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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
<u>Entire Folder</u>			
1. memo	William Clark to RR, re Nixon's trip to China, 1p R NLSF99-032 #1 4/2/99	9/25/82	P1/F1
2. summary	Summary of Former President Nixon's report on trip to China, 2p R NLSF99-032 #2 4/2/99	nd	P1/F1
3. memo	Laux to Clark, 1p R NLSF99-032 #3 4/2/99	9/25/82	P1/F1
4. memo	Nixon to RR, re Nixon's trip to China, 25p R NLSF99-032 #4 4/2/99	nd	P1/F1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information compiled for law enforcement purposes [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

CHRON FILE

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September 25, 1982

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

RR

SUBJECT: Former President Nixon's Trip to China (U)

Issue

Former President Nixon's Trip to China, September 6-11.

Facts

Attached (Tab A) is a summary of former President Nixon's 25-page memorandum to you reporting on his recent trip to China. While there he held talks with Deng Xiaoping, Party Chief Hu Yaobang, Premier Zhao Ziyang, and Foreign Minister Huang Hua. Although the Party Congress was in progress, they gave him considerable time. The full report is at Tab B.

Discussion

Nixon's report is quite interesting and useful as an indicator of Chinese thinking in the wake of the signing of the Joint Communiqué, and the prospects for US-PRC relations and US-USSR relations. You may be particularly interested in Nixon's observations on:

- Chinese leaders' reaction to the Joint Communiqué;
- their vitriolic denunciation of the Soviets (they plan to move to reduce tensions with them, but not effect a real rapprochement);
- his assessment that the regime is stable and the succession to Deng essentially solved;
- their desire to improve economic relations with the US;
- their hope that Secretary Shultz and the President will visit China over the next year or so. (C)

RECOMMENDATION:

That you telephone President Nixon and express your thanks for his report, particularly on his conversations with Deng and Hu Yaobang, which is most useful to us.

Approve *Have already called.* Disapprove

Attachments:

- Tab A Summary of President Nixon's trip.
- Tab B Full report of President Nixon's trip.

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Declassify: OADR

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F99-032 #2

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7/25/00

SUMMARY OF FORMER PRESIDENT NIXON'S REPORT ON TRIP TO CHINA

President Nixon held talks with Deng Xiaoping, Party Chief Hu Yaobang, Premier Zhao Ziyang, and Foreign Minister Huang Hua. (C)

Personal Impression of Leaders. Nixon was shocked at the deterioration of Deng's physical condition since he last saw him in 1979, even though Deng is still obviously in charge. He felt Hu was the most impressive of all the Chinese leaders he met -- a strong, dynamic individual who laughs easily and exudes magnetism. Nixon was impressed by Zhao's relative youth, competent, articulate manner of speech, and the fact that although the meeting was at 10:00 a.m., Zhao put away a quart of beer during their 1-1/4 hour session. (C)

Taiwan. Hu didn't even mention it. Zhao made only passing reference to it. Huang spoke of it briefly, indicating that the Taiwan Relations Act (TRA) had poisoned our relations and that US arms sales should be reduced and brought to an end. Deng, however, dwelt on the issue and was more critical. He indicated the TRA would have to be modified or US-PRC relations would continue to be "poisoned." Deng thought the President's pro-Taiwan stance was due primarily to political pressure from the right, but Nixon made it clear that the President's position was his own personal conviction, and that while he recognized the importance of close ties with the PRC, approving the new communique had been very difficult for him. Nixon did not want to leave any illusions that the Chinese could expect a modification of the TRA or the communique. (C)

USSR. All 4 leaders were vitriolic in their criticism of the Soviets. They indicated that China was moving to reduce tensions with the USSR but assured Nixon there would be no real rapprochement. They said the Soviet military threat was greater today than ever before, and there is no question in their mind that the USSR seeks world hegemony. Deng said, "Why else are they spending twice as much of their budget for military purposes as the US?" Deng described Soviet policy as a continuation of the Czarist tradition of conquest and expansion and said that the death of Brezhnev would not result in any change in policy. (C)

Third World. While the PRC agrees with the US on some issues, there are areas of major disagreement. The Chinese feel that U.S. policy is inadequate and unwise on north-south issues and lags behind Europe. All industrial nations need the raw materials of the Third World and should not risk allowing them to come under Soviet control. Nixon is convinced the Chinese are determined to play a greater role in the Third World. (C)

