

**DRAFT TESTIMONY FOR THE COMMISSION ON SECURITY AND COOPERATION
IN EUROPE**

Mongolia moves toward Europe and implications for the OSCE

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**John J. Tkacik, Jr.¹
China Business Intelligence
Alexandria, Virginia**

¹ *John J. Tkacik, Jr. is an independent analyst publishing as “China Business Intelligence” (www.China-Business-Intelligence.com), and this week he will also take up duties directing the Future Asia Project at the International Strategy and Assessment Center, a foreign policy think tank based in Alexandria, Virginia. Most of his Asia career has been in the U.S. foreign service where he served six tours in areas related to China, Taiwan and Mongolia, and from 2001 to 2009, he was a senior fellow in Asian Studies at the Heritage Foundation where his portfolio also included Mongolia.*

Well, good afternoon. I am honored to have been asked to share with you my thoughts on Mongolia application for status as a participating state in the Organization for Security and Cooperation in Europe (OSCE) – I made a similar presentation three years ago before this commission, with Congressman Hastings then in the chair and I have to say, with three years of hindsight, that my recommendations then were absolutely spot-on. And indeed, Mongolia has become even more important geopolitically – in every way – to America’s and Europe’s security.

“Really?” you must be thinking . . . “we love Mongolia and all that, but, really, now, is it that important?” Mongolia is not, after all, either a European country or one of the former Soviet states. What does it have to offer European Security?

Certainly, Mongolia would have automatically been a full member of the OSCE in 1991 when it had, for 70 years been considered the unofficial 16th republic of the Soviet Union, and when it was offered membership in the Commonwealth of Independent States. But Mongolia’s decision not to join the CIS should not now be held against it, because, after all, staying out of the CIS was intended to, and had the result of, facilitating Mongolia’s successful democratization.²

The answer lies in Mongolia’s peculiar geographic and strategic location. In the past, the OSCE’s mission was to help manage the Cold War dialogue between East and West; with the collapse of the Soviet Union in 1992, the OSCE’s mission was to manage the transition from Cold War to an integrated Eurasia. In the 21st Century, the OSCE continues to focus on the structures of peace in Eurasia. As such, I foresee that the biggest challenge to Eurasian peace will spring from China’s new role as the landmass’s preeminent power, and how it uses that power in the continental cooperation and competition for resources. Significant investment and economic events of the past three years have demonstrated that Mongolia’s vast area, its mineral and environmental resources, will be important factors in Chinese and Russian economic development.

Members of the Commission are already well-informed on Mongolia’s surprisingly successful experience with democratization, and probably also aware of the new copper, coal and uranium mining developments that have given the country a rapidly growing economy, albeit one dependent on international commodity prices.

But the imperative of giving Mongolia status as a participating OSCE state lies in its geopolitical importance in Eurasia, specifically as a moderating influence in relations between Russia and China.

Mongolians themselves are acutely sensitive to their role as a buffer between Eurasia’s two most massive powers. They understand the absolute necessity of not allowing their land to become a satellite of either great power lest the other great power seek to rebalance in the opposite direction. Mongolians descriptively call their strategy the “Third Neighbor Policy.”

²² For an in depth view of Mongolia-Russia relations see U.S. Embassy telegrams 08 Ulaanbaatar 00090 of February 25, 2008, “SUBJECT: THEY’RE BA-ACK! RUSSIANS RE-ENGAGE MONGOLIA” at <http://wikileaks.org/cable/2008/02/08ULAANBAATAR90.html>; and 09 Ulaanbaatar 00161 of June 4, 2009, “SUBJECT: MONGOLIA’S MANAGEMENT OF A RESURGENT RUSSIA,” at <http://wikileaks.org/cable/2009/06/09ULAANBAATAR161.html>.

Their “Third Neighbor Policy” is, of course, essential to Mongolia’s own survival, but the OSCE *should* also see (although I doubt if it does) the catastrophic potential a Sino-Russian rivalry in Mongolia would have for peace in Eurasia. I hope that my presentation can dramatize this for the Commission.

