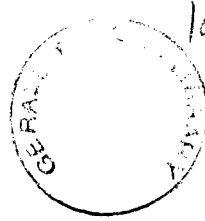


THE WHITE HOUSE
WASHINGTON



Summaries of
HK-Teng discussions
Nov. 1974

(prepared for HK
trip Oct. 1975
& Ford Trip #
Dec. 1975

SECRET/NODIS/XGDS

JAPAN

I. NOVEMBER 1974 TALKS

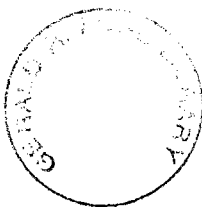
Chinese Position in November 1974

- The relationship between Fukuda and the Soviets is growing closer day-by-day. Although even if Fukuda became Prime Minister, it would not be of any great consequence. There might be some twists and turns.
- One of the characteristics of Ohira is that what he says counts. If he carries out a certain policy, he might be even more firm than Tanaka.
- But no matter who comes to office, the Japanese and Soviets have a fundamental issue they cannot solve -- the question of the Northern Territories.
- China has many times expressed its wish that the US keep its good relations with both Europe and Japan, so that the US will have more assurance in dealing with the polar bear. US relations with its allies should be on the basis of equality, which is the only basis for real partnership.
- China tells its Japanese friends that first they should keep good relations with the US, and second, with China. Chairman Mao believes HAK should stay longer in Japan.

US Position in November 1974

- The US is not supporting Fukuda. Ohira would be no problem.
- We think Japan would have to be very careful to come closer to the Soviet Union. It is a very dangerous course for Japan.
- Since President Ford's visit to Japan, US-Japanese relations are much steadier. This is very important for Japan.

SECRET/NODIS/XGDS



~~SECRET~~ - XGDS (3)
CLASSIFIED BY: HENRY A. KISSINGER

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E.O. 12958, SEC. 3.5
NSC MEMO, 11/19/74, STATE DEPT. GUIDELINES, stable view 9/19/03
BY [redacted], NARA, DATE 11/3/03

- The US has encouraged Japan's improvement of its relations with China.
- We are organizing the consumers for the consumer-producer dialogue because it is important that Japan and Europe not be left in the position that they feel their future is in the hands of forces totally out of their control.
- The Soviets proposed to President Ford at Vladivostok to have consultations on Sino-Japanese relations and to prevent them from becoming too close. We refused this. We have told the Japanese about this in a general way, including the fact of our refusal.



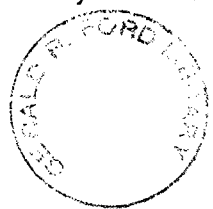
INDOCHINA

I. NOVEMBER 1974 TALKS

Chinese Position in November 1974

- Sihanouk and the resistance forces in Cambodia are neither puppets of Hanoi nor puppets of China. They are for the independence of their own country and nation. Why does the US have to get involved? Let them solve their own problem. Since the US had the power to decide whether to get involved, the US also has the power to decide not to be involved.
- For the US to place its hopes on Lon Nol or any force it thinks would replace Lon Nol, that is not reliable.
- Whether soldiers can fight or not depends on the principle for which they are fighting, whether they are fighting for the people. America had the impression that people in Indochina couldn't fight. But it turned out that the people in Indochina fixed up the US very hard. The Cambodians can fight too.
- There is talk that the Cambodian war is being fought by the Vietnamese. There is not a single Vietnamese soldier fighting in Cambodia.
- The US relationship with Lon Nol is only four years. The US has worked with Sihanouk longer.
- China supports the many statements of Samdech Norodom Sihanouk. Regardless of his changes, he is a nationalist.
- China has no further news about American MIA, but if it does, it will pass it to the USLO.
- Vietnam is to be discussed between the US, DRV, and PRG. The fundamental question is this: It is good that the US has withdrawn its forces, but the US has not really disengaged. The US's feet are still bogged down there. Probably all the current issues stem from the fact that the fundamental issue has not been completely resolved.

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 E.O. 12958, SEC. 3.5
 NSG MEMO, THRU NSG, STATE DEPT. GUIDELINES, STATE DEPT. 9/15/03
 BY , NADA, DATE 4/2/05



US Position in November 1974

- Having withdrawn from Vietnam, the US can have no interest in a long-term presence in Cambodia. However, as a question of principle, the US does not simply abandon people with whom we have worked. For us to do this would have a larger significance and it is not a habit we should acquire lightly.
- The issue now is to achieve a solution on the Indochina peninsula in which each country can realize its national aspirations -- without being dominated by one of them. This is frankly in China's long-term interest. If Indochina was dominated from one center, an aggressive force, in the context of some of the schemes for Asian collective security, could cause China problems.
- Therefore we prefer a national solution for Cambodia. Sihanouk offers perhaps the best possibility for a national solution. But for Sihanouk to act effectively he must be in charge of a balance of forces in Cambodia, like Souvanna Phouma in Laos. If Sihanouk comes back as head of the insurgent forces, he will not last long; he will be a figurehead. In our analysis, the insurgents are under Hanoi's influence. So we believe it is in Sihanouk's interest to govern with some element from Phnom Penh -- not Lon Nol -- that he can use as a balance to help him preserve his position.
- The US is prepared to cooperate in a peace conference whose practical result will be the return of Sihanouk in a dominant position, the transformation of the existing structure in Phnom Penh, and the participation of the resistance forces.
- It is true that no Vietnamese are fighting in Cambodia, but the supplies come from Vietnam.
- Sihanouk is a rather changeable character, and will drive people crazy, but he is the biggest national figure in Cambodia, and the US doesn't oppose him.
- The US greatly appreciates the information given us on the last trip about US servicemen who were lost over China. It would be a great help to us and very much appreciated if any additional information about MIA's that comes available could be passed



to our Liaison Office. Secondly, USLO will submit any specific questions we have and we would be grateful for any information. Thirdly, we would be grateful if the remains of any of those who crashed over China or died in China could be returned to the US, if they can still be found. Finally, we have had great difficulty in getting any answers from North Vietnam, as is called for by the Paris Agreement, and any influence or advice China could give to Hanoi we would greatly appreciate.