Middle East. Huang viewed President Reagan's proposal as a "positive" development but reiterated PRC support for Palestinian "self-determination". Nixon suggested the Chinese influence Arafat to recognize Israel in return for Israel accepting the provision of UN Resolution 242. Huang said Arafat told them that recognition was "his last card." Nixon thinks the Chinese are not so much anti-

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Israel as pro-Arab -- which they see as the only way to keep the USSR from becoming champion of the Palestinian/Arab cause and thereby dominating the Middle East. (C)

Economic. Huang and Hu expressed disappointment at the lack of progress on the transfer of technology, which Huang described as "loud thunder with little raindrops." Zhao also complained about U.S. import quotas on Chinese products. Hu hopes U.S. trade barriers will come down as the U.S. economy recovers. Nixon believes the major thrust of the US-PRC relationship over the next ten years should be economic cooperation "even if there were no Soviet threat." This policy has more chance of surviving and will be less subject to the ups and downs of the Soviet/Chinese relationship. (C)

Pipeline. Zhao's views are similar to Margaret Thatcher's. (C)

Stability. The stability of the regime seems assured. Deng and his pragmatist associates are firmly in the saddle, and if Hu is to be believed, they have scattered their potential opponents around the country. (C)

Succession. The PRC appears to have solved a dictatorship's most difficult problem -- an orderly, peaceful succession. Hu said emphatically there will be no succession crisis. Deng is easing out and Hu is moving up. Over time Hu will be more important than Zhao. (C)

Secretary Shultz, President Reagan and the Future. The Chinese leaders are impressed with Secretary Shultz's economic credentials and the obvious confidence in him by the President and others. They are looking forward to a visit by him to China in late 1982, and hopefully to one by the President in 1983. Deng asked for Nixon's views of the 1984 election prospects. Nixon said the Republicans would lose a few seats in November 1982 because of the recession, but that 1983 would be a moderately good year, 1984 a very good year, and that as a result President Reagan should and would run and would win. (C)

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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September 23, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DAVID LAUX *DL*

SUBJECT: Former President Nixon's Trip to China (C)

Attached (Tab I) is a memo from you to the President, covering a summary (Tab A) of former President Nixon's 25-page memorandum to the President on his recent trip to China. The full report is at Tab B. (U)

While there, Nixon held talks with Deng Xiaoping, Party Chief Hu Yaobang, Premier Zhao Ziyang, and Foreign Minister Huang Hua. Although the Party Congress was in progress, they gave him considerable time. (C)

Nixon's report is quite interesting and useful as an indicator of Chinese thinking in the wake of the signing of the Joint Communique, and the prospects for both US-PRC relations and US-USSR relations. You may be particularly interested in Nixon's observations on:

- Chinese leaders' reaction to the Joint Communique;
- their vitriolic denunciation of the Soviets (they plan to reduce tensions with them, but not effect a real rapprochement);
- his assessment that the regime is stable and the succession to Deng essentially solved;
- their desire to improve economic relations with the US;
- their hope that Secretary Shultz and the President will visit China over the next year or so. (C)

The memo from you recommends that the President telephone Nixon and express his personal thanks for the report. (U)

Gaston Sigur concurs *GS*

RECOMMENDATION:

That you forward Tab I to the President.

Approve ✓ Disapprove _____

Attachments:

- Tab I Clark memo to President
- Tab A Summary of President Nixon's trip
- Tab B Full report of President Nixon's trip

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Declassify: OADR

good memo *OK*
F99-032#3

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Memorandum to:

PRESIDENT REAGAN

Since I was in Peking while the party congress was still in session, I was somewhat surprised that the talks I had covered as many subjects and took as much time as they did. Perhaps the reason for this in part was that the Chinese wanted to take the opportunity to review developments in our relations since my first visit in 1972, ten years ago, and also to give me an idea of how the party congress would affect PRC policy in the future. Since my visit coincided with the new communique on Taiwan and press reports to the effect that the PRC was planning to take a more independent line toward the US and was putting feelers out to reduce tension with the Soviets, I had a chance to discuss these subjects in some depth. Since all of the Chinese referred to me as "an old friend", they spoke to me with considerable candor and at times refreshing bluntness. I would not of course suggest that being the subtle operators they are, they were completely forthcoming. But I think that the memcons do provide some quite accurate indications of their current attitudes toward the US, the Soviet Union, and foreign and domestic policies generally.

Appointment with Foreign Minister

Background

After some gracious welcoming remarks, the Foreign Minister asked me to speak first. In view of the rather

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intensive speculation in the Japanese newspapers during the previous few days to the effect that the PRC was going to take a line more independent of the US and more moderate toward the Soviet Union, I think he was somewhat surprised when instead of questioning this new approach, I told him that I personally welcomed initiatives which might reduce the tension between the Soviet Union and China. I said that I had never been among those who felt that a war between the PRC and the USSR would serve the interests of the West because I was convinced that such a conflict would inevitably escalate into global nuclear war. I then went on to develop the theme which was the main thrust of my toast at his dinner for me later that evening, that even if there were no Soviet threat, it was in the interest of the United States to develop a close economic, political, and strategic relationship with the PRC. I believe this approach somewhat surprised him and that as a result he went out of his way to make it clear that there was no possibility under present circumstances for a rapprochement between the Soviet Union and the PRC.

Taiwan

He spent some time at the onset of his remarks to emphasize that while the new Taiwan Communique was a "positive" development, it did not resolve the issue. He pointed out that the Taiwan dispute had poisoned our relations for the last several years since the passage of the Taiwan Relations Act and then made the usual arguments

that arm sales should be reduced and eventually brought to an end. My response was that while I knew it was a difficult issue for the PRC, it was also difficult for President Reagan and that now that the matter had been moved to the back burner, it was important to keep it there so that we could progress into other important areas.

Sino-Soviet Relations

After concluding what I thought were pretty much pro forma remarks on Taiwan, he launched into an attack on the Soviets which was even more vitriolic than that which he had made when I met with him in 1979. He vehemently expressed the view that the Soviet thrust in Afghanistan was an all-out threat to the Persian Gulf and to the south Asian sub-continent. In the same vein, he said that the Soviet-supported Vietnamese offense in Cambodia was really aimed at Thailand and "at the doorstep of the ASEAN countries." The Soviet objective was nothing less than complete control of the Straits of Malacca. He described the Afghan/Vietnamese operations as a pincers movement. If the Soviets succeed in obtaining their objective of controlling what he described as the south China seas and the Persian Gulf, they would be able to paralyze Europe and Japan. He went on to say that this was a far greater threat to Europe and Japan than to China because the Chinese had far less trade with that area and was less dependent on the oil from the Gulf.

This gave me an opportunity to point out that the Soviet threat to the PRC was far greater now than it was ten

years ago when it was one of the major factors that led to the Sino/US rapprochement. Then there was only the threat of the Soviet forces mobilized on China's northern border. Today, the number of those forces is far greater. In addition, the Soviet Union now has a powerful and growing Pacific fleet and an edge over the U.S. in land-based missiles (neither of which it had in 1972), domination in Southeast Asia, and Soviet troops in Afghanistan. I did not have to paint any picture for him. He said that there was no doubt in his mind and in the minds of his colleagues in the government that the Soviet Union still seeks world hegemony. While the Soviet Union has often expressed a desire to have better relations with the PRC, the Chinese are insisting on deeds and not just words. Increased trade between the USSR and the PRC and modest increases in various exchange programs are relatively meaningless, he said.

Deeds which the PRC insists on are three:

- 1) The Soviets must stop their support of Vietnam's aggression in Cambodia.
- 2) They must withdraw their forces from Mongolia and reduce their forces on China's northern border.
- 3) They must withdraw their forces from Afghanistan.

There will be "no real and fundamental improvement in Sino/Soviet relations" unless the Soviet Union takes these steps and gives up its drive toward hegemony.

Third World

While the PRC welcomes agreement on some issues with

the US, there are areas in which we have major differences. He particularly emphasized policy toward the third world with its vast human and natural resources. He charged that the US lagged behind European countries on the north/south dialogue and emphasized that the US, just as much as Europe, needs the raw materials which only the third world can provide.

Mideast

While he expressed the opinion that President Reagan's Mideast speech was a "positive" development, he reiterated the PRC's support for "self-determination" for the Palestinians. When I suggested that the Chinese might use their influence with Arafat to get him to respond to the President's initiative by recognizing Israel in return for Israel's accepting the provision of UN resolution 242, he made the intriguing point that Arafat had told them that recognition was "his last card" and that he was reluctant therefore to use it. I suggested that he ought to use his card now to "trump" Begin.

Economic Relations

He expressed disappointment at the progress that was being made on transfers of technology. He said that the Chinese proverb for big talk and little action was "loud thunder with little raindrops." All in all, I would describe his attitude, which at times can be rather sharply abrasive, as being generally conciliatory. He spoke

respectfully of the President and said that he was looking forward to meeting with Secretary Shultz at the UN. When I told him that Ambassador Hummel had done an excellent job in helping to negotiate the Taiwan Communique and generally as well in furthering better US/PRC relationships, he warmly agreed. This gave me an opportunity to needle him for not moving more expeditiously in allowing our embassy to acquire better quarters and also on going forward on our consulate in Manchuria as we had on theirs in New York.

Meeting with Premier

Background

I had not met the Premier before and was impressed by his relative youth compared with other Chinese leaders and by his competent, articulate manner of speech. Incidentally, we met at ten o'clock in the morning and instead of taking one of the soft drinks or tea as I did, he consumed a full quart of Chinese beer during our one hour and fifteen minute session!

He said that he had had a report from the Foreign Minister on his meeting with me and that Chairman Hu, who was to see me later in the day, would discuss economic and other domestic matters and that he would therefore concentrate on foreign policy issues. He made only passing reference to Taiwan - strictly pro forma.

Soviet Analysis

He made the same points with regard to Soviet

activities in Afghanistan and Vietnam as had the Foreign Minister. But interestingly he included Poland in his overview. He did not directly criticize the Polish government, but pointed out the the Soviet Union was having very serious problems in maintaining its control not only in Poland, but in other countries of Eastern Europe. As he put it, Afghanistan, Vietnam, Eastern Europe, and Cuba were all costing the Soviet Union a great deal of money and lives as well.

Pipeline Dispute

He expressed almost exactly the same views on the pipeline dispute as had Margaret Thatcher when I saw her in London last month. He agreed with the Administration's position that the West should not help the Russians build up their economic strength as the pipeline would do. He then said that the Chinese could not reconcile this position with the President's action in repealing the grain embargo. He then went on to say that it was not fair to ask the Europeans to sacrifice jobs which the pipeline contracts would provide without American farmers making a similar sacrifice. When I pointed out the economic differences between the sale of grain and the pipeline, he came back to this central theme. In other words, economically he supported the Administration's sanctions but politically he sided with the Europeans.

Third World

He made the same points the Foreign Minister had made

with regard to the third world. He felt that US policy was both inadequate and unwise due to the fact that all the industrial nations needed the raw materials of the third world and should not risk allowing them to come under Soviet control. I made the point that in a recession, the Administration would find it very difficult to get congressional approval for expanded assistance to third world countries even if it decided it was good policy to do so.

Economic Issues

The only domestic issue he brought up was with regard to US quotas on Chinese products. I made the same point on this issue with regard to the impact of the recession, which inevitably increases support for protectionist measures. I also made the point that Secretary Shultz had a long background as an advocate of free trade, just as I had, and that he would do his best to resist extreme protectionist forces in the Congress.

Indo-Sino Relations

In response to my questions, he indicated that despite reports of possible rapprochement between India and the PRC, he saw at this time only marginal areas for improvement of relations. "We are two big countries and have similar problems," he said. He then, however, went on to say that India is bent on "throwing its weight around" in the subcontinent and that India is too dependent on the Soviet Union for arms. I asked him if he objected to continued and

even increased U.S. aid to India. He smiled and said not at all, provided we did the same for Pakistan. I expressed my personal view that it was in the best interest not only of China but of others as well for efforts to be made to reduce tensions between India and the PRC. While I saw little chance of "weaning the lady away from the bear", it served everyone's interest to reduce her dependence on Moscow.

In sum, I was impressed by his relative sophistication on global issues and the ease with which he seemed to be able to discuss any subject which was raised. While he did not hit the Russians as hard as the Foreign Minister had earlier and Deng did later, there was no question that they were all on the same wavelength.

President Reagan and Secretary Shultz

He spoke warmly of his meeting with the President at Cancun and was looking forward to the visit of Secretary Shultz later this year and hopefully of the President in 1983. He was interested in my observations with regard to Shultz and I pointed out that I had known him well due to the fact that he had held three positions in my Administration. I told him that while Shultz had not been to the PRC, that he could be counted on to take a reasonable stance, particularly on economic issues. It was clear from my conversations with all the Chinese leaders that they had had a high regard for and great confidence in Haig going back to the time over ten years ago when he had advanced my first

trip to Peking. I think it was somewhat reassuring to them to get my first-hand appraisal of Shultz and the reassurance that there would be continuity in US policy toward the PRC.

Vice Chairman Deng

Background

I had met Deng twice in 1979 and frankly was shocked at the deterioration of his physical condition. The tremor in both hands was noticeably far greater than it had been in 1979. His voice was not nearly as strong and he at times stuttered perceptibly, something I had not noted at all in 1979. On several occasions he would turn to his advisers for assistance in responding to questions - something again which he had not done when I met him before. There was no question but that he is still the man in charge - based on what I was able to observe and the way others spoke of him. On the other hand, he himself volunteered that his colleagues were "cutting down" on his workload and particularly his schedule for seeing foreign guests.

Taiwan

He began the conversation with a monologue on the Taiwan Relations Act which was even sharper than that of the Foreign Minister. He indicated that the act would have to be modified or US/PRC relations would continue to be "poisoned". He coupled his remarks on Taiwan with complaints about the handling of the tennis star. My attempt to explain that we had no other choice than to

handle the matter the way we did made very little impression on him.

When he expressed the opinion that the President's pro-Taiwan stance was due primarily to political pressure from the right, I made it clear to him that this was not the case and that the President's position was a matter of personal conviction going back to the time that he went to Taiwan during my Administration. I pointed out that while he recognized the importance of close ties to the PRC, his approving the new communique on Taiwan was very difficult for him, not just from a political but from a personal standpoint. I did not want to leave any illusions with him that he could expect some modifications of the Taiwan relations act or of the recent communique when and if political pressures subsided.

Sino-Soviet Relations

After he had gotten the Taiwan issue out of the way, he went after the Russians with even more fervor than he had when I saw him in 1979. He said that it was ridiculous for anyone to pretend that the Soviet Union was not a ruthless, hegemonist power. "Why else," he remarked, "are they spending twice as much of their budget for military purposes than does the United States?" He attributed their thrust southward toward the Gulf through Afghanistan and toward the Straits of Malacca through Vietnam as being just a continuation of the Czarist tradition of conquest and expansion. He discounted reports that Brezhnev might be

retiring but in answer to my follow-up question said that he did not anticipate any change in Soviet foreign policy if he does retire because of the expansionist nature of the "Soviet social system" and the Czarist imperialist heritage.

Sino-U.S. Relations

He gave what I consider to be lip service to the concept that China should be "independent of blocs". While he gave the US some shots, he hit the Soviet Union much harder. He nodded vigorously in agreement when I said that there was a major difference between the two superpowers: the Soviet Union has designs on China and the US does not. He complained about the slowness with which the PRC is being "moved up the ladder", as he put it, in qualifying for technology transfers. To the great glee of his associates, he said that China started in category Y and has now been moved up to category P on the export controls list.

RN's U.S. Political Predictions

He recalled that I had made some predictions with regard to President Reagan's nomination and election in 1979 and was interested in what I saw for the November elections in 1984. I told him that because of the recession, the Republicans would suffer some losses in November but that they would not be as great in magnitude as some previous recessions due to the fact that the Democrats were not offering any positive alternatives. I then went on to predict that the economic situation would slowly improve

during the balance of this year, that 1983 would be a moderately good year, and that 1984 would be a very good year and that under the circumstances, Reagan should and would run and would win. While he did not give me his proxy, I did not feel that he was disappointed at that possibility. Deep down, he and the other Chinese leaders know that Soviets are a deadly threat to them and consequently welcome the idea of having a US President who is tough toward the Soviets even though at the same time he may be tough toward them on an issue like Taiwan.

Chairman Hu

Background

I had not met Hu before and would have to say that of all the Chinese leaders I met, he was the most impressive. Even shorter than Deng, he nevertheless gives the impression of being a strong, dynamic leader. He gestures expressively, talks to his colleagues as well as to his guests when he is making a point, laughs easily, and exudes personal magnetism. I was surprised as we were finishing our conversation when he mentioned that he had read both my Memoirs and Six Crises (the latter having been ordered translated into Chinese by Chou En-lai personally). I learned later from Ms. Shi, our translator, that he had even read parts of The Real War as well and that he had a reputation as a voracious reader of history, biography, and world affairs. In this respect, incidentally, he was like

Stalin, Chou, and Mao, all of whom were avid readers but unlike Brezhnev and Khrushchev who were not.

Stability of Regime

As the Premier had indicated, he concentrated almost exclusively on domestic and economic issues. Significantly, he did not even mention Taiwan. He started out rather abruptly by asking if I and other Americans thought that China had a stable government. I responded that reports from the party congress would indicate that that was the case but that in candor as an "old friend", I would have to say there were some who raised questions as to the possibility of dissidents in the party hierarchy, in the bureaucracy, and in the armed forces. He vigorously answered on all three counts. He said that while there were some opponents of the new directions, which have been approved by the party congress, they did not number more than 200,000, and added (with a loud laugh directed toward his Chinese colleagues), "They have now been scattered all over the country." As far as the army is concerned, those who felt that the army would ever be a problem simply did not understand the Chinese system. The army, he insisted, was apolitical and would follow the leadership that was chosen by the party congress. Under no circumstances should it be considered as an independent third force.

The Succession

He then, rather suprisingly, directly addressed the subject of the succession. He said that Vice Chairman Deng

is "an old man" and that when he passes from the scene there are "hundreds - yes thousands" prepared to carry on.

(Incidentally, I asked to see 84-year-old Marshal Ye. My host - rather sadly, it seemed - said he was unable to receive foreign guests. He is obviously being eased out.) Hu said emphatically that there will be no crisis of succession in the PRC. I made the point that there could be no progress without stability and that there could be no stability without progress and that as I understood the pronouncements from the party congress, the PRC was now embarked on a period of "creative stability." He nodded vigorously in agreement.

Economic Issues

Turning to economic issues, he complained as had the others with regard to the slowness of technology transfers. But on the other hand, he clearly implied that China was prepared to get along without it. "Self-reliance" is still an article of faith in the Chinese hierarchy. He vigorously attacked what he called the Western press for exaggerating China's needs for agricultural imports. He expressed great pride in the fact that China had increased its agricultural production substantially in the past few years. He confidently predicted that several billion dollars less in imports would be needed in 1983 than were needed in 1982. In congratulating him on this accomplishment, I pointed out that China's example of putting emphasis on agriculture was a very good one for other third world countries, many of

whom unwisely had opted for heavy industrialization at the expense of agriculture.

When I mentioned that while trade between the US and the PRC had increased from virtually nothing ten years ago to five billion dollars today, he corrected me by saying that the amount was now \$5.9 billion and would be over \$6 billion in 1982. When I predicted that it was possible that in the next ten years bilateral trade could increase to as much as \$50 billion, he responded by saying that he thought it was possible provided trade barriers came down. He showed keen interest in the forecast for US economic recovery and seemed to be very impressed by the fact that Shultz had such excellent economic credentials and was generally perceived to be a proponent of free trade.

Sino-Soviet Relations

Toward the end of our conversation when he invited me to ask any questions, I asked for his evaluation of the possibilities of a Sino/Soviet rapprochement and also of reports that the PRC was tilting its policy away from the US, toward a more independent foreign policy line. He responded by saying that while the PRC is seeking a resolution of some disputes with the Soviet Union, he saw no immediate prospects whatsoever of substantial improvement in basic relations.

Sino-U.S. Relations

He expressed agreement with my observation that regardless of what happens in their relations with the

Soviet Union, PRC/US economic cooperation should be expanded and was in the interest of both countries. While he did not deny that there was some truth to the belief that China was seeking to take a more independent foreign policy line, he strongly and emphatically expressed his opinion that strengthening its economic ties with the US was very much in China's interests. He seemed to be particularly impressed when I expressed my opinion that once the US recovered from its recession, political pressures for protectionism would recede and the possibilities to increase two-way trade would greatly increase.

Meeting with Zhu

After my meeting with Hu, I had a very candid talk with Mr. Zhu, who has taken Han Xu's place. He obviously was following up on the conversation with Hu and at Hu's direction. He said that Hu was concerned that some in the US believe that China was moving toward the Soviet Union. He said, "As you have noted in your talks with our leaders, this is not the case. We seek to reduce tensions, but we see no chance for rapprochement." He said that the leaders particularly liked the theme of my toast in which I pointed out that the interests of both countries could be served by our working together regardless of any Soviet threat.

