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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

Withdrawer

File Folder CHINA, PRC OCTOBER 1981

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FOIA

F02-025/1

COHEN, WARREN

8

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
60162	CABLE	BEIJING 11298 <i>R 10/18/2013 M386/1</i>	6	10/14/1981	B1
60163	CABLE	STATE 273706 <i>R 10/18/2013 M386/1</i>	1	10/14/1981	B1
60164	MEMO	LILLEY TO ALLEN RE. CHINA [W/NOTATIONS] <i>R 10/18/2013 M386/1</i>	1	10/14/1981	B1
60165	CABLE	BEIJING 11176 <i>R 10/18/2013 M386/1</i>	3	10/10/1981	B1
60166	CABLE	BEIJING 11276 <i>R 10/18/2013 M386/1</i>	1	10/14/1981	B1
60167	MEMO	LILLEY TO ALLEN RE. CHINA [W/NOTATIONS] <i>R 10/18/2013 M386/1</i>	2	10/14/1981	B1
60168	CABLE	BEIJING 11252 [W/NOTATIONS] <i>R 10/18/2013 M386/1</i>	1	10/13/1981	B1
60169	CABLE	BEIJING 11453 <i>R 10/18/2013 M386/1</i>	2	10/16/1981	B1
60170	MEMO	ALLEN TO RR <i>R 10/18/2013 M386/1</i>	2	10/28/1981	B1

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

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B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
60171	TALKING PTS.	RE. MTG. <i>R 10/18/2013 M386/1</i>	1	ND	B1
60172	REPORT	RE. CHINA <i>PAR 3/12/2013 M386/1</i>	10	10/22/1981	B1 B3
60173	MEMO	HAIG TO RR RE. CHINA <i>R 10/18/2013 M386/1</i>	2	10/28/1981	B1
60174	MEMCON	RE. HAIG [ATTACHMENT TO DOC. 60173] <i>R 10/18/2013 M386/1</i>	4	10/23/1981	B1
60175	MEMO	ALLEN TO MEESE, BAKER, AND DEEVER <i>R 10/18/2013 M386/1</i>	1	10/28/1981	B1
60176	MEMO	LILLEY TO ALLEN RE. RR MTG. [COPY OF DOC. 60177 W/O SIGNS.] <i>R 3/20/2019 M386/1</i>	1	10/27/1981	B1
60177	MEMO	LILLEY TO ALLEN RE. RR MTG. [ORIG. OF DOC. 60176] <i>R 3/20/2019 M386/1</i>	1	10/27/1981	B1

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60162

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SITUATION LISTING

DATE 11/10/81//314

SITUATION: FAR
SUBJECT CATAGORY: EAST

DECLASSIFIED

MESSAGE / ANNOTATION:

NLRR M386/1 # 60162

MESSAGE:

BY KML NARA DATE 10/18/13

HCE625
STU5682
DD RUEHC
DE RUMJPG #1298/01 2870725
ZNY SSSSS ZZH
O 140654Z OCT 81
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC IMMEDIATE 6312
BT