- The North Vietnamese have been in total violation of the Paris Agreement in building up forces in the South. We hope there will not be a major offensive because that would produce serious consequences. We will certainly prevent any offensive on the part of the South Vietnamese.

- It is not true that the US and GVN are not abiding by the Paris Agreement. President Thieu has offered negotiations which would implement all the provisions of the Agreement. We are only replacing equipment that has been lost, and therefore it is easy for North Vietnam to control the rate of loss and our replacement.



SOUTH ASIA

I. NOVEMBER 1974 TALKS

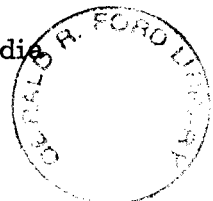
Chinese Position in November 1974

- Even India has not dared openly to accept the Soviet Asian Collective Security scheme.
- HAK's visit to India improved US-Indian relations, and China believes this was a good move. Because it is better to have the US in India than the Soviets alone.
- It will be good if the US is able to sell weapons to Pakistan.
- Indian policy in Sikkim is peculiar. They had total control over Sikkim and had no need to annex it. After their military annexation, their military position was in no way strengthened. They did not even increase the number of troops they had there.
- China frankly does not fear that India will attack its borders. India doesn't have the capability. So it is queer talk to say China's reaction to Sikkim was due to fear of Indian "encirclement." China never feels that isolation or encirclement can ever matter very much. And particularly in the case of India; the most India can do is enter Chinese territory in Tibet, and Lhasa is of no strategic importance to India. There is also no air in Lhasa!
- Nepal is probably India's next objective. They have been putting pressure on Nepal by refusing to supply oil.
- It is the dream of Nehru, inherited by his daughter, to have the whole Subcontinent in their pocket.

US Position in November 1974

- HAK's trip to India was to contribute to giving India another opening beside total reliance on the Soviet Union.
- India's intentions in Southeast Asia are hegemonial, and India would like to reduce all neighboring countries to the status of Bhutan. This the US is not prepared to accept.

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 E.O. 12958, SEC. 1.5
 NSC 6802, 11/01/01, STATE DEPT. COMBUSTIBLES, State Review 9/15/03
 BY [redacted], NARA, DATE 11/13/03



- HAK's speech in India pointed out that India as the strongest country on the Subcontinent had a special obligation for restraint.
- The improvement of US-Indian relations will also make it easier to do things in Pakistan without being accused of anti-Indian motivation. After Bhutto's visit to Washington we will resume cash arms sales to Pakistan in the first half of 1975.
- The next Indian objective is Nepal. India's intention, if not to have the whole Subcontinent in their pocket, is to have buffer zones around their border. Like British policy in the 19th century; they always wanted Tibet demilitarized.
- An Indian attack on China would be a very serious matter that could not be explained in terms of local conditions, but only in terms of a broader objective.
- Bhutto and the Shah both reject the Soviet Asian Collective Security scheme.
- The US has had long talks with the Shah. We urged the Shah to establish closer relations with China. Our understanding is he is very prepared to do this. His trip to the USSR was not very reassuring to him. The Shah would be glad to visit China, but since the Empress has been here, he would appreciate a visit by a senior Chinese official so that he would have an excuse to come.
- The Shah's basic attitude with regard to Afghanistan and Pakistan and India is consistent with ours.
- The US is establishing co-production with Iran in various advanced military fields, which will put Iran in a position to be more immediately helpful in surrounding areas.
- Our information is that the Iraqi offensive against the Kurds is going very badly, partly because a great deal of equipment has been supplied recently to the Kurds by the US through Iran. Our information is that Iraq is very unhappy with its Soviet ally.
- Bhutto believes that he has substantially defeated the Baluchistan problem.
- It is no accident that HAK on his recent trip visited Afghanistan, Yugoslavia, and Romania and made statements in each about an independent foreign policy.

MIDDLE EAST

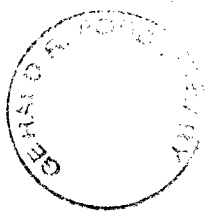
I. NOVEMBER 1974 TALKS

Chinese Position in November 1974

- The Middle East is the most sensitive area in the world now.
- The US should use both of its hands. Of course it is not possible for the US to stop aiding Israel, but once the US aids Israel it should use both of its hands [and aid the Arabs].
- Chairman Mao's policy is twofold: One, China supports the Arabs and the Palestinians in their just struggle. Second, a heavy blow should be dealt to the polar bear in this area.
- China wonders if the Soviet Union hasn't gotten the upper hand over the US in the Middle East. The Soviets seem to be returning to Egypt.
- With the Russians, their habit is wherever there is a little hole, a little room, they will get in.
- The weakest point of the US in the Middle East is that it supports Israel against the Arab world, which has a population of 120 million, and on this point the Soviet Union is in a better position than the US.
- The basic contradiction in the area is between Israel and the whole Arab world and Palestine. Because the US gives Israel so much economic and military aid, the Arabs, in order to resist, will look for aid. If the US doesn't give it, the Soviet Union will. By giving them aid the USSR gains politically; by selling them arms the USSR gains economically. And the US will get itself bogged down in the Middle East.
- No matter how you look at the issue in the Middle East, for the US to foster Israeli expansionism - in essence against 120 million Arabs -- from the political point of view, you are bound to be in a weaker position. No matter out of what [domestic] reason, as long as the Arab countries are not able to regain their lost territory, the principal issue remains unsolved. There is already some similarity between this and the Indochina issue and the Korean issue too. HAK should not take this Chinese view to be ill-intentioned.

NSC MEMO, 11/20/74, STATE DEPT. GUIDELINES, State Div. 9/15/03
 BY , NARA, DATE 4/2/03

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 E.O. 12958, SEC. 3.5



- The Arab question is not a question that can be solved in a few months. It will have to go on for a long period.
- It is not right to underestimate the strength of the Arab people. They may not be able to win the war in a few months but they are able to fight. Whether soldiers can fight or not depends on the principle for which they are fighting, whether they are fighting for the people.
- If the U.S. adopts an antagonistic attitude toward the Rabat Conference, it will not be conducive to U.S. relations with the Arabs.

