T O P S E C R E T 180122Z AUG 72 VIA BUNKER CHANNELS

TOHAK 65

FROM: SITUATION ROOM

TO: PETER RODMAN FOR DR. KISSINGER

CITE: WHS 2138

TO: MR. KISSINGER

FROM: ALEXANDER M. HAIG. JR.

SUBJECT: RECENT DEVELOPMENTS IN SINO-JAPANESE RELATIONS AFFECTING

THE NORMALIZATION NEGOTIATIONS

FOLLOWING IS A SUMMARY OF RECENT STATE REPORTS ON DEVELOP.

MENTS IN SINO-JAPANESE RELATIONS AFFECTING THE PROCESS OF

POLITICAL NORMALIZATION BETWEEN THE TWO COUNTRIES. THIS MATERIAL

HAD BEEN PUT TOGETHER BY DICK SOLOMON AND JACK FROEBE.

CHOU EN-LAI CONVERYS AIR OF FLEXIBILITY TO JAPANESE LEADERS

CHOU EN-LAI APPARENTLY HAS COMMUNICATED HIS GENERAL POSITION ON THE NEGOTIATIONS TO NORMALIZE SINO-JAPANESE RELATIONS TO THE TANAKA GOVERNMENT VIA KOMEITO PARTY CHAIRMAN TAKEIRI, WHO VISITED PEKING BETWEEN JULY 25 AND AUGUST 3. TAKEIRI HELD MORE THAN TEN HOURS OF TALKS WITH PREMIER CHOU.

ON-FILE NSC RELEASE

State Dept. review

25X1

CHOU'S POSITION, AS RELAYED THROUGH THIS INTERMEDIARY, WAS THAT JAPAN AND THE PRC SHOULD SIGN A TWO PART AGREEMENT, ONE PART PUBLIC, AND ONE PART SECRET. THE PUBLIC DECLARATION WOULD INCLUDE THE FOLLOWING POINTS:

- -- JAPAN AND THE PRC WOULD ANNOUNCE THEIR INTENTION TO OPEN DIPLOMATIC RELATIONS.
- --THE PRC WOULD UNILATERALLY ANNOUNCE THAT IT ACKNOWLEDGED THE END OF A STATE OF WAR WITH JAPAN, AND THAT IT CLAIMED NO WAR REPARATIONS.
- --JAPAN WOULD ACKNOWLEDGE THE PRC AS THE SOLE, LEGITIMATE
 GOVERNMENT OF CHINA, ACCEPT THE FIVE PRINCIPLES OF PEACEFUL
 COEXISTENCE, AND MAKE SOME SORT OF STATEMENT DEALING WITH THE
 JAPAN-REPUBLIC OF CHINA PEACE TREATY (PRESUMABLY DECLARING ITHVL
 RZNGER IN EFFECT).

CHOU ADDED THAT IT MIGHT BE POSSIBLE TO CONCLUDE A FORMAL TREATY OF PEACE AND FRIENDSHIP WHICH COULD INCLUDE ECONOMIC AND TRADE AGREEMENTS.

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MORI/CDF C03353150

CHOU AND Objection to Declassification in Part 2012/12/17: LOC-HAK-504-7-21-1 NO INTENTION OF RAISING QUESTIONS OF MAKING STATEMENTS ABOUT THE US-JAPAN MUTUAL SECURITY TREATY. CHOU ALSO REQUESTED THAT TAKEIRI TELL PRIME MINISTER TANAKA AND FOREIGN MINISTER OHIRA THAT WISHED TO RECEIVE THEIR VIEWS ON HIS PROPOSALS AND THAT FROM NOW ON HE WANTED TO DEAL WITH THEM DIRECTLY, RATHER THAN THROUGH INTERMEDIARIES FROM OPPOSITION PARTIES.

THE JAPANESE FOREIGN OFFICE OFFICIAL WHO RELAYED THIS INFORMATION TO OFFICERS OF OUR TOKYO EMBASSY EXPRESSED THE VIEW THAT CHOU'S POSITION REVEALED CONSIDERABLE FLEXIBILITY IN THE PRC'S POSITION. SUCH FLEXIBILITY WAS ALSO INFERRED FROM REPEATED RECENT FAILURES ON THE PART OF CHINESE LEADERS TO RAISE PUBLICLY THE THREE PRECONDITIONS FOR NORMALIZATION WHICH HAD BEEN STRESSED SO MUCH DURING PRIME MINISTER SATO'S TENURE.

IN RECENT PUBLIC STATEMENTS THE TANAKA GOVERNMENT HAS MADE CLEAR BOTH THE IT INTENDS TO BREAK DIPLOMATIC RELATIONS WITH TAIPEI AND THAT IT WILL NOT PREJUDICE ITS RELATIONS WITH THE U.S. IN NORMALIZING ITS DEALINGS WITH PEKING, MOST IMPORTANTLY ITS OBLIGATIONS UNDER THE MUTUAL SECURITY TREATY. IT HAS CAREFULLY LEFT AMBIFUOUS THE QUESTION OF ABROGATING THE 1952 ROC-JAPAN PEACE TREATY, STOPPING AT STATING THAT IT "FULLY UNDERSTANDS" THE PRC POSITION ON THIS POINT. (NEVERTHELESS, IN VIEW OF CHOU'S INDICATED FLEXIBILITY ON THIS ISSUE IT

DOES NOT SEEM THAT THIS SHOULD BE A MAJOR STICKING POINT.)

No Objection to Declassification in Part 2012/12/17: LOC-HAK-504-7-21-1

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THAT JAPAN HAD ASKED THE PRC TO RECEIVE EARLY IN SEPTEMBER AN ADVANCE JAPANESE NEGOTIATING TEAM COMPOSED OF LDP LEADERS AND FOREIGN OFFICE OFFICIALS. THE OFFICIAL INDICATED, HOWEVER, THAT THE DELEGATION WOULD PROBABLY BE LARGE, AS MANY LDP LEADERS, FACING THE PROSPECT OF AN EARLY ELECTION, WOULD WANT TO PARTICIPATE. THIS OBVIOUSLY COULD SERIOUSLY REDUCE THE EFFECTIVENESS

OF THE PREPARASORYNYY. -"39: K587!\$";50. #5&9

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HE PREPARATORY GROUP'S WORK, AND COULD MAKE IT VULNERABLE TO PRC DIVISIVE TACTICS.)

THESE REPORTS CONFIRM OTHER INDICATIONS SINCE TANAKA'S ACCESSION OF THE PRC'S EAGERNESS TO MOVE SWIFTLY IN NORMALIZING RELATIONS, AS WELL AS THE TANAKA GOVERNMENT'S RECOGNITION OF THE MUCH STRONGER POSITION THAT JAPAN IS NOW IN AS IT APPROACHES THE NEGOTIATIONS.