~~SECRET~~ SECTION 01 OF 02 BEIJING 11298

NODIS

E.O. 12065: RDS-3 10/14/01 (HUMMEL, ARTHUR W., JR) DR-M

TAGS: PEPR

SUBJECT: PREPARING FOR DISCUSSIONS WITH PRC PRIMIN AND FONMIN

1. ~~SECRET~~ - ENTIRE TEXT.
2. THE EMBASSY WILL CONTINUE TO FURNISH BACKGROUND CABLES ON VARIOUS ASPECTS OF CHINESE INTERNAL AND EXTERNAL DYNAMICS IN PREPARATION FOR THE UPCOMING US/PRC DISCUSSIONS -- FIRST BETWEEN PRESIDENT REAGAN AND THE PRC PREMIER AT CANCUN AND THEN IN WASHINGTON WITH THE PRC VICE PREMIER/ FOREIGN MINISTER TOO. THIS MESSAGE GIVES SOME OF MY THOUGHTS ON THE MOST SENSITIVE -- AND DIFFICULT -- ISSUE.
3. US INTENTIONS TOWARDS TAIWAN WILL SURELY BE THE CENTRAL TOPIC. SO FAR, THE PRC HAS USED VERY MEASURED LANGUAGE IN TELLING US OFFICIALLY (AND ALSO TELLING UNOFFICIAL VISITORS) THAT THERE WILL BE "RETROGRESSION" IN US-PRC RELATIONS UNDER CERTAIN CIRCUMSTANCES, WITHOUT SPELLING OUT WHAT ACTION THEY MIGHT TAKE IN RESPONSE TO DIFFERENT US DECISIONS ON ARMS SALES TO TAIWAN. LIKewise THE PRC HAS WITHOUT DISTINCTION OPPOSED BOTH "ADVANCED WEAPONS" AND "ANY ARMS SALES" TO TAIWAN, ALTHOUGH IT SEEMS CLEAR THAT SOME LEVEL OF ARMS SALES BY THE USG MUST BE TOLERATED BY THE PRC.
4. I DO NOT TRY HERE TO EXAMINE PRC IMPERATIVES, BEYOND SAYING THAT THERE ARE TWO VERY REAL CONSTRAINTS WE MUST RECOGNIZE: A) DENG XIAPING'S POSITION AND THE SUPPORT FOR HIS MODERATE POLICIES IS TO SOME EXTENT DEPENDENT ON HIS BEING SEEN TO HAVE A SUCCESSFUL AND PRODUCTIVE RELATIONSHIP WITH THE US, AND B) TAIWAN IS A HIGHLY SIGNIFICANT AND EXPLOSIVE ISSUE WITHIN CHINA ON WHICH THE PRC HAS LAID DOWN PUBLIC MARKERS -- INCLUDING THE DOWNGRADING OF RELATIONS WITH THE NETHERLANDS OVER THEIR SUPPLY TO TAIWAN OF SUBMARINES. DENG AND HIS PEOPLE

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MESSAGE / ANNOTATION:

WILL NOT BE ALLOWED TO FORGET OR TO RETREAT SIGNIFICANTLY FROM THOSE MARKERS. THEY AND OTHERS WILL HAVE FIRMLY IN MIND THE DIFFICULT INTERNAL NEGOTIATIONS OVER POLICY THAT THEY MUST CONDUCT BEFORE AND DURING THEIR 12TH PARTY CONGRESS EARLY NEXT YEAR.

5. THE CHINESE ARE NOT BLUFFING ABOUT "RETROGRESSION". WASHINGTON OFFICIALS WILL HAVE NOTED THAT PRC OFFICIALS HAVE RECENTLY BEEN TELLING THIRD PARTIES, INCLUDING NEWSMEN, THAT THEY ARE ALREADY PREPARING PRC OFFICIALS FOR THE POSSIBILITY OF A DETERIORATION IN US RELATIONS IF THE USG PROCEEDS ON AN "UNACCEPTABLE" COURSE.

6. BUT WHILE THE CHINESE INSIST THEY OPPOSE ANY US ARMS SALES TO TAIWAN, THEIR REACTION WILL VARY SIGNIFICANTLY ACCORDING TO THE SUBSTANCE AND THE TIMING OF OUR DECISIONS ON THIS ISSUE AS WELL AS THE POLITICAL CONTEXT IN WHICH THEY ARE TAKEN. THE LAST FACTOR INCLUDES: 1) THE DOMESTIC SCENE IN CHINA; 2) THE OVERALL STATE OF OUR RELATIONS AT THE TIME; 3) THE CHINESE PERCEPTION OF THE INTERNATIONAL SITUATION; AND 4) THE IMPLICATIONS OF US ARMS SALES TO TAIPEI FOR THE ONE-CHINA PRINCIPLE AND THE PROSPECTS FOR RECONCILIATION WITH TAIWAN AS SEEN BY BEIJING.

7. I THINK WE SHOULD BE PREPARED TO MEET EITHER ONE OF TWO DISTINCT CATEGORIES OF CHINESE APPROACHES IN THE DISCUSSIONS, AND I DO NOT KNOW WHICH IS THE MORE LIKELY. IN THE FIRST, THE PRC MAY WANT TO AVOID A CONFRONTATION AT THIS TIME AND THEREFORE REFRAIN FROM ADDING SPECIFICITY TO ITS PAST STATEMENTS EITHER ON THE SEVERITY OF THE "RETROGRESSION" THEY WOULD PLAN FOR, OR ON THE QUALITY AND QUANTITY OF US ARMS SALES THAT WOULD TRIGGER SUCH RETROGRESSION. IN THIS SCENARIO THE PRC WOULD STATE ITS OVERALL POSITIONS FORCEFULLY BUT WOULD HOPE NOT TO BE CONFRONTED IMMEDIATELY WITH SPECIFIC US STATEMENTS ABOUT WHAT KIND OF ARMS -- AND WHAT DEGREE OF UPGRADING OF TAIWAN'S CAPABILITIES -- THE USG INTENDS. THE CHINESE WOULD HOPE THAT THE EVOLUTION OF USG IDEAS WOULD CONTINUE SO THAT WHATEVER US-PRC CONFRONTATIONS OVER TAIWAN TAKE PLACE, THEY WOULD BE DELAYED AND OCCUR IN A POSSIBLY LESS DAMAGING FORM AND AT A TIME WHEN THE DENGISTS WOULD HAVE MORE POLITICAL MANEUVERABILITY AT HOME.