Five years ago, the American Ambassador in Ulaan Baatar, Pamela Slutz, admitted candidly:

“Mongolia is not of strategic importance to the U.S., at least not in the conventional defense and security context. Mongolia is too geo-politically, economically, and demographically challenged (i.e., landlocked between Russia and China, far from U.S. markets, and sparsely populated) to be a strategic partner. And, Mongolia cannot afford to estrange its immediate neighbors, Russia and China, by becoming associated with U.S. military/security objectives vis-à-vis either of these countries.”³

Now, I have to admit that in my forty-odd years as an Asia-watching devotee of global geopolitics, I’ve been more of a follower of Mahan and the theories of seapower than of Halford Mackinder and his somewhat whacky ideas about the Heartland of Eurasia. Back in 1904, over a hundred years ago, Mackinder posited that “who rules Eastern Europe commands the Heartland, who rules the Heartland commands the World Island.”⁴ And to Mackinder, the Heartlands were the central and north Asian steppes of Siberia.

I had always viewed this idea as whacky because, frankly there was very little in the heartland of Eurasia – Mackinder’s “World Island”. Few people, fewer towns, one slim thread of a railway 9,000 kilometers long, just space, wide open space, that could swallow the North American continent. Clearly, as far as the United States and Europe were concerned, the Eurasian Heartland was irrelevant to national security. I mean, who cared who controlled the “Eurasian Heartland”?

So, Ambassador Slutz was right, instead, to focus the State Department’s attention on Mongolia’s quite remarkable success in democratization, successes which are almost unique in all of the Asiatic Mainland outside of the subcontinent. And while America’s support, encouragement and economic aid was helpful, I think we see that the full credit for Mongolia’s successful democratization has to go to the Mongol people themselves and to the choices of their leaders – from the very beginning in 1990 and 1991 when they made a collective decision, as the Soviet Union collapsed around them and as, to their south, the communist party reasserted its iron-fisted grip on a post Tiananmen China. In that critical two-year period, Mongolians realized that if they were to balance their new independence from Russia against the historical pressures from China, Mongolia would have to reassert a new identity. For Mongolia to assert a new identity, it had to be based on something wholly separate from both Russia and China . . . that was liberal democracy, a parliamentary democracy without a strong President that would not be entangled with Moscow’s Commonwealth of Independent States or with some Mongol nationalism that would entangle it with the much larger Mongolian population of China. As one former Mongolian Prime Minister explained to the American Ambassador:

³ Pamela J. Slutz, “WHITHER U.S.-MONGOLIA RELATIONS?” embassy telegram 06 UlaanBaatar 657 of August 31, 2006.

⁴ For Mackinder’s views, see “The Geographical Pivot of History,” *Geographical Journal*, 23, no.4 (1904), pp421-444, cited in Stephen M. Walt, *The Origins of Alliances*, Cornell University Press, Ithaca, 1987, p. 277(fn).

"We decided on the democratic, market economy path in large part to distance and free ourselves from our two immediate and hegemonistic neighbors. Democracy is how we maintain our sovereignty. Only by developing and integrating ourselves with other democracies and market economies, particularly with our "third neighbors" such as the U.S., Japan, South Korea, and Germany and with regional organizations, can we develop our people and guarantee our sovereignty."⁵

It was a deliberate choice to align with political systems shared with Europe and the United States.

But the question before the Helsinki Commission today isn't "what's good for Mongolia?" I mean, the Mongolian people can figure that out for themselves. They have. They only have two neighbors, Vast Russia and Populous China, and they're wedged in between. Mongols want to see Russia and China maintain good relations with so that neither is again tempted to pull Mongolia into its sphere of influence as a buffer against the other. Mongols are profoundly aware that if either Russia or China dominates Mongolia, then the non dominant one will immediately be inclined to undermine the other's presence. That's the way it has been since the Russians first showed up on the Steppes in the 16th Century.

The Helsinki Commission's question today is "What's good for security and cooperation in Eurasia?" And here, I'd like to come back to the once whacky – now, not so whacky – geopolitical calculations of Halford Mackinder.

