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13 February 1964

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MEMORANDUM FOR THE DIRECTOR

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SUBJECT: Attached Memorandum entitled "French Recognition of Communist China: An Interim Estimate of Its Significance"

Attached is a memorandum from the Board of National Estimates entitled "French Recognition of Communist China: An Interim Estimate of Its Significance." The paper was prepared in response to a request from you last week. If you have no objections, we would like to see this distributed to the USIB principals and a few others outside the Agency.

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[Redacted signature box]

SHERMAN KENT
Assistant Director
National Estimates

MORI/CDF Pages 2-16

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

13 February 1964

MEMORANDUM FOR THE DIRECTOR

SUBJECT: French Recognition of Communist China: An Interim
Estimate of Its Significance

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I. FRENCH MOTIVES

1. We believe that de Gaulle moved to recognize Communist
China for a complex of reasons, which include both long-term

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political-strategic calculations of a fundamental sort and more immediate or secondary motives. These considerations cannot be assigned an order of importance, but they include:

a. The assertion of French independence of US leadership. In de Gaulle's view, the West as well as the Communist World is, and should be, coming to the end of the bipolarism of nearly 20 years of cold war, and returning to greater emphasis by the principal nations on the independent pursuit of their own policies.

b. The desire to demonstrate France's intention to have a more important voice in world affairs, in much the same fashion that de Gaulle's veto of Britain's Common Market application manifested French intention to play a central role in Europe.

c. The belief that the Sino-Soviet dispute means the end of the Communist Bloc as a monolithic structure, a development to be welcomed by France and the West generally, and encouraged and exploited by state-to-state relations with an independent China.

d. A judgment that the problems of Southeast Asia, in which France should rightfully have a voice, cannot be solved by present US lines of effort, but require a new approach, broadly called "neutralization,"* which would require Chinese Communist participation.

* De Gaulle has almost certainly not formulated with any precision what he means by "neutralization." He could mean something like what obtains in Laos. He could have in mind the sort of thing Sihanouk is advocating for Cambodia. He almost certainly does not contemplate a state or states that would be mere puppets of Communist China. It would be quite in character for de Gaulle, having sponsored this vague concept, to wait for time and circumstance to give it some further definition before committing himself.

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e. A hope that the expanding French economy can find new markets in China, and can obtain commercial advantages through diplomatic recognition.

II. GENERAL OBSERVATIONS

2. How de Gaulle's move will affect patterns of international relations is not yet clear, even for the short term, since the interactions of French, Communist Chinese, and National Nationalist Chinese policies in the immediate situation have still to work themselves out. One short-term question, however, has already been answered; any hopes that the French action would pave the way for general acceptance of a "two Chinas" solution proved ill-founded. Peiping had no interest in playing it this way and the French did not try for it.

3. There is no blinking the fact that French recognition constitutes a distinct political victory for Peiping and a most serious blow for Taipei. It represents a major breach in the line which the US has successfully held since 1950, that Communist China should, as an aggressive and lawless regime, be denied international recognition at all levels. The French action is therefore a setback for the US. The extent to which it will involve lasting damage to US prestige, to US authority, to US

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interests is not easy to determine. In the first instance, it depends on how a number of US allies, US adversaries, and neutral nations view the new situation and react to it.

III. IMPLICATIONS IN THE FAR EAST

4. Communist China. Peiping looks on recognition by France as the harbinger of recognition by other states, membership in the UN, and the end of Communist Chinese isolation. Coming at a time when Communist China's isolation from both the West and the Soviet Bloc was being underscored by the fight with Moscow, it has clearly given Peiping's morale a significant boost. In addition, Peiping probably hopes to use its new relationship with France to win more immediate and tangible goals. The Chinese leaders are already giving wide circulation to the claim that extensive trade relations are possible between China and other countries, and that these will be made easier if political relations are established.* Mao and his associates may also hope for some form

* Prolonged and widespread shopping inquiries by Peiping in Western Europe and Japan appear to have raised much higher hopes among Free World traders than are justified by Communist China's actual trading potential for at least the next few years. It should be stressed, however, it is the hopes not the realities which govern the pressures toward recognition in the various capitals.

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of French help in the atomic energy field, where both countries have been denied significant help by their respective allies.

5. But above all, the Chinese Communists welcome the French action as a blow against the US and the GRC. To Peiping, the course of events gives promise of fatally damaging the morale of the Taipei government and advancing the day when mainland China can gain Taiwan, thus taking a long step toward its aim of expelling US power from the Far East. But even short of this development, Peiping sees clear advantage in the damage done to the US effort to contain Communist China. The new French approach to Southeast Asia is also attractive to Peiping, which will hope to see it complicate US problems in the area and spread doubt and confusion among the local anti-Communist forces, especially in South Vietnam, Laos, and Thailand.

