

Handwritten notes and signatures in the top right corner, including a signature and the number '1'.

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

February 5, 1969

National Security Study Memorandum 14

TO: The Secretary of State
The Secretary of Defense
The Director for Central Intelligence

SUBJECT: U.S. China Policy

The President has directed that a study be prepared on U.S. Policy Towards China, on U.S. objectives and interests involved and the broad lines of appropriate U.S. policies. The study should incorporate alternative views and interpretations of the issues involved. It should include summary statements of the conceptions and policy lines of the previous administration.

The Study should include the following:

1. The current status of U.S. relations with Communist China and the Republic of China;
2. The nature of the Chinese Communist threat and intentions in Asia;
3. The interaction between U.S. policy and the policies of other major interested countries toward China;
4. Alternative U.S. approaches on China and their costs and risks.

The President has directed that the NSC Interdepartmental Group for East Asia perform this study.

The paper should be forwarded to the NSC Review Group by March 10.

Handwritten signature of the author.

~~SECRET~~

2

We are disappointed the Chinese Communists cancelled the meeting scheduled in Warsaw for Thursday (February 20).

We especially regret this action inasmuch as our representatives had been instructed to make or renew constructive suggestions.

These suggestions included consideration of an agreement on peaceful coexistence consistent with our treaty obligations in the area, the subjects of exchange of reporters, scholars, scientists and scientific information, the regularization of postal and telecommunications problems.

We continue to stand ready to meet the Chinese Communists at any time.

The changes made by the Chinese Communists that the United States had engineered the defection of Liao Ho-shu are untrue.

(page 1 of 1 pages)

AMOR-2 Date:

18 Feb 69

Official:

William P. Rogers
Secretary of State

Occasion:

Statement following
cancellation of
Warsaw talk scheduled
20 Feb 69

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

June 26, 1969

SECRET/SENSITIVE

National Security Decision Memorandum 17

TO: The Secretary of State
 The Secretary of the Treasury
 The Secretary of Commerce

SUBJECT: Relaxation of Economic Controls Against China

The President has decided, on broad foreign policy grounds, to modify certain of our trade controls against China. He has decided, in principle, that we should:

(1) Remove the restraints in the Foreign Assets Control regulations upon foreign subsidiaries of U.S. firms on transactions with China that are regarded as non-strategic by COCOM.

(2) Modify the Foreign Assets Control regulations prohibiting purchase of Communist Chinese goods to permit Americans travelling or resident abroad to purchase Chinese goods in limited quantities for non-commercial import into the U.S.

(3) Modify the administration of the Foreign Assets Control regulations and Export Controls to permit general licenses for exports of food, agricultural equipment, chemical fertilizer and pharmaceuticals.

(4) Follow these steps, at the earliest appropriate time, by modifying import and export controls in non-strategic goods to permit a gradual development of balanced trade.

The President desires early implementation of these decisions. He has, therefore, directed that the Under Secretaries Committee supervise the preparation of the following documents, to be submitted to him by July 7, 1969.

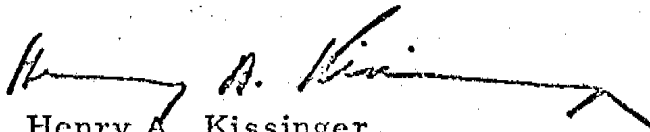
SECRET/SENSITIVE

SECRET/SENSITIVE

- 2 -

- (1) Implementing regulations (to be developed by State, Commerce, and Treasury);
- (2) A press and diplomatic scenario (to be developed by State);
- (3) A scenario for Congressional consultation (to be developed by State and Treasury).

The President has directed that until he decides when and how this decision is to be made public, the SECRET/SENSITIVE classification of this project be strictly observed.


Henry A. Kissinger

cc: The Secretary of Defense
The Director of Central Intelligence
The Chairman, Joint Chiefs of Staff

SECRET/SENSITIVE

No Objection to Declassification in Part 2012/04/23 : LOC-HAK-467-6-1-6

U. S. CHINA POLICY 1969-71

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
<u>1969</u>	5 Feb: NSSM 14 asks for broad policy review (Tab 1)		
	15 May: RG meets on China policy		
	26 June: NSDM 17 relaxes economic controls, asks Under Secretaries Committee to develop detailed implementation (Tab 3)		
	17 July: HISC submits implementation for NSDM 17		
		21 July: State announcement permitting tourist purchases of \$100 of Chinese goods & validation of US passports for travel to China for certain purposes (per NSDM 17) (Tab 4)	
			18 Feb: Rogers says US regrets Chinese cancellation of Warsaw meeting; US ready to meet any time. (Statement, Tab 2)
			8 Aug: Rogers, on Asian trip, urges renewal of Warsaw talks (Tab 5)

SECRET/SENSITIVE

No Objection to Declassification in Part 2012/04/23 : LOC-HAK-467-6-1-6

SECRET/SENSITIVE

-2-

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
1969 (Contd)	14 Aug: NSC meets on China policy. (No further action taken.)		5 Sept: Richardson speech disclaims US interest in exploiting Sino-Soviet rift. (Tab 6)
		19 Dec: State announcement permits unlimited tourist purchases, & relaxes limits on trade in non-strategic goods by US-owned firms abroad. (per NSDM 17 (Tab 8))	18 Dec.: HAK end-of-year back-grounder (Tab 7)
1970		8 Jan: US & China agree to reopen Warsaw talks.	
		20 Jan: Warsaw meeting held	22 Jan: State of the Union (Tab 9)
			18 Feb: Foreign Policy Report (Tab 10)
		20 Feb: Warsaw meeting held	
		16 March: State announces validation of US passports for travel for any legitimate purpose. (per NSDM 17) (Tab 11)	

SECRET/SENSITIVE

SECRET/SENSITIVE

-3-

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
<u>1970</u> Contd		29 April: USG authorizes selective licensing US non-strategic goods for export to China (per NSDM 17)	
	24 July: Pres. approves sale of 80 Italian trucks containing US-made parts to China. (HAK memo to Pres. July 13)		
			27 July: State announces US willingness to resume Warsaw talks
		28 July: Commerce official discloses truck sale approval.	
		Aug: Lifted restrictions on US oil companies abroad bunkering ships carrying nonstrategic goods to China.	
			25 Oct: Ziegler states US opposes UN seating of China at expense of Taiwan
			12 Nov: Phillips speech to UNGA (Tab 12)

SECRET/SENSITIVE

SECRET/SENSITIVE

-4-

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
<u>1970</u> Contd	19 Nov: NSSM's 106 & 107 ask for review on China policy and Chirep (Tabs 13 & 14)		10 Dec: President at press conf. says no change in Chirep policy at this time but "we will continue initiatives" (Tab 15) 23 Dec: Rogers hopes Warsaw talks will resume & China policy under review (Tab 16) 24 Dec: HAK backgrounder (Tab 17)
<u>1971</u>			26 Jan: Rogers tells House Committee that US favors scientific exchanges even with countries we have no diplomatic rels. with. 25 Feb: Foreign Policy Report (Tab 18) 25 Feb: Pres. speech on Foreign Policy Report (Tab 19)

SECRET/SENSITIVE

SECRET/SENSITIVE

-5-

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
<u>1971</u> Contd			
	9 March: SRG meeting on Chirep (NSSM 107)		4 March: Pres. press conf. restates our desire to normalize relations (Tab 20)
		15 March: State announces discontinuance of re- quirement of specially validated passports for travel to China.	15 March: State announces US was seeking thru private channels to restart Warsaw talks
	25 March: NSC meeting on Chirep (NSSM 107)		
	25 March: HAK memo to Pres. on immediate & <u>projected</u> steps (Tab 21)		
	12 April: SRG meeting on China policy (NSSM 106)		
	13 April: NSDM 105 decides steps toward augmenting travel and trade with China (Tab 22)		
		14 April: White House announce- ment of additional trade & travel liberalization (Tab 23)	

SECRET/SENSITIVE

SECRET/SENSITIVE

- 6 -

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
1971 Cont'd			15 April: Ziegler agrees "new page" is turned, stresses no anti-Soviet motive.
			16 April: President says further progress is "up to them," expresses hope of ultimately visiting China. (Tab 24)
		21 April: President endorses Steenhoven's invitation to Chinese ping-pong team.	
		26 April: Lodge panel report backs two-China solution to Chirep.	
			28 April: Bray suggests GRC-PRC negotiation on status of Taiwan.
			29 April: President calls same idea "unrealistic," disavows anti-Soviet motive, says some recent speculation is "not . . . useful." (Press Conference, Tab 25)

SECRET/SENSITIVE

- 7 -

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
1971 Cont'd	13 May: USC memo to President reports on actions taken and proposes detailed lists of non-strategic items. (USC memo, and HAK cover memo June 3, at Tab 27)	7 May: Treasury, Commerce, and Transportation announce new regulations allowing use of dollars in transactions with PRC, use of US-flag ships to carry goods to non-Chinese ports, and use of US-owned foreign-flag ships to stop at Chinese ports. (Tab 26)	25 May: President sees "great historical possibilities," "looking down the road," in relations with PRC. (Tab 28) 1 June: President predicts decision on Chirep in 6 weeks, and announcement on trade on June 10. (Tab 29)

SECRET/SENSITIVE

- 8 -

<u>Date</u>	<u>Internal Studies and Decisions</u>	<u>Public Steps</u>	<u>Public Policy Statements</u>
1971 Cont'd	9 June: HAK memo to USC reports President's decisions. (Tab 30)	10 June: White House announces lists of exports and imports to be under general license for PRC, and suspension of 50% shipping rule for grain to PRC, USSR, and E. Europe. (Ziegler statement, press release, and general li- cense list, Tab 31)	

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

Gen. Haig

13

SECRET/SENSITIVE

November 19, 1970

National Security Study Memorandum 106

TO: The Secretary of State
 The Secretary of Defense
 The Director of Central Intelligence
 The Chairman, Joint Chiefs of Staff

SUBJECT: China Policy

The President has directed the preparation of a study on China Policy to be carried out by the Interdepartmental Group for East Asia and Pacific Affairs. In addition to the regular members of the Group, the Chairman should invite representatives of other agencies, such as Treasury and Commerce, to participate as appropriate.

The study should include such subjects as:

- Long range (5-10 year) U. S. policy goals as regards China;
- Short range policy goals toward China;
- U. S. policy toward Taiwan including short-range goals of our relations with the GRC;
- Tactics to be pursued in carrying out the foregoing.
- Coordination of policy consideration and tactics with other countries which have a particular interest in China, e. g., Japan, Australia, New Zealand.
- Effect of U. S. -China policy on U. S. -Soviet relations.
- Effect of U. S. -China policy on our interests in Southeast Asia.

This study should be submitted to the Senior Review Group by February 15, 1971.

A. Kissinger
Henry A. Kissinger

cc: The Secretary of the Treasury
 The Secretary of Commerce

SECRET/SENSITIVE

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

Jan Naig

SECRET

November 19, 1970

National Security Study Memorandum 107

TO: The Secretary of State
The Director of Central Intelligence

SUBJECT: Study of Entire UN Membership Question:
U.S. -China Policy



The President has directed that a study be prepared of the membership question at the United Nations.

The study should incorporate alternative views and interpretations of the issues involved.

The study should include but need not be limited to the following:

1. The implications of new approaches, e. g. "universality," on the membership question for the United Nations itself and on our ability to pursue U.S. interests within the U.N. organization.
2. In addition to dealing with Korea, Vietnam, Germany, and China, the study should treat with any other aspects of U.N. membership likely to be affected by the adoption of a new approach to the membership question.
3. The effect on our bilateral relations with other countries which would be caused by adoption of a new approach to U.N. membership.
4. The inter-action between U.S. policy toward Chinese membership in the United Nations and our bilateral relations with Peking.

Responsibility for this study is assigned to an ad hoc group chaired by the Assistant Secretary of State for International Organization Affairs and including representatives from CIA and the NSC Staff. The study should be submitted to the Senior Review Group by January 15, 1971.

H. A. Kissinger
Henry A. Kissinger

cc: The Secretary of the Treasury
The Secretary of Defense
The Secretary of Commerce
The Chairman, Joint Chiefs of Staff

SECRET

THE WHITE HOUSE

26167

WASHINGTON

SECRET

ACTION

March 25, 1971

MEMORANDUM FOR:

THE PRESIDENT

THE PRESIDENT HAS SEEN...

FROM:

HENRY A. KISSINGER *HK*

SUBJECT:

Steps Towards Augmentation of Travel and Trade Between the Peoples Republic of China and the United States

As you requested, I have asked the NSC Under Secretaries Committee to produce some suggested changes in the U. S. trade and travel regulations with respect to Communist China with a view toward implementing additional relaxations in our present controls. These steps would be intended to further your policy of broadening communications between the U. S. and the Peoples Republic of China by removing obstacles to personal and commercial contacts.

The Under Secretaries Committee went all out and developed a large package of proposals which set a workable course in the direction which you desire. The Committee did so not in the expectation of any substantial immediate increases in trade or travel, but because the adoption of these proposals would show the genuineness of our desire to improve relations and possibly eventually develop significant trade. No new legislation or negotiations with the Chinese would be required.

At the same time, however, the Committee's proposals would, if fully implemented, put a severe strain on our relations with the GRC and perhaps cause a crisis in U. S. -GRC relations. There would also be implications for our relations with the USSR. It therefore appears that a balance will need to be struck between furthering your objectives with respect to Communist China on the one hand, and the desirability of minimizing U. S. -GRC strains, and keeping a watch on Soviet reactions on the other. The questions of timing and the extent to which we should go in our approaches to Peking will clearly need to be carefully considered.

Accordingly, I have broken down the large package from the Under Secretaries Committee into three segments which we could carry out sequentially after an assessment of the results attained (including the Chinese Communist, GRC and Soviet responses) following each of the preceding segments. After assessing these results, we could then consider whether to go on to the next segment.

SECRET

SECRET

2

(Actually, in effect there were originally four segments, of which the first was the non-extension of U. S. passport restrictions on travel to the Peoples Republic of China after these restrictions expired on March 15. You have already approved this step on the basis of the position put forward by State, Defense, and other agencies -- over the opposition of the Department of Justice -- that the fabric of American society was strong enough to resist the additional strains which removal of the passport restrictions might put upon it via increased contacts between U. S. radicals and PRC intelligence agents.)

Group I - For Implementation Within the Near Future

Our purpose in this Group would be to show significant movement in the direction of easing travel and trade restrictions with Communist China while not going so far as to antagonize or alarm the GRC unduly nor complicate our relations with the USSR.

-- Entry of Chinese. Following the expiration of the restrictions against using U. S. passports to travel to Communist China, in order to establish our willingness to facilitate on a reciprocal basis a flow of people between the two countries, the Committee recommends a public statement by the U. S. Government offering to expedite visas for groups of visitors from the Peoples Republic of China to the U. S. This would implement your references to removing needless obstacles to broader opportunities for contacts in your Foreign Policy Report. Justice opposes this because it would afford the PRC better opportunities for intelligence acquisition, permit close clandestine contacts between American Maoists, advocates of domestic violence and the PRC, and make it easier for the PRC to recruit intelligence agents. Commerce favored increased travel as necessary to exploit commercial opportunities. State, Defense and the other agencies felt that the American people were sufficiently resilient to resist any added subversive burdens which the presence of Chinese Communist travelers might introduce. Very few Chinese are likely to apply in the foreseeable future.

-- Currency Controls. Relaxation of our currency controls to permit Chinese use of dollars would be essential in conjunction with a decision to permit direct trade with China (discussed below), but could also be put into effect independently.

-- Bunkering. The Committee recommends the ending of restrictions on American oil companies providing bunkers except on Chinese owned or chartered carriers bound to or from North Vietnam, North Korea, or Cuba. This relaxation covers ships as well as planes, but would not affect our existing controls on entry of PRC carriers into U. S. ports.

SECRET

SECRET

3

-- Shipping. The Committee recommends granting permission to U. S. vessels to carry Chinese cargoes between non-Chinese ports, and U. S. -owned foreign flag vessels to call at Chinese ports.

All of the foregoing moves involve relatively minor adjustments on our part and would inspire little or no reaction from the GRC and the USSR. The main GRC objection would be regarding the admission of Chinese Communists into the U. S., and we could anticipate receiving an official GRC expression of concern at the Ambassadorial level. The totality of our moves would of course bother the GRC, but probably not to a point where real trouble would ensue. The Soviets would be suspicious of our intent and also suspect some behind-the-scenes U. S. -Chinese contacts, but are not likely to make much of an issue out of the individual moves.

There is, however, a more complex proposal in Group I which deserves special attention:

-- Trade. The Committee recommends that we should now commence relaxation of our controls on direct trade between the United States and China. With Defense and Commerce dissenting, it observes that, "The closer our treatment of trade with the PRC approaches that applied to the Soviet Union, the more seriously our assertions of willingness to improve relations with the PRC will be believed, and the more likely it becomes that Peking will eventually respond favorably to our initiatives." Defense and Commerce take the position that we should not set in advance a policy of bringing our trade controls with China into line with those affecting the USSR. In fact, a public policy of placing China trade on a par with Soviet trade would be galling to both the GRC and the Soviets. The Soviets would take the equal treatment of China with them as an intentional slight, and would profess to believe that this signified U. S. intentions to go further in the political field. Even though many of the trade measures would obviously be in the U. S. commercial interest, the Soviets would not accept such explanations. The GRC's view would be that a stated policy of putting China trade on the same basis as that with the USSR, when added to the totality of the other moves in Group I, indicated a definite U. S. intention of downgrading GRC interests in favor of improving relations with Communist China. In the formal sense, the GRC's response would probably be to lodge a diplomatic protest, but we might in addition expect GRC non-cooperation in other matters of joint concern such as Chirep tactics.

Nevertheless, the recommendation for commencing relaxation of our controls on direct trade was unanimous, and the upshot was to leave as an accepted course the approach favored by Defense and Commerce: to place individual

SECRET

items under general license for direct export to the PRC only after interagency review to determine if they are of strategic significance. No material adverse reaction would be anticipated from either the USSR or the GRC, although a pro forma protest from the latter could be expected.

Once direct trade of a limited nature is on the books, the Committee would then favor direct imports from China of a similar and correlated limited nature.

Group II

A reasonable period after implementation of Group I, and following an evaluation of the results and the PRC, GRC, and Soviet reactions, the Under Secretaries Committee would report to you the effect of these moves on our relations with Moscow, Taipei, and Peking, and request approval to implement additional moves, as set forth below. In making these moves, we would be going beyond steps of a limited and still quasi-symbolic nature and working toward the development of substantial two-way trade. With the Group I steps already on the books, we would be making it plain that the relationship we seek with the Chinese is one of substance and not just show.

-- Exports. Approve export to the PRC of all commodities currently under general license to the USSR except those deemed to be of strategic significance to the PRC.

-- Imports. Authorize direct commercial imports into the U. S. from the PRC on essentially the same basis as the Soviet Union in a manner correlated with allowing direct exports.

-- Aircraft Sales. End the restriction against the sale of American and foreign airlines of older American civil aircraft not under COCOM restrictions, on a case-by-case basis, after strategic equipment is removed. This would provide the airlines with the capital to buy new American aircraft -- which would be much welcomed by our industry.

With the Group II moves we would be coming close to placing trade with China and the USSR on much the same basis, and both the Soviets and the GRC would, for the reasons outlined above, be disturbed. They on balance would both probably live with the situation, however, though we could anticipate a strong protest from the GRC coupled with the difficulty already noted in obtaining its cooperation in matters such as Chirep. If we did succeed in getting its cooperation, the price would almost surely be considerably higher than would have been the case otherwise.

I might note that the question of the sale of older American civil aircraft to China could become an active issue, since Pakistan International Airways is

SECRET

5

attempting to dispose of some Boeing 720s to the Chinese. This issue, if it actually arises (there has been no firm Chinese offer), could be handled as a separate item from the other steps with fewer repercussions and problems.

Group III

A reasonable period after implementation of Group II, the Under Secretaries Committee would report to you the effect of these moves on our relations with Moscow, Taipei, and Peking, and request approval to implement a final group of steps. These would make it very evident that we would be willing to go a considerable distance in improving relations with the Chinese Communists, and to this end would be prepared to accept a large measure of Soviet and GRC displeasure.

-- Trade Delegations. The Committee recommends authorization of a proposal to the PRC to exchange trade delegations if circumstances warrant. Justice opposes for the same reasons cited under the travel option (Group I). The Chinese delegation would by the very nature of the regime be an official one, and ours would probably assume something of an official character in the public eye.

-- Grain Sales. The Committee notes that a decision in the export field to permit grain sales to the PRC -- a major importer of grain -- would raise the question of whether to allow more favorable treatment of the PRC than the USSR by not requiring that 50 percent be shipped in American bottoms. If we do extend the 50 percent requirement to apply to the PRC, we might defeat the purpose of permitting sales of grain to the PRC because of high shipping costs. Moreover, regulations would have to be amended to permit U. S. ships to call at Chinese ports.

Waiving the 50 percent shipping requirement would constitute more favorable treatment for China than for the USSR in a historically sensitive area, and might be misunderstood politically abroad. In addition, the longshoremen and other unions have vehemently opposed any relaxation of the shipping requirement for the USSR; they would presumably be at least equally vociferous against Communist China, for both commercial and ideological reasons. The unions would maintain their opposition against the USSR if we were to relax on both to avoid a discrimination in favor of China.

If we were to take this step, you would be taking on a major domestic political battle. Since previous relaxations would have placed our trade with China and the USSR under approximately the same level of restrictions, I see no need to allow the PRC more favorable treatment by exempting grain exports from the 50 percent American bottom shipping requirement. However, Agriculture vigorously favors this move.

SECRET

If you disapproved waiving the 50 percent shipping requirement, you would wish to consider amending regulations to permit U. S. ships to call at PRC ports, which is necessary in view of the 50 percent shipping requirement to make grain sales a credible possibility and thereby to avoid legitimate PRC claims that our moves are a sham.

A strong adverse reaction could be anticipated from both the USSR and the GRC to the steps in Group III. From the Soviet standpoint, a more favorable treatment for China than the USSR in the question of requirements for using American ships would indicate that the U. S. attached a higher value to good relations with China than with the USSR. Selling grain on the same terms would not cause as much of a reaction, but even in this case the Soviets would be suspicious that our motives were political rather than economic. Even if an attempt to sell grain came to nothing, the Soviets would mark it down as a sign of a change in the U. S. attitude.