In the 21st Century, the Eurasian Heartland will be of absolutely vital strategic importance to the survival of both China and Russia. We can expect both these great nations to pursue with single-minded determination, policies which promote their economic growth and sustained increases in the standards of living of their respective peoples.

In the mid-term, say, five to ten years, both Russia and China see their futures as resting on access to the vast mineral and resource wealth of Central Eurasia, including Siberian Russia and Mongolia. Mongolia, after all, occupies over 1.5 million square kilometers of flat mineral rich steppes defended by nothing except 3 million determined Mongols. The Oyu Tolgoi copper mines are sitting on perhaps 44 billion tons of pure copper (and about 1800 tons of pure gold), the Tavan Tolgoi coal seams are one of the biggest single deposits of coking coal in the world. Already, Russian mining interests are predominant in copper in the north, while Chinese iron and steel interests are investing in coal in the south. Mongols are balancing these two forces by encouraging Western – French, Australian, Canadian, American -- mining developers to ensure that environmental and administrative best practices are the rule, but quite obviously, Mongolia also sees the careful deployment of mining privileges as a tool to balance Mongolia's political relations among Russia, China and the "Third Neighbors."

In the long-run however, say, 20-30 years, Mongolia's water resources are likely to be the most prized resource asset of the country. As the water tables in the North China plain continue to dry up and as hundreds of millions of Chinese demand more and more water, not just for human

⁵ Slutz

sustenance, but for industrial needs as well⁶, a new Chinese superpower will find it tempting to move into Mongolia . . . after all, Mongolia's largest watershed, the Selenge River Basin, provides over half the flow into Lake Baikal – the world's largest fresh water lake, and the wellspring of Russia's economy in the Far East.

As the 21st century unfolds, China's and Russia's covetousness of Mongolia's mineral and water resources will intensify and Mongolia will become a primary pivot of a new great power rivalry. And that rivalry will intensify if either China or Russia (or both) are allowed to view Mongolia primarily as an unfinished bilateral territorial issue.

On the other hand, if China and Russia are obliged to deal with Mongolia's "Third Neighbors" as equally interested parties in Mongolia's fate, they will be less inclined to assume that Mongolia is just a zero-sum calculus in a bilateral game. This point cannot be stressed too strongly: China is emerging as Eurasia's Superpower, and Mackinder's prediction that the Eurasian Superpower will seek to control the Asiatic Heartlands no longer seems as whacky as it did a century ago. If China is allowed to view Mongolia as some *terra irredenta* stolen by the Russians in 1921, then Europe – and America, too – must prepare for the titanic tsunami of a new Sino-Russian confrontation that will sweep across the globe.

My own expertise in the Mongolia question comes from a career of China-watching. So, I must caution the Commission that China does indeed harbor significant territorial sentiments for Mongolia. Those sentiments will sharpen as North China thirsts for new water supplies in the new century.

China's territorial ambitions in India, specifically Arunachal Pradesh, declared in November 2006 by the Chinese Ambassador to be "Chinese Territory,"⁷ are a somewhat fluid factor in China's geopolitical strategy in South Asia. China's proprietary behavior vis-à-vis riverine water resources flowing from China into India and Southeast Asia, both for irrigation and power generation, continue to alarm China's southern neighbors.⁸ China's late-in-life territorial claims in the South China Sea and on Japan's Senkaku Islands, are emblematic of Beijing's newly expansionist strategy of geographic assertiveness in Asia. And China's historical claim to all of

⁶ For interesting perspectives in the past year see Chuin-wei Yap, "China Makes Water a \$12 Billion Priority," *The Wall Street Journal*, January 30, 2011, at <http://online.wsj.com/article/SB10001424052748703833204576113561639658334.html>; Keith Bradsher, "Crops Wither and Prices Rise in Chinese Drought," *The New York Times*, February 3, 2011, at <http://www.nytimes.com/2011/02/04/world/asia/04china.html>; "China defends its dam projects on rivers from Tibet that worry neighbors who live downstream," Associated Press, April 19, 2011; "Controversy Over Dam Fuels Rare Public Outcry in Myanmar," *The International Herald Tribune*, September 21, 2011, at <http://www.nytimes.com/2011/09/22/world/asia/controversy-over-dam-fuels-rare-public-outcry-in-myanmar.html>.