8. THE OTHER SCENARIO WOULD SEE THE PRC PRESSING HARD FOR A CLARIFICATION OF US INTENTIONS, AGGRESSIVELY SEEKING DETAILS ON WHAT WEAPONS THE USG PLANS TO SELL,

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MESSAGE / ANNOTATION:

AND PERHAPS ALSO STATING MORE SPECIFICALLY WHAT THEY
WOULD DO IN RETALIATION. IN CHOOSING THIS APPROACH,
THE PRC WOULD BE DRIVEN BY POLITICAL CROSSCURRENTS
IN BEIJING AND BY THE PUBLICITY ALREADY GIVEN TO USG
STATEMENTS ABOUT A DECISION DEADLINE AT THE END OF
THIS YEAR. THEY WOULD THEREFORE SEEK TO INFLUENCE
THESE DECISIONS BEFORE THEY ARE MADE.

BT

#1298

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4
SENSITIVE

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SITUATION LISTING

DATE 11/10/81/1314

SITUATION: FAR
SUBJECT CATEGORY: EAST

MESSAGE / ANNOTATION:

MESSAGE:

HCE627
UTS9629
DD RUEHC
DE RUMJPG #1298/02 2870745
ZNY SSSSS ZZH
O 140654Z OCT 81
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC IMMEDIATE 6313
BT

~~SECRET~~ SECTION 02 OF 02 BEIJING 11298

NODIS

9. AS FOR OUR OWN IMPERATIVES, THESE DO NOT NEED DEFINITION FROM ME BEYOND SAYING I UNDERSTAND AND SUPPORT OUR POLICY OF GIVING CONTINUED AND SUBSTANTIAL HELP TO TAIWAN IN MILITARY EQUIPMENT AS WELL AS IN OTHER WAYS. WE HAVE TO STATE OUR POSITION FIRMLY ON THE BASIC ISSUE OF OUR SUPPORT TO TAIWAN, AND KEEP EXPLAINING WHY WE THINK IT IS IN OUR INTEREST -- AND ALSO IN CHINA'S INTEREST. NONCONTROVERSIAL MILITARY SALES, ESPECIALLY OF LONG-OVERDUE SPARE PARTS, MUST TAKE PLACE VERY SOON IN ORDER TO MEET TAIWAN'S NEEDS AND THE PRC SHOULD BE INFORMED OF THOSE SALES BEFORE THEY BECOME PUBLIC KNOWLEDGE. I TRUST WE CAN ASSURE THE CHINESE THAT SUCH SALES WILL BE HANDLED IN A LOW KEY FASHION BY TAIPEI AS WELL AS OURSELVES, AND WILL BE STRUNG OUT OVER TIME.

10. THERE IS HOWEVER NO FOREIGN POLICY PURPOSE THAT I CAN SEE ADVANCED BY ALLOWING THE ISSUE TO BE FORCED AT THIS TIME TO THE POINT OF CONSPICUOUS DETERIORATION OF US/PRC RELATIONS WITH ALL THE STRATEGIC DISADVANTAGES FOR US AND FOR OUR FRIENDS THAT WOULD ENTAIL.

11. WE HAVE BEEN TRYING TO FIND WAYS BY WHICH WE CAN CARRY OUT OUR OBJECTIVES WITH REGARD TO TAIWAN'S VIABILITY AND SECURITY WITHOUT UNACCEPTABLE DAMAGE TO OUR OTHER POLICY OBJECTIVES. IT IS NOT FOR ME TO JUDGE WHAT TAIWAN NEEDS TO MAINTAIN ITS DEFENSE, BUT OBVIOUSLY THE KEY QUESTION IN TERMS OF MINIMIZING DAMAGE TO OUR BROAD STRATEGIC INTERESTS IS THE QUESTION OF SUPPLY OF NEW ADVANCED MILITARY AIRCRAFT OR OTHER SOPHISTICATED MILITARY SYSTEMS. I ASSUME THAT DECISIONS IN THIS AREA WILL BE BASED, AS THE TAIWAN RELATIONS ACT SAYS, ON OUR ESTIMATE OF TAIWAN'S DEFENSIVE NEEDS. THE WASHINGTON STUDY OF TAIWAN'S