6. Nationalist China.* In the aftermath of this bitter experience, Chiang might withdraw or be overthrown, but we think these contingencies are unlikely. We also think it unlikely that he will launch an attack of desperation against the mainland, or

* A national intelligence estimate, "Prospects for the Government of the Republic of China," is in preparation.

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that he will yield to Peiping's claims. But even though a collapse of the GRC and a takeover by Peiping are not probable in the near future, the GRC faces a painful and testing period of attempting to stem an accelerating erosion of its international position while seeking to work out, with US help, the least unsatisfactory of a variety of unpalatable solutions. Trying times for US-GRC relations are in prospect. US facilities on the island are accordingly not as secure as before, but we do not consider them seriously threatened, at least in the foreseeable future.

7. Japan. There is an increased potential for trade between Japan and Communist China. Trade has been inhibited by political considerations and by inability to agree on terms and conditions. Nevertheless, the desire to "regularize relations" is strong in Japan, and will receive a new impetus from the French action. Some increased trade and other contacts are likely. Chinese attempts to parlay this into broader political relations will be met by some wariness in Tokyo, stemming partly from Japanese scepticism as to how extensive the Chinese trade will in fact prove to be, and partly out of deference to the policies of the US, Japan's dominant trading partner.

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8. Other Far Eastern States. US allies in the area -- South Vietnam, South Korea, Thailand, the Philippines -- are chronically nervous about US strength and steadfastness. They are obviously, though in varying degrees, distressed that Washington has not been able to keep de Gaulle in line. Their fundamental interest, however, is in the nature and firmness of the support they receive against the Communist threat. Hence their attitudes will be particularly affected by the development of de Gaulle's "neutralization" proposition, and by US reactions thereto. The same general considerations apply to Malaysia, though of course US attitudes toward Indonesia will be a more important concern for some time to come.

9. De Gaulle's initiatives have surely increased Hanoi's hope for a neutralized South Vietnam as a way station to a Communist takeover of all former French Indochina, and the Pathet Lao and Viet Cong must be likewise encouraged. Sihanouk is probably gratified by French endorsement of "neutralization," which he will equate with his own proposals. Sukarno is likely to look on the French action as something not directly relevant to his own near-term objective of "crushing Malaysia," but as certainly no hindrance to it.

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IV. IMPACT ON THE USSR

10. Although publicly welcoming the French move, Moscow must in fact view it with mixed feelings. It weakens any hope Moscow might have that China's isolation could some day, possibly after Mao goes, lead Peiping to turn back toward the USSR. Since last July the Soviets have belabored the Chinese Communists as outlaws because of their refusal to accept the test ban and because of their vicious attacks on Khrushchev. This charge has now not only failed to stick, but French recognition, not to mention Chou En-lai's extensive visits in Africa and the Middle East, demonstrates that Soviet efforts to ostracise the Chinese have been unavailing. That the Chinese are inspired by their success with de Gaulle is most recently evident in the confident tones of their renewed, open attacks on Khrushchev in the past few days. Though the Soviets will of course continue to support Peiping's claim to the Chinese UN seat, they almost certainly look with dismay at the possibility that this bid might succeed this fall.

11. On the other hand, the Soviets are beyond all question gratified at the increased strains within the Western alliance,

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and particularly between France and the US. These they must count on to provide divers opportunities for future exploitation.

12. With respect to Southeast Asia, de Gaulle's pronouncement on "neutralization" is probably attractive to the Soviets, who have no wish to further either US or Chinese influence there. They have already sounded out the French informally on ideas for neutralization of South Vietnam, and have urged both the US and French to move in this direction while Ho Chi Minh is still in power and before pro-Chinese elements completely dominate the North Vietnamese regime.

V. EFFECTS ON THE WESTERN ALLIANCE

13. The French act has served to underline de Gaulle's propensity for acting unilaterally and without regard for the sensibilities of the US and other allies. It has been sharply criticized on these grounds, notably by the West Germans and by Belgian Foreign Minister Spaak. The Belgian Government's request that the recognition issue be aired in the North Atlantic Council is probably an effort to stave off domestic pressure for an early decision to follow the French lead. On the whole, de Gaulle's move

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helps to sharpen the differences already existing among the West European countries -- most of them arising out of issues far closer to home.

14. The principal long-term effect of French recognition is likely to be a further undermining of inhibitions on the development of commercial and diplomatic relations with Communist China on the part of other NATO countries. Communist China already has diplomatic relations with seven European countries -- the UK, Holland, Switzerland, Sweden, Norway, Denmark, Finland -- and the predominant opinion in the others, however much they may criticize the timing and manner of de Gaulle's move, is that a general recognition of Peking as a political reality is inevitable and even desirable.

15. Even those governments under greatest internal pressure to follow the French example -- notably Belgium, Luxembourg, and Canada -- will probably be restrained from doing so at any early date by desire to spare the US Government further embarrassment on this issue during an election year and by the blow that has been dealt to hopes of a "two Chinas" solution. However, most of our allies would welcome a change in the US position and in the

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meantime probably will display increasing interest in development of trade with Communist China.

VI. IMPLICATIONS IN AFRICA AND LATIN AMERICA

16. In Africa, only Ethiopia, which has heretofore had relations with neither Chinese government, is currently moving to recognize Peiping. For the rest, Taipei is recognized by 19 states -- most of them the Brazzaville group of former French colonies. (The former British possessions have generally followed London in recognizing Peiping.) Some of the present Brazzaville governments would probably not recognize Peiping under any circumstances; most would prefer to recognize both Chinas. Failing this, we expect that a few will sooner or later follow the French lead, though de Gaulle is apparently not encouraging them to do so. We do not anticipate any early bandwagon sweep -- partly because of concern that Chinese Communist establishments would be focal points for subversion. This concern is shared by many Brazzaville leaders and the French who advise them, and it is strengthened by apprehensions over Chou's recent visit and evidences of Chinese implication in current East African unrest.

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17. The impact in Latin America will not be great -- beyond a certain gratification in some quarters at seeing the US discomfited. Generally, there is probably much less interest in French recognition of Peiping than in de Gaulle's concurrent indication of intention to seek an enhanced French role in Latin America; this French gambit would appeal to many governments in the area as a chance to play off France against the US.

18. On the China issue, however, none of the Latin governments yet sees anything significant to be gained by recognition that would not be more than offset by adverse effects on its relations with the US, and each is reluctant to be the first to take the step. Nonetheless, there has for some time been a move toward certain practical trade arrangements and limited cultural exchanges between Communist China and those larger Latin American states seeking additional markets for basic commodities, e.g., Argentina for wheat, and Mexico for wheat and cotton. Other states, notably Chile and Brazil, are likely to show interest in similar arrangements which may sooner or later lead to full relations with the Chinese Communists.

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VII. THE PROBLEM OF UN MEMBERSHIP

19. The prospects for Communist China's admission to the UN have been advanced, but there remain a variety of complicated questions relating to the circumstances and the form in which the issue is raised. Furthermore, the 1964 UNGA session will also be confronted with problems of dues in arrears, voting rights, proposals to enlarge the Security Council and to revise the already somewhat battered "gentlemen's agreement" on the apportionment of seats. All these are or can be related to the issue of Chinese Communist membership. Thus Peiping's admission this fall is by no means inevitable, but the problems of the US in blocking it have been increased.

VIII. EFFECTS ON US INTERESTS

20. A number of factors have combined to undermine the policy of maintaining Communist China in a state of political, economic, and moral isolation -- a policy which worked for more than a decade. To a considerable extent, these factors are of a kind beyond the power of US policy to control: the Sino-Soviet rift; the widely-held belief that a nuclear stalemate permits a loosening of the tight alliances designed for a bipolar world;

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the growing strength and affluence of Free World states (not just France alone) which permits them to pursue independent policies; and the sheer passage of time since Communist China's defiance of the UN in Korea put it in the position of an outlaw.

21. In these circumstances, we believe that it will soon be, if it is not already, impossible to persuade a number of states, which have hitherto gone along with the policy, not to modify their attitudes. Many friends and allies of the US have long felt that the effort to isolate China was unrealistic, unproductive, or at least outmoded, but by themselves lacked the stature to break ranks until de Gaulle stepped out on his own. The proposition that Peiping will become more responsible if its isolation is ended has considerable appeal, at least among the uncommitted states, and this hope will not die until it has been tested. Although no rush to recognize has developed in the wake of de Gaulle's move, something like a bandwagon psychology may in time develop, as various states decide to avoid being last in line -- particularly if trade opportunities are thought to be important, and to be tied to diplomatic relations.

22. In short, we foresee that a good many nations will on this issue tend to feel more free than in the past to pursue what

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they conceive to be their own particular economic and political interests, and will be less disposed to abide by US wishes out of gratitude, political loyalty to the US as leader of the Free World, or ideological hostility to Chinese Communism. In most cases, the trend does not reflect ill-feeling or disillusion with the US, but a conviction that the developing world situation has outmoded some long-standing policies, and now calls for modifications. In this process, the US may be able to mitigate but cannot avoid damage to its prestige and authority.

FOR THE BOARD OF NATIONAL ESTIMATES:



SHERMAN KENT
Chairman

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