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DE WTE #1574 0932105
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FM THE SITUATION ROOM //TO HAK 2A//

TO JERRY BREMER FOR SEC. KISSINGER

T O P S E C R E T SENSITIVE EXCLUSIVELY EYES ONLY VIA BLACK PATCH

WH40861

TOHAK 2A

PEKING 58

APRIL 3, 1974

TO: BRENT SCOWCROFT
FROM: DAVID BRUCE
BEGIN SUMMARY - VICE FOMMIN CHIAO KUAN-HUA SAID THERE HAS BEEN
NO BASIC CHANGE IN U.S.-PRC RELATIONS DESPITE SOME MINOR
PROBLEMS WHICH NATURALLY ARISE. HE SPECIFICALLY MENTIONED THE
UNGER APPOINTMENT TO TAIPEI AND EXPANSION OF GRC CONSULAR
FACILITIES IN THE U.S. HE APPEARED CONCERNED ABOUT EUROPEAN
PROBLEMS, AND I GAVE HIM MY VIEWS BASED ON MY RECENT VISITS
TO WASHINGTON, LONDON AND PARIS. HE ENCOURAGED CONTINUED
U.S. EFFORTS TOWARD A MIDDLE EAST PEACE SETTLEMENT AND WARNED
THAT THE USSR WOULD PROFIT FROM A U.S. FAILURE IN THE AREA.
THE ANTI-SOVIET THEME RAN THROUGHOUT CHIAO'S REMARKS, AND AT
ONE POINT HE PRONOUNCED THEM THE MOST PERfidious PEOPLE IN
THE WORLD. CHIAO HAD LITTLE TO SAY ON THE SPECIAL UNGA, BUT
VOLUNTEERED HE PLANNED TO STAY ONLY THE FIRST WEEK OF THE SESSION.
IF POSSIBLE, HE HOPES TO SEE THE SECRETARY DURING THAT TIME.
END SUMMARY

State Dept. review
completed

MORI/CDF
C05074118

1. ON APRIL 2 I HAD VICE FOMMIN CHIAO KUAN-HUA FOR DINNER
AT HOME ALONG WITH AMERICAS AND OCEANEAN DIVISION CHIEF
LIN P'ING, CHAO CHI-HUA AND SHEN JO-YUN OF WFA. ALSO PRESENT
ON THE U.S. SIDE WERE DC'S JENKINS AND HOLDRIDGE AND POLITICAL SECTION
CHIEF ANDERSON. THIS OCCASION WAS OPPORTUNE TO MARK MY RETURN TO
PEKING AND CHIAO'S IMMINENT DEPARTURE FOR THE SPECIAL UNGA
SESSION IN NEW YORK. HE WAS IN GOOD FORM, AND THE CONVERSATION
WAS ALMOST ENTIRELY SUBSTANTIVE THROUGHOUT THE EVENING.

2. CHIAO'S REMARKS ON U.S.-PRC RELATIONS AND THE QUESTION OF
TAIWAN WERE INTERESTING. I REFERRED TO THE LOREN JENKINS
ARTICLE ON DECLINING SINO-U.S. RELATIONS IN THE APRIL 1
ISSUE OF NEWSWEEK, AND ASKED IF THE REMARKS ATTRIBUTED TO
PREMIER CHOU EN-LAI WERE ACCURATELY REPORTED. CHIAO DID NOT

***** HSR COMMENT *****

~~SECRET~~

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ANSWER THE QUESTION DIRECTLY, BUT SAID MUCH OF THE PRESS SPECULATION ON THIS SUBJECT HAD BEEN INACCURATE. SINO-U.S. RELATIONS, HE SAID, CONTINUED TO BE GOOD. HE AGREED WITH WHAT I HAD TOLD THE PRESS AT PEKING AIRPORT ON MY RETURN TO THE EFFECT THAT I WAS UNAWARE OF ANY DETERIORATION IN U.S.-PRC RELATIONS. HOWEVER, AS WITH EVERY OTHER MISSION IN PEKING, CERTAIN MINOR PROBLEMS ARISE FROM TIME TO TIME.

ASKED TO BE SPECIFIC, CHIAO CITED THE APPOINTMENT OF LEONARD UNGER AS AMBASSADOR TO TAIPEI AND THE EXPANSION OF GRC CONSULAR FACILITIES IN THE UNITED STATES AS CASES IN POINT. HE STRESSED THAT THESE DECISIONS WERE NOT OF GREAT IMPORTANCE IN THEMSELVES, BUT SAID IT WAS DIFFICULT FOR THE CHINESE PEOPLE TO UNDERSTAND THESE ACTIONS WHILE THE U.S., AT THE SAME TIME, SAYS IT WANTS TO IMPROVE RELATIONS WITH THE PRC.