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SUBJECT CATEGORY: EAST

MESSAGE / ANNOTATION:

NEEDS AND THE BALANCE OF FORCES WITH THE PRC, NOW APPROACHING FINAL FORM, SHOULD SHED LIGHT ON WHAT WE NEED TO DO TO ASSURE TAIWAN'S SECURITY AND SELF CONFIDENCE. WE SHOULD USE THE RESULTS OF THAT STUDY AS THE BASIS FOR INFORMING THE PRC IN GENERAL TERMS HOW WE ARE APPROACHING OUR DECISIONS ON ARMS FOR TAIWAN.

12. SO FAR WE HAVE NOT BEEN ABLE ACCURATELY TO DISCERN THE LIMITS OF PRC FLEXIBILITY AND TOLERANCE ON ADVANCED ARMS TRANSFERS TO TAIWAN. THIS HAS INHIBITED EXAMINATION WITHIN THE USG OF THE RELATIVE COSTS AND BENEFITS OF VARIOUS COURSES OF ACTION TO IMPORTANT US POLICY INTERESTS. WE CANNOT GIVE THE PRC A VETO ON ACTIONS WE CONSIDER IMPORTANT TO US, BUT NEITHER IS IT PRUDENT TO MAKE DECISIONS WITHOUT HAVING A FAIR IDEA OF THEIR CONSEQUENCES.

13. IF WE CAN AVOID A CONFRONTATION DURING THE OCTOBER TALKS WE MAY BE ABLE TO OBTAIN, OVER A FEW MONTHS, A CLEARER IDEA OF PROBABLY PRC REACTIONS WHICH WILL HELP US EXAMINE THE RELATIVE COSTS AND BENEFITS TO IMPORTANT US POLICY INTERESTS OF VARIOUS COURSES OF ACTION. AT THE SAME TIME, BEIJING'S POSITION COULD GAIN SOME FLEXIBILITY AS THE DENG GROUP'S POSITION SOLIDIFIED, AS THE BENEFITS OF THE US RELATIONSHIP RIPEN, AND AS THE COSTS TO THE PRC OF A DETERIORATION IN OUR RELATIONS ARE BETTER UNDERSTOOD WITHIN CHINA.

14. FINALLY, THE POLITICAL ATMOSPHERE COULD BE ENHANCED SIGNIFICANTLY BY A SOMEWHAT MORE FORTHCOMING US STANCE ON RECONCILIATION. I RECOGNIZE THAT EVEN A MILD EXPRESSION OF USG HOPES THAT SOME DAY CONTACTS CAN BEGIN BETWEEN TAIWAN AND BEIJING WILL HAVE REPERCUSSIONS ON TAIWAN. NEVERTHELESS, I THINK THE BENEFITS WOULD OUTWEIGH THE COSTS. BEIJING'S BASIC OBJECTIONS TO ARMS SALES TO TAIWAN ARE FOUNDED ON THE BELIEF THAT, (A) THEY OBSTRUCT RECONCILIATION, AND (B) THEY ARE STEPS IN THE DIRECTION OF "TWO CHINAS". WE SHOULD FIND MEANS BOTH IN PRIVATE AND PUBLIC STATEMENTS TO REFUTE THESE POINTS, INDICATING THAT WE FAVOR RECONCILIATION AND REAFFIRMING OUR "ONE-CHINA" POLICY. (IT HAS NOT BEEN RESTATED RECENTLY.) THE MORE WE CAN AFFIRM IN OUR TALKS WITH ZHAO AND HUANG OUR POSITIONS ON THESE PRINCIPLES, THE MORE FLEXIBILITY ON SPECIFIC TAIWAN ISSUES WE WILL GIVE DENG XIAOPING AS WELL AS OUR OURSELVES, EVEN A SMALL MOVEMENT IN OUR STANCE ON RECONCILIATION

SENSITIVE

6

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SITUATION LISTING

DATE 11/10/81//314

SITUATION: FAR
SUBJECT CATAGORY: EAST

MESSAGE / ANNOTATION:

COULD PAY SUBSTANTIAL DIVIDENTS.
HUMMEL
BT
#1298
NNNN

SENSITIVE

SITUATION: CHECK
SUBJECT CATEGORY: LIST

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MESSAGE / ANNOTATION:

NLRR M386/1 #60163

MESSAGE:

BY KML NARA DATE 10/18/13

HCE710
OO RUEHC RUMJPG RUEHKO
DE RUEHC #3706 2871331
ZNY CCCCC ZZH
O 141302Z OCT 81
FM SECSTATE WASHDC
TO RUMJPG/AMEMBASSY BEIJING IMMEDIATE 6705
RUEHKO/AMEMBASSY TOKYO 0333
BT
~~CONFIDENTIAL~~ STATE 273706
TO FOR BARRACLOUGH FOR ALBRECHT
E.O. 12065: GDS 10/14/87 (HAIG, ALEXANDER M.)
TAGS: CH, ENSD

SUBJECT: MESSAGE FROM SECRETARY TO FOREIGN MINISTER HUANG HUA

1. ~~CONFIDENTIAL~~ ENTIRE TEXT.
2. PLEASE DELIVER FOLLOWING MESSAGE FROM SECRETARY HAIG TO FOREIGN MINISTER HUANG HUA.
3. QUOTE. DURING MY MEETINGS WITH VICE MINISTER ZHANG WENJIN RECENTLY, WE BOTH AGREED ON THE IMPORTANCE OF THE FORTHCOMING CANCUN SUMMIT AND ON THE DESIRABILITY OF FURTHER EXCHANGES OF VIEWS. I SAID I WOULD SEND A HIGH-LEVEL OFFICIAL TO BEIJING FOR THIS PURPOSE. I HAVE NOW ASKED DEPUTY ASSISTANT SECRETARY OF STATE ANTHONY ALBRECHT TO TRAVEL TO BEIJING THIS WEEK TO MEET WITH APPROPRIATE OFFICIALS IN YOUR MINISTRY. I KNOW THIS WILL BE A VERY USEFUL EXCHANGE. YOUR VIEWS ON HOW YOU PLAN TO APPROACH THIS MEETING WILL BE OF GREAT IMPORTANCE TO US AS WE FINISH OUR PREPARATIONS.
4. I LOOK FORWARD TO SEEING YOU AGAIN IN CANCUN AND IN WASHINGTON. UNQUOTE

FYI. ALBRECHT WILL TRAVEL ALONE, THERE IS NO O

FYI. ALBRECHT WILL TRAVEL ALONE, THERE IS NO ONE IN EB AVAILABLE AT THIS TIME.

HAIG
BT
#3706
NNNN

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

RECEIVED 14 OCT 81 18

TO ALLEN

FROM LILLEY

DOC DATE 14 OCT 81

KEYWORDS: CHINA P R

USSR

SUBJECT: TOUGH CHINESE POSITION AGAINST THE SOVIET UNION

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

ALLEN

COMMENTS

REF#

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(D /)

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BA (C)

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60164

9

~~CONFIDENTIAL~~

MEMORANDUM

5986

AT

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

INFORMATION

October 14, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: JAMES LILLEY *[Signature]*

SUBJECT: Tough Chinese Position Against the Soviet Union *(e)*

Usually about the time we are entering into high-level negotiations with the Chinese leadership you will hear screams from State saying that if the U.S. does not comply with what China wants, China will turn to the Soviet Union. This has been a recurring theme and popped up just before Haig's trip to China in an INR analysis. I pointed this out to you then. *(e)*

The State Department may well re-introduce this theme if they can get their hands on some evidence. Meanwhile, as you know they are saying that the Chinese might turn to the Democrats (a manageable problem in my view). In this respect, former Defense Secretary Harold Brown, former DIA Chief Gene Tighe and Kissinger's former assistant, Richard Solomon, are all over in China with the Peking Institute of Strategic Studies (please do not mess with the acronym). Tab B is a good report of Brown's sensible comments on Taiwan to the Chinese. *(e)*

This report at Tab A indicates the Chinese are building an even stronger line against the Soviet Union -- stronger than I've heard in some years -- because they are adding Stalin to the list of devils. I suggest that you keep this handy just in case you get a blurb from State echoing the latest Chinese hint that they will turn to the Soviets if we don't behave. *(e)* *Vat*

Attachments

- Tab A Beijing 11176 (Internal Document)
- Tab B Beijing 11276 (Brown discussions)