The GRC would focus first upon the official quality of the proposed trade delegations, seeing in them a U. S. desire to move toward diplomatic relations with Peking. Grain sales and shipments to China on terms more favorable than those granted the USSR would signify the same thing to the GRC. (Grain sales alone would not be regarded differently from any other non-strategic trade item, however.) Since the GRC would assume as a corollary a U. S. disposition to bargain away its interests, we would need to take into our calculus the possibility of a severe crisis in U. S. -GRC relations. Management of such a crisis could prove very difficult, and we might not be able to count on the GRC's past practice of backing away from extreme positions which it threatens to take.

RECOMMENDATION:

That you approve the implementation of the steps outlined in Group I.

Approve *R* Disapprove _____

That you authorize me to inform the Under Secretaries Committee that the further steps proposed by it will be considered only after due consideration of the results gained from the Group I steps, including an assessment of the reactions of the PRC, the GRC, and the USSR.

Approve *R* Disapprove _____

. NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506SECRET

April 13, 1971

National Security Decision Memorandum 105

TO: The Secretary of State
 The Secretary of Defense
 The Director of Central Intelligence
 The Attorney General

SUBJECT: Steps Towards Augmentation of Travel and Trade
 Between the People's Republic of China and the
 United States

The President has reviewed the recommendations forwarded by the Under Secretaries Committee on steps to increase personal and commercial contacts between the People's Republic of China and the United States, and has directed that the following moves be undertaken:

- Issuance of a public statement offering to expedite visas for groups of visitors from the People's Republic of China to the U.S.
- Relaxation of currency control to permit Chinese use of dollars.
- Ending restrictions on American oil companies providing bunkers except on Chinese owned or chartered carriers bound to or from North Vietnam, North Korea, or Cuba. This relaxation covers ships as well as planes, but would not affect our existing controls on entry to PRC carriers into U.S. ports.
- Granting permission to U.S. vessels to carry Chinese cargoes between non-Chinese ports, and for U.S.-owned foreign flag vessels to call at Chinese ports.
- Commencement of a relaxation of controls on direct trade between the U.S. and China by placing individual items under general license for direct export to the PRC after item-by-item interagency review to determine if they are of strategic significance. The Under Secretaries Committee is to be charged with the

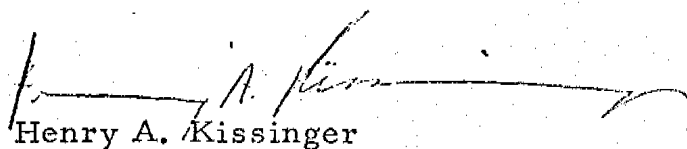
SECRET

SECRET

2

responsibility of determining which items should be placed on general license, and should forward a report within 30 days requesting approval of these determinations. Upon the commencement of these limited direct exports, direct imports from China of a similar and correlated nature will be allowed.

The President has also directed that the Under Secretaries Committee review and report to him after a period of four months the results of the steps taken. The report should include an assessment of the reactions to these steps by the PRC and the GRC. The President will then determine whether implementation of additional steps recommended by the Under Secretaries Committee may be warranted.



Henry A. Kissinger

cc: Secretary of the Treasury
Secretary of Commerce
Chairman, Joint Chiefs of Staff
Director, United States Information Agency

SECRET

E A S T A S I A

US ANNOUNCES FURTHER RELAXATION OF TRADE RESTRICTIONS
AGAINST COMMUNIST CHINA

On May 7 the Treasury, Commerce, and Transportation Departments, in accordance with the President's April 14 statement, announced changes in regulations to allow expanded trade between the US and the People's Republic of China. The Treasury Department removed all controls on the use of US dollars or dollar instruments (except those in blocked accounts) in transactions with Peking. As a result, Chinese-Americans may now send dollars which are not held in blocked accounts to their relatives on the Mainland. (Certain Chinese accounts were blocked for use in possible settlements with Peking as a result of the nationalization of American-owned assets after 1949.) The Treasury Department also announced that American-owned ships flying under foreign flags may stop at Mainland China ports. The fueling of Chinese vessels is now permitted, except for those vessels bound to or from North Korea, North Vietnam, and Cuba. US flag vessels may now transport commodities destined for the Mainland from US to non-Chinese ports, or from one non-Chinese port to another. After the completion of the present high-level China policy review there will be further announcements concerning trade with Communist China.

Peking's Response

In spite of the fact that it continues to refrain from dealing directly with American businessmen, the Peking regime has permitted a few foreign representatives of American subsidiary firms to attend the current Canton trade fair for the first time. Chinese Communist trade officials in Hong Kong have indicated that Peking may adopt new trade policies after the US promulgates its list of non-strategic trade items. These developments suggest that Peking is shifting its policy toward the US and that it may be ready to make further responses. (SECRET)

* * *

S E C R E T

NO OBJECTION TO DECLASSIFICATION OF

MEMORANDUM

NATIONAL SECURITY COUNCIL

28481

SECRETACTION

June 3, 1971

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER *HK*

SUBJECT: China Trade

The Under Secretaries Committee (USC) has forwarded at Tab A its recommendations on direct trade between the United States and the PRC, as you directed in your April 14 decision. The Agencies have already put into effect the other elements of your decision: visas, shipping, cargoes, bunkering, and foreign assets controls.

U. S. Exports

You will recall that your decision in opening trade with the PRC was to proceed in three stages: Stage I, to establish a trade level below that of U. S. trade with the USSR; Stage II, to place trade with the PRC on a par with the USSR; and Stage III, to go beyond the level of trade with the USSR. (This last would have been via authorizing direct grain shipments to the PRC without requiring that they be shipped on U. S. vessels, as is now necessary for shipments to the USSR and Eastern Europe.) Your purpose was to provide us with an opportunity to assess the reactions of the PRC, the Republic of China, and the Soviets before proceeding to the next stage. The USC list (Tab A1) is intended to implement Stage I of your decision.

I believe that the list of items USC has recommended for direct U. S. -PRC trade meets your conditions. Its level of trade would be at a level lower than that with the Soviet Union, and there would be a number of significant items which could be added to the China list later. (The excluded items are at Tab A2.) The main differentiation is that the proposed China list leaves out several items which Defense, Commerce and AEC believed needed further review because of possible military use or of their greater strategic benefit to China's low technological and industrial level. Examples are automatic welding machines for pipe over 19 inches, propellers, agricultural machinery with automatic transmission, cars with four-wheel drive, steam boilers, engines, gas containers, some chemicals, radar, cameras and lenses.

SECRET

SECRET

2

In addition, the USC list would appear to meet another issue which has arisen in connection with direct U. S. -PRC trade: the strong indications we have received that the Chinese will not be interested in such trade if we restrict our exports to them significantly more than exports to the USSR. The USC list contains 95% of the items allowed to go freely to the Soviet Union, and this is probably sufficient to make the Chinese feel that they are not being given second class status. If they should get a contrary impression, they would probably state publicly that this was the reason for their not sanctioning trade with the U. S., thereby causing American business interests to criticize you and not the Chinese for the failure of trade to develop.

On the other hand, by accepting the USC list, we should be able to avoid Chinese resentment by making it clear in the first announcements that we are still continuing to consider further additions to the China list, and that we will consider applications for special licenses for items not included on the general license list. Continuation of some differential in favor of the USSR will also help avoid problems with the USSR and Taiwan.

You should know, however, that Secretary Laird does not wish to release the USC list all at once but proposes instead to release it in segments over a period of months contingent on PRC reactions. In addition, Defense objects to the inclusion of two items, earth moving equipment and railway equipment, on the USC list. I have no particular brief on these items other than to keep the China list close enough to the Soviet list to obviate the difficulties I outlined above. A piecemeal release of the items on the USC list, though, would almost certainly result in a cold reaction from the Chinese. It would also cause delays and throw the question of what to release at any given time back to the interagency process.

If you should wish to make even more dramatic your implementation decisions, you could of course decide to go immediately to stage II of our decontrol program and make the original Chinese general license list equal to the Soviet general license list without serious security problems, i. e., by adding the items at Tab A2. The Chinese could probably get these goods from other sources in any case. I do not believe it necessary, however, to move at once to the Russian list in view of the ample nature of the Under Secretaries' recommendations with the State additions, provided we release all the items on our list simultaneously.

SECRET

SECRET

3

Grains

The Under Secretaries' Committee, except Defense and Labor, strongly urges that you approve a proposal to add wheat and feed grains to the open general list not only for China, but for the Soviet Union and Eastern Europe as well. Maintenance of this restriction enables Commerce to demand that 50 percent of all shipments be in American bottoms. This eliminates the grain trade with Eastern Europe and will appear absurd with China until we allow U.S. ships to call at Chinese ports. (NSSM 124, Next China Steps, as it now stands in draft does, however, offer the option of U.S. carriers calling at Mainland China ports, and it is due shortly.) The China trade changes offer a good occasion to eliminate the 50 percent shipping requirement across the board, and it would be a gesture to the USSR.

Grain is one of the principal potential exports from the Free World to China, and it is difficult to explain to U.S. farming interests why we refuse to allow that trade. Liberalization on this point may result in further pressure to relax Eastern European restrictions, and it will certainly increase pressure to allow U.S. ships to call at Chinese ports. The Labor Department is opposed to relaxation of these controls without first getting union agreement, since the move would antagonize the unions, particularly George Meany, and may result in a refusal by the longshoremen to load grain destined for the Communist countries. Pete Peterson strongly urges a positive grains decision, since it would have very favorable political results in border and agricultural states, and specifically with Senator Dole. Peterson believes the agricultural political aspects outweigh the costs with the unions and that the west coast unions are prepared to load grain.

The Under Secretaries' Committee considered a fallback recommendation -- that you include grain on the open list for China even if you do not do so for Eastern Europe, or that you authorize individual licenses for China without the 50-50 requirement. I cannot, however, recommend these fallback positions for they would reinforce suspicions that improvement in China relations is principally aimed against the USSR and would take us right to Stage III in our China control program -- better treatment for China than for Russia.

U. S. Imports

The Under Secretaries' Committee has considered three means of controlling U.S. imports from China. The Trading with the Enemy Act, by which we will control these imports, does not allow product differentiation.

SECRET

SECRET

4

Imports from China will face high Smoot-Hawley tariff rates. Cotton textiles will be held down by the long-term textile agreement. Before the U.S. embargo on trade with China, 80 percent of our imports consisted of items such as hog bristles, tung oil, wool, tungsten, feathers, eggs, and menthol. The USC believes that even without controls, our imports from China would take a few years to reach \$100 million though they might eventually reach \$200 million. In view of the nature of China's exports to the Free World -- mainly foodstuffs, crude materials, and semi-finished manufactures -- the pattern of her shipments to the United States and the potential volume of imports, the Under Secretaries' Committee recommends that you approve the issuance of a general license authorizing all imports from the PRC with an announcement that we may impose a global import restriction in the future should it become necessary.

Other options considered and rejected were that (a) all potential imports be licensed individually by the Treasury Department; and (b) a \$50 million quota be now announced limiting such imports. The Committee rejected these recommendations as unnecessary until we have a better view of developing trade relations and because of the bad precedent that would be established by initiating such a cumbersome bureaucratic procedure.

Further Review and Coordination

The Committee will review the results of your decisions in August and report to you on possible future steps. Meanwhile, the agencies will continue to make additions to the China list in the context of reviews for the Eastern European list and send to you only those items on which there is interagency disagreement. (I believe we can trust Defense to be sufficiently vigilant in this respect.) The agencies will also consider on their merits individual applications for export of items not yet included on the general open license list.

Announcing Your Decision

To obtain maximum domestic and international impact from your decision, we should issue a White House press release along the lines of the one at Tab B. Pete Peterson, however, has written to suggest that we would gain more domestic plaudits by first conferring with interest groups. (Tab C) This, however, would open the strong possibility of press leaks.

SECRET

*of R -
Don't worry about
the leaks
They will only help build the story.*

SECRET

Recommendations:

1. That you accept the Under Secretaries' recommendation on items for the U. S. export list including earth moving and railroad equipment. Pete Peterson concurs.

Approve 

Disapprove, prefer the USG list without earth moving and railroad equipment _____

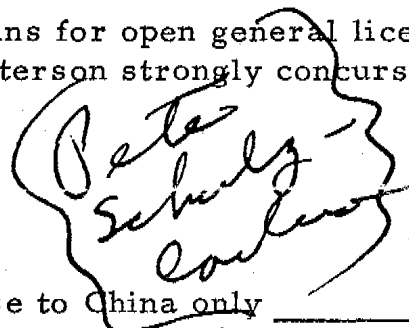
Disapprove, prefer to accept USG recommendations but phase the announcements over several months as suggested by Defense _____

Disapprove, prefer to go immediately to the Soviet level in our Chinese export controls _____

2. That you approve the addition of grains for open general license export to China and the Soviet Union. Pete Peterson strongly concurs.

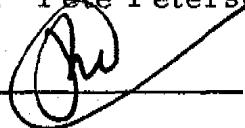
Approve _____

Disapprove _____



Disapprove, open general license to China only _____, or, individual licensing for China without the 50% shipping requirement _____. (I strongly recommend against these last alternatives.)

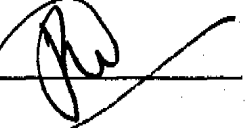
3. That we announce the licensing of all imports from the PRC under a general license subject to possible future import restrictions should these prove necessary. Pete Peterson concurs.

Approve 

Disapprove, prefer individual licenses, without dollar quota _____

Disapprove, prefer a global \$50 million limit _____

4. That we announce the decision via a public release from the White House.

Approve 

Disapprove _____

SECRET

THE UNDER SECRETARY OF STATE
WASHINGTON

SECRET

May 13, 1971

NSC UNDER SECRETARIES COMMITTEE

MEMORANDUM FOR THE PRESIDENT

Subject: Trade and Travel with the
People's Republic of China

On April 13 you directed that a number of moves be taken to increase personal and commercial contacts between China and the United States. I attach at Tab A this Committee's report of the actions taken to fulfill your instructions as well as certain proposals for your decision which will complete these first steps.

The following is a brief summary of both the major points of decision as well as the actions already taken by appropriate agencies.

U.S. Exports to China (pages 1-3 of report)

As you requested, we have reviewed for strategic significance and prepared for your approval at Tab B a list of non-strategic items to be placed on general license for export to China. In carrying out your instructions, we have attempted to produce a meaningful list, both in trade and political terms. About 95% of the items available to the USSR under general license are on the recommended list for the PRC, and some of the remainder are still under review. Omissions include heavy construction equipment of possible military use, overly broad categories which might include items of strategic significance to the PRC, but not to the USSR, and some atomic energy-connected items.

There has been some, relatively minor, disagreement between agencies as to the completeness of this list. The Committee is satisfied, however, that the list at

SECRET

SECRET

(2)

Tab B, with or without the two additions recommended by the Department of State but objected to by the Department of Defense and placed for your decision at the end of the list, will be received as a significant first step in opening trade with China.

We therefore recommend that you approve the list (Tab B) of non-strategic items to be placed on general license for export to China, indicating at Tab B your decision concerning the additional items proposed by the Department of State.

Approve _____

Disapprove _____

Special Problem of Wheat Exports (pages 3-6)

We, except for the Department of Defense, recommend that you approve inclusion of wheat, other grains and wheat flour in the general license list. While the Department of Agriculture, in particular, feels strongly that this recommendation should be adopted, the Departments of Labor and Commerce do not concur unqualifiedly in this recommendation. The arguments pro and con on this issue appear at pages 3 through 6 of the attached report together with a space for you to indicate your decision on page 6.

Public Announcement, Continuing Review, and Liberalization of Exports (page 6)

Once you have taken your decision we would plan to orchestrate appropriate agency and/or White House announcements in order to capitalize on and reinforce the thus far most favorable international and domestic reaction which your April 14 announcement has generated. For example, the Department of Commerce will make a public announcement in the Export Control Bulletin, and state that there will be a continuing interagency review of items to be placed under general license to the PRC, the additions to be published from time to time. In addition, agencies will operate under the assumption that if individual export licenses are requested for items not on general license to the PRC, such applications will be considered on their merits.

SECRET

SECRET

(3)

The Department of Defense believes that the entire list of eligible non-strategic items should not be announced on the general list at one time, but should be timed over a period of several months of 50, 25, and 25 percent of the items, contingent on PRC reactions.

The rest of this Committee does not agree with such a phasing of this step. Such an approach would be not only impractical and unrealistic, but quite out of keeping with your announced policy of measured but steady movement to open contacts with the PRC wherever possible.

U.S. Imports from China (pages 7-11)

You have stated that upon commencement of direct exports, direct imports from China would be allowed, of "a similar and correlated nature." In order to emphasize U.S. interest in real, two-way trade, the Committee recommends that you announce an appropriate import regime at the same time the export list is published, making clear, of course, that we are interested in a mutually beneficial trading relationship, one that avoids damage to domestic firms and workers in both countries.

We have carefully considered a large number of possible import control systems, given our concern that Chinese imports not damage in any way American manufactures, particularly in such sensitive commercial areas as textiles or shoes. After a study of such factors as historic and present Chinese trade patterns and already existing self-protection devices including non-Most-Favored-Nation treatment under the tariff, anti-dumping regulations, and the Long Term Cotton Textile Arrangement, we recommend that you approve the issuance of a general license authorizing all imports (not otherwise restricted by legislation) from the PRC, coupled with an announcement that import restrictions may be imposed in the future if trade developments so dictate (page 10 of the report).

The principal advantage of such a policy is that it would permit the maximum amount of trade development and would hopefully elicit the most positive political

SECRET

SECRET

(4)

and commercial response from the PRC. We would, of course, keep a careful watch on imports and be prepared quickly to take remedial action to prevent damage to U.S. concerns. We have listed for your consideration two other options, more restricted in nature, at pages 10 and 11 of the report.

Recommendation

License all imports from the PRC under a general license subject to possible future dollar quota.

Approve _____

Disapprove _____

Prefer other option (B or C) _____

Other Implementation Steps (pages 12 and 13)

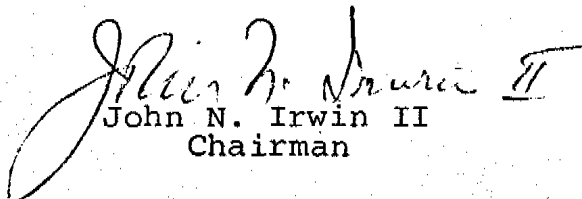
We have prepared regulations carrying out your instructions on the following three steps: 1) relaxation of dollar controls; 2) ending of bunkering restrictions; 3) transport of Chinese cargoes by U.S. carriers.

The new regulations on these topics were announced on May 7 and no further decisions from you are required on these points.

With respect to travel, we feel your public statement on April 14 that "the United States is prepared to expedite visas for visitors or groups of visitors from the PRC to the United States" requires no further supplemental action at this time.

Further Review and Coordination (page 13)

The Committee will continue to coordinate implementation actions in this field and will, as you requested, provide you with an analysis of the results of these initial steps after a trial period of four months--that is, by mid-August 1971


John N. Irwin II
Chairman

SECRET

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

June 9, 1971

SECRET

MEMORANDUM FOR:

THE CHAIRMAN
NSC UNDER SECRETARIES COMMITTEE

SUBJECT: Trade with the People's Republic of China

The President has made the following decisions on the basis of your memorandum of May 13, 1971:

- The Department of Commerce should be prepared to release the list of non-strategic items on general license for export to China.
- Wheat, other grains and wheat flour should be placed on general license for shipment to the PRC, Eastern Europe and the USSR.
- Imports from the PRC should be permitted under a general license subject to possible future import restrictions in the future if trade developments so dictate.
- For items not on the general list, individual export licenses should be considered on their merits.
- In the course of normal interdepartmental review of further items for open general license to Eastern Europe and the USSR, the agencies may consider placing further items on the China open license list. The China items should, however, be submitted to the President for approval before public announcement.
- The Under Secretaries Committee should provide by August 15 an analysis of the results of these initial steps along with recommendations on further measures in this field.


Henry A. Kissinger

SECRET

Dispatched to Irwin Via SS w/ Recpt #2529 cc Peterson/Haig/Kenn/Sonn/Hol

4

AMOR-2

Date:

21 July 69

Official:

Department of State

Occasion:

Press Release No. 211

The Department of State has announced new regulations that will permit American tourists and residents abroad to purchase limited quantities of goods originating in Communist China. This modification in the Foreign Assets Control regulations will reduce the inconvenience caused to American travellers desiring to purchase Chinese goods for non-commercial purposes.

In this same spirit of reducing restrictions on U.S. citizens activities abroad, the Department of State has decided to authorize automatic validations of passports for travel to Communist China for the following categories of persons:

1. Members of Congress
2. Journalists
3. Members of the teaching profession
4. Scholars with post graduate degrees and students currently enrolled in colleges and universities
5. Scientists and medical doctors
6. Representatives of the American Red Cross

These new measures become effective upon publication in The Federal Register July 23. Consistent with this decision, persons in these categories receiving new passports can automatically have the restriction on travel to Communist China removed from their passports. To facilitate the processing of requests for removal of this restriction in passports which already have been issued to persons in these categories, the

(page 1 of 2 pages)

security and progress of the Pacific community.

First, let me refer briefly to the situation in Viet-Nam.

We had hoped that the carefully prepared proposals for a negotiated solution put forward by the United States and its allies would meet with reciprocity from Hanoi and lead to serious negotiations. So far, this has not been the case.

We have proposed mutual withdrawal of troops and thus the deescalation of the war. President Thieu has proposed free elections for all of the people of South Viet-Nam, including those in the NLF [National Liberation Front]; he has proposed international supervision that would assure the fairness of such elections.

Unfortunately, the position of Hanoi is against mutual force withdrawals, against free elections, against international supervision. In fact, it persists in its position—an inhumane position—of refusing even to provide us with the names of American military personnel they hold prisoners. These positions are indefensible and are receiving little international support, and they are inherently untenable.

We are convinced that settlement of the war in Viet-Nam under circumstances permitting the South Vietnamese people to decide their own destiny is a necessary foundation stone for future security in Southeast Asia and in the whole Asian-Pacific area. We firmly believe that self-determination is the political force of the future. We also believe that so-called "struggles of national liberation," organized and supported from the outside, increasingly will become recognized for what they are: vehicles for Communist colonialism.