⁷ (No author cited), "PRC Ambassador to India claims 'whole of Arunachal Pradesh is Chinese Territory'," CNN-IBN News India, November 13, 2006, at <http://www.ibnlive.com/news/arunachal-is-chinese-territory-envoy-minces-no-words/26108-3.html>. Ambassador Sun Yixi said, "In our position the whole of what you call the state of Arunachal Pradesh is Chinese territory and Tawang (district) is only one place in it and we are claiming all of that's our position."

⁸ An interesting view is Brahma Chellaney, "Water is the new weapon in Beijing's armoury," *Financial Times*, August 30, 2011, at <http://www.ft.com/cms/s/0/4f19a01e-d2f1-11e0-9aae-00144feab49a.html>.

Mongolia (and to Russia's Tuvan Republic) – if Beijing chooses to reassert it – is far more persuasive than its vociferous claim to Taiwan. After all, China was once part of the Mongol Empire, and China and Mongolia were both ruled by Manchurian emperors for 250 years. Mongolians only claimed their independence from China in 1921⁹, whereas Taiwan was alienated from the Manchu's "Great Qing" empire in 1895.

There is little but international opinion that prevents Beijing from denouncing the unequal treaties imposed upon a collapsed China by Tsarist-Soviet regimes in the last century and demanding that Mongolia, like Taiwan, "reunite" with the Chinese motherland in this century.

No less a figure than Mao Zedong had insisted, even under Soviet pressure, that Outer Mongolia should "automatically become a part of the Chinese Federation, at its own will" (1936)¹⁰, or "rejoin China the moment the National Government lives up to the promise of the founder of the Republic and the Kuomintang" (1944).¹¹ Stalin had negotiated Mongolia's independence with Chiang Kai-shek, who agreed to honor the results of a Mongolian "plebiscite" – which took place in 1945, passing with 98% support. When Mao negotiated the Sino-Soviet alliance treaty in January 1950, he tried, without success to get Stalin to reconsider Mongolia's independent status, and dropped the matter.¹² Stalin believed Mongolia to be an essential buffer between Russia and China – to which he sought, but failed, to add Manchuria and Xinjiang. A Chinese-dominated Mongolia was, to the Soviets, entirely out of the question.

In 1956, at the height of the Sino-Soviet honeymoon, Chinese president Liu Shaoqi and foreign minister Zhou Enlai again raised Mongolia with Soviet First Deputy Premier Anastas Mikoyan, averring that the "independence" of Mongolia was "one of Stalin's mistakes." According to Soviet accounts of the conversation, Liu Shaoqi "noted that when the Soviet Union was celebrating the 300-year-anniversary of reunification of Ukraine with Russia, [some people] said in China that 300 years ago Mongolia already was a part of China and asked the question whether it could be re-united with China. The Chinese, Liu Shaoqi continued, consider Mongolia,

⁹ With the collapse of the Manchu regime following the Xinhai Revolution of October, 1911, Khalkha Mongolia declared its independence from China on December 1, 1911. Russia assiduously but quietly worked to pry Mongolia loose from Chinese sovereignty, first with the "Tripartite Agreement in regard to Outer Mongolia" of June 7, 1915 in which Moscow recognized nominal Chinese "suzerainty" in the territory, but when White Russian forces fleeing from the Bolsheviks after the 1917 revolution occupied Mongolia, the Reds occupied the country and formally established the independent People's Government of Mongolia. Alan Wachman, *Mongolia's Geopolitical Gambit: Preserving a Precarious Independence While Resisting "Soft Colonialism"*, East Asia Institute, 2009, at http://www.eai.or.kr/data/bbs/eng_report/2009052017262087.pdf.

