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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name KELLY, JAMES: FILES

Withdrawer

MJD 12/31/2007

File Folder CHINA - MILITARY - 1986

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
48102	MEMO	RODNEY MCDANIEL TO NICHOLAS PLATT, ET AL RE INTERAGENCY GROUP	1	9/2/1986	B1
48103	MEMO	KENNETH KISSELL/DAVID LAUX TO JOHN POINDEXTER RE INTERAGENCY GROUP <i>R 12/18/2017 M382/1</i>	2	8/27/1986	B1
48104	MEMO	NICHOLAS PLATT TO JOHN POINDEXTER RE IG <i>R 4/30/2013 M382/1</i>	2	8/7/1986	B1
48105	PAPER	RE US-PRC MILITARY RELATIONSHIP <i>R 4/30/2013 M382/1</i>	5	ND	B1
48106	MEMO	RODNEY MCDANIEL TO NICHOLAS PLATT, ET AL RE IG (W/ATTACHED TABS 1 & 2)	3	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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48102	MEMO RODNEY MCDANIEL TO NICHOLAS PLATT, ET AL RE INTERAGENCY GROUP	1	9/2/1986	B1

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48103

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

August 27, 1986

~~SECRET~~

ACTION

SIGNED

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: KENNETH A. KISSELL AND DAVID N. LAUK

SUBJECT: Establishment of an Interagency Group (IG) on U.S. Military Cooperation with the People's Republic of China (PRC)

State has proposed (Tab II) that the NSC "mandate the creation of an IG" on the US-PRC military relationship. In State's words, the IG, chaired by State, would "rationalize our policy on and organize our approaches to the U.S.-PRC military relationship, ... function as a formal coordinating body for policy, and report to the NSC on policy options."

Background

This is the end result of our informal interagency discussions over the past six months on how to deal with US-PRC military relations, which were formerly handled by the "Sigur Group", after Gaston moved over to State. As you know, the "Sigur Group", chaired by Gaston Sigur, met about every two months during the three-year period 1983-1985, to make decisions on our military relationship with both the PRC and Taiwan. It consisted of representatives from State (both EAP and PM), Defense, CIA and the NSC, totaling only eight people, and met in Gaston's NSC office. It was chaired by Gaston because he was acceptable to both State and Defense, whereas either organization would have been uneasy were the other in the chair, and because -- for security reasons -- we wished to hold the Group's decisions very tightly and keep the paperwork out of both State and Defense bureaucracies.

In our view, the "Sigur Group" did a brilliant job of managing the military relationships with both the PRC and Taiwan. However, we agree with the State memo that the time has come to establish a formal IG to manage military relations with the PRC. The scope of the military relationship with the PRC has reached such proportions, that a formal IG, meeting on a regular basis with the full resources available to the IG mechanisms, is now advisable to deal with the increased scope and tempo of activities. Moreover, a formal IG will help the coordination process within the Department of Defense, where the activities of the separate military services with respect to their relations with their Chinese counterparts have not always been coordinated with ISA and the JCS to the degree desired.

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Declassify on: OADR

DECLASSIFIED

NLRR M382/1 #48103

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BY RW NARA DATE 12/18/17

However, the establishment of this IG under State leadership is only concurred in by Defense and the NSC staff with two caveats: a) that it be chaired by Gaston Sigur as Assistant Secretary for East Asia and Pacific Affairs (there was an internal tug of war at State over whether it would be chaired by EAP or PM); and b) that it confine itself to managing the military relationship with the PRC only, and not include the military relationship with Taiwan (which will continue to be handled informally by a very small group).

The State memo is unnecessarily long and defensive in arguing for the IG's establishment but the case is a good one. State's memo makes it clear that the IG will be chaired by EAP (although PM will obviously play an important role) and that it will report through the SIG/FP. In essence, the membership would be the same as the regular IG on China, which meets sporadically, when issues warrant it. We nevertheless think it is a good idea to "mandate" the formation of this separate IG and to require it to make annual reports.

At Tab I is a memo from you to the appropriate agencies directing the establishment of this IG.

Howard Teicher and Jim Kelly ^{SAK} concur.

RECOMMENDATIONS

That you brief the President that this IG is being established with the two caveats cited above.

Approve _____

Disapprove ^{gmp} "Not Necessary"

That you sign the memo at Tab I.