US Position in November 1974

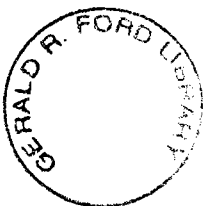
- For us the problem of Israel has profound domestic consequences. If we do not proceed carefully we can produce a situation in the U.S. in which a very serious domestic problem over the Middle East affects our overall foreign policy. And this China should keep in mind as well.
- U.S. policy is to produce progress that gradually returns Arab land to Arab control, but so as not to produce a paralysis of U.S. foreign policy because of the domestic reaction. We therefore have to divide the problem into parts, each of which can be managed domestically. Unless there is a fundamental solution, a tactical solution will not be permanent. HAK has explained what the U.S. strategy will be, and this strategy will lead inexorably to a radical solution. The Vice Premier's experience in military and political warfare teaches that if one accumulates enough minor changes, sooner or later fundamental change becomes permanent.
- The U.S. agrees that it should use both of its hands and aid both Israel and the Arab countries. We proposed \$250 million in economic aid to Egypt, plus \$150 million in other kinds of assistance. And we arranged another \$250 million from the World Bank. We arranged 500,000 tons of grain and may give more. We have given Syria 100,000 tons of agricultural products.
- We are using both of our hands, but in a way to minimize our domestic problem. Because of the Presidential transition we lost two-to-three months.



- The Arabs cannot win a war in the next five years. Historically they may be stronger but in the short term they are certainly not the stronger. Therefore any political progress has to come through the U.S. There is no other way. The only interest we have is that it appear that our decisions are made by our own free will. If the U.S. is pressed by the Arabs we will resist long enough to demonstrate that pressure cannot possibly succeed. If the U.S. is pressed by the Soviets, we will simply do nothing and tell the Soviet Union to produce progress.
- It is extremely dangerous for the Russians to start a war in the Middle East. They will rapidly face the same dilemma they faced in October 1973.
- U.S. military intervention over oil prices is out of the question. In the case of a total embargo, that would be another matter.
- The U.S. is studying the question of giving arms to selected Arab countries. We have a massive domestic problem about giving military aid to Arab countries. What we will do is have a substantial assistance program to Saudi Arabia beyond the needs of Saudi Arabia. After the next Egyptian-Israeli agreement, we plan to permit the acquisition of military equipment by Egypt, and Saudi Arabia has already set aside \$500 million for that purpose. Israel will run out of credits in March, and we will link new credits for Israel to the right to sell arms to Egypt. In the meantime we are encouraging the FRG to sell arms to Egypt; France needs no encouragement as long as cash is involved. We are also encouraging Britain to develop helicopter production in Egypt.
- In the negotiation, we will conduct the Egyptian-Israeli negotiation quietly and then surface it suddenly. We are proceeding by less spectacular methods than the last year. We are discussing with Israel a withdrawal of about 75 kilometers eastward and 150 kilometers to the south, to return the oil fields to Egypt and withdraw Israeli forces beyond the passes in the Sinai. We would plan to have it substantially achieved before Brezhnev's visit to Cairo, but the Egyptians would know that if they move too far to the Soviet Union they will jeopardize it. After that we will turn to Syria.
- Eventually, there will be a return to the Geneva Conference, but that will produce a certain stalemate. As long as the Arabs think they are making progress outside Geneva, they will be in no hurry to get there. No one wants it except the Soviet Union.



- The US is not antagonistic to the Rabat decision. It is a question of timing. Because the Middle East will be a long-standing problem, it is important to pick the right time.
- The Palestinians are an issue on which the last word has not yet been spoken. The US would have preferred negotiations between Israel and Hussein to restore the West Bank to Arab control, and then subsequently between Hussein and the Palestinians to settle the ultimate disposition. After Rabat we need a period of moderation and cooling off to allow both sides to adjust to the new circumstances. It is a tragedy, because we had achieved agreement for a substantial part of the West Bank, with 2/3 of the population, to go back to Jordan under UN supervision. In a year there could have been discussions in the UN as to the ultimate disposition. From this point of view the Rabat decision was premature.
- It is not true that the Soviets have gotten the upper hand over the US in the Middle East. Egypt has to show, for domestic and inter-Arab reasons, that it also has relations with the Soviets. But the USSR stopped military aid and reduced economic aid to Egypt.
- By February 1975 it will be apparent that further progress is being made as a result of American initiatives, and we will see a repetition of the 1974 situation.
- The Soviet Union faces the contradiction that they can give the Arabs military aid but not political progress. And in country after country, once they give arms, they get into difficulty.
- Syria would be prepared to move away from the Soviet Union if Israel were prepared to make any concessions at all in the negotiation.
- President Asad gets arms from the USSR but he is a realist. He has understood that under conditions of pressure, the US diplomacy will not operate. He has just agreed to renew UNDOF.
- In Iraq, there is pressure from Iran, and certain strains between the Soviet Union and Iraq.
- Israel is both our weakest point in the Mideast and our strongest point. When all is said and done, no one else can make them move. The Arabs can't force them and the Soviets can't do it. Anyone who wants progress will have to come to us. And this even includes the Palestinians.



- The Soviet approach has been to attempt to produce a comprehensive solution rapidly. Gromyko produces 10 principles, 20 subpoints, 20 subparagraphs. There is only one thing wrong -- the US has to do all the work, and the Soviet Union will get all the advantages. That we are not prepared to do.
- The US will never yield to pressure in the Middle East, especially Soviet pressure. No diplomatic progress can be made without the US; therefore, everyone who wants progress will sooner or later have to come to the US, no matter what they say in the interval. Thirdly, the US is determined to bring about diplomatic progress, and it will succeed.
- There will be ups and downs, especially when 15 Arabs get together in one room, because they cannot always distinguish epic poetry and foreign policy.
- The US must move one step at a time. If we propose grandiose schemes, we will be enmeshed in an endless domestic debate. As long as we move a step at a time, a solution is inevitable. We must move fast enough so that the Soviet Union doesn't reenter. We believe we can solve this problem.
- We do not underestimate the strength of the Arab people. Their ability to fight is a change in the situation. Therefore we believe it is essential for Israel to make peace.