We are entering an interesting period in the affairs of Asia and the Pacific community. Not only in Viet-Nam but elsewhere, new chapters are about to be written.

Virtually all of the ambassadors of Communist China have been in Peking for the past 3 years. Now, since the Ninth Party Congress in Peking, many ambassadors are leaving Peking for new posts.

Before the Moscow meeting of the Communist parties in May, all of the Soviet Union's ambassadors to East Asia were recalled to Russia. They—or their successors—are returning to their posts. The deep and bitter conflict between the Soviet Union and Communist China continues to fester and broaden.

At the recent Moscow meeting, Mr. Brezhnev [Leonid I. Brezhnev, First Secretary of the

Soviet Communist Party] made his elliptical reference to the need for an Asian collective security system, obviously directed against Communist China. Thus, it is clear there is great uncertainty in the Communist world about the course of recent events.

By the way of contrast, there has been great progress in recent years in non-Communist Asia. Indeed, I believe, it is here that the most exciting success story of the next decade may be written. As leading members of the Pacific community, Australia and New Zealand are playing an important role in that story.

Japan has already become the second most productive economy in the free world.

The Republics of Korea and China, Thailand, Singapore, and Malaysia have all doubled their gross national product in the last decade.

Indonesia is putting its financial house in order and is launched on a development program which, hopefully, will put an end to the long stagnation under the previous regime. India, Pakistan, and the Philippines have achieved significant breakthroughs in agricultural production. These are dramatic examples of what free societies can accomplish.

Before World War II the only independent countries in East Asia were China, Japan, and Thailand. Today, more than three times as many countries of this area are independent.

Regional cooperation is becoming more of a rule and less of an exception. This strengthens political confidence and cohesion.

This is not to deny the existence of many dangers and unresolved problems in and among Asian countries. But it does show the many changes that have occurred in Asia.

It was against this background of change, of new expectations, and of many uncertainties that President Nixon has just visited a number of countries and I have made two trips to Asia in the past several months. There are a few observations I would like to share with you as a result of these trips.

First, a few words about the greatest question mark over the future of Asia and the Pacific: Communist China.

We recognize, of course, that the Republic of China on Taiwan and Communist China on the mainland are facts of life. We know, too, that mainland China will eventually play an important role in Asian and Pacific affairs—but certainly not as long as its leaders continue to have such an introspective view of the world.

It goes without saying that most of the world is concerned about a nation which opposes a negotiated settlement of the Vietnamese conflict, which has such belligerent policies toward its neighbors, which provides training and supplies for insurrectionist groups, and which is now exhorting her people to make sacrifices in anticipation of war with the Soviet Union.

Although we are inclined to speak of China as a "great power," we should remember that this power is potential more than actual. I believe there is a tendency in many quarters to build up the Chinese Communists by equating their capabilities with their rhetoric.

Public expressions of attitude toward the United States from Communist China since the inauguration of our administration in Washington certainly have been strident. They pretend to feel they are encircled by hostile forces.

I doubt very much if Peking's leaders really consider that they are threatened by the military strength of the United States. I suspect they sense that the real threat to them comes from the superior performance of open societies. The evidence is all around them.

While the Chinese Communists seek to repair the economic damage of the so-called cultural revolution—following the disaster of the Great Leap Forward—many of their neighbors are experiencing economic growth at rates among the highest in the world.

Alone among major nations, Communist China has at best stood still. Communist China obviously has long been too isolated from world affairs.

This is one reason why we have been seeking to open up channels of communication. Just a few days ago we liberalized our policies toward purchase of their goods by American travelers and toward validating passports for travel to China.³ Our purpose was to remove irritants in our relations and to help remind people on mainland China of our historic friendship for them.

Previously, we had suggested other steps such as an exchange of persons and selected trade in such goods as food and pharmaceuticals. As I have said on previous occasions, we were prepared to offer specific suggestions on an agreement for more normal relations when the Chinese canceled the scheduled resumption of the ambassadorial talks in Warsaw last February.

³ For background, see BULLETIN of Aug. 18, 1969, p. 126.

None of our initiatives has met with a positive response.

Apparently the present leaders in Peking believe that it serves their purposes to maintain a posture of hostility toward the United States. They seem unprepared for any accommodation. Their central position is that they will discuss nothing with us unless we first abandon support of our ally, the Republic of China. This we do not propose to do.

We nonetheless look forward to a time when we can enter into a useful dialogue and to a reduction of tensions. We would welcome a renewal of the talks with Communist China. We shall soon be making another approach to see if a dialogue with Peking can be resumed. This could take place in Warsaw or at another mutually acceptable site. We would like to resume this dialogue; we would hope that they do, too.

One of the main motivations of the trips the President and I have made recently to Asia has been to reaffirm the permanence of American foreign policy interests in the well-being and security of Asia and the Pacific. We are a Pacific power, and we intend to remain so. We have every intention of remaining constant to our commitments in Asia—to SEATO, to ANZUS, and to our several bilateral defence arrangements. Geography, history, economics, and mutual interest make us a part of the Pacific community, and we intend to continue to play the supporting role to which we are committed by treaty. There is no equivocation in our determination in this regard, and we have made this clear.

At the same time we are changing the emphasis of our relationships in line with current realities.

Policies designed to meet one set of conditions should not remain frozen in the face of new conditions. New conditions do exist in Asia. There is a new dynamism, a new sense of confidence, a new impulse toward regional cooperation and regional responsibility in Asia. There is an enhanced desire and capability among Asian nations to assume larger shares of their own security.

We thus increasingly look to the independent countries of Asia to enlarge their own capacities and responsibilities.

In particular we have stressed the need for them to assume full responsibility for their internal security problems, and they agree. We will continue, of course, to supply material as-

I have had extensive consultations with Asian leaders. I am persuaded that they are highly responsive to this approach. So the new direction toward greater responsibility for security and economic development and political community is something we want—and Asians want—because it is natural and because it is increasingly possible.

Security must continue to have a high priority in the quest for peace. Only with a sense of security will governments and people make the necessary efforts and sacrifices required for economic and social progress.

The Soviet Union has floated the idea of a new system of regional collective security in Asia. We do not know exactly what the Russians had in mind when they broached this vague idea. It must have been clear to everyone, however, that the Soviet objective was the containment of Communist China. Reactions in Asia generally, as they have been reported to us, have been something less than enthusiastic.

Obviously any Soviet proposal to cooperate with non-Communist states in a security system directed against another Communist state is an interesting political development in itself. But our own view is that the more constructive course would be for the countries of Asia to continue to develop institutions they already have created, to expand associations among themselves.

Meanwhile, it is our intention not to take sides in the struggle between China and the Soviet Union but to seek to improve our relationships with either or both.

We do not intend to abandon negotiations with the Soviet Union because the Chinese do not like it nor to give up pursuit of contacts with the Chinese because the Soviets do not like it.

We intend to disregard Peking's denunciations of United States efforts to negotiate with the Soviet Union. And we intend to disregard Soviet nervousness at steps we take to reestablish contacts between us and the Chinese Communists.

In summary, then, I can outline our present policy in Asia along the following lines:

—To achieve a peace in Viet-Nam which permits the people of South Viet-Nam to determine their own future free of external pressures from anyone.

cific power and our determination to meet our treaty obligations in the area.

—To encourage the leaders of Asia to meet their own internal security needs while providing material assistance when required.

—To encourage continued rapid economic development of the area with emphasis on increasing regional cooperation.

—To stand unaligned in the Sino-Soviet conflict while persisting in efforts to engage in a constructive dialogue with both.

—To play a full supporting role in the general evolution of a secure and progressive Pacific community.

Ours is a world of pluralism and diversity. But we know that beneath diversity there are shared needs and universal aspirations. We know that there is common ground between nations which are different in their cultural backgrounds, historical experience, and social preferences. We know that we are interdependent in the modern world. In the recognition of this interdependence lies the road to peace.

TAIPEI, TAIWAN

Arrival Statement, August 1

Press release 230 dated August 4

I have looked forward for many years to the opportunity to visit the Republic of China. Your nation has a reputation, which it so justly deserves, for preserving the best in the moral and cultural values of Chinese life. In addition to that, Taiwan's outstanding economic progress has won wide admiration and respect. And you have been willing to share that success with other nations by providing economic aid to 21 countries in Asia, Africa, and Latin America.

During my brief stay I hope to be able to carry away a better and more personal appreciation of your great cultural tradition, now enhanced by the rapid progress you have made in improving the well-being of your people.

This is what I wish to gain during my stay. What I wish to give while I am here is an assurance of my country's continuing deep concern for East Asia, a concern having firm roots in history. We will continue to meet our treaty obligations to our allies, including, of course, our ally of long standing, the Republic of

September 1, 1969

181

The manner in which the Soviet Union reacts to our specific proposals on specific issues will afford a test of its basic intentions. If their responses seem reasonable and their approach to the conduct of negotiations appears to be in good faith, then grounds will have been established to move forward. But no single step ahead can in itself bring an end to East-West tensions. Identifying, negotiating, and resolving disputed situations must be a continuing process, one that will take time, patience, and ingenuity. Genuine progress will be achieved only if both sides are satisfied at each step along the way that their security has not been jeopardized.

Whatever, at any rate, may be the progress of our negotiations with the Soviet Union, we shall in the meanwhile continue to pursue two parallel objectives. One—closely related to the fulfillment of our treaty obligations—is to strengthen our relations with our friends. This was one of the objectives of the President's trips to Europe and Asia. His European trip, for example, assured our NATO allies that we view the alliance as an evolving partnership, one which is capable of growing to meet changed needs. In the President's words, we see it not as "the temporary pooling of selfish interests" but "a continuing process of cooperation."⁶ The full and genuine consultation he promised has reinvigorated our relationships in Europe and brought forth greater frankness and trust on both sides.

The other objective is to improve our relations with countries not aligned with us, including those that are hostile. This, of course, was the purpose of the President's visit to Romania, and the overwhelming reception given him there was a graphic indication of the warmth many Eastern Europeans feel toward America.

In the case of Communist China, longrun improvement in our relations is in our own national interest. We do not seek to exploit for our own advantage the hostility between the Soviet Union and the People's Republic. Ideological differences between the two Communist giants are not our affair. We could not fail to be deeply concerned, however, with an escalation

⁶ For President Nixon's remarks to the North Atlantic Council at Brussels on Feb. 24, see BULLETIN of Mar. 24, 1969, p. 250.

of this quarrel into a massive breach of international peace and security. Our national security would in the long run be prejudiced by associating ourselves with either side against the other. Each is highly sensitive about American efforts to improve relations with the other. We intend, nevertheless, to pursue a long-term course of progressively developing better relations with both. We are not going to let Communist Chinese invective deter us from seeking agreements with the Soviet Union where those are in our interest. Conversely, we are not going to let Soviet apprehensions prevent us from attempting to bring Communist China out of its angry, alienated shell.

The firmness toward our commitments, realism toward change, and respect for other nations can be seen in varying combinations in all of this administration's approaches to the problems of foreign policy. Although the United States no longer has the overwhelmingly one-sided margin of strength that was ours in the shattered postwar world, we are still a great power, and we have a vital stake in international peace and stability. We cannot shrink from the responsibilities that this fact and the nature of our worldwide interests bring to us. As President Nixon told the Governors on Monday [September 1]:

The new strategy for the seventies . . . means maintaining defense forces strong enough to keep the peace—but not allowing wasteful expenditures to drain away resources we need for progress.

It means limiting our commitments abroad to those we can prudently and realistically keep. It means helping other free nations maintain their own security, but not rushing in to do for them what they can and should do for themselves.

These, in broad profile, are the directions the foreign policy of this administration is now taking. The unfolding international situation presents us with difficult choices and makes exacting demands. But it also holds before us brilliant new opportunities. As President Nixon stated it at his inauguration:

"The peace we seek—the peace we seek to win—is not victory over any other people but the peace that comes 'with healing in its wings'; with compassion for those who have suffered; with understanding for those who have opposed us; with the opportunity for all the peoples of this earth to choose their own destiny."

HAK Backgrounder - Dec. 18, 1969

We have always made it clear that we have no permanent enemies and that we will judge other countries, including Communist countries, and specifically countries like Communist China, on the basis of their actions and not on the basis of their domestic ideology.

And we hope we have started a process towards Communist China, that over a period of years, will permit a more calibrated relationship to develop, and one in which such a large part of humanity will not be excluded from the international community.

* * *

Q Dr. Kissinger, if I understood your remarks concerning our attitude toward having no permanent enemies, and you said we would judge each nation on the basis of its action, including Communist China, and it would have a more calibrated reaction to the Mainland Chinese. Does that not in fact constitute a change when compared with President Nixon's remarks at either his first or second news conference in which it seems to me -- I am going on recollection here -- that he said in effect there would be no change in our attitude toward Communist China.

Could you expand a little bit for us on that?

DR. KISSINGER: Frankly, I don't have the text of the press conference, and I seem to remember that he was speaking about the admission of Communist China to the United Nations, which we don't believe is the overwhelming problem since it involves a lot of other issues, including the international position of Formosa.

But I would say it is clearly a change in American policy of the post-war period, that we are prepared to have serious, concrete and we hope, constructive talks with Communist China. We make no attempt to overload the circuit at this moment, the problem is one of restoring a degree of confidence and the basis for a possible dialogue, rather than any very precise shopping list of ideas. There has, after all, been for over 20 years an absence of communication.

* * *

But we have attempted, and I think to some extent succeeded, in beginning to establish some communication and at least to convey a different basic stance than has been characteristic in the past.

Q Doctor, how about Communist Cuba in that connection? Any openings foreseeable there?

DR. KISSINGER: There has not been any change during the past year with respect to Communist Cuba.

What we have attempted to do is to restore, is to establish the basis of a western hemisphere consensus first, and then to address the problem of Communist Cuba.

Q At the National Security Council, do you ever -- I am going back to Communist China -- talk philosophically about long-range Communist China? Do you ever relate -- let me press you on one point on Communist China. You have said that in the past, Dr. Kissinger, there is no problem of communication with Communist China. There is Warsaw and you yourself have said there is no problem.

Can you take us further back, or can you really elaborate on Communist China? Just what is the stumbling block?

DR. KISSINGER: The question is whether in the National Security Council we ever discuss philosophically the question of Communist China, the evolution of Communist China, and secondly, I have said in the past that there is no problem of communication with Communist China because of the Warsaw talks.

I don't quite remember what --

Q You said there are channels.

DR. KISSINGER: -- of the many remarks I have made over the years, which of the many remarks you may be referring to. And I think we have to distinguish two things: One is, of course, there are channels in the sense that there were the Warsaw talks, which haven't actually taken place this year, except for the one that took place last week, and then I suppose there are other channels that could be found. But the problem isn't only the existence of channels, but what moves in these channels.

In this respect, we have tried to convey to Communist China at this stage what our basic philosophy of international relations is, and how they fit into that basic philosophy of international relations.

This is much more important than to engage in a complicated negotiation because the outstanding issues, concrete negotiating issues between us and them, are relatively few, and, therefore, at this stage of the game, after 20 years of isolation, it seemed to us more important to convey our general attitude.

If one looks ahead, if you say what is one's basic notion of basic evolution: First of all, the Chinese people are obviously a great people. They have the longest unbroken record of government in one area of any of the existing civilizations; and secondly, 800 million people representing 25 percent of the human race, is a factor that cannot be ignored. They will influence international affairs whatever we intend to do and declaratory policy we adopt. They are a reality. And their policy, for good or ill, will determine the possibilities for peace and progress. And that is irrespective of what we do.

Thirdly, a country of this size and weight is going to affect all surrounding countries, again, irrespective of what we do. Therefore, if it is true that the big problem of the immediate post-World War II period was to avoid chaos, and if it is true that the big problem of the next 20 years is to build a more permanent peace, then it seems to us impossible to build a peace, which we would define as something other than just the avoidance of crisis, by simply ignoring these 800 million people, whether they are aggressive or relatively peaceful or something in-between is bound to affect the whole structure of Asia and of many other parts.

Nor, do we over-estimate what we can do by unilateral actions towards them.

They will make their decisions on the basis of their conceptions of their needs, and of their ideology. But to the degree that their actions can be influenced by ours, we are prepared to engage in a dialogue with them.

DR. KISSINGER: It is never easy to disentangle what is produced by conditions that you did not create and what is produced by your own policy.

All I can say is that I remember that during the Berlin crisis in 1961 and 1962, it used to be argued that Soviet intransigence was caused by their conflict with Communist China, that they wanted to clear their rear up so that they would be ready for the eventual conflict with Communist China.

I am not saying that was correct. All I am saying is that whatever policy the Soviet Union has adopted to the west can be made to fit some interpretation of Sino-Soviet relationships.

I would have to guess that it is probably a combination of both factors -- the fact that the Sino-Soviet conflict is, of course, very much on the minds of Soviet leaders. At the same time, if they believed we were either irreconcilably hostile or so impervious to the needs of the situation that it was impossible to talk to us, then they would have to take that into account all the more so as their conflict with China is not one that they cannot defer for any number of years or defer forever.

So my judgment would be that our policy has contributed substantially. I don't think it is the only factor that produces the Soviet policy.

HAK background

Following are excerpts from an article by Carroll Kilpatrick, Washington Post Staff Writer, published in the Washington Post 21 Dec 69:

In a year-end review a White House official said that the President has made clear to both China and Russia that the United States has no permanent enemies and will judge countries on the basis of actions rather than their domestic ideology.

The President is prepared for serious, constructive talks with Peking and has begun to establish some communication and to convey a different basic stance, the official said.

The announcement Friday of a relaxation of trade restriction against China indicates the direction the Administration would like to travel.

.....

The first problem with relation to China is one of restoring a degree of confidence and the basis for a possible dialogue rather than of negotiating on specific issues, the White House believes.

Mr. Nixon recognizes that the Chinese cannot be ignored and that they will have an influence in international affairs whatever the United States does.

He has concluded that if the big problem of the last 20 years was to avoid chaos, the big problem of the next 20 is to build a more permanent peace. While he does not overestimate what the United States can do to influence China he is convinced that the United States cannot ignore a nation with 800 million people.

AMOR-12 Date: 21 Dec 69 Official: A White House Official Occasion: Year-end review by a White House official, not for attribution

AMOR-18

Date:

19 Dec 69

Official: Department of State

Occasion:

Press Release No. 378

CHANGES IN CHINA TRADE RESTRICTIONS

Changes in the Foreign Assets Control regulations were announced by the State Department today. The changes are summarized as follows:

1. For foreign subsidiaries of U. S. firms, most FAC restrictions on transactions with China regarded as non-strategic by COCOM are removed. This is intended to permit American subsidiaries, insofar as FAC restrictions are concerned, to engage in trade with Communist China under regulations applicable to other firms in countries in which they operate and to remove restrictions which those countries view as interference in their domestic affairs. This action will not affect Commerce Department controls on export or re-export of U. S. origin goods or of unpublished American technology.

2. Present restrictions on U. S. business participation in third-country trade in presumptive Chinese goods are eliminated. This will permit American firms (including banking, insurance, transport, and trading) to purchase and ship to third countries commodities of presumptive Chinese origin that they are now able to ship to the U. S. under certificates of origin procedures. Although certificates will not be required for third-country transactions, such goods may still not be shipped to the U. S. without them. This change is responsive to urgent requests of foreign branches of U. S. firms, and it is expected to improve the competitive position of American business concerns overseas.

3. The \$100 ceiling on non-commercial purchases of Chinese Communist goods by Americans is removed, as is the requirement that non-commercial imports from China enter the U. S. as accompanied baggage. This will further relieve administrative difficulties of American citizens and is responsive to the desire of American tourists, collectors, museums and universities to import Chinese products for their own account. It will not permit imports by persons or commercial organizations in the U. S. for resale.

8

AMOR - 8 (Continued)

Department is authorizing all foreign service posts to validate their passports for travel to Communist China without reference to the Department.

These changes do not affect restrictions on use of passports for travel to North Viet-Nam, North Korea or Cuba or restrictions on financial transactions relating to these areas.

State of the Union

9

A MOR-28

Date:

22 Jan 70

Official:

President Nixon

Occasion:

Annual State of the Union
Message to Congress

If we are to have peace in the last third of the Twentieth Century, a major factor will be the development of a new relationship between the United States and the Soviet Union.

I would not underestimate our differences, but we are moving with precision and purpose from an era of confrontation to an era of negotiation.

Our negotiations on strategic arms limitations and in other areas will have far greater chance for success if both sides enter them motivated by mutual self-interest rather than naive sentimentality.

It is with this same spirit that we have resumed discussions with Communist China in our talks at Warsaw.

Our concern in our relations with both these nations is to avoid a catastrophic collision and to build a solid basis for peaceful settlement of our differences.

Feb. 18, 1970

.....

The Chinese are a great and vital people who should not remain isolated from the international community. In the long run no stable and enduring international order is conceivable without the contribution of this nation of more than 700 million people.

Chinese foreign policy reflects the complexity of China's historical relationships with the outside world. While China has the longest unbroken history of self-government in the world, it has had little experience in dealing with other nations on a basis of equal sovereignty. Predominant in Asia for many centuries, these gifted and cultured people saw their society as the center of the world. Their tradition of self-imposed cultural isolation ended abruptly in the 19th century, however, when an internationally weak China fell prey to exploitation by technologically superior foreign powers.

The history inherited by the Chinese Communists, therefore, was a complicated mixture of isolation and incursion, of pride and humiliation. We must recall this unique past when we attempt to define a new relationship for the future.

Nor can we underestimate the gulf of ideology between us or the apparent differences in interests and how we interpret world events. While America has historic ties of friendship with the Chinese people, and many of our basic interests are not in conflict, we must recognize the profound gulf of suspicion and ideology.

(MORE)

The principles underlying our relations with Communist China are similar to those governing our policies toward the U. S. S. R. United States policy is not likely soon to have much impact on China's behavior, let alone its ideological outlook. But it is certainly in our interest, and in the interest of peace and stability in Asia and the world, that we take what steps we can toward improved practical relations with Peking.

The key to our relations will be the actions each side takes regarding the other and its allies. We will not ignore hostile acts. We intend to maintain our treaty commitment to the defense of the Republic of China. But we will seek to promote understandings which can establish a new pattern of mutually beneficial actions.

I made these points to the leaders I met throughout my trip to Asia, and they were welcomed as constructive and realistic.

We have avoided dramatic gestures which might invite dramatic rebuffs. We have taken specific steps that did not require Chinese agreement but which underlined our willingness to have a more normal and constructive relationship. During the year, we have:

Made it possible for American tourists, museums and others to make non-commercial purchases of Chinese goods without special authorization.