Approve ^{gmp} 8/28

Disapprove _____

Attachment

- Tab I Poindexter memo to agencies
- Tab II State memo



United States Department of State

Washington, D.C. 20520

N O D I S

August 7, 1986

~~SECRET~~

MEMORANDUM FOR VADM JOHN M. POINDEXTER
THE WHITE HOUSE

Subject: Establishment of an IG on US-PRC
Military Cooperation

The Department of State is forwarding the attached annex which describes the expanding and deepening development of bilateral ties between the United States and China in the sensitive area of defense cooperation and recommends the creation of an Interagency Group (IG) on US-PRC Military Cooperation chaired by State (EAP), under the Foreign Policy Senior Interagency Group (SIG-FP) chaired by Under Secretary Armacost.

Since the United States and China normalized relations in 1979, the development of a military relationship has been an essential element in bilateral ties. The informal interagency process for managing US-PRC military cooperation has functioned on an ad hoc basis. In recent months it has become clear that such a mechanism is not capable of ensuring that our short-term policy implementation is well-coordinated and focused and that our long-term national security goals and policy options on future military cooperation with China are well-developed and articulated. Importantly, there is no system to provide the NSC and the White House with a comprehensive agenda of completed, pending, and future activities in the US-PRC military relationship and to report on the status of their implementation.

Military cooperation with the PRC must be developed and implemented carefully in order to assure our friends and allies that China can make a significant contribution to peace and stability in Asia and to demonstrate US reliability as a partner over time. Failure to manage the military relationship effectively could have adverse long-term consequences for US bilateral and regional relations and our larger strategic interests.

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NLRR M382 #48104

BY KML NARA DATE 4/30/13

The Department of State recommends, therefore, the establishment of an Interagency Group on US-PRC Military Cooperation, under the aegis of the Foreign Policy Senior Interagency Group (SIG-FP) chaired by Under Secretary Armacost.

Richard W. Mueller
for Nicholas Platt
Executive Secretary

Attachment:

As stated

ANNEX

~~SECRET/SENSITIVE/NOFORN~~Managing the US-PRC Military RelationshipThe Issue

In recent years, the United States has repeatedly acted upon the policy judgment that China is a friendly, non-allied country with whom we share some political, strategic and economic interests. This important bilateral relationship which is expanding and deepening, especially in the sensitive area of military cooperation, has reached the point where it now needs to be directed through a systematic and coordinated inter-agency structure.

Background

Since the United States and China normalized relations in 1979, the development of a military relationship has been an essential element in bilateral ties. The willingness of the United States to pursue a military relationship with China is founded on the judgment that many of our national security interests parallel China's. Foremost is a shared perception of the threat posed by the Soviet Union in Asia.

A major objective of United States policy is to build an enduring military relationship with China that will both support China's overall modernization effort and help develop China as a deterrent to Soviet expansionism. At the same time, the United States gives special consideration to the concerns and interests of American allies and friends in the region. We must see to it that in pursuing our relationship with the Chinese, the United States does not harm the security interests of other regional partners, e.g., ASEAN, Taiwan, Japan or the ROK. We must also avoid giving the impression to these countries that our security relationship with the Chinese is more important to the United States than our ties with them or that it will somehow become more important than United States commitments to them. This necessitates keeping United States allies and friends regularly informed about developments in the U.S.-PRC bilateral relationship as well as periodically reassessing that relationship systematically.

U.S. Interests

United States policy is fundamentally based on the belief that a more secure, modernizing, and friendly China, with an

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NLRR M382 + 48105

BY KML NARA DATE 4/30/13

independent foreign policy and an economic system increasingly orientated toward the West, can make a significant contribution to peace and stability in Asia and the world. Therefore, in pursuing a military relationship with China, the United States emphasizes consistent, measured progress in three essential areas: high-level dialogues and visits; functional military exchanges; and military technology cooperation. Defense Secretary Weinberger's visit to China in September, 1983, was the watershed event in this regard. His trip led to the establishment of a framework for expansion of military-to-military contacts and the implementation of a series of reciprocal training and logistics exchanges. Moreover, the United States and China were able to identify several key military mission areas, based on PRC requests, which could provide the basis for future military technology cooperation programs on defensive weapons systems.

Development of Defensive Mission Areas of Cooperation

The inter-agency process has functioned to date in an ad hoc fashion to coordinate and implement policy on the initial discussions of programs with China. Principals from the appropriate agencies (State, OSD, CIA and JCS) have met informally under NSC auspices (Gaston Sigur, Special Assistant to the President for Asia Affairs) to discuss policy options and to direct the cooperative military effort with China. The efforts of the "Sigur Group" in 1983-84 led to agreement with the PRC on four possible defensive mission areas of cooperation: 1) I-TOW anti-tank guided missiles; 2) large caliber artillery shell manufacture; 3) F-8 avionics modernization; and 4) surface ship ASW weapons and equipment. President Reagan made these programs and future ones eligible for Foreign Military Sales (FMS) assistance in a 1984 National Security Decision Document (NSDD). These programs (see Tab 1), as well as several others introduced during Navy Secretary Lehman's 1984 trip to China (e.g., ASW torpedo and launcher sales, Vulcan-Phalanx CIWS sales, surface ship design and modification assistance) have advanced the scope of the military relationship with China.

High-Level Military Exchanges and Technology Transfer

Besides the FMS projects underway, many high-level military visits have taken place or are planned. These exchanges tend to expand the scope, if not the depth, of the military relationship, especially the FMS programs and commercial technology transfers. (See Tab 2.)

Liberalization of United States export licensing guidelines in 1983 and streamlining of COCOM procedures and processing for China cases in 1985 have more than doubled the number of technology transfer cases involving commercial dual-use and munitions requests. Although policy guidelines are available for making determinations in technology transfer cases, especially munitions cases, the long-term cumulative effect of the growing number of approvals on US-PRC relations has never been systematically reviewed and assessed.

The Problem

The pace of the FMS programs, high-level visits and exchanges, and technology transfer has exceeded the point where an ad hoc inter-agency system of informal consultation among principals can be counted on to function effectively. We cannot be confident that existing informal arrangements will be capable of ensuring that our short-term policy implementation is well-coordinated and focused and that our long-term national security goals and policy options with respect to future military cooperation with China are well-developed and articulated. The situation is now too complex to be managed in the same manner that was adequate when the military relationship with China was new and undefined.

A major problem in recent months has been the lack of inter-agency coordination of the actions of the State Department, the military services, JCS, OSD, and other institutions that make or implement policy in the US-PRC military cooperation field. Each agency often must make its own best guess as to the optimum pace of development for the relationship. Also, the Intelligence Community lacks clear guidelines from the policy side on the type of intelligence assessments that are needed to develop options for future developments in the U.S.-PRC military relationship.

Importantly, there is no system to provide the NSC and the White House with a comprehensive agenda of completed, pending, and future activities in the US-PRC military relationship and to report on the status of their implementation. It is essential that policy papers concerning FMS programs, high-level visits, technology transfers, and the presentation of new proposals to the Chinese be well-coordinated throughout the Administration to ensure that no single agency or individual moves beyond the agenda set by the President.

We have now reached the stage in our military relationship where many different agencies, offices, and individuals are involved with and talking to the Chinese. To Beijing's potential advantage, our efforts often are not systematically planned, coordinated, or on occasion even reported to key players in the agencies handling the PRC. We are at risk of proceeding with highly differentiated U.S. approaches to US-PRC military cooperation, with some U.S. agencies and principals developing the relationship faster than may be in our mutual interest or beyond our ability politically to deliver. We must avoid moving in ways that allow the Chinese to pick and choose among our bureaucracies without reference to our overall stake in the relationship, and we must guard against raising false PRC expectations that may affect the overall relationship.

Recommendation

In order to rationalize our policy on and organize our approaches to the U.S.-PRC military relationship, we strongly recommend the establishment of an Inter-Agency Group (IG) on U.S.-PRC Military Cooperation. The precedent for a formal IG process is well-founded in other policy areas.

We believe the NSC should mandate the creation of an IG, chaired by State, which would function as a formal coordinating body for policy and would report to the NSC on policy options. It would also produce papers on short-term programs or long-term plans, strategy think pieces, information reports, and assessments of projects completed, underway or planned.

The IG would establish an Inter-Agency Working Group (IGWG), chaired by State, to plan and coordinate the work of the growing number of civilian agencies and offices, as well as the military services, with a role to play in the implementation of policy on U.S.-PRC military cooperation. This will give the working levels a formal mechanism to insure timely and complete information to principals either individually or through meetings of the IG. This has been standard practice under other IG's.

Conclusion

In the context of our broader interests, military cooperation with China must be taken carefully, step by step, in order to assure ourselves as well as our friends and allies that China is substantively committed to a long-term peaceful policy, and to demonstrate our reliability as a partner over time.

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We need to establish a mechanism to insure that as our interactions multiply, they will serve these ends. Failure to manage the military relationship effectively and comprehensively could have adverse long-term consequences for our broader bilateral and regional relations and could damage our strategic interests as well. We believe an IG system is the best method to ensure success in our military endeavors with China and to demonstrate to Congress and the public that the Administration is pursuing the defense relationship in a careful and responsible manner.

Attachments:

Tab 1
Tab 2

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