EUROPE

I. NOVEMBER 1974 TALKS

Chinese Position in November 1974

- CSCE represents the same Soviet tactic as the Asian Collective Security scheme, to divide and control the countries of the area.
- The strategic emphasis of the Soviet Union is a feint toward the East to attack in the West -- to attack in Europe.
- It is true that an attack in any quarter is of significance to other areas too. But one's strategic assessment has its practical side. If Western Europe does not have a strategy and make preparations, it will suffer.
- It is the same with Europe as with Japan: It is the Chinese wish that the U.S. keep its good relations with Europe and Japan. Because if the Soviet Union wishes to launch a world war and doesn't get Europe first, they won't succeed in achieving hegemony in other parts of the world. Because Europe is so important politically, economically and militarily. And now that Europe is facing the threat from the polar bear, if they don't unite and strengthen themselves, then only one or two European countries will not be able to deal with this threat in isolation. When the U.S. deals with the polar bear, the U.S. needs strong allies in Europe and Japan. U.S. relations with its allies should be on the basis of equality, which is the only basis for real partnership.
- If Europe wishes to deal with the U.S. on the basis of equality, they should unite and strengthen themselves. This is in the U.S. interest.
- It is not possible that Western Europe will separate itself from the U.S.
- If the Left comes to power in Europe and appears on stage and performs, they will be teachers by negative example. For example, the Algerians had experience with a Communist Minister in France who, as Air Force Minister, sent planes to bomb the Algerian guerrillas. So if the Left comes to power, it is not so formidable.

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E.O. 12958, SEC. 3.3

State Review 9/15/03

NSC MEMO, 11/24/74, STATE DEPT. GUIDELINES, BY John

DATE 4/2/03



(Chinese position in November 1974, continued)

- European leaders who have spoken with the PRC have seemed much more worried than Secretary Kissinger, not just about Soviet naval forces, but on the whole question of conventional forces.
- If there is a change in Yugoslavia, and the Soviet Union incites pro-Soviet elements to bring in Soviet forces, what would the U.S. do? (Ch'iao's question) In China's opinion, not only the Middle East is explosive, but also the Balkan peninsula. And this is an old strategy of the Tsar. (Teng)
- China has no reason to be in disagreement with the U.S.'s support for the independent stance of Yugoslavia and Romania.

U.S. Position in November 1974

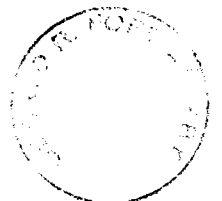
- U.S. relations with Western Europe have substantially improved since 1973. Relations with France are much better, and our discussions of 1974 have resulted in greater cohesion of the Atlantic Alliance along the lines the U.S. has pointed out in prior discussions.
- Neither Europe nor Japan is in the forefront of the energy problem, even though they are the primary victims. The same with defense. It is a historical reality that neither of these societies are in a position to take a leading role for their own survival without strong American support. If they were to separate from the U.S., they would very soon become impotent and Finlandized. Therefore, they are not capable of being a second world by themselves under the present circumstances. It would be much more convenient for us if they could be. But the U.S. believes in equal partnership.
- On the energy problem, neither Europe or Japan can play the strategic role on which the U.S. and China agree, if at the same time they are demoralized by economic pressures which are beyond their capacity to solve. That is why the U.S. is in the forefront on these issues. We are organizing the consumer nations for the consumer-producer dialogue because it is



(U.S. Position in November 1974, continued)

important that Europe and Japan not be left in the position that they feel their future is in the hands of forces totally outside their control.

- The U.S. has taken the lead in organizing with Europe on the oil problem because if Europe continues to suffer a massive balance of payments drain, they will lose so much confidence that they will be unable to resist Soviet pressures. If they take money from Libya or Algeria, this will continue their political demoralization. The U.S. could easily have proceeded on its own, on economic grounds, to deal bilaterally with Saudi Arabia.
- CSCE is ridiculous. It can no longer achieve anything significant. History cannot be changed by sentences in a treaty. There will be no substantive agreement of any kind.
- CSCE should therefore be concluded. If it goes on, it will create an impression of success which is not warranted. It will be finished in early 1975.
- The U.S. delegation at CSCE is instructed to stay out of the technical discussions. One has to have a German or Soviet mind to understand these issues.
- The U.S. will do its best to increase its preparedness in Western Europe. Unfortunately some of Europe's leaders are not the most heroic right now. The Chinese have met them, and can form their own opinions.
- The U.S. fully agrees on the need to keep close ties with its NATO allies. The U.S. agrees that European unity is in the U.S. interest -- unless they try to unite on the basis of hostility towards the U.S., because this defeats the strategy.
- The Communist parties in France and Italy are substantially controlled from Moscow. They are now acting very moderate and responsible. One of the successes of our policy is that they have had to show their responsibility by supporting NATO -- at least the Italians. This is absolutely unreliable. Nevertheless, one aim of the U.S. strategy has been to paralyze not only our Left but the European Left as well.



(U.S. Position in November 1974, continued)

- The U.S. opposes and will resist the inclusion of the Left in European governments. We oppose it in Portugal because we don't want it to be a model for other countries. We oppose it in Italy and France. If the Communists came into power in France or Italy it would have serious consequences, first in Germany. It would strengthen the Left Wing of the SPD, which is very much influenced by East Germany. It would have a serious effect on NATO.
- We agree that if the Left, in power, serves as a negative example for others, we should not be discouraged and it is not a final setback. But we must resist it.
- In MBFR, we face the irony that the best way for the U.S. to keep substantial troops in Europe is to agree to a very small reduction with the Soviet Union, because this reduces pressures from the internal left. There is no possibility of rapid progress in MBFR and no possibility of very substantial reductions. There is a slim chance that before Brezhnev's visit in 1975 they might agree to some small cut -- say 20-25,000-- but through 1976 there will be no substantial change in the military dispositions.
- In the Vladivostok agreement the U.S. paid no price of any kind, in any area. European fears that we will weaken our conventional forces as a result of Vladivostok are ridiculous. As nuclear war becomes more complex, we have to increase conventional forces, not weaken them.
- Secretary Kissinger visited Yugoslavia and talked with Tito and his colleagues about the precise problem Ch'iao raised -- of pro-Soviet elements inviting in Soviet forces. The U.S. will begin selling military equipment to Yugoslavia in 1975. We are now studying what to do in such a case. We will not let it happen unchallenged. It will not be like Hungary or Czechoslovakia. We have not yet decided on precise measures.
- If President Ford attends a CSCE Summit in 1975 -- which we never wanted -- he plans to stop in Bucharest and Belgrade to help make clear the American interest in the independence of those two countries.
- It was no accident that Secretary Kissinger, on his recent trip, visited Yugoslavia and Romania and Afghanistan and made statements in each about an independent foreign policy.