Broadened the categories of Americans whose passports may be automatically validated for travel in Communist China, to include members of Congress, journalists, teachers, postgraduate scholars and college students, scientists, medical doctors and representatives of the American Red Cross.

Permitted subsidiaries of American firms abroad to engage in commerce between Communist China and third countries.

The resumption of talks with the Chinese in Warsaw may indicate that our approach will prove useful. These first steps may not lead to major results at once, but sooner or later Communist China will be ready to re-enter the international community.

Our desire for improved relations is not a tactical means of exploiting the clash between China and the Soviet Union. We see no benefit to us in the intensification of that conflict, and we have no intention of taking sides. Nor is the United States interested in joining any condominium or hostile coalition of great powers against either of the large Communist countries. Our attitude is clear-cut--a lasting peace will be impossible so long as some nations consider themselves the permanent enemies of others.

AMCR-34

We have decided to continue the restrictions for another six months (on travel to mainland China, North Korea, North Vietnam, and Cuba).

These restrictions relate to the use of the passport, and not to the actual travel of the individual.

Under existing law as interpreted by our courts, United States citizens are free to travel to any area of the world. The courts have held, however, that the Government does have the authority to control the validity and the use of the United States passport.

We believe that it would not be advisable at this time for the Government to appear to be encouraging unlimited travel to these areas, by removing these restrictions. The conditions existing in each of these four areas, including the dangers that United States citizens traveling there might face, vary somewhat, and so accordingly, does our policy regarding validation for travel to those countries.

With respect to Cuba, North Korea, and North Vietnam, we normally give passport validation only in limited cases, that is, to newsmen, scholars, medical doctors and scientists in the field of public health, American Red Cross representatives, and certain humanitarian cases. I'm talking here about Cuba, North Korea, and North Vietnam.

With respect to mainland China, however, we follow a more liberal policy of passport validation and give validation for any legitimate purpose.

Date: 16 Mar 70

Official: Department of State

Occasion: Statement by Spokesman Robert J. McCloskey

Tab 12

AMOR 42

Mr. President, distinguished delegates:

We have before us for consideration once again a proposal sponsored by Albania, Algeria and sixteen other states to expel The Republic of China from the United Nations and to place in the same seat representatives from the People's Republic of China. I use the words "once again" because this proposal, and the resolution which seeks to effect it, differ not at all from similar proposals and resolutions which we have considered -- and decisively rejected -- many times in the past. My delegation hopes that it will be rejected again this year.

We have heard it said before, and doubtless it will be repeated during the course of this debate, that the People's Republic of China is a reality that cannot be ignored. Indeed that is so. And I do not believe any of us here today, or any of the governments that we represent, ignores that reality. As far as the United States is concerned, as most are aware, we have actively sought to move from an era of confrontation to an era of negotiation. Representatives of my Government have met with representatives of the People's Republic of China twice this year and would have met more often had Peking been willing to do so. And my Government has taken a number of concrete actions -- actions for which we neither proposed nor anticipated a quid pro quo -- to ease relations between us. The fact of the matter is, the United States is as interested as any in this room to see the People's Republic of China play a constructive role among the family of nations. All of us are mindful of the industry, talents and achievements of the great people who live in that cradle of civilization.

But let us also remember, Mr. President, that the Charter nowhere convers upon states the right to make their own conditions for membership in the United Nations. Neither in the Charter, not in any resolution is it written that a state may say "We will join, but only if you expel Member X". What the Charter does say is that membership shall be open to all peace-loving states able and willing to carry out the obligations of membership, and that members may be expelled only if they have persistently violated the principle of the Charter.

Date:

12 November 70

Official:

Christopher H. Phillips
Deputy U.S. Representative
in the Security Council

Occasion:

Address at the INGA
Plenary on Chinese
Representation

15

AMOR/L

Q: Mr. President, since the United Nations' vote on China, have you found it expedient for the United States to review our policy towards Mainland China?

A: No, our policy wouldn't be based on expediency. It would be based on principle.

We have no plans to change our policy with regard to the admission of Red China into the United Nations at this time. However, we are going to continue the initiative that I have begun, an initiative to relaxing trade restrictions and travel restrictions, an attempting to open channels of communication with Communist China, having in mind the fact that looking long toward the future we must have some communication and eventually relations with Communist China.

Date: 10 December 70

Official: President Nixon

Occasion: Press Conference

AMOR 45

Q: Mr. Secretary, before you leave the Asian area, can you tell us what the current U.S. policy is toward Mainland China, especially since the vote in the United Nations recently?

A: Well, the policy of this Administration toward Mainland China is to do what we can to improve our relations with Mainland China and, as you know, we have taken some steps in that direction.

We also have been willing to discuss matters of common interest with the Communist Chinese in Warsaw. The talks were broken off at the time of the Cambodian incursions and they have not been renewed. We would hope that those talks will be renewed.

Insofar as current policy on admission to the United Nations is concerned, that matter is under review. We have not come to any conclusion about it. We certainly are very much opposed, as we always have been, to any attempt to expel the Republic of China from the United Nations. We continue to have very close, friendly relations with the Republic of China. We think they have been a very fine member of the International Community and we, in our review, have no thought of changing our policy vis-a-vis the Republic of China.

Date: 23 December 70

Official:

William P. Rogers
Secretary of State

Occasion:

News Conference

HAK Backgrounder

Dec. 24, 1970

AMOR 45

With respect to Communist China, and other of the major Communist countries, our position has been quite similar to the one that I have just described towards the Soviet Union.

Early in the Administration, the President ordered an examination of the possibilities of easing some of the irritations in the relationship, especially in the field of trade and travel. And we, therefore, took a number of steps which removed some of these restrictions and which beyond that made clear to the Communist Chinese that the United States was prepared to talk seriously and to enable them to re-enter the international community.

We are in the process now of again reviewing the still existing restrictions. We remain prepared, at Warsaw, or elsewhere, to talk to the Communist Chinese about differences that divide us. There were some talks in Warsaw last year that were interrupted, but we stand prepared to resume them, applying the same principles that I have indicated govern our relationship to the Communist world, which is to seek, on the basis of equality, to remove the causes that have produced the tensions.

Date: 24 December 70

Official: U.S. Government Official

Occasion: Press Backgrounder
Washington, D. C.

Feb. 25, 1971

The Problem of China

The Peoples Republic of China faces perhaps the most severe problem of all in adjusting her policies to the realities of modern Asia. With a population eight times greater than that of Japan, and possessing a much greater resource base, Mainland China nonetheless sees the free Japanese economy producing a gross national product two and a half times that of her own. The remarkable success of the Chinese people within the free economic setting of Taiwan and Singapore (and the contributions of the overseas Chinese to growth elsewhere in Asia) stands as an eloquent rebuttal to Peking's claim of unique insight and wisdom in organizing the talents of the Chinese people.

The Peoples Republic of China is making a claim to leadership of the less developed portions of the world. But for that claim to be credible, and for it to be pursued effectively, Communist China must expose herself to contact with the outside world. Both require the end of the insulation of Mainland China from outside realities, and therefore from change.

The twenty-two year old hostility between ourselves and the Peoples Republic of China is another unresolved problem, serious indeed in view of the fact that it determines our relationship with 750 million talented and energetic people.

It is a truism that an international order cannot be secure if one of the major powers remains largely outside it and hostile toward it. In this decade, therefore, there will be no more important challenge than that of drawing the Peoples Republic of China into a constructive relationship with the world community, and particularly with the rest of Asia.

We recognize that China's long historical experience weighs heavily on contemporary Chinese foreign policy. China has had little experience in conducting diplomacy based on the sovereign equality of nations. For centuries China dominated its neighbors, culturally and politically. In the last 150 years it has been subjected to massive foreign interventions. Thus, China's attitude toward foreign countries retains elements of aloofness, suspicion, and hostility.

Under Communism these historically shaped attitudes have been sharpened by doctrines of violence and revolution, proclaimed more often than followed as principles in foreign relations.

Another factor determining Communist Chinese conduct is the intense and dangerous conflict with the USSR. It has its roots in the historical development of the vast border areas between the two countries. It is aggravated by contemporary ideological hostility, by power rivalry and nationalist antagonisms.

A clash between these two great powers is inconsistent with the kind of stable Asian structure we seek. We, therefore, see no advantage to us in the hostility between the Soviet Union and Communist China. We do not seek any. We will do nothing to sharpen that conflict -- nor to encourage it. It is absurd to believe that we could collude with one of the parties against the other. We have taken great pains to make it clear that we are not attempting to do so.

At the same time we cannot permit either Communist China or the USSR to dictate our policies and conduct toward the other. We recognize that one effect of the Sino-Soviet conflict could be to propel both countries into poses of militancy toward the non-Communist world in order to validate their credentials as revolutionary centers. It is also possible that these two major powers, engaged in such a dangerous confrontation, might have an incentive to avoid further complications in other areas of policy. In this respect, we will have to judge China, as well as the USSR, not by its rhetoric but by its actions.

We are prepared to establish a dialogue with Peking. We cannot accept its ideological precepts, or the notion that Communist China must exercise hegemony over Asia. But neither do we wish to impose on China an international position that denies its legitimate national interests.

The evolution of our dialogue with Peking cannot be at the expense of international order or our own commitments. Our attitude is public and clear. We will continue to honor our treaty commitments to the security of our Asian allies. An honorable relationship with Peking cannot be constructed at their expense.

Among these allies is the Republic of China. We have been associated with that government since its inception in 1911 and with particular intimacy when we were World War II allies. These were among the considerations behind the American decision to assist the Government of the Republic of China on Taiwan, with its defense and economic needs.

Our present commitment to the security of the Republic of China on Taiwan stems from our 1954 treaty. The purpose of the treaty is exclusively defensive, and it controls the entire range of our military relationship with the Republic of China.

Our economic assistance to the Republic of China has had gratifying results. Beginning in 1951, the U. S. provided \$1.5 billion in economic assistance. Its effective and imaginative use by the Government of the Republic of China and the people of Taiwan made it possible for us to terminate the program in 1965.

I am recalling the record of friendship, assistance and alliance between the United States and the Government of the Republic of China in order to make clear both the vitality of this relationship and the nature of our defense relationship. I do not believe that this honorable and peaceful association need constitute an obstacle to the movement toward normal relations between the United States and the Peoples Republic of China. As I have tried to make clear since the beginning of my Administration, while I cannot foretell the ultimate resolution of the differences between Taipei and Peking, we believe these differences must be resolved by peaceful means.

In that connection, I wish to make it clear that the United States is prepared to see the Peoples Republic of China play a constructive role in the family of nations. The question of its place in the United Nations is not, however, merely a question of whether it should participate. It is also a question of whether Peking should be permitted to dictate to the world the terms of its participation. For a number of years attempts have been made to deprive the Republic of China of its place as a member of the United Nations and its Specialized Agencies. We have opposed these attempts. We will continue to oppose them.

The past four years have been a period of internal turmoil and upheaval in Mainland China. A calmer mood now seems to be developing. There could be new opportunities for the Peoples Republic of China to explore the path of normalization of its relations with its neighbors and with the world, including our own country.

For the United States the development of a relationship with Peking embodies precisely the challenges of this decade: to deal with, and resolve, the vestiges of the postwar period that continue to influence our relationship, and to create a balanced international structure in which all nations will have a stake. We believe that such a structure should provide full scope for the influence to which China's achievements entitle it.

We continue to believe that practical measures on our part will, over time, make evident to the leaders in Peking that we are prepared for a serious dialogue. In the past year we took several such steps:

- In January and February of 1970, two meetings were held between our representatives in Warsaw, thus restoring an important channel of communication. The subsequent cancelling of the scheduled May meeting was at Chinese initiative.

- In April we authorized the selective licensing of goods for export to the Peoples Republic of China.
- In August certain restrictions were lifted on American oil companies operating abroad, so that most foreign ships could use American-owned bunkering facilities on voyages to and from mainland Chinese ports.
- During 1970, the passports of 270 Americans were validated for travel to the Peoples Republic of China. This brought to nearly 1,000 the number so validated. Regrettably, only three holders of such passports were permitted entry to China.

In the coming year I will carefully examine what further steps we might take to create broader opportunities for contacts between the Chinese and American peoples, and how we might remove needless obstacles to the realization of these opportunities. We hope for, but will not be deterred by a lack of, reciprocity.

We should, however, be totally realistic about the prospects. The Peoples Republic of China continues to convey to its own people and to the world its determination to cast us in the devil's role. Our modest efforts to prove otherwise have not reduced Peking's doctrinaire enmity toward us. So long as this is true, so long as Peking continues to be adamant for hostility, there is little we can do by ourselves to improve the relationship. What we can do, we will.

HAK Background
Dec. 24, 1970

19
President's Feb. 25, 1971
Speech on Foreign Policy
Report

and for all change to be in the direction of greater self-reliance.

Turning to the Far East: A new Asia is emerging. The old enmities of World War II are dead or dying. Asian states are stronger and are joining together in vigorous regional groupings.

Here the doctrine that took shape last year is taking hold today, helping to spur self-reliance and cooperation between states. In Japan, South Korea, Thailand and the Philippines, we have consolidated bases and reduced American forces. We have relaxed trade and travel restrictions to underline our readiness for greater contact with Communist China.

Looking ahead in that area:

-- While continuing to help our friends help themselves, we must begin to consider how regional associations can work together with the major powers in the area for a durable peace.

-- We will work to build a strong partnership with Japan that will accommodate our mutual interests.

-- We will search for constructive discussions with Communist China while maintaining our defense commitment to Taiwan. When the government of the People's Republic of China is ready to engage in talks, it will find us receptive to agreements that further the legitimate national interests of China and its neighbors.

MORE

President's Press Conference, ^{Page 6} March 4, 1971 (excerpts);

QUESTION: In your foreign policy report, you invited better relations with Communist China, which is being interpreted in Taiwan, I believe, with a little bit of apprehension. Are you actually moving toward a two-China policy?

THE PRESIDENT: I understand the apprehension in Taiwan, but I believe that that apprehension insofar as Taiwan's continued existence and as its continued membership in the United Nations is not justified. You also have noted that in my foreign policy report I said that we stood by our defense commitments to Taiwan, that Taiwan, which has a larger population than two-thirds of all of the United Nations, could not and would not be expelled from the United Nations as long as we had anything to say about it, and that as far as our attitude toward the Communist China was concerned that that would be governed by Communist China's attitude toward us.

In other words, we would like to normalize relations with all nations in the world. There has, however, been no receptivity on the part of Communist China. But under no circumstances will we proceed with a policy of normalizing relations with Communist China if the cost of that policy is to expel Taiwan from the family of nations.

* * * *

QUESTION: You said earlier about Communist China, at least you were perfectly clear about your position on Communist China seeking entrance in the United Nations. Someone asked you if you would favor a two-China policy, but you were not completely clear about that. Could you say, sir, if Taiwan maintained its position on the Security Council, if it maintained its position in the United Nations, if you would favor seating Communist China.

THE PRESIDENT: That is a moot question at this time, because Communist China or the People's Republic of China, which I understand stirred up people in Taiwan because that is the official name of the country, but Communist China refuses even to discuss the matter. Therefore, it would not be appropriate for me to suggest what we might agree to when Communist China takes the position that they will have no discussion whatever until Taiwan gets out. We will not start with that kind of a proposition. ~~Mr. Warren?~~

~~END~~

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

In my second annual Foreign Policy Report to the Congress on February 25, 1971, I wrote, "In the coming year, I will carefully examine what further steps we might take to create broader opportunities for contacts between the Chinese and American peoples, and how we might remove needless obstacles to the realization of these opportunities."

I asked the Under Secretaries Committee of the National Security Council to make appropriate recommendations to bring this about.

After reviewing the resulting study and recommendations, I decided on the following actions, none of which requires new legislation or negotiations with the People's Republic of China:

- The United States is prepared to expedite visas for visitors or groups of visitors from the People's Republic of China to the United States.
- U.S. currency controls are to be relaxed to permit the use of dollars by the People's Republic of China.
- Restrictions are to be ended on American oil companies providing fuel to ships or aircraft proceeding to and from China except on Chinese-owned or Chinese-chartered carriers bound to or from North Vietnam, North Korea, or Cuba.
- U.S. vessels or aircraft may now carry Chinese cargoes between non-Chinese ports and U.S. -owned foreign flag carriers may call at Chinese ports.
- I have asked for a list of items of a non-strategic nature which can be placed under general license for direct export to the People's Republic of China. Following my review and approval of specific items on this list, direct imports of designated items from China will then also be authorized.

After due consideration of the results of these changes in our trade and travel restrictions, I will consider what additional steps might be taken.

Implementing regulations will be announced by the Department of State and other interested agencies.

American Society of Newspaper Editors

The President's Remarks at a Question and Answer Session With a Panel of Six Editors and Reporters at the Society's Annual Convention. April 16, 1971

PEOPLE'S REPUBLIC OF CHINA

MR. DEDMON. Mr. President, when you last appeared before this convention prior to becoming President, you mentioned that laying the groundwork for future relations with the People's Republic of China would be one of the primary goals of your administration.

In light of recent events, as well as the trade review which you have ordered, it looks like this is one area where you are considerably ahead of schedule.

Do you think that we can anticipate an establishment of diplomatic relations with the People's Republic of

THE PRESIDENT. Mr. Dedmon, since you have been so kind to me, I will be kind to you.

Let the record show—and some of you will remember that time I was here in 1968—that Mr. Dedmon was the one that asked me the question about the People's Republic of China or Mainland China, if you want to call it that, and also let the record show, as you may recall, that at an editorial conference at the Chicago Sun-Times last year you asked me the question again.

The first two times I struck out. The third time we got a hit. That is all we can say.

Let me put it all in perspective, however.

What we have here is the result of a long process that began in my own thoughts even before 1968, the spring of 1968, when I answered that question at this convention. I wrote an article for Foreign Affairs—as a matter of fact, I think your question played off of that article at that time—in which I pointed out that we could not have what will be by the end of the century a billion of the most creative and able people in the world isolated from the world and that whoever was President of the United States had to develop a policy which would bring the isolation of a billion Chinese from the rest of the world to an end.

I also pointed out that that was a long-range goal. The long-range goal of this administration and of the next one, whatever it may be, must be two things: one, a normalization of the relations between the Government of the United States and the Government of the People's Republic of China, and two, the ending of the isolation of Mainland China from the world community.

Those are long-range goals.

Let's begin with what we have done then. We can't go that far that fast in one jump. We cannot do it now. I will not speculate on it now, because it is premature to talk about either of those subjects, either recognition or admission to the United Nations.

But I can point to the goal and what we have done to get toward that goal and what it can mean to the future.

Over a year ago we relaxed, as you know, our travel conditions with regard to going to China, and also we made some relaxation with regard to trade.

Finally, we had a response from the Chinese, as you know, last week. Then, on Wednesday of this week, I announced an additional relaxation with regard to trade restrictions and a relaxation with regard to Chinese who wanted to come to the United States.

Now it's up to them. If they want to have trade in these many areas that we have opened up, we are ready. If they want to have Chinese come to the United States, we are ready. We are also ready for Americans to go there, Americans in all walks of life.

But it takes two, of course. We have taken several steps. They have taken one. We are prepared to take

other steps in the trade field and also with regard to the exchange field, but each step must be taken one at a time.

I know that as editors and as reporters, looking for that, you know, that hot lead or headline for the morning, this is not a satisfying answer. But from the standpoint of policy, it is the right answer. Because to try to make a headline by saying that tomorrow we are going to do this or that or the other thing would be misunderstood among many countries of the world where this matter has to be discussed and also might have exactly the reverse reaction with the Chinese.

I think the steady ordered process that we have engaged on now begins to bear fruit. I will just conclude with this one thought:

The other day was Easter Sunday. Both of my daughters, Tricia and Julie, were there—and Tricia with Eddie Cox—I understand they are getting married this June—and Julie and David Eisenhower.

And the conversation got around to travel and also, of course, with regard to honeymoon travel and the rest. They were asking me where would you like to go? Where do you think we ought to go?

So, I sat back and thought a bit and said, "Well, the place to go is to Asia." I said, "I hope that some time in your life, sooner rather than later, you will be able to go to China to see the great cities, and the people, and all of that, there."

I hope they do. As a matter of fact, I hope sometime I do. I am not sure that it is going to happen while I am in office. I will not speculate with regard to either of the diplomatic points. It is premature to talk about recognition. It is premature also to talk about a change of our policy with regard to the United Nations.

However, we are going to proceed in these very substantive fields of exchange of persons and also in the field of trade. That will open the way to other moves which will be made at an appropriate time.

Mr. Risher.

MR. RISHER. I just want to follow up on that if I could. Do you think that this might lead to a resumption of the meetings in Warsaw that were broken up about a year ago, I think?

THE PRESIDENT. Well, Mr. Risher, as you recall those meetings were resumed after we came into office. That, again, was a result of an initiative that we took. And then they were broken off again. We are ready to meet any time they are ready to meet.

I cannot—I don't have any information indicating that they want to resume them at this time, but we certainly have the door open. We are not pressing them, although we would welcome them opening them.

THE PRESIDENT'S NEWS CONFERENCE OF APRIL 29, 1971

Q. Mr. President, the Commission on the United Nations that you appointed, headed by your 1960 Vice Presidential running mate, has come out rather strongly for a two-China policy. The last time we saw you you weren't prepared to talk about that. I wonder if tonight you could say how you feel about those proposals?

THE PRESIDENT. Well, Mr. Cormier, that recommendation by that very distinguished committee, of course, is being given consideration in the high councils of this Government, and I am, of course, considering it along with recommendations which move in the other direction.

I think, however, that your question requires that I put, perhaps, in perspective much of this discussion about our new China policy. I think that some of the speculation that has occurred in recent weeks since the visit of the table tennis team to Peking has not been useful.

I want to set forth exactly what it is and what it is not.

First, as I stated at, I think, one of my first press conferences in this room, the long-range goal of this administration is a normalization of our relationships with Mainland China, the People's Republic of China, and the ending of its isolation from the other nations of the world. That is a long-range goal.

Second, we have made some progress toward that goal. We have moved in the field of travel; we have moved in the field of trade. There will be more progress made.

For example, at the present time I am circulating among the departments the items which may be released as possible trade items in the future and I will be making an announcement on that in a very few weeks.

