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January 17, 1975

MORI/CDF C03220986 and C03325290
pages 1-3
C03325292 pages 4-6
C02859478 pages 7-10
C03221464 page 11
C03205995 page 21
C032205996 pages 22-35
C03325311 page 36

MEMORANDUM FOR SECRETARY KISSINGER

FROM: The Situation Room

SUBJECT: Additional Information Items

Peking Sees Heightened Probability of a U.S.-Soviet War: We now have multiple indicators that the PRC leadership -- probably Chairman Mao himself -- has made an authoritative re-evaluation of the likelihood of war between the U.S. and the Soviet Union. From 1969 through 1974, Chairman Mao's slogan relating to the possibilities of war was, "Revolution is the main trend in the world today, but the possibility of a world war still exists." In recent weeks, however, we have received a number of reliable indications that Peking now sees the real prospect of a U.S.-Soviet war developing out of a combination of the Arab-Israeli confrontation in the Middle East, the oil crisis, and the more general economic and political weakness in the West.

At a dinner which George Bush gave for the Foreign Minister Ch'iao Kuan-hua on December 27, Ch'iao pointedly expressed concern that the U.S. might use force in the Middle East in coping with the oil crisis. Ch'iao referred to a statement by Secretary Schlesinger that the U.S. might use force. More recently, of course, has been the press play of your Business Week interview of January 13.

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[redacted] as of early January PRC Party cadre were being briefed on China's concern about the increasing possibility of an outbreak of world war precipitated by the present economic crisis in the West. The briefing cited statements by you that the U.S. might have to resort to a military occupation of Arab countries to deal with the oil problem.

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Paralleling these non-public expressions of concern have been a series of public statements and press articles predicting the heightened prospects for a war initiated by either the U.S. or the Soviet Union. Ch'iao Kuan-hua referred to both the U.S. and Russians as the source of war in a toast for the visiting Dutch foreign minister on January 3. On January 8 an important People's Daily article noted that, "the rivalry

NSA review completed pages 1-3, 11

State Dept. review completed 1-3, 46

FBI review completed page 36

NSC review completed pages 4-6

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TOP SECRET-SENSITIVE
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~~TOP SECRET-SENSITIVE~~
CONTAINS CODEWORD

-2-

between the two hegemonic powers, the Soviet Union and the United States, is getting sharper and sharper and is creating the threat of a new war." The article urged the Third World to maintain its unity and persist in the struggle against the two superpowers. Most recently, a broadcast by Peking Radio on January 12 asserts that "the peril of a new war is brewing" because of acute contention between the two superpowers.

We assume that behind these private and public statements is an authoritative re-evaluation of the evolving world scene. Such a line is likely to be formally expressed in the documents from the present session of the National People's Congress. The key question for our relations with Peking is whether this heightened sense of the danger of war will incline the PRC to pull back from its dealings with us (as the People's Daily article implies) or whether Peking will hold to its present course with us as a way of deterring the Soviets. This is a question which will be answered, in part, by our dealings with Peking and by our actions in the Middle East and elsewhere as they imply a willingness to stand up to Soviet pressures, or as they might cause Peking problems in dealing with its Third World friends -- as would be the case with a use of force against an Arab state.

The dynamic of our relations with Peking after the Vladivostok summit suggests that when our relations with Moscow seem to be improving, Peking wants to maintain their relationship with us to avoid being isolated. It remains to be seen whether the reverse of this argument is true -- that a period of increasing U.S.-Soviet tensions, as we are now experiencing, will lead the Chinese to back off from us out of fear of being drawn into a Soviet-American war. All that one can say at this point is that private statements by senior PRC officials such as Chou En-lai and Ch'iao Kuan-hua in the past several weeks imply a desire to maintain their present course with the U.S. (Solomo

Peking Finally Schedules a Visit to the U.S. by its Foreign Trade Council: PRCLC yesterday informed Chris Phillips, head of the National Council for U.S.-China Trade, that the Council's counterpart organization, the China Council for the Promotion of International Trade, will send a delegation to the U.S. in either August or September of this year. The CCPIT visit had been scheduled for 1974, but the Chinese postponed the visit last year. The fact that they have now

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

-3-

agreed to go forward with the trip -- along with the anticipated visit to the U.S. in 1975 of the Committee on Scholarly Communications's counterpart organization, the China Scientific and Technical Association -- means that Peking is now actively moving ahead in a number of exchange areas to project its presence into the U.S. This should help to deflate media speculation about problems in U.S.-PRC relations. (Solomon)

PRC Liaison Office Chief Huang Chen Now Returning to Washington:
PRCLO informed the Department yesterday that Ambassador Huang Chen will be leaving Peking shortly, and will arrive in Honolulu on January 18. He will remain there for a few days before traveling on to Washington.