(Chinese Position in November 1974)

- Their words about improvements in relations are all empty. Tricks like mediation attempts don't change the essence. The methods they continue to use are military threat and subversion.
- Tricks like the Asian Collective Security system are really aimed not against China, but at dividing and controlling all the countries of Asia. It is to help Soviet forces into the Indian Ocean and Pacific.
- As for the Soviet threat, China doesn't pay much attention, as it has said many times. Those one million troops cannot be of much consequence. Soviet military strength in the East is not just directed against China; it is also directed against Japan and the U. S. Seventh Fleet. To take over China would be impossible with just one million troops; it would require an additional million troops and a willingness to fight for 20 years. The Chinese have no great virtue, but they do have patience -- also millet, rifles, and tunnels.
- The Soviet goal in their proposed nuclear-war treaties with the U. S. is clear: to use the signing of the agreement to develop their own weapons, either to match or to surpass the U. S. The reason they are proposing such a new agreement is that they have tasted a sweet taste out of such agreements [in the 1973 Agreement on Prevention of Nuclear War].
- The second goal is to divide the U. S. from its allies, and the third is to maintain the nuclear monopoly of the two countries. They will use this point not only to compare themselves with the U. S. but to intimidate countries with only a few nuclear weapons and thus reach their aim of hegemony.
- What is important with the Soviet Union is not treaties -- since China too has a treaty -- but the policy -- the principles and the lines. Treaties are not of much consequence. China doesn't attach much significance to them.



(Chinese Position in November 1974)

- How reliable is the Vladivostok agreement? How reliable is the prospect of 10 years of detente and an end to competition in the nuclear field? China believes it is impossible to reach detente, and there is no agreement that can bind the hands of Russia.
- The next war might not necessarily be a nuclear war. The Soviets are building their conventional weapons, and their navy, while energetically expanding their nuclear weapons. Conventional weapons should not be neglected.
- China is in favor of the U. S. maintaining strategic superiority over the Soviet Union.
- If the Soviet Union should launch an attack with conventional weapons on not necessarily a large scale, for the U. S. to use nuclear weapons would be a difficult thing to make up its mind about.

U. S. Position in November 1974

- Soviet policy is still a policy of hegemony. If it can't be remedied, it can be resisted.
- The strategic situation is the same whatever the Soviet strategy. If they attack in the East, it will be a threat to the West, and if they attack in the West it will be a threat to the East. The danger and the practical consequences are the same either way. So we don't need to decide this question abstractly. It is not particularly fruitful to debate it. The principal necessity is to keep in mind Soviet overall objectives and the means to prevent them from being realized.
- China may have to fire cannons as the Vice Premier says. We recognize the necessity, and we have our own tunnels. But China should consider that it does not hit its own fortifications. It has not so far, and we rely on China for this.



(U. S. Position in November 1974)

- We have to keep in mind a very complicated U. S. domestic situation. For the U. S. to take strong actions in a crisis, we must do so from a position of having demonstrated to our people that we have exhausted every avenue for peace. So we have to do a lot of shadow-boxing. China should distinguish between appearance and reality.
- The U. S. will not permit a strategic gain for Soviet power, and we will attempt to reduce Soviet power where we can. Simultaneously we go through many stages which create either diplomatic obstacles to the extension of Soviet power, or which create psychological and political obstacles against Soviet military action. The U. S. does not intend to create a condominium with the Soviet Union because the policy of removing all obstacles to Soviet expansion would eventually -- with certainty -- turn against the U. S.
- The Vladivostok Agreement is part of our strategy to isolate and paralyze our domestic left, who would undermine our defense program. And we can do this by pursuing policies which adopt some of their rhetoric.
- At Vladivostok the Soviets agreed upon equal numbers without counting U. S. overseas based systems, giving the U. S. a substantial advantage. The U. S. also has a substantial advantage in warheads for the entire period of the agreement. So Vladivostok demonstrates the Soviet Union is not as strong as it sometimes pretends or they would not have agreed to these conditions. The U. S. paid no price for the Vladivostok agreement, of any kind, in any area. This was evidence of Soviet weakness.
- It is important to be prepared for war and it is U. S. policy to prepare for all eventualities and not to rely on the words of others or their assurances for peace. We agree with Mao's analysis of the overall situation.



(U.S. Position in November 1974, continued)

- At the same time, open confrontation with the Soviet Union would create the domestic situation that Secretary Kissinger described. In addition, in each European country, the European Left would be able to polarize the political spectrum by labeling us as the source of world tensions. Our present policy forces the Communist parties of Italy and France to support NATO and to fight their domestic battles on purely domestic issues.
- Vladivostok will hardly guarantee ten years of detente -- not for a minute. But if detente breaks down, or when it does, we can better mobilize our public opinion having made every effort for peace. If the USSR respects the agreement, we preserve a certain strategic advantage; if they violate it, we have the psychological and political possibility of a massive breakout ourselves, which we would not have otherwise, for domestic reasons. There is no doubt about the need for vigilance. Metternich said that in dealing with Napoleon, the trick is to appear a fool without being one. Strangely enough, domestically it is easier to get Congress to support levels specified in an agreement than to get the same funds without an agreement.
- Soviet expansion is a threat to our own long-term security, whether to the East or to the West, whether with nuclear or conventional weapons. The Soviet Navy is expanding in numbers but, from our analysis of their maneuvers in the Middle East war, they are clumsy and it would be an easy target. Their navy is absolutely no match for ours. In conventional ground strength, we do not underestimate them.
- It is inevitable [and not the result of U.S. policy] that a large industrial power like the Soviet Union would expand its nuclear arsenal over the last ten years. And it is also characteristic of nuclear weapons that because of their destructiveness, superiority beyond a certain point is not as effective as with conventional weapons. And in numbers, diversity, accuracy and flexibility, U.S. nuclear weapons will be considerably superior to the Soviet Union's for the entire period of the Vladivostok agreement.
- The U.S. fully agrees that conventional forces must not be neglected, and that NATO has a real problem in this area.