~~CONFIDENTIAL~~
Review 10/14/87

DECLASSIFIED
NLRR M386/1 #60164
BY KML NARA DATE 10/18/13

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60165

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NATIONAL SECURITY COUNCIL
MESSAGE CENTER

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USICA WASHDC
CINCPAC HONOLULU HI

~~CONFIDENTIAL~~ SECTION 1 OF 3 BEIJING 1176

CINCPAC FOR POLAD
E.O. 12065: GDS 10/9/87 (TAYLOR, JOHN J.) OR-M
TAGS: PEPR, UR, CH, SHUM, EGEN, SOCI, PINR, MILI
SUBJ: (C) MAJOR CHINESE INTERNAL DOCUMENT CASTIGATES
STALIN AND SOVIET INTERNAL AS WELL AS EXTERNAL
POLICIES

1. ~~C~~ - ENTIRE TEXT

2. SUMMARY: THE EMBASSY HAS OBTAINED AN INTERNAL CHINESE DOCUMENT ON THE SOVIET UNION'S INTERNAL AND EXTERNAL POLICIES WHICH COULD HAVE MAJOR IMPLICATIONS FOR THE FUTURE DIRECTION OF DEVELOPMENTS INSIDE CHINA AS WELL AS FOR SINO-SOVIET RELATIONS. THE DOCUMENT DECLARES THAT THE SOVIET UNION IS NOT A SOCIALIST COUNTRY BECAUSE IT PURSUES "SOCIAL IMPERIALISM" ABROAD AND BECAUSE ITS POWER STRUCTURE AT HOME LACKS THE BASIC ELEMENTS OF "SOCIALIST DEMOCRACY." THE DOCUMENT PRESENTS DETAILED CHARGES THAT STALIN CREATED A BUREAUCRATIC POWER STRUCTURE OF "GREAT EVIL" IN THE THIRTIES AND FORTIES WHICH FEATURED OVER-EMPHASIS ON HEAVY MILITARY INDUSTRY AND EXCESSIVE CENTRALIZATION OF POWER IN THE HANDS OF A FEW. THIS SYSTEM WAS PERPETUATED AND STRENGTHENED BY KHRUSHCHEV AND BREZHNEV, THE DOCUMENT STATES, AND HAS BECOME INCREASINGLY RELIANT ON FOREIGN EXPANSIONISM TO COMPENSATE FOR SEVERE INTERNAL ECONOMIC CONTRADICTIONS. UNDER STALIN, KHRUSHCHEV AND BREZHNEV, THE DOCUMENT ASSERTS, THE SOVIET UNION HAS LEFT THE SOCIALIST ROAD IN POLITICAL ECONOMIC AND FOREIGN POLICY AREAS. THE DOCUMENT HOLDS THAT SOVIET HEGEMONY IS BASED ON A HISTORICAL TRADITION OF EXPANSIONISM UNDER THE RUSSIAN CZAR COMBINED WITH THE NEED FOR THE INTERNAL SOVIET BUREAUCRATIC POWER STRUCTURE TO PERPETUATE ITSELF BY EXPANDING ABROAD.

3. THE ARTICLE REJECTS THE CENTRALIZED, AUTHORITARIAN POWER STRUCTURE BUILT BY STALIN, KHRUSHCHEV AND BREZHNEV IN THE SOVIET UNION AND PROVIDES A PHILOSOPHICAL RATIONALE FOR CHINA'S FUTURE POLITICAL AND ECONOMIC POLICIES. IT SUGGESTS THAT THE PRAGMATISTS IN POWER TODAY IN CHINA FAVOR THOSE THEORETICIANS WHO HAVE SUPPORTED A MORE LIBERAL MARXIST APPROACH TO DISTRIBUTING POWER IN A SOCIALIST SOCIETY, STRUCTURING ECONOMIC AND POLITICAL INSTITUTIONS, AND ORDERING PRIORITIES IN ECONOMIC GOALS. THE EMBASSY IS PREPARING A CHINA ESSAY WHICH WILL DEAL MORE COMPREHENSIVELY WITH THIS ISSUE. END SUMMARY.