3. CHIAO SAID THE UNITED STATES IS CONFRONTED WITH A POLITICAL/LEGAL DILEMMA. LEGALLY, AS LONG AS THE U.S. RECOGNIZES CHIANG KAI-SHEK IT MUST HAVE AN AMBASSADOR IN TAIPEI, BUT POLITICALLY IT WANTS TO IMPROVE RELATIONS WITH THE PRC. THE TWO ARE CONTRADICTORY. I NOTED THAT THE SECRETARY HAD INDICATED WHILE IN PEKING THERE WAS LITTLE LIKLIHOOD OF FURTHER RAPID PROGRESS IN U.S.-PRC RELATIONS IN THE IMMEDIATE FUTURE. I FURTHER STRESSED THAT SO LONG AS THE U.S. MAINTAINED FORMAL DIPLOMATIC RELATIONS WITH TAIWAN WE WOULD OF COURSE KEEP AN AMBASSADOR THERE. CHIAO REPLIED THAT CHAIRMAN MAO HAD POINTED OUT THAT TAIWAN WAS NOT AN IMPORTANT ISSUE IN U.S.-PRC RELATIONS, WHICH WERE BASED ON INTERNATIONAL CONSIDERATIONS; BUT CHIAO CONTINUED "NEVERTHELESS YOU SHOULD NOT GO TOO FAR."

CHIAO CONCLUDED THIS PORTION OF THE CONVERSATION BY NOTING CHAIRMAN MAO'S STATEMENT TO THE SECRETARY THAT THE RESOLUTION OF THE TAIWAN QUESTION WOULD PROBABLY BE BY FORCE BUT IT COULD TAKE AS LONG AS ONE HUNDRED YEARS.

4. CHIAO WANTED MY IMPRESSIONS OF THE EUROPEAN SITUATION AND THE ATLANTIC RELATIONSHIP WHICH I GAVE HIM CANDIDLY. I TOLD HIM NEW ELECTIONS IN ENGLAND MIGHT NOT TAKE PLACE WITHIN A YEAR, BUT SAID THOUGHT BRITISH ECONOMY IS IN SERIOUS TROUBLE. DEVELOPMENT OF THE NORTH SEA OIL FIELDS WOULD HELP, BUT THIS WAS STILL SOME TIME AWAY. I AGREED WITH HIM THERE PROBABLY WILL BE NO MAJOR CHANGES IN BRITISH FOREIGN POLICY UNDER A LABOR GOVERNMENT BECAUSE OF ITS DEPENDENCE ON SUPPORT FROM THE CONSERVATIVES AND LIBERALS, PARTICULARLY THE LATTER. I REMARKED THAT CALLAGHAN HAD NO FOREIGN AFFAIRS EXPERIENCE, AND WILSON WILL PROBABLY CLOSELY SUPERVISE FOREIGN AFFAIRS, A FIELD HE FANCIES. IN FRANCE, I SAID, A MAJOR PROBLEM WAS THE SUCCESSION TO POMPIDOU. (WE LEARNED ONLY THIS MORNING OF HIS DEATH.) I TOLD HIM I FOUND THE FRENCH PEOPLE BASICALLY UNDISTURBED, BUT NOTED THAT FRENCH POLICY MAKERS CONTINUED TO WANT TO DOMINATE THE EUROPEAN COMMUNITY. CHIAO SEEMED WORRIED ABOUT PROSPECTS FOR EUROPEAN COHESION, BUT SAID EUROPE HAD NO CHOICE BUT TO RELY ON THE U.S. IN A CONFRONTATION

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WITH THE SOVIET UNION. I CONCLUDED THAT, WHILE WE HAD PROBLEMS WITH FRANCE, THEY WERE NOT INSURMOUNTABLE.

5. CONVERSATION DURING DINNER CENTERED ON THE MIDDLE EAST, WITH CHIAO URGING CONTINUED U.S. EFFORTS TO FIND A PEACEFUL SETTLEMENT. THE SECRETARY HAD ACHIEVED A MAJOR SUCCESS IN SECURING EGYPTIAN AND ISRAELI WITHDRAWALS ON THE WESTERN FRONT, AND A SIMILAR SUCCESS COULD BE ACHIEVED IN THE GOLAN HEIGHTS WITH SYRIA, GIVEN A MAJOR EFFORT BY THE UNITED STATES TO SECURE COMPROMISES ON BOTH SIDES. HE EXPRESSED CONCERN THAT THE SOVIETS WOULD ATTEMPT TO IMPEDE U.S. EFFORTS TOWARD A MIDDLE EAST SETTLEMENT, AND STRESSED IT WOULD BE A MAJOR SOVIET GAIN IF THE U.S. FAILS. WHEN I MENTIONED THAT LIBYA WOULD BE AN IMPORTANT FACTOR IN LONG TERM MIDDLE EAST STABILITY, CHIAO EXPRESSED PUZZLEMENT OVER LIBYA'S POLICIES, AND SAID SEVERAL CONTACTS BETWEEN PRC AND LIBYAN REPRESENTATIVES HAD COME TO NAUGHT DUE TO EXCESSIVE LIBYAN DEMANDS. NO ONE, HE SAID, CAN UNDERSTAND KHADAFI.

