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# Department of State TELEGRAM

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STATE DEPT. DECLASSIFICATION REVIEW

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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FM AMCONSUL HONG KONG  
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INFO USLO PEKING  
AMEMBASSY TAIPEI

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E.O. 12958, SEC. 3.5  
STATE DEPT. GUIDELINES, *State visit 8/27/00*  
BY SL, NARA, DATE 4/23/01

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~~SECRET~~ SECTION 1 OF 2 HONG KONG 9271

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R.O. 11652; XGDS-2  
TAGS: PINT PFOR CH TW  
SUBJ: GRC DISCUSSION RE FUTURE OF TAIWAN

SUMMARY. ACCORDING TO A CHINESE -AMERICAN PROFESSOR WITH PRESUM-  
ABLY GOOD CONNECTIONS IN TAIWAN, SOME GRC OFFICIALS IN PRIVATE  
CONVERSATIONS ARE INDICATING HEIGHTENED CONCERN OVER POLITICAL  
FUTURE OF TAIWAN AS A RESULT OF U.S. POLITICAL DEVELOPMENTS.  
THESE OFFICIALS SEE THE COURSE OF U.S.-PRC RELATIONS AS  
IRREVERSIBLE AND THUS BELIEVE THAT IT IS URGENT, BEFORE GRC  
POSITION ERODES FURTHER, TO DEVISE AN ARRANGEMENT WHEREBY  
TAIWAN'S STATUS QUO CAN BE ASSURED VIS-A-VIS THE PRC. IN THIS CONTEXT  
A ROUGHLY SKETCHED FORMULA HAS BEEN AIRED IN PRIVATE CONVERSATIONS  
THAT WOULD INVOLVE MULTILATERAL NEGOTIATIONS BETWEEN PEKING,  
TAIPEI, WASHINGTON AND MOSCOW. END SUMMARY.

1. MICHAEL YING-MAO KAU, A TAIWAN BORN BROWN UNIVERSITY  
POLITICAL SCIENCE PROFESSOR NOW TRANSITING HONG KONG AFTER  
PARTICIPATING AS AN INVITEE TO A RECENT TAIWAN DEVELOPMENT  
CONFERENCE, RECOUNTED TO CONGENOFFS AUGUST 15 THE GIST OF SOME  
PRIVATE CONVERSATIONS HELD A FEW DAYS PREVIOUSLY BY GRC OFFICIALS  
RE U.S. -PRC -TAIWAN RELATIONS. KAU, WHO LAST YEAR VISITED PRC  
AS A MEMBER OF CHINESE-AMERICAN SCHOLARS GROUP, SAID A NUMBER OF  
HIGH LEVEL GRC OFFICIALS WERE KNOWN TO HIM THROUGH HIS TAIWAN  
BACKGROUND AND SCHOLARLY RESEARCH TIES. THESE OFFICIALS (KAU  
MENTINED THSTGRC MINISTER OF EDUCATION, GOVERNMENT INFORMATION



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OFFICE DIRECTOR FREDERICK CHIEN, AND SEVERAL HIGH KMT OFFICIALS INVOLVED IN PRC RESEARCH), WERE QUITE INTERESTED IN HEARING WHAT PRC OFFICIALS, SUCH AS VICE FOREIGN MINISTER CHIAO KUAN-HUA, HAD SAID ABOUT TAIWAN DURING THAT VISIT (SEE AMCONGEN MEMCON OF JULY 28 WITH VICTOR LI RE CONVERSATION WITH CHIAO KUAN-HUA). KAU FOUND MOST OF THESE HIGH LEVEL GRC OFFICIALS PRIVATELY QUITE OPEN ABOUT THEIR INTEREST IN PRC ATTITUDES AND ALSO WELL INFORMED AND REALISTIC ABOUT PRC INTERNAL POLITICAL DEVELOPMENTS. (HE NOTED THIS WAS NOT THE CASE WITH LOWER LEVEL GRC FUNCTIONARIES WHO TENDED TO PARROT USUAL LINE ABOUT "ABSOLUTELY NO COMPROMISE WITH COMMUNISTS" AND "PRC LEADERSHIP IS COLLAPSING".)

2. KAU SAID THAT RECENT TRANSITION IN U.S. PRESIDENCY HAD SEVERAL JOLTED GRC OFFICIALS AND ADDED GREAT URGENCY TO THEIR CONCERN ABOUT FUTURE OF TAIWAN. NEWS PHOTOS OF PRCLO CHIEF HUANG CHEN WITH PRESIDENT FORD AND OFFICIAL U.S. INDICATIONS THAT U.S. POLICY TOWARD PRC UNDER SECRETARY KISSINGER WOULD CONTINUE UNCHANGED DEALT A PARTICULARLY HARD BODY BLOW TO THEM. IN WAKE OF THESE DEVELOPMENTS KAU SAID HE WAS PRESENT IN PRIVATE DISCUSSIONS LAST WEEK IN WHICH SEVERAL HIGH LEVEL GRC OFFICIALS (WHOM KAU DID NOT CARE TO IDENTIFY) SPOKE ABOUT LATEST U.S. POLITICAL DEVELOPMENTS AND THEIR IMPLICATIONS FOR TAIWAN. THEY SAID THAT THE COURSE OF U.S. -PRC RELATIONS WAS NOW IRREVERSIBLE. SINCE IT WAS CLEAR THAT U.S. DIPLOMATIC RECOGNITION OF THE PRC WILL OCCUR EVENTUALLY, THE PROBLEM NOW WAS TO KEEP TAIWAN FROM BEING ABSORBED COMPLETELY INTO THE PRC AND FOR THIS PURPOSE SOME SORT OF U.S. COMMITMENT WAS ESSENTIAL. THIS MEANT DEVISING, BEFORE THE GRC POSITION WAS COMPLETELY ERODED, AN ARRANGEMENT WHEREBY AT LEAST A MAJOR PORTION OF TAIWAN'S PRESENT STATUS QUO COULD BE ASSURED. IN THIS CONTEXT THE OFFICIALS IN THEIR DISCUSSIONS AIRED A ROUGH FORMULA THAT THEY ENVISAGED AS FEASIBLE. THE FORMULA WOULD MEET BOTH THE OBJECTIVE OF PRESERVING A MEASURE OF THE PRESENT STATUS QUO FOR TAIWAN AND YET PROVIDE DESIRABLE FEATURES FOR EACH OF THE PARTIES HAVING DIRECT INTEREST IN TAIWAN OR THAT COULD AFFECT THE STATUS OF TAIWAN.

3. THE CORE OF THE FORMULA AS AIRED BY THESE OFFICIALS WAS TO CONVENE A CONFERENCE INVOLVING THE PRC, THE GRC, THE U.S. AND THE USSR. THE RESULT OF THE CONFERENCE WOULD BE ALREADY PREORDAINED IN THE SENSE THAT ALL FOUR PARTIES WOULD AGREE TO FORMALIZE A COMMON UNDERSTANDING ABOUT TAIWAN. THIS BASIC UNDERSTANDING

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WOULD HAVE ADVANTAGES FOR EACH OF THE PARTIES AND ESSENTIALLY WOULD INCORPORATE THE FOLLOWING: THE GRC WOULD MAKE SOME FORMAL CONCESSION TO THE PRC THAT WOULD ACKNOWLEDGE THAT THERE IS BUT ONE CHINA WITH PEKING BEING SOVEREIGN AND HOLDING CERTAIN FOREIGN AFFAIRS JURISDICTION. BOTH THE GRC AND PRC WOULD RENOUNCE ANY USE OF FORCE AGAINST THE OTHER. FOR THE GRC THIS WOULD MEAN GIVING UP ALL EFFORTS TO REGAIN THE MAINLAND, CONDUCT RAIDS, ETC. SUCH ACTS WOULD CONSTITUTE TAIPEI'S ACCEPTANCE AND RECOGNITION OF THE PRIMACY OF PEKING IN SUCH INTERNATIONAL FORUMS AS THE UN. HOWEVER, KAU INDICATED THAT THERE WAS NO SPELLING OUT IN THE DISCUSSION WHAT SOVEREIGNTY TAIWAN WAS WILLING TO GIVE UP. TAIWAN WOULD RETAIN A LARGE MEASURE OF POLITICAL AUTONOMY AND ENOUGH OF THE PRESENT STATUS QUO TO MAINTAIN ITS ECONOMIC VIABILITY AND PROSPERITY, BUT THE DEGREE OF AUTONOMY WOULD BE SHORT OF INDEPENDENCE. THE U.S. COMMITMENT TO ASSURE PRESERVATION OF THE PRESENT STATUS OF TAIWAN WOULD BE VITAL AND WOULD BE ASSURED BY THE US MAINTAINING A TOKEN OR SYMBOLIC U.S. MILITARY PRESENCE IN TAIWAN. THE U.S. COULD ARRANGE A SWITCH WITH A LIAISON OFFICE IN TAIPEI AND AN EMBASSY IN PEKING. U.S.-PRC RELATIONS WOULD THEN BE NORMALIZED, BUT WITH A LIAISON OFFICE, TAIPEI WOULD HAVE SOMETHING MORE THAN A MERE U.S. CONSULATE (IN THIS CONNECTION IT WAS NOTED THAT SOUTH AFRICA, DESPITE VERY LIMITED DIPLOMATIC TIES, HAS PROSPERED. NEVERTHELESS, THERE WAS MUCH CONCERN VOICED ABOUT THE FORTHCOMING ESTABLISHMENT OF PHILIPPINE -PRC DIPLOMATIC TIES). AS FOR MOSCOW, IT WOULD CEASE SOVIET NAVAL PASSAGE THROUGH TAIWAN STRAITS. THE OFFICIALS REASONED THAT THE SOVIET LONG-TERM INTEREST IS TO REACH SOME ACCOMMODATION WITH CHINA.



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ACTION 88-30

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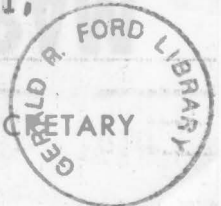
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BY AGREEING NOT TO TRANSIT SOVIET SHIPS THROUGH THE TAIWAN STRAITS AND IN JOINING THE UNDERSTANDING ON TAIWAN, THE SOVIETS COULD LAY GROUNDWORK FOR SUCH ACCOMMODATION WITH CHINA, MITIGATING PEKING'S EVER-PRESENT CONCERN ABOUT RUSSIAN INTENTIONS.

4. AFTER RELATING HOW THIS FORMULA WAS DISCUSSED, KAU ASKED CONGENOFFS VIEWS ABOUT FEASIBILITY OF SUCH A CONFERENCE SCENARIO. IN EXPRESSING PERSONAL VIEWS, CONGENOFFS SAID INTITIAL IMPRESSION OF SCENARIO WAS THAT PEKING'S ATTITUDE WOULD POST THE MAJOR QUESTION MARK. IT SEEMED HIGHLY UNLIKELY PRC WOULD WANT TO DEAL SOVIETS IN ON MATTER WHICH PEKING HAS ALWAYS INSISTED IS SOLELY A CHINESE AFFAIR. KAU MENTIONED THAT WHILE TAIPEI HAS CONSISTENTLY SAID THERE COULD BE NO BILATERAL DISCUSSIONS WITH MOSCOW, THE GRC OFFICIALS APPARENTLY SAW NO PROBLEM DEALING WITH THE SOVIETS IN THE CONTEXT OF A CONFERENCE.

5. COMMENT. JUDGING BY HIS REPUTATION WITH OTHER HONG KONG CHINA-WATCHERS AND PAST ASSOCIATIONS WITH CONGENOFFS, KAU APPEARS TO A SERIOUS AND RESPONSIBLE SCHOLAR WITH PRESUMABLY GOOD CONNECTIONS IN TAIWAN. WE DOUBT THAT KAU WAS ATTEMPTING TO FLOAT GRC TRIAL BALLON IN THE SENSE OF ELICITING U.S. RESPONSE HIMSELF. AS INDICATED, THE VIEWS EXPRESSED BY CONGENOFFS WERE BRIEF, OFF-HANDED AND NONSUBSTANTIVE AND KAU MADE NO EFFORT TO PURSUE THE SUBJECT. WE BELIEVE KAU WAS RELATING ACCURATELY THE GIST OF PRIVATE CONVERSATIONS HE HEARD IN TAIPEI,

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AND NOTE THESE CONVERSATIONS APPARENTLY FOCUSED ON SOME OF THE SAME BASIC CONCERNS AS DESCRIBED IN TAIPEI 5091. WE WOULD DEFER TO EMBASSY TAIPEI'S JUDGEMENT AS TO WHAT EXTENT VIEWS REPORTED BY KAU MIGHT BE EITHER REPRESENTATIVE OR ATYPICAL OF GRC ATTITUDE. WITH REGARD TO MULTILATERAL FORMULA, IT APPEARS TO US THAT PEKING WOULD BE UNALTERABLY OPPOSED TO ANY SOVIET PARTICIPATION REGARDING THE STATUS OF TAIWAN BUT WE FIND RATHER INTERESTING THAT SOME CHINESE OFFICIALS IN GRC ARE APPARENTLY CONSIDERING SOME FORM OF BARGAINING WITH PRC EVEN THOUGH THEIR CURRENT FORMULA SEEMS FARFETCHED.  
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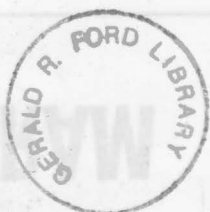
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WITHDRAWAL ID 012727

REASON FOR WITHDRAWAL . . . . National security restriction  
TYPE OF MATERIAL . . . . . Telegram  
CREATOR'S NAME . . . . . AMCONSUL HONG KONG  
RECEIVER'S NAME . . . . . SECSTATE WASHDC  
TITLE . . . . . Peking's View of Sino-Indian Relations  
CREATION DATE . . . . . 10/25/1974  
VOLUME . . . . . 13 pages  
COLLECTION/SERIES/FOLDER ID . 032400174  
COLLECTION TITLE . . . . . NATIONAL SECURITY ADVISER. PRESIDENTIAL  
COUNTRY FILES FOR EAST ASIA AND THE  
PACIFIC  
BOX NUMBER . . . . . 5  
FOLDER TITLE . . . . . Hong Kong - State Department Telegrams  
DATE WITHDRAWN . . . . . 04/27/2001  
WITHDRAWING ARCHIVIST . . . . GG

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E.O. 12958, SEC. 3.5  
STATE DEPT, GUIDELINES, state visit 8/2/00  
BY 67 . . . . . MARA, DATE 4/27/01







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NEW DELHI RELATIONS THAT WE HAVE BEEN AWARE HERETOFORE. THE CHINESE ARE INDEED UPSET OVER INDIA'S MOVE ON SIKKIM, VIEWING IT AS HAVING DESTABILIZED THE POLITICAL RELATIONSHIPS BETWEEN HIMALAYAN STATES AND SERIOUSLY JEOPARDIZED THE QUIET SINO-INDIAN BORDER SITUATION AS WELL. HOWEVER, THE CHINESE ARE LEAVING THE DOOR OPEN FOR FUTURE DIALOGUE. MOST SIGNIFICANTLY [REDACTED] WAS GIVEN THE CLEAR MESSAGE THAT MAIN DRIVING FORCE BEHIND CHINA'S EFFORTS TO REACH BETTER UNDERSTANDING WITH INDIA, AS IS THE CASE FOR RAPPROACHMENT EFFORTS VIS-A-VIS U.S. AND JAPAN, IS RELATED TO THE CHINESE LEADERSHIP SUCCESSION ISSUE. WHEREAS OLD GENERATION PRC LEADERS HAVE BEEN ABLE TO MANAGE AND CONTRBB CHINESE ANTI-FOREIGN FEELINGS, THERE IS CONCERN WHETHER THE NEW SUCCESSORS WILL HAVE SAME ABILITY AND WISDOM. HENCE THE NECESSITY ZQFORE THE OLD LEADERS PASS FROM THE SCENE TO ACHIEVE BETTER SPECIFIC INTERNATIONAL UNDERSTANDING. END SUMMARY.

1. DURING OCTOBER 15 AND 16, CONVERSATIONS WITH U.S. CONGENOFFS

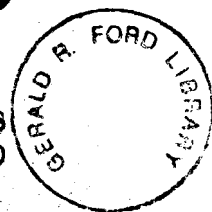
[REDACTED]  
RELATES SUBSTANCE OF WHAT WAS TOLD [REDACTED]

ON OCTOBER 12-13 FOLLOWING LATTER'S EXIT FROM MONTH-PLUS VISIT TO PRC. [REDACTED]

[REDACTED] HAS FOR SEVERAL YEARS BEEN INVOLVED IN PERSONAL EFFORT TO PROMOTE BETTER SINO-INDIAN RELATIONS. DURING VISIT, AS CASE PREVIOUS SOJOURNS, SHE DISCUSSED SUBJECT AT LENGTH WITH SENIOR PRC OFFICIALS, INCLUDING ONE SESSION WITH VICE PREMIER TENG KSTAO-PING AND TWO SESSIONS WITH VICE FOREIGN MINISTER CHIAO KUAN-JUA AT WHICH NUMBER RESPONSIBLE MFA OFFICIALS WERE PRESENT. SHE ALSO HELD DISCUSSIONS WITH TENG YING-CHIAO (MADAME CHOU EN-LAI) AND NPC VICE CHAIRMAN SOONG CHING-LING.

2. [REDACTED] IS OLD FRIEND OF [REDACTED] AND REVEALED HE HIMSELF HAS HAD INVOLVEMENT IN PROMOTING SINO-INDIAN DIALOGUE BY SERVING AS LOCAL HONG KONG CONDUIT. [REDACTED]

[REDACTED] MENTIONED ALSO THAT LATE LAST YEAR HE WAS HONG KONG CONTACT BY WHICH CHINESE SENT FEELERS RE PROPOSED PRC PING PONG TEAM VISIT (REFTEL). [REDACTED] IDENTIFIED HONG KONG NCNA DEPUTY EDITOR-IN-CHIEF CHIANG CH'ING-CHAO (WHO



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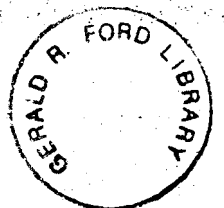


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RECENTLY RETURNED TO PRC) AS CHINESE REP WHO APPROACHED ██████████  
TO SEEK INDIAN ASSURANCES THAT MATTER WOULD BE HANDLED SMOOTHLY.  
██████████ ADDED THAT HE AND PREVIOUS HONG KONG INDIAN COMMISSIONER  
WERE PERSONALLY AT ODDS AND MOST OF WHAT HE TOLD U.S. CONGENOFFS  
WAS NOT KNOWN TO INDIAN COMMISSION. THUS ██████████ HAS BROAD  
BACKGROUND RE SINO-INDIAN RELATIONS AS WELL AS CLOSE RAPPORT  
WITH ██████████ WHO HE SAID DOUBTLESSLY WOULD RELAY MAIN POINTS  
OF CONVERSATIONS (AS SHE HAS IN PAST) TO INDIAN AUTHORITIES,  
POSSIBLY TO MRS. GANDHI HERSELF, DURING ██████████ CURRENT TRAVEL  
THROUGH INDIA.



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INFO AMEMBASSY DACCA  
AMEMBASSY KATMANDU  
AMEMBASSY ISLAMABAD  
AMEMBASSY MOSCOW  
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AMEMBASSY TAIPEI  
AMEMBASSY TOKYO  
USLO PEKING  
CINCPAC HONOLULU HI

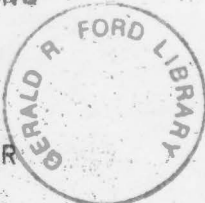
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3. WITH REGARD TO THE SINO-INDIAN SCENARIO, [REDACTED] SAID VICE FOREIGN MINISTER CHIAO AND VICE PREMIER TENG BOTH MENTIONED THAT A HIGH LEVEL DIALOGUE HAD BEEN UNDERWAY FOR SOME TIME BETWEEN NEW DELHI AND PEKING WITH THE COMMUNICATION BEING TRANSMITTED BY FOREIGN VIP'S AS THEY TRAVELED THROUGH INDIA AND PRC AND BACK AGAIN. DURING PAST YEAR MRS. GANDHI SENT WORK TO PRC THROUGH TWO DIFFERENT AFRICAN CHIEFS OF STATE AND SEVERAL EUROPEAN MINISTERS ABOUT DESIRABILITY OF PRC AND INDIA IMPROVING RELATIONS. CHINESE HAD UTILIZED SAME CHANNELS TO RESPOND IN POSITIVE WAY. IN ONE MESSAGE TO PREMIER CHOU EN-LAI, MRS. GANDHI STATED THAT SINO-INDIAN BORDER QUESTION WAS VERY COMPLICATED PROBLEM, RESOLUTION OF WHICH WOULD TAKE MUCH TIME. SHE MENTIONED CERTAIN DOMESTIC DIFFICULTIES AND SPOKE OF BETTER UNDERSTANDING AND WARMER RELATIONS BENEFITTING BOTH COUNTRIES. EMPHASIZING HER VIEW THAT KEY POINT WOULD BE FOR BOTH SIDES TO



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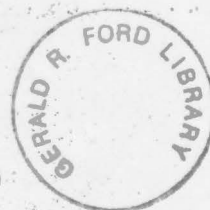
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WORK TO RESTORE MUTUAL CONFIDENCE, SHE PROPOSED AS ONE STEP THE RESUMPTION OF AMBASSADORIAL RELATIONS. CHOU'S REPLY LAID STRESS ON FACT THAT BORDER HAD BEEN QUIET SINCE 1962 AND SAID THEREFORE TWO COUNTRIES NEED NOT SETTLE BORDER PROBLEMS BEFORE MOVING ON TO OTHER MATTERS. HE AGREED IT WOULD BE IN MUTUAL INTEREST TO ESTABLISH GREATER SENSE OF CONFIDENCE AND EXPRESSED WILLINGNESS TO PROCEED ACCORDINGLY. USING THE JUNE 1974 VISIT TO THE PRC OF THE DR. D. S. KOTNIS MEDICAL GROUP AS A DEVICE, THE CHINESE SUGGESTED INCLUSION OF AN INDIAN REP AUTHORIZED TO DISCUSS BILATERAL MATTERS WITH CHINESE. INDIANS ACCORDINGLY INCLUDED MP MUKUND RAI VYAS, A GANDHI CONFIDANT. CHINESE ACCORDED GROUP

HIGH LEVEL ATTENTION (HONG KONG 6955) AND PARTY VICE CHAIRMAN YEH CHIEN-YING TOLD MP THAT CHINA WAS PREPARED TO TAKE STEP OF PROMOTING BETTER UNDERSTANDING BY RESUMING AMBASSADORIAL RELATIONS. YEH SAID THAT SINCE DELHI'S WITHDRAWAL OF INDIAN AMBASSADOR IN 1962 HAD PRECEDED THE PRC AMBASSADOR'S WITHDRAWAL BY SIX MONTHS, INDIAN OUGHT TO GIVE CHINA SOME "FACE" BY SENDING THE INDIAN AMBASSADOR BACK FIRST WITH THE SAME SIX MONTHS LEAD. YEH LATER MODIFIED THIS BY SAYING THREE MONTHS LEAD WOULD BE ENOUGH. THIS AS COMMUNICATED BACK TO NEW DELHI, AND APPARENTLY THE PROPOSAL WAS ON TRACK BUT NOTHING SINCE HAS HAPPENED.

██████████ COMMENTED THAT THE CHINESE SUSPECT (AND HE AND ██████████ AGREE) THAT THE SOVIETS SOME MONTHS AGO BECAME AWARE OF THE IMPROVING SINO-INDIA DIALOGUE AND SUCCESSFULLY PUT PRESSURE, PERHAPS ECONOMIC OR POLITICAL, UPON INDIA TO DESIST OR AT LEAST SLOW DOWN.

4. THE CHINESE BROUGHT UP THE INDIAN NUCLEAR TEST, NOT THE ACT ITSELF BUT THE MANNER IN WHICH MRS. GANDHI TOOK UP MATTER WITH CHINA, AS BEING SOMEWHAT INCOSISTENT WITH HER WORDS ABOUT BETTER UNDERSTANDING. SHE HAD SENT MESSAGE TO CHOU SAYING PRC HAD CONDEMNED INDIA'S NUCLEAR TEST AND ASKED HOW CHINESE COULD TAKE SUCH LINE WHEN THEY THEMSELVES HAD DEVELOPED NUCLEAR BOMB. IN REPLY CHOU INFORMED MRS. GANDHI THAT FACTS WERE TO THE CONTRARY AND THE INDIANS SHOULD READ CHINESE STATEMENTS VERY CAREFULLY. THE CHINESE WERE NEITHER UPSET NOR CONCERNED ABOUT INDIA DEVELOPING NUCLEAR DEVICE. CHINA ONLY WANTED TO KNOW IF INDIA USED SOVIET HELP IN SUCH DEVELOPMENT. CHINESE WERE PLEASED TO LEARN THAT INDIANS HAD ACCOMPLISHED THIS ON THEIR OWN. IF INDIA STUDIED CAREFULLY WHAT CHINESE HAD SAID THEY WOULD NOTE



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CHINESE MEDIA MERELY REPLAYED PAKISTAN COMMENTS AND REPORTS. CHINESE WOULD NOT FORESAKE PAKISTAN FRIENDSHIP AND PEKING HAD TO SHOW MINIMUM SUPPORT; INDIAN SHOULD UNDERSTAND THAT.

5. IT WAS UNMISTAKABLY CLEAR TO [REDACTED] THAT WHAT HAS MOST DEEPLY RANKLED CHINESE WAS INDIA'S MOVE ON SIKKIM. CHINESE LEADERS DWELT LONG ON THE INDIAN "ANNEXATION" AND ITS SERIOUS IMPLICATIONS. MUCH OF CHINA'S CURRENT PERCEPTION SEEMS HINGED ON THIS. VICE FOREIGN MINISTER CHIAO CHARGED THAT INDIA, BY MOVING ON SIKKIM, HAS STARTED A DANGEROUS GAME THAT WAS DESTABILIZING TO WHOLE AREA AND THAT IN LONG RUN WOULD BACKFIRE ON INDIA. THIS IS SOMETHING INDIA MUST RECKON WITH; IT CERTAINLY WAS NOT JUST INDIA'S OWN AFFAIR. CHINA HAS LEARNED THAT INDIA'S NEIGHBORS, INCLUDING NEPAL, BHUTAN, CEYLON, BURMA AND EVEN MALAYSIA, WERE UNCERTAIN NOW ABOUT WHAT INDIA WAS UP TO. WHILE INDIAN HAD BY "ASSOCIATION" SCHEME TAKEN OVER SIKKIM, CENTRAL FACT WAS 75 PERCENT OF SIKKIMSE POPULATION WERE NEPALESE. SOONER OR LATER THIS ETHNIC NEPALESE MAJORITY MIGHT IMPEL SIKKIM ASSEMBLY TO JOIN WITH NEPAL. NEPALESE KING BIRENDRA HAS TOLD CHINESE THAT INDIA HAS THREATENED THAT IF NEPALESE DO NOT COOPERATE WITH INDIA'S POLICIES, NEW DELHI WOULD ASSIT FORMER NEPALESE PRIME MINISTER KOIRALA TO SUBVERT AND TO DEPOSE BIRENDRA. WHERE WOULD ALL THIS END?

6. NEPAL AND BHUTAN, ALARMED BY NEW DELHI'S POLICY ON SIKKIM, HAVE ASED CHINA FOR ASSISTANCE IN EVENTUALITY OF SIMILAR INDIAN MOVES AGAINST THEM. THE CHINESE REPLIED THAT PRC RESOURCES WERE LIMITED BUT CHINA WOULD RESPOND WITH ASSISTANCE THAT IS NOT MILITARY BUT ECONOMIC WHICH WOULD HELP THESE COUNTRIES DEVELOP "SELF RELIANCE". IN VIEW OF MRS. GANDHI'S IGNORING INTERNATIONAL LAW RE LAND-LOCKED COUNTRIES CHINA WAS WILLING TO BUILD FOUR OR FIVE FEEDER ROADS TO NEPAL AT NO COST TO NEPALESE SO THAT NEPALESE EXPORT GOODS COULD BE SHIPPED OUT THROUGH CHINA AND SENT TO NORMAL MARKETS, INCLUDING INDIA. DISCUSSIONS ON THIS MATTER WERE UNDERWAY NOW. IN RESPONSE TO PARTY-TO -PARTY AND PEOPLE-TO -PEOPLE PREQUESTS, CHINESE WOULD ASSIT SOME 250 TO 500 NAGAS AND MIZOS FROM INDIA TO DEVELOP THEIR SELF RELIANCE AS WELL.

7. CHINESE TOLD [REDACTED] THEY REJECT NEW DELHI'S RATIONALE FOR ITS SIKKIM POLICY WHICH ALLEGES THAT INDIA HAD TO ACT IN ORDER

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TO FORESTALL GROTH OF U.S. INFLUENCE IN SIKKIM BY WHICH WASHINGTON COULD HAVE GAINED CONTROL OF SIKKIM. IN THIS CONNECTION CHINESE WERE AWARE INDIAN CLAIMED THAT HOPE COOKE, AMERICAN WIFE OF SIKKIM'S CHOYGAL, WANTED SIKKIM TO BE INDEPENDENT OR AT LEAST HAVE SAME STATUS AS BHUTAN. TOWARDS THIS END SHE ALLEGEDLY SOUGHT U.S. GOVERNMENT ASSISTNACE TO MODERNIZE SIKKIM, WITH U.S. GOVERNMENT'S REWARD TO BE DOMINANT INFLUENCE IN SIKKIM. IN ACTUAL FACT CHINESE SAID THAT U.S. WAS NOT SO NAIVE. SIKKIM WAS LAND-LOCKED COUNTRY AND ONLY WAY U.S. AID GOODS COULD BE PHYSICALLY SHIPPED WOULD BE VIA INDIA AND BY INDIAN SUFFERANCE. ONLY OTHER COUNTRY THAT COULD EFFECT CHANGE WAS CHINA BUT SIKKIM HAD NEVER EITHER DIRECTLY NOR INDIRECTLY CONTACTED CHINA. THE CHINESE SAID THE OPTIMUM TIME FOR SUCH CONTACTS WOULD HAVE BEEN APRIL 1973 WHEN SIKKIMESE PRINCESS, SISTER OF THE CHOYGAL, WAS IN HONG KONG AND COULD HAVE EASILY CONTACTED PRC REPEY THERE. NO SUCH CONTACT HAD EVEN BEEN TRIED OR MADE ON EITHER SIDE AND NOW PRINCESS WAS UNDER HOUSE ARREST IN INDIA.



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PAGE 01 HONG K 11684 03 OF 04 250704Z

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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P R 250500Z OCT 74  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC PRIORITY 2654  
INFO AMEMBASSY DACCA  
AMEMBASSY KATHMANDU  
AMEMBASSY ISLAMABAD  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMEMBASSY TAIPEI  
AMEMBASSY TOKYO  
USLO PEKING  
CINCPAC HONOLULU HI

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8. THE CHINESE LAID EVEN SHARPER STRESS UPON THE IMPLICATIONS OF INDIA HAVING UNILATERALLY REMOVED AN IMPORTANT BUFFER BETWEEN INDIA AND CHINA. THE CHINESE ASSERTED THAT WHEREAS CHOU EN-LAI HAD SPENT MANY HOURS PERSONALLY EXPLAINING PRC POSITION TO NEHRU AND OBTAINING NEHRU'S AGREEMENT BEFORE PRC MOVED AGAINST TIBET IN 1954, INDIA HAD NOW MOVED AGAINST SIKKIM UNILATEREDLY WITHOUT ANY CONSULTATION OR NOTIFICATION. IT REPRESENTED GROSS IGNORING OF LEGITIMATE CHINESE INTERESTS. THE PRC MFA STATEMENT OF NON-RECOGNITION OF NEW DELHI'S ACTION WAS MEANT TO RESERVE CHINA'S OPTIONS AND WAS ISSUED WITH COMPLETE CONSENSUS AND APPROVAL OF ALL LEVELS OF CHINESE LEADERSHIP. [REDACTED] SPECIFICALLY NOTED THAT THE CHINESE SAID MILITARY AND PARTY LEADERS ON ALL LEVELS INCLUDING WANG HUNG-WEN HAD CONCURRED IN THE PROMULGATION OF THE MFA STATEMENT.) THE CHINESE POINTED OUT THE REMOVAL OF THE SIKKIM BUFFER HAD REPERCUSSIONS ON BORDER SITUATION.

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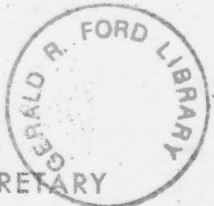
PAGE 02 HONG K 11684 03 OF 04 250704Z

WHICH WAS NOW MORE VULNERABLE TO TENSION. PREVIOUSLY SAFEGUARDED BY THE BUFFER, SOLDIERS ON EITHER SIDE COULD MAKE NORMAL MOVEMENTS IN THE AREA WITHOUT CAUSING ALARM BUT THAT NOW WAS ALL CHANGED. THE CHINESE MADE SPECIFIC MENTION OF THE RISK NOW HAVING BEEN CREATED OF SOME RASH INDIAN OR CHINESE COMMANDER CREATING A MAJOR SERIOUS SITUATION ON THE BORDER THROUGH SOME UNTOWARD LOCAL ACTION.

9. WHILE AT THE SAME TIME DECRYING THE REMOVAL OF THE SIKKIM BUFFER, THE CHINESE, ESPECIALLY CHIAO KUAN-HUA, WENT ON AT GREAT LENGTH TO DECLARE THE PRC DOES NOT FEAR INDIA. CHIAO SAID, FOR EXAMPLE, THAT INDIA WAS AT LEAST TEN YEARS BEHIND CHINA MILITARILY. IN FACT INDIA WAS STILL TRYING TO FORM ONE NATION OUT OF MANY NATIONS, WHEREAS CHINA HAD ALREADY ACHIEVED THIS. CHIAO SAID INDIA RANKS FAR DOWN THE LIST OF CHINESE CONCERNS, PERHAPS SEVENTH OR EIGHTH. HE MENTIONED THAT THE SOVIET UNION TOPS THIS LIST, THEN THE U.S. AND THEN PRC DOMESTIC MATTERS FOLLOWED BY AT LEAST THREE OR FOUR MORE PROBLEMS AHEAD OF INDIA. THE SOVIET UNION WAS MANIPULATING INDIA AND BANGLADESH BUT THE LATTER TWO ARE ENVELOPED BY ENORMOUS ECONOMIC AND INTERNAL PROBLEMS. CHINA HAD NO BAD FEELING OF ANY SORT TOWARDS THE INDIAN PEOPLE. CHIAO SAID THE INDIANS OUGHT TO KNOW THAT THE SOVIET AID TO INDIA IS NOT INTENDED TO HELP DEVELOP INDIA BUT TO KEEP NEW DELHI DEPENDENT SO THAT INDIA CAN ALWAYS BE USED BY MOSCOW. RUSSIAN ASSISTANCE (INCLUDING GRAIN SUPPLIES) IS NOT EXTENDED TO ENCOURAGE INDIAN SELF RELIANCE BUT MANIPULATED TO KEEP INDIA ON THE SOVIET STRING.

10. AS TO THE BASIC CHINESE THRUST AND INTENT IN THEIR CONVERSATIONS WITH [REDACTED] SAID IT WAS CLEAR THE CHINESE WANT NEW DELHI TO CLARIFY INDIAN INTENTIONS. THEY REPEATEDLY VOICED THE THEME THAT MRS. GANDHI'S ACTIONS DO NOT MATCH HER WORDS. INDIA'S ACTIONS ARE EXPANSIONIST AND SEEM PART OF A SCHEME WHEREBY INDIA INTENDS TO IMPOSE SOME SORT OF CONFEDERATION WITH PAKISTAN, BANGLADESH, NEPAL, SIKKIM, BHUTAN UNDER INDIA'S BATON. IT IS UP TO INDIA TO TAKE ACTION TO REESTABLISH ITS BONA FIDES IN THE CONTEXT OF MRS. GANDHI'S PROTESTATIONS ABOUT INSTILLING GREATER CONFIDENCE AND UNDERSTANDING ON THE OTHER SIDE. THE CHINESE DID NOT, HOWEVER, SUGGEST TO [REDACTED] WHAT ACTIONS MIGHT BE TAKEN, INDICATING ONLY THAT THE NEXT STEP WAS NOW UP TO NEW DELHI.

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11. MOST STRIKING WAS THE MESSAGE THE CHINESE LEADERS CONVEYED TO [REDACTED] THAT THE DRIVING FORCE BEHIND PEKING'S EFFORTS TO DEVELOP A BETTER UNDERSTANDING WITH INDIA WAS TIED TO CHINA'S LEADERSHIP SUCCESSION QUESTION. THE SENIOR PRC LEADERS TOLD [REDACTED] THAT BY THE SAME TOKEN IT WAS NECESSARY FOR CHINA TO HAVE BETTER RELATIONS WITH THE U.S. AND JAPAN BEFORE CHINA'S PRESENT EXPERIENCED LEADERS PASSED FROM THE SCENE, SO TOO THE CASE OF RELATIONS WITH INDIA. ANTI-U.S., ANTI-JAPANESE, ANTI-INDIAN AND ANTI-FOREIGN FEELINGS HAD A HISTORY AND WERE STRONG IN CHINA BUT THEY MUST NOT BE CARRIED TOO FAR NOR BE ALLOWED TO GET OUT OF HAND. (ONLY THE ANTI-SOVIET FEELINGS ARE TO BE CONTINUED AND STRENGTHENED AND ACCORDINGLY THEY ARE BEING SO EMPHASIZED IN THE ANTI-LIN ANTI-CONFUCIUS CAMPAIGN.) CHINA'S PRESENT LEADERS KNOW THE SITUATION AND THEY HAVE CONTROLLED IT BUT THEY WERE CONCERNED ABOUT THE NEW AND AS YET INEXPERIENCED LEADERS WHO WILL SUCCEED THEM. WHEN THESE CAME FORWARD WOULD THEY HAVE THE SAME RESTRAINT AND FORESIGHT? THAT IS WHY IT WAS NECESSARY AT PRESENT TO ESTABLISH BETTER INTERNATIONAL UNDERSTANDING.

12. IN THE SESSIONS WITH [REDACTED] THE CHINESE, AGAIN PARTICULARLY CHIAO KUAN-HUA, INDULGED IN SOME PERSONAL DEPREICATION OF MRS. GANDHI. CHIAO SAID THE CHINESE KNEW MRS. GANDHI HAD A PERSONAL FIXATION (WHICH [REDACTED] ADDED WAS TRUE) ABOUT BLAMING THE 1962 PRC ATTACK ON INDIA FOR THE DEATH OF NEHRU, HER FATHER. THE CHINESE SAID THE FACT IS THAT NEHRU AS A STATESMAN HAD ACCEPTED THE BURDENS OF OFFICE. IT WAS HE WHO IN 1962 MADE A PUBLIC STATEMENT TO THE EFFECT THAT HE HAD ORDERED HIS TROOPS TO "KICK OUT" THE CHINESE AND HE SHOULD HAVE KNOWN THIS WOULD COMPEL A CHINESE REACTION. HENCE HE AND NOT CHINA WAS RESPONSIBLE FOR THE CONSEQUENCES. CHIAO SAID MRS. GANDHI FACED STAGGERING ECONOMIC AND SOCIAL PROBLEMS AT HOME AND SHOULD TAKE CARE OF THESE INSTEAD OF MEDDLING WITH REGIONAL MATTERS. SHE SEEMED SURROUNDED BY TWO COMPETING SETS OF ADVISERS, ONE FOR IMPROVING RELATIONS WITH CHINA AND THE OTHER OPPOSED. HADN'T INDIA SUFFERED ENOUGH ALREADY? CORRUPTION WAS RAMPANT AROUND MRS. GANDHI INVOLVING EVEN HER SON AND HIS HOTELS. WHAT KIND OF LEADERSHIP WAS THIS? MRS. GANDHI NEEDED HER HEAD EXAMINED AND CHINA HAD THE FACILITIES AND WOULD MAKE THEM AVAILABLE IF SHE WANTED TO USE THEM.

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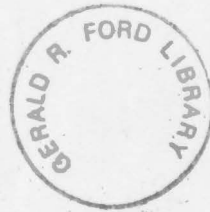


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13. ON BANGLADESH, CHIAO TOLD [REDACTED] THAT PEKING WAS IN NO HURRY TO ESTABLISH RELATIONS WITH BANGLADESH; CHINA ALREADY HAD ALL THE INFORMATION AND CONTACTS IT NEEDED TO DEAL WITH DACCA. ALREADY ANTI-INDIAN AND ANTI-SOVIET CHAOS WAS SPREADING THERE. BANGLADESH WAS SUFFERING AND WOULD GO ON SUFFERING BECAUSE IT WAS SO FULL OF PROBLEMS. IN TIME MUJIB WOULD HAVE TO COME ON BENDED KNEE TO PEKING.



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PAGE 01 HONG K 11684 04 OF 04 250650Z

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ACTION SS-25

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P R 250650Z OCT 74  
FM AMCONSUL HONG KONG  
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INFO AMEMBASSY DACCA  
AMEMBASSY KATHMANDU  
AMEMBASSY ISLAMABAD  
AMEMBASSY MOSCOW  
AMEMBASSY NEW DELHI  
AMEMBASSY TAIPEI  
AMEMBASSY TOKYO  
USLO PEKING  
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14. ██████████ CONFIDED ABOVE INFORMATION TO CONGENOFFS ON ASSURANCE THAT BOTH HE AND HIS SOURCE WOULD BE STRICTLY PROTECTED. ██████████ HIMSELF HAS FILED ONLY ONE STORY WHICH REFERS IN GENERAL TERMS TO CHINESE CONCERN RE SIKKIM BUT NOTHING MORE. HE DOUBTED ██████████ WOULD PUBLISH ANYTHING SENSITIVE IN NEAR FUTURE HERESELF, ALTHOUGH SHE IS COLLECTING MATERIAL FOR FORTHCOMING BOOK. AS FOR ██████████ CONVEYING SELECTED PORTIONS OF PRC VIEWS TO INDIAN AUTHORITIES, ██████████ NOTED MRS. GANDHI'S STATEMENT OF OCTOBER 18 IN WHICH PRIMIN REMARKED THAT SINCE INDIA HAD SAID NOTHING WHEN PAKISTAN'S PRESIDENT BHUTTO ANNEXED HUNZA AND NOTHING WHEN CHINA TOOK TIBET, WHY WAS SO MUCH BEING MADE OF SIKKIM? ██████████ THOUGHT THIS MAY WELL BE MRS. GANDHI'S FIRST RESPONSE TO THE INFORMATION BROUGHT BY ██████████ SAID ON HEELS OF HIS STORY HE HAD RECEIVED QUERY FROM HIS HOME OFFICE FOR MORE DETAILS ABOUT ██████████ BUT HE HAD ADVISED THAT IT CONTACT ██████████ DIRECTLY.

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15. COMMENT. FROM OUR VANTAGE POINT WE ARE INCLINED TO ACCEPT THE ABOVE ACCOUNT AS AN ESSENTIALLY ACCURATE VERSION OF WHAT THE CHINESE TOLD [REDACTED] SUCH CLUES AS THE INCLUSION OF DERROGATORY REMARKS ABOUT MRS. GANDHI, THE FACT THAT [REDACTED] SAID NOTHING PUBLICLY IN HONG KONG ABOUT INDIA, AND LOCAL INFORMATION INDICATING [REDACTED] HAS GOOD RELATIONS WITH NCNA REPS. HAVE ALL TENDED TO CONFIRM THE CREDIBILITY OF THE ABOVE ACCOUNT. AS SUCH IT IS THE MOST COMPREHENSIVE AND RECENT EXPOSITION OF PEKING'S CURRENT VIEW OF INDO-CHINA RELATIONS THAT WE HAVE SEEN HERE.

16. THE COMBINATION OF CHINESE SECRETIVENESS AND PRC MEDIA RHETORIC HAVE APPARENTLY OBSCURED THIRD COUNTRY KNOWLEDGE ABOUT PEKING'S ACTUAL ATTITUDES ABOUT AND WILLINGNESS TO CARRY ON A DIALOGUE WITH INDIA. (CONSIDER FOR EXAMPLE, HOW WELL KNOWN THE CHINESE VIEWS ON WESTERN EUROPE AND JAPAN ARE IN CONTRAST TO THOSE ON INDIA AND THE SUB CONTINENT.) THE [REDACTED] ACCOUNT HELPS CONSIDERABLY TO CORRECT THE WIDELY HELD THIRD COUNTRY IMPRESSION THAT THE CHINESE HAVE TAKEN AN ILLOGICALLY HARD LINE ON RELATIONS WITH INDIA (REFTEL). WHILE NO DOUBT A NUMBER OF THE CHINESE STATEMENTS TO [REDACTED] ARE OBVIOUSLY SELF SERVING AND BLUSTERING, IT IS NEVERTHELESS SIGNIFICANT THAT DESPITE THEIR UPSET OVER SIKKIM, THE CHINESE STILL SEEM WILLING TO RESUME THE DIALOGUE, AND HAVE LEFT THE DOOR OPEN FOR AN INDIAN RESPONSE. ADDITIONALLY IT IS INTERESTING THAT THE CHINESE ARE TAKING PAINS IN THIS DIALOGUE NOT TO OVERDO SOVIET LINKAGE WITH INDIA, PRESUMABLY BELIEVING THERE ARE STILL POSSIBILITIES FOR COUNTERING TO SOME DEGREE MOSCOW'S PRESENT INSIDE TRACK POSITION RE INDIA.

17. THE RATIONALE PUT FORTH BY THE CHINESE ABOUT THE LEADERSHIP SUCCESSION ISSUE INFLUENCING CHINESE ATTITUDES TOWARDS INDIA IS BOTH FASCINATING AND NEW. THIS IS TIED IN WITH WHAT ORIGINALLY APPEARED TO BE RANDOM REFERENCES IN [REDACTED] ACCOUNT ABOUT AN ALL-LEVEL CHINESE LEADERSHIP CONSENSUS SUPPORTING THE RECENT MFA STATEMENT ON SIKKIM AND ABOUT THE STRESS ON THE RISK OF A SERIOUS BORDER SITUATION ARISING FROM RASH LOCAL ACTIONS BY A COMMANDER ON EITHER SIDE. THIS ASPECT HAS IMPORTANT POLITICAL IMPLICATIONS NOT ONLY FOR CHINA'S FOREIGN RELATIONS BUT FOR THE PRESENT INTERNAL POLITICAL SITUATION AS WELL. [REDACTED] COMMENTS ON CURRENT INTERNAL POLITICAL DEVELOPMENTS BEING REPORTED BY SEPTTEL.



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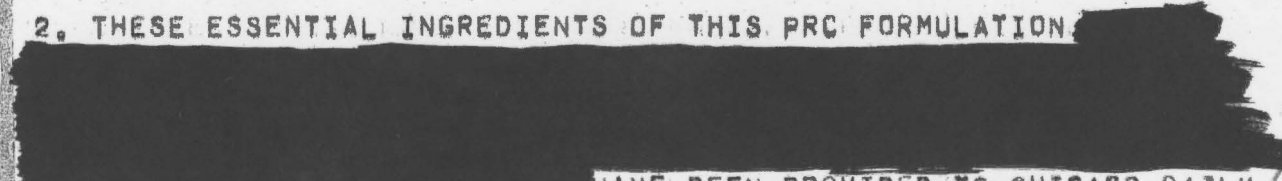
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E.O. 11652: XGDS-2  
TAGS: PFOR CH US  
SUBJ: PACE OF SINO-U.S. RELATIONS

REF: A. PEKING 2305 B. PEKING 2331 C. HONG KONG 137087  
D. PEKING 2290

1. RECENT INDICATIONS OF ALLEGED DISPLEASURE OF PRC OFFICIALS AT THE PAC OF PROGRESS IN SINO- AMERICAN RELATIONS HAVE COME FROM SEVERAL PLACES. IN ADDITION, SINCE LATE NOVEMBER, PRC ATTITUDES AS EXPRESSED TO FOREIGNERS HAVE FEATURED UNIFORM POINTS THAT THE USG MUST SEVER TIES WITH THE GRC, ABROGATE ITS TREATIES, AND WITHDRAW ALL TROOPS FROM TAIWAN IF RELATIONS ARE TO BE "NORMALIZED". BY REFERRING TO THE "JAPAN MODEL", THE PRC APPARENTLY IS AT THE SAME TIME INDICATING THAT CONTINUING U.S. TRADE, CULTURAL, AND OTHER RELATIONS WITH TAIWAN WOULD BE ACCEPTABLE TO THE PRC. BOTH OF THESE THEMES APPEAR TO BE WELL- ORCHESTRATED AND DESIGNED TO BECOME WIDELY PUBLICIZED.

2. THESE ESSENTIAL INGREDIENTS OF THIS PRC FORMULATION



HAVE BEEN PROVIDED TO CHICAGO DAILY NEWS CORRESPONDENT SAME JAFFE (REF A) AND TO AMERICAN NEWSMAN IN HONG KONG (REF C).



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STATE DEPT. GUIDELINES, State Visit 8/2/00  
BY 674 NARA, DATE 4/27/01

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3. THE FOREIGN PRESS CORPS IN HONG KONG HAS OBTAINED ADDITIONAL INDICATIONS OF THE PRC'S POSITION FROM ARTICLES WRITTEN BY AFP'S SERGE RMENSKY (REF D) IN PEKING BASED ON JAFFE'S EXCLUSIVE INTERVIEW WITH SENATOR MANSFIELD. WE WOULD ANTICIPATE THAT THE SENATOR WILL BE PRESSED HARD ON THIS ISSUE DURING HIS VISIT IN HONG KONG AND WILL, OF COURSE, INFORM HIM OF THIS POSSIBILITY IMMEDIATELY UPON HIS ARRIVAL.

4. ALTHOUGH NO HONG KONG-BASED CORRESPONDENTS HAVE YET PUBLISHED THESE ACCOUNTS AND NONE KNOW THE FULL EXTENT OF THE INFORMATION AVAILABLE AT THIS POINT, WE BELIEVE THAT PUBLICATION OF JAFFE'S ARTICLES WILL PROBABLY LEAD TO CONSIDERABLE SPECULATION AMONG OUR CHINA-WATCHING PRESS COLLEAGUES. SINCE CHINESE "IMPATIENCE" WITH THE PACE OF SINO-AMERICAN RELATIONS WAS PROVIDED TO AN AMERICAN REPORTED IN HONG KONG BY COMMUNIST EDITOR FEI I-MIN FIRST LAST AUGUST (HONG KONG 9217) WE WOULD ALSO ANTICIPATE FURTHER SUCH COMMENTS BY LOCAL CADRES TO THE PRESS CORPS. IN TURN AMERICAN PRESS CORPS WOULD THIS LINE TO SPECULATE ON CHINESE MOTIVES IN INITIATING THIS KIND OF COORDINATED CAMPAIGN SO FAR IN ADVANCE OF PRESIDENT FORD'S ANTICIPATED VISIT TO PRC AND SO SOON AFTER SECRETARY'S TRIP WHEN NO PUBLIC EXPRESSIONS OF DISSATISFACTION WERE VOICED.  
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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012732

REASON FOR WITHDRAWAL . . . . National security restriction  
TYPE OF MATERIAL . . . . . Telegram  
CREATOR'S NAME . . . . . AMCONSUL HONG KONG  
RECEIVER'S NAME . . . . . SECSTATE WASHDC  
TITLE . . . . . PRC Initiative toward ROKG  
CREATION DATE . . . . . 10/29/1974  
VOLUME . . . . . 2 pages  
COLLECTION/SERIES/FOLDER ID . 032400174  
COLLECTION TITLE . . . . . NATIONAL SECURITY ADVISER. PRESIDENTIAL  
COUNTRY FILES FOR EAST ASIA AND THE  
PACIFIC  
BOX NUMBER . . . . . 5  
FOLDER TITLE . . . . . Hong Kong - State Department Telegrams  
DATE WITHDRAWN . . . . . 04/27/2001  
WITHDRAWING ARCHIVIST . . . . GG

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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012728

REASON FOR WITHDRAWAL . . . . National security restriction  
TYPE OF MATERIAL . . . . . Telegram  
CREATOR'S NAME . . . . . AMCONSUL HONG KONG  
RECEIVER'S NAME . . . . . SECSTATE WASHDC  
TITLE . . . . . Pace of Sino-U.S. Relations  
CREATION DATE . . . . . 12/27/1974  
VOLUME . . . . . 2 pages  
COLLECTION/SERIES/FOLDER ID . 032400174  
COLLECTION TITLE . . . . . NATIONAL SECURITY ADVISER. PRESIDENTIAL  
COUNTRY FILES FOR EAST ASIA AND THE  
PACIFIC  
BOX NUMBER . . . . . 5  
FOLDER TITLE . . . . . Hong Kong - State Department Telegrams  
DATE WITHDRAWN . . . . . 04/27/2001  
WITHDRAWING ARCHIVIST . . . . GG

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E.O. 12958, SEC. 3.5  
STATE DEPT. GUIDELINES, State visit 8/2/00  
BY GA, MARA, DATE 4/27/01





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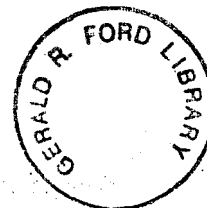
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FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC 3301  
INFO USLO PEKING

~~SECRET~~ HONG KONG 13929

EXDIS

NOFORN

E.O. 11652: GDS  
TAGS: PFOR CH US  
SUBJECT: US-PRC RELATIONS

DECLASSIFIED  
E.O. 12958 (as amended) SEC 3.3

MR # 10-042-49

state dept ver 5/4/10

By del NARA, Date 6/24/10

REF: PEKING 2331

1. WE HAVE BEEN PASSED BRITISH FOREIGN OFFICE TELEGRAM WHICH REPORTS ON CONVERSATION BETWEEN UK FOREIGN SECRETARY AND PRC AMBASSADOR (REFTEL) AND THINK IT IMPORTANT TO NOTE THE CONTEXT IN WHICH THE AMBASSADOR DESCRIBED SINO-U.S. RELATIONS AS "DEVELOPING" OR "PROGRESSING." THE AMBASSADOR VOLUNTEERED HIS COMMENT AND COUCHED IT AS A DENIAL OF PRESS ALLEGATIONS TO THE CONTRARY.

2. THIS PORTION OF THE TELEGRAM READS: QUOTE SUNG VOLUNTEERED THAT ALTHOUGH THE PRESS PERSISTED IN ALLEGING THAT SINO-U.S. RELATIONS WERE LESS GOOD IN FACT THEY WERE DEVELOPING. HIS INTERPRETER IN FACT TRANSLATED THIS AS 'THERE WAS PROGRESS', UNQUOTE

3. COMMENT: IT MAY, OF COURSE, BE COINCIDENCE THAT AMBASSADOR SUNG DENIES PRESS ALLEGATIONS ABOUT A DOWN-TURN IN SINO-U.S. RELATIONS ON THE SAME DAY (DECEMBER 17) THAT VICE FOREIGN MINISTER YU CHAN IS PUMPING UP AMERICAN JOURNALIST SAM JAFFE TO MAKE JUST SUCH AN



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Department of State **TELEGRAM**

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PAGE 02 HONG K 13929 280617Z

ALLEGATION (PEKING 2305). EASIEST EXPLANATION IS THAT CHINESE LINE SHIFTED SUDDENLY AND RENDERED AMBASSADOR'S INSTRUCTIONS OUT OF DATE. WE WOULD NOT RULE OUT YET, HOWEVER, THE ALTERNATIVE POSSIBILITY THAT THE CHINESE COULD BE SHADING THEIR LINE TO FIT DIFFERENT AUDIENCES. PEKING MIGHT, FOR EXAMPLE, WANT TO INJECT A GREATER SENSE OF ANXIETY INTO AMERICAN PUBLIC OPINION, WHILE REASSURING A CLOSE AND WELL-ATTUNED U.S. ALLY LIKE THE UK THAT AFFAIRS ARE PROPERLY IN HAND.  
CROSS



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NOD487

PAGE 01 HONG K 01152 01 OF 02 310926Z CONTROL: 68200  
RECD: 31 JAN 75  
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ACTION NODS-00 1:46AM

INFO OCT-01 /001 W

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P 310515Z JAN 75  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC PRIORITY 3668

~~CONFIDENTIAL~~ SECTION 1 OF 2 HONG KONG 1152

NODIS

E.O. 11652/ XGDS-2

TAGS: PINT, CH

SUBJECT: FOREIGN MINISTER CHIAO TALK WITH NEW ZEALAND AMBASSADOR

1. FOLLOWING IS MAIN PORTION OF A REPORT FROM THE NEW ZEALAND AMBASSADOR (HARLAND) IN PEKING OF HIS TALK JANUARY 12 WITH CHINESE FOREIGN MINISTER CHIAO KUAN-HUA. IT WAS PASSED TO US BY A NEW ZEALANDER COLLEAGUE HERE (PROTECT) WITH THE COMMENT THAT CHIAO'S REMARKS WERE INTENDED TO REACH AMERICAN EARS. HOWEVER WE BELIEVE OUR COLLEAGUE IS OPERATING ON HIS OWN INITIATIVE IN PASSING US THIS.

BEGIN TEXT.

2. INDO CHINA

I TOLD CHIAO THAT WE ARE CONCERNED ABOUT THE CURRENT UPSURGED FIGHTING IN SOUTH VIETNAM. HE DISMISSED IT AS A MINOR PROBLEM, AND COMMENTED THAT THE AMERICANS WERE OVER-REACTING, AS USUAL. HE ALSO PLAYED DOWN THE IMPORTANCE OF CAMBODIA: QUOTE WHAT DOES IT MATTER WHETHER CAMBODIA ENDS UP RED OR BLUE? UNQUOTE. BUT HE WENT ON TO SAY THAT CHINA HAD ON THREE OCCASIONS IN THE PAST YEAR SPOKEN SERIOUSLY TO THE AMERICANS ABOUT CAMBODIA, AND THEY WOULD NOT LISTEN. THE LAST OCCASION WAS KISSINGER'S VISIT, THEN I SAID THAT WE HAD TALKED TO THE AMERICANS MORE RECENTLY, AND IT WAS OUR IMPRESSION THAT THEY MIGHT NOW BE MOVING: THEY WANTED A POLITICAL SETTLEMENT, AND WERE NOT WEDDED TO ANY PARTICULAR PERSON OR TO ANY PARTICULAR SOLUTION. CHIAO DEMURRED: HE QUESTIONED WHETHER THE UNITED STATES WANTED A

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DECLASSIFIED  
EO. 12958 (as amended) SEC 3.3  
MR # 10-042-110  
State Dept. Utr 5/6/10  
By dal NARA, Date 6/24/10



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PAGE 02 HONG K 01152 01 OF 02 310926Z

SOLUTION. THE PROBLEM MIGHT WELL DRAG ON FOR A CONSIDERABLE TIME YET (QUOTE FOUR OR FIVE YEARS UNQUOTE).

3. I SAID THAT SIHANOUK'S RECENT STATEMENTS SUGGESTED THAT HE AT LEAST WANTS A POLITICAL SOLUTION. CHIAO REPLIED THAT WE QUOTE SHOULD NOT READ TOO MUCH INTO THOSE STATEMENTS UNQUOTE. BUT HE DID AGREE THAT ANY POLITICAL SETTLEMENT WOULD HAVE TO CENTRE ON SIHANOUK. AND IN RESPONSE TO A QUESTION OF MINE, HE ASSERTED WITH A GREAT DEAL OF CONFIDENCE THAT THE NORTH VIETNAMESE WOULD NOT TORPEDO A SETTLEMENT SIHANOUK AGREED TO. I REMARKED THAT, AS THE CHINESE AMBASSADOR IN HANOI PAID A CALL ON LE DUAN A FEW DAYS AGO, CHIAO WAS PRESUMABLY IN A POSITION TO KNOW. HE DID NOT DENY IT. HE EXPLICITLY ADMITTED THAT CHINA WAS PROVIDING MILITARY SUPPORT FOR THE KHMER ROUGES, AND, IN A RESPONSE TO A QUESTION, DENIED THAT SUCH SUPPORT WAS BEING HELD UP IN TRANSIT IN NORTH VIETNAM.

4. QUOTE TO SPEAK FRANKLY UNQUOTE, CHIAO WENT ON, SAIA'S PROBLEMS ARE BEING PERPETUATED BY THE FACT (PRECISELY REPRODUCED--HONG KONG). CHIAO APPEARED SURPRISINGLY TOLERANT OF AMERICAN ATTITUDES AND ACTIONS. HE CONCEDED THAT THE ADMINISTRATION FACED CONSIDERABLE PROBLEMS IN SORTING OUT ITS ASIAN POLICIES, AND IMPLIED THAT CHINA WAS PREPARED TO WAIT. QUOTE THEY CAN DO IT LITTLE BY LITTLE, AND SAVE THEIR FACE UNQUOTE. HE SAID, HOWEVER, THAT IN THE CHINESE VIEW THE U.S. HAD, SINCE FORD BECAME PRESIDENT, BEEN DRAGGING ITS FEET IN ASIA, AND THAT THIS WOULD ULTIMATELY BE TO THE UNITED STATES' OWN DISADVANTAGE. HE DESCRIBED PRESIDENT FORD AS A QUOTE WEAK UNQUOTE PRESIDENT: THIS BE QUALIFIED BY SAYING THAT FORD HAD NOT BEEN ELECTED, BUT THE REMARK CLEARLY HAD WIDER IMPLICATIONS.

5. I OBSERVED THAT KISSINGER DID NOT NOW SEEM TO BE DEVOTING MUCH THOUGHT TO RELATIONS WITH CHINA. CHIAO REPLIED THAT KISSINGER REMAINED CONCERNED, BUT HAD BECOME PREOCCUPIED WITH OTHER, MORE PRESSING MATTERS. THAT WAS NOT TO SAY, HE SAID IN RESPONSE TO FURTHER QUESTIONS, THAT CHINA WOULD BE HAPPY TO SEE KISSINGER DEVOTE HIMSELF ENTIRELY TO EUROPE AND THE MIDDLE EAST. THE UNITED STATES SHOULD TIDY UP ITS AFFAIRS IN ASIA, SO THAT IT COULD CONCENTRATE ON DEALING WITH THE THREAT FROM THE SOVIET UNION.

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# Department of State

# TELEGRAM

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PAGE 03 HONG K 01152 21 OF 02 .310926Z

6. I WAS SURPRISED TO FIND THAT, IN SPEAKING OF KISSINGER, CHIAO DISPLAYED SOME PERSONAL ANIMOSITY. HE HIMSELF TURNED THE CONVERSATION TO THE INTERVIEW KISSINGER RECENTLY GAVE TO QUOTE BUSINESS WEEK UNQUOTE. HE WAS CLEARLY ANNOYED BY THE SABRE-RATTLING ATTITUDE KISSINGER ADOPTED TOWARDS THE MIDDLE EAST, BUT HIS GREATEST CONCERN WAS WHAT THE INTERVIEW REVEALED ABOUT KISSINGER'S ATTITUDE TOWARDS EUROPE. IF THE UNITED STATES WAS UNHAPPY WITH ITS ALLIES, IT SHOULD SPEAK TO THEM PRIVATELY, CHIAO COMMENTED. KISSINGER'S STATEMENT WAS UNNECESSARY AND DAMAGING.



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NOD476

PAGE 01 HONG K 01152 02 OF 02 310732Z

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ACTION NODS-00

INFO OCT-01 /001 W

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P 310515Z JAN 75  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC PRIORITY 3667

~~C O N F I D E N T I A L~~ SECTION 2 OF 2 HONG KONG 1152

NODIS

7. THE CONVERSATION MADE IT CLEARER THAN EVER THAT CHIAO'S MAIN PREOCCUPATION IS WITH EUROPE, AND THE POSSIBILITIES FOR THE EXPANSION OF SOVIET INFLUENCE THERE, AND WHAT HE SAID BORE LITTLE RESEMBLANCE TO CHINA'S PUBLIC UTTERANCES.

8. IN HIS VIEW, THE SOCIAL DEMOCRAT AND LABOUR PARTIES REPRESENT THE GREATEST DANGER IN WESTERN EUROPE--THOUGH NOT, HE HASTENED TO SAY, IN NEW ZEALAND AND AUSTRALIA. CONSERVATIVE PARTIES ARE MUCH LESS LIKELY TO FALL FOR SOVIET BLANDISHMENTS, AND THE ECONOMIC CRISIS IS LIKELY TO BRING THEM BACK TO POWER BEFORE LONG. BUT, I POINTED OUT, IN THE CRISIS OF THE 1930S IT WAS NOT THE TRADITIONAL CONSERVATIVES WHO CAME TO POWER IN COUNTRIES LIKE ITALY AND GERMANY, BUT THE LUNATIC FRINGE OF THE EXTREME RIGHT. THE REAL DANGER NOW IS THAT PEOPLE IN EUROPE WILL LOSE CONFIDENCE IN THEIR OWN SYSTEMS OF GOVERNMENT, AND DO UNPREDICTABLE THINGS. THIS SEEMED ALMOST A NEW THOUGHT TO CHIAO. BUT I FELT HE TOOK MY POINT THAT THE FALL OF EUROPE'S LEFT OF CENTRE GOVERNMENTS WOULD NOT NECESSARILY BRING ABOUT A SITUATION MORE FAVORABLE TO CHINA'S INTERESTS. STILL, HE WAS FAR FROM ENTHUSIASTIC ABOUT THOSE IN OFFICE IN EUROPE AT PRESENT. IN THE CASES OF BRITAIN AND WEST GERMANY HE SPOKE MORE APPROVINGLY OF THE CONSERVATIVE PARTY LEADERS. HE HAS NOT MET GISCARD, HE SAID, IS COMING TO CHINA LATER THIS YEAR. (WE HAD NOT HEARD THIS BEFORE.) (PRECISELY REPRODUCED--HONG KONG.)

9. CHIAO SEEMED LESS CONCERNED ABOUT THE STABILITY OF THE GOVERNMENTS NORTH OF THE ALPS THAN BY THOSE TO THE SOUTH. HE

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PAGE 02 HONG K 01152 02 OF 02 310732Z

OBSERVED THAT COMMUNIST TAKEOVER COULD WELL TAKE PLACE IN FOUR EUROPEAN COUNTRIES--GREECE, ITALY, PORTUGAL AND SPAIN. WHEN I SAID THAT, IN ITALY AT LEAST, A COMMUNIST GOVERNMENT WOULD PROBABLY BE PRETTY INDEPENDENT OF MOSCOW, HE REPLIED THAT AS FAR AS CHINA WAS CONCERNED, A COMMUNIST ITALY MIGHT BE A GOOD THING, FOR, WHATEVER THE REALITY, IT WOULD BE WIDELY REGARDED AS A CREATURE OF MOSCOW. (I ASSUME HIS MEANING WAS THAT RESISTANCE TO SOVIET OVERTURES ELSEWHERE IN EUROPE WOULD BE STRENGTHENED AS A RESULT.)

10. THE SOVIET UNION WOULD DEARLY LIKE TO CAPITALIZE ON THE PRESENT UNCERTAINTY IN EUROPE, CHIAO SAID. ONLY ONE THING PREVENTED IT: THE UNSATISFACTORY STATE OF ITS RELATIONS WITH CHINA. (IN SAYING THIS, CHIAO INVERTED WHAT IS GENERALLY REGARDED AS BEING THE CHINESE POSITION--THAT THE SOVIET UNION WILL NOT MAKE TROUBLE ON ITS BORDER WITH CHINA BECAUSE IT IS PREOCCUPIED WITH EVENTS IN EUROPE.) CHIAO STRESSED THAT THE SOVIET UNION VERY MUCH WANTS TO IMPROVE ITS RELATIONS WITH CHINA, BUT UP TO THE PRESENT ONLY ON ITS OWN TERMS. HE THEN SAID WITH EMPHASIS THAT THERE IS, NO WAY IN WHICH SINO-SOVIET RELATIONS CAN BE IMPROVED-- AND IMMEDIATELY BACKTRACKED BY SAYING THAT OF COURSE CIRCUMSTANCES MIGHT CHANGE IN THE FUTURE. A PROPOS OF THE ANNIVERSARY MESSAGE, TO WHICH I REFERRED, CHIAO REMARKED THAT THE PUBLIC AND PRIVATE STANCES OF THE SOVIET UNION WERE NOT ALWAYS IDENTICAL, BUT HE DENIED THAT THE RUSSIANS HAD MADE ANY PRIVATE APPROACH TO CHINA LATELY.

## 11. COMMENT

WHAT CHIAO SAID WENT SOME DISTANCE TOWARDS CONFIRMING MY RECENT SPECULATIONS ABOUT CHINA'S ATTITUDE TOWARDS THE U.S. AND THE SOVIET UNION. IT CERTAINLY MADE CLEAR THAT THE CHINESE STILL SEE THE RUSSIANS AS THEIR MAIN ENEMY. IT ALSO INDICATED THAT THEY ARE UNHAPPY ABOUT CURRENT AMERICAN POLICY. OSTENSIBLY, WHAT THEY--OR AT LEAST CHIAO--ARE MOST UNHAPPY ABOUT IS WHAT THEY REGARD AS KISSINGER'S MISHANDLING OF EUROPE, RATHER THAN HIS FAILURE TO TIDY UP THE ASIAN PROBLEMS LEFT OVER FROM THE FIFTIES. YET IN CLAIMING THAT CHINA IS PREVENTING THE SOVIET UNION FROM CAPITALISING ON THE CRISIS IN EUROPE, AND ALSO IN REMINDING ME THAT SINO-SOVIET RELATIONS CAN CHANGE, CHIAO WAS SURELY SUGGESTING THAT CHINA IS AN IMPORTANT FACTOR IN WORLD

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PAGE 03 HONG K 01152 02 OF 02 310732Z

POLITICS AND ITS POSITION CANNOT BE TAKEN FOR GRANTED. SO HE SEEMS TO ME TO BE ARGUING, OBLIQUELY BUT QUITE CLEARLY, THAT THE U.S. SHOULD TAKE MORE NOTICE OF CHINA.

12. ON INDOCHINA THE IMPORTANT THING THAT EMERGED WAS CHIACIS CONFIDENCE THAT HANOI WILL NOT TORPEDO A SETTLEMENT IN CAMBODIA CENTERED ON SIHANOUK. THIS CONFIRMS MY IMPRESSION THAT, IN SPITE OF WHAT MANAC'H SAYS, THE CHINESE HAVE BEEN TALKING TO THE NORTH VIETNAMESE, AND HAVE PROBABLY REACHED SOME UNDERSTANDING WITH THEM. IF SO, THE RISKS INVOLVED IN WORKING OUT POLITICAL SETTLEMENT MAY NOT BE AS GREAT AS MANAC'H THINKS. END TEXT.  
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PAGE 01 HONG K 01836 220505Z

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W  
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R 220312Z FEB 75  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC 3890  
INFO AMEMBASSY PHNOM PENH  
USLO PEKING

~~CONFIDENTIAL~~ HONG KONG 1836

EXDIS

NOFORN

E.O. 11652: XGDS-2  
TAGS: PINT CH CB  
SURJ: SIHANOUK DEPRESSED AFTER HANOI TRIP

DAILY TELEGRAPH PEKING CORRESPONDENT CLARE HOLLINGWORTH, PRESENT IN HONG KONG, TOLD CONGENOFF THAT HUGH GIBB, HONG KONG DOCUMENTARY FILM MAKER, MET WITH SIHANOUK IN PEKING FEBRUARY 20 AND FOUND THE PRINCE MOROSE. GIBB, WHO FILMED A SIHANOUK INTERVIEW TWO OR SO YEARS AGO, TOLD HOLLINGWORTH HERE FEBRUARY 21 THAT SIHANOUK SAID IT WAS INCREASINGLY UNLIKELY HE WOULD EVER RETURN TO CAMBODIA AND THAT HE WAS THINKING OF GOING TO LIVE IN FRANCE. THE CHINESE WOULD NEVER TURN HIM OUT BUT HE DID NOT WISH TO EMBARRASS THEM BY STAYING ON WHEN IT WAS CLEAR THAT HE HAD NO USEFUL ROLE TO PLAY IN CAMBODIAN AFFAIRS. GIBB SAID SIHANOUK LEFT LITTLE DOUBT THAT HIS DEPRESSION STEMMED FROM HIS RECENT VISIT TO HANOI (FEBRUARY 9-15) BUT WOULD SAY NOTHING ABOUT WHAT HAD TRANSPIRED THERE.  
CROSS



DECLASSIFIED  
E.O. 12958, SEC. 3.8  
STATE DEPT, GUIDELINES, *state v. est 013/00*  
BY 66, NARA, DATE 4/23/01

STATE DEPT. DECLASSIFICATION REVIEW  
 Retain Class'n  Change to \_\_\_\_\_  
 Declassify in part and excise as shown  
EO 12958, 25X( ) ( ) ( ) \_\_\_\_\_  
 Declassify  After \_\_\_\_\_  
 With concurrence \_\_\_\_\_ (not)(obtained)  
IPS by JL Date 2/2/00

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8

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012730

REASON FOR WITHDRAWAL . . . . National security restriction  
TYPE OF MATERIAL . . . . . Telegram  
CREATOR'S NAME . . . . . AMCONSUL HONG KONG  
RECEIVER'S NAME . . . . . SECSTATE WASHDC  
DESCRIPTION . . . . . Re People's Republic of China  
CREATION DATE . . . . . 02/26/1975  
VOLUME . . . . . 2 pages  
COLLECTION/SERIES/FOLDER ID . 032400174  
COLLECTION TITLE . . . . . NATIONAL SECURITY ADVISER. PRESIDENTIAL  
COUNTRY FILES FOR EAST ASIA AND THE  
PACIFIC  
BOX NUMBER . . . . . 5  
FOLDER TITLE . . . . . Hong Kong - State Department Telegrams  
DATE WITHDRAWN . . . . . 04/27/2001  
WITHDRAWING ARCHIVIST . . . . GG

**EXEMPTED**

*5/6/10*

9

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 012731

REASON FOR WITHDRAWAL . . . . National security restriction  
TYPE OF MATERIAL . . . . . Telegram  
CREATOR'S NAME . . . . . AMCONSUL HONG KONG  
RECEIVER'S NAME . . . . . USLO PEKING  
DESCRIPTION . . . . . Re People's Republic of China  
CREATION DATE . . . . . 03/05/1975  
VOLUME . . . . . 1 page  
COLLECTION/SERIES/FOLDER ID . 032400174  
COLLECTION TITLE . . . . . NATIONAL SECURITY ADVISER. PRESIDENTIAL  
COUNTRY FILES FOR EAST ASIA AND THE  
PACIFIC  
BOX NUMBER . . . . . 5  
FOLDER TITLE . . . . . Hong Kong - State Department Telegrams  
DATE WITHDRAWN . . . . . 04/27/2001  
WITHDRAWING ARCHIVIST . . . . GG

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Department of State

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PAGE 01 HONG K 03026 220634Z

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O 220615Z MAR 75  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC IMMEDIATE 4270  
INFO AMEMBASSY BANGKOK IMMEDIATE  
AMEMBASSY SAIGON IMMEDIATE

~~SECRET~~ HONG KONG 3026

EXDIS

F.O. 11652: GDS  
TAGS: PGOV, VN, VS, PINS, CH  
SUBJECT: ASSESSMENT OF BANCROFT'S RELIABILITY

REF: A) BANGKUK 4732; B) HONG KONG 8706 NOTAL, AUG. 2, 1974

1. WILLIAM H. BANCROFT, JR. IS WELL KNOWN TO CONGENOFFS AS AN UNRELIABLE AND ERRATIC BUSINESS SOURCE WHO HAS FLOATED NUMBER OF ALLEGED "BIG TIME" SCHEMES HERE, AND APPARENTLY TRIES TO CAPITALIZE ON "CRISIS OPPORTUNITIES." AS REPORTED IN REF B, HE CLAIMED INVOLVEMENT IN SEVERAL BIG DEALS THAT DID NOT TURN OUT. THE LATEST WAS IN CONNECTION WITH FOREIGN ENERGY RESOURCE INVESTMENT GUARANTEES WHICH HE ALLEGEDLY ARRANGED WITH THE GOVERNMENT OF BANGLADESH.

2. WITH REGARD TO BANCROFT'S ACCOUNT ABOUT PRESIDENT THIEU WE HAVE NO INFORMATION HERE WHICH WOULD IN ANY WAY SUBSTANTIATE SUCH ALLEGATION AND WE ALSO REGARD IT AS HIGHLY IMPLAUSIBLE.  
CROSS

STATE DEPT. DECLASSIFICATION REVIEW

Retain Class'n  Change to \_\_\_\_\_

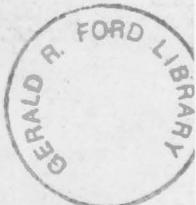
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With concurrence \_\_\_\_\_ (not)(obtained)

PS by  JL  Date  8/3/00



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65 4/23/01



Department of State TELEGRAM

~~SECRET~~ 1785

PAGE 01 HONG K 03095 250741Z

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC 4303  
INFO USLO PEKING

STATE DEPT. DECLASSIFICATION REVIEW  
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 With concurrence \_\_\_\_\_ (not) (obtained)  
PS by dl Date 8/3/00

~~SECRET~~ HONG KONG 3095

EXDIS

F.O. 11652: GDS-3  
TAGS: EEWT, FAIR, CH, KN, US  
SUBJ: US AIRCRAFT SALES TO PRC UNLIKELY, SAYS BOEING  
OFFICIAL

REFS: A) 1974 PEKING 1276  
B) 1974 STATE 194262  
C) 1974 PEKING 1688

1. SUMMARY. A BOEING OFFICIAL SAYS THE COMPANY HAS BEEN TOLD REPEATEDLY BY THE PRC THAT IT WILL NOT BE BUYING ANY MORE US AIRCRAFT UNTIL THE USG RELENTS ON ITS NOT ALLOWING THE PRC TO PASS US PLANES ALONG TO NORTH KOREA. END SUMMARY.

2. MR. AL STOFFEL, A RETIRED FSO NOW WITH THE INTERNATIONAL DIVISION OF BOEING CALLED TO DISCUSS OTHER MATTERS. IN THE COURSE OF TALKING ABOUT CHINA HE SAID IT LOOKED AS THOUGH THE CHINESE WOULD NOT BE BUYING MORE US AIRCRAFT FOR AWHILE BECAUSE THEY DID NOT LIKE THE RESTRICTIONS THE USG PLACED ON AIRCRAFT SALES.

3. HE EXPLAINED THAT THE CHINESE WANTED TO PASS THREE BOEING 707'S ON TO NORTH KOREA AND THAT UPON LEARNING THAT THE USG WOULD NOT ALLOW IT THE CHINESE INDICATED THEY WOULD NOT BE BUYING ANY MORE US AIRCRAFT. SINCE THEN BOEING HAS GOTTEN THIS CHINESE MESSAGE "FROM ABOUT

DECLASSIFIED  
E.O. 12958, SEC. 3.5  
STATE DEPT. GUIDELINES  
BY b6 DATE 4/23/01  
State v. 4 + 8/3/00



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Department of State

TELEGRAM

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PAGE 02 HONG K 03095 250741Z

TEN DIFFERENT DIRECTIONS", HE SAID.  
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FOI 1989 DEC 23  
UNCLASSIFIED

SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_  
SERIALIZED \_\_\_\_\_ FILED \_\_\_\_\_  
DEC 23 1989  
FBI - NEW YORK



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Department of State

TELEGRAM

~~CONFIDENTIAL~~ 4771

PAGE 01 STATE 155715

62  
ORIGIN SS-25

INFO OCT-01 ISO-00 /026 R

DRAFTED BY EA/VN:JDFINNEY:FMLC  
APPROVED BY EA:RHMILLER  
EA/VN:RHWENZEL  
D:KPENDLETON  
PPT:MRS. KELLER (DRAFT)  
S/S -LCJOHNSTONE  
E:CRBINSON

019599

P 012351Z JUL 75  
FM SECSTATE WASHDC  
TO AMCONSUL HONG KONG PRIORITY  
INFO AMEMBASSY VIENTIANE PRIORITY

~~CONFIDENTIAL~~ STATE 155715

EXDIS

E.O. 11652: XGDS-2

TAGS: BTRA, EEWT, EGEN, PFOR

SUBJECT: VISIT OF AMERICAN CITIZEN TO HANOI

REF: HONG KONG 7262

WE ARE NOT AWARE THAT DEPARTMENT HAS BEEN CONSULTED ON  
SAUBOLLE VISIT TO HANOI. IS HE IN FACT AN AMERICAN  
CITIZEN? INGERSOLL



DECLASSIFIED  
E.O. 12958, SEC. 3.5  
STATE DEPT, GUIDELINES, State visit 8/3/00  
BY 66 NARA, DATE 4/23/01

STATE DEPT. DECLASSIFICATION REVIEW  
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 Declassify in part and excise as shown  
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 With concurrence \_\_\_\_\_ (not) (obtained)  
PS by JK Date 8/3/06

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## Department of State

FILE  
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NOD405

PAGE 01 HONG K 08431 231041Z

CONTROL: 5630Q  
RECD: 23 JUL 75  
6:15 AM12  
ACTION NODS-00

INFO OCT-01 ISO-00 /001 W

032997

R 230827Z JUL 75  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC 6070  
INFO USLO PEKING~~CONFIDENTIAL~~ HONG KONG 8431

NODIS

E.O. 11652: GDS  
TAGS: ENRG, CH, US, HK  
SUBJECT: PROPOSED FLUOR REFINERY COMPLEX

REF: HONG KONG 8333

1. PARA 3 REFTTEL INDICATED THAT THE PRC WOULD GIVE FLUOR FINAL DECISION ON THE HUGE REFINERY/PETRO-CHEMICAL PROJECT BY LATE NOVEMBER AT THE LATEST. ACCORDING TO HOOSE, CHINESE SIDE SAID THE DECISION WOULD BE POSITIVE IN ANY CASE BUT ANNOUNCEMENT WOULD BE TIED TO PRESIDENT'S VISIT WHICH CHINESE CLAIMED WOULD BEGIN NOVEMBER 4 OR 5. IF PRIOR TO VISIT US MADE SOME GESTURE WHICH PROPONENTS COULD POINT TO AS SIGN OF REAL IMPROVEMENT IN SINO-AMERICAN RELATIONS, THEN ANNOUNCEMENT COULD BE MADE IN SEPTEMBER OR OCTOBER. IF US UNABLE TO DO OR SAY ANYTHING HELPFUL, THEN ANNOUNCEMENT WOULD BE MADE AFTER TRIP AS INDICATION OF VISIT'S SUCCESS. KINDS OF GESTURES HOOSE SAID CHINESE SAID THEY HAVE IN MIND WERE SUCH THINGS AS REMOVAL OF MORE US FORCES FROM TAIWAN, SETTLEMENT OF CLAIMS PROBLEM AND, OF COURSE, BEST OF ALL, ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH THE PRC.

2. I WAS NONCOMMITTAL, AS I ALWAYS AM WITH HOOSE ON THIS KIND OF THING, BUT IT STRIKES ME AS PRETTY LOW LEVEL AND BLATANT STUFF PROBABLY EMANATING FROM THE HONG KONG FRONT-MEN SIDE OF THE CHINESE TEAM. HOWEVER, I AM REPORTING IT IN THIS FASHION BECAUSE HOOSE PLANS TO CALL ON GENERAL SCOWCROFT OF NSC AND BECAUSE DATE FOR PRESIDENT'S VISIT GIVEN ABOVE IS

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IDENTICAL TO DATE RECENTLY TOLD TO OTHER AMERICANS BY OTHER CHINESE CONNECTED WITH THE PRC. IF THIS IS ACCURATE AND CHINESE ARE PASSING THE WORD THIS WAY, IT MIGHT BE OF POSSIBLE IMPORTANCE TO WASHINGTON IN DETERMINING TIMING OF ANNOUNCEMENT OF VISIT.  
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FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC PRIORITY 7069  
INFO AMEMBASSY BANGKOK  
AMEMBASSY TOKYO

STATE DEPT. DECLASSIFICATION REVIEW  
 Retain Class'n  Change to \_\_\_\_\_  
 Declassify in part and excise as shown  
EQ 12958, 25X( ) ( ) ( ) \_\_\_\_\_  
 Declassify  After \_\_\_\_\_  
 With concurrence \_\_\_\_\_ (not)(obtained)  
PS by 36 Date 8/3/00

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F.O. 11652: XGDS-2  
TAGS: BTRA EWFT EGEN PFOR  
SUBJ: AMERICAN INTEREST IN TRADE WITH INDOCHINA

REF: HONG KONG 7262; HONG KONG 8244 (NOTAL)

SUMMARY: THE CONGEN HAS COME ACROSS EVIDENCE THAT AT LEAST TWO AMERICAN CHAMBERS OF COMMERCE (AMCHAM) IN EA ARE ACTIVELY CONSIDERING PRESENTING RESOLUTIONS AT THE ASIAN PACIFIC COUNCIL OF AMERICAN CHAMBERS (APCAC) MEETING IN SEOUL DURING NOVEMBER, CALLING FOR USG EFFORTS TO OPEN UP ECONOMIC AND POLITICAL RELATIONS WITH THE DRV. IN CLOSELY RELATED MATTERS, U.S. BUSINESSMAN HAS ASKED US FOR INFORMAL ADVICE ON WHETHER U.S. TREASURY WOULD GRANT LICENSE FOR SALE OF AMERICAN COTTON DIRECTLY TO THE DRV. BECAUSE OF THE OBVIOUS POLITICAL IMPLICATIONS OF THESE TWO DEVELOPMENTS, WE ARE REPORTING THEM WITH REQUEST FOR GUIDANCE BY FRIDAY, SEPTEMBER 26, WHEN CONGEN HAS ITS REGULAR MEETING WITH LOCAL AMCHAM BOARD OF GOVERNORS AT WHICH THESE MATTERS WILL BE DISCUSSED. END SUMMARY

1. THE HONG KONG AMCHAM HAS PREPARED A DRAFT RESOLUTION PROPOSING THE EARLY NORMALIZATION OF COMMERCIAL AND POLITICAL RELATIONS WITH THE DRV AND CAMBODIA. THE AMCHAM IS CONSIDERING THE POSSIBILITY OF PRESENTING ITS DRAFT TO THE APCAC MEETING IN SEOUL, NOVEMBER 7 TO 10.

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E.O. 12958, SEC. 3.5  
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IT IS BEING STIRRED IN THIS DIRECTION BY THE JAPAN AMCHAM WHICH HAS ALREADY APPROVED A SIMILAR RESOLUTION, A COPY OF WHICH HAS BEEN BOOTLEGGED TO US. AMCHAM'S BOARD OF GOVERNORS INTENDS TO RAISE THE WHOLE QUESTION OF OPENING UP TRADE WITH THE DRV AT THE REGULAR MONTHLY MEETING WITH THE CONSUL GENERAL ON FRIDAY, SEPTEMBER 26. IN TYPICAL REASONABLE FASHION AMCHAM HAS KEPT US FULLY INFORMED OF ITS PLANS AND HAS ASKED US TO OFFER OUR VIEWS ON THIS SUBJECT AT THE MEETING ON FRIDAY.

2. SINCE THE WHOLE QUESTION OF OPENING UP TRADE WITH THE DRV IS ON ITS WAY TO BECOMING A HOT ISSUE IN THE VARIOUS APCAC CHAMBERS, AND SINCE WE KNOW THAT OUR REGULAR MEETINGS ARE REPORTED FULLY TO THE MEMBERS' HOME OFFICES, WE WOULD LIKE TO BE AS AUTHORITATIVE AND HELPFUL AS POSSIBLE. HOPEFULLY BY THE RIGHT KIND OF APPROACH WE COULD ALSO HEAD OFF SOME UNWELCOME INITIATIVES. THEREFORE, REQUEST DEPARTMENT'S VIEW AS EARLY AS POSSIBLE PRIOR TO THE SEPTEMBER 26 MEETING. TEXT OF THE HONG KONG AMCHAM DRAFT RESOLUTION FOLLOWS.

3. BEGIN QUOTE: THE ASIA-PACIFIC COUNCIL OF AMERICAN CHAMBERS FEELS THAT A STRONG, INDEPENDENT, AND PEACEFUL ASIA WILL BE BEST ACHIEVED IF THERE IS A DIRECT AND OPEN DIALOGUE, ACCOMPANIED BY NORMALISED RELATIONS, BETWEEN THE U.S. AND ALL COUNTRIES OF THE REGION. FURTHERMORE, APCAC FEELS THAT COMMERCIAL AND POLITICAL INTERCHANGE WOULD MATERIALLY CONTRIBUTE TO REGIONAL POLITICAL AND ECONOMIC STABILITY. TO THIS END, A BOLD INITIATIVE IS REQUIRED BY THE U.S. GOVERNMENT TO ASSURE A SMOOTH AND RAPID DEVELOPMENT OF OUR COUNTRY'S POLITICAL AND COMMERCIAL RELATIONS WITH THE DEMOCRATIC REPUBLIC OF VIETNAM AND THE KHMER REPUBLIC. PARTICULARLY, THE U.S. GOVERNMENT SHOULD IMMEDIATELY PERMIT U.S. TRADE WITH VIETNAM AND THE KHMER REPUBLIC UNDER TERMS AT LEAST AS FAVORABLE AS THOSE GRANTED WITH THE PEOPLE'S REPUBLIC OF CHINA. END QUOTE.

4. FOLLOWING IS TEXT OF JAPAN AMCHAM'S DRAFT RESOLUTION: BEGIN QUOTE: TO BOLSTER BOTH THE UNITED STATES IMAGE AND U.S. BUSINESS RELATIONS IN SOUTH EAST ASIA, AND TO



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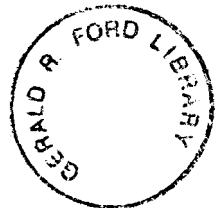
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CARRY FORWARD THE LONG ESTABLISHED AMERICAN OBJECTIVE OF HELPING CREATE AN ECONOMICALLY VIABLE, INDEPENDENT VIETNAM, APCAC URGES A U.S. GOVERNMENT SUPPORTED, PRIVATE SECTOR ECONOMIC MISSION BE DISPATCHED PROMPTLY TO SAIGON AND HANOI, LED BY A SENIOR AMERICAN BUSINESS FIGURE. PRECEDENT EXISTS IN THE U.S TRADE MISSION TO THE PEOPLE'S REPUBLIC OF CHINA, NOVEMBER 1973, IN SUPPORT OF AN ONGOING ECONOMIC RELATIONSHIP, LEADING TO EVENTUAL ADJUSTMENT IN DIPLOMATIC TIES. EXPERIENCE SHOWS CLARLY THAT AMERICAN LONG TERM, STABILIZING INTERNATIONAL OBJECTIVES ARE NOT ACHIEVED THROUGH BOYCOTT AND THE ENDING OF ALL DIALOGUE. THEREFORE WE URGE A UNITED STATES INITIATIVE TO RE-OPEN THE ECONOMIC REALTIONSHIP WITH VIETNAM. END QUOTE

5. IN ANOTHER CLOSELY RELATED MATTER, THE CONGEN WAS APPROACHED BY LOUIS SAUBOLLE, VICE PRESIDENT AND FAR EAST REPRESENTATIVE OF THE BANK OF AMERICA, WITH AN INQUIRY CONCERNING THE FEASIBILITY OF SELLING AMERICAN COTTON DIRECTLY TO THE NORTH VIETNAMESE. DEPARTMENT WILL RECALL THAT SAUBOLLE WAS THE FIRST AMERICAN BUSINESSMAN TO BE INVITED TO HANOI FOLLOWING THE DRV TAKEOVER OF THE SOUTH (HONG ONG 8244). ACCORDING TO SAUBOLLE, NORTH VIETNAMESE OFFICIALS CANDIDLY ADMITTED THAT THEY WERE CURRENTLY IMPORTING U.S. COTTON THROUGH UNNAMED JAPANESE TRADING FIRM, BUT WOULD PREFER TO PURCHASE DIRECTLY FROM THE U.S SUPPLIERS. QUANTITIES OF U.S. COTTON ALREADY PURCHASED OR PLANNED TO BE PURCHASED WERE NOT REPORTED BY SAUBOLLE, BUT ARE BELIEVED TO BE MODEST AMOUNTS.

6. OBVIOUSLY SAUBOLLE IS INTERESTED IN SHOWING HANOI THAT HIS VISIT HAS PAID OFF IF USG WERE TO RELAX CONTROLS EVEN IN THIS MODEST WAY. IT WOULD ALSO BE INTERPRETED BY THE DRV AND EVERYONE ELSE AS A POLITICAL SIGNAL AS WELL.

7. WHILE WE WOULD LIKE DEPARTMENT'S REPLY TO SAUBOLLE'S INQUIRY FOR PRIVATE DISCUSSIONS WITH HIM, THIS MATTER WILL NOT COME UP AT OUR FRIDAY MEETING.  
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