union, China enters the Middle East from a position of relative weakness. Yet, this weakness is offset in part by the fact China has, at best, only secondary strategic interests in the region; moreover, it has neither promised nor pursued military victories or negotiated settlements. Thus China has never been the culprit of disappointed expectations. On the contrary, for

nearly twenty years, China has cleansed and improved its political image by deliberately avoiding political controversy, by burying political aspirations in reliable commercial activity. Beijing has accepted its temporary relegation to the political sidelines, discovering in apparent weakness the comparative advantage of making no claims that it cannot defend and no commitments that it cannot fulfill.

Notes

- (1) Middle East Economic Digest (23 September 1988).
- (2) For a meticulously researched study of China's arms sales prog see Yitzhak Shichor, 'Unfolded Arms: Beijing's Recent Military Sa Offensive' in The Pacific Review, vol. 1, no. 3, 1989. pp. 320--3
- (3) The Economist (14 May 1983).

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P.R.C. Economic Aid to the Middle East<sup>1</sup>

1956-1987

Table 1. Aid to Developing Countries by Region (in millions of US\$):

<u>Region</u>	<u>Number of Countries</u>	<u>Amount</u>	<u>% Share</u>
Africa	41	4188.8	55%
Asia	10	1750.4	23%
<b>Middle East</b>	<b>15</b>	<b>1378.2</b>	<b>18%</b>
Latin America	10	287.5	4%
Totals	76	7604.9	100%

Table 2. China's Leading Middle East Recipients (in millions of US\$):

<u>Rank</u>	<u>Country</u>	<u>Amount</u>	<u>% Share</u>
1	Iraq	270.0	19.6%
2	Sudan	210.2	15.2%
3	North Yemen	131.2	9.5%
4	Algeria	126.9	9.2%
5	Afghanistan	124.5	9.0%
6	Tunisia	117.0	8.4%
7	South Yemen	112.8	8.2%
8	Syria	99.4	7.2%
9	Egypt	85.2	6.2%
10	Libya	35.0	2.5%
11	Jordan	30.0	2.2%
12	Morocco	30.0	2.2%
13	Turkey	10.0	.1%
14	Kuwait	5.0	.07%
15	Iran	1.0	.01%

<sup>1</sup>Source: Adapted from Wolfgang Bartke, The Economic Aid of the PR China to Developing and Socialist Countries, 2d ed. (Munchen: K.G. Saur Verlag, 1989), pp. 7-14.

Table 3. China's Average Annual Aid to Developing Countries (in millions of US\$):

Years	All LDCs	ME % Share
1956-57	27.8	8.4%
1958-62	65.2	6.4%
1963-65	124.9	34.0%
1966-69	51.2	5.7%
1970-72	661.9	26.0%
1973-76	203.0	17.2%
1977-80	210.2	6.5%
1981-87	447.7	16.1%

**P.R.C. Trade with the Middle East**  
**1964-1988<sup>2</sup>**

Table 4. China's Trade with the Middle East<sup>3</sup> (civilian goods in million of US\$):

Years	Aver. Annual Exports	ME % Share	Aver. Annual Imports	ME % Share	Aver. Annual Trade Balance
1964-65	33.1	3%	64.8	6.2%	-31.7
1966-69	85.8	6%	43.1	2.9%	+42.7
1970-72	84.6	4.2%	45.7	2.3%	+38.9
1973-77	165.8	2.9%	112.6	1.9%	+53.2
1978-81	541.7	3.4%	216.5	1.3%	+325.2
1982-88	2358.0	7.7%	292.3	1.0%	+2065.7

<sup>2</sup>Sources: IMF Direction of Trade Annual, 1964-68 and 1969-73; and IMF Direction of Trade Yearbook, 1980, 1985, 1990.

<sup>3</sup>The 'Middle East' is confined to Egypt, Syria, Jordan, Iraq, Iran, Saudi Arabia, Kuwait, UAE, North and South Yemen. This reflects the scope of the present study. 'Indirect trade' (primarily channeled through Hong Kong) is not represented in these tables, nor is Sino-Israeli trade (much of which is indirect trade).

Table 5. China's Leading Middle East Customers, 1978-88 (civilian goods in millions of US\$):

<u>Rank</u>	<u>Country</u>	<u>Aver. Annual Exports</u>	<u>Share % of ME</u>
1	Jordan <sup>4</sup>	1066.0	44.6%
2	Syria	202.5	8.4%
3	Saudi Arabia	151.8	8.7%
4	Egypt	150.7	8.6%
5	Iran	118.1	6.7%
6	Kuwait	106.7	6.1%
7	Iraq	105.3	6.0%
8	N. Yemen	104.5	5.2%
9	UAE	89.4	3.7%
10	S. Yemen	34.5	1.4%

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<sup>4</sup>Figures on Chinese exports to Jordan, Syria, and the UAE for the years 1978-80 are not available. The average annual exports to these countries are computed over an eight, rather than an eleven year period to reflect this.

Table 5a

## PRC Exports

Exports in Millions of Dollars

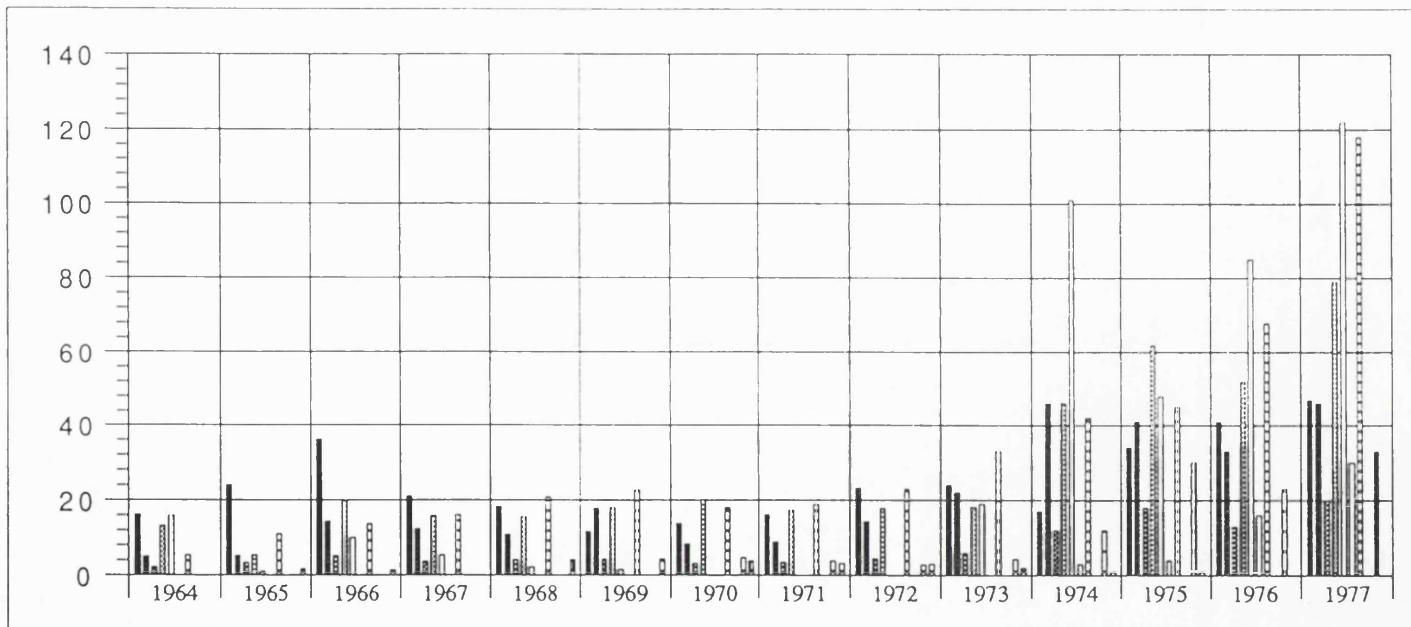
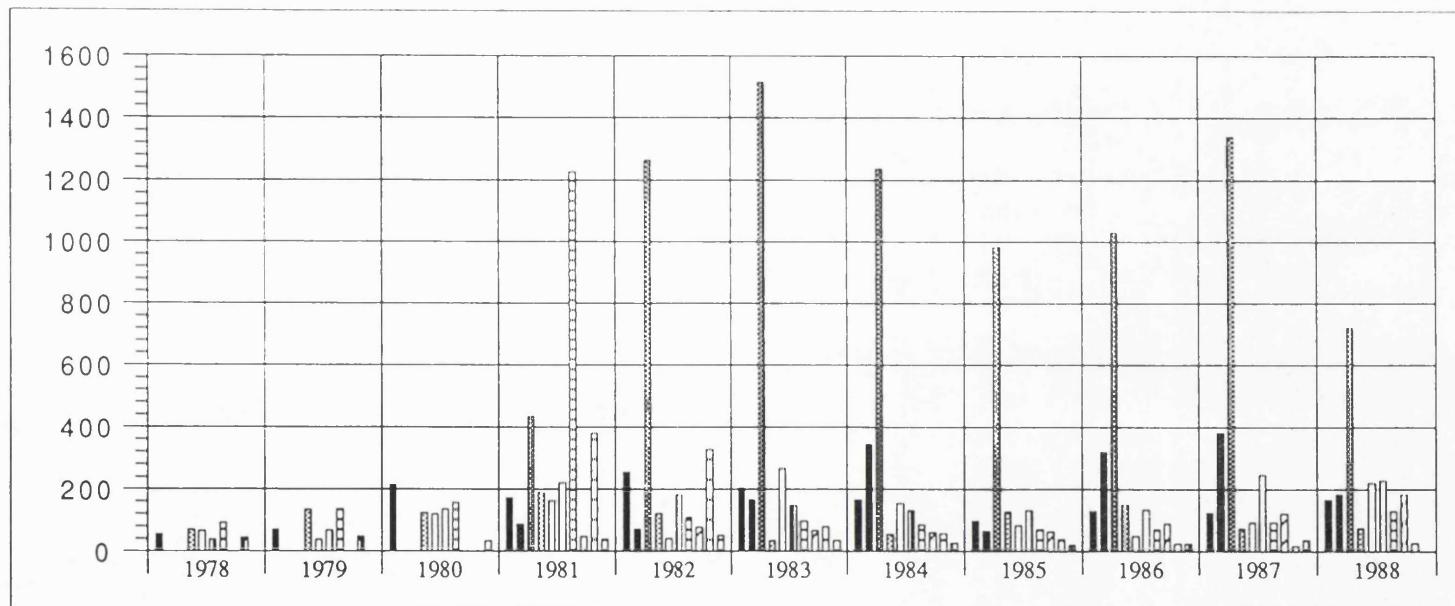


Table 5b

## PRC Exports

Exports in Millions  
of Dollars

■ Egypt  
■ Syria

■ Jordan  
■ Iraq

□ Iran  
□ Saudi Arabia

□ Kuwait  
□ UAE

□ Yemen  
□ PDR Yemen

### China's Arms Sales to the Middle East

Table 6. Values of Exports of major weapons by supplier (in millions of US\$, at constant 1985 prices) where A=yearly figures and B=five-year moving averages):<sup>5</sup>

Supplier		1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
USSR	A	10010	11126	9277	8370	7565	7578	7537	8563	10327	10759	8238
	B	8502	9274	9270	8783	8065	7923	8314	8953	9085	9280	....
USA	A	6850	3961	5637	6155	6989	6205	4906	4024	4925	6270	3649
	B	6607	6425	5918	5789	5978	5656	5410	5266	4755	4279	....
France	A	2131	3033	2617	3511	3181	3070	3212	3588	3355	2518	1312
	B	2299	2714	2894	3082	3118	3312	3281	3148	2797	2460	....
UK	A	1214	766	725	1101	1594	676	1083	903	1020	1530	1165
	B	1038	1092	1080	973	1036	1071	1055	1042	1140	1122	....
China	A	465	418	625	334	700	890	1210	1017	1193	1960	1781
	B	372	393	509	593	752	830	1002	1254	1432	1334	....

Table 7. China's Third World Arms Customers, 1981-85 (by region, in millions of US\$):

Region	Agreements	% Share	Deliveries	% Share
East Asia	395	3.57%	355	4.08%
Middle East & South Asia	10200	92.27%	7880	90.52%
Sub-Saharan Africa	300	2.71%	470	5.40%
Latin America	160	1.45%	....	....
	11055	100%	8705	100%

<sup>5</sup>Source: SIPRI Yearbook, 1990: World Armaments and Disarmament, pp. 252-253.

Table 8. China's Leading Middle East Customers, 1980-87:<sup>6</sup>

<u>Customer</u>	<u>Deals</u>	<u>Share of PRC</u>	<u>Share of Total</u>	<u>Deliveries</u>	<u>Share of PRC</u>	<u>Share of Total</u>
Iraq	5115	46.3%	10.3%	4185	48.1%	9.6%
Iran	3040	27.5%	20.8%	1815	20.8%	15.4%
Total	8155	73.8%	13.0%	6000	68.9%	11.0%

Table 9. China's Main ME Arms Customers, 1981-85 (by country in millions of US\$):

<u>Country</u>	<u>Value</u>	<u>% of PRC (by region)</u>	<u>% of PRC (of total)</u>	<u>% of Total</u>	<u>PRC Rank</u>
1. Iraq	3100	71.7%	56.7%	12.96%	3
2. Iran	575	13.3%	10.5%	8.94%	1
3. Egypt	525	12.2%	9.6%	7.37%	3
4. Pakistan	350	83.3%	6.4%	15.98%	2
5. Libya	320	63.4%	5.9%	3.10%	5
6. N. Korea	210	95.5%	3.8%	21.20%	2
7. Syria	110	2.5%	2.0%	1.20%	3

<sup>6</sup>Source for Tables 7, 8, and 9: Yitzhak Shichor, 'Unfolded Arms: Beijing's Recent Military Sales Offensive', *The Pacific Review*, vol. 1, no. 3, 1988, pp. 320, 322 [adapted from Richard Grimmett, 'Trends in Conventional Arms Transfers to the Third World by Major Supplier, 1980-87', *Congressional Research Service Report* 88-352F, Washington, D.C., 9 May 1988].

### The Establishment of Diplomatic Relations Between the P.R.C. and the Middle East<sup>7</sup>

Egypt	30 May 1956
Syria	1 August 1956
N. Yemen	23 August 1956
Iraq	25 August 1958
Morocco	1 November 1958
Sudan	1 December 1958
Algeria	3 July 1962
Tunisia	10 January 1964
S. Yemen	31 January 1968
Kuwait	22 March 1971
Turkey	5 August 1971
Iran	16 August 1971
Lebanon	9 November 1971
Jordan	7 April 1977
Oman	25 May 1978
Libya	1 August 1978
UAE	1 November 1984

<sup>7</sup>Sources: The China Official Yearbook, 1985-86; China Facts and Figures Annual, 1989, no. 12, edited by Charles Greer.