4. THE EMBASSY HAS OBTAINED AN INTERNAL DOCUMENT ENTITLED, "THE ORIGINS OF SOVIET HEGEMONISM." THE DOCUMENT IS BASED ON A LECTURE GIVEN TO GRADUATE STUDENTS AND PROFESSORS IN THE BEIJING UNIVERSITY ECONOMICS DEPARTMENT BY THE FORMER DIRECTOR OF SOVIET AND EASTERN EUROPEAN AFFAIRS IN THE CHINESE COMMUNIST PARTY CENTRAL COMMITTEE'S INTERNATIONAL LIAISON DEPARTMENT, LIU KEMING. THE LECTURE WAS SUBSEQUENTLY PRINTED AND
BT

DECLASSIFIED

NLRR M386/1 # 60165

BY KML NARA DATE 10/18/13

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
MESSAGE CENTER

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O R 100203Z OCT 81
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TO SECSTATE WASHDC IMMEDIATE 6226

INFO CHINA POSTS COLLECTIVE
AMEMBASSY BONN 444
AMEMBASSY LONDON 978
AMEMBASSY PARIS 1208
AMEMBASSY PRAGUE 080
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USMISSION USUN NEW YORK 1371
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~~CONFIDENTIAL~~ SECTION 2 OF 3 BEIJING 11176

CINCPAC FOR POLAD
CORRECTED COPY (SECTION 02 OF 03 VICE 02 OF 02)
AND DISTRIBUTED AMONG THE UNIVERSITY'S GRADUATE SCHOOL
ECONOMIC STUDENTS AND PROFESSORS. IT HAS NOT
BEEN PUBLISHED OR REPORTED IN THE PRESS. THE AUTHOR IS
CURRENTLY THE DIRECTOR OF THE ACADEMY OF SCIENCE'S
INSTITUTE FOR SOVIET AND EASTERN EUROPEAN STUDIES.
HIS FORMER PARTY AND CURRENT "ACADEMIC" POSITIONS
MAKE THE DOCUMENT AN AUTHORITATIVE VIEW OF SOVIET
INTERNAL AND EXTERNAL POLICIES.

5. THE MOST STRIKING FEATURE OF THE DOCUMENT IS ITS
APPRAISAL OF THE SOVIET UNION AS AN UNREALENTING
IMPERIALISTIC POWER DRIVEN BY INTERNAL ECONOMIC
CONTRADICTIONS AND A TYRANNICAL POWER STRUCTURE.
STALIN, IT CLAIMS, "DESTROYED THE ROOTS OF SOCIALISM"
IN THE USSR. KHRUSHCHEV AND BREZHNEV FOLLOWED UP
STALIN'S FOREIGN POLICY OF "GREAT POWER CHAUVINISM,"
WITH A FOREIGN POLICY OF HEGEMONISM. THE SOVIET
UNION, THE DOCUMENT CHARGES "HAS BECOME AN IMPERIALIST
COUNTRY WITH STATE MONOPOLIES. THIS IS SOCIAL
IMPERIALISM."

6. THE TERM "SOCIAL IMPERIALISM" WAS AN IMPORTANT PART
OF BEIJING'S CHARACTERIZATION OF THE SOVIET UNION AFTER
THE INVASION OF CZECHOSLOVAKIA AND BEFORE THE DEATH
OF MAO, A PERIOD WHEN SINO-SOVIET POLEMICAL EXCHANGES
WERE SUSTAINED AND SHRILL. LIKE THE RECENT RE-APPRAISAL
OF MAO'S CONTRIBUTIONS, THE TREATMENT OF THIS SUBJECT
REFLECTS BEIJING'S NEW WILLINGNESS TO DEAL WITH DIFFICULT
IDEOLOGICAL ISSUES. THE REASSERTION OF THE LABEL "SOCIAL
IMPERIALISM" AND THE ATTENDANT CONDEMNATION OF
SOVIET INTERNAL POLICIES AS NON-SOCIALIST RE-AFFIRMS
THE IDEOLOGICAL DIMENSION AS ONE ASPECT OF THE

RANGE OF POLITICAL, STRATEGIC, TERRITORIAL, AND
PSYCHOLOGICAL DIFFERENCES BETWEEN THE SOVIET UNION,
AND CHINA. NOTABLY, THE DOCUMENT REJECTS THE TERM "REVISION-
IST" WHICH THE CHINESE USED IN THE 60'S TO CHARACTERIZE
THE ALLEGED RESTORATION OF CAPITALISM IN THE USSR.

