Intelligence Ties Endure Despite U.S.-China Strain

'Investment' Is Substantial, Longstanding

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Trucks with highly classified tapes from two U.S.-built listening posts are still traveling from remote sites in western China to the U.S. Embassy in Beijing, despite a steadily worsening relationship between the two nations' governments, according to informed sources.

At the same time, Chinese scientists have assured their U.S. counterparts that they will continue to furnish unique information on Soviet nuclear tests and other seismic disturbances recorded at nine other stations built by the United States in China, other sources said.

In short, they said, the Chinese government has not allowed its public anger over the sanctuary provided to dissident Fang Lizhi at the U.S. Embassy or the U.S. cutoff of military sales and diplomatic contacts to interfere with a secret partnership that began more than a decade ago.

The existence of this continuing web of intelligence connections between the United States and China appears to be one of the factors that has muted the Bush administration's response to the Chinese government's brutal suppression and executions of pro-democracy demonstrators in recent weeks.

Current and former U.S. officials were reluctant to discuss the topic, fearing that publicity could pressure one or both governments to break off the covert relationship. "If nobody says anything about it, it probably won't go away," said a former senior intelligence official.

However, a senior administration official, speaking on condition that he not be identified, said in an interview last week that intelligence-sharing has been part of a substantial U.S. "investment" in China since President Richard M. Nixon's historic 1972 visit opening new ties to the West.

The official said both countries had profited from this investment and "it is that which we have to balance against our current, justified outrage" over recent Chinese actions.

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Intelligence Ties Endure Despite Strain in U.S.-China Relations

INTELLIGENCE, From A1

A number of diplomats, legislators and officials said they think the U.S.-China intelligence connections are relatively secure, barring a full-scale trade embargo or a break in diplomatic relations. "The relationship has been mutually useful," said one retired U.S. diplomat. "Both sides have taken care to isolate that cooperation from the ups and downs" of political ties.

Knowledgeable sources, who assert that the United States gains more than China does from the intelligence ties, praise President Bush for his relatively low-key reaction to the executions in China and his emphasis on maintaining the U.S.-China "strategic relationship." They said a less measured response could jeopardize the arrangements.

But several congressional sources familiar with the ties contend that they are not important enough to muzzle official U.S. criticism of Beijing's behavior, partly because the United States in recent years has developed alternative sources for some of the information.

Sen. Joseph R. Biden Jr. (D-Del.), for example, declined to discuss any aspects of the partnership but said, "Whatever military or intelligence arrangements may or may not exist, they cannot add up to a sufficient rationale for failing to act swiftly and on principle with the Chinese government."

It was Biden's 1979 conversation with senior Chinese leader Deng Xiaoping during a visit to Beijing that showed Deng's willingness to permit the U.S.-equipped listening posts to help monitor Soviet compliance with the proposed SALT II arms limitation treaty. Deng, The Washington Post reported at the time, made clear that the monitoring stations would have to be run by the Chinese and that Beijing would share the collected data with Washington. The tapes are analyzed in the United States.

White House and State Department spokesmen have declined in recent weeks to comment directly on the status of the listening posts or other intelligence ties. At a news conference June 5, however, Bush characterized U.S. Ambassador James R. Lilley as "one of the best listening posts we have in China."

Lilley, an old friend of Bush, was the Central Intelligence Agency station chief in China in the mid-1970s when Bush headed the U.S. liaison office there.

Several sources indicated that U.S. experts are working at the stations in tandem with their Chinese counterparts and that there now may be more than two stations. "It depends on how you count them," a longtime intelligence expert said. And a former defense official said, "It may very well be that there are principal stations and lesser stations."

The intelligence expert said the Chinese "may be doing the low-tech while we do the high-tech" functions. He added: "They might tell us to get out. We have lost facilities in other countries because of political change. But I think it would be one of the last relationships [with China] to go. It was one of the first to arrive."

U.S. intelligence-sharing with China goes back to 1971 when Henry A. Kissinger, then White House national security adviser, secretly flew to Beijing to pave the way for Nixon and showed "internal [U.S.] studies" to Premier Zhou Enlai.

That sharing flowered with the establishment of formal diplomatic relations in 1979, when aides to President Jimmy Carter began to share with Chinese leaders broad assessments of Soviet political aims and weaponry.

The electronic listening posts, at Qitai and Korla in Xinjiang Autonomous Region, were set up in 1980 after the loss of two in Iran. CIA Director Stansfield Turner nailed down some final details on a secret visit to Beijing, complete with disguise, shortly before leaving office.

The stations produce better information than those in Iran did concerning Soviet missile tests at Tyuratam and Saryshagan, the sources said. John Pike, an analyst at the Federation of American Scientists, characterized the Saryshagan weapons research center roughly 700 miles to the northwest as "right across the street, electronically speaking."

The Reagan administration, despite initial tensions over Taiwan, extended its cooperation to arms sales and dual-use technology. The sources said that China, meanwhile, began selling the CIA most of the small arms it needed for the Afghan rebels.

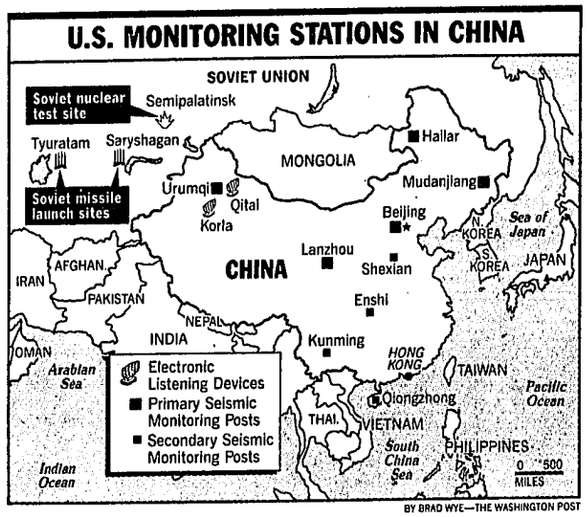
U.S. officials declined to say whether the Bush administration has been holding up its end of the intelligence-sharing relationship since the Tiananmen Square massacre of students three weeks ago. But a knowledgeable source stated without hesitation that "I don't have a high level of concern" about a possible halt in cooperation because of recent official U.S. criticism.

"That's not a front-burner issue between our governments and nothing has happened [so far] to push it there," said the official, who is privy to current intelligence reports on the subject.

U.S. intelligence-sharing and military ties with China developed slowly, in part because of the Watergate scandal that engulfed Nixon. But before that took place, the White House in November 1971 set up a "back channel" to China through the Chinese delegation to the United Nations in New York.

From that point until May 1973, Kissinger traveled secretly to New York about 20 times for talks with the head of the delegation, Huang Hua, later foreign minister. They usually met, Kissinger wrote in his memoirs, "in a CIA-provided 'safe house' in mid-Manhattan, a seedy apartment whose mirrored walls suggested less prosaic purposes."

In the fall of 1972, Chinese military officials in New York, sources said, initiated another important contact, with Michael Pillsbury, a Mandarin-speaking U.N. bureaucrat who soon joined the Rand Corp. to work on highly classified research for the Air Force and Defense Department. He kept up his contacts with approval from the think tank and high-level U.S. officials, a fact that sources say had to be established at one point for skeptical FBI agents who kept watch on the Chinese delegation.



Pillsbury met regularly with the Chinese—a three-star general and his aides—until 1976, sending a stream of still-classified memos to a select circle of U.S. officials, including Kissinger's office. According to Asia affairs expert Banning Garrett, who uncovered details of Pillsbury's work, the Chinese showed interest in advanced U.S. military and intelligence technology and in U.S. intelligence studies on the Soviet Union.

Despite Pillsbury's reports, most China experts inside the government rejected the notion that China would abandon its policy of strict "self-reliance." But in 1975, Pillsbury stirred debate with an article in Foreign Policy magazine—actually a declassified version of a secret study he did for Air Force intelligence—advocating U.S. military ties with China, including intelligence exchanges to help deter the Soviet threat and encourage pro-American attitudes in Beijing.

Pillsbury's classified report, meanwhile, prompted further studies within the government, according to Garrett, including a CIA review under the direction of now-Ambassdor Lilley, who was then national intelligence officer for China.

Before leaving office as secretary of state, Kissinger took the first steps toward sharing, persuading President Gerald R. Ford in 1975 not to veto a $200 million British deal with China for military jet engines and in 1976 secretly approving a U.S. sale of two advanced computers with military applications.

The Carter administration at first put China on the back burner, but national security adviser Zbigniew Brzezinski kept pressing for closer ties and scored a breakthrough on a 1978 visit to Beijing, assuring Deng that the United States would accept Chinese conditions for severing relations with Taiwan.