Confidence-Building Measures

He expressed the need for some confidence-building measures in the near future now that the Taiwan communique has been issued. The three areas he mentioned were progress

in negotiating some technology transfers, reducing trade barriers, and providing equal access to classified information for Chinese scientists. As proud people the Chinese deeply resent being placed in a lower category in this respect than even some other Asian countries.

The Tennis Star Case

When he expressed concern with regard to the case of the Chinese tennis star, which Deng and the Foreign Minister had raised only briefly, I urged that they keep the issue in its proper perspective. I pointed out that after 50 years of US/Soviet relations, there were many times more incidents of defection to the US than was the case with the PRC after only 10 years of relations with the US and this in spite of the fact that the number of Chinese going to the US as students or in other capacities was far more than the number of Russians doing so. To me, this indicated that the Chinese had confidence in the allegiance of their people and it would be a tragedy if the exchange flow were cut down because of a few isolated incidents. Of course, I made the point that we were not treating the tennis star as a defector and that we had no other choice than to act as we did.

Sino-Japanese Relations

He also reported to me that the Chinese leadership was pleased that before Suzuki's visit later in the month, the Japanese had agreed to change their textbooks to describe the Japanese attack on China in the 30's as an "invasion"

rather than as an "advance" into China. I pointed out that this was a very difficult issue for the Japanese, but I was convinced from my talks with top Japanese leaders the previous week that there was no chance whatever for militarists in Japan to come to power, and that not only had Japanese leaders like Suzuki, Fukuda, and Tanaka expressed support for better relations with the PRC, but that Kishi, who traditionally had been hardline for Taiwan, also did so.

Fukuda, incidentally, had recounted an interesting conversation he had with Deng the last time they met when Deng told him that China and Japan should be included in the alliance against the Soviet Union. When Fukuda responded that Japan had no plans to re-arm, Deng's reply was, "Why don't you re-arm in view of the Soviet threat?" This is far cry from 1972, when Chou (tongue in cheek) tried to get us to renounce our defense agreement with Japan. Incidentally, while all the Japanese leaders I talked to favored a substantial increase in their defensive armament program in principle, they took the usual line that moving in that direction too precipitately would be suicide for any Japanese politician.

Japanese Assessment

Incidentally, while this memorandum is on China and not on Japan, I came to the conclusion that Suzuki, while intelligent and shrewd, is not a strong enough leader to survive. He is basically a man of consensus and his coalition is very shaky. Predictably, Kishi and Fukuda felt

that he was "too weak", but others I talked to, including some in the business community, agreed with that appraisal.

All of them, incidentally, agreed with my assessment that China's most desperate need was for economic cooperation and assistance and that the West could provide such assistance far better than the Soviet Union. The pragmatists who are presently in power in the PRC might talk about tilting toward the Soviet Union, but when push comes to shove, they will not do so. Tanaka, who of course has some possibly fatal political liabilities, was by far the most vigorous and well-informed of the Japanese leaders I met. He discounts the notions about a possible PRC/Soviet Union rapprochement. He quoted what he said was an Asian proverb, "Once burned, don't approach the fire." The Chinese have long memories and were badly burned in 1959 when Khrushchev totally cut off economic assistance to the PRC. For that reason as well as others, he felt that the present leaders would not consider any relationship with the Soviet Union to be as reliable as one that they might have with the US, Japan, or a western European country.

Conclusions and Recommendations

1) The possibilities of a rapprochement between the PRC and the Soviet Union have been greatly exaggerated. All the Chinese leaders I met went to great pains to knock down this idea. While they will continue to try to reduce tensions with the Soviets (which, incidentally, I believe is in our

interest), they see no chance for a significant enough change in the Soviet's expansionist/hegemonist policies which would justify their changing their policy toward the Soviets. Their attitudes are influenced by their traditional fear and hatred of the Russians, their bitter memories of Khrushchev's cut-off of economic assistance in 1959, their recognition of the fact that the Soviet Union is a far greater threat militarily today than in 1972 (when that threat was considered significant enough by Chou En-lai to be a major factor in the 1972 Sino/US rapprochement), and their desperate need for assistance economically, which as pragmatists they know they can get far better from the West than from the Soviet Union.

2) Based on the conversations I had as well as the announcements from the party congress, I believe that the PRC, at least for the moment, has solved the most difficult problem any dictatorship can confront - that of providing for an orderly, peaceful succession. Deng is, by his own admission and because of his own condition, slowly easing himself out. At present, it would appear that the Premier and Hu will share power. This kind of consensus leadership may work in China better than it worked in the Soviet Union, but I doubt it. In the end, one will be the top leader. Contrary to the opinion of most experts in the field, I believe Hu is the one who will prevail. He is the stronger personality of the two. This does not mean that the Premier will be sent out to run a chicken farm, but probably a

relationship similar to that of what Brezhnev had with Kosygin will evolve.

3) The stability of the regime seems to be assured. This is probably the major news out of the party congress. Deng and his pragmatist associates are firmly in the saddle and if Hu is to be believed, they have scattered their potential opponents to the far corners of the country.

4) Taiwan is on the back burner, but it is still a very neuralgic issue with the Chinese leaders and must be handled with extreme care. While under no circumstances should we agree to a cut-off date for aid or to consult with the PRC on our arms policy toward Taiwan, we should avoid at all costs surprise announcements of new arms sales. As long as the PRC continues in word and deed with its commitment in the communique to pursue unification by peaceful means, we can reduce our sale of arms to Taiwan without increasing the possibilities of a PRC military attack. What we must fundamentally recognize here is that Taiwan's major security guarantee is not the amount of its arms but the close relationship which we have with the PRC. The stronger that relationship, the more effectively we will be able to restrain the PRC from embarking on a program of military resolution of the Taiwan issue.

5) The Chinese are determined to play a greater role in the third world. It is my view, however, that they are motivated in this respect not as the Soviets are, by a desire to gain domination over third world countries, but by

their determination to give such countries ideological leadership, and thereby blunt Soviet attempts to dominate them. The differences between Moscow's and Peking's policies are illustrated by their attitude toward Israel. The Soviets are really anti-Israel because they want to dominate the Mideast and Israel blocks that path. The Chinese are not so much anti-Israel as they are pro-Arab nationalism because they believe that this is the only effective way to keep the Soviet Union from becoming the major champion of the Palestinian/Arab cause and thereby gaining domination of the Mideast.

If this analysis is correct, I believe it is very much in our interest to encourage the Chinese to play a greater role in the third world. The more successful they are, the less successful the Soviet Union will be. This is not to say that Chinese-influenced regimes will be necessarily friendly to the West or even benign. What is important is that they without question will not be friendly to the Soviets, and this, therefore, at this time, serves our interests.

As far as US policy is concerned, I strongly believe that its general thrust should be substantially different from that of the first ten years of our new relationship. What brought us together primarily in 1972 was our common concern about the threat of Soviet aggression. While that threat is far greater today than it was in 1972, the major unifying factor which will draw us closer together in the

next decade could well be our economic interdependence. Certainly it is in the interest of the US to stress this aspect of our relationship. I believe that we would be well-advised to reduce the public profile of our military relationship and raise the profile of our relationship in non-military areas. As far as the Soviets are concerned, what we have to recognize is that public posturing about US/Chinese military cooperation probably has a counter-productive effect. The Russians are masters of the bluff and consequently are very good at detecting one. As conspirators, they will be far more influenced by dark suspicions that we and the Chinese are working together in ways that we do not announce to the public.

What we must recognize is that over the next ten years our major goal should be to do everything possible along with the Japanese and our western European allies to assist the Chinese in their economic development programs. Juvenile talk about "playing the China card" should be knocked off. We should make it clear to the Chinese and to the world that even if there were no Soviet threat, we consider it in our interest to help China to become economically strong so that it will better be able to resist any threat posed by the Soviet Union or any other potentially aggressive power. In the public toast and in our private meetings, I found that this line made the greatest impression on my Chinese hosts. More importantly, I think this is the only kind of policy which has any chance

of surviving over the long term and of not being subject to the ups and downs of the Soviet/Chinese relationship.

You will be pleased to know that the comments I heard in regard to Ambassador Mansfield in Tokyo were universally favorable. The same was true with regard to Ambassador Hummel in Peking. I was impressed, also, by the competence and dedication of members of Hummel's staff who are working in what has to be described as one of the major hardship posts in the world. Ray Price gives equally high marks to Mansfield's staff - as I do.