7. THE LENGTHY TREATMENT OF THE SOVIET UNION'S
DEPARTURE FROM THE SOCIALIST PATH IN INTERNAL AND
EXTERNAL POLICIES AND ITS DENUNCIATION OF SOVIET
LEADERS INCLUDING STALIN HAVE NOT YET SURFACED IN THE
CHINESE PUBLIC MEDIA. THEIR APPEARANCE IN THIS FORM,
HOWEVER, INDICATES THAT THE PARTY LINE MAY NOW BE
ESTABLISHED. THEY COINCIDE WITH THE VIEWS WE HAVE
HEARD IN PRIVATE FROM CHINESE ACADEMICS AND MARXIST
THEORISTS, INCLUDING LI SHENGZHI, DIRECTOR OF THE
AMERICAN INSTITUTE AND A LEADING MEMBER OF THE MARXIST-
LENINIST INSTITUTE. SEEPAGE INTO THE PUBLIC DOMAIN
OR A MORE FORTHRIGHT PUBLIC PRESENTATION OF THEIR
THESIS MAY NOT BE FAR AWAY.

8. IT IS NOTEWORTHY IN THIS REGARD THAT MOSCOW HAS
LONG DENOUNCED CHINA'S OWN INTERNAL SOCIAL AND ECONOMIC
POLICIES. THE SOVIET MEDIA, HOWEVER, HAVE YET TO
DEPICT CHINA AS A NON-SOCIALIST COUNTRY, ALTHOUGH
SOVIET THEORETICAL JOURNALS ARE WARNING THAT THE
APPEARANCE OF CAPITALIST INFLUENCES IN CHINA
COULD "GET OUT OF HAND" IF ALLOWED TO DEVELOP FURTHER.
BT

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12

NATIONAL SECURITY COUNCIL
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PAGE 01 BEIJING 1176 DTG: 100203Z OCT 81 PSN: 022998
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EXPLOITATION BY THE POLISH BUREAUCRATIC POWER STRUCTURE.

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11. ALTHOUGH NOT DIRECTLY ADDRESSED, THERE IS AN UNMISTAKABLY CLEAR ANALOGY BETWEEN MAO'S STYLE OF LEADERSHIP DURING THE CULTURAL REVOLUTION AND STALIN'S MISTAKES IN INTERNAL POLICY. THE DOCUMENT CLAIMS THAT SOVIET SUCCESSORS TO STALIN HAD THE SAME OPTIONS AS DID MAO'S SUCCESSORS: RETURNING TO GENUINE SOCIALISM OR CONTINUING ON THE PATH TOWARD NON-SOCIALISM. KHRUSHCHEV AND MAO, LIU CHARGES, TOOK THE LATER COURSE

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12. THE DOCUMENT CONCLUDES BY ADVOCATING THAT CHINA "THROW OFF THE FETTERS" OF THE SOVIET MODEL, PROCEED ACCORDING TO CHINA'S REAL SITUATION" AND CONSTRUCT A "CHINESE STYLE SOCIALIST ROAD." IT CALLS FOR A RESOLUTE STRUGGLE AGAINST THE USSR, "THIS HEGEMONGISTIC, IMPERIALISTIC COUNTRY WEARING SOCIALIST CLOTHES," AND DECLARES THAT SOVIET POLICIES MAKE AN IMPROVEMENT IN SINO-SOVIET RELATIONS IMPOSSIBLE.

TO SECSTATE WASHDC IMMEDIATE 6227

13. LIU'S THESIS PROVIDES A PHILOSOPHICAL RATIONAL FOR THE FUTURE DIRECTION OF CHINA'S POLITICAL AND ECONOMIC POLICIES. ITS PROMULGATION, ALTHOUGH STILL TO A RESTRICTED AUDIENCE, SUGGESTS THAT THE PRAGMATISTS IN POWER TODAY FAVOR THOSE THEORETICIANS WHO HAVE ARGUED FOR MORE LIBERAL MARXIST APPROACH TO DISTRIBUTING POWER IN A SOCIALIST SOCIETY, STRUCTURING ECONOMIC AND POLITICAL INSTITUTIONS, AND ORDERING PRIORITIES IN ECONOMIC GOALS.

INFO CHINA POSTS COLLECTIVE
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USMISSION USNATO 304
DIA WASHDC
USICA WASHDC
CINCPAC HONOLULU HI

14. EMBASSY IS OUCHING TO THE DEPARTMENT AN AIRGRAM WITH MORE DETAILS OF LIU'S ARTICLE AND ENCLOSING A COPY OF THE CHINESE TEXT.
HUMMEL
BT

~~CONFIDENTIAL~~ SECTION 3 OF 3 BEIJING 11176

CINCPAC FOR POLAD

9. ANOTHER NOTEWORTHY FEATURE OF THE DOCUMENT IