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By CHD NARA Date 1/26/97

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U.S. DEPARTMENT OF STATE

DIRECTOR OF INTELLIGENCE AND RESEARCH

Intelligence
Vote - 944

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To : The Secretary
Through: S/S
From : INR - George C. Denney, Jr. *A.C.D.*
Subject: Pakistan and Communist China Strengthen Cooperation

INR-944

Recent evidence indicates that Peking and Rawalpindi are consolidating the friendly ties which they have maintained throughout the Cultural Revolution. Chinese actions demonstrate Peking's continued willingness to overlook ideological factors in dealing with Pakistan. In return, Pakistan has shown a willingness to cooperate with China by passing on information concerning aircraft obtained from the US.

POL 1 CHICOM-PAK

Closer Military Relationship. The recent visit to China of a high-level military delegation led by Pakistan's Army chief illustrates the increasingly close military cooperation which exists between Peking and Rawalpindi. During the past year a large number of Pakistani military groups -- some publicized and some not -- visited China. Presumably, this latest group requested additional Chinese military assistance to add to the significant aid which Peking has already provided (since 1965 the Chinese have provided at least 160 T-59 medium tanks and 124 MIG-19 jet aircraft). According to one report, the group also intended to examine first-hand a "Chinese-produced" MIG-21 aircraft. Thus far, we have no hard evidence to indicate that China produces such a craft.

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MR DEF 12-05
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Apparently as a partial quid pro quo for Chinese assistance, Pakistan has recently shown a willingness to provide Peking with US-supplied aircraft technology, even when release of such data violates the terms of acceptance. In July 1968 an intelligence source revealed that Chinese technicians had been allowed to examine US-provided F-104 aircraft at Pakistan's Sargodha Air Base and to collect F-104

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spare parts and material samples which were taken back to China for analysis. Later, the same source reported that the Chinese were also allowed to take back a complete F-104 engine, including the internal guide vane part of the fuel control system. While Peking probably will not derive great advantage from this acquisition, a precedent appears to have been set, and China can be expected to make further requests along the same lines.

Pakistan's willingness to pass on US technology may help to explain Peking's relative generosity to Pakistan. In addition to military aid, the Chinese in December 1967 offered Pakistan an interest free credit of 200 million Pakistani rupees (about \$40 million). This is a substantial amount by Chinese standards, particularly since Ayub's Pakistan is much less leftist in basic policy orientation than are most of the principal recipients of substantial Chinese aid.

Border Cooperation Highlighted. According to NCNA, Pakistani and Chinese border trade delegations reached agreement during meetings in Kashgar (Sinkiang) reached agreement on the levels of overland trade to be conducted during the next year reached agreement on the levels overland trade to be conducted during the next year between Sinkiang and West Pakistan. (From the press coverage, it would appear that the group travelled directly between Pakistan and Sinkiang.) The fact that the Pakistani group was allowed to enter Sinkiang is an indication of the importance which Peking apparently attaches to its relations with Rawalpindi. In recent times few foreigners have been allowed to visit Sinkiang, and the only publicized group comparable to the Pakistanis was from Albania, Peking's close ally.

Also unmentioned by NCNA was the sensitive question of Chinese assistance to a road which Pakistan is building to improve transport between Gilgit Town in

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northern Pakistan and the frontier with Sinkiang. Several unconfirmed reports have claimed that Chinese personnel have crossed the border to assist in the road, with one diplomatic source citing a figure of 10,000 Chinese already at work. The Government of Pakistan has shown considerable sensitivity over the question by barring foreigners from a large section of the area. Pakistani officials in the area also appear to be under orders not to discuss the subject.

Completion of the road to the Chinese border would facilitate the flow of military supplies and would serve as an incentive to increase border trade. The projected date for completion is not known, but progress would undoubtedly be speeded if Chinese road construction crews were used.

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