¹⁰ Edgar Snow, *Red Star Over China*, 110, 444.

¹¹ Guenther Stein, *The Challenge of Red China*. London: 1945, 356, 195-196, as cited in Robert A. Rupen, "Outer Mongolia Since 1955," *Pacific Affairs* 30:4 (December 1957) 345, n. 14.

¹² Dennis J. Doolin. *Territorial Claims in the Sino-Soviet Conflict: Documents and Analysis*. Stanford: The Hoover Institution on War, Revolution, and Peace, 1965, cited in Wachman.

like Taiwan, a part of their territory.” Liu and Zhou apparently told Mikoyan that while China would not act on Mongolia now, “this could be done later.”¹³

In 1964, Mao Zedong fulminated to a group of visiting Japanese socialists that “In accordance with the Yalta Agreement, the Soviet Union, under the pretext of assuring the independence of Mongolia, actually placed the country under its domination. Mongolia takes up an area which is considerably greater than the Kuriles. In 1954, when Khrushchev and Bulganin came to China, we took up this question but they refused to talk with us. . . .”¹⁴

Twenty-five years later, Deng Xiaoping in February 1989, meeting with the newly inaugurated U.S. president George H.W. Bush in Beijing, complained at length that

“Yalta not only severed Outer Mongolia from China but brought the northeastern part of China into the Soviet sphere . . . after the founding of the People’s Republic, our first demands were to recover Chinese sovereignty . . . We raised the question of Outer Mongolia, but the Soviets didn’t respond . . . Mr. President, you are my friend. I hope you will look at the map to see what happened after the Soviet Union severed Outer Mongolia from China . . . if you look at a map. You see a huge chunk of the north cut away . . . the strategic situation I have mentioned is very unfavorable for China.”¹⁵

Indeed, for the Chinese leadership, Mongolia’s independence has often seemed as great an affront to Beijing as Taiwan’s. Chinese Premier Zhou said as much to Henry Kissinger in one of their early meetings, on October 25, 1971: “If Japan puts forces in to bring about a so-called independent Taiwan, that will be the beginning of the end for peace in the Far East. It will be the end of the relaxation of tension. For the Japanese armed forces to bring about a so-called independent Taiwan *would be the same as the independence of Outer Mongolia if done by the Soviet Union*. That is the seed of unrest in the Far East. We are not afraid to point out the dangers.”¹⁶

As late as 2007, as Chinese Inner Mongolia celebrated its 60th anniversary, one Taiwan journalist visiting the Chinese autonomous region observed that Chinese seem to think they owe the idea of “Greater China” to the Mongolian emperors, and therefore Mongolians should be proud to be part of China.

¹³ See Wachman, *Mongolia’s Geopolitical Gambit*. Prof. Wachman cites “On the claims of the leaders of the PRC with regard to the MPR, Soviet Foreign Ministry report, (31.01.64),” copied in Sergei Radchenko, “The Mongolian Dimension of the Sino-Soviet Split,” a paper presented at a 2004 conference entitled “Mongolia and the Cold War,” Ulaanbaatar (unpublished). Radchenko cites “On the claims of the leaders of the PRC with regard to the MPR, Soviet Foreign Ministry report,” (31.01.64) and “Record of Conversation between the Mongolian People’s Republic Government Delegation and the Deputy Chairman of the People’s Republic of China State Council, Foreign Minister Chen Yi, 30 September 1964.”

¹⁴ “Mao Tse-tung Provides Support for the Reversion of the south Kurile Islands,” *Yomiuri Shimbun*, Tokyo, July 13, 1964, cited in Doolin, *Territorial Claims*, 42–43.

¹⁵ George Bush and Brent Scowcroft, *A World Transformed*, Alfred A. Knopf, New York, 1988, pp 95-96.

¹⁶ See “Memorandum of Conversation,” October 25, 1971, 9:50 P.M. – 11:40 P.M., Foreign Relations of the United States, 1969-1976, Volume E-13, Documents on China, 1969-1972.