(U.S. Position in November 1974, continued)

The U.S. has recently increased the number of its divisions.

- It would be extremely dangerous for the Soviet Union to start a conventional war in Europe, because it could not win a decisive victory without a very large battle, and in those circumstances we would use nuclear weapons.
- Using nuclear weapons against a Soviet conventional attack would be a more difficult decision than 10-15 years ago. But it depends on where the attack takes place.
- U.S. strategic forces are only 35% land-based. Soviet strategic forces are 85% land-based, and they are making their improvements in their most vulnerable forces. The U.S. is making its improvements in the least vulnerable sectors, such as the Trident which will be in serial production by 1979. They are planning their forces for the 1970's; we are planning for the 1980's. Vladivostok makes them reduce their forces -- but we have more than 2400 if you count FBS. Soviet sea-based missiles are very poor and won't be MIRV'd before 1980 -- so we will be, in accuracy and procedures, 10-15 years ahead. And we are planning to put long-range missiles on our airplanes, which the Soviet Union cannot do because they don't have airplanes large enough.
- Brezhnev made a proposal to us and repeated it in detail at Vladivostok: a bilateral U.S. -Soviet treaty to defend each other or each other's allies against nuclear attack by any other country, or to observe benevolent neutrality if physical help is not possible. We did not accept serious discussion of this proposal.
- The Soviet motive with this proposal was, first, to undermine NATO; second, to force Arabs who are afraid of nuclear attack by Israel into an alliance relationship with the Soviet Union; and third, against China. Together with creating the general impression of condominium.
- This is far different from the 1973 Agreement on the Prevention of Nuclear War, because that 1973 Agreement specifically refers to the obligation to avoid conventional wars. The 1973 Agreement has been invoked only once, and by the U.S. -- in the October alert as a warning to the Soviet Union. This latest Brezhnev proposal separates out nuclear war.



(U.S. Position in November 1974, continued)

- In every discussion with the Soviet Union, when they make proposals directed against China, such as the CTB or NPT, we have always avoided formulations directed against third countries.

- We inform China of these Soviet overtures not because China should pay attention, but so that if the Soviets approach China, China will know what is happening. And also we have an understanding not to do anything with the Soviet Union without informing China.



U. S. -SOVIET NEGOTIATIONS: CHECKLIST

	<u>Comments</u>
-- <u>SALT II</u>	Resumed July 2 in Geneva. Issues (Backfire, cruise missiles, heavy missiles/silo dimensions).
-- <u>SALT I: SCC</u>	Geneva session began Sept. 22 on ABM replacement issues and implementation of 1974 ABM Protocol.
-- <u>TTB/PNE</u>	Fourth round began Sept. 5 in Moscow.
-- <u>MBFR</u>	Resumed Sept. 26 in Vienna. Allied nuclear package (Option III)?
-- <u>Nuclear Suppliers Conference</u>	Fourth meeting tentatively set for November in London.
-- <u>Grain/Oil purchases</u>	Agreements virtually completed.
-- <u>Trade Agreement</u>	Consultations with Congress to revive it.
-- <u>CSCE Follow-up and Monitoring</u>	USG and NATO governments will monitor Soviet performance.
-- <u>Middle East "Consultations"</u>	
-- <u>Technical and Cultural Exchanges</u>	Annual meetings will be taking place under the bilateral agreements (<u>Agric.</u> Oct. 15-17 in Moscow; <u>Health & Medical Science</u> , Oct. 20-24 in Wash; <u>Environment</u> , Oct. 28-31 in Wash. ; <u>Atomic energy</u> , Nov. 17-22 approx. ; in U. S. ; <u>Cultural exchanges, energy & space</u> at various times in next two months.)



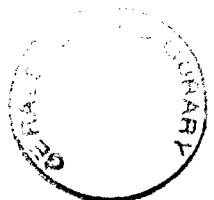
TAIWAN/NORMALIZATION

I. NOVEMBER 1974 TALKS

Chinese Position in November 1974

- China agrees that Sino-U.S. relations are proceeding in the direction laid down by the Shanghai Communique. Both sides agree that the progress of our relations has been normal.
- But it is only natural that there be speculation and talk and some cannon firing when the U.S. sends an Ambassador to Taiwan and they increase the number of their consulates in the United States.
- The Chinese position on normalization is to do it the Japan way. The U.S. ideas cannot be considered as in accord with the Japan model. They are actually a variation of one-China-one-Taiwan.
- As Mao and Chou have said, China would like normalization to come more quickly. But secondly, China is not so much in a hurry. That is, if we are able to reach a point acceptable to both sides in a relatively quicker period of time, China would welcome it. But Mao has also told Secretary Kissinger that China pays special attention to international issues.
- There are three principles which China cannot barter away:
 - China insists on the Shanghai Communique and refuses any method which will lead to "two Chinas," or "one-China-one-Taiwan," or "one-and-a-half-Chinas," or any variation of these. The Chinese cannot accept the idea of setting up an Embassy in Peking and a liaison office in Taiwan. If the U.S. just reverses the position of liaison offices, people will come to the conclusion that it is actually a variation of one-China-one-Taiwan.
 - Mao made it clear that the solution of the Taiwan question is an internal issue of the Chinese people. After the U.S. abolishes the defense treaty with Chiang Kai-shek, the Taiwan problem should be left for the Chinese people themselves to solve. If we are to achieve normalization and abide by the course set in the Shanghai Communique, then the U.S. treaty with Taiwan must be done away with.

