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- In their latest meetings with FU Tso-yi concerning truce negotiations in Peiping, the Chinese Communist representatives have offered FU the following alternatives:
 - a. Capture by the Communists.
 - b. Surrender of FU's arms to the Communists.
 - c. An opportunity for FU to carry out a "glorious revolt" against the Nanking government and to avow his allegiance to the Chinese Communist cause.
- 2. FU rejected all three proposals and countered with the following alternatives:
 - a. A fight to the last man.
 - b. FU's personal withdrawal from the scene, on the condition that the Communists would guarantee the safety of Peiping and its residents and would allow FU's troops to remain intact and armed. FU stated that if these conditions were guaranteed, his own personal position would not be of importance.

25X1X6

Comment. FU's second proposal is obscure in its stipulation that his troops troops would remain intact while he himself retired from their command. This may be interpreted to be substantially a request by FU that the Communists allow him to retire westward from Peiping with his own troops, as was apparently true in the case of the Nationalist commander at Kalgan. FU, following traditional Chinese philosophy, is primarily concerned with saving face. He has stated that he would not allow himself to be defeated by the Communists in one engagement, although he has admitted that his present position is of his own choosing and that the Communists are in a superior situation. FU appears to believe that the Communists will agree to his second proposal and thus allow him to become a Chinese here who never surrendered.)

3. The reaction of the Communist representative to FU's second proposal was that it would probably be acceptable to his superiors. He requested leave to secure the approval of his headquarters at Shihchiachuang (Shihmen), via radio from the suburbs of Peiping. This approval will require several days to secure.

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4. FU was asked by the Communist representative to set a time and place for a future meeting. FU has suggested that some (non-Communist) liberal representative, such as a member of the Democratic League, be present at the next meeting in the capacity of a go-between. FU wishes to avoid a face-to-face meeting with the Communists, and to make it appear to the people that liberal elements have urged him to retire in order to prevent further suffering through continued 25×1×6 resistance.

Comment. The Communists probably favor a coalition government which would include FU, but FU does not trust the Communists and would not relish the idea of becoming a Communist puppet.