On that same visit, sources said, Morton Abramowitz, then deputy assistant secretary of defense for international security affairs, and a Pentagon colleague gave a senior Chinese defense official what amounted to a highly classified briefing on Soviet troop deployments along the Chinese border, reportedly pulling out top-secret reconnaissance photographs at one point.

This appears to have been the first sharing of intelligence at the defense ministry level, but according to a knowledgeable source, "Clearly when Henry was there, there was some sharing, too."

Shortly after diplomatic relations were established Jan. 1, 1979, Deng played "the American card" with an invasion of North Vietnam, a step he told Carter about two weeks ahead of time. Carter tried to dissuade Deng, but Brzezinski said in his memoirs that "I felt the Chinese action in some respects might prove beneficial to us."

The Chinese were worried that the Soviets might invade while they were busy in Vietnam, and Brzezinski helped reassure them. Throughout the three-week crisis, sources said, the Chinese ambassador to Washington was ushered into the White House each day to be given, by Brzezinski, the freshest U.S. intelligence on Soviet deployments along the Sino-Soviet border.

Soviet-U.S. relations worsened in December 1979 when the Soviets invaded Afghanistan, on the eve of a projected trip to China by Defense Secretary Harold Brown. Deng had already made his public offer of Chinese-operated listening posts and, sources said, Brown picked up the discussion on his arrival in January 1980.

Another goal of Brown's visit was to win what one official described as a "significant acceleration" in Chinese shipments of arms and military equipment to the Afghan rebels, shipments that continued to grow under President Ronald Reagan. Washington considered the shipments of Soviet-style arms highly valuable because they afforded "deniability" for what was then a largely covert U.S. operation.

Both China and the United States bought small arms for the rebels, sources said. They said the United States initially paid to transport China's supplies of arms to rebel bases in Pakistan, and beginning around 1983, the CIA began purchasing most of its own supplies directly from Beijing.

The two governments agreed to establish the seismic monitoring posts as part of an "earthquake prediction" program supervised by the U.S. Geological Survey, but funded largely by the Defense Advanced Research Projects Agency. A 1986 Pentagon budget document said the stations would improve identification of underground Soviet nuclear blasts and estimates of their explosive force.

Construction of five primary stations, including one that is closer to the Soviet test site than any other in the world, and four secondary stations began in 1984. The construction was completed by 1987. Tapes are mailed every two weeks from the $3 million stations to Beijing, where they are copied by the Chinese and carried to the embassy for transport to a research center in Albuquerque under diplomatic seal.

The Chinese were wary when Reagan was elected, in light of his pro-Taiwan comments during the campaign. But few remembered that in the 1976 campaign, candidate Reagan, after prepping by the ubiquitous Pillsbury, stated publicly that he thought U.S. arms sales to mainland China would be "a natural development" in view of common interests the two nations had in dealing with the Soviet Union.

"I am convinced that we must strengthen this relationship with China to maintain a balance of power with Russia," Reagan said in a fall 1975 letter to Pillsbury.

U.S.-China ties picked up again in 1983 following a compromise communique on Taiwan. By October 1984, they were warm enough for White House aide Oliver L. North to sit down at the Cosmos Club with a senior Chinese military official and urge that China proceed with a sale of missiles and missile launchers to the contra rebels in Nicaragua.

The intelligence relationships, however, remain a tightly held secret in both governments. Garrett, a Defense Department consultant who goes to China each year to talk with leading Chinese foreign policy experts about strategic issues, said, for example, that he has "never run into anybody who knows anything about the intelligence cooperation."

Said a knowledgeable U.S. official: "That's because they make sure he doesn't talk to anybody on 'the access list.' "

Some experts said they think the Chinese could move closer to the Soviet Union as China emerges from its recent political turmoil. If that happens, said Richard Thornton of George Washington University's Sino-Soviet Institute, "the listening posts could be a good bargaining chip."

Robert W. Sutter, the Congressional Research Service's senior China specialist, said the Chinese "have a bit more flexibility to maneuver between the U.S. and the Soviet Union" since Soviet President Mikhail Gorbachev came to power.

Most China specialists, he added, have overlooked the fact that China had "a significant military relationship" with the Soviets even before Gorbachev came to power. According to calculations by the U.S. Arms Control and Disarmament Agency, China purchased $310 million in arms from the Soviet Union in the 1982-86 period—almost four times its purchases of $80 million from the United States.

Staff researchers Bruce Brown and Mary Lou White contributed to this report.