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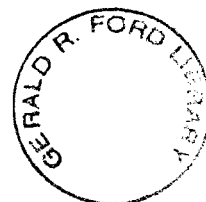
(Chinese Position in November 1974, continued)

- . China does not admit that there can be another country involved in the Taiwan solution. Any kind of reviewing or guarantee or any kind of involvement in the process, China will not accept. Whether China uses peaceful methods or nonpeaceful methods should be left for the Chinese people to decide.
- For the establishment of diplomatic relations China has expressed it clearly: severing diplomatic relations with Taiwan, withdrawal of troops, and abolishing the treaty.
- China cannot undertake any commitments or make any promises with regard to its internal affairs, like when and how it will do or establish things that pertain to its own affairs.
- It appears that time is not yet ripe to solve this question, because it would not be possible for China to accept the U.S. formula.
- It looks as if the U.S. still needs Taiwan. If so, China can wait until the time is more ripe for solution. This in no way means China does not want to solve this as early as possible. It does not mean that from a moral and political viewpoint China has no right to demand or ask for an early solution. There is a Chinese saying that it is for the one who has tied the knot to unfasten it. But China can wait, say, for a few years.
- Whether the U.S. cuts down its forces [on Taiwan] by a little bit or increases them by a bit, or if when the U.S. does it, it raises them by a bit -- that isn't important. And since the U.S. already sent an Ambassador there, whether or not it is necessary to lower the seniority is not a very important issue either. So if the solution is not to be brisk, what is the reason to drag the Taiwan issue along like Vietnam or Cambodia into such an untidy mess? A so-called transitional period is too complicated. So we can wait until time is ripe and then solve the problem in one gulp, like with Japan.
- The reason why the problem can't be solved as China visualizes it should is that on the U.S. side the U.S. has difficulties. It is not that China does not wish to solve it. Actually the Taiwan lobby is much stronger in Japan than in the U.S. But still, if the U.S. has domestic difficulties, China can wait.



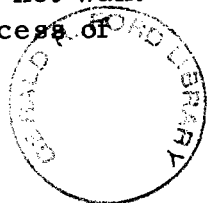
U.S. Position in November 1974

- We are prepared to discuss this seriously and in an attempt to meet the time limit we previously discussed in Secretary Kissinger's past meetings with Premier Chou En-lai.
- To complete the process of normalization there are several parts: (1) The diplomatic status of Taiwan, and the diplomatic relations between the U.S. and PRC; (2) U.S. military forces on Taiwan; and (3) the U.S. defense commitment to Taiwan.
- The U.S. situation is different from that of any other country which has normalized relations with the PRC because of the formal defense relationship and the rather substantial pro-Taiwan group in the U.S. By proceeding step-by-step we have been able to neutralize the pro-Taiwan element in the U.S. But we must prevent, in our common interest, Sino-American relations from becoming a contentious issue. It is not in our interest to have emerge a Senatorial group which does to Sino-American relations what Jackson has attempted to do to Soviet-American relations.
- The U.S. does not need Taiwan. The problem we have is the impact internationally of a sudden total reversal of an American position on other friendly countries, and even perhaps on countries that are not friendly to either of us.
- The U.S. can accept the basic principle of the Japan way, but the U.S. has a number of special circumstances which the Japanese do not have. At various stages of our relationship we have both found means, which were consistent with China's principles, which also took into account our necessities. It is perhaps not proper to ask China to make a specific proposal on an issue of such profound principle to China. Within the framework of the Japanese model, the two sides should have a frank talk of some of our necessities consistent with Chinese principles and then find some way to reach the goal. After this we can put forward specific proposals.
- On the issue of diplomatic status, the U.S. is prepared to solve this substantially on the Japanese model, with the variation that it would be easiest for the U.S. to maintain a liaison office in Taiwan and an Embassy in Peking.



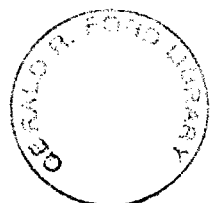
(U.S. Position in November 1974, continued)

- Over the next 18 months the U.S. will bring about a reduction in the size and status, or at least seniority, of its diplomatic representation on Taiwan. The military and diplomatic reductions are independent of whatever we agree on the three points. These are unilateral steps.
- As for U.S. troops on Taiwan, the U.S. has reduced its forces from over 10,000 to about 3,200. We are prepared to remove all troops from Taiwan. The U.S. would like to agree with China on a timetable to reduce the U.S. forces by half by Summer 1976, with the remainder to be removed by the end of 1977. This would not be announced until the end of 1975, even if we agree to it in November 1974. The U.S. will give the precise figures to PRCLO before the end of the year.
- As for the U.S. defense relationship with Taiwan, the U.S. has not come up with a good answer. It is absurd to maintain a defense relationship with part of a country. And we have no interest in a strategic base in Taiwan after we have recognized Peking. But we need a formula that enables us to say that, at least for some period of time, there are assurances of peaceful reintegration which can be reviewed after some interval in order to avoid these difficulties. We want to avoid a situation where the U.S. signs a document which leads to a military solution shortly after normalization. But we do not want a commitment which maintains the separation. The political and psychological effect of breaking relations is that the defense relationship will be eroded by the act of recognition. But we need a transition period for our public opinion in which this process can be accomplished without an excessive domestic strain. If we agree on the principles, we can then see what formula can be worked out.
- Theoretically, China could make a general statement of its unilateral intentions. Not to the U.S., but just as a general statement.
- To us the question of the defense commitment is primarily a question of how it can be presented politically. It is not a question of maintaining it for an indefinite period of time.
- After normalization, any attributes of sovereignty in the relationship between Taiwan and the U.S. have to be eliminated. We do not want to participate in the process of reintegration, or in the process of realization of reintegration.



(U.S. Position in November 1974, continued)

- There are two basic choices: We can continue to gradually withdraw our forces from Taiwan -- which will continue, in any event -- and increase our relationship with you and wait for the opportune time to complete the process with one decision. Or, we can complete the political part of our relationship quickly and make it clear we are solving the issues of sovereignty at once, and find a formula in which the symbolic thought of Mao is expressed. An effort of peaceful reintegration over a reasonable period of time. Chairman Mao said China could wait 100 years -- though we realize this figure was only symbolic.
- China says the precondition for normalization is for the U.S. to break diplomatic relations with Taiwan. That the U.S. is prepared to do, and we believe we can find a mutually satisfactory formula for this. But we also infer from Mao's statement that he believes diplomatic relations could be established and after that there might be a time interval until the real integration is complete -- in his perspective of history. The question is how to express that in practical terms.
- The U.S. feels the Vice Premier's three principles for normalization are not insurmountable obstacles. The U.S. does have one problem, which is that the U.S. does not ask to be a guaranteeing power but does prefer the reintegration to be peaceful.
- The U.S. will study China's views carefully. We will think about specific proposals with respect to the three points and submit them for Chinese consideration. The three principles are accepted. In all of them, the only practical problem we have is how to implement them.