But now when we move from the field of travel and trade to the field of recognition of the Government, to its admission to the United Nations, I am not going to discuss those matters, because it is premature to speculate about that.

We are considering all those problems. When I have an announcement to make, when a decision is made—and I have not made it yet—I will make it.

But up until that time we will consider all of the proposals that are being made. We will proceed on the path that we have been proceeding on. And that is the way to make progress. Progress is not helped in this very sensitive area by speculation that goes beyond what the progress might achieve.

I would just summarize it this way: What we have done has broken the ice. Now we have to test the water to see how deep it is.

I would finally suggest that—I know this question may come up if I don't answer it now—I hope, and, as a matter of fact, I expect to visit Mainland China sometime in some capacity—I don't know what capacity. But that indicates what I hope for the long term. And I hope to contribute to a policy in which we can have a new relationship with Mainland China.

* * *

Q. Mr. President, the State Department has said that the legal question of the future of Taiwan and Formosa is an unsettled question. Would you favor direct negotiations between the Nationalist and the Communist Governments to settle their dispute?

THE PRESIDENT. Well, I noted speculation to the effect from various departments and various sources that the way for these two entities to settle their differences was to negotiate directly. I think that is a nice legalistic way to approach it, but I think it is completely unrealistic. I am only saying at this point that the United States, is seeking to in a very measured way, while maintaining our treaty commitments to Taiwan—we are seeking a more normal relationship with the People's Republic of China.

There is one other thing I think it's very important to make.

There has been speculation to the effect that the purpose of our, or one purpose of our normalizing our relations or attempting to normalize our relations with Mainland China is to some way irritate the Soviet Union. Nothing could be further from the truth.

We are seeking good relations with the Soviet Union and I am not discouraged by the SALT talk progress. I can only say that we believe that the interests of both countries would be served by an agreement there. We seek good relations with the Soviet Union. We are seeking good relations with Communist China and the interests of world peace require good relations between the Soviet Union and Communist China. It would make no sense for the United States, in the interest of world peace, to try to get the two to get at each other's throats, because we would be embroiled in the controversy ourselves.

Birmingham, Alabama

The President's Remarks to Southern Media Representatives Attending a Background Briefing on Domestic Policy Initiatives. May 25, 1971

Gentlemen, I do know that from the schedule that I have read that you have been exposed to a great amount of material already with regard to some of our domestic programs. I know, too, that you are aware of the fact that this is the first of four regional briefings that we are going to have on domestic policy, just as we previously had four on foreign policy, and perhaps we will be able to repeat these from time to time in the future as various issues develop.

Now when I read your schedule, I could see that there was not much left for me to talk about, because Governor Romney, of course, covered various aspects of revenue sharing; and Secretary Hodgson covered other aspects of manpower training; Herb Stein knows all about the economy—I wish he would tell me, but he knows all about it—and, of course, John Ehrlichman, in terms of Government reorganization, and the other issues, has talked to you and answered questions, and I know that Herb Klein, too, has filled you in on some aspects of it.

What I would like to do is to try to put these domestic programs in this period of the seventies in a broader perspective. In order to do so, it will be necessary for me to talk about foreign policy first, not in precise details, as would be the case in a foreign policy briefing, but in more general terms, so that we can see why domestic programs of the types you have been hearing about today, programs that normally just don't make the first lead on television or a front page today in the newspapers due to the overwhelming interest in foreign policy, why that domestic policy is so important for the future.

I begin with the developments in foreign policy with which you are all familiar. While it must seem at times that the more things change in foreign policy, the more they remain the same, I think that a sophisticated observer would have to agree that historians in the future will look to this period, and they will probably write that the American people, and through the American people, through their relations with other people in the world, were going through a very historic change insofar as our relations with other nations in the world were concerned.

The word "new era" is overused. I will only say that if there was ever a new era in the field of foreign policy,

we are now in the middle of it. We are on the threshold of it.

I think the most significant changes in American foreign policy and the most significant changes in the relations between major nations in the world are taking place now than at any period since World War II.

Now this is not because we made it so. I speak of "we" in terms of this administration. We played a role, but what has happened here is that we see a number of developments coming together contemporaneously. The one that of course is first and foremost in your minds, and should be, is the war in Vietnam.

There is argument about how that war should be ended, when it should be ended. There is no argument, however, among any sophisticated observers on the point that the war in Vietnam, after a long period—5 years—in which no end was in sight, in which more and more Americans went to Vietnam, and in which more and more casualties occurred in Vietnam, that now the situation is changed. Americans are coming home. Casualties are going down, and we can say confidently today that the war in Vietnam will be ended.

You know the arguments, and I will not go into them now, why we cannot, in our national interest, accept the proposition of setting a deadline as far as our own withdrawal is concerned. I will only say that there is no question but that this administration's policy is succeeding and bringing the war to an end and bringing it to an end in a way which I believe will contribute to our goal of discouraging that kind of war, that kind of aggression that brought this war on, in the future, and thereby bringing it to an end in a way that will not guarantee—we can never guarantee anything in world events—but that will give us a chance to have a more peaceful Southeast Asia, a more peaceful Pacific.

Now, if we are able to accomplish this goal—and I am confident that we are accomplishing it and that we can see it now in sight—this is in itself, by itself—although by itself not the major development which we are presently seeing—but this by itself has enormous significance, because both World War II and the Korean War, as far as the United States was concerned, did come from the Pacific, and so did Vietnam.

So a peaceful Pacific and an end to this conflict in a way that will maintain the position of confidence of the United States in the Pacific is enormously important in terms of achieving our broader goal of peace in the world.

The second point that of course has been much in the news this past week is our relations with the Soviet Union. The announcement that I made last week deliberately was brief. I will not expand on it now, because that would not be in the interest of achieving the goal that the announcement set forth. Suffice it to say that now at the highest level of the two superpowers, the Soviet Union and the United States, the leaders have committed themselves to taking a first, very significant step toward limiting both defensive and offensive nuclear weapons.

That commitment, having been taken publicly, thereby gives us at this period, since it was committed publicly in terms of attempting to achieve it and hoping to achieve it this year, it gives us an idea as to what could develop from now on out between the two superpowers.

Again, it does not guarantee that because the two superpowers may agree that their mutual interest will be served by a limitation on the one hand on our part of defensive weapons and a limitation on the part of the Soviet Union as far as offensive weapons are concerned, that the two powers are not going to have other differences.

It does not guarantee that they will agree on everything else, that they will agree on the Mideast, that they will agree on East-West relations as far as Europe is concerned, and so forth. But the fact that this step is being taken in the field of negotiation is enormously significant simply because it has happened.

The announcement is significant, the commitment on the part of the leaders is significant, but even more important, if that commitment can become a reality—and it will take hard negotiating on the part of both sides to bring that reality into being—but if that can become a reality, then the two superpowers, not by rhetoric, and we have had cool rhetoric ever since this administration came into Washington, but indeed the two superpowers will have entered into a new period of better relations.

You can see what that would mean in contributing to the peace of the world, because wherever the two superpowers rub against each other, whether it is in the Mideast or whether it is in the Caribbean or whether it happens to be tangentially in a place like Vietnam, where it is tangential, as far as the Soviet is concerned, but nevertheless real, or whether it is the blue chips involved in Europe, all of this, of course, potentially carries within it the danger of conflict at the very highest level. And so making a movement toward reducing or limiting arms, making this kind of step indicates and gives us at least some hope that a different relationship between the two powers will, on a step-by-step basis, develop in the years ahead.

A few weeks ago you all, of course, covered in your newspapers, on your television and radio programs, the developments with regard to China, Mainland China.

In a recent press conference, you may recall that I said that, when asked about what this meant, I said we must realize that what happened was significant, not simply the visit of the table tennis team—that had some significance and, of course, great interest because of its rather bizarre character as far as we were concerned—but because in the field of travel and in the field of trade, in the field of exchange of persons and in the field of trade, to put it more precisely, we see a very significant change occurring for the first time since the Government which presently is in power in Mainland China, the People's Republic of China, that Government and the Government of the United States have found two areas,

exchange of persons and travel, where again, on a precise step-by-step basis, they are beginning to have a different relationship than they had previously. As I put it, what we have done really is broken the ice; now we have to test the water to see how deep it is. More steps will be taken on our part and on their part when it is to the reciprocal interest of both to do so.

I do not suggest that any steps are presently being contemplated on either side. That would not be in the interest of having that come about. But I do say that the very fact that the United States and the Government of Mainland China, the People's Republic of China, have finally moved in these limited areas toward a relation of normalcy gives us hope that not immediately—not within a year, for example—but looking to the future, that 800 million Chinese will not be isolated from the rest of the world.

Let me just say parenthetically that when we think of the dangers to peace of the world, I can think of none that would quite exceed the fact that 800 million, and then perhaps in 25 years a billion, of the most capable and able people in the world would be isolated from the rest of the world, living there, not knowing the rest of the world, and with a growing and very dangerous nuclear capability.

I do not suggest that the steps that we have taken have dealt with that problem conclusively up to this point, but again we have made movement and more movement will take place as we, on either side, find that it is in our best interest.

We look to another area of conflict, the Mideast. Here the Secretary of State has just completed a very significant trip. It did not, and none of the reporters who went with him expected it to happen—and they, incidentally, wrote it very objectively, and, it seems to me, in a highly professional way—it did not settle the differences. We did not expect that to happen.

But when we look at that troubled area of the world, it can be said now that we have had a truce for 9 months and that is some progress. It can be seen that while the two parties are still, it seems, very, very far apart with an irreconcilable difference—that is what it seems on the surface—there is still the fact of discussion going on through third parties, but nevertheless going on, which will not resolve those differences completely. And no one suggests that they may be resolved completely at any time in the future, but that may resolve them in part, again on a step-by-step basis.

Now let me put all of this together in terms of what it means in foreign policy and then why our own policies in the United States and in the domestic field are so important as they relate to this.

Let's look to the future, what could happen. Here we must put our hopes high. As I said at Mobile earlier today, every President in this century, and I suppose every President long before this century, has spoken in terms of peace, not only for America but for the world.

Woodrow Wilson, I think, honestly felt that the war that he was involved in, World War I, would be a war that would end wars.

Franklin D. Roosevelt felt very strongly that World War II, particularly with the United Nations following it, could be the war that, as far as major powers were concerned, that would be the last great war.

And certainly my predecessors, President Eisenhower, President Truman, President Kennedy, President Johnson, were all dedicated to that proposition, as I am.

At this time I think we could say that because of these significant developments, first, the end of the American involvement in Vietnam, which we know is coming, and on a basis which, in my view, will contribute to a more peaceful rather than a less peaceful era in the Pacific.

Second, a significant change in the relation between the Soviet Union and the United States—still a long way to go, but still a significant change at the highest level with the leaders involved.

Third, a change, not as significant, as far as our relations with the Mainland Government are concerned in China, but nevertheless looking down the road, with great historical possibilities.

Fourth, the situation in the Mideast that I have just referred to.

With all of these developments occurring, what we in the United States may be facing and may be confronted with—and this is something I guess we would all like to be confronted with—is an era in which we could have peace for a generation.

Now having said that, that will also carry with it enormous problems for this country—enormous problems because once you have peace, what do you do with it? How do you maintain it? How do you keep it?

Here I think that we have to be—as opinion leaders, in the South I would commend these thoughts to you as they have been commended to me by my advisers—here we must recognize that there will be no instant peace in any part of the world. Once these different relationships occur, if they do, if progress is made with the Soviet Union, later with China, the People's Republic, in the Mideast and in Vietnam and the rest, this does not mean that as a result of these developments that the differences between nations end, that their interests will be the same, and that the need for a continued, strong American presence in the world and strong defense will have evaporated.

On the contrary, we must recognize the fact that we are going to continue to have differences, very significant and deep differences with other nations in the world.

And looking again at a very difficult and explosive part of the world, the Mideast, no matter what kind of arrangement is made there, no matter what kind of an agreement is agreed to, because of the historical differences that have existed there for centuries, there is not going to be a period when people are going to have a relationship that can be a completely comfortable one.

But on the other hand, we are entering that period when there is a chance to have a live-and-let-live attitude,

a settlement of differences by peaceful means, peaceful competition, and so on down the road.

Now, what must the United States do in this period? First, it is almost a cliché to say that we must maintain our strength. That does not mean we maintain our strength out of any sense of jingoism, but it does mean we only reduce our strength on a mutual basis.

Now there are many well-intentioned people who constantly—whether in the Senate or sometimes in columns in the press or on radio and television—suggest that the way that the United States can demonstrate its interest in disarmament and thereby in peace, is to discontinue our ABM system, reduce our offensive capabilities in the nuclear area, and that that demonstration will lead others to do likewise.

That is not the way it will happen. In my view, wherever you have two nations, as you have in the Soviet Union and the United States; wherever you have two nations that are competitive, whose interests are different, where both mutually reduce their forces, that contributes to peace.

But where one or the other unilaterally reduces its force, and becomes very significantly weaker than the other, that enormously increases the danger of war. Therefore, the United States—and I would say the same if I were a leader of the Soviet Union—the United States does not serve the cause of peace by unilaterally reducing its forces without at the same time mutually negotiating a reduction on the part of the Soviet Union.

The Soviet Union leaders, I think, understand that. That has certainly been the way they have approached the problem. We understand their position. We do not expect them to reduce their forces unilaterally. We will not ours. So whether it is our forces of a conventional type in Europe, or whether it is our nuclear forces, offensive or defensive, the United States, it seems to me, serves the cause of peace by maintaining its strength and reducing that strength only as others who may have different interests reduce theirs.

The second point that I would make is on the economic field. We enter a period when it is enormously important that the United States not lose the position of economic leadership which it presently has in the world. I say presently. That position is being jeopardized. It is being jeopardized perhaps not so much because of our failings, although that may be partially the reason, but it is being jeopardized because the whole situation is changed, and we should be gratified in a sense, that it has changed, since World War II.

Take the two defeated nations of World War II, the two major ones, the Japanese and the Germans. At the present time they are our major competitors in the world, and as they compete and as they become more efficient, the United States finds that as far as its world markets are concerned, and as far as its markets in the United States are concerned, that Japanese competition, German, and as Britain enters the Common Market, European competition is going to be a continuingly more difficult problem.

THE PRESIDENT'S NEWS CONFERENCE OF JUNE 1, 1971

CHINA POLICY

Q. Mr. President, since April you have been considering policy studies on the China question, easing trade with China, and representation at the United Nations. Can you say where these stand now, please?

THE PRESIDENT. With regard to the United Nations question, a significant change has taken place among the members of the United Nations on the issue of admission of Mainland China. We are now analyzing that situation in consultations with the Republic of China on Taiwan and with third countries.

After we have completed our analysis, which I would imagine would take approximately 6 weeks, we will then decide what position we, the Government of the United States, should take at the next session of the United Nations this fall, and we will have an announcement to make at that time with regard to that particular problem.

A number of various options are open to us.

With regard to trade, the various agencies have now completed their review of the situation and have submitted their recommendations to me. And on June 10th. I will make an announcement releasing a wide variety of items which previously had been banned. These are all non-strategic items in which trade can be conducted with Mainland China.

Let me put all of this in context by saying that there are only two areas where we have moved. They are significant, however, in themselves. In the area of opening the door to travel and opening the door to more trade, we have made significant movement. I think what, however, we should realize is that we still have a long way to go.

As I recall, there is a Chinese proverb to the effect that a journey of a thousand miles begins with a single step. We've taken two steps, but the important thing is that we have started the journey toward eventual, a more normal relationship with Mainland China, and eventually, and this is vitally important, ending its isolation and the isolation of 700 million people from the rest of the people of the world. This we think is a goal well worth pursuing.

FOR IMMEDIATE RELEASE

JUNE 10, 1971

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

TEXT OF STATEMENT BY
THE PRESS SECRETARY

On April 14, the President announced that he would shortly open the possibility of trade between the United States and the Peoples Republic of China. That announcement followed a series of moves begun in 1969 to end the strict isolation between the United States and China. Today, President Nixon is announcing the details of the trade controls which he is now lifting.

The United States will permit the free export to China of a range of non-strategic U.S. products. These include most farm, fish and forestry products; tobacco; fertilizers; coal; selected organic and inorganic chemicals; rubber; textiles; certain metals such as iron, zinc and tin; agricultural, industrial and office equipment; household appliances; electrical apparatus in general industrial or commercial use; certain electronic and communications equipment; certain automotive equipment and consumer goods.

President Nixon has also decided to permit the free export of grains to China as well as to the Soviet Union and Eastern Europe. In the past, these exports have been governed by regulations that have hindered the export of grains to these countries.

The President has also decided that the Government will examine requests for the export of other items to the Peoples Republic of China, and permit those transactions which are consistent with the requirements of U.S. national security.

The U.S. will also permit for the first time commercial imports from China, while keeping the possibility of future controls on these imports if necessary.

President Nixon looks upon these measures as a significant step to improve communications with a land of 800 million people after a 20-year freeze in our relations. The President will later consider the possibility of further steps in an effort to reestablish a broader relationship with a country and people having an important role for future peace in Asia.

#

FOR IMMEDIATE RELEASE

JUNE 10, 1971

Office of the White House Press Secretary
-----THE WHITE HOUSE

The President announced today the first broad steps in the termination of U. S. controls on a large list of non-strategic U. S. exports to the People's Republic of China. In the future, a range of U. S. products listed on the attached sheet may be freely sold to China under open general export licenses without the need to obtain Department of Commerce permission for each specific transaction.

The items to be released from trade controls have been recommended by the NSC Under Secretaries Committee chaired by the Department of State. They include: most farm, fish and forestry products; tobacco; fertilizers; coal; selected chemicals; rubber; textiles; certain metals; agricultural, industrial and office equipment; household appliances; electrical apparatus in general industrial or commercial use; certain electronic and communications equipment; certain automotive equipment and consumer goods.

The President has also decided to terminate the need to obtain Department of Commerce permission for the export of wheat, flour and other grains, to China, Eastern Europe and the Soviet Union, suspending the 50% U. S. shipping requirement for these items.

Items not on the open general license list may be considered for specific licensing consistent with the requirements of U. S. national security. The Department of Commerce and other agencies will continue to review our export controls.

The President has also decided to permit all imports to enter from China under a general license, while retaining standby authority for future controls if necessary. Imports from the People's Republic of China will be subject to the tariff rates generally applicable to goods from most Communist countries. They will also be subject to the normal conditions governing our imports from all sources such as cotton textile controls and anti-dumping and countervailing duty legislation.

#

GENERAL LICENSE LIST
FOR
PEOPLES REPUBLIC OF CHINA

Food and live animals, including grains.

Beverages and tobacco.

Hides and skins.

Animal and vegetable oils and fats; oil seeds, nuts, and kernels,
and flour and meal thereof.

Crude natural rubber and certain synthetic rubbers.

Wood, lumber, and cork.

Pulp and waste paper.

Most textile fibers.

Manufactured fertilizers, except those closely related to explosives;
crude fertilizers and crude minerals such as sulfur, iron pyrites,
and natural asphalt.

Crude animal and vegetable materials.

Coal and coke, except gilsonite.

Selected organic and inorganic chemicals, including certain defoliants,
herbicides, pesticides and insecticides.

Most dyeing, tanning and coloring materials, printing inks and paint.

Medicinal and pharmaceutical products, with minimal exceptions.

Essential oils and perfume materials; toilet and polishing preparations
and cleansing preparations.

Miscellaneous chemical materials and products in general use.

Leather, leather manufactures and dressed fur skins.

Rubber manufactures, except military type tires, aircraft tires and tubes and other specialized commodities.

Wood and cork manufactures and paper and paperboard and manufactures thereof.

Textile yarn, fabrics and related products, except used or reject or reject fabric bearing design of U.S. flag or commodities made of strategic-type synthetics.

Common metals, ferrous and nonferrous including steel, iron, tungsten, lead, zinc, tin, titanium, chromium and manganese. Forms include ores, concentrates, nonferrous scrap, ingots, castings, bars, plate, shapes, wire and pipe.

Metal manufactures such as septic tanks, gas cylinders, containers, cables, fencing.

Certain agricultural and dairy machines, internal combustion engines, water turbines and engines, wheel tractors, and tillers and parts and accessories.

Certain office machines such as typewriters, checkwriters, calculators, accounting machines, duplicators, and parts and accessories.

Computers, certain low-grade analog and digital types.

Manually operated metal polishing and buffing machines, and portable pipe bending machines, and parts; certain foundry equipment.

Machinery for textile, pulp and paper, printing, food processing and glassworking industries.

Certain construction and maintenance equipment, such as road rollers, ditchers, trenchers, snow plows, plaster and concrete mixers, concrete and bituminous pavers, finishers, and spreaders, and parts and accessories.

Certain types of air conditioning and refrigerating equipment and compressors therefor; furnaces; furnace burners; stokers; bakery ovens; cooking and food warming equipment, and parts and accessories.

General purpose pumps, such as beverage, fuel, household water, service station, measuring and dispensing pumps for fuels.

Filters, purifiers, and softeners for water treatment, sewage disposal, and commercial and industrial engines, and parts.

Certain lifting, loading, and handling machines and equipment, such as industrial lift trucks and tractors, jacks, lifts, elevators and moving stairways, winches, and parts.

Weighing machines and scales, and automatic merchandising machines, and parts.

Sprayers and dusters for agricultural, industrial or commercial uses, and parts.

General industrial types of metallic and nonmetallic manufactures, such as cement and fabricated building materials, valves and regulators, and measuring and checking instruments.

Certain types of general industrial and commercial machines and mechanical appliances, such as power operated nonelectric hand tools, machines for working wood, ceramics and stone; and packing, wrapping, filling, and sealing machines.

Electrical apparatus in general industrial or commercial use, such as generators, transformers, circuit breakers, storage batteries, telephone and telegraph equipment, test equipment, and hand tools.

Certain electronic tubes, resistors, capacitors, transistors, and other electronic parts.

Home-type radio and television receivers, refrigerators, freezers, water heaters, washing machines, parts and accessories.

Medical and dental apparatus.

Automobiles and other road vehicles: passenger cars, rear axle drive; motor cycles, motor bikes and scooters; invalid carriages and certain trailers, and parts therefor.

Sanitary plumbing, and heating and lighting fixtures and fittings.

Consumer-type optical goods, certain laboratory instruments, surveying, and engineering instruments, certain photographic materials.

Watches, clocks, and parts.

Recording and reproducing equipment for voice and music only, dictating machines, phonographs, record players, musical instruments, and parts.