The one puzzling aspect of Huang's return is that appears to be occurring while the National People's Congress is still in progress. Huang was a delegate to the third session of the NPC back in 1964, and we have presumed that he was remaining in Peking to attend the current fourth session. It is not necessarily the case that Huang is a delegate to the present session, and thus he might be free to return even though the meetings are proceeding. Another possibility, however, is that the current NPC session will be quite brief, and that Huang will depart Peking in the next day or two when the meetings are completed. A third possibility is that while Huang is a delegate he is not staying for the entire session. We will know more about his relation to the NPC when the formal name list and the dates of the Congress session are made public. (Solomon)

MEMORANDUM

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NATIONAL SECURITY COUNCIL

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January 27, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: RICHARD H. SOLOMON *RHS*

SUBJECT: Is the Period of Immobilism in Peking Over? Some Comments on the Current State of U.S.-PRC Relations

NSC review completed pages 4-6

A number of recent developments suggest that with the conclusion of the National People's Congress (NPC) in Peking earlier this month, the air of immobilism in the PRC's leadership which we have sensed for some time is now dissipating. The Chinese have taken a number of steps in their dealing with us in recent days which suggest an interest in moving ahead in developing a more active and visible relationship. At the same time, the campaign of stimulated press sniping about dissatisfaction in Peking with the state of U.S.-PRC relations seems to have been turned off.

This memorandum highlights the indications of a change in mood in Peking.

Publicizing President Ford's Letter of Congratulations to Premier Chou

The Foreign Ministry called John Holdridge today and asked for permission on an urgent basis to publish the text of President Ford's letter of congratulations to Chou En-lai upon his reappointment as Premier by the NPC. A few hours after this permission was cabled to USLO, the text of the letter was released to the public by NCNA. It may only be accidental that the Chinese asked for this "urgent" permission and released the President's letter on the second anniversary of the signing of the Paris Agreement on Vietnam, but my own sense is that Peking wanted to give some visibility to the fact that its relations with the U.S. have gone beyond the Vietnam stage -- or hope that they have. One can speculate about how they would like this letter to be read in Hanoi, or Moscow, but it does seem clear that Peking wants to give heightened visibility to its relationship with Washington.

State Dept. review completed pages 4-6

TOP SECRET/SENSITIVE XGDS 5b(3)

TOP SECRET/SENSITIVE

2

Publication of the Ford letter may also be intended by Peking as a sign to the U.S. that in the wake of the NPC it is in a position to move ahead more actively in its dealing with us, and may be able to give Sino-American relations greater visibility now that its contentious leadership meetings are over. (In this regard, I might mention that a review of your discussions with Teng Hsiao-p'ing last November gives the clear impression that Teng did not want to get off into any detailed discussion of the normalization issue. Indeed, he seemed almost relieved to be able to go on to other subjects.)

Is Chou En-lai Back in the Action?

Another implication of publication of the Ford letter is that Premier Chou is back in a more visible leadership role. This development, of course, was more directly suggested by Chou's reappointment as Premier, despite his illness, and by his more active pattern of public appearances in the last three weeks. Indeed, I have a sense which is more intuitive than documentable that much of the "sour" quality of our dealings with Peking in 1974 was as much attributable to the predominant role of the dour Teng Hsiao-p'ing in foreign policy matters as to the domestic political campaign. If Chou has indeed reasserted himself more actively in the leadership process in the context of the NPC this may now be evident in a new atmosphere more consistent with the Premier's personal style.

