



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

10 April 1984

Deng Xiaoping's Discussion of Taiwan with the PresidentSummary

In his discussion with the President, Deng Xiaoping will probably raise Taiwan in a firm but not abrasive manner. We believe that Deng and other Chinese leaders have concluded for strategic and economic reasons that China must improve its relations with the US and that an aggressive approach to the President over Taiwan will harm this effort. Nonetheless, Deng will try to convince the President to manage US policy toward Taiwan in a low-key way that least harms Chinese interests. As Premier Zhao Ziyang suggested here in January, Deng will probably present some formal demands, including:

--A promise that the Taiwan Relations Act will be rescinded by the end of the President's second term;

--Assurances that the US will adhere to the Joint Communique by reducing arms sales to Taiwan;

--An indication that the US will not hinder China's reunification campaign toward Taiwan. Finally, Deng categorizes Taiwan as one of several "unsinkable aircraft carriers" (Taiwan, South Korea,

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Israel, South Africa)--a term that Deng uses in part to reflect Chinese unease with US foreign policy in general and China policy in particular.

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Deng Xiaoping and the Taiwan Issue

Taiwan is a complex and sensitive issue for Deng Xiaoping and the other Chinese leaders whom the President will meet. Deng clearly recognizes the considerable emotion associated with the issue and, in formulating Chinese policy, has attempted to balance the demands of some leaders for a tough, nationalistic stance against the need for a pragmatic foreign policy that meets China's larger strategic concerns. Since his return to power in 1978, for example, Deng has taken the lead in calling for the early return of Taiwan to Chinese control--one of Deng's three publicly announced goals for the 1980s--while supporting a solid relationship with the US on strategic and economic grounds.

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When relations with the US have soured, critics have used US actions toward Taiwan to question Deng's domestic leadership and foreign policies

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Deng--whom we believe has been the driving force behind the recent efforts to improve relations--currently has a strong stake in ensuring that disagreements over policy toward Taiwan do not mar the President's visit.

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[Redacted]

We believe that, as he has in the past when China has sought US aid in overcoming strategic vulnerabilities, Deng will attempt to defer decisions on difficult questions concerning Taiwan. In a broader sense, Deng wants to use the visit to bequeath good relations with the US to his successors, Party General Secretary Hu Yaobang and Premier Zhao Ziyang.

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With the President

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Deng's primary objective in his meeting with the President will be to establish good rapport and to win the President's sympathy for China's position on key issues. We believe, however, that Deng will present the President with a firm statement on US policy toward Taiwan.

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As Zhao Ziyang suggested during his visit to Washington in January, Deng will probably tell the President that the Taiwan Relations Act is an obstacle to significantly improved bilateral

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relations and will formally press him to work for its rescission. We expect Deng to indicate, however, that in reality Chinese leaders want the President to manage the Act in a manner that least harms Chinese interests and will seek assurances that the US adheres to a One China policy. [redacted]

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Deng will also raise the issue of US arms sales to Taiwan. He will probably reassert that the US must continue to reduce arms sales to Taiwan within a definite time period. [redacted]

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[redacted] Deng may contest US claims that the quality and quantity of arms sales are decreasing. [redacted]

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Deng may try to engage the President in a dialogue over China's reunification effort with Taiwan. We expect Deng to emphasize the flexibility of the Chinese position toward Taiwan and China's interest in entering into talks. Deng will indicate that China's desire is to pursue reunification peacefully-- Beijing's official position since 1979--but will refuse to provide guarantees. Deng may even imply that China reserves the right to blockade Taiwan or to use force in the future, should Taiwan fail to respond to its peaceful overtures. [redacted]

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In statements to the US press corps, the Chinese may attempt to appeal over the head of the President to the American public for support on China's reunification campaign. In private, though, Deng will not request explicit US backing for Beijing's reunification efforts, but will argue that the US must not hinder them in any way. Despite these assertions, Deng recognizes that China cannot succeed in its reunification efforts with Taiwan without a reduction in US relations with Taiwan. Deng will thus ask the US to avoid any appearance of officiality in its dealings with Taiwan. [redacted]

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Finally, Deng will probably express his unhappiness over support in Congress for the Taiwan Independence Movement. China vigorously protested the Pell Resolution's allusions to Taiwan's right to seek its independence last November and may still be concerned that the Resolution will be debated in Congress. Deng may note that US leaders since President Nixon have committed themselves not to back an independent Taiwan. [redacted]

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Unsinkable Aircraft Carriers

Deng may broaden his discussion to include US foreign policy in general and may allude to US support for "unsinkable aircraft carriers"--Taiwan, South Korea, Israel and South Africa. In the 1950s and early 1960s, Chinese leaders used the term--coined by General MacArthur in 1950--to describe US plans to use Taiwan as part of a string of US bases in East Asia designed to contain

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China. A September 1960 "People's Daily" editorial, for instance, described US efforts to colonize Taiwan and to turn Taiwan into an "unsinkable aircraft carrier" as part of "US aggression against China." [REDACTED]

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Since 1982, however, when "unsinkable aircraft carrier" first reappeared in authoritative media commentary, Chinese leaders have used the term as a political club with which to beat the US. With regard to Taiwan, in particular, the Chinese have used the term to state their unhappiness with the US' disregard of China's strategic importance and for its alleged failure to support a One China policy. In a broader sense, Chinese leaders have used the notion of US support for the "four unsinkable aircraft carriers" in the third world as an indictment of recent US foreign policy. The Chinese regard these countries as regional surrogates through which the US promotes its strategic objectives.

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