Consumer goods such as furniture, clothing, footwear, works of art, jewelry, silverware, printed matter, children's goods, office supplies, sporting goods.

Coins, not gold and not legal tender.

GENERAL LICENSE LIST FOR PEOPLE'S REPUBLIC OF CHINA

The following commodities will be placed under general license for export to the People's Republic of China upon publication of an Export Control Bulletin which is expected shortly. The commodities are listed by the Export Control Commodity Numbers that are used in the Commodity Control List 8399.1 of the Export Control Regulations.

Export Control Commodity Number and Commodity Description

- 0(1) and (2) Food and live animals, except inbred cereal grain seed.
- 1(1) Beverages, tobacco, and tobacco manufactures.
- 21(1) Hides, skins, and fur skins, undressed.
- 22(1) Oil seeds, oil nuts, oil kernels, and flour and meal thereof.
- 23(5) Crude natural rubber and similar natural gum; neoprene (polymers of chloroprene); alkyl polysulfide liquid rubber, n.e.c.; styrene-butadiene rubber and butyl rubber, and reclaimed rubber, waste, and scrap, thereof.
- 24(3) Wood, lumber, and cork.
- 25(2) Pulp and waste paper.
- 26(5) Textile fibers, not manufactured into yarn, thread, or fabrics, and their waste, except staple, not carded or combed, and continuous filament tow, wholly made of fluorocarbon polymers or copolymers; and used, obsolete, and reject materials bearing the design of any version of the flag of the United States of America.
- 27(5) Crude fertilizers and crude minerals (excluding coal, petroleum, and precious stones), except natural graphite; natural quartz; lithium ores and concentrates; celestite; gallium sesquioxide; lutetium oxide; strontium sulfate; strontianite; strontium carbonate; cerium ores; and other rare earth.
- 28(21) Terne plated scrap; and tin-plated scrap which has not been detinned.
- 28(21) Metalliferous ores and concentrates, as follows: antimony, bauxite and aluminum concentrates, chromium, cobalt, iron, lead, manganese containing over 10 percent manganese, platinum and platinum group, silver, tin, tungsten, vanadium, and zinc.
- 28(21) Non-ferrous base ash and residues, as follows: aluminum, lead, tin, and zinc.
- 28(21) Non-ferrous metal waste and scrap as follows: aluminum, lead, magnesium except as listed in entry No. 28(19), platinum and platinum group, silver, tin, and zinc (including zinc dust).
- 29(3) Crude animal and vegetable materials, n.e.c., except inbred forage sorghum seed; cinchona bark; pyrethrum; and rotenone-bearing roots, crude, ground, or powdered.

047/03

- 2 -

- 3(15) Coal, charcoal, and coke and briquets, except gilsocarbon coke or other coke derived from gilsonite; and petroleum coke.
- 4(2) Animal and vegetable oils and fats, except oils, boiled, oxidized, dehydrated, blown, or polymerized; and hydrogenated fats and oils, other than fish and fish liver oils, including unmixed and those that have not been further prepared for food purposes.
- 512(29) Coal tar and other cyclic chemical intermediates listed in 8399.2, Interpretation 24(a), except resorcinol and toluene.
- 512(29) Synthetic organic medicinal chemicals, in bulk, listed in 8399.2, Interpretation 24(a).
- 512(29) Rubber compounding chemicals listed in 8399.2, Interpretation 24(a).
- 512(29) Plasticizers listed in 8399.2, Interpretation 24(a).
- 512(29) Synthetic organic chemicals listed in 8399.2, Interpretation 24(a).
- 512(29) Miscellaneous industrial and other organic chemicals listed in 8399.2, Interpretation 24(a), except boric acid esters, bromomonochlorodifluoromethane, bromotrifluoromethane, chloropentafluoroethane, chlorotrifluoromethane, difluoroethane, diorgano siloxanes capable of being polymerized to rubbery products, monochlorodifluoroethane, monochlorodifluoromethane, tetrachlorodifluoroethane, tetrafluoromethane, and trichlorofluoromethane.
- 513(28) Inorganic chemical elements, oxides, hydroxides, peroxides, and halogen salts listed in 8399.2, Interpretation 24(a), except pyrographite (deposited carbon), mercury (quick-silver); oxygen, nitrogen, hydrogen, argon, and neon; chlorosulfonic acid; other zinc oxides, n.e.c.; and other iron, lead, manganese, and titanium oxides, n.e.c.
- 514(32) Inorganic chemicals listed in 8399.2, Interpretation 24(a), except refined borates, boron compounds and mixtures, niobium compounds, silicon carbide, tantalum compounds, tantalum-niobium compounds, titanium carbide, titanium tetrachloride, and titanium trichloride.
- 52(2) Mineral tar; ammoniacal gas liquors and spent oxide produced in coal gas purification; crude benzene, or pyridine; creosote; creosote oil distillates; dead oil; and resinous oil X-1.
- 53(7) Dyeing, tanning, and coloring materials, natural and synthetic; and pigments, paints, varnishes, and related materials, except those listed in entries No. 43(1) through (6).
- 54(5) Medicinal and pharmaceutical products, except those listed in entries No. 54(1) through (4).
- 55(2) Essential oils and perfume materials; and toilet, polishing, and cleansing preparations, except those listed in entry No. 55(1).
- 56(2) Manufactured fertilizers, except nitrogenous chemical fertilizers, n.e.c.; basic slag; potassium chloride, all grades, and those listed in entry No. 56(1).
- 57(7) Commodities classified under Schedule B Nos. 571.1100 through 571.4030, except hunting and sporting ammunition, n.e.c.; and parts, n.e.c.; and those listed in entries No. 57(1) through (6).

063/01

- 3 -

- 581(18) Polymers, copolymers, and their products, unfinished or semifinished, listed in §399.2, Interpretation 24(a), except polycarbonate resins, molding, and extrusion forms; polyethylene terephthalate film; and polypropylene film.
- 59(21) Chemical materials and products, n.e.c., listed in §399.2, Interpretation 24(a), except artificial and colloidal graphite, n.e.c.
- 61(1) Leather, leather manufactures, n.e.c., and dressed fur skins.
- 62(11) Rubber manufactures, n.e.c., except those listed in entries No. 62(1) through (10).
- 63(2) Wood and cork manufactures, excluding furniture.
- 64(1) Paper, paperboard, and manufactures thereof.
- 651(7) Textile yarn, roving, strand, thread, tire cord and tire cord fabric, except those listed in entries No. 651(1) through (6).
- 652(2) Fabrics, woven, except used or reject fabric bearing the design of any version of the flag of the United States of America.
- 653(8) Broad and narrow woven fabrics, except those listed in entries Nos. 653(1) through (7).
- 654(3) Narrow woven fabric, trimming, embroideries, and lace machine fabrics, except wholly made of fluorocarbon polymers or copolymers.
- 655(13) Felts and felt articles; bonded fiber and articles; coated or impregnated fabrics; elastic fabric; cordage, cable, rope, and twine and manufactures thereof; hat bodies; wadding and articles thereof; textile fabrics and articles used in machinery or plant; wicks; gas mantles except those containing thorium; and textile belts, belting, tubing, and hose; except those listed in entries No. 655(1) through (12).
- 656(7) Textile bags, sacks, made-up canvas goods, blankets, linens and other furnishing articles, and other made-up textile articles, n.e.c., except those listed in entries No. 656(1) through (6).
- 657(1) Carpets, rugs, linoleum and other floor coverings, and tapestries.
- 661(1) Lime, cement, building and monumental stone, asphalt and tar roofing, siding, and similar materials, building materials of vegetable substances agglomerated with mineral binding substances, and asbestos-cement or fiber-cement articles.
- 662(2) Heat insulating bricks, blocks, tiles, and other heat insulating goods of infusorial earths, kieselguhr, siliceous fossil meal, or similar siliceous earths; and other refractory and non-refractory construction materials, except those listed in entry No. 662(1).
- 663(17) Grinding and polishing wheels and stones, coated abrasives, worked mica and articles thereof, mineral insulating materials, articles of plaster, concrete, cement, stone, carbon or graphite, refractory products other than construction, asbestos manufactures, friction materials, and articles of ceramic materials, except carbon or graphite refractory products, n.e.c., and those listed in entries No. 663(1) through (16).
- 664(15) Glass and glassware classified under Schedule B Nos. 664.1300 through 664.9450, except other nonflexible fused fiber optic plates or bundles in which the fiber pitch (center to center spacing) is less than 30 microns, laminated or toughened safety glass for aircraft, and those listed in entries No. 664(1) through (14).
- 665(1) Articles of glass, n.e.c., classified under Schedule B Nos. 665.1110 through 665.8500.

063/02

- 4 -

- 666(1) Household ware, ornaments, and furnishing goods of porcelain, china, or ceramic materials classified under Schedule B Nos. 666.4000 through 666.6000.
- 667(5) Pearls, diamonds, quartz crystals, and other precious and semiprecious stones classified under Schedule B Nos. 667.1000 through 667.4020, except those listed in entries Nos. 667(1) through (4).
- 671(7) Spiegeleisen; pig iron, including cast iron; iron or steel shot, angular grit and wire pellets; iron or steel powders; sponge iron or steel; and ferroalloys, except those listed in entries No. 671(1) through (6).
- 672(5) Ingots and other primary forms, iron or steel, except those containing 6 percent or more cobalt, AISI type 309-S-Cb-Ta, or containing a total of 35 percent or more of alloying elements, other alloy steel coils for rerolling, and those listed in entries No. 672(1) through (4).
- 673(4) Bars, rods, angles, shapes, and sections, iron or steel, except those containing 6 percent or more cobalt, AISI type 309-S-Cb-Ta, or containing a total of 35 percent or more of alloying elements, and those listed in entries No. 673(1) through (3).
- 674(4) Uncoated plates and sheets, iron or steel, except those listed in entries No. 674(1) through (3), and (5); and tin mill products.
- 675(6) Carbon or alloy steel hoop, strip, and skelp, except AISI type 309-S-Cb-Ta, or containing a total of 35 percent or more of alloying elements; and those listed in entries No. 675(1) through (5).
- 677(3) Carbon or alloy steel wire, coated or uncoated, except glass to metal sealing alloy containing 6 percent or more cobalt, AISI type 309-S-Cb-Ta, or containing a total of 35 percent or more of alloying elements; and those listed in entries No. 677(1) and (2).
- 678(8) Cast iron pressure and soil pipe; welded, clinched, or riveted steel tubes and pipes; electrical and high pressure hydro-electric conduits, all steel grades; and iron or steel tube and pipe fittings; except tubes and pipes, nickel-bearing stainless steel, AISI type 309-S-Cb-Ta, or containing a total of 35 percent or more of alloying elements; forged steel pipe fittings having a pipe size connection greater than 19 inches o.d. and designed for a working pressure of over 300 psi as determined by American Petroleum Institute test; and those listed in entries No. 678(1) through (7).

051/03

- 5 -

- 679(3) Carbon and alloy steel or grey iron and malleable iron castings and forgings in the rough state, except AISI type 309-S-Cb-Ta, or containing a total of 35 percent or more alloying elements; and those listed in entries No. 679(1) and (2).
- 680(1) United States and foreign coins, all metals other than gold.
- 681(4) Silver-copper brazing alloy and silver leaf.
- 685(1) Lead or lead alloys, unwrought or wrought.
- 686(1) Zinc or zinc alloys, unwrought or wrought.
- 687(1) Tin or tin alloys, unwrought or wrought.
- 6894(7) Tungsten or tungsten alloys, wrought or unwrought, and waste and scrap, except those listed in entry No. 6894(1).
- 6895(19) Base metals and alloys, wrought or unwrought, and waste and scrap, of antimony, chromium, germanium, manganese, thermo bimetal, thermometal, thermostatic metal, and titanium, except those listed in entries No. 6895(1) through (18), and (20).
- 691(6) Finished structures and structural parts classified under Schedule B Nos. 691.1015 through 691.3040, except those listed in entries No. 691(2) and (3).
- 692(2) Metal containers for storage and transport, except those listed in entry No. 692(1).
- 693(5) Wire products other than insulated electric, except wire cable, rope, strand, and cord, stainless steel, suitable for aircraft.
- 694(1) Nails, screws, nuts, bolts, rivets, and similar articles of iron, steel, or copper.
- 695(5) Hand tools, cutting tools, dies, and machine knives and blades; and parts therefor; except those listed in entries No. 695(1) through (4).
- 696(1) Commodities classified under Schedule B Nos. 696.0310 through 696.0935.
- 697(1) Household equipment of base metals classified under Schedule B Nos. 697.1010 through 697.9300.
- 6981(1) Padlocks, door locks, hinges and other hardware of base metals, and parts therefor, classified under Schedule B Nos. 698.1110 through 698.1280.
- 6982(1) Insulated safes, vault doors, interior equipment for vaults, strong rooms and fittings, and strong boxes; and parts, therefor.
- 6983(1) Chains, iron or steel, and parts classified under Schedule B Nos. 698.3010 through 698.3040.
- 6984(1) Anchors, grapnels, and parts therefor.
- 6985(1) Commodities classified under Schedule B Nos. 698.5100 through 698.5300.

005/02

- 6 -

- 6986(2) Springs and leaves for springs, except those listed in entry No. 6986(1).
- 6988(16) Chains, copper or copper alloy, and parts; crown and canning closures; and metal plates, signs, and tags.
- 6989(29) Articles of iron, steel, and nonferrous metals listed in 8399.2, Interpretation 32(a), except castings and forgings of niobium, and electrical steel punchings.
- 711(24) Outboard motors, 15 horsepower and under; and internal combustion engines, 50 horsepower and under, except diesel, and engines for watercraft and automotive vehicles; water turbines and engines, except those listed in entries No. 711(23) and (23a); and parts and accessories, therefor.
- 712(8) Agricultural machines and appliances, except those with automatic transmissions; farm and industrial dairy machines; presses and crushers, beverage making; logging skidders; and wheel tractors under 125 power take-off horsepower, except military; and parts and accessories, n.e.c.
- 714(12) Typewriters, checkwriting, calculating, statistical, duplicating, and other office machines, n.e.c.; and parts therefor; except those listed in entries No. 714(1) through (6) and (9) through (11).
- 71510(15) Portable pipe bending machines; and metal-polishing and buffing machines, manually operated bench and floor types.
- 7152(3) Ingot molds for heavy steel ingots.
- 717(1) Machines for: extruding fibers; preparing and processing fibers into yarn; winding; weaving; knitting; producing trimmings, braids, net and similar articles; washing, cleaning, drying, bleaching, dyeing, dressing, or finishing textiles; commercial laundry, dry cleaning, pressing, and related equipment; household laundry equipment; shoe making and repairing; preparing, tanning, or working hides, skins, or leather; sewing machines and needles; and parts, n.e.c.
- 718(13) Machinery for making or finishing cellulosic pulp, paper, or paperboard; papercutting machines and other machines for the manufacture of articles of pulp, paper, or paperboard; bookbinding machines; type making and typesetting machines; printing machines; food processing machines; self-propelled road rollers; self-propelled ditchers and trenchers incorporating engines rated 60 horsepower or less; asphalt cutters; clay spades; dredging machines; dirt tampers; farm-type snow plows; briquetting presses; buggies; cutting machines; grout, plaster, or mortar mixers; and brick, tile, household ceramic, and concrete products manufacturing machines; standard equipment for the assembly of entertainment type receiver tubes or television tubes; glassworking machinery, except those listed in entries No. 718(10) through (12); and parts, n.e.c.
- 7191(31) Acetylene gas generating apparatus, unitized; oil and gas furnace burners; mechanical stokers and grates; ash dischargers; bakery ovens; carbon black furnaces; ice-making machines; soda fountain and beer dispensing equipment; air-conditioning and refrigerating equipment, n.e.c.; commercial type cooking and food warming equipment; dental, medical, surgical, and laboratory sterilizers and autoclaves; asphalt heating kettles; bituminous heaters; machines and equipment for processing by means of a

047/05

- 7 -

- change in temperature for paper, rubber, or food products industries; and parts, n.e.c.; except those listed in entries No. 7191(1) through (30).
- 7192(26) Pumps, compressors, blowers, and fans listed in §399.2, Interpretation 29(a), except centrifugal and axial flow compressors, horizontal balanced opposed reciprocating compressors, and gas engine driven integral angle reciprocating compressors; and parts and attachments, n.e.c.
- 7192(38) Centrifuges, separators, and filtering and purifying machines listed in §399.2, Interpretation 29(a).
- 7193(6) Construction jacks; drill jacks; pendant type overhead hoists; casket lowering devices; elevators and moving stairways; fishing boat winches; self-propelled logging vehicles; logging sulkies and arches; non-military type industrial tractors and lift trucks; industrial trucks, tractors, and portable elevators of a kind used for moving goods in plants, docks, and similar installations; automobile lifts; automotive and aircraft jacks; hand-operated mechanical or hydraulic jacks; farm elevators; and conveying equipment other than automated, the following only: gravity, overhead trolley pneumatic tube, portable, underground mine, loaders, and vibrators; and parts, n.e.c.
- 7194(1) Domestic food-processing appliances, refrigerators, freezers, and water heaters, non-electric; and parts.
- 7195(11) Machines for working asbestos-cement, ceramics, concrete, stone, and similar mineral materials, wood, cork, bone, ebonite, hard plastics, and other hard carving materials; and parts, n.e.c.; and parts for manually operated bench and floor type metal-polishing and buffing machines.
- 7196(4) Calendering machines and similar rolling machines; dishwashing, bottling, canning, packaging, wrapping, filling, and sealing machines; weighing machines and scales; sprayers and spraying equipment; automatic merchandising machines; railway track fixtures and fittings, n.e.c.; signalling and controlling equipment, mechanical, not electrically powered, for road, rail, water, or airfield traffic; and parts, n.e.c.
- 71980(29) Machines and mechanical appliances listed in §399.2, Interpretation 29(a)
- 7199(21) Molding boxes and molds other than ingot molds, except for artillery molding or casting; taps, cocks, valves, and similar appliances, except those listed in entries No. 7199(1) through (14); gaskets (joints), laminated metal and nonmetal material, or set of gaskets of two or more materials, except those listed in entries No. 7199(17) through (19); oil seal rings; and paddle wheels for watercraft; and parts, n.e.c.
- 722(30) Motors; generators; generating sets; rotating equipment; transformers; fluorescent ballasts; regulators; rectifiers; coils; reactors; chokes; power supplies; electrical apparatus for making, breaking, or protecting electrical circuits; industrial controls; connectors; resistors; potentiometers; current carrying devices; electrical control equipment for motors and generators for railway equipment; and parts, n.e.c., except those listed in entries No. 722(1) through (29).
- 723(16) Ignition harness and cable sets, automotive type; appliance cord sets and other flexible cord sets; electrical insulators, fittings, and conduit

005/04

- 8 -

- tubing and joints of base metal, with insulating materials, except fluoro-carbon polymers or copolymers; and insulating nickel wire of alloys composed of 50 percent or more copper, and alloys of chief weight copper, irrespective of nickel content, except fluorocarbon polymer or copolymer insulation.
- 724(23) Television broadcast receivers, whether or not combined with radio or phonograph, and parts, n.e.c.; television or radio tuners, chassis, and unassembled kits; household type radios including radiophonograph combinations, and parts, n.e.c.; automobile radios other than two-way radios, and parts, n.e.c.; telephone repeater equipment; microphones; audio frequency sound amplifiers; public address systems; loudspeakers; and untuned amplifiers having a bandwidth of less than 30 MHz and a power output not exceeding 5 watts; except those listed in entries No. 724(1) through (20).
- 725(1) Household type refrigerators, freezers, and washing machines; electro-mechanical household and commercial type appliances, n.e.c.; electric shavers and hair clippers; and electric household type cooking equipment and electro-thermic appliances, n.e.c.; and parts, n.e.c.
- 726(6) Electro-medical and electro-therapeutic apparatus, medical and dental X-ray and gamma ray equipment, and medical and dental apparatus based on the use of radiation from radioactive substances, except those listed in entries No. 726(1) through (5); and parts, n.e.c.
- 7291(2) Primary and storage batteries and cells, except electro-chemical and radioactive devices listed in entry No. 7291(1); and parts, n.e.c.
- 72920(6) Filament lamps (bulbs and tubes) up to and including 3/4 inch base; single coil tungsten filaments; filament bulbs over 3/4 inch, the following only: carbon, clear, frosted, incandescent, metal, photoflood, or projection; and parts, n.e.c.
- 72930(25) Electron tubes, solid state semi-conductor devices, and piezoelectric crystals; and parts, n.e.c., except those listed in entries No. 72930(1) through (24).
- 7294(3) Electrical starting and ignition equipment, except those listed in entries No. 7294(1) and (2); and motor vehicle lighting and signalling equipment, including wipers, horns, and defrosters; and parts, n.e.c.
- 7295(3) Other cathode ray oscilloscopes; and other electronic devices for stroboscopic analysis designed to be used in conjunction with an oscilloscope; except those listed in entries No. 7295(1) and (2).
- 7295(89) Electricity supply meters; and instruments, n.e.c. for measuring, analyzing, indicating, recording, or testing electric or electronic quantities or characteristics, except instruments, n.e.c., operating at frequencies of 300 MHz or less; and those listed in entries No. 7295(1), (2), and (4) through (88).
- 72960(1) Electro-mechanical hand tools; and parts.
- 7299(17) Electro-magnetic and permanent magnet chucks, clamps, vises, and similar work holders for metalworking machines and machine tools, except those listed in entry No. 7299(3); electric dental furnaces; infra-red and

005/05

- 9 -

- high frequency industrial ovens for biscuit baking; and parts, n.e.c.
- 7299(43) Railway and other electric traffic control equipment other than computerized types; electric lighting signal apparatus, except for aircraft; electric or electronic alarm and signal systems, including sound signal, except for aircraft; Capacitors for electronic applications, except those listed in entries No. 7299(29), (29a), and (30); other capacitors, except for aircraft; brush plates, electrical carbon brushes, and lighting carbons, except electrodes and electrical carbons, and those listed in entries No. 7299(19) through (25); resistor-capacitor assemblies and subassemblies, except those listed in entries No. 7299(30) through (32); and electric windshield wipers; and parts, n.e.c.
- 731(3) Parts for locomotives, except axles and wheels.
- 732(25) Passenger cars, except those having front and rear axle drive; motor-cycles; motor bikes; and motor scooters; and parts and accessories, n.e.c.
- 732(25) Parts and accessories, n.e.c., for (a) logging skidders, and (b) wheel tractors under 125 power take-off horsepower, except military.
- 733(4) Commodities classified under Schedule B Nos. 733.1100 through 733.4000, except those listed in entries No. 733(1) through (3).
- 734(14) Nonmilitary gliders, sailplanes, and other nonpowered aircraft, n.e.c., and balloons, except balloons listed in entry No. 734(8); and parts and accessories, n.e.c.
- 735(2) Buoys, all metals; pontoons for pipe lines, iron or steel; and fiber glass swimming pools, floating.
- 81(2) Commodities classified under Schedule B Nos. 812.1010 through 812.4320, except those listed in entry No. 81(1).
- 82(1) Commodities classified under Schedule B Nos. 821.0200 through 821.0885.
- 83(1) Commodities classified under Schedule B Nos. 831.0010 through 831.0050.
- 84(1) Commodities classified under Schedule B Nos. 841.1102 through 842.0200.
- 85(1) Commodities classified under Schedule B Nos. 851.0010 through 851.0090.
- 8611(9) Lenses and other optical elements for X-ray powder cameras; halftone glass screens; projection lenses; and optical elements, mounted, except non-flexible fused fiber optic plates and or bundles, optically worked, in which the fiber pitch (center to center spacing) is less than 30 microns; and those listed in entries No. 8611(1) through (8).
- 8612(1) Spectacles and goggles; and parts.
- 8613(4) Optical appliances, n.e.c., except those listed in entries No. 8613(1) through (3).
- 86140(8) Hand type still cameras, fixed focus; microfilming cameras; still camera stands; tripods; flash synchronizers; and X-ray powder cameras; and parts and accessories.
- 8616(2) Still picture photographic projectors, enlargers, and reducers, and parts, n.e.c.; photoscales (enlarger parts); microfilming equipment, n.e.c., photocopying equipment, as follows: office and document-copying machines, including but not limited to equipment employing the silver process, transfer process, thermographic process, and the electrophotographic or electrostatic process; and still picture equipment, as follows: analyzers, cutting boards, developing equipment, dry mounting presses, hangers, glass photo baths, print rollers, printing frames and masks, and shading machines; and parts therefor.