“... In the eyes of many who aspire to the great unification of the Chinese race, the major legacy that Mongolians have left has been a ‘Great China’, and they hope that Outer Mongolia will return to their Chinese brethren, of whom there are naturally quite many. They believe that Outer Mongolia (the country Mongolian) has a small and seriously aging population, its education is inadequate, the economy is backward, and despite considerations of international situation, they [Chinese] need not care about any geographic borderlines, they can effectively control this region in terms of economics and culture. For example, they can increase cultural and education exchanges, establish a Mongolian university, and permit Mongolians to enroll; encourage a sense of family, and broad intermarriage would strengthen the bonds of blood; strengthen China and Mongolia's economic interchange and aid, etc. In this case, it would be difficult for Mongolia not to tilt toward China.”¹⁷

Avoiding a tilt toward China really is going to be difficult for Mongolia, given China's heavy investments in the country, China's trade predominance, and the fact that the only railway in Mongolia goes to China from Russia. Mongolian policy-makers generally try to tip the balance toward Russia in railway, mining and electric power contracts that perforce must be an either-or proposition. Mongolia's new east-west railway, for example, will be built with Russian financing, and Russian equipment, on a Russian rail gauge, and will be demarcated to link with the Russian Trans Siberian rather than to Chinese ports.¹⁸ But wherever they can, Mongolia strives to build links with “Third Neighbors”. It is in the interests of the “Third Neighbors” that Mongolia remain capable of steering that middle course.

Although a member of the United Nations, Mongolia has had trouble gaining full participation in broader international security dialogs. It attends the ASEAN-centered “ASEAN Regional Forum” (ARF) in Singapore and is an OSCE Partner, and has similar status as an observer of the Shanghai Cooperation Organization (SCO). But it has applied for full OSCE membership, while it has resisted Moscow's and Beijing's blandishments to become a full SCO member precisely because it hopes to avoid getting embroiled in China-Russia machinations.

Given that it must be a core interest of the OSCE to avoid a major geopolitical confrontation between China and Russia, then the OSCE must have a policy of legitimizing Mongolia's neutrality and its separate political identity from either Russia or China. The OSCE could advance this goal by integrating Mongolia into the broader community of Eurasian nations and the OSCE would be an ideal forum for such integration, as would the NATO Partnership for Peace. Several years ago, there was discussion of a new “Northeast Asian Security Architecture” loosely based on the so-called Six Party Talks. And likewise, Mongolia should be included as a member state as well. Mongolia is not a member of the Asia Pacific Economic Cooperation

¹⁷ Cheng Dongxu, “Nei Wai Menggu hebing neng zuo bun eng shuo? Wai Menggu yiyuan you huigui pai, Zhengzhi dongzuo gaodu mingan, jingji wenhuo zhuo shou, bu qinxiang Zhongguo ye nan,” (Uniting Inner and Outer Mongolia, doing it is easier than saying it? There is a unification faction among Outer Mongolian parliamentarians, but political action is highly sensitive, economically and culturally it's in hand, not tilting toward China is hard.), *The World Journal* (Shijie Ribao), New York, August 6, 2007, p. A-4.

¹⁸ Geoff Dyer, “Mongolia makes tracks to escape neighbor,” *Financial Times*, January 19, 2011, at <http://www.ft.com/cms/s/0/e81f0366-23ed-11e0-bef0-00144feab49a.html>.

forum (APEC), although it has tried to join for over a decade. On the other hand, Mongolia has stoutly resisted pressures from both Moscow and Beijing to join their “Shanghai Cooperation Organization” precisely because it is a security framework solely built on the Moscow-Beijing dynamic.

The international community – presuming it hopes to lessen , not exacerbate Sino-Russian rivalries on the Eurasian landmass – should go out of its way to open “Third Neighbor” alignments to Mongolia.

If, on the other hand, the international community treats Mongolia as simply a vast empty backwater, or as a bilateral territorial issue that Russia and China have to resolve by themselves, I can predict with a high degree of confidence, that the most devastating conflict of the coming century will take place between Russia and China, and it will be over Mongolia.