6. UNFORTUNATELY, CHIAO HAD LITTLE TO SAY ABOUT THE SPECIAL UNGA SESSION. HE EXPRESSED THE OPINION THAT NOTHING MAJOR WOULD COME OUT OF THE CONFERENCE, AND SAID HE PLANS TO STAY ONLY THE FIRST WEEK OF THE THREE WEEK SESSION. IS ANXIOUS TO SEE THE SECRETARY.

7. UNDERLYING CHIAO'S REMARKS ON EUROPE AND THE MIDDLE EAST WAS HIS BITTER DISTRUST OF THE SOVIETS. HE WARNED AGAIN OF THE DANGERS OF SALT NEGOTIATIONS WITH MOSCOW, CHINA WAS NOT IN PRINCIPLE OPPOSED TO SALT NEGOTIATIONS BUT ANY AGREEMENT MUST BE GENUINE; THIS HE FOLLOWED BY THE SOVIETS "THE MOST PERFIDIOUS PEOPLE IN THE WORLD." I ASSURED HIM WE WERE UNDER NO ILLUSIONS ABOUT THEM.

COMMENT: CHIAO'S REMARKS ON TAIWAN REFLECT A PROBLEM WE HAVE SENSED FOR SOME TIME: WHILE THE CHINESE LEADERS IN THE INNER CIRCLE REMAIN CONFIDENT OF THE LONG TERM OBJECTIVES OF U.S. POLICY TOWARD THE PRC, THEY MAY BE HAVING SOME DIFFICULTIES IN DEFENDING A RELATIONSHIP WHICH, IN THE EYES OF THOSE NOT PRIVY TO INSIDE INFORMATION MAY APPEAR NOT TO HAVE PROGRESSED IN RECENT MONTHS AND PERHAPS EVEN TO HAVE RETROGRESSED. CHIAO STRESSED THAT THIS IS NOT AT PRESENT A MAJOR PROBLEM BUT CLEARLY WANTED TO URGE CAUTION IN ANY FURTHER MOVES TOWARD TAIWAN.

IT IS ALSO NOTEWORTH THAT DESPITE THE STIDENCY OF RECENT CHINESE COMMENT ON CAMBODIA, CHIAO DID NOT RAISE THE QUESTION OF INDOCHINA THROUGHOUT THE EVENING AND I DID NOT CONSIDER IT DESIRABLE TO DO SO MYSELF ESPECIALLY SINCE WE ARE NOT YET INFORMED, AND MAY NEVER BE, OF THE TEND OF THE CONVERSATIONS HERE DURING THE PAST FEW DAYS BETWEEN THE CHINESE, THE KHMER ROUGE AND SIHANOUK.

THE CHINESE ARE EVIDENTLY PREPARED, AT LEAST FOR THE TIME BEING, TO LIVE WITH THE CURRENT SITUATION IN INDOCHINA DESPITE THEIR INCREASED ATTACKS ON U.S. POLICY IN THE REGION AND DO

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NOT SEE IT AS DETRACTING FROM THE PRESENT STATE OF U.S.-PRC RELATIONS. I NEVERTHELESS WOULD NOT WISH TO CONCLUDE FROM THIS THAT THEY ARE SATISFIED WITH EVENTS IN INDOCHINA, ABOVE ALL IN CAMBODIA. THEY MAY BE LOOKING TO THE U.S. FOR SOME ACTIONS POINTING TOWARD A POLITICAL SOLUTION.

SEVERAL TIMES DURING THE EVENING DESPITE MY HAVING MENTIONED THE FREQUENT PUBLIC CRITICISMS BY CHOU EN LAI OF U.S. POLICIES AND PRESS MEDIA COMMENTS, CHIAO REITERATED HIS STATEMENT "THERE HAS BEEN NO DETERIORATION IN THE U.S. CHINA RELATIONSHIP. OTHERWISE, WE WOULD NOT BE SITTING AROUND THIS TABLE TONIGHT".

WARM REGARDS.

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