047/04

- 10 -

- 8617(4) Medical, dental, surgical, ophthalmic, and veterinary instruments and apparatus, other than electro-medical; and mechanical physical therapy appliances and respiratory equipment; and parts therefor; except those listed in entries No. 8617(1) through (3).
- 8618(1) Gas or liquid supply meters.
- 8618(4) Revolution counters, production counters, speedometers, and similar counting devices, not electric or electronic, except those listed in entries No. 8618(2) and (3).
- 8619(60) Parts and accessories, n.e.c., for meters, instruments, appliances, and devices included on this list under entry Nos. 7295(3) and (89), and 8618(1) and (4).
- 8619(61) Instruments, appliances, or machines, not electric or electronic, as follows: surveying, hydrographic, navigational, meteorological, hydrological, geophysical, compasses, rangefinders, laboratory balances, drawing, marking-out, calculating, drafting, measuring, checking, hydrometers and similar instruments, thermometers, pyrometers, barometers, hygrometers, and psychrometers; and parts therefor; except those listed in entries No. 8619(1) through (59) and parts therefor in entry No. 8619(60).
- 862(6) Prepared photographic chemicals, the following only: developers, except those listed in entry No. (1), fixers, intensifiers, reducers, toners, clearing agents, and flashlight materials; except photoresist formulations based on naturally occurring glues, gums, gelatins, albumens, shellacs, or lacquers.
- 864(1) Watches and clocks; and parts, n.e.c.
- 891(9) Magnetic recording and/or reproducing equipment designed for voice and music only; dictating machines; phonographs; record players; magnetic recording media designed for voice and music only; phonograph records and record blanks; musical instruments; and parts and accessories, n.e.c.
- 892(5) Commodities classified under Schedule B Nos. 892.1110 through 892.9850.
- 89300(14) Finished articles (other than laminates and unsupported film, sheet, and other shapes) of artificial plastic materials, n.e.c., except nonflexible fused fiber optic plates or bundles, and those listed in entries No. 89300(1) through (13).
- 894(3) Commodities classified under Schedule B Nos. 894.1010 through 894.5000, except those listed in entry 894(1).
- 895(1) Office and stationery supplies, n.e.c.
- 896(1) Works of art, collectors' pieces, and antiques.
- 897(3) Jewelry and goldsmiths' and silversmiths' wares, except platinum-clad molybdenum tubing.
- 899(6) Manufactured articles, n.e.c., except those listed in entries No. 899(1) through (5), and (7).
- 9(10) Live animals, n.e.c., including zoo animals, dogs, cats, insects, and birds; and coins, other than gold coins, not being legal tender.

047/06

-11-

Ideas and actions concerning China should be revised. Maybe they were once justified, but changes in the situation make it necessary to reconsider, to find ways to draw China in. This is the most important problem today.

I would also like to say something about China's aggressiveness. President Ceausescu clarified this. Asia has the greatest need for change economically and socially. Two continents, Africa and Asia, most need economic and social aid--they are very backwards. It is difficult for people today to go through all the stages we passed through. We must contain the problem of change and not let it develop into an international question.

The question of USSR-China relations is difficult to answer. They are clouded by violent polemics, differences in ideology. Both progress in different ways. There are a number of conflicts--problems which instead of cooling down were blown up. The U. S. policy of not getting involved is correct; interference can be justified only to stop conflict. The most serious danger to the world is USSR-China conflict.

Our impression is that as certain objectives have been attained, China is thinking of action to develop negotiations with other countries.

Nixon: When I became President I asked the Chinese to meet us in Warsaw, and they refused.

P. M. Maurer: Americans should know the Chinese better than that; they have a peculiar mentality. China's orientation toward developing relations should be taken advantage of.

Ceausescu: China is a serious problem, but don't forget that other than Japan, China alone has solved its problem of food for its people. One hundred dollars annually per capita are earmarked for development--this makes 17 billion dollars. A major program has been to assure more rapid development and progress of economy and industry. You saw India, even that government passed nationalization of banks. So these policies should not be an obstacle for you in developing relations with countries with different systems than yours.

-12-

The problem of ideology is not crucial in the USSR-China dispute. My observation is that the real issue is national--the Soviet reluctance to concede China its proper place in international affairs. Chinese will not play a second class role. We believe the Soviet Union's thinking will come to understand reality. We think that there will not be a war. Of course, the unexpected can happen. We are in agreement with what you have stated. We should do nothing to sharpen the conflict. The U.S. would have nothing to gain from this development.

Nixon:

I agree. I think you have played a proper role in this area by having relations with both; in the long run this is also our aim. With respect to our short run problems with China, we have taken actions like removing travel restrictions and allowing tourist purchases; we will take more in these areas. Frankly, if it serves your interest and the interest of your government, we would welcome your playing a mediating role between us and China.

Ceausescu:

It is not only our impression; we are certain of the reality of China's willingness to resume relations with other states. They have told us they will take actions to develop relations with other states. We must not look at public articles in the press but should take practical action. As to our willingness to mediate between the U.S. and China--the U.S. has every possibility to talk directly with the Chinese without mediation. I will say we shall tell our opinion to the Chinese, and of your opinion of this problem. We shall act to establish relations on the basis of mutual understanding.

Nixon:

It is getting late. If you wish we can meet again tomorrow for an hour. I want to tell you first about our Vietnam position. I'll put it in perspective by saying if the war in Vietnam is ended on the right basis it will open many doors for better relations for trade with Romania and relations with China as we discussed earlier. We look at Vietnam through different eyes but our aim is the same: to gain peace and end the war. The next three months will be critical; they will determine whether the war will be ended by peaceful negotiations.

Tomorrow I want to tell you confidentially what is going on, where we are, etc.

-13-

Ceausescu: This is an important problem; we have not discussed how we look at it. You and I talked about it in 1967 and our points seem the same. Our basic interest is a peaceful solution by negotiation. We will discuss this tomorrow.

Nixon: We can talk at dinner. My time is at your disposal. Tomorrow we can make it for an hour and a half.

Ceausescu: I agree and will make good use of dinner tonight.

In the light of recent events, it seems important to have a reliable channel for communication between our two Governments.

If the Government of the People's Republic of China desires talks that are strictly confidential, the President is ready to establish such a channel directly to him for matters of the most extreme sensitivity. Its purpose would be to bring about an improvement in US-Chinese relations fully recognizing differences in ideology. On the United States side, such a channel would be known only to the President and his Assistant for National Security Affairs, and would not be revealed to any other foreign country.

If you are interested in pursuing this proposal, initial contact should be made with the bearer of this communication, Major General Vernon A. Walters, the U.S. Defense Attache in Paris. Dr. Henry Kissinger, the President's Assistant for National Security Affairs, would be prepared to come to Paris for direct talks on US-Chinese relations with whomever might be designated by the People's Republic of China to explore the subject further.





DEPARTMENT OF STATE

Washington, D.C. 20520

7106420

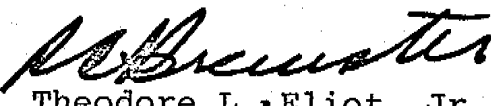
April 30, 1971

SECRET/NODIS

MEMORANDUM FOR MR. HENRY A. KISSINGER
THE WHITE HOUSE

Subject: Review of Contacts with PRC Officials
on Questions of US-PRC Relations Since
January 1969

In response to a request by General Haig, the enclosed chronology summarizes contacts with PRC officials since January 1969 on the subject of US-PRC relations.

for 
Theodore L. Eliot, Jr.
Executive Secretary

Enclosure:

Chronology with attachments.

SECRET/NODIS

SECRET/NODIS

Contacts with PRC Officials Concerning US-PRC Relations
that have Taken Place Since January 1969

A. Formal contacts between U.S. and PRC officials

The Warsaw Talks of January 20 and February 20, 1970 (Embassy Warsaw's reports on the Talks are attached).

B. Informal contacts

Nov 1969 -
Jun 1970

There were at least 10 instances in which U.S. Embassy officers, including military attaches, met PRC Embassy officials at social gatherings, with the Chinese taking the initiative to make the contact in four of these instances. The contacts occurred in such diverse places as Hong Kong, Rawalpindi, Dacca, Uganda, Moscow, Budapest, London, Paris, and Sweden. In only two instances, however, did the conversation go beyond social banter. These contacts mark a PRC departure from Chinese behavior earlier, when PRC officials abroad would break off as soon as possible any social contact they might have found themselves in with U.S. officials.

Dec 1969 -
Apr 1970

Our Deputy Consul General in Hong Kong, Harald Jacobson, made contact with the top NCNA official in Hong Kong, LI Chung, through an intermediary. (LI's immediate superior reportedly was PRC Vice Foreign Minister CH'IAO Kuan-hua.) Although Jacobson was not able to talk with LI directly, he received what were believed to be credible communications from LI that: (a) Although the complexity of Sino-U.S. differences would require many years to resolve the problems involved,

SECRET/NODIS

SECRET/NODIS

2.

some form of relations between Washington and Peking would be established before 1973. (b) The principal problem in Sino-U.S. relations was Taiwan; and that while the PRC understood the U.S. could not abandon the GRC and while it held Taiwan to be an internal Chinese problem, it objected to the USG's not having given some indication of its idea of how to resolve the Taiwan problem.

Dec 1969 -
Mar 1970

Dr. Thomas Manton, Director of the International Relations Department, United Church of Christ (and in addition as of early 1970 the General Secretary of the Committee for a New China Policy), claims to have discussed with PRC Embassy officials in Paris in December 1969 permission for a group of U.S. businessmen to attend the Canton Trade Fair as well as the question of improved US-PRC relations in general and PRC entry into the U.N. Manton, who is inclined towards the new left, said he covered the same ground with PRC Embassy officials in Ottawa in February 1970. Manton also organized an early March 1970 meeting of the Committee for a New China Policy (CNCP) held in Montreal, which was attended by a variety of U.S. academic Asian specialists as well as Harrison Salisbury of the New York Times. Also in attendance was Professor Paul T. K. Lin of McGill University in Montreal; Lin, who reportedly served as English secretary to CHOU En-lai until 1964, has until recently reputedly been the PRC's top unofficial representative in North America.

25X1,5X1

SECRET/NODIS

SECRET/NODIS

3.

25X1

Early 1970 - The Norwegian Government through its
present Ambassador to Peking (Algard) has provided us with an additional channel to clarify PRC intentions, particularly on Indochina, and to convey our views to the PRC. PRC Vice Minister CH'IAO Kuan-hua has indicated to Algard appreciation of flexibility in US China policy and Peking's desire to achieve better relations.

Apr 1971 Consulate General Hong Kong received tentative indications that PRC authorities in Hong Kong were willing to consider permitting two officers of the Consulate General to accompany a U.S. businessman to Canton to investigate a prospective business arrangement with a Canton firm for the export of edible marine products to the U.S. The Department decided not to proceed with the applications for visas for the Consulate General officers when we received intelligence on the U.S. businessman raising serious questions as to his bona fides.

SECRET/NODIS

SECRET/NODIS

4.

Apr 1971

Following the PRC invitation to our table tennis team and admission of several U.S. newsmen, Prince Sihanouk in a letter of April 11, 1971 to Senator Mansfield conveyed Premier CHOU En-lai's invitation for Senator and Mrs. Mansfield to visit Peking. (CHOU in mid-1969 had turned down Senator Mansfield's request to visit mainland China.)

SECRET/NODIS

ARRGRAM

POL CH/COM-45

ORIGIN/ACTION

S/S-O

RS/REP	REP	AF	ARA
EUR	FE	NEA	CU
INR	E	P	IO
L	FBO	AID	
AGR	COM	FRB	INT
LAB	TAR	TR	XMB
AIR	ARMY	NAVY	OSD
USIA	NSA	CIA	

Original to be Filed in _____ Decentralized Files.

FILE DESIGNATION

PRIORITY

SECRET/NODIS

A-25

HANDLING INDICATOR

NO.

TO : Department of State

5B

COPY NO. 1 SERIES A

FROM : Amembassy WARSAW

DATE: January 24, 1970

SUBJECT : Stoessel-Lei Talks: Report of 135th Meeting, January 20, 1970

REF :

NO DISTRIBUTION

The American side was met at the front door of the PRC Embassy by staff members and led to the second floor where the Charge, LEI Yang, and his staff were waiting. Both sides introduced themselves and there were handshakes all around.

Participants on both sides were:

United States

Ambassador Walter J. Stoessel, Jr.
Paul H. Kreisberg - Advisor
Donald M. Anderson - Interpreter
Thomas W. Simons, Jr. - Scribe

People's Republic of China

Charge d'Affaires Lei Yang
Li Chu-ching - Advisor
Ch'ien Yung-nien - Interpreter
Yeh Wei-lan - Scribe

The group then proceeded to a large conference room. Enroute to the conference room, interpreter Ch'ien explained to Anderson that the two sides would be seated as if at a meeting, and that the press would be permitted

GROUP 1. Excluded from automatic downgrading and declassification

SECRET/NODIS

FORM 10-64 DS-323

For Department Use Only

In Out

Date: _____
Init: _____

Drafted by: P.H. Kreisberg/D.M. Anderson

Drafting Date: 1/20/70

Phone No.:

Contents and Classification Approved by: AMB - Walter J. Stoessel, Jr.

Clearances: P.SIMONS, J.P. AMB

SECRET/NODIS

2
Warsaw A-25

to enter and make photographs. After the photo session, he explained, the group would move to a smaller room where the actual meeting would be conducted. It was agreed that, following past practice, it was the U.S. turn to speak first and that the Chinese side would propose the date for the next meeting. It was also agreed that we would continue the practice of having an informal meeting on the day following the formal meeting to discuss any technical problems which might arise during the meeting.

After moving to the smaller conference room, Lei Yang asked to say a few words before I began my opening statement.

Lei said:

Shall we start, Mr. Ambassador? (I nodded assent.) Mr. Ambassador, according to the agreement reached by our two sides, the 135th meeting of the Sino-US ambassadorial talks takes place today at the Chinese Embassy. In my capacity as chief of the Chinese mission, I welcome Mr. Ambassador to the Chinese Embassy. Since the Sino-US ambassadorial talks are being continued at your request, I would like to listen to your statement first at this meeting.

I said:

I wish to thank the Chargé d'Affaires for his words of welcome. Mr. Chargé d'Affaires, today marks the first opportunity for both of us to represent our respective governments in a formal meeting. In our informal conversations December 11 and January 8, however, I described to you the general spirit with which President NIXON has instructed me to approach this meeting today. I observed that the United States wished to improve relations between our two countries, that it did not seek to stand in isolation from China or to join in any condominium with the Soviet Union directed against China. Specifically, we do not support the Brezhnev doctrine.

It is my Government's hope that today will mark a new beginning in our relationship. It is our hope that together we can take a fresh and constructive look at the whole range of possibilities for the improvement of relations between our two countries. We hope to explore what practical steps we can take to eliminate many of the barriers to those understandings from which our two countries could mutually benefit. We do not deny that there are serious differences between our two Governments. But we believe that we should make every effort possible to overcome these and that it should be possible to make progress in this effort.

The United States intends to honor its commitments but the United States has no intention of attempting, either unilaterally or in concert with others, to exclude the People's Republic of China from developing normal, friendly relations with its Asian neighbors and pursuing its own legitimate national interests in this area. It is in this sense that I believe that whatever constructive

SECRET/NODIS

3

Warsaw A-25

contribution your Government can make toward reaching a just and equitable peace in the area and in easing the legitimate concerns of other Asian governments would contribute toward more rapid achievement of the goal of a reduction of military tension in the area and a reduced American military presence in Southeast Asia, which we recognize is near the southern borders of China.

We are prepared to discuss with you any proposals designed to improve relations and reduce tensions between our two countries. These might include agreements on trade, renunciation of the use of force, and matters related to disarmament. Other subjects for discussion might be the exchange of reporters, scholars, scientists, medical personnel and scientific information. As recently as November 25, 1968, your proposal for resumption of these meetings referred to the desirability of concluding an agreement on the five principles of peaceful coexistence. There may be other topics your Government would like to propose. Those I have mentioned are all specific areas in which we feel that early and meaningful progress can be achieved. Perhaps even more important, however, is achievement through our frank discussions at these meetings of understanding between our two governments on our objectives in Asia, their limits, and our mutual acceptance of the fact that improvement in our relations serves the interests of both our countries. It is my Government's sincere belief that substantive political dialogue can and should be a significant contribution toward this goal.

Since coming to office in January 1969, President Nixon has taken several actions that give concrete expression to our hope that barriers to normal intercourse between our two peoples can gradually be lowered. On July 21 of last year my Government eased its regulations on travel to the People's Republic of China and amended its long standing trade restraints. On December 19 a further and more significant amendment of our trade controls was announced. We are now prepared, should you be interested, to discuss the whole question of trade between our two countries and the settlement of outstanding debts and obligations.

Mr. Chargé d'Affaires. Without doubt the single most complex problem existing between our two sides is the question of Taiwan and the United States relationship with the Republic of China. The United States will continue to maintain its friendly relations with the Government in Taipei and honor its commitment to that Government to assist it in defending Taiwan and the Pescadores from military attack. However, the United States position in this regard is without prejudice to any future peaceful settlement between your Government and the Government in Taipei. Our only concern is that this issue not be resolved by force of arms. In this same spirit we will also not support and in fact will oppose any offensive military action from Taiwan against the mainland. The limited United States military presence on Taiwan is not a threat to the security of your Government, and it is our hope that as peace and stability in Asia

SECRET/NODIS

SECRET/NODIS

4
Warsaw A-25

grow, we can reduce these facilities on Taiwan that we now have.

Mr. Chargé d'Affaires. The problem of controlling weapons of mass destruction is a vital question for peoples of every country. The talks on disarmament started last year between the United States and the Soviet Union are not designed to perpetuate the nuclear monopoly of the United States and the Soviet Union or to threaten any other country. I made it abundantly clear in my statement to you of January 8, and the United States has stated as clearly as possible publicly, that it does not intend to interfere in the disputes of others or seek to gain advantage from them. We think disarmament is a matter of vital concern to the welfare of both our peoples and would welcome an expression of interest on the part of your Government in commencing bilateral discussions between our two governments on the subject.

My Government and the people of the United States welcomed the release December 7 of Bessie Hope Donald and Simeon Baldwin who inadvertently entered Chinese-claimed territorial waters while sailing from Hong Kong to Macau. There remains, however, the long-standing question of the remaining Americans being held in prison by your authorities. Anyone familiar with American people of all political views will agree that the question of United States citizens imprisoned or missing in China is one of great concern to them. Forward movement on this issue, through the release of those now held or, at minimum, through identification of those held and permission for visits by family members, would be a constructive move toward improved relations between our two countries.

Mr. Chargé d'Affaires. If as these talks progress it would seem to be useful and your Government would so desire, my Government would be prepared to consider sending a representative to Peking for direct discussions with your officials or receiving a representative from your Government in Washington for more thorough exploration of any of the subjects I have mentioned in my remarks today or other matters on which we might agree.

In any event, in closing, Mr. Chargé d'Affaires, I would like to restate once again my Government's hope that regular contacts between us can take place at frequent intervals and that these talks will enable us to move toward a new phase in Sino-American relations based on mutual respect.

This concludes my statement.

SECRET/NODIS

SECRET/NODIS

5

Warsaw A-25

Lei said:

Mr. Ambassador, in dealing with the question of relations between countries having different social systems, the Government of the People's Republic of China, following the principles of diplomatic policy personally set forth by Chairman MAO Tse Tung, has consistently stood for peaceful coexistence based on the principles of mutual respect for territorial integrity and sovereignty, mutual non-aggression, non-interference in the internal affairs of others, equality and mutual benefit, and peaceful coexistence. In pursuing these principles the Chinese Government has in the past twenty years established and developed normal friendly relations with many countries. These principles initiated by our Government have won active support and warm praise from all countries and peoples of the world who genuinely cherish peace. Only by strictly adhering to the five principles can peaceful coexistence be realized. If one country forcibly occupies the territory of another country, encroaches on its sovereignty, and interferes in the internal affairs of that country, how can one speak of peaceful coexistence? The People's Republic of China never will commit aggression or interfere in other countries, but on no account can it tolerate interference and aggression against China by other countries, wherever the interference and aggression may come from.

In your statement read out at our meeting on the 8th, Mr. Ambassador expressed the wish of the U.S. Government to widen the dialogue and contacts between us but failed to mention a single word about Taiwan. We must point out that there have long existed serious disputes between China and the U.S. and that the crux of these lies in the question of Taiwan. This question is a political one, having direct bearing on the five principles of peaceful coexistence. It is not a question of ideology. Taiwan is an inalienable part of China's territory; it is a province of the People's Republic of China. Both the Cairo Declaration and the Potsdam Declaration, to which the U.S. Government affixed its signature, explained that Taiwan and the Pescadores Islands should be returned to China. Even as late as January 5, 1950, the then U.S. President and Secretary of State still issued solemn statements recognizing that Taiwan is China's territory. Shortly afterward, in June 1950, the U.S. Government, using the Korean War as a pretext, dispatched the Seventh Fleet to Taiwan and the Taiwan Straits area, and has since been occupying the area by force of arms. An armistice in the Korean War was brought about as early as 1953. But not only has the U.S. Government failed to pull out its forces from Taiwan and the Taiwan Straits area, what is more, it signed in December 1954 the so-called Treaty of Joint Defense with the CHIANG Kai Shek clique, which has long been repudiated by the Chinese people, in an attempt to legalize by this treaty this occupation of Taiwan. Thereafter the U.S. Government has all along

SECRET/NODIS

SECRET/NODIS

6

Warsaw A-25

used Taiwan as a base for continuing to pose war threats against the Chinese people and to use it for maneuvers to carry out "two-China" or "one China-one Taiwan" activities in an attempt to separate Taiwan from China. Recently the U.S. Government still talked a great deal about pledging to honor its so-called treaty commitments to the Chiang Kai Shek clique and announced it would give the Chiang clique a batch of military planes. All of this constitutes interference and aggression against China. The Chinese people will assuredly liberate Taiwan; this is a question of China's internal affairs. The Chinese people absolutely will not allow any country to occupy Chinese territory and to interfere in its internal affairs. With regard to this question of important political principles, the position of the Chinese Government is firm and unswerving. All fond hopes that China will change its position are doomed to fail.

Mr. Ambassador, the talks between China and the U.S. have gone on for over ten years. In the course of these talks, the U. S. Government has invariably advanced an evasive attitude toward the questions of fundamental principles between the two countries and has confined itself to side issues, thus preventing the talks achieving results on fundamental issues between the two countries. Now that the U.S. Government wishes to increase the dialogue with our country and improve Sino-US relations, presumably the question of how to deal with the fundamental principles of the relations of our two countries is already under your consideration. The Chinese Government has always stood for the peaceful settlement of disputes between China and the U.S. through negotiations; it has done so in the past and is prepared to do likewise in the future. We would welcome studies and explorations on the fundamental question of how to settle relations between the two countries. We are willing to consider and discuss whatever ideas and suggestions the U.S. Government might put forward in accordance with the five principles of peaceful coexistence, therefore really helping to reduce tensions between China and the U.S. and fundamentally improve relations between China and the U.S. These talks may either continue to be conducted at the ambassadorial level or may be conducted at a higher level or through other channels acceptable to both sides. I have carefully listened to the statement the Ambassador just made. We will study it and set forth our views at the next meeting.

I said:

Mr. Chargé d'Affaires, I listened carefully and with interest to the views expressed by you in your statement. I noted in particular the position expressed by you concerning the problem of Taiwan. As I said in my statement today, the position of the U.S. on this

SECRET/NODIS

SECRET/NODIS

7
Warsaw A-25

subject is without prejudice to any future peaceful settlement between your Government and the Government in Taipei. Our only concern is that this issue not be resolved by force of arms, and I note from your statement that you also believe this issue should be settled peacefully. For this reason, I feel that we are in agreement that this problem should be resolved peacefully, and I believe that through such an approach we can make progress in solving our bilateral problems and improving our relations.

At this point, in my view, it would be advisable to report to our Governments what has been said today and to consider the subjects which might be taken up at our next meeting. Of course, we will be prepared to hear anything else today which the Chargé would wish to raise. If there is nothing more from your side, we would have nothing more and would be interested in suggestions from the Chargé as to when we would meet again.

Lei said:

Mr. Ambassador, I would only like to add a few points. With regard to Mr. Ambassador's proposal regarding sending a representative either to Peking or to Washington, I will transmit the proposal to my Government. As I already pointed out, the position of my Government on the question of Taiwan is very clear and known to everybody. The so-called treaty concluded by the U.S. and the Chiang Kai Shek clique is not recognized by the whole Chinese people. And I must point out that Taiwan is not a state; it is part of the People's Republic of China. Mr. Ambassador must be aware that there is only one China: this is the People's Republic of China. If Mr. Ambassador has nothing more to say, may I make a proposal for the date of our next meeting?

I said:

I have heard with attention what you have said. I understand your views concerning Taiwan, and I hope that you have understood the point of view that I have presented in my statement. I will report to my Government everything you have said today, including what you mentioned regarding meetings at a higher level. I believe the Chargé also mentioned that the meetings might be in another channel, and I would like to inquire what might be involved. Any explanation from the Chargé would be useful.

Lei said:

Concerning the question of the Chinese territory of Taiwan, which Mr. Ambassador has mentioned, I have already explained in clear

SECRET/NODIS

SECRET/NODIS

8

Warsaw A-25

terms the position of my Government. Therefore I would not like to repeat them. Mr. Ambassador also mentioned the question of talks at a higher level or through other channels. If the U. S. Government is interested in talks at a higher level or through other channels, you may put forward your draft proposal, or a draft proposal may be worked out through consultation of the two sides at these ambassadorial talks. If Mr. Ambassador has nothing more to say, may I make a proposal for the date of the next meeting? I propose that the date of the next meeting be decided on later through consultation via the liaison personnel of our two sides. Mr. Ch'ien will be liaison officer of our side.

I said:

I accept, and I look forward to meeting again at an early date. Our liaison man will be Mr. Simons.

Lei said:

Well, shall we conclude our meeting today?

I said:

We always have the question of the press. (Lei and Ch'ien chuckled when they heard the statement in interpretation.) There are many press people today outside your Embassy. I would plan to say when they question me that "Chinese Chargé d'Affaires Lei Yang and I met for one hour today and discussed a number of matters of mutual interest. By mutual agreement, however, our discussions and the topics we covered are held in confidence. No specific date was set for the next meeting but it is agreed that we would be in touch at an early date to consider this question further. The meeting was conducted in a businesslike atmosphere. (Ch'ien clarified the word "business-like" to Lei during interpretation.) We are pleased that these talks have been renewed today and I believe today's meeting was useful." This is all I would say to the press.

Lei said:

Mr. Ambassador, on the question of releasing news to the press, we can act on past practice, each side releases its own news to the press.

I said:

Agreed.

SECRET/NODIS

SECRET/NODIS

9
Warsaw A-25

Lei said:

That's all.

I said:

I thank the Chargé for his hospitality.

STOESSEL

WS

SECRET/NODIS

MEMORANDUM

28131

NATIONAL SECURITY COUNCIL

SECRET

INFORMATION

May 4, 1971

MEMORANDUM FOR: GENERAL HAIG ←

FROM: JOHN H. HOLDRIDGE JHH/dh

SUBJECT: Review of Contacts with PRC Officials
on Questions of US-PRC Relations
Since January 1969

In response to your request, please find at Tab A a chronology prepared by State summarizing contacts with PRC officials on the subject of US-PRC relations since January 1969.

*WJH
copy given
to WLord
5-6-71*

SECRET

AIRGRAM

577
Pol Chicom-4.5

REP	AF	ARA
FE	NEA	CU
E	P	IO
FBO	AID	
COM	FRB	INT
TAR	TR	XMB
ARMY	NAVY	OSD
NSA	CIA	

Original to be Filed in _____ Decentralized Files.

FILE DESIGNATION: A-84

PRIORITY: SECRET/NODIS

HANDLING INDICATOR: TO

Office of Asian Affairs, Department of State
 FEB 24 1970
 DEPARTMENT OF STATE

GROUP 1. Excluded from automatic declassification and downgrading and declassification in 1970

RS/AN ANALYSIS BRANCH
 DATE: February 21, 1970

FROM : Amembassy WARSAW

SUBJECT : Stoessel-Lei Talks: Report of 136th Meeting, February 20, 1970

REF :

NO DISTRIBUTION

SUGGESTED DISTRIBUTION

POST ROUTING			
TO:	Action	Info.	Initials
AMB/PO			
DCM			
POL			
ECON			
CONS			
ADM			
AID			
USIS			
FILE			

Action Taken:

Initials:

The American side met the Chinese side in the lobby of the American Embassy. The two principals shook hands and, after the two sides had stood briefly to allow press photography, proceeded together by elevator to the Embassy fourth floor and to the conference room.

Participants on both sides were:

United States

- Ambassador Walter J. Stoessel, Jr.
- Paul H. Kreisberg - Advisor
- Donald M. Anderson - Interpreter
- Thomas W. Simons, Jr. - Scribe

People's Republic of China

- Chargé d'Affaires Lei Yang
- Li Chu-ching - Advisor
- Ch'ien Yung-nien - Interpreter
- Yeh Wei-lan - Scribe

Enroute to the conference room, Anderson told Ch'ien that I would like to invite the Chargé to have a cup of tea in my office following the formal meeting. Ch'ien passed the word to Lei Yang as they were taking off their coats, but he did not respond to the question.

SECRET/NODIS

2
Warsaw A-34

I opened the meeting.

I said: Mr. Chargé, I am pleased to welcome you today to the American Embassy and would be very glad to hear any statement you wish to make.

Eoi said: First of all I would like to thank Mr. Ambassador for your words of welcome.

Mr. Ambassador. At the 135th meeting, you formally stated that the United States Government wishes to improve Sino-US relations and to relax the tensions between the two countries. You also said that every effort possible should be made to overcome the serious difficulties existing between the two countries and that you looked forward to progress in this respect. The Chinese Government expresses its welcome to these indications from the United States Government. The Chinese Government has all along stood for conducting relations with countries of different social systems in accordance with the Five Principles of Peaceful Co-existence and for settlement of disputes between China and the United States through peaceful negotiation. As far back as 1955 we openly declared that the Chinese people are friendly to the American people. The Chinese people do not want to have a war with the United States of America. The Chinese Government is willing to sit down and enter into negotiations with the United States of America to discuss the question of relaxing tensions in the Far East, and especially to discuss relaxing tensions in the Taiwan area. This is what we have done consistently in the past fifteen years, and we are prepared to continue to do so in the future. The United States should be aware of this position of the Chinese Government.

We noted that in Mr. Ambassador's statement of January 20, you did not evade the crucial question in Sino-US relations. You referred to the question of concluding an agreement on the Five Principles of Peaceful Coexistence and dwelt upon the Taiwan question in some detail, admitting that this is the single most complicated problem in the relations between the two countries.

But at the same time you listed a series of other questions which you considered could be discussed, among which were not only questions concerning relations between the two countries but some international questions, and among the questions concerning relations between the two countries some were side issues. In this way, primary and secondary are confused and essential and non-essential are reversed. Thus the crucial question in the relations between the two countries is blurred.

SECRET/NODIS

SECRET/NODIS

Warsaw A-34

3

We have consistently held that the question of fundamental principle in the relations between the two countries should first of all be solved and that is the Taiwan question, which is related to the Five Principles of Peaceful Coexistence. Only when this question is solved can fundamental improvement be brought about in Sino-US relations and the settlement of other questions be promoted. We are fully aware that the settlement of the Taiwan question requires making every effort to create the conditions.

The Sino-US ambassadorial talks which had been suspended for two years have now been resumed. In your statement at the first meeting, you expressed the hope that this would mark a new beginning. We also wish the same. However, we cannot but point out with regret that on the crucial Taiwan question there has still not been much change in your basic position. While indicating your wish to improve relations with the People's Republic of China, you declared that you intended to maintain "friendly" relations with the Chiang Kai Shek clique long overthrown by the Chinese people. While expressing willingness to discuss with us the Five Principles of Peaceful Coexistence, you declared your intention to honor the so-called "commitment" to the Chiang Kai Shek clique. Is this not self-contradictory? Although in your statement at the previous meeting you said that you considered the Government of the People's Republic of China has the right to settle the Taiwan question as its own internal affair, you still do not give up the position of creating "two Chinas" or "one China, one Taiwan", and you are very clear that this is what the entire Chinese people absolutely will not accept.

In order to resolve this important contradiction "more thorough exploration is indeed necessary", as said by Mr. Ambassador at the first meeting. There are certain difficulties in undertaking this task in the ambassadorial talks between the two countries. It appears that our two sides have both foreseen this situation. At the first meeting both came forward separately with the same view, that talks at a higher level might be held, and you went even further putting forward the idea of sending a representative to Peking or to Washington for discussion. If the U. S. Government wishes to send a representative of ministerial rank or a special envoy of the United States President to Peking for further exploration of questions of fundamental principle between China and the United States, the Chinese Government will be willing to receive him.

SECRET/NODIS

SECRET/NODIS

4
Warsaw A-84

Mr. Ambassador. I would like to emphasize once again the importance of settling the crucial question between China and the United States. Once a way to settle this question is found, the way will be paved for the settlement of other questions. As for the side issues in relations between the two countries, they are not difficult to solve. For instance, with regard to questions of U.S. criminals in China which you mentioned in your statement at the last meeting, customary practice can be followed, packets and letters can be transmitted, and visits by family members can be arranged through the Red Cross societies of the two countries, and this can still be done in the future.

That's all I have to say.

SECRET/NODIS

SECRET/NODIS

5

Warsaw A-84

I said: Mr. Chargé d'Affaires, the views of your Government, which you expressed at our meeting on January 20, have been given careful consideration at the highest level of my Government. I have listened with great interest to your remarks here today. I feel, as I suggested at our last meeting, that in spirit the views of our two governments on a number of issues may be closer now than they have been since these talks first began in 1955. I sincerely hope this is the case.

At our meeting on January 20 and again today, Mr. Chargé d'Affaires, you have emphasized the importance to your Government of the question of Taiwan and the necessity for some progress toward the resolution of this issue as part of any general improvement of Sino-US relations. The question of Taiwan is, without doubt, a major obstacle to better relations between our two governments, and we hope that as these meetings progress we will be able to arrive at some meeting of minds on this subject. My Government feels, however, that in our discussions we can and should move forward simultaneously, not only on the question of Taiwan, but also on the whole range of bilateral issues between our two countries. Progress on some such issues can be expected to contribute toward further progress on others. We have a problem of atmosphere, of building of confidence. This is essential to the easing of tensions and in turn, will contribute to a more rapid resolution of the more fundamental problems between us.

Mr. Chargé d'Affaires, let me state as clearly and as frankly as possible our position on the question of Taiwan. It is my Government's position that the question of the relationship between Taiwan and the mainland of China is one to be resolved by those directly involved. While we will continue to adhere to the principle that the resolution of this question should be by peaceful means, without resort to the threat or use of force, we do not intend to interfere in any peaceful settlement of the Taiwan question which might be reached between the People's Republic of China and the government in Taipei. Our relationships with the Republic of China are consistent with that position. The limited United States military presence in this area is not designed to influence the political settlement of this problem nor is it a threat to the security of the People's Republic of China. Furthermore, it is my Government's intention to reduce those military facilities which we now have on Taiwan as tensions in the area diminish. I believe my Government's position on this

SECRET/NODIS

SECRET/NODIS

6
Warsaw A-34

question is consistent with the Five Principles of Peaceful Coexistence, and my Government is willing, should you agree, to discuss with you a joint declaration incorporating the principles which I have discussed and affirming our two governments' adherence to the Five Principles of Peaceful Coexistence.

Mr. Chargé d'Affaires, at our meeting on January 20 you stated that your Government is willing to consider and discuss whatever ideas and suggestions my Government might put forward in accordance with the Five Principles of Peaceful Coexistence, therefore really helping to reduce tensions between China and the United States.

I will not review again today all the proposals which I mentioned in my statement of January 20 on which my Government feels that meaningful progress can be made. I would, however, like to mention one or two specific matters relating to the question of greater contacts between our two peoples. As you know, my Government has progressively eased its regulations on travel to the People's Republic of China which were imposed in 1950. On March 15 of this year these regulations must again either be renewed or abolished. We are seriously considering their non-renewal in the hope that this will contribute to freer contact between the people of our two countries.

Similarly, my Government has amended its regulations governing trade with the People's Republic of China, permitting at least the beginning of an exchange of goods between our two peoples. The United States believes that further amendment of our controls on trade should be possible in the near future. An expression of interest on your part in improving and developing contacts in such areas would be noted with great interest by my Government and the American people.

Mr. Chargé d'Affaires, as you know, in December of 1950 my Government and the Government of the People's Republic of China both took action to block the financial assets of the other country's citizens. The effect of these actions has been to prevent the development of trade and the settlement of obligations legitimately owed to the other side. Your Government in the past has expressed interest in resolving these questions. I am prepared, should you be interested, to discuss arrangements for the expansion of trade in general and for the settlement of all debts between our two countries, including the unblocking of those

SECRET/NODIS

SECRET/NODIS

7
Warsaw A-84

financial assets now controlled by both sides.

Mr. Chargé d'Affaires, at our meeting on January 20 I indicated the importance with which the American people view the question of United States citizens who are either missing or held prisoner in China. I want to emphasize again that progress on this issue would be taken as a welcome sign that our two countries have moved away from the old hostilities of the past and have moved toward a new and more constructive relationship. For example, in those cases where an American has nearly completed his prison sentence, it would be a small but significant step if your Government could arrange to commute the short period which still remains and enable him to return to the United States. The families of Americans who are missing in the area of China inquire regularly about the fate of these men. Simple confirmation of whether they are alive or dead would be greatly appreciated.

In conclusion, Mr. Chargé d'Affaires, I would like to express my Government's pleasure that this series of ambassadorial-level meetings has been resumed and that we have met again after only one month. As I indicated in our previous meeting, the United States is prepared to consider with you the possibility of sending a representative to your country or receiving your representative in the United States, should progress at these talks indicate that this would be useful in improving relations between our two countries. I have noted your specific statement today, about receiving a representative in Peking, and I will transmit it to my Government. As you know, it is my Government's view that these exchanges can make a valuable contribution toward the gradual resolution of the problems between our two countries. I believe we have made a useful start, and I hope that we will be able to make further progress based on a spirit of mutual understanding.

SECRET/NODIS

SECRET/NODIS

8
Warsaw A-34

Lei said: Mr. Ambassador. I have listened to your statement carefully. On the question of Taiwan, I have clearly set forth the position and attitude of our Government in my statement made at our first meeting as well as in my statement today. I will therefore not repeat them again. As regards your statement today, I will report this to my Government. I am not prepared to make any comment on such concrete questions as trade, exchange of personnel, exchanges of visits by personnel of our two countries, that you have mentioned today. That's all.

I said: Mr. Chargé. I noted that you referred in your statement to the question of letters, packages, and visits by family members to prisoners in China. This of course is welcomed as a continuation of your policies of the past. However, unfortunately this does not carry us any further beyond the present situation.

Mr. Chargé d'Affaires, in my statement today I mentioned the question of prisoners who have nearly completed their sentences and those Americans missing in the area of China. I would like to mention specifically two persons as examples of the type of cases we have in mind. Robert Fecteau, who was captured by your authorities in 1951, has nearly completed the twenty years to which he was sentenced, and the wife of Lt. Joseph Dunn, whose plane was shot down near Hainan Island, frequently asks about his fate. I hope that your Government will give sympathetic consideration to the view I have set forward on those cases, as well as to the more general problem posed by other Americans either imprisoned or missing in China.

Mr. Chargé, on another question, I would like to ask a question for clarification. You mentioned higher-level meetings. Is it your understanding and preference that a higher-level meeting would replace our ambassadorial-level meetings, or would you envisage that we would continue our ambassadorial-level meetings in preparation for any higher-level meeting in the future?

That's all.

Lei said: I am not prepared to make any further comments today on the question of American prisoners in China. But I will report what Mr. Ambassador has said today on this question to my Government.

As regards the question of meetings at a higher level, which Mr. Ambassador has referred to in your statement, I have

SECRET/NODIS

SECRET/NODIS

9
Warsaw A-84

already indicated our position very clearly in my statement today (sic), but I will be interested in listening to any ideas Mr. Ambassador has on this question.

If on this question, that is, meetings at a higher level, if Mr. Ambassador has any ideas or any suggestions; I'll be ready to report them to my Government.

I said: On the question of higher-level meetings, we naturally would like to provide the U. S. Government with as clear an idea as possible of what you have in mind. For example, one question which might arise concerning such a meeting is whether such a visit would be given publicity or would be maintained in confidence. Any other indications from your Government as to your views would be appreciated. However, if you are not able to add today to what you have said on this subject, I will report to my Government what you have stated.

Lei said: Well, Mr. Ambassador, I have nothing more to say today.

I said: Mr. Chargé, would you like me to make a suggestion with regard to our next meeting.

Lei said: Yes, please.

I said: I would suggest that we handle the question the same way as last time, that is that our liaison officers are to be in touch with regard to our next meeting, which would be at your Embassy.

Lei said: I agree to Mr. Ambassador's suggestion regarding the date for our next meeting, that is, that the date would be discussed and decided on later by our liaison personnel. Since this time our side proposed the date, it would be your turn to propose the date for the next meeting.

I said: We agree.

Mr. Chargé, again with regard to the press, I suggest that we handle the press the same way as last time.

Lei said: Yes. I agree.

I said: Mr. Chargé, I think we are finished with official business for today, and would like to invite you for tea in my office next door.

SECRET/NODIS

SECRET/NODIS

10
Warsaw A-84

(Lei began to answer before the interpretation. Ch'ien reminded him of the need to await the interpretation. Anderson asked Lei whether he had understood everything. He replied -- laughing with some embarrassment -- that he had but nonetheless invited Anderson to interpret.)

Lei said: I thank you for your invitation, but since I already have appointments, that question of having a cup of tea can be settled through our liaison personnel. We can find some other time. I will let you know. Thank you for the concrete arrangements for this meeting and for your hospitality. Goodbye.

(On departing, Lei made a brief statement, interpreted into English by Ch'ien, to the press in the lobby. It noted that the 136th ambassadorial-level meeting had taken place here today and that the two sides would be in touch concerning the date of the next meeting.)

STOESSEL

VS7