The Press Sniping Appears to Have Ended

Another sign that the "old Chou" approach to dealing with the U.S. may be reasserting itself is the apparent drying up of the stimulated campaign of press sniping which we saw begin at about the time of your November trip to Peking. Since Phil Habib's December 24 demarche to Han Hsu on this subject, there has been sufficiently noticeable a shift in the tone of PRC public and semi-public statements on the U.S. and Sino-American relations

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Moving Ahead with Exchanges

Another sign that Peking may be taking steps to pump life into its relations with us is that in the past two weeks PRC trade organizations have informed the National Council for U.S.-China Trade that the long-delayed

TOP SECRET/SENSITIVE

TOP SECRET/SENSITIVE

3

visit of its counterpart organization, the China Council for the Promotion of International Trade, will take place later this year (in August or September), and that they will be sending a delegation of specialists to the U.S. in late February to survey the textile market. This is the first such industry-oriented delegation that Peking has sent to the U.S. (Because of the political sensitivities for us in the textile problem, Bob Hormats and I are working with State, Commerce, and the National Council for U.S.-China Trade to structure the visit of this delegation so that it doesn't set off domestic and international textile producers, and does not alienate the Chinese through a simple recitation of our problems with textile imports.)

In sum, at the moment there seem to be a number of signs that Peking wants to move ahead with the U.S. in a positive direction. The only question about this trend -- if it is sustained -- is whether it will create more of a sense of momentum than suits your sense of timing or that of the President.

TOP SECRET/SENSITIVE

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MORI/CDF
C02859478 pages
7-10

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TOP SECRET-SENSITIVE
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January 30, 1975

MEMORANDUM FOR SECRETARY KISSINGER

FROM: The Situation Room

SUBJECT: Additional Information Items

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NSA review completed page 11

MORI/CDF
C03221464 page 11

TOP SECRET-SENSITIVE
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PRC Leaders Eagerly Await Ford Visit: On June 2, Vice Premier Teng Hsiao-ping told a delegation of American newspaper editors that he welcomed President Ford's forthcoming visit "whether he has anything substantial to discuss or not." Concerning the problem of Taiwan, Teng said the U.S. must adjust to the PRC-position. He implied, however, that even if the issue was not resolved during the visit, there would still be time to reach an agreement. Similar views were recently conveyed by Foreign Minister Chiao Kuan-hua. Chiao stated that Sino-U.S. relations were proceeding smoothly, and he expressed confidence that President Ford would continue to implement former President Nixon's policy toward developing normal relations with China. He also noted that a recent PRC study has concluded the U.S. genuinely intends to carry out the terms of the Shanghai communique. Presumably, Chiao was referring to the PRC interpretation that the communique represents an agreement by Washington to a "one-China" policy and to the principle that Taiwan is a domestic Chinese problem. In addition, he maintained that American statements about living up to commitments to Taiwan are only to placate domestic pro-Nationalist elements. Chiao emphasized that Peking was patient and did not intend to take any unilateral action to resolve the question. Turning to Indochina, Chiao said recent events there have contributed to closer Sino-U.S. relations. He explained that the end of U.S. involvement removed one element of disagreement between Peking and Washington. In addition, Chiao claimed that the two countries now share a common concern over Soviet designs on bases in South Vietnam.

MORI/CDF
C03205995 page
21

TOP SECRET-SENSITIVE

June 6, 1975

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MORI/CDF
C03205996 pages
22-35

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THE WHITE HOUSE
WASHINGTON

3 Chi Exch

TOP SECRET-SENSITIVE
CONTAINS CODEWORD

October 11, 1975

MEMORANDUM FOR:

THE PRESIDENT

FROM:

HENRY A. KISSINGER

SUBJECT:

Information Items

Chinese Leaders Meet with Their American Peoples Front Group:

In a clear example of Peking playing symbolic politics, the New China News Agency reports that on October 10 -- the Nationalist Chinese National Day -- PRC Vice Premier Teng Hsiao-p'ing met with leaders of the "U.S.-China Peoples Friendship Association." This organization, ostensibly formed spontaneously by American citizens supportive of Peking's positions on many political issues, is, according to FBI sources, a front group for the Revolutionary Union, a semi-covert American Maoist organization

[redacted] Peking has been giving increasing publicity to the "U.S.-China Peoples Friendship Association" over the past year, in contrast to their efforts to down-play the role of the broad-based private "facilitating" organizations we have relied upon to promote Sino-American cultural and scientific contacts. The PRC action in giving the U.S. "friendship" organization such high-level treatment as a reception by Vice Premier Teng thus constitutes a bit of nose-thumbing at both the U.S. and the Republic of China.

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MORI/CDF
C03325311 page
36

FBI review completed

TOP SECRET-SENSITIVE
CONTAINS CODEWORD