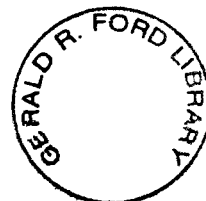


US Position in November 1974

- Our relations are proceeding in the direction laid down in the Shanghai communique. There is no change on our side.
- Such issues as bilateral exchanges and cultural agreements are essentially a symbolic aspect of our political relations, and we will deal with them in this context. Frankly, the US is indifferent whether there is a million dollars more or less in settling blocked accounts, or whether one group more or less goes back and forth. We should use these as a symbol of our overall relationship. When China wants to settle the claims/assets problem, let us know, and we will find a way of settling them.
- We believe that conditions are favorable to show some advance in our relationship. We think this would be a fulfillment of the principles of the Shanghai Communique. We think it is desirable in terms of the overall international situation, so that there is no misunderstanding about the evolution of our relationship in the eyes of other countries.
- The US understands the principal Chinese concern over claims/assets and will see whether Washington lawyers can come up with a definition compatible with Chinese principles. The US accepts the principle that American law does not apply to China.
- For us this issue is a political and symbolic matter. So we do not want an acrimonious negotiation.
- We are prepared. On the other hand, we won't press China. So China should let us know at what speed it is prepared to proceed on these technical bilateral issues. The advantage of discussing them on HAK's trip is that HAK and the Foreign Minister can cut through the complexities somewhat more rapidly.
- Regarding exchanges and CODELS: The US suggests changing the pattern so every year is not like the last, and so as not to expose our relationship to unnecessary domestic speculation over whether progress has been made. So if our experts could find some slight variation in the pattern, that could be quite helpful.



- The US would like to increase the Liaison Office by a few spaces, so we could transfer some of our functions from Hong Kong to Peking.
- The problem with a visit of Defense Secretary Schlesinger to Peking is that the Soviets have repeatedly sought an exchange of visits by Defense Ministers and also meetings of military commanders in Europe. We have turned these down. If we begin using our SecDef for diplomatic travels, he will begin going to places that are not desirable.
- But we would welcome invitations to any other Cabinet members, and of course we welcome an invitation to the President.
- Perhaps after President Ford visits China we can arrange a visit by the Secretary of Defense. If we can both determine the right moment to do it, we will certainly do it.



ENERGY AND FOOD

I. NOVEMBER 1974 TALKS

Chinese Position in November 1974

- The US and China don't have very much common language when it comes to the questions of agriculture and energy. These problems do not exist for China in that sense. But we can exchange views.
- In China's view the recent recession and inflation crisis in the West and Japan is not due to the recent oil price rise. There already existed a serious problem of inflation before; grain and many industrial products had already gone up many times. The oil-producing countries had suffered very great losses from this. Oil prices have only been rising for one year. Actually now the oil price is declining. On this, China agrees with its many Third World or oil-producing friends.
- China only knew about the oil price rise after it happened. China didn't encourage it or participate in planning it.
- It is indeed true that the oil price rise intensified the inflation and economic difficulties of the consuming countries.
- As for the Arabs finding oil as a weapon for their struggle, China supports that.
- There are two solutions to the energy problem: the method of dialogue and the method of confrontation. The US has adopted the method of confrontation. China reads stories about psychological warfare, covert activity, and even military intervention [as in Newsweek]. This will not be conducive to a solution but will only sharpen the contradictions between consumer and producer.
- China tells its friends coming from Europe that it favors dialogue.
- China does not believe it can give the US good suggestions on this question. China cannot be considered one of the producing countries, because the oil it produces is very little and just enough for its own consumption. And China cannot be considered a consumer country. And even if China speaks on the issue, the oil producers may not listen.

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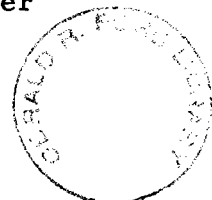


(Chinese Position in November 1974)

- Nor does China have anything to say on the food issue.
- The basic question is to encourage countries to produce enough grain for themselves. For countries not to produce enough and to look to the US is not the right solution.

US Position in November 1974

- The US cannot be indifferent to cannon fired at us on the energy issue. The US and China should seek to avoid unnecessary confrontations. Because the US has to solve the energy problem-- not for ourselves, but because if it continues in its present form it will lead to the political disintegration of Western Europe. This cannot be a matter of indifference to the PRC. We could solve it for ourselves relatively easily. And it has nothing to do with the Third World versus the industrialized world. It should not be approached from a strictly theoretical point of view.
- The US approach to solving the energy problem is stated in HAK's Chicago speech. It is not confrontation.
- For example, HAK is totally opposed to criticism of the Shah, because the Shah is the critical element of the strategy we have discussed.
- As for China's support of the oil weapon, the US realizes that China has to follow its principles. But at some point a contradiction develops between all-out support for this and the necessity of achieving a common front against the threats to international security. It is up to China to decide where this point is reached. But if objectively Europe and Japan are reduced to a sense of impotence, this is something to which one cannot be indifferent from the point of view of international security.
- Press stories about psychological warfare, covert action and military intervention to solve the oil crisis are all nonsense. Military intervention on the question of oil prices is out of the question. In case of a total embargo, that would be another matter. But we are not making any threats.



- We believe in consumer-producer dialogue. But leaders who have been on the Long March will not believe that conversation in the abstract can solve problems. Therefore before we talk to the producers, it is important for the consumers to know what they want and to adopt a comparable position. So we are attempting to organize the consumers precisely so we can have a dialogue in which they can speak with a common voice. But our basic approach will be conciliatory, and we will agree to the French proposal provided there is prior consultation among consumers.
- The US is in the forefront on energy because neither Europe nor Japan can play the strategic role on which the US and China agree if they are demoralized by economic pressures which are beyond their capacity to solve.
- Japan and Europe should not be left in the position that they feel their future is in the hands of forces totally out of their control.
- The US doesn't ask China to say anything on energy. There may be an occasion when visitors come, but the US is not asking.
- Food is not an issue between the US and China. The US agrees with China that the basic question is to encourage countries to produce enough grain for themselves. The US alone cannot close the food deficit, but we are prepared to help with technical assistance.

