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262

THE WHITE HOUSE
WASHINGTON

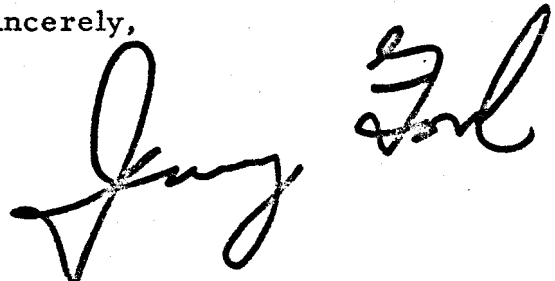
January 25, 1975

Dear Mike:

I have now had a chance to review the details and insights of the report on your visit to the People's Republic of China which you gave me on January 8. I appreciate your willingness to share with us at such length your impressions of China and the results of your discussions with senior leaders of the People's Republic.

As you know from our various discussions on China, normalizing U.S.-PRC relations is a cardinal element of the foreign policy of my Administration. I believe your recent visit to the PRC made a significant contribution to that objective. I will welcome your continuing support as our relations with Peking progress.

Sincerely,



The Honorable
Mike Mansfield
United States Senate
Washington, D. C. 20510



MEMORANDUM

THE WHITE HOUSE


WASHINGTON

ACTION

262

January 24, 1975

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER 

SUBJECT: Senator Mansfield's Report on His Visit
to the People's Republic of China

During Senator Mansfield's call on January 8, he delivered an extensive report on his December, 1974 trip to the People's Republic of China (the report is appended at Tab B.)

The report reflects Mansfield's strong interest in greater efforts from our side towards speeding the normalization process. While I believe the Senator underestimates the complexity of this process and the importance of how we alter our relations with Taiwan, his views are thoughtful and his support will be valuable as the relationships evolve.

Concerning his comments on the state of China's economy, I believe Senator Mansfield to be similarly over-optimistic. Statements from the recent National People's Congress suggest that PRC leaders are a good deal more critical and concerned about their development than is the Senator. This is not to dismiss the very thoughtful content of the report, nor the seriousness of Mansfield's purpose.

At Tab A is a suggested letter of reply to the Senator which expresses your appreciation for his report and the discussion with you following his trip to China. The letter also expresses the appreciation for his continuing support of the Administration's policy of normalizing U. S. - PRC relations.

RECOMMENDATION:

That you sign the letter to Senator Mansfield at Tab A. (Text cleared by Paul Theis).



12

THE WHITE HOUSE
WASHINGTON
January 12, 1975

Dick Solomon

Attached is a report given to the President by Senator Mansfield on his trip to the PRC. Brent would appreciate your reviewing it and staffing up a package containing a reply to Mansfield as soon as possible. As a related matter, it should also be possible to send George Bush an answer to his request for a debrief now.



Thanks very much.

REM
Bud

HAK has the original. This is the only copy

THE WHITE HOUSE
WASHINGTON

January 20, 1975

Dick Solomon

Brent has decided that HAK would probably want to include some personal observations on Mansfield's report and thus, would appreciate your "expanding the memo to the President accordingly. He leaves it to your judgement what would be appropriate.

REM

Bud: I have revised the HAK -> Pres. memo on the basis of a discussion with Brent.
RFS

1/20/75

D *id*

NATIONAL SECURITY COUNCIL

ACTION

January 20, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: RICHARD H. SOLOMON *RHS*

SUBJECT: A Presidential Note of Thanks to
Senator Mansfield for His Report on China

On January 8 Senator Mansfield called on the President to brief him on his trip to the People's Republic of China last December. The Senator also gave the President a lengthy written report summarizing his findings, including memcons of his discussions with Chinese leaders (see Tab B).

After reading this material, the President indicated he would like to send a note of thanks to Senator Mansfield. We have prepared such a note (Tab A), which is covered by a memo from you to the President (Tab I). The note to Senator Mansfield has been cleared by Paul Theis.

Recommendation:

That you sign the memorandum to the President at Tab I.



ACTION
262

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

**SUBJECT: Senator Mansfield's Report on His Visit
to the People's Republic of China**

During Senator Mansfield's call on January 8, he delivered an extensive report on his December, 1974 trip to the People's Republic of China (the report is appended at Tab B.)

The report reflects Mansfield's strong interest in greater efforts from our side towards speeding the normalization process. While I believe the Senator underestimates the complexity of this process and the importance of how we alter our relations with Taiwan, his views are thoughtful and his support will be valuable as the relationships evolve.

Concerning his comments on the state of China's economy, I believe Senator Mansfield to be similarly over-optimistic. Statements from the recent National People's Congress suggest that PRC leaders are a good deal more critical and concerned about their development than is the Senator. This is not to dismiss the very thoughtful content of the report, nor the seriousness of Mansfield's purpose.

At Tab A is a suggested letter of reply to the Senator which expresses your appreciation for his report and the discussion with you following his trip to China. The letter also expresses the appreciation for his continuing support of the Administration's policy of normalizing U. S. - PRC relations.

RECOMMENDATION:

That you sign the letter to Senator Mansfield at Tab A. (Text cleared by Paul Theis).



THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: A Reply to Senator Mansfield, Who Gave You a Report on His Visit to the People's Republic of China

When Senator Mansfield met with you on January 8 he presented you a long report on his December, 1974 trip to the People's Republic of China. After reading the report you suggested that we prepare a note of thanks to the Senator. (The report and your request is appended here at Tab B.)

At Tab A is a ^{suggested} letter ^{reply} to the Senator which expresses your appreciation for his thoughtful report and the discussion with you following his trip to China. You also express appreciation for his continuing support of the Administration's policy of normalizing U.S.- PRC relations.

The letter to Senator Mansfield has been cleared with Paul Theis.

Recommendation:

That you sign the letter to Senator Mansfield at Tab A.

Having now had a chance to review the Mansfield report myself, I might just comment that the Senator has a rather optimistic and uncritical view of developments in the PRC. His comments on the ^{state of their} economy, for example, imply that the Chinese have solved their developmental problems. Documents from the ~~most~~ recent National Peoples Congress, however, suggest that ~~the~~ PRC leaders are a good deal more critical and concerned about their ^{economic} situation than the Senator. Mansfield is clearly an enthusiastic supporter of the policy of fully normalizing U.S.-PRC relations.



17

THE WHITE HOUSE
WASHINGTON

Dear Mike:

on January 8.

I have now had a chance to review the details and insights of the report on your visit to the People's Republic of China which you gave me ~~last week~~. I appreciate your willingness to share with us at such length your impressions of China and the results of your discussions with senior leaders of the People's Republic.

As you know from our various discussions on China, normalizing U.S.- PRC relations is a cardinal element of the foreign policy of my Administration. I believe your recent visit to the PRC made a significant contribution to that objective. I will welcome your continuing support as our relations with Peking progress.

Sincerely,

The Honorable
Mike Mansfield
United States Senate
Washington, D. C. 20510



THE WHITE HOUSE
WASHINGTON

18
General Sewer

This is Sen. Mansfield's
China Report which
I have read.

Should I write
of this etc.?
GPF.



VERBATIM MEMORANDUM OF CONVERSATION OF

SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE

and

CH'IAO KUAN-HUA, FOREIGN MINISTER, PEOPLE'S REPUBLIC OF CHINA

Translator, Nancy Tang

Peking, Friday, December 13, 1974, 5:00 - 6:00 p.m.

Senator Mansfield ---- Mrs. Engelhard is not well and we will have to speak with Dr. Cary upon his return to find out whether or not she will be able to travel.

Minister Ch'iao ----- We think it must be done in accordance with her general health condition. We do not want to press her to do anything.

Senator Mansfield ---- You have been more than kind. These things happen and we always think it will happen to the other fellow and sometimes it does not work out that way. So, Mr. Minister, if I may, I want to proceed to some observations because I want to make as good a report as I can to the President and the Senate when I return, especially to the President. You and I have had several hours of frank discussion on several subjects. I also had the privilege of talking with the Vice Premier yesterday. When I return to Washington, I will report to the President and to the Senate. In order to make sure that I understand correctly the position of the People's Republic on some of the issues we have discussed, I would like for you to tell me if the following are accurate summaries of your country's views:

1. The question of Taiwan. Although our relationship is good and has moved steadily ahead since the Shanghai Communique, you are not satisfied because of the lack of progress in solving the Taiwan issue. You believe that the United States should:

- (1) withdraw all its armed forces from Taiwan;
- (2) abolish the defense treaty; and
- (3) break diplomatic relations with Taiwan.



Senator Mansfield ---- China would not accept a solution in which the U. S. would have a Liaison Office on Taiwan and an Embassy in Peking. China is not in a hurry and is not setting a timetable for the return of Taiwan. Is that essentially your view?

Minister Ch'iao ----- I think that the first sentence is basically correct that since the Shanghai Communique the Sino-U. S. relations have been advanced. But the second sentence, I do not think it is very accurate; that is that we were very dissatisfied because of the Taiwan issue. Minister Ch'iao said in his previous discussion with you, when he expressed neither satisfaction nor dissatisfaction, that he was speaking of the general state of our two countries since the Shanghai Communique. As for the three following points, change them to this: To solve the situation between the nations, the three points should be achieved or realized.

Senator Mansfield ---- The second point--Trade and Exchanges.

Minister Ch'iao ----- Also the proposal that you expressed, that is the Jackson proposal, gives us the impression that the United States would not be prepared according to that proposal to settle the issue in accordance with these three principles because during Senator Jackson's discussion with us, he expressed that the defense treaties between Taiwan should not be abrogated.

Senator Mansfield ---- The Minister also said that Jackson had not discussed his proposal with him; that he made that on his own, back in the United States.

Minister Ch'iao ----- He further said that on this point that it is true that Senator Jackson did not discuss his proposal of Liaison Office on Taiwan when he was here in China but he did, indeed, discuss normalization with us and the Minister told Jackson that we believe that if the question of normalization between the United States and China should be solved, then American troops must be withdrawn and the treaties abolished. At that time, about the treaty issue, he did not express the opinion that it should be abolished but it was only upon his return to the United States that we heard of his proposal of the reversal of the Liaison Offices. According to his proposal, we do not see any means whereby the treaty would be abolished and the troops withdrawn.



Senator Mansfield ---- The second question: Trade and Exchanges. China is basically satisfied with the scope and level of exchanges between our two countries and thinks that the exchanges could be expanded if this would serve practical purposes. You do not expect to send over high-level officials until after the Taiwan issue is settled. There are no prospects for the opening of permanent U. S. news bureaus in China also because of the Taiwan problem.

As for trade, the present imbalance in our trade cannot be tolerated for the long run. But China does not attach much importance to the question of extending most-favored nation treatment to Chinese goods. As to the possible application of the Jackson Amendment on this matter, China is studying whether to allow Chinese to join their families in the United States. Is this a fair statement of China's position? The claims dispute is not a serious problem at the moment.

Minister Ch'iao ----- I think that, in general, this summary is alright but because it is a summary, it did not put in all of our reasons.

Senator Mansfield ---- No, this is in general. Now the third question: the United States presence in the Pacific. China believes that Japan should maintain good relations with the United States and, although as a matter of general principle, China supports the withdrawal of all foreign troops everywhere, it would not look with favor on the withdrawal of United States troops from Japan, other Asian nations, or Western Europe at this time because this could have a de-stabilizing effect on the situation in both Asia and Western Europe. Is this a correct summary of China's views?

Minister Ch'iao ----- I don't think this summary is correct of our views on this question of U. S. military presence. We agree that we were not favoring of all foreign troops withdrawing from foreign and going back to their own countries. As for Europe, we have discussed the view that we hoped you would discuss this with your allies. As for the East, Japan, we have expressed the hope of seeing good relations between Japan and the United States and any questions which may crop up should be discussed. As for South Korea, you are aware of our views; the troops and the U. N. Command should be withdrawn. The U. S. troops on Taiwan, I don't think should be discussed because we have already done so.



Senator Mansfield ---- How about Thailand?

Minister Ch'iao ----- In principle, we think your troops abroad should be withdrawn. Our opinion regarding Thailand is that we do not think it would be necessary for U. S. troops to be stationed there. We have expressed this view many times.

Senator Mansfield ---- The fourth question is that China looks upon Sihanouk as the leader of the entire rebel movement and the best means for reaching a settlement to end the war in Cambodia. Is this correct?

Minister Ch'iao ----- We do believe that Sihanouk is the leader of the entire resistance movement. We are not clear about the second point.

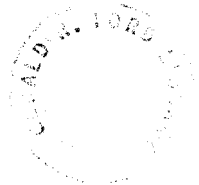
Senator Mansfield ---- As the leader, is his position such that it should be used for the purpose of achieving a settlement in ending the war in Cambodia?

Minister Ch'iao ----- On this question, to put our views frankly, if you seek our opinion, we believe that the United States should cease its intervention and only in this way could the Cambodian issue be solved by the Cambodians themselves.

Senator Mansfield ---- And Sihanouk would lead towards a settlement because he is the symbolic head at the present time fighting the Lon Nol government?

Minister Ch'iao ----- Our opinion is that Sihanouk is the representative of the Cambodian resistance movement and the Cambodian people. Secondly, we believe that the United States should cease its intervention and allow the Cambodians to solve their own problem. How do you feel?

Senator Mansfield ---- Alright. Question No. 5: Sino-Soviet relations. There has been no progress in settling the border dispute with the Soviet Union. China believes that there are one million Soviet forces on their border which are directed not against China, primarily, but at the United States and Japan. China believes the main Soviet stress is against Western Europe, in the Middle East, and in the Indian Ocean areas. China does not plan to rely primarily on nuclear power for its security but on "millet plus rifles," conventional arms. China is not afraid of a first strike from the Soviet Union. Is this a fair summary of the situation?



Minister Ch'iao ----- The first point, the Sino-Soviet relations, that there has been no progress made, that is the status quo. Of course, by our border you mentioned the one million Soviet troops on our border. We do not mean exactly the line but the whole depth and also along the narrow strip. The Soviet troops in this broad area adjacent to China's border, we believe are directed, first of all, against the United States and, secondly, against Japan and China. As for the question of Soviet strategy, we believe that the strategy of Soviet stress is on Europe, the Middle East, the Mediterranean and the Indian Ocean, all should be seen as a flank.

The second point, that we do not rely mainly on nuclear stress, that is correct. We mainly rely on people's warfare. Throughout our years, the slogan has been "millet plus rifles."

Senator Mansfield ---- I just wanted to set the record straight. China is not afraid of a first strike from the Soviet Union.

Minister Ch'iao ----- That is correct.

Senator Mansfield ---- We have not mentioned Korea much in our discussions, Mr. Minister, but you indicated that it was China's position that we should withdraw all American troops from South Korea. Is that correct? How do you view the situation in Korea?

Minister Ch'iao ----- Our assessment of the situation in Korea is that the two sides had initially begun negotiations to reach an agreement on independent peaceful reunification. We believe that the stationing of your forces in that country can only play an obstructing role. As your representative in the U. N. has stated that the threat to South Korea came mainly from the North, we do not believe that. On this point I think the Senator is as clear as myself. As far back as 1958 we had withdrawn unilaterally and you still kept your troops there. We do not think it is reasonable.

Senator Mansfield ---- Now, Mr. Minister, what effect has India's nuclear explosion had on this area? Have border tensions increased on the Sino-Soviet border as a result?



Minister Ch'iao ----- We do not attach importance to India's nuclear explosion. We do not believe that because of this there has been tension on the border.

To the question of whether or not, due to the Indian explosion, China has changed its policy towards South Asian countries, our answer is "no." It is the same as in previous periods. We have expressed our position to India's bullying of its neighboring countries--Sikkim and Nepal.

Senator Mansfield ---- Do you think a nuclear free zone for South Asia is feasible?

Minister Ch'iao ----- We think it would be desirable but whether it would be feasible would depend upon India and also your policy.

Senator Mansfield ---- What do you think are the Soviet aims in the Indian and Pacific Oceans?

Minister Ch'iao ----- Our opinion would be that they are using all ways and means, in your language, to increase their presence and expand their sphere of influence and they are digging at the foot of the wall.

Senator Mansfield ---- And the Indian Ocean, do you think the United States would have a three ocean navy?

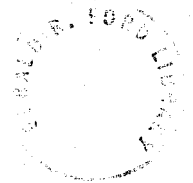
Minister Ch'iao ----- That is your affair.

Senator Mansfield ---- What you are saying is that we are digging at each other's wall.

Minister Ch'iao ----- No. Just think back 10 years. What influence did the Soviet Union have in the Indian Ocean? None. And now? On this issue we would agree with your colleague, Senator Jackson, that it is, indeed, in these years that the Soviet Union has increased its influence and expanded its sphere in the Indian Ocean from the Indian Ocean to Bangladesh.

Senator Mansfield ---- How do the Chinese view the situation in the Middle East? The consequences of a renewed conflict?

Minister Ch'iao ----- We think that this would, to a very great degree, depend upon the policies of the United States and the Soviet Union. Of course, you are familiar with our policy in the Middle East; that is to say that we support the just Arab struggle and the restoration of the national rights of Palestine. I think that is about it.



Senator Mansfield ---- Next question: What line of approach in Peking's view offers the best hope for a realistic and lasting settlement in the Middle East?

Minister Ch'iao ----- We should think that would depend upon whether or not you can firmly uphold justice. For instance, support the Arab countries to achieve a settlement through peaceful means because leaders of your government have expressed the view that it is only the U. S. who has the power to achieve peace in the Middle East. According to my past acquaintances of your position on the Middle East, my understanding would be that you would not be in the position of favoring only one side, that is Israel, but support the middle of the road policy. Our hope would be that your position to the Middle East could be more in favor of justice.

Senator Mansfield ---- I hope it is. I am not in favor of the Jackson Amendment to the Trade Bill, but most of my colleagues have co-sponsored that amendment. I have not.

Minister Ch'iao ----- On the Middle East, we have discussed that in the past and we believe, regarding the oil question, that it would not be good to attempt a policy of confrontation.

Senator Mansfield ---- I believe that also.

Minister Ch'iao ----- We believe that on this issue perhaps your European friends have taken a more realistic attitude.

Senator Mansfield ---- You put Japan in the same league in that respect?

Minister Ch'iao ----- Japan, I should believe, in its inner heart is tilting towards Western European policy. However, because you are their major partner, perhaps they are, on this issue, making certain concessions to you. This is a contradictory. I think that they have made their views plain. They are aligning up with Western Europe.

I should believe that on this issue we have mentioned many times that we are in favor of your having good relations with both Japan and Western Europe. We think that this is a very important link. But we think that if you could truly adopt an attitude of equality and respect with Japan and Western Europe, then they could become a great ally but, if you adopt a paternalistic attitude ----

Senator Mansfield ---- Father knows best attitude?

Minister Ch'iao ----- Then these allies would not be of much help to you.



APPENDIX IV

CONVERSATION WITH VICE FOREIGN MINISTER WANG HAI-JUNG

JEROME R. FORD

MEMORANDUM OF LUNCHEON CONVERSATION WITH
SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE

and

VICE FOREIGN MINISTER WANG HAI-JUNG

Peking, Tuesday, December 10, 1974, International Club

12:00 Noon

During the luncheon at the International Club, Nancy Tang remarked that she didn't understand how it was possible to have inflation and a recession at the same time. Senator Mansfield said that this situation was due to the fact that, unlike China, the US did not have wage and price controls. Nancy Tang asked if the Senator advocated a controlled economy, and Senator Mansfield said, "no." He explained that he had proposed certain limited controls for a limited period of time, but only to see the US through its difficulties. He observed also, in connection with the US economic situation, that the decisions made by the older generation of leaders were now being paid for by the younger generation.

On the subject of food production and the problems encountered by the developing countries in this respect, Senator Mansfield asked what China could do to help. Nancy Tang said that the developing countries should follow China's example and follow a policy of self-reliance. When Senator Mansfield pointed out the difficulties that Bangladesh and the African countries of the Sahel region were having in this respect, Nancy Tang reiterated that what China could do, others could do--what was required was determination and a willingness to rely on one's own resources.

Senator Mansfield and Wang Hai-jung touched upon the question of normalization of US-PRC relations, and Wang Hai-jung stressed that there could not be a "two Chinas" or "one and one-half Chinas" solution--the latter case was equivalent to two Chinas. In working out a final settlement of the Taiwan issue, the US should follow the Japanese model.

Senator Mansfield recalled the condition of China when he had first visited the country in 1921-22, and spoke of the enormous progress which had been made by the Chinese people since that time. Dr. Lin commented that such progress would not have been possible without the emancipation of women. The fact that women were no longer confined to menial tasks around the household but were taking their place as workers in farms and factories had made a great difference in China's productive capacity.



PARTICIPANTS

Vice Foreign Minister Wang Hai-jung
Chou Chiu-yeh, Vice Director CPIFA
Tang Wen-sheng (Nancy Tang), Deputy Director
MFA American and Oceanian Department
Ambassador Huang Chen
Dr. Lin Chiao-chih, Member Standing Committee,
National People's Congress
Dr. Pei Shih-chang, Member Standing Committee,
National People's Congress
Kang Tai-sha, Deputy Secretary General CPIFA
Cheng Wan-chen, Staff Member CPIFA
Senator and Mrs. Mike Mansfield
Mr. and Mrs. John Holdridge, USLO

GEORGE R. FORD

Senator Mansfield ---- Mr. Minister, I have taken up too much of your time but I felt it would be beneficial to both of our countries to make the record as clear as possible of your reactions and mine. You may recall my seeing Premier Chou En-lai last night. I asked if he had any advice and counsel and he pointed to the Foreign Minister and said it was up to him.

I have achieved a great deal of knowledge, candid answers, honest questions and honest answers, and my position was not to pry but to learn and maybe out of learning we can find ways to better our positions; get to understand one another better; and, as a result, become more lasting friends based on equality, mutual understanding and mutual tolerance.

So, I am deeply appreciative of the honor you have done me by coming here tonight and giving me the benefit of your views and taking this much time out of what I know is an extraordinary busy schedule.

Minister Ch'iao ----- Thank you and I recall, after your previous visit to China, you went back and made a report to the Senate and, in general, we appreciated that report because we thought you tried your best to be objective and we believe that this is indicative of a true and beneficial understanding and we hope this time, it will make a mutual understanding.

Senator Mansfield ---- I shall do my best.

Minister Ch'iao ----- We hope that you will have a better look at places in our country because we are a developing country.

Senator Mansfield ---- You belong to the second world. You don't want to be a super-power and the only place to put you is in the middle.

Minister Ch'iao ----- We can only say that the hat in the second world is slightly too large for our head, so let us still remain in the third world. We should say that we still belong in the third world and the only help that we have been able to give to each other is mutual.



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Solomon

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SUBJECT: *A Presidential Note of Thanks to Sen Mansfield for his report on his visit to the PRC*

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FAR EAST <i>Solomon</i>		*	REPLY FOR (_____)
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UNITED NATIONS			REFER TO _____ FOR: _____ (_____)
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PROGRAM ANALYSIS			DUE DATE: _____
NSC PLANNING			COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
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OCEANS POLICY			
INTELLIGENCE		*	

Leonard, M

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
1/14		Scuff	x	has to sign ltr to Mansfield 1-22	
1/20		Solomon	S	Further action per RCM memo (1-23)	
1/20		Hak	x	Redone / Pres to sign ltr to Mansfield (1-25)	
1/24		Pres	P	sgn ltr to Mansfield	
1/25		NSC/3	C	Pres sgn ltr to Mansfield	
1/25		DAVIS	S	Review before dispatch (1/31)	
1/25		—		LTR dispatched by NSC/S	

BTM 1/25

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CHINA -- THREE YEARS AFTER

A Report to the President of the United States

on a Second Mission to the

People's Republic of China

by

Senator Mike Mansfield

Majority Leader, United States Senate

January 6, 1975



LETTER OF TRANSMITTAL

January 6, 1975

Honorable Gerald R. Ford
President
The White House
Washington, D. C.

Dear Mr. President:

I have just returned from a visit to the People's Republic of China. This mission was undertaken, as you know, at the invitation of the People's Republic and after discussions with you and the Secretary of State assured me that it would be in furtherance of the policy of rapprochement. It was, in the circumstances, a most useful and enlightening experience.

During the course of the visit, I met for long discussions with many Chinese leaders. Premier Chou En-lai on whom I paid a courtesy call in the hospital spent an hour with me instead of the 15 or 20 minutes originally scheduled. Among other matters, he made clear that the day-to-day administration of the government's affairs had now passed to others, for example, to Teng Hsiao-ping and Ch'iao Kuan-hua. He also took the occasion to reiterate his esteem for President Nixon for the courageous initiative which the latter had taken in regard to the restoration of Sino-U. S. comity.



Chinese leaders everywhere were most cordial and accommodating in their welcome. They were straightforward in conversations and unanimous in their expression of hope for a further cementing of friendly ties. The discussions in Peking centered on the state of rapprochement and other aspects of the Sino-U. S. relationship, particularly as they are involved in the Western Pacific. In this connection, conversations with Vice Premier Teng Hsiao-ping and Foreign Minister Ch'iao Kuan-hua were especially helpful. I should also note that prior to my departure I had the Secretary of the Senate, Frank Valeo, visit states peripheral to China in order to give an additional dimension to these discussions.

My second visit to the Chinese People's Republic was both extensive and intensive. I traveled from the northeast to the southwest of that immense country. I depended on its well-trained air crews, used its excellent trains and rode its comfortable automobiles. I saw China at work in factories employing tens of thousands of people, on the land in small production teams and brigades and, as individuals working family vegetable gardens.

You will recall, Mr. President, that I went to the People's Republic in 1972, as did you as a leader of the House, shortly after the door had been opened, so to speak, to the resumption of contact with that most populous nation in the world. My first visit was an



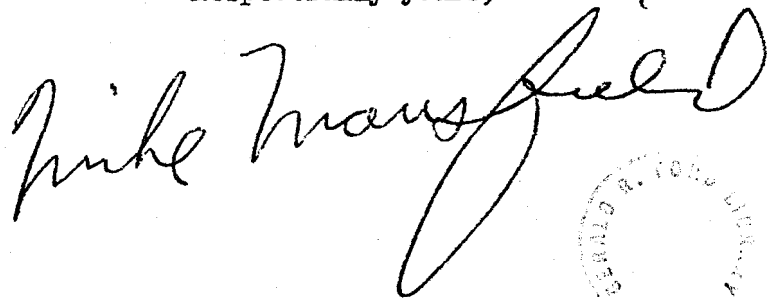
eye-opening experience. The second has served to broaden, deepen and bring up-to-date the initial impressions, as the report which follows will indicate.

I was accompanied on this mission by my wife, Maureen Mansfield, and Mrs. Jane Engelhard of the President's Commission to Study the Organization of the Government for the Conduct of Foreign Policy. Support and assistance was provided to me from many sources. In particular, I want to thank the Library of Congress, Congressional Research Service, for excellent background studies, the Department of the Air Force for assistance in transportation, the Department of State for making available Ambassador Francis J. Meloy as well as Assistant Secretary of State for Administration, John Thomas, and Miss Dixie Grimes of his staff. From the Senate I had the assistance of Mr. Norvill Jones of the Committee on Foreign Relations, Mrs. Salpee Sahagian, my Administrative Assistant, and Mr. Frank Valeo, the Secretary of the Senate who, as a former Consultant to the Senate Foreign Relations Committee, had accompanied me on my previous visit to China as well as on many other Presidential and Senate missions to Asia and elsewhere abroad in the past.

May I take this opportunity, Mr. President, to thank you again for your understanding and cooperation in this endeavor.

With warm regards, I am

Respectfully yours,

A large, cursive handwritten signature in black ink that reads "Mike Mansfield". The signature is written over a circular stamp.



17

CHINA -- THREE YEARS AFTER

Table of Contents

	<u>Page</u>
I. General Observations	1 -- 6
Impressions -- Economic	1 -- 5
Impressions -- Political	5 -- 6
II. The Status of Rapprochement	6 -- 12
Rapprochement to Date	7 -- 8
Most-Favored Nation Treatment	8 -- 9
Frozen Assets and Private Claims	9
The Issue of Taiwan	9 -- 12
III. China's Foreign Policies	12 -- 21
"Super-Powers"	12 -- 13
Attitudes Towards the Soviet Union	13 -- 14
Relations with Japan	14 -- 16
Views on Korea	16 -- 17
Chinese Concepts of Indochinese and Southeast Asian Situation	17 -- 19
Other Chinese International Attitudes and Policies	20 -- 21
IV. Concluding Comments	21 -- 29
Appendix I ---- Conversation with Premier Chou En-lai	
Appendix II --- Conversations with Vice Premier Teng Hsiao-peng	
Appendix III -- Conversations with Foreign Minister Ch'iao Kuan-hua	
Appendix IV --- Conversation with Vice Foreign Minister Wang Hai-jung	



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REPORT TO THE PRESIDENT

CHINA -- THREE YEARS AFTER

I. General Observations

China, today, is a continuum of the China first visited by President Nixon and the Congressional Leadership almost three years ago. The changes even during this short span of time are very striking. The over-all impression is that the People's Republic remains an ancient country on the move. The nation is moving in its own way and in its own time but with a sturdy and throbbing inner impetus. China's orientation continues to be on production. The emphasis is on bettering the livelihood of all. The word "all" is accurately underscored. China is among the most egalitarian societies in the world, with differences between those better off and not so well off, as they were three years ago, hard to discern. Private automobiles, for example, are still almost exclusively for use in ceremonials or as taxis. People in all walks of life move on foot, pony-cart, bicycle, buffalo back, bus or train.

Impressions -- Economic

Visually evident is the steady rise in the levels of livelihood of the people, perhaps even more markedly in the rural areas than in the urban centers. Prices are stable for what, to the Chinese people, is still of the greatest concern: food, housing and clothing. Essential supplies are good and other consumer goods are becoming more plentiful. The usage of electricity



has spread rapidly, even into remote villages. Housing is improving; everywhere the bricks are piled high for construction. Clothing is better; some variations in style are beginning to make an appearance. Social services--in health, education, and even leisure--are spreading and gaining in substance. Human want, in the sense of the requirements for basic subsistence, is nowhere in evidence. The people are fed, clothed, sheltered and protected from illness and disaster in a fashion unprecedented in Chinese history.

This second visit underscored one of the most significant impressions of the first. The most profound transformation in China appears to be taking place in the countryside and in the smaller cities of the interior. China has solved the food problem for the foreseeable future. It has done so by taming the rivers and streams in spectacular irrigation and flood control works, by land reclamation and the extension of terracing, and by the application of technical and scientific knowledge to agricultural production. Most of all it has done so by the highly successful mobilization of peasant labor and dedication in a commune structure which is now universal.

Insofar as food is concerned, China is a "have" rather than a "have-not" nation. The statistics are of ever-expanding production and of an unbroken upward curve in output. Large grain imports are a thing of the past and are not likely to be resumed except in the most unusual circumstances. The storage bins are beginning to be filled throughout the country and the prospects are for continuing and growing surpluses.



The Chinese have also built enormously on the very limited industrial capacity they found at the time of the liberation and on what input came from the Soviet Union in the decade or so thereafter. Much of this expansion has taken place in the smaller cities in the outlying provinces. Industrialization has been diffused throughout the land pursuant to a policy advocated by Mao Tse-tung. This decentralization appears to be suitable not only to China's economy but also for a protracted defense in a People's war. It has produced striking changes in China's interior. For example, industrial complexes capable of producing anything from a safety pin to motor vehicles and giant machine tools have emerged in remote and formerly underdeveloped provinces such as Yunnan.

The Chinese have already accumulated an impressive national industrial establishment. They have a vast pool of skilled labor consisting of both men and women and immense resources of other manpower. They have a growing and advanced technological competence. They have an expanding transportation system, built around the rapid extension of the railroad system, a network of new highways, the bridging of the rivers and tunneling of the mountains. Three spans cross the Yangtze where before there was none. Several more link the two shores of the Yellow River. The sound of a locomotive whistle is never far away in China and trucks are beginning to crowd the roads.

Energy is not now in short supply in China. Nor is it likely to present a major problem in the future. The Chinese are working well-distributed deposits of coal and exploiting a large hydroelectric potential, making use of



even small streams for this purpose. They are also adding rapidly to their output of petroleum even as their proven reserves of petroleum continue to mount rapidly. As for the off-shore oil potential it is believed to be enormous, perhaps in the range of that of the Middle East. There is, in short, more than enough "oil for the lamps of China." Today, the Chinese manage to meet not only their own needs for crude but are able to export small amounts notably to Japan and the Philippines.

The Chinese are modest in their appraisal of what they have achieved. They suffix every account of glowing production gains, whether in commune or factory, with a reference to what still remains to be accomplished. Nevertheless, it is clear that the base for self-generating economic progress is firmly established. That is not to say that the Chinese could not profit from transfers of technology from abroad in many fields. Design concepts are not always the best and production methods are often archaic. The significant point, however, is that they know their shortcomings and are, themselves, fully capable of dealing with them in due course. To be sure, they are aware of the value of technological imports from abroad, but with or without them, they can continue to move forward. It is doubtful that foreign technology except perhaps in the most sophisticated processes such as those involved in off-shore oil production or nuclear energy could have a perceptible impact on China's economic modernization.

China remains conservative in its usages. It is not a throw-away society. It wastes very little. It does not abuse its bounty. The emphasis remains as it was three years ago, on frugality and on re-use and re-cycling.



China is fast becoming a "have nation" while others formerly in this category are beginning to be classified as "have not." The reasons for this shift in status are to be found perhaps as much in socially established patterns of consumption as they are inherent in the natural distribution of today's essential resources.

Impressions -- Political

China is a nation unified under Mao Tse-tung or, more properly, under Maoism. Mao's social theories are the central factor in the emergence of the new China. The country is organized, perhaps to an even greater degree than three years ago, under the direction of Mao and the Communist Party. The interweaving of Maoist theoretical concepts, Communist political organization and practical economics in China is so thorough as to extend even into the remote villages. Maoism feeds on economic progress and economic progress, in turn, is stimulated by Maoism. It is significant in this connection that the "criticize Lin Piao and Confucius" movement which is still in progress throughout the nation does not appear to have interfered with production. Indeed, some leaders contend that it has had a stimulating effect on output.

However that may be, periodic ideological shake-downs are an integral part of Maoism. Their appearance from time to time is to be anticipated. Whatever else they may do, they also act to shake up the bureaucracy and increase its responsiveness to the needs of the people. Most certainly, these ideological rectifications do not signal the collapse of the system. They are a part of Mao's



thesis of continuing revolution. The possibility of sudden and serious inner schisms cannot be dismissed in any political structure as volatile as China's. Whatever difficulties there may be, however, they are likely to occur within the framework of Maoism.

The Chinese people, today, probably constitute the most ideologically sensitized and politically active population in the world. They are steeped in Maoist socialism and they work, live and play to its rhythms. By one means or another, from the members of the politbureau to the humblest peasant, their personal lives have been intermeshed with political activism. Group participation would appear to be inseparable from their sense of personal well-being and Chinese identity. The knot which ties together Maoism, economics and social status is very tight. It is not going to give way in the foreseeable future, in my judgment, under external pressure or internal schism or any combination thereof.

II. The Status of Rapprochement

Three years ago, amid toasts in the Great Hall of the People the hopes were high for steady progress in rapprochement between the Chinese People's Republic and the United States. President Nixon had broken the ice by his spectacular visit. The log-jam was expected to give way progressively. Three years later, the most that can be said for rapprochement is that it has fostered some contact and it is still the accepted policy of the two countries.



Some may see this limited result as entirely satisfactory from our point of view, although speaking for myself, I do not share that evaluation. As for the Chinese, their disappointment in the nature of the aftermath of the Shanghai Communique was evident in every discussion with the Chinese leaders. It is not a disappointment expressed in acrid terms. Rather, it is a disappointment vented more in sorrow than in anger. They are prepared to go along with rapprochement as it is, more or less indefinitely, if we are not prepared to go any further. Clearly, however, it is not what they expected three years ago.

Rapprochement to Date

As rapprochement has worked out, it has involved the establishment of the Liaison Offices in each other's capital. The work of the U. S. office in Peking, in all candor, is relatively insignificant. Contacts of the office with Chinese officials are minimal. Multinational functions sponsored by the Chinese are avoided because of the low diplomatic status accorded the U. S. Liaison Office. Altogether, its present role is something less than that of a U. S. Embassy in a smaller Eastern European country.

The Liaison Office's main contact with the Chinese government involves routine work connected with exchanges of persons as provided for by the Shanghai Communique. These exchanges, moreover, are almost all in the form of unofficial visits of specialists, professionals, entertainers and

others who come and go in groups. Insofar as official exchanges are concerned, they have been confined strictly to a one-way flow of U. S. officials to China. The Chinese have not sent and they are not now prepared to send any high official visitors to Washington. Notwithstanding this one-sidedness, Chinese hospitality to U. S. officials visiting China is still generous. Certainly, the treatment of my party was warm and liberal, even more so than on my first visit. They were also utterly frank in dealing with us. So much was this the case, that it occurred to me that the manifestation may have had something to do with "sending a message" to Washington. The message may well be that the Chinese are looking for something more concrete in the Sino-U. S. contact than visits of friendship and mutual expressions of goodwill. Unless it is forthcoming, the one-way official traffic which is now the rule may begin to be restrained.

Most-Favored Nation Treatment

The conferring of most favored nation treatment on China from our point of view, I suppose, would be a concrete gesture. However, the Chinese do not attach to this principle any great practical significance. The fact is that it is not of much relevance in their way of carrying on foreign trade. Moreover, it would have only a very limited effect on the present flow of Chinese exports to the United States. Certainly, it provides no answer to the one-sided trade balances which are running heavily in our favor, about 8



to 1 in 1974. With or without most-favored nation treatment, therefore, the prospects are for a reduction in the volume of Sino-U. S. trade which will be manifested, particularly, in a sharp decline in U. S. sales of grain and other agricultural products.

Frozen Assets and Private Claims

A generous settlement of the issue of frozen assets and private claims as between the two countries might also strike a modestly responsive cord in China. Here, too, however, the Chinese tend to regard the matter as of minor importance. I would add that unless we intend to be very generous, it is probably best not to embark on negotiations of a settlement. A U. S. "negotiating triumph" on a secondary issue at this time would be, indeed, a pyrrhic victory.

The Issue of Taiwan

What the Chinese are looking for is progress towards a resolution of the Taiwan issue. That is the basic issue in Sino-U. S. relations, perhaps the only significant issue. The circumstances of the problem, as they see it, have not really changed since the signing of the Shanghai Communique. In fact, they may even be irritated by the appearance of retrogression on the



issue. In this respect, frequent reference is made to the granting of permission to the Republic of China to open two additional consulates in the United States as well as to the assignment to Taiwan of an ambassador well-known for association with past policies in Asia.

However that may be, it is very clear that the Chinese find the current handling of the Taiwan question to be quite incomprehensible. Our approach is frankly described as "messy," a word which was used several times in conversations. The People's Republic regards the persistence of our official ties with Taiwan as continued interference in China's internal affairs. It is also contended that the Shanghai Communique supports this view. The Chinese are only too aware that we still maintain several thousand military personnel on Taiwan and that the Mutual Defense Pact with the Republic of China remains in force. The repeal of the Formosan Resolution on the initiative of the Congress, while noted as a gesture, has not done anything to assuage an obvious irritation with our continued official involvement in Taiwan.

This issue is fundamental to the Chinese. Taiwan is unredeemed territory, a symbol of the last task of the liberation and of the final resurgence of a unified Chinese nationalism. On a more practical level, they also may be concerned that the existence of a separate Chinese sovereignty on Taiwan remains an ever-present source of potential trouble for the People's Republic.



Taiwan is of very specific significance, moreover, to the present leaders of China who are closely associated with Chou En-lai. They have taken the intra-party risks of the restoration of relations with the United States. There are probably circles within the leadership of the Chinese communist party in which this course is still regarded with skepticism and which await an occasion to vent those sentiments against the present leaders. It must be said that so far the latter have very little to show for the risks which have been taken, except a flow of U. S. visitors to China and a heavily adverse one-sided trade with the United States.

The imprecision of our position on Taiwan also helps to perpetuate the myth of two Chinas in international circles. Notwithstanding the fact that "official China" creates, at the very least, embarrassments for Peking. Witness in this connection, the diplomatic tempest in regard to the Taiwan journalists and the correspondents' preview of the Chinese Archeological Exhibit at the National Gallery.

During the conversations in Peking, the Chinese made clear their belief that the "Japanese formula" was the proper course to follow in regard to Taiwan. This reference suggests that the People's Republic is prepared to accept an indefinite inter-regnum which would leave the island's local authority unchallenged in a military sense. In that setting U. S. business and other unofficial ties could remain undisturbed. The other side of the coin, however, would require us, once and for all, to shift diplomatic relations from Taiwan



to Peking. Unless this change is made, the handwriting is on the wall: rapprochement will remain more or less in a holding pattern. If it stays there too long, there is likely to be a decline in whatever vitality it now possesses.

III. China's Foreign Policies

"Super-Powers"

China continues to eschew the title of "super-power," a term to which a derogatory connotation is assigned. As Teng Hsiao-ping put it, "A super-power controls others, suppresses others and commits aggression against others." He made it clear, moreover, that in today's world only the Soviet Union and the United States were listed as "super-powers" in the Chinese lexicography. They regard with disinterest the nuclear armaments control efforts which are being made by the two countries. As for the recent meeting in Vladivostok, it did not disturb them, nor did they attach much significance to its outcome.

Without playing on words, it can also be said that the rejection of super-power status is in accord with the realities of the situation. The Chinese are immensely absorbed in tackling inner problems. At least as much by necessity as by design, their energies are overwhelmingly directed to meeting domestic needs. What they put into weaponry literally has to come out of their hides. It is not surprising that they are most reluctant to do more than the minimum that they feel they must do for defense. They are not in the least inclined to get into armaments races, nuclear or otherwise. If anything, there is



even less indication of militaristic inclination in China than there was three years ago and, even then, the signs were not in evidence. Indeed, there seems to be a definite tendency to soft-pedal the role of the military. The continuing campaign to criticize Lin Piao who was among the most prominent of contemporary military leaders along with Confucius would appear to fit into this pattern.

Attitudes Towards the Soviet Union

So, too, does the current Chinese attitude toward the presence of large Soviet forces along the inner border of China. Chinese leaders have ceased to express concern regarding these Soviet forces. Unlike the discernible anxiety of three years ago, the predominant note now is confidence. The Chinese use the figure one million for the total of the Soviet Asian forces with available estimates indicating that a half or even less are accurately described as front-line forces. Apparently, a massive Soviet attack is no longer anticipated although the Chinese tunnel building and grain-storage campaign is still in effect. To the extent that border skirmishing does occur, moreover, the Chinese feel fully capable of coping with these incidents.

The present attitude seems to derive at least in part from the conclusion having been reached that the Soviet forces in Asia are counterpoised, first, at the United States in the Western Pacific and only secondarily at Japan and China. Even more significant is the stress which is placed on Western Europe which, repeatedly, was referred to as the main thrust of Soviet



military interest. This reference was invariably accompanied with an indication of anxiety that the United States might withdraw, militarily, from NATO and the defense of Western Europe.

The conflicts over the long-inner Asian border are no closer to solution than they were five years ago. As for the Chinese ideological attitude toward the Soviet Union, it has not changed in the least. The schism is regarded as unbridgeable, not in "8,000 years," according to Mao Tse-tung's half-humorous calculation of the gulf that separates the two countries. As for Soviet foreign policies, they are categorized as "social imperialism" and there the dispute rests.

Relations with Japan

The current view of Soviet military policy in Asia may explain what appears to be a slight evolution in the Chinese position regarding U. S.-Japanese relations. Three years ago, the Chinese were insistent that the U. S. bases on the Japanese islands had to be removed. Now, while opposition to all foreign military bases is still stated as a general proposition, it was made clear that they are also "realistic" in applying this principle to U. S.-Japanese relations. In short, the Chinese are not pressing for the removal of U. S. bases nor any other change in the U. S.-Japanese defense relationship at this time. On the contrary, they make clear that they are emphasizing to Japan the need to continue in the closest possible association with the United States.



China's own relations with Japan, meanwhile, have undergone a rapid growth. This year, for example, Japan's total trade with China proper will surpass that with Taiwan. It is now in the multibillion range. As contrasted with the several hundred U. S. visitors to China in 1974, the Japanese total numbered many thousands. The Sino-Japanese air-transport agreement is reported to be working to the satisfaction of both Japan and China, with passenger loads running much heavier than initially anticipated. Trade with Japan is far and away the most important component in China's overseas trade. Its growth has been rapid, with emphasis on imports of turn-key plants and advanced technological equipment for petroleum and other complex industrial development.

The principal impediment to further growth in Sino-Japanese trade is China's ability to export sufficiently to keep something of a balance in the over-all figures. To some extent, the problem is being overcome by a new willingness of China to deal in terms of commercial credit for the purchase of Japanese capital goods. The imbalance, moreover, could be reduced with the development of China's petroleum output. As noted, a small amount of Chinese crude, in the range of 5 million tons is being exported to Japan. The total is very small in terms of Japan's need but of significance as an exchange earner for China. Moreover, petroleum exports are expected to increase in very substantial increments during the next decade.

Japan's vigorous diplomatic follow-up on former Prime Minister Tanaka's recognition-journey to Peking stands in sharp contrast to the aftermath of President Nixon's visit. The Japanese diplomatic shift from Taiwan to Peking was made at once. Thereafter, Sino-Japanese agreements were reached on sea

transport and on commerce as well as on air traffic. Negotiations are now about to begin on a basic peace treaty. The Chinese are reported to be handling the Japanese relationship with a good deal of solicitude, showing a sympathetic awareness of Japan's inner political and economic problems and also of the tight-rope nature of Japan's commercial relations with Taiwan. However it is viewed, the Sino-Japanese tie is strong and growing in significance for both countries. Barring some drastic shift within Japan it is likely to remain the most important foreign connection for China in the years ahead.

Views on Korea

Chinese tolerance for U. S. defense installations in Japan contrasts sharply with the aversion towards similar U. S. installations in South Korea. The Chinese want the 38,000 or so U. S. forces still remaining in the latter country withdrawn. That their position on this point is without equivocation may be due to several factors. In the first place, they, themselves, withdrew their forces from North Korea many years ago. If the Chinese are opposed in principle to foreign military installations, the same principle would apply with respect to the contiguous territory of Korea on the Asian mainland. There may also be a tendency to associate our military presence in South Korea with the failure to move forward in stabilizing the situation in the peninsula. Finally, it should be noted that the Soviet Union and the Chinese People's Republic are engaged in a competition for influence in North Korea. It is a



competition which has an ideological content that is taken very seriously in China, as well as economic and strategic elements.

The Chinese believe in the ultimate unification of Korea as a geographic and cultural imperative. Again, in line with a realistic appraisal of the situation, they are not pressing for an immediate solution to the Korean problem. Nor is there anything to suggest that they would approve or support a North Korean military attempt at unification at this time. On the contrary, they make the point that there is no military threat whatsoever from that source.

Chinese Concepts of Indochinese and Southeast Asian Situation

At the other end of the Chinese mainland, the problems of Viet Nam loom as far less formidable in Sino-U. S. relations than in the past. Three years ago, at the moment of my previous arrival in China, the bombing of Hanoi had just begun and in their exchanges with the Senate Leadership, the Chinese displayed both bewilderment and anger. On the occasion of the present visit, there was little reference to Viet Nam. What there was, was free of rancor.

The Chinese do not seem greatly concerned that there is continued fighting from time to time between the opposing factions in Viet Nam. Nor are they particularly troubled, apparently, by the absence of progress on the political provisions of the armistice. The present situation appears to be tolerable to them. It may be, too, that their main objective was achieved with the withdrawal of the U. S. forces from Viet Nam.

Similarly, the Chinese in Peking showed little concern with developments in the internal political situation in Laos. The coalition structure under the King which governs in Vientianne seems adequately to serve their purposes. There have been reports to the effect that a Sino-Soviet rivalry is operating between the embassies of the two countries in Vientianne. However, the Chinese were never deeply involved in intra-Laotian politics in that city and so far as can be determined they are not now so involved. Their principal interest in Laos revolves around road construction which, while it may have defense aspects could also have, in time, significant economic aspects. A forked road system southward from the Chinese border is still being extended towards Thailand and towards North Viet Nam. Construction is reported to be proceeding, without Chinese military security detachments in evidence at this time and with the continued concurrence of the Royal Laotian government. Recently, a new Chinese interest in Laos has been manifested in the form of an air-transport agreement which provides for the southern Chinese city of Kuangchou (Canton) to serve as a mid-point on flights between Vientianne and Hanoi.

In contrast with Laos and Viet Nam, the Chinese are deeply concerned with Cambodia. Responsibility for the inconclusive situation in that country is ascribed to our policies. The Chinese cannot understand our continued support of the Lon Nol government. Nor do they find any promise of a solution in the kind of coalition which we are attempting to develop in Phnom Penh between the extreme right and the extreme left. They regard as synthetic, the concept of a unified Cambodian government based on incorporation of segments of the Khmer Rouge into the present Phnom Penh government. The latter is



regarded as without any support among the Cambodian people and totally dependent on U. S. aid.

The Chinese continue to see Norodom Sihanouk as the key figure in a solution to the Cambodian problem and their support for him is unabated. He is regarded as a symbol of Cambodian unity and "not only a symbol," according to Teng Hsiao-ping but the leader who "is supported now by all in the resistance movement." In short, from the Chinese reading of the situation, Sihanouk remains the only man who can bring together the various factions which are necessary to restore a peaceful and independent Cambodia.

Highly knowledgeable sources in Peking believe that that kind of Cambodia is the critical element in the Chinese concept of the future status of all of Southeast Asia. According to this view, the Chinese prefer to see established on their southern border a series of small viable, nationalist states which would not necessarily be under exclusive communist control. They favor, in short, an independent and, preferably, neutral North Vietnam and South Vietnam as well as similar structures in Cambodia and Laos.

Their support of Sihanouk as well as the Laotian King and coalition would indicate that this is an accurate interpretation of Chinese policy. If so, it is an approach which may have to do with China's concept of its strategic needs on its southern border and its concern with the level of Soviet influence in North Vietnam. Certainly, this approach contrasts with that of the Soviet Union, which seems to support the building of satrapies around a powerful North Vietnamese ally.



Other Chinese International Attitudes and Policies

Elsewhere in Asia, Chinese policies are strictly aimed at meeting China's needs. The Chinese are not happy with our military tie-in with Thailand but are not actively advocating its termination. They seem disturbed with India's expanding influence in the border states of Sikkim and Nepal but indifferent to the recent Indian nuclear explosion. They are aware of the growing Soviet naval presence in the Indian Ocean and not in disagreement with the idea of a counter U. S. presence if that is our choice. The entire area seems to be somewhat remote from their immediate concerns.

The Chinese People's Republic does not seek characterization as the leader of the third world. Leader or not, however, the Chinese regard their national interests as closely interwoven with the third world and the relationship is a natural one. China's inner problems of livelihood have more in common with those of the African, Asian and certain Latin American countries than with those of the United States, the Soviet Union or other highly industrialized nations. Moreover, Chinese solutions to these problems which are usually uncomplicated and self-generated are also more readily applicable in the third world than what is usually offered by highly developed nations.

Similarly, in the communist world, the Eastern European countries often seem to find more in common with China than with the Soviet Union. China is not only far away, it also presents a contrasting image to that of the Soviet Union. It is one of a benign and distant associate rather than an omnipresent Colossus. There is a steady flow of exchange--commercial and cultural--back and forth between Eastern Europe and China, as there is with Asian, African and



Latin American countries. The fact is that China makes a major effort to cultivate cultural, political and economic rapport wherever the ground is promising.

Some of this rapport is reflected in Chinese policies in the United Nations and associated agencies where a kind of third nation bloc does function, with China assuming an ever more prominent role. Too much can be made, however, of Chinese participation in this area. It was apparent to me in the course of my conversations in Peking that the Chinese are not only cautious about presuming any leadership role but they are also still reserved in their view of the value of the United Nations. Obviously, the organization's potential as a forum for propaganda is recognized and the Chinese are satisfied that the United Nations is less a tool of the super-powers than in the past. Tangible Chinese contributions to U. N. operations, however, are another matter. They make no pretense of being prepared to put major resources into the world organization or its specialized agencies. The levels and types of participation which they are likely to pursue are highly selective and geared to very specific Chinese objectives. For the present, the accent in Chinese policy will probably remain on bilateral relations whether diplomatic, trade or aid or various combinations thereof.

IV. Concluding Comments

Three years after, the impressions of a second visit to the People's Republic affirm to me that the Chinese are once again masters in their own house. The Chinese people have succeeded in throwing off the last vestiges of



foreign control on the mainland and have brought themselves together in a higher degree of national unity than has ever before been known throughout their entire history. The vehicle of this achievement has been Maoism. Maoism is inseparable from the structure of contemporary China. The sooner all calculations and actions of our foreign policy reflect that reality the better off we will be in our relations with China and with the rest of the world.

Present leaders with whom we must deal, such as Ch'iao Kuan-hua and Teng Hsiao-ping, are formidable realists. It should not be forgotten, moreover, that they are also steeped in Maoist principles, as is Chou En-lai. These are confident men who say what they mean, no more and no less. They neither under-estimate nor over-estimate the capacities of China. They know their country's limitations. They are not likely to be badgered or buttered into overplaying its role in international affairs. On the other hand, they will not settle for less than their estimates of what can reasonably be obtained for China. Above all else, they are patient and dedicated men. They can compromise but they cannot be compromised.

They speak for a China that is neither aggressive nor supine. Contemporary China is above all else, self-reliant, a word which is embedded in the Maoist formula for resurgence. So, in terms of our approach, we would be well-advised to deal with the Chinese, candidly, on the basis of complete



equality. We should choose for that purpose, with more than routine caution, personnel both as required in the Liaison Office in Peking and elsewhere, who are constitutionally-equipped to treat with them in that fashion. In my judgment, George Bush does have that capacity. If the policies which he is given to work with permit him to be effective, he will be effective.

The key to such policies is Taiwan. No further progress of any great significance in rapprochement appears to be in prospect unless we are prepared to confront this issue with greater candor than has been the case to date. The Nixon-Chou understanding as expressed in the Shanghai Communique, it seems to me, clearly foreshadows the removal of our official presence from Taiwan and the severance of our formal relations with the Chinese government on that island. Certainly, the Chinese read the Shanghai Communique in that fashion. And if we do not, we have yet to advance an alternative interpretation.

In the circumstances the central question is not what are we going to do about Taiwan but when and how? It seems to me that after almost 100 other countries have recognized Peking and terminated formal relations with the Taiwan government, it is time to ask ourselves if we are not lagging somewhat behind the unfolding of world history. It seems to me, too, that it is specious to rationalize the delay on the basis of waiting for more peaceful circumstances in the Western Pacific. The situation in that region is more peaceful than it has been at any time in the past 25 years. Indeed, unless we take advantage of this state of affairs to make necessary adjustments in policy we will bear a heavy responsibility if that peace should be jeopardized in the future.



The problem of Taiwan would appear to me to narrow down to the question of how to extract our China policies from the limbo in which they now rest. A change-over of this kind is not an easy one for us and I would be the last to make light of the difficulties. It involves the reawakening of unpleasant memories of an era in U. S. policy and politics which goes back more than two decades. It involves extensive private U. S. commercial interests which have been stimulated by the policies of administration after administration to establish themselves on Taiwan. It involves ties with respect to Taiwan which have been fashioned at one time or another over the past quarter of a century and which are still incorporated into our China policies. It involves personal relations with Chinese on Taiwan. It involves, finally, positions in which careerist reputations have been invested, positions that are ingrained and have persisted from administration to administration. Nevertheless, painful as the adjustments may be, it seems to me that enduring national interests in the Western Pacific compel us to face up to them.

As I have noted, the Chinese repeatedly referred to the "Japanese formula" as being acceptable to them. It will be recalled that the "Japanese formula" consisted of shifting Japanese diplomatic recognition from Taiwan to Peking but leaving on the island an unofficial commercial office for continuing contact with the authorities there. The Japanese made the break cleanly. They did so, notwithstanding the fact that they had reluctances very similar to our own. The about-face which was executed was very successful. Significantly, the Chinese have remained high in their praise of Prime Minister Tanaka



as they have of President Nixon for his initiative in this connection. The Japanese formula has brought about a large and rapid growth in constructive Sino-Japanese ties. These ties have been developed, moreover, without seriously impairing Japan's large commercial interests in Taiwan.

It cannot be said with certainty that the Japanese formula would work for the United States. What the reaction of the Taiwan authorities would be is not predictable. However, the interim survival of those authorities as well as effective negotiations with the mainland on the resumption of ties, if these should develop, would be dependent, in part, on a measure of continued goodwill from the United States as well as Japan. To be sure, there are risks in the "Japanese formula" as in any other. In my judgment, however, the risks are less than remaining a party to maintaining indefinitely an inconclusive situation on Taiwan. Insofar as the Congress and the people of the United States are concerned, it would seem to me that the Japanese formula would win very substantial support.

There are steps short of a complete diplomatic change-over which could be taken in the direction of disengagement from Taiwan. At the very least, we could refrain from moving in the opposite direction as we did in permitting the opening of two new Taiwanese consulates in the United States a few months ago and sending a new ambassador to Taipei. We could complete, promptly, the withdrawal of the several thousand U. S. forces still on Taiwan. We could shut down our other U. S. installations except the Embassy, which might be left in the hands of a Charge. We could move, I suppose, to abrogate the Mutual Defense Treaty with the Republic of China but that could whip up



the matter out of all proportion in the Congress and it would be, in any event, largely an exercise in irrelevance since the Treaty would be mooted by a shift in recognition.

However useful any of these steps might be in themselves, in my judgment, they would not meet China's expectation. The Chinese reject the concept, in their words, of "two Chinas" or "one and a half-Chinas." For them, the Shanghai Communique means the shift of diplomatic relations from Taiwan to Peking. In their view that is the only way to confirm the concept of one China--one China under Maoism.

Until that condition is fulfilled, rapprochement is likely to remain, at best, in a state of abeyance. Unofficial exchanges will be kept at modest levels and closely controlled. Official visits will continue on a one-way street, kindling probably less and less warmth as time goes on. That is not to suggest that your contemplated visit in 1975 will not be welcomed. In due course, however, if these official journeys do not produce more tangible results than heretofore, it may well be that the Chinese will tire of playing host.

It seems to me that our reluctance to face up to the Taiwan issue stems in part from a tendency to regard our disengagement from the Taiwanese connection as some sort of concession to China. I did not see it in those terms. Prompt disengagement is not a one-sided act but, in my judgment, one which would serve equally or more so the purposes of this nation. China is on the road to becoming, again, the central civilization of Asia. As such, that nation of more than 800 million is bound to be an enormous factor in the



future of the Western Pacific and the world. In my judgment, the time-frame for this development is not in terms of centuries but, at most, two or three decades. Our present split policy excludes us from normal contact with this critical development in world history. It impedes the building of the ties, the understanding and the trust which are imperatives if future generations of Americans are to live in peace with the China that is emerging. Our dallying on the Taiwan question puts us at odds with most of the rest of the world and, most seriously, tends to freeze the potentiality of our diplomacy for contributing to the stabilization of peace, particularly in the Western Pacific and Asia.

Three years after the Shanghai Communique, the concepts within which we operate in the Western Pacific are still, for example, those designed decades ago to defend Taiwan, South Korea and Indochina against the sweep of the Chinese revolution and the outward thrust of combined Soviet and Chinese communist military power. These concepts are utterly anachronistic and, of course, immensely costly in terms of expenditures of public funds for irrelevant defense purposes in the Western Pacific. Yet, what has replaced them? In my judgment, we should have long since, as a matter of policy, speeded up the process of a withdrawal of military forces from South Korea. We should long since have undertaken a reduction of U. S. deployments and^a/consolidation of our defense installations in Japan. Of late, we have moved along those lines, but slowly and, apparently, not so much as a matter of policy but on the dictates of Congressionally-forced economies. With or without further normalization of Sino-U. S. relations it seems to me that the process of reduction and



consolidation of defense activities can continue throughout the Western Pacific.

In a more fundamental sense, however, until we cast the die on the Taiwan question, it is not possible to probe in a meaningful way with Japan, with China and, perhaps, with the Soviet Union for new bilateral, trilateral or quadripartite understandings and arrangements as alternatives to an out-moded military-oriented strategy in sustaining the stability of the Western Pacific. As it is now, the design of our defense is still one in which United States forces are projected into the Western Pacific to hold back a Red Tide by means of beachheads on the fringes of the Asian continent and back ups of air, land and naval forces in the off-shore island nations of Asia. If Viet Nam has taught us anything, it ought to be that the calculated use of U. S. force in this fashion, however extravagant, to influence the course of events on the Asian continent, adds up to only slightly more than zero-impact.

Yet we are still engaged in this costly and futile process. In Southeast Asia, for example, we persist in a deep involvement in Cambodia. Our intervention in the affairs of that nation has brought untold misery and hardship to the people of that once peaceful land at a cost of billions of dollars to the people of this nation. I can only repeat here what I have said many times publicly: the sooner we get out of Cambodia lock, stock and barrel the better off for all concerned. There is, moreover, only one honorable way to get out and that is to get out. The people of this nation owe not a thing to any political figure or faction in Phnom Penh. If we were to serve notice now that we intend to withdraw from that involvement completely within six



months, it would be a most liberal gesture towards those who have created the mess which exists in that country.

By disengaging from Cambodia it may be that we will have set the stage for a withdrawal from Thailand and, in due course perhaps, for working with the Chinese and others to establish in Southeast Asia, a zone of neutral and independent states of various political colorations suitable to the needs of their respective peoples. An arrangement of that kind would serve our national interests as well as those of China and could provide the basis for a durable peace in that region.

In a similar fashion, with the ending of the vestigial policies of an earlier anti-communist crusade on the Asian mainland, we may not only open the way to improved and expanding bilateral relations with China, but also to a new era of Sino-U. S. cooperation. That cooperation can be of significance in strengthening the stability of the Western Pacific. Perhaps, it might also be of significance in dealing with questions of worldwide significance such as disarmament, raw material shortages and the whole range of the new problems which are posed by the rapid growth of population and of industrialization throughout the world.

Time is of the essence if these possibilities are to offer real promise. In my judgment, we have moved too slowly, far too slowly, since the Nixon-Chou meetings in 1972. Unless the opportunities which were opened by the Shanghai Communique are soon seized, an entirely new situation could emerge in the Western Pacific, fraught with difficulties which are as yet unfathomable. It is time to act. The ball is in our court. It bears the label Taiwan.



APPENDIX I

CONVERSATION WITH PREMIER CHOU EN-LAI



MEMORANDUM OF CONVERSATION BETWEEN
SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE
and
PREMIER CHOU EN-LAI

Peking, Thursday, December 12, 1974, The Hospital

6:00 p.m.

On December 12, 1974, at approximately 6:00 p.m., Mrs. Mansfield and I visited Premier Chou En-lai at the hospital where he was resting. I inquired about the name of the hospital and I received an ambiguous answer, and it appeared to me that the drive out to the hospital took somewhat longer than the return to the Guest House.

I met with the Premier, who appeared in good health, for approximately 55 minutes during which time he expressed deep respect for former President Richard M. Nixon and his efforts to normalize relations with China for "opening the door," as he put it.

He also stated that the person really responsible for opening the door was Chairman Mao Tse-tung who had read a Nixon article on China before he became President--evidently a reference to an article which appeared in the Foreign Affairs Quarterly while Nixon was out of office. He stated that none of the other officials in the government were aware of the article but that Chairman Mao had read it, was impressed, gave his approval and that he made the final decision to "open the door." He also said that Henry Kissinger was initially not too keen about the idea of normalizing relations with the



People's Republic of China but he was coming around and was now all in favor of the policy. I assured him, as the Democratic Majority Leader in the Senate, that the policy which Nixon and Mao set in motion and President Ford was carrying forward was irreversible and said that even if a Democrat was elected President in 1976, that the policy would continue. He said he looked forward to President Ford's visit in 1975 and would be delighted to confer with him at that time.

I asked him what counsel or advice he would give to better the Sino-U. S. relationship at this time. He waved in the direction of Foreign Minister Ch'iao Kuan-hua and said it was up to him and his associates to answer that and to provide the procedures for the future. What this indicated, I am uncertain. While Chou appeared in excellent health and good spirits, it could be interpreted as a gesture or move towards Ch'iao Kuan-hua as the man who might eventually assume much of his authority in the period ahead.

We discussed old times, my visit to Kuming, Chungking and Chengtu in 1944 and 1945 on a special mission for President Roosevelt and he said he recalled my being there but that he was in Yen-an during the period of my stay which amounted to about 7 weeks. It was a buoyant but a sad meeting. It was well attended by Chinese officials. In attendance, among others, were Foreign Minister Ch'iao Kuan-hua, Miss Wang, Vice President of the Foreign Affairs Institute and a niece of Chairman Mao, and Chou Ch'iu-yeh, an old friend who was now President of the Foreign Affairs Institute. Nancy Tang did the translating. They all seemed to watch Chou with great concern and interest. To me he seemed to be in full possession of his faculties.



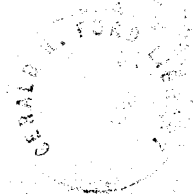
We had an affectionate and respectful parting. The last words he said to me were, "The door between our two countries should never have been closed. I would like to invite you to return again." I told him I would be delighted to and that maybe President Ford would allow me to accompany him next year.



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APPENDIX II

CONVERSATIONS WITH VICE PREMIER TENG HSIAO-PENG



VERBATIM MEMORANDUM OF CONVERSATION OF
SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE

AND

VICE PREMIER TENG HSIAO-PENG
PEOPLE'S REPUBLIC OF CHINA

GREAT HALL OF THE PEOPLE; THURSDAY, DECEMBER 12, 1974; 10:15 A.M.

Senator Mansfield.....This reminds me of another visit when I visited the Vice Premier at the United Nations some months ago.

Vice Premier Teng.....Yes, and I greatly regret I was unable to attend the party at Mrs. Engelhard's place.

Mrs. Engelhard.....It was my loss.

Vice Premier Teng.....To compensate for that I must invite you to dinner this noon.

Senator Mansfield.....We're delighted to accept. (Showed the Vice Premier his pipe and asked if he would mind if he smoked.) This is how doctors give up cigarettes.

Vice Premier Teng.....Yes, but it seems the more the doctors prohibit cigarettes, the greater the sales. So, how many days have you been in China?

Senator Mansfield.....This is the fourth day.

Vice Premier Teng.....Have these days been pleasant enough?

Senator Mansfield.....Days in China are always pleasant.

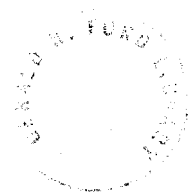
Vice Premier Teng.....You're one of those who is most familiar with our country.

Senator Mansfield.....Well, I hope understanding of it as well.

Vice Premier Teng.....Yes, you were welcomed here long ago. We welcomed you here a few years ago, but this welcome has been delayed a bit.

Senator Mansfield.....Too long. Will the Vice Premier mind if I raised a few questions?

Vice Premier Teng.....We welcome your questions.



Senator Mansfield.....The purpose being to better understand each other, to comprehend our mutual problems and to find ways and means to further solidify our friendship and understanding, on the basis of mutual equality.

What is the Vice Premier's assessment of normalization? Are there any aspects that he wishes to explore? Is there any comment on the state of normalization which he would like to have conveyed to the President and the United States Senate?

Vice Premier Teng.....That is all?

Senator Mansfield.....That is the first question.

Vice Premier Teng.....Did our Foreign Minister also discuss this with you?

Senator Mansfield.....In part, but we were just getting started. After three and one-half hours we had to call a halt to our most informative, most interesting and most candid exchange of views.

Vice Premier Teng.....It's nearly three years now since the Shanghai Communique and we've made public our views toward normalization. We believe that, generally speaking, the development of Sino-United States relations has been normal. Of course, it must also be said that the steps we have made in the period of time have not been very large strides. The reason is the Taiwan issue. Because there aren't any other issues between us. In New York, when our present Foreign Minister was there, we met with Dr. Kissinger and discussed this issue. At his question about normalization between our two countries, we said the only way that it could be taken care of was the Japanese way. Chairman Mao also said this to Dr. Kissinger. The only way that it can be accomplished is the Japanese way.

The Japanese pattern in relevance to U.S.-Taiwan relations would mean an abrogation of the defense treaty, withdrawal of troops and severing of diplomatic relations. The realization of these three points would mean the realization of normalization.



Vice Premier Teng.....On our part, we would wish for an earlier normalization. As we have said many times in the past to the United States Government, it is not that we are not, we do wish for a earlier normalization. The question is that this normalization must be arrived at on the basis of the three points which I just now mentioned which derive from the Shanghai Communique. But if the United States side feels that they still need Taiwan, then we can wait. We don't even have to hurry. When Dr. Kissinger came recently on his visit, we also said that we could not consider two Chinas; one China, one Taiwan; or any variation of one China, one Taiwan. When asked why our side could not accept such a solution, we asked him the necessity for doing things so messily. Why not be brisk and settle it all at once? We said it cannot do. Messy methods will not succeed.

We said that many issues are being dealt with very messily such as Indochina, and the Middle East and many other questions. I think it would be better to settle the matter more briskly.

Senator Mansfield.....If the Vice Premier would allow me, I would like to say that if he has any questions, I will do my best to answer them. The reasons for my questions on China, in the Great Hall of the People, is that this is the only place where the answers can come from and better understanding achieved in Sino-United States relations. I hope that will be kept in mind. I will answer, in turn, any questions you wish to raise during the course of the conversation.

Vice Premier Teng.....Yes, so what is your opinion? Do you think the timing is right?

Senator Mansfield.....Evidently it is not right as yet from the United States point of view, at least from the view of the Administration. The Vice Premier has raised a number of questions in addition to Taiwan. He raised the question of the Middle East, Indochina and there are many others. But I do want to assure him that as the leader of the opposition party of the United States Senate, it is my intention, our intention, to do everything we can to further normalization. Over a period of time, how long I cannot say, we will be able to achieve our



Senator Mansfield.....objective. I wish to emphasize in my capacity as Majority Leader, that the policy toward normalization and greater normalization has been set and is irreversible as far as the United States Government is concerned.

In other words, after the elections in 1976, if the Democrats assume power, the same policies would continue and same attention be given to the situation. Hopefully, in the United States, given some time, we will be able to achieve the common objectives which both of us desire. I speak of objectives not only in the matter of full or future diplomatic relations, but also in considering problems on a worldwide basis such as: overpopulation; underproduction of food, fiber and raw materials; the Middle East which contains a potential for devastation for the rest of the world; the situation in Indochina, which some of us, at least, think has been too long in achieving a final solution; the restoration of a unified Cambodia, which can act as a stabilizing factor among the four Indochinese states; the continuing of our defense arrangements with Japan, not permanently, but into the foreseeable future; and a better understanding of the economic difficulties which confront much of the world because of the quadrupling of petroleum prices over the past year.

In that respect, China is indeed fortunate because she is self-sufficient. She has entered a contract with Japan of 5 million tons of petroleum with prospects of increasing this in the years ahead. And I believe your country has agreed to a contract with the Philippines for one million tons of petroleum. Fortunately, in this respect, because she is self-sufficient, China can be a great exporting nation if the reports we read in the public press of the offshore deposits in the Yellow Sea and along the China coast are anywhere near true.

The Vice Premier is aware that the United States, as well as other countries, is undergoing a period of inflation and recession. Japan and other countries I have indicated are in similar straits differing only in degree. In my opinion, the situation that confronts the United States and the Western world, and in that



Senator Mansfield.....category I have to include Japan, has come about by the quadrupling of oil prices in the last year.

I would like to ask the Vice Premier a number of questions in that respect. What is his view of the petroleum prices in view of the economic crisis that faces us but does not include China. What are his views of the worldwide shortage of food and raw materials. How should that problem be dealt with? Are there any questions that the Vice Premier would like to raise on the economic situation as it exists in the United States? Furthermore, ^{how} does the Vice Premier see the United States and the worldwide economic situation affecting China? What major problems, if any does China have in industry and agriculture? China has avoided inflation and recession and what we would like to know is what is your secret?

Vice Premier Teng.....First of all I would like to welcome the statement of the Senator as the United States Majority Leader that no matter which party may form the Administration, you would continue on the principles of the Shanghai Communique and we welcome this continuing. As for the answer, that is the question whether or not the time is right, we believe this is a question which the United States side should consider. We can only repeat that on our side we wish for an earlier normalization, an earlier solution of the issue, but we are not in great haste and we can wait. As for the problems that the world, especially the Western World is facing now, for instance, inflation, our views might be slightly different from yours. According to what we have heard, the question of inflation is not something that appeared after the rise of oil prices and according to our knowledge, for instance, in the United States, inflation had appeared long before.

As for the rising of other prices, we believe that it also began before the rising of oil prices. Before the October War last year, before that, other prices had come up quite considerably. For instance, the price of food and grain. We heard it went up two times and you said yesterday that they had gone up from \$1.60 to \$6.00.



Senator Mansfield.....If by that the Vice Premier means the wheat deal with the Soviet Union, this was the exception, not the rule. That was a bad deal as far as the United States was concerned and it did create automatically a tripling, possibly a quadrupling, of wheat prices. Again I emphasize that this must be considered the exception in the average.

Vice Premier Teng.....Yes, and we should think on that point, you suffered a great deal because the Soviet Union bought it at one price and sold it back at much higher prices.

Senator Mansfield.....That's right. But we don't intend to get burned again.

Vice Premier Teng.....I think the Soviet Union gained a lot from the oil prices.

Senator Mansfield.....They're self-sufficient aren't they?

Vice Premier Teng.....Yea, and they also buy very cheaply from the Middle East and sell it back again for triple the price.

Senator Mansfield.....You mean the Middle East sells to the Soviet Union petroleum for less than world prices?

Vice Premier Teng.....Yes. There are some oil producing countries in the Middle East such as Iraq who sells oil to the Soviet Union at prices lower than the world prices. Iran is also selling natural gas to the Soviet Union for less than world prices, some on a barter basis.

Senator Mansfield.....It goes to show you you have to go to Peking to find out things. This is all news to me. We had no idea this was going on. We thought all OPEC countries were selling at world prices and I had assumed that contracts which the People's Republic has entered into with Japan and the Philippines would be on that same basis.

Vice Premier Teng.....We mentioned this at the special session of the United Nations this April. That is, we mentioned that a certain country was buying oil at cheap prices in the Middle East and selling to other countries at higher prices.

Senator Mansfield.....It skipped my notice.



Vice Premier Teng.....Of course, the oil problem has aggravated the Western economic problem and we have always held that these issues should be settled through dialogue and not confrontation.

Senator Mansfield.....I agree.

Vice Premier Teng.....Confrontation can only add to the complications of the issues.

Senator Mansfield.....Confrontation is not the answer.

Vice Premier Teng.....I also agree with that. As for our oil production, it is still quite limited. Aside from supplying ourselves, we can only at the present moment export a bit. Of course, there is still hope since we still have resources. We don't have a shortage of resources.

The Senator just now inquired of any secret we might have of avoiding the impact of worldwide economic crises. We only have four characters in Chinese which Chairman Mao laid down a long time ago. The four characters spell out "self-reliance."

Senator Mansfield.....Excellent explanation.

Vice Premier Teng.....Because you know that since 1949 when we established the People's Republic of China, our economy had been under an embargo. The development we have been able to make in agriculture and industry have all been done on the basis of our own accumulation of capital.

Senator Mansfield.....We understand this and it just goes to show that punitive measures can be counterproductive for those who impose and very productive for those whom they are against.

Vice Premier Teng.....I agree, that is correct. Of course, at the present, we haven't felt very greatly the impact of the worldwide economic situation but if the impact becomes very great, the way to deal with it is very simple. If certain things are very expensive, we don't buy them. If prices of exports are too cheap, we won't sell them.



Senator Mansfield.....Good. What about Cambodia?

Vice Premier Teng.....It seems that the only way for Cambodia is to continue to fight its way out with the resistance forces there.

Senator Mansfield.....The Cambodian people themselves?

Vice Premier Teng.....Yes.

Senator Mansfield.....And Sihanouk?

Vice Premier Teng.....Yes, and on this issue the Senator must know that Prince Sihanouk is in complete agreement with the resistance forces in the country.

Senator Mansfield.....Is Sihanouk in control of the resistance forces or is Khieu Samphan the real leader because of his activities in Cambodia itself?

Vice Premier Teng.....The way we see it, Prince Sihanouk is the leader of the entire resistance movement. Since he is the leader of the resistance movement, he cannot be divorced from the resistance forces.

Senator Mansfield.....So that both work together?

Vice Premier Teng.....Yes. They moved the government back. Wasn't there a certain opinion that the Sihanouk Government was a government in exile?

Senator Mansfield.....Yes.

Vice Premier Teng.....So then Sihanouk made up his mind to move the government back within the country. He also went back to Cambodia himself.

Senator Mansfield.....Along with Princess Monique.

Vice Premier Teng.....He is a patriot and a nationalist.

Senator Mansfield.....Yes, and he is a symbol.



Vice Premier Teng.....Not only a symbol.

Senator Mansfield.....No, he is the symbol.

Vice Premier Teng.....It should be said that he is supported by all in the resistance movement.

Senator Mansfield.....Mr. Vice Premier, how do you view the security situation in China? Do you feel that Sino-Soviet relations are manageable or soluble and in contrast to that, what about the United States position in the Western Pacific? Are there any aspects of that situation which is one of declining U.S. military presence that you wish to comment on? And are there any prospects for some new security arrangement embracing China, the United States and, I put this hesitantly, perhaps the Soviet Union?

Vice Premier Teng.....We have no worries of our security. As for nuclear weapons, we have a bit but they are not of great use.

Senator Mansfield.....Not yet.

Vice Premier Teng.....Even in the future, they would not be of great use because we are not prepared to enter into a race with you and the Soviet Union. If we are required to enter a race between your two countries, then we would have to be prepared to collapse. We would have to prepare eight hundred million people to go without food or clothing.

We do not rely on that (nuclear power), we rely on two things: millet plus rifles and the other is underground tunnels. That is our tradition -- millet plus rifles. Back in Yenan, Chairman Mao had already put forth the slogan, "millet plus rifles" and we relied on that to defeat Chiang Kai-shek.

Senator Mansfield.....How do you explain "millet plus rifles"? Food plus ammunition?

Vice Premier Teng.....That means light weapons. Of course, we now have some airplanes and some tanks, but in comparison with the Soviet Union and your country and other countries, we still have a long way to go. Relying on these things, millet plus rifles, we fear neither heaven



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Vice Premier Teng.....nor earth. There is also some talk in the world which says the million troops near our border are something terrible. That is not our view. Our conception has always been that the stress of Soviet strategy has been in the West, in Europe, in the Middle East, in the Caribbean, etc. Issues in these areas should be seen in this respect.

Senator Mansfield.....Are there Soviet troops on the Chinese border?

Vice Premier Teng.....Yes.

Senator Mansfield.....If the stress is elsewhere, how are they on your border.

Vice Premier Teng.....You know the total of Soviet strength exceeds four million. Three-fourths of their forces are in the West, mainly in Europe. Their nuclear weapons, missiles and most modern equipment and most conventional equipment is mainly in the West. That is why we have been saying to our European friends and also American friends, we believe the Soviet Union is mainly after you. That does not mean that we neglect the million Soviet troops along our border. But if the Soviet Union is to attack China, the million troops would not be sufficient. Because the Sino-Soviet border is more than 7,000 kilometers long. A million Soviet troops deployed along this border, if they were to attack China, they would have to increase to 2-3 million. Whether that would be sufficient would be the question. We do not worry about the Sino-Soviet border; we don't think attack is possible.

Senator Mansfield.....Do you fear a Soviet strike?

Vice Premier Teng.....We are not worried about that. We don't think that is possible. If they are to increase their strength by one or two million, that force would have to come from Europe. The only condition under which they would be able to move several million forces from Europe to the East would be their complete control over Europe. Even if they were able to move three million troops to the East for an attack against China, they would have to make up their minds first it would be a war of 20 years.



Senator Mansfield.....What about the United States and the declining forces in the Western Pacific and our relationship with Japan on the basis of the mutual security treaty now in existence? What is the reaction of the People's Republic to those developments?

Vice Premier Teng.....To continue on this. I should also add that the million Soviet troops in the East include air and naval forces and there is a general opinion this is only directed against China. I think that this Soviet strength in the East is aimed to the Western Pacific. It's aimed to the American fleet in the Pacific. There also is a rather general opinion that the Soviet forces in the Far East is only directed against China. We do not agree with that either. We believe it is first of all against the United States and secondly against China and Japan. Of course, we do not exclude small skirmishes on the Sino-Soviet border. For instance, incidents such as the 1969 Junboa Island incident or something larger than that cannot be excluded. But such situations cannot alter the overall situation.

As for Sino-Soviet relations, at present there are no signs whatsoever that we can come to terms. First of all, there is an ideological dispute which is unsolvable. We have given a hat to social imperialism. In the past Chairman Mao had declared that this ideological dispute would continue for 10,000 years. But afterwards, the Romanians came and tried to make peace. They spoke on behalf of the Soviet Union asking the Chairman to cut down the number of years. Chairman Mao said we could cut down the number by 1,000 years. So, we have only 9,000 years left. In 1965 Soviet Premier Khrushchev came to Peking and he raised this question. At that time, the Chairman out of consideration of face for the Soviet Premier, made a concession of 1,000 more years. Only 8,000 years remaining. Then the Chairman declared, "no more concessions." So we still have 8,000 years left.

Senator Mansfield.....None of us will be here at that time. (laughter)

Vice Premier Teng.....As for the present dispute, the Soviet Union didn't seem willing to solve the issue. As for the border negotiation that we have had with the Soviet Union



Vice Premier Teng.....for five years now (it actually began many years ago, was suspended then was picked up again), we haven't made even an inch of progress. The title over which we have been holding these negotiations was "to settle the border dispute." Up to today the Soviet Union does not recognize that there exists any such dispute.

Senator Mansfield.....You gave a hat to the Soviets of social imperialism. You also gave us a hat.

Vice Premier Teng.....That hat wasn't given to you recently. It was long ago. I don't think we are the first to give you that hat.

Senator Mansfield.....No, but I suppose the hat could be labeled "capitalist imperialism."

Vice Premier Teng.....That's about it.

Senator Mansfield.....We're used to appellations but we don't think we're as bad as some people think we are. Basically, people are the same whether they are socialist, communists, capitalists or have no connotation. People all over the world want to achieve the same and want to help their people. But people go about it in different ways. That is beside the point; we're used to being called all kinds of things.

Vice Premier Teng.....Yes, there are people who give us hats, too. For instance, we are called war mongers.

Senator Mansfield.....We don't wear hats, but we do wear shoes. There is an old American saying, "If the shoe fits, wear it." We think that your shoes fit you and our shoes fit us. In those shoes we will try to march forward together to achieve common objectives and mutual understanding. This returns me to the question of declining U.S. presence in the Western Pacific and Japan.

Vice Premier Teng.....We have said about the Japanese issue to both the Japanese and Americans that we have no objections to Japanese-U.S. relations. We have also said to the Japanese that we think U.S.-Japanese foreign relations come first and Sino-Japanese relations only come second.



Senator Mansfield.....And declining forces?

Vice Premier Teng.....We have no objection either. Because first of all, our principle has been that we have never been in approval of the occupation of other countries by foreign troops on foreign soil. But also, our attitude to this issue is based on reality and on facts. You're also very clear about our attitude about your position in Europe and Japan.

Senator Mansfield.....I agree in general to the statement you've made of foreign troops occupying other countries and foreign soil. We have 325,000 troops on foreign soil in Western Europe which we consider to be a first area of attack as far as the Soviet Union is concerned. I would like to ask a few questions. I want to emphasize I am not trying to pry into your affairs. Mutual understanding of these issues should benefit both of us. The People's Republic stated publicly and recently that they reject being classed as a superpower. The People's Republic has deliberately and with some success sought to establish itself as the leader of the sovereign states of the so-called "third world." The Chinese position, as I understand it, was before the United Nations, and has been conditioned to Chinese positions on sovereignty and sole interest. What kind of world does China hope to see based on her views of the third world and her participation in the United Nations?

Vice Premier Teng.....As for being a superpower, we have stated many times we refuse to become a superpower.

Senator Mansfield.....We do not like to be referred to as a superpower ourselves.

Vice Premier Teng.....But there is no other way. First of all, we are not qualified at the present to be a superpower. What qualifications does such a poor country have? The question will be when we become richer, for instance, in the future when production of steel reaches 100 million tons, the question will be at that time will we or will we not be a superpower. The question is what is the definition of a superpower? Our definition is that a superpower controls others, suppresses others and commits aggression against others. We found a partner for you.



Senator Mansfield.....The People's Republic?

Vice Premier Teng.....The Soviet Union.

Senator Mansfield.....You said you found a partner.

Vice Premier Teng.....The question is whether we have found you a partner or whether we are a partner. Since that being our definition of a superpower, to be a superpower would mean to automatically place oneself against the other countries of the world.

Senator Mansfield.....Yes, but you said you found us a partner and we thought we found a partner in you, based on better relations, closer understanding and treatment as equals.

Vice Premier Teng.....If it's to be said that this is based on common dealing with the polar bear, I cannot say this is so. (laughter) But we are not qualified to be the third superpower. Even in the future when certain conditions might be improved, we will refuse to be a superpower.

Senator Mansfield.....We don't care to be called a superpower but as you said, that is the way it is.

Vice Premier Teng.....But if I do not remember this wrongly, I think it is your newspapers who began styling yourselves as a superpower.

Senator Mansfield.....We don't control our newspapers.

But let me ask another question. Mr. Vice Premier, how does the People's Republic visualize the development of the United Nations as an organization and its role in maintaining peace?

Vice Premier Teng.....I think that the United Nations should play its role. We also think that compared with the past, the U.N. has undergone changes. The change has been that the voices of the third world have become louder and they are being heard and listened to by the others. But it also must be said that the present role of the U.N. has been limited. How many resolutions have they passed and how many have been carried out?



Senator Mansfield.....Good question. Many resolutions, few carried out. To what extent do the Chinese plan to participate and contribute in the U.N. efforts -- which I believe you think are getting better because others are listening to the third world -- to deal with such problems as food shortages, population, arms control, etc.

Vice Premier Teng.....But the role that we can play is also limited. Of course, wherever we can make a contribution, we will do it.

Senator Mansfield.....In other fields?

Vice Premier Teng.....It will be impossible for us to do anything in certain fields, for instance, disarmament. Because everyone is talking about disarmament, but even if the U.N. were to pass 100 resolutions, the expansion of arms would continue. It is also true about universal disarmament. For some countries how is it possible for them to disarm? Countries who are bullied, who are being enslaved, they are the countries that should be expanded in arms. How can we ask them to disarm?

Take for instance the food problem. The root of the food problem is the lack of the ability of those countries with a shortage of grain to grow their own grain. We don't think it would be possible for the U.S. to solve this problem with its own grain. There is also the question of control of natural resources by countries who own these resources. The special session of the U.N. passed a resolution this past April, but has it been abided by?

Senator Mansfield.....Not yet. The Ayacucho Agreement (concerning eight Latin American countries) postulated that that should be their policy. Control of their own resources, and I think in many countries that nations which have been exploited would be able to reverse the practice. It would give more nations the ability to have a greater degree of ownership and use of their resources. The Ayacucho Agreement I referred to was agreed to in Lima in the last day or so.

Vice Premier Teng.....So do you think we can continue during lunch?

Senator Mansfield.....Be delighted to. I wish to thank the Vice Premier for his courtesy and candor.

The conversation ended at 12:15 p.m.



MEMORANDUM OF LUNCHEON CONVERSATION WITH

SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE

and

VICE PREMIER TENG HSIAO-PING

Peking, Thursday, December 12, 1974, Great Hall of the People

12:00 Noon

After the opening pleasantries (in which student riots in Burma were mentioned by Teng), Senator Mansfield raised the question of oil. With the four-fold increase in the price of oil, some of the countries of the Third World were able neither to buy the oil they needed nor to build refineries and were in very difficult circumstances. What did the Vice Premier think could be done about this?

Teng Hsiao-ping agreed about the difficulties caused by the oil situation, and said that "some work had to be done." Senator Mansfield then declared that China, as the leader of the Third World, could assume some responsibility. Teng disclaimed any role for China as leader of the Third World, saying that, while China was a member of the Third World and supported its position, it was not the leader. Senator Mansfield noted that since China was the biggest Third World country and historically had made speeches supporting it, China had to be considered the leader of the Third World. As in the case of the U.S., which neither wanted nor particularly appreciated the appellation of "superpower" but accepted this status for what it was, China also had to accept its status as leader of the Third World. "If the shoe fits, wear it," he stated. Teng repeated that China was not to be regarded as the leader, emphasizing that, "we wouldn't dare to claim such a position."

The matter came up of assistance to the Third World countries hit by the oil situation, with Senator Mansfield remarking that the U.S. could help to some extent but could not assume the full burden. Teng recalled that the U.S. had given assistance to many Third World countries, to which Senator Mansfield responded by agreeing that the U.S. had indeed given PL 480 and other forms of aid; however, this had used up American resources and left the country in straitened economic circumstances. Teng commented that the Chinese had learned from the U.S. about the expense of economic assistance. "Don't call on us," he said.

Senator Mansfield asked what Teng thought about American troops in Thailand. Teng replied that U.S. troops were spread out too thinly over too great an area, and were not strong enough in any one place. "If you try to use your ten fingers to catch ten fleas," he said, "you will never succeed." The



U.S. had begun to disengage after the Vietnam war, but this disengagement had not been carried out cleanly enough -- the U.S. still had troops in many places abroad. In fact, U.S. forces were strung out on a long line all the way from Korea and Japan through the Indian Ocean and Mediterranean Sea to Europe. Senator Mansfield asked if Teng meant to include Thailand in this description, and Teng answered affirmatively. Senator Mansfield asked if by referring to the U.S. being spread too thin and not disengaging cleanly enough, Teng meant that U.S. forces should withdraw from Europe. "This is a matter for discussion with your allies," Teng replied.

Senator Mansfield asked Teng what he thought about the presence of U.S. naval forces in the Indian Ocean. Teng paused a moment, and then cited China's policy toward India: since the Soviet Union was already in India, it would be better to have the U.S. present than to have the Soviet Union there alone. Senator Mansfield's response was : "Thanks."

Senator Mansfield questioned Teng about China's attitude toward the coalition in Laos. "We are in favor of it," Teng said. However, while the basic agreement in Laos was satisfactory, it was not perfect and some problems still remained.

"What about Cambodia?" Senator Mansfield asked. Teng replied that he could not understand why the U.S. had supported a person such as Lon Nol for so long. "I can't disagree with you on that," Senator Mansfield observed. Teng went on to say that because Lon Nol was not a good man and did not enjoy the support of the Cambodian people, the latter would continue to fight him. This was a case where a previously peaceful people had been turned into the opposite by oppression. Senator Mansfield disputed Teng's remark, declaring that in his opinion the Laotian and Cambodian peoples were the most peace-loving in the world. Teng said in response that there were other instances in history in which non-warlike people had been turned into good fighters as a result of oppression. For example, there was a saying in China that the people of Kiangsi could not be relied upon to fight, and in fact the warlords had avoided using Kiangsi men in the armies. However, when Chairman Mao established the Ching kangshan revolutionary base in Kiangsi, most of the revolutionary soldiers were recruited from that province and they fought very well. As of the present time a majority of the top leaders of the PLA were from Kiangsi.

Teng also mentioned as a case in point the situation in Vietnam, where the Vietnamese people had not been known historically as fighters, but had now been carrying on a war for almost 30 years. The Chinese revolutionary struggle, in contrast, had only lasted for 22 years. Senator Mansfield expressed some doubts about the alleged Vietnamese lack of martial qualities, noting that the Chinese themselves had undergone some experiences of fighting with the Vietnamese. That had been a fight by members of a family, Teng said, to which Senator Mansfield responded by remarking that family fights



sometimes were very good ones. A brief discussion then ensued about the "Cheng sister generals" -- the two Vietnamese sisters who had led the Vietnamese armies against the Chinese.

While describing the fighting in Cambodia, Teng denied reports in the foreign press to the effect that North Vietnamese troops were involved. "There is not one North Vietnamese soldier fighting in Cambodia," he insisted. Senator Mansfield then asked Teng if North Vietnamese troops were in Cambodia. Teng thought this question over for a moment, and then responded with the remark that "Cambodia and Vietnam share a common frontier."

Senator Mansfield referred to press reports that the Chinese National People's Congress would be held soon. Could Teng say anything about the date when this Congress would be held? Teng affirmed that the 4th National People's Congress was being organized. As to the date, this would depend on the state of the preparations.

Teng in turn then brought up reports in the U.S. press indicating that American opinion was divided on the outcome of the Vladivostok Summit. What was Senator Mansfield's opinion of this agreement?

Senator Mansfield indicated that he in general was in favor of the agreement from what he knew about it because it put a limit on each side's nuclear weapons. Originally it had been an oral agreement, but a week later when it was followed up in writing, President Ford had briefed the Congressional Leadership and had also presented it to the American people in a press conference. Like Senator Jackson, he, Senator Mansfield, would have preferred a lower limit, but at least there was now the possibility of working for lower limits later on. (Nancy Tang displayed a good knowledge of the agreement at this point by explaining to Teng that the ceiling was 2400 missiles on both sides, with each side permitted 1320 MIRV's.)

Senator Mansfield asked Teng what he personally thought about the agreement. Teng replied that it didn't have any relevance to China, to which Senator Mansfield observed that such wasn't necessarily the case. Teng went on to say that, in any event, while opinion in the U.S. was divided about it, the reaction in the Soviet Union had been entirely one of jubilation. Teng recalled the signing of the partial test ban treaty in Moscow in 1963, when he himself had also been in Moscow, following which there had been a big expansion in the U.S.S.R.'s nuclear weapons program. The same thing had occurred following the May 1972 agreements.

Senator Mansfield agreed that the Soviet Union was engaged in a game of "catch-up" with the U.S., and that there were areas in the Vladivostok agreement such as the comparative throw-weight of U.S. and Soviet missiles,



which might cause concern. But all of this was meaningless when each side possessed the capability of destroying mankind 15 times over, and without the agreement the Soviets would probably have gone well beyond the limits which had been agreed upon in Vladivostok. And, as he had mentioned earlier, there now was a chance to work for lower limits later on.

In the course of this portion of the conversation, Senator Mansfield several times stressed that he was sure Secretary Kissinger had briefed the Chinese fully on the Vladivostok agreement, and that the staff of the PRC Liaison Office in Washington had been similarly informed. He also stressed that if the agreement was submitted to the Senate in the form of a treaty for ratification--and he assumed it would be as part of our democratic processes--it would be subjected to the closest scrutiny and would not go into effect unless passed by a two-thirds vote.

Teng mentioned that China did not believe that if a war were to break out, it would necessarily be fought with nuclear weapons. There was a possibility it would be fought entirely with conventional weapons. What did Senator Mansfield think?

Senator Mansfield replied that he agreed, and said that the world remained in a dangerous state. This was one of the reasons why he was a supporter of Women's Lib--the men had done such a bad job in running affairs that it was time to let the women have a try. They certainly couldn't do any worse, and they might do a good bit better. He would like to see women running the White House, the Government and the Congress.

"But what about Madame Ghandi?" Teng asked. She had not done such a good job in governing India, he continued, and most recently she had initiated actions which had put Sikkim in India's pocket. Teng and Senator Mansfield agreed that India's move to take over Sikkim (which, in the Senator's words, had left Indian officials running the country) were unwarranted; the fact that India already had 25,000 troops in Sikkim made the take-over unnecessary.

Senator Mansfield recalled that the anniversary of the birth of Sun Yat-sen had taken place the preceding month, and then asked about the health of Madame Sun Yat-sen. Teng replied that Madame Sun was now in her 80's and rather weak, and so didn't go out much. However, she was in quite good health for a person of her age.

Following the formal toasts, the conversation closed with informal remarks by Senator Mansfield thanking Teng for the time he had given the Senator and his party and for Teng's frank expression of views. Even if the U.S. and Chinese positions were different, it was useful to learn of the nature of the differences. This would help the further development of U.S.-P.R.C. relations. Mrs. Engelhard



also spoke, saying that as the only American present who had been born in China, she could testify that China was on the right course. The continuation of China's development would benefit the cause of improving Sino-U.S. relations, she declared. Teng thanked Senator Mansfield and Mrs. Engelhard for their words, and said that he, too, had learned from Senator Mansfield.

PARTICIPANTS

Vice Premier Teng Hsiao-ping
Vice Foreign Minister Wang Hai-jung
Chou Chiu-yeh, Vice Director, Chinese People's Institute
of Foreign Affairs
Ambassador Huang Chen
Tang Wen-sheng, Deputy Director, Ministry of Foreign Affairs
American and Oceanian Department
Kang Tai-sha, Deputy Secretary General, Chinese People's
Institute of Foreign Affairs
Cheng Wan-chen, Staff Member, Chinese People's Institute
of Foreign Affairs
Senator and Mrs. Mike Mansfield
Mrs. Jane B. Engelhard
Mr. and Mrs. John H. Holdridge, U.S. Liaison Office



APPENDIX III

CONVERSATIONS WITH FOREIGN MINISTER CH'IAO KUAN-HUA



VERBATIM MEMORANDUM OF CONVERSATION OF
SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE

AND

FOREIGN MINISTER CHIAO KUAN-HUA
PEOPLE'S REPUBLIC OF CHINA

FOREIGN MINISTRY, TUESDAY, DECEMBER 10, 1974; 4:00 P.M.

(There was an exchange of welcomes and some discussion on the Senator's advanced age and the pleasantries of smoking. The Foreign Minister asked who was visiting China for the first time. The Senator then introduced the party.)

Senator Mansfield.....Since the last time we saw you, Mr. Minister, both you and your old friend, Mr. Chou, have been promoted. This gives you more responsibility and more work.

Foreign Minister Chiao.....Thank you very much

Senator Mansfield.....I know the government continues in good hands.

Foreign Minister Chiao.....Yes, the relations between our two countries are still developing. The attitude of your government towards our government and the attitude of our government towards your government has not changed. And not long ago, when your Secretary of State, Henry Kissinger, was here, we reaffirmed this point. It seems that you're not so busy now in the Congress.

Senator Mansfield.....We couldn't be busier, but we'll be going out at the end of next week and we'll mark the end of the 93rd Congress. On the 14th of next month we'll report for the 94th Congress. It's been a very difficult two years. It's been tragic in some respects. We have had developing crises in energy affairs. We have a new President who was not elected by the people but was appointed by his predecessor by the 25th Amendment to the Constitution and we will very likely confirm the appointment of Mr. Rockefeller in the Senate and in the House next week. That will mean that for the first time in our history we will have a President and a Vice President that have not



Senator Mansfield.....been elected by the people. It's very unusual, but we do not look at it with concern because we think the system will work. The system has proven itself based on the reaction of the people. I am referring to Watergate where we have seen the resignation of a President and a Vice President under a cloud and replacement of these two individuals. We have had difficult times but the Constitutional system has proven it will work and it will hold.

Foreign Minister Chiao.....Can I assume that with the beginning of the new Congress and the White House that you would be able to show the way without difficulties arising from the last two years after the last Congress was installed?

Senator Mansfield.....Yes, but let me say first that President Ford asked me to extend his best personal wishes to you, to Vice Premier Teng, to Premier Chou and to Chairman Mao for every success in the years ahead and to assure you that he is looking forward with great anticipation to his visit next year and to state that as far as our policy toward the People's Republic is concerned, that it is continuous and is irreversible.

As you know, the election last month increased the Democratic majority in both Houses; in the Senate by 4 so that now we have 62 Democrats to 38 Republicans. In the House by 49, I believe, so that the figure is somewhere in the vicinity of 300 on the Democratic side, to 140 on the Republican side. But I wish to assure you, Mr. Minister, that this means no diminution of our relations with the People's Republic because both parties are united in our feeling that this policy must continue and in the months and years ahead must be advanced. We are starting a new deal, so to speak, with a new President who is a good man; personally a decent man, an open man. He has had some difficulties to date, not with foreign relations or in matters concerning your



Senator Mansfield.....country, but with such matters as inflation, recession, both of which are tied to a certain extent to the energy problem. But to use an old phrase, "we will overcome." It will take some changes in our lifestyle, so to speak. It will be necessary for us to tighten our belts, to cut down on the extravagance and waste which has spent our energy and to pay more attention to our needs in that sense; and to do what we can in the meantime to help do all we can to tamp down the flames of a possible conflict either in the Middle East, Cyprus or other places. Things could be better, but they could be much worse. We are confident we can charter our course in the world, overcome our difficulties and retain our relations with the People's Republic, especially, and other nations throughout the world.

Foreign Minister Chiao.....Very well, first of all I would like to thank President Ford for the regards and I assure you I will convey them to Chairman Mao, Premier Chou and Vice Premier Teng.

Senator Mansfield.....And to the Foreign Minister, too. (laughter)

Foreign Minister Chiao.....Thank you very much. I felt very honored to receive President Ford when he was not President.

Senator Mansfield.....He remembers it very well.

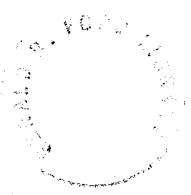
Foreign Minister Chiao.....I would like to ask you a question. I just left your country not very long ago. Concerning the question of cutting waste on energy resources, did you gain some results?

Senator Mansfield.....Not really. As a matter of fact, our imports of petroleum this year come to about 38-39 percent compared to 35 percent of imports last year. However, I think it's well to keep in mind that most of our petroleum imports did not come from the Middle East, though that is the area which is most often mentioned in that respect. About 27.7 percent of our petroleum imports come from



Senator Mansfield.....Venezuela, 17.7 percent comes from Canada, but half of that is Venezuelan crude refined. A certain percentage comes from other countries, for example, 4-5 percent comes from Nigeria, 10 percent comes from Iran and 9.5 percent comes from Saudi Arabia. The fact is that we have increased our imports. There has been some reductions in the use of energy. We do have enough petroleum to get us through the winter but we are concerned that the oil spigot can be turned off at any time. We are the servant of the prices charged by the oil producing states of OPEC. Prices which have quadrupled this past year. We have reserves in the northern slopes of Alaska, but it takes time to build the pipelines. It takes three years before it becomes productive. Shale oil is very expensive and is a long-range project. Solar energy and geothermal energy are being looked at in the way of new resources in lieu of oil or gas but we are not finding much in the way of new resources in oil or gas internally in the United States outside Alaska. We do have plenty of coal. We figure our coal reserves are of such a nature they will last 150 years at least. It takes time to get the coal out of the earth.

But I think that with the proper measures we will be able to come out of this very well all things considered. Certainly we are better off than Western Europe and Japan, all of whom depend on Middle East oil. Certainly better off than Japan who depends entirely on oil imports. I understand the People's Republic has a contract with Japan for 5 million tons a year and a contract with the Philippines to furnish about 1 million tons a year. So it appears that your country is self-sufficient in petroleum and that, if press reports are accurate, there is a potential of tremendous deposits from the Yellow Sea on down the coast. You run into difficulties as to ownership; for instance, when Japan, Taiwan and your own government lay claim to the Senkaku Islands. It's anticipated that the People's



Senator Mansfield.....Republic can become one of the great oil exporting countries if all of these reports are borne out in the years ahead.

Because of the energy crisis we do have to recognize that the United States has been affected by inflation on the one hand and recession on the other hand. In some way that situation will have to be met and I'm confident that in the United States that situation will be met and overcome. I am concerned, though, and my government is, also, about inflation as it affects other countries, particularly Western Europe and Japan and there also seems to be indications of a recession in these countries especially Western Europe and it affects us in the United States.

Foreign Minister Chiao.....As far as the petroleum in China is concerned, we are self-sufficient in part, but the output is still limited. I assume all of you are also very clear that our present output is the same as Algeria or slightly more than Algeria, but the prospect is good. But at the present moment the output is limited and as regards Japan, we sold them some oil last year and this year, but we have not signed any long-term contract with them. The same is true with the Philippines. At the present moment the main question is our capacity on how to extract it.

Senator Mansfield.....On land or sea or both?

Foreign Minister Chiao.....Both. I would like to make an additional remark. In the course of the last two years the rate of increase has been rather fast.

Senator Mansfield.....What is the percentage?

Foreign Minister Chiao.....More than 20 percent. Another point, your country is a developed country, where ours is a developing country. Of course, we have scored some achievements in our industry, but taken as a whole we have only just begun, and



Foreign Minister Chiao.....in the years ahead as we develop, our need will also increase with each passing day. Maybe after a certain period of time we will be able to increase our export quantity, but that depends on our capacity to extract the oil. Today the requirements for Japan are very great. Our exports to Japan may be some help to them, but this help is not very great.

I am grateful for the information you have furnished me as far as your being better off than Western Europe and far better off than Japan. With regard to the petroleum policy, could your country give more consideration to the position of Western Europe and Japan?

Senator Mansfield.....We are trying to. In the beginning, Dr. Kissinger seemed to be speaking in a way which would bring about a union of all the oil consuming countries. Whether or not that interpretation is correct, I am unable to say definitely. Since that time, he has made it very plain that he would like to see a combination of the oil producing and oil consuming countries, which I see as the only way to face this problem. Confrontation could lead to trouble, would not benefit the United States, Western Europe or Japan. Western Europe or Japan would not be receptive to a confrontation because of their complete dependence on oil imports. I would hope through negotiation, and that's now the policy of the United States, that it would be possible to arrive at some degree of mutual understanding. I know that your government has said that it is all right for the oil producing nations to charge as much for their oil as possible, but I must respectfully disagree because I think that in charging so much for their oil, they are hurting not the United States so much as they are the third world countries in which you have achieved leadership.

Foreign Minister Chiao.....Concerning the question of oil, we support the oil producing countries to raise their oil prices and we support them in using oil as a weapon to promote the solution of the Middle East question. On this point we agree, we



Foreign Minister Chiao.....endcrse it. But as to the rise of the oil prices, how much it should be raised, the oil producing countries did not consult us and on this point we also elect the right to speak. As a matter of fact, we are now faced with this question and the price of oil has increased four times during the last year. We are now faced with this issue; how are we going to solve it? This is also a world problem, but we haven't felt it. We also took up this question with American friends before. In the face of this issue, if you adopt a policy of confrontation with the oil producing countries, it will be Western Europe and Japan who will suffer more compared with your country. Countries of the third world will also be faced with some difficulties and especially those countries which are oil producing countries. The United States could play a leading role in this and if you adopt a policy of confrontation, this will only create more difficulties for Western Europe and also Japan. We have pointed this out many times to our American friends. We hope you will give more consideration to the difficulties of Western Europe and the difficulties of Japan. This matter has a close relationship in regard to the relationship of your country to Western Europe and also to Japan. This is very important and on our part we hope that your relationship with Western Europe and Japan compared to the past will not be worse. The countries of the Third World will also be faced with some difficulties.

Senator Mansfield.....May I say that in the field of energy that there is no way we can be of assistance because we don't have the petroleum for export.

As far as the third world countries are concerned, my point is this, they need oil for their development because they are lesser or underdeveloped countries and they cannot afford to pay the price which other countries lay down. Consequently, their development is retarded and the third world



Senator Mansfield.....countries which China is the champion of is held back from development. They need it not only for industry but for fertilizer to feed their people because most populations are growing and many countries of the third world in the Sahel area for example, parts of Africa such as Mauritania, Chad, Upper Volta, etc. cannot overcome the dangers of nature. Bangladesh, for example, instead of getting too little moisture is getting too much and needs oil very badly. It cannot overcome the tribulations of nature. As far as confrontation is concerned, speaking for the United States, it is out, out. What is needed is negotiation and cooperation, conciliation and mutual understanding. It's true the People's Republic cannot control the price of petroleum any more than we can. Only the oil producing countries of OPEC can do that, but I would point out if this gets out of hand, and all the money in the Western world including Japan is concentrated in the Middle East, that area will face economic ruin because it cannot expend that much money. Economic equilibrium will be dislocated to such an extent that we will all suffer in the end to the detriment of the whole world.

Foreign Minister Chiao.....These are realistic issues. Since the Revolution, oil prices (I think it would not be unfair if I would mention in line of the raising of the oil prices), the prices of raw materials and other products in the United States were also raised considerably. I think it would be unfair if we don't recognize this. On the other hand, of course, inflation has become a world problem in spite of the fact that it might be a little bit lower in one country and higher in another. Prices on the world market has been increased and as a matter of fact, in practice, the oil prices have fallen because other commodities have been increased. This is a practical situation. For instance, before the rise in the oil, the price of wheat had doubled.



-9-

Foreign Minister Chiao.....As far as the countries of the third world are concerned, Senator Mansfield, you are very current on this situation and we understand that oil producing states should find some way to reduce their difficulties. May I say that the oil producing states should engage in an aid program to help these countries.

Senator Mansfield.....I would say that the People's Republic in comparison has carried on a greater aid program than all the oil producing countries combined.

Let me say this. The Foreign Minister makes a comparison of the price of oil in the past year with the increase of other products in the West. I would have to disagree because the prices in the West have not increased anywhere near that percentage. Furthermore, what prices have been increased have been, in part, because of inflation caused by the increase of oil prices in the past year. The Foreign Minister means wheat and in that case he is right, but the reason for the increase in prices of wheat was because of a very bad deal by the Secretary of Agriculture which created a significant shortage, and increased the prices of wheat per bushel. But that won't be repeated; it was uncalled for, it was unnecessary. It created a problem which adds to the others. This was an unusual situation caused by U.S. Government action which raised the price of wheat from \$1.65 per bushel to the point somewhere around \$6.00 per bushel. It has now fallen back to about \$3.77 to \$3.80 per bushel. It fluctuates up and down.

You have to consider the overall oil producers price against certain isolated segments such as wheat. I think the trend for the time being is favorable to the oil producing countries. There is a concentration of much of the fluid wealth of the Western world in the oil producing countries and the result could be a disequilibrium from which the whole world would suffer, including the oil producing states. If we don't have conciliation, understanding and negotiation, whether we like it or not, we are all in the same boat over the long run.



Foreign Minister Chiao.....The deal with the Soviet Union was a bad one.

Senator Mansfield.....Yes.

Foreign Minister Chiao.....I want to point out the Soviet Union made the United States make a mistake.

Senator Mansfield.....They drove a hard bargain. We had to take a great loss.

Foreign Minister Chiao.....We are optimistic and in spite of the fact we are faced with grave issues and questions, we still will be able to find solutions to this problem.

Senator Mansfield.....We have no choice.

If the Minister would allow me, I would like to raise some other questions. We were so foolish, we had to buy back some of the wheat from the Soviet Union at a considerably higher price than we sold it to them in the first place.

Foreign Minister Chiao.....I would like to make a short comment on this. Although you have a very long experience with the Soviets, your experiences were not enough. You have committed a foolish thing. I hope you will not repeat this in the future. Regard this as having paid some fees and you have learned something.

Senator Mansfield.....Don't worry. They say experience is a hard school. We've learned. Now that we've gotten away from one difficulty, let me raise another that is of greater significance, Mr. Minister.

There are three categories of problems, as I see it, which affect United States-People's Republic of China relations and I would like to raise those questions at this time.

There have been some questions about Taiwan in relation to the United States and the People's Republic of China. What I would like to ask is what is the general reaction of the Chinese to the way we are implementing our position on Taiwan as expressed in the Shanghai Communique?



Senator Mansfield.....What, if anything, do you think we should be doing in that area that we are not doing at this time? Before the Minister replies, I would like to add another question and this is a part of the same question. Is the Foreign Minister aware that the Congress had repealed the so-called Formosa Resolution? And does he see any prospect for a peaceful reunification with the Chinese authorities on Taiwan?

Foreign Minister Chiao.....Judging from the Shanghai Joint Communique, in the last few years the relations between our country and your country, the situation taken as a whole since February 1972 after the release of the Shanghai Communique, generally speaking, the relations between us is good, is moving and developing and moving ahead. But are we satisfied? We cannot say so.

Concerning this question, of course, we especially understand, Senator Mansfield, your good intentions in doing away with the Formosa Resolution but in order to resolve the question of the relations between our two countries, in spite of the fact that you have done away with the Formosa Resolution, this is still far from enough for a solution of normalization between our two countries and is not very significant.

We view the question in this way. We should distinguish or separate the question of normalization of the relations between our two countries with the question of solving these issues. The question of solving the question of Taiwan ourselves should be separated from the reestablishment of relations between our two countries.

Senator Mansfield.....In line with the Shanghai Communique.

Foreign Minister Chiao.....If you read very carefully, if you go through the Shanghai Communique very carefully, you will find a very important sentence in which it states that the United States does not challenge the position that Taiwan is a province of China. There is only



--12--

Foreign Minister Chiao.....one China. The United States does not challenge this position. From this approach the solution could only be as follows: 1) You should abolish the treaty of 1954, 2) you should break diplomatic relations with Taiwan and withdraw your Ambassador on Taiwan and 3) you should withdraw your forces from Taiwan.

Last time when Senator Jackson was here he was for the Defense treaty. If we are to establish full diplomatic relations, can we let the treaty remain when Taiwan is part of China? It's impossible. And if you could implement the three areas mentioned above, then we can normalize relations between our two countries.

So according to the problem of the Shanghai Communique, we should proceed in this way and since we have not arrived as yet at this point, the responsibility is on your side; it's not on our side. Maybe on your part your government still needs Taiwan. On this point we are not trying to blow whistles and trying to hurry you up. But on this question I would like to make it very clear again and again. I don't mean on the question of establishing diplomatic relations the Chinese are not active. We do not agree with such an assertion. We have dealt with this issue on many occasions with the friends of the United States Congress and both our people have this desire and both our people hope that normalization could be accelerated.

Now to go on to deal with the relations between the Chinese Government and the Taiwan Province. On this point I also understand your viewpoint, and this is a question which we have been discussing a long time. It seems ever since 1955 we have persistently told your government, I don't mean your Congress, I mean your government, that this is our internal affair as to how to solve this question. All these are domestic internal affairs of China. You mention you hope there will be a peaceful solution. We also hope



Foreign Minister Chiao.....this. This is an internal affair of China. How to settle this question? It's a question which has nothing to do with accepting any responsibility or obligation to any country in the world. It's completely our domestic affair. That is why in solving the question of normalization of our two countries there is only one formula and that is the Japanese formula. That is to say, Japan broke diplomatic relations with Taiwan and on that day established relations with us. Roughly speaking, this is the attitude and stand on this question.

Senator Mansfield.....I appreciate the detail the Foreign Minister has gone into. It will be very helpful. I recall, though, that when Senator Jackson returned to Washington, he came up with another solution which was not satisfactory.

Foreign Minister Chiao.....He did not raise this question with me.

Senator Mansfield.....He did back there. What he did was to suggest that the positions of Taiwan and the People's Republic be reversed. A juxtaposition. It didn't get very far.

Foreign Minister Chiao.....On this point we do not agree with him. This setting up a Liaison Office in Taiwan and abolishing the mutual defense treaty. He maintained that the United States should maintain forces.

Senator Mansfield.....That is what I understand. From the point of view of the Chinese, are the level and type of exchanges about what they desire at this time? Are there prospects of moving into new fields? If so, what other fields and specifically, what about permanent press offices in our respective countries? In asking those questions I realize you do have a China News Agency at the United Nations, but I was thinking of our countries as a whole.



Foreign Minister Chiao.....In the last three years, since 1972, roughly speaking, we are satisfied with the scope of exchanges and with the level of exchanges which have taken place so far. As a matter of fact, this is the practical situation. They are in pace with the actual situation between our two countries in accordance with the present requirements and necessities on each side. Could this be further developed? I think that it can.

On the question of level, last time when your colleague was here (Senator Fulbright), I had some argument with him. He said he would invite me to Washington. But judging by the relationship between our two countries, I said I couldn't go because there is an Ambassador to Taiwan in Washington. We have difficulty in sending over a high-level official of our government to your country because of this. I hope you can understand this point. On the day when the Ambassador to Taiwan is out of Washington, I will strive to be the first of your guests.

Senator Mansfield.....I understand perfectly.

Foreign Minister Chiao.....On the question of press organizations, there are other American friends who raised this matter before us but we hold that at the present moment we have difficulties and we cannot do it at this time.

Citing an example, the reason is also linked with the question of "Two Chinas." For example, the Chinese Archeological Exhibition now in Washington, before the official opening ceremony, some people suggested there should be a preliminary exposition and in this exposition they would invite the press to attend. The question arose whether they should invite the press from Chiang Kai-shek. We say we do not agree. We are against it. Then your government said you also have difficulty if they do not invite them. Of course, your government says you don't have the practice of entrance tickets. We said give them to us and we will distribute them. Your



Foreign Minister Chiao.....National Museum said you do not have this practice. I don't know what the situation is now. This is only a small example.

On the question of normalization of relations between our two countries, before we solve the problem of diplomatic relations, these issues will always crop up. Of course, the press situation at the United Nations is a different question. On this question we have taken it up with Secretary General Waldheim. He drove away the press of Taiwan.

Your people are very friendly to us. Your people often invite our press to visit other parts of the United States but this practice is still not normal and is still a temporary situation.

Senator Mansfield.....Once you sent a group of journalists to the United States and they spent some time there.

Foreign Minister Chiao.....This was a temporary visit based on a temporary agreement. It was a very individual case.

Senator Mansfield.....It was a very large newspaper group; no trouble then.

Foreign Minister Chiao.....They have exerted tremendous efforts because it was only a temporary visit.

Senator Mansfield.....I understand.

Foreign Minister Chiao.....So the question of their legal position doesn't arise.

Senator Mansfield.....I just mentioned this in passing since an old Chinese friend who accompanied us on our April 1972 visit also met the reporters at that time. We tried to serve them a Chinese meal in the Senate. Mrs. Sahagian and Mr. Valeo went to some trouble to get some leechee nuts. They said it was not the Chinese food so much but the ice cream that they liked. They must not have liked the food so well.



-16-

Foreign Minister Chiao.....You are too strict on Mr. Valeo and Mrs. Sahagian.

Senator Mansfield.....No, not on Mr. Valeo and Mrs. Sahagian. At least we got Miss Grimes to help Mrs. Sahagian this time.

May I bring up another question. First, what is the Chinese assessment of the level and types of trade between our two countries at this point. Does the Foreign Minister have any suggestions as to what can be done to improve or expand it? Do the Chinese see trade becoming a factor sometime in the future because of the imbalance against the People's Republic and in favor of the United States? How much importance do you attach to the Most-Favored-Nation treatment? If you are in favor of a Most-Favored-Nation treatment, which I am, incidentally, are you concerned about the Jackson Amendment to the trade bill which will be taken up in the United States Senate tomorrow allowing Chinese to emigrate to join their families in the United States?

Before the Minister answers, may I say I am aware that the People's Republic, if the press is accurate, has allowed Chinese from this country to join their families in Canada.

Foreign Minister Chiao.....Concerning the question of the reunion of family members, indeed we have reached an agreement with the Canadian Government and we endorse such a practice. As to the question of the reunion of the Chinese families in your country, we still have to study this question and so far I have no definite opinion on this issue. We are now studying this question.

Senator Mansfield.....It is still open.



-17-

Foreign Minister Chiao.....As to the trade between our two countries, I would like to detail this question with you very frankly. China is still a developing country. The items we can export that you need in the United States are not very many. As a whole, we hope that the trade between our countries will gradually develop, but in our view, this gradual increase would not be very big.

As to the question of Most-Favored-Nation treatment, the present situation stands as it is. Trade between our two countries in terms of the actual situation...frankly speaking, we are not paying much attention to this question, and we do not attach much importance to it. In spite of this fact, we appreciate your enthusiasm in raising this question. The practical question today is what we export to your country is very little and what we import is very big. It's an imbalance. Of course, this imbalance will not remain for a long period of time. Of course it is understandable if such an imbalance occurs for a short period of time. If this continues for a long period of time, it will not do.

Senator Mansfield.....It gets away from the Chinese concept of balancing exports with imports. I recall in 1972 or 1971 your exports were about \$2.2 billion and your imports were around \$2.1 billion, roughly equal. Of course, at the present time it is about 7 to 1 in favor of the United States, which you say we must understand, it cannot last. Over a short period it may be necessary, but over a long period, not beneficial.

Now, Mr. Minister, do you think the time is propitious for a determined effort to resolve the frozen assets and claims questions which affects our countries?

Foreign Minister Chiao.....I can tell you, Mr. Senator, that we are now negotiating with your government on this issue and I can also say that so far the negotiations have not gained any results. If this question



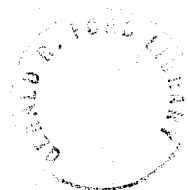
Foreign Minister Chiao.....could be resolved, it would be beneficial to the exchanges between our two countries. But if it cannot be resolved for the time being, it can be put aside.

Senator Mansfield.....It can wait. Mr. Minister, getting to another subject, that is relations in the Western Pacific, East Asia really. For several years the military presence of the United States has been shrinking. We have concentrated bases and withdrawn forces. Your relations, I understand, have expanded in this region. With Japan and the Philippines you have moved far in that direction and even South Korea is reported to have made direct contact with the Chinese for purchase of red pepper. Japan has not only expanded its relations with China, it's your number one customer at this time. Japan is also doing some trade development with the Soviet Union. There is a three-way tie on natural gas development for export which embraces U.S. business interests in the works.

Under these circumstances, we thought it would be useful to get your viewpoint on the following matters:

1. How do you regard your relations with the Japanese and the Philippines?
2. Are you satisfied with the rate of development?
3. Have you encountered any stumbling blocks in developing relations with these two countries?

Foreign Minister Chiao.....First I would like to point out there is no ground whatsoever in the alleged trade which you mentioned with South Korea. Generally speaking, we are satisfied with our trade relations with Japan and the Philippines, particularly between China and Japan.



Foreign Minister Chiao.....In the Chinese viewpoint, Japan is the biggest partner but in the eyes of Japan, the United States is their biggest partner. We have very often told our Japanese friends that their relations with the United States should be good. The relations between Japan and the United States comes first.

Senator Mansfield.....Do you mean economically, defensively or otherwise?

Foreign Minister Chiao.....Overall relations. They should try to see that these relations come first.

As to the cooperation of the Soviet Union in developing natural gas, we do not bother, but sometimes we also talk to our Japanese friends and ask them to think over what would be the result if such development continues. Our Japanese friends are sensitive about relations with the Soviet Union. They are at ease with you but not with the Soviet Union.

I was going to invite you to a dinner tonight. I am not a very good host, I didn't inform you ahead.

Senator Mansfield.....Somebody told us already. (laughter)

Foreign Minister Chiao.....We can continue over dinner. The Vice Premier said he would receive you, but he didn't say what time.

Senator Mansfield.....One more thing before we go. The United States Liaison Office received a telegram requesting assistance in getting an acceptable accounting for Lt. Joseph P. Dunn, Petty Officer Reuben B. Harris and Petty Officer Kenneth Pugh who were shot down near the Chinese border. It is our firm belief that the Chinese can be effective with the Democratic Republic of Vietnam and the People's Republic of Vietnam in getting an accounting. So if you don't mind, I would like to turn this over to somebody.



Foreign Minister Chiao.....I am not clear of the specific situation. In the past there were some pilots shot during the Indochina war for whom we investigated. All those that parachuted on China soil because of this or that reason, we had to carry out investigations. If you think they might be in China, we will continue to investigate, but if there are those obviously in Laos or Vietnam, you still have Paris channels and Vientiane are more convenient. I am not against your handing this list to us. For those that might be in the scope of our country, we will try to investigate. If they are still in Laos or Vietnam, we cannot do anything.

Senator Mansfield.....I understand. I just found this out today from the United States Liaison Office. About two years ago you did all you could to bring about the release of Americans who were in jail or reported missing. I appreciate it. (Gave him the list.) I did my duty.

The conversation concluded at 6:30 p.m.



MEMORANDUM OF DINNER CONVERSATION OF

SENATOR MIKE MANSFIELD, MAJORITY LEADER, UNITED STATES SENATE

and

FOREIGN MINISTER CH'IAO KUAN-HUA

Peking, Tuesday, December 10, 1974, Chengtu Restaurant

8:00 p.m.

Ch'iao Kuan-hua said we were all friends, and he therefore wanted to take this opportunity to have an informal discussion.

Ch'iao began by declaring that the PRC believed it was important not only to maintain the defensive strength of Western Europe, but also to increase this strength. What did Senator Mansfield think?

Senator Mansfield said he thoroughly agreed, and stated that he regarded the NATO Treaty as the most important element (treaty) in US foreign policy. He had felt this way for years, and was an advocate of the WE countries' contributing more to NATO.

Ch'iao referred to Senator Mansfield's proposal for a reduction in US troop strength in Europe--did the Senator still support such a reduction?

Senator Mansfield confirmed that his position on reductions was unchanged. However, what was not generally understood was that this proposal would actually mean an increase in US military strength in Europe. By reducing by half the present US force level in WE over a period of time and by cutting out the 225,000 dependents of US military personnel in Europe, the US forces would be made leaner, tougher, less expensive, and more effective; this would add up to an actual increase in military strength.

(At another point in the conversation, Senator Mansfield referred to the Roman troops stationed along the Rhine, noting that it was only after these troops were allowed to have dependents that their effectiveness had diminished. In his plan, all dependents would be sent home, and the US forces would serve 12-month tours of duty. Through the "Reforger" program, something like this was already being done, although it was rather expensive.)

Senator Mansfield emphasize at several points in the conversation that he was not calling for an immediate halving of US troop strength in WE, but rather a phased reduction over a period of time. Meanwhile, he hoped to see a greater contribution on the part of the other NATO members toward the common defense.



Ch'iao commented in response that it was not for the PRC to judge how the matter of establishing force levels in WE was handled--it could be done with US participation or on an entirely European basis. The important thing was, as he had already said, not just to maintain WE's defensive military strength, but to increase it.

Ch'iao brought up the subject of the agreement reached at Vladivostok on establishing ceilings on US and USSR nuclear weapons, remarking that several Senators had expressed criticism of this agreement. What was Senator Mansfield's opinion?

Senator Mansfield said that President Ford felt the agreement was a good one and Secretary Kissinger felt the same. President Ford had provided the details of the agreement and his interpretation of it in a briefing for the Congressional leadership. In addition to the President's and Secretary Kissinger's views, Secretary of Defense Schlesinger and the Joint Chiefs of Staff were also in accord. Secretary Kissinger had said that he had hoped for a lower ceiling, but that it was not possible to get the Soviets to go along.

Ch'iao wondered whether Secretary Kissinger had withheld any information concerning the Vladivostok agreement from the PRC when in Peking. Senator Mansfield said he felt confident that Secretary Kissinger was briefing the PRC fully, and that this was a matter of policy, both this time and other times.

Ch'iao and Senator Mansfield engaged in a discussion of the current strategical and tactical situation, with the Senator observing that the US and the USSR already possessed enough nuclear strength to destroy each other many times over. He expressed the opinion that the PRC should develop its own nuclear capability. Ch'iao said that, under present circumstances, what good would it do for China to have large numbers of nuclear weapons? Senator Mansfield mentioned that China possessed MRBM's, IRBM's, and some ICBM's, to which Ch'iao responded by saying the Senator was not entirely correct--China had "a few" missiles which the PRC would use to shoot at the Soviet Union "if they shot some at us. (Mrs. Mansfield noted at this point that China had a deterrent.)

Senator Mansfield said that the Chinese now appeared to believe that the main Soviet threat was no longer against China but against Western Europe. Was such the case?

Ch'iao agreed that it was. He wanted to point out, though, that contrary to some allegations in the press, China was not hoping for a Soviet attack against WE. The forces in Europe were on the defensive, but so were the Chinese forces; otherwise why would the Chinese be digging air raid shelters? Ch'iao observed that if the Soviets were to attack China with nuclear weapons, the Chinese would wait not just a brief while but a long time before responding. This would be for the purpose of allowing the world to see clearly who was the aggressor.



Ch'iao asked Senator Mansfield's opinion about who would be the first to use nuclear weapons in the event of a war involving the US and the USSR. Senator Mansfield asserted that the US would not be the first. Ch'iao then said that this was precisely his point--it would be possible to have a war without the use of nuclear weapons, especially in the light of the damage each side could inflict on the other. This was why the Chinese stressed the need for increasing the conventional military strength of the WE nations. He reiterated the point made several times before about the importance of maintaining and further building up defensive strength in WE. He also touched again on the matter of it not being for China to say to the US how this process should be carried out.

Senator Mansfield recalled the discussion between Ch'iao and himself that afternoon on PRC policy vis-a-vis the US, and raised the question of whether or not there would be continuity in this policy when leaders like Mao Tse-tung and Chou En-lai, who were identified with it, were succeeded.

Ch'iao pondered a moment, and then referred to the fact that the Chinese Communist Party had a long history beginning in 1921 and that Mao Tse-tung had been Chairman since the Tsunyi Conference of 1935 and had initiated CCP policies. History had shown that these policies adopted by the CCP under the initiative and leadership of Chairman Mao were in accordance both with the needs and the aspirations of the Chinese people. Moreover, practical events had shown that these policies were correct. There would be no change in this situation over the ensuing years--the policies set by Mao would be carried out by others.

Ch'iao and Senator Mansfield spoke briefly about a portion of the afternoon conversation dealing with the convening of the PRC National People's Congress. Ch'iao noted that this Congress would "elect a new President." There was also a joint reference to the new situation in the US Congress, in which Senator Mansfield declared that US policy toward China would remain bipartisan in support of the present line.

Ch'iao said he wanted to talk about Korea. It seemed to him the US was operating under the false assumption in stationing troops there that China was going to launch an attack. The same thing was true about Indochina. Senator Mansfield stated in response that there once had been such an assumption, but this was no longer the case.

Ch'iao turned to the question of normalizing US-PRC relations. If the US wanted to move this process forward more quickly, the Chinese people would approve; on the other hand, however, they were "not in a hurry" (Ch'iao repeated this latter comment several times). It was up to the US to take the necessary steps. Ch'iao said he was unfamiliar with the logic of events which were required by the US system, but if the US wanted to wait, that was all right. The Chinese people



were also willing to wait. They had waited 25 years for the present US-PRC relationship to develop (he mentioned this several times), and could wait another 25 years. It was all up to the US. Of course, Ch'iao added, as Secretary Kissinger had said, in politics, as well as in diplomacy, one should have a positive approach. After normalization, there could be more cooperation between China and the US.

Ch'iao commented that US trade with Taiwan was greater than US trade with the PRC. The Chinese had noticed this fact, but didn't mind.

In conclusion, Ch'iao declared that what he had just stated would be said only in private and not in public.

PARTICIPANTS

Foreign Minister Ch'iao Kuan-hua
Senator and Mrs. Mike Mansfield
Ambassador Huang Chen
Chou Chiu-yeh, Deputy Director CPIFA
Kang Tai-sha, Deputy Secretary General CPIFA
Mr. and Mrs. John H. Holdridge, USLO
Cheng Wan-chen, interpreter
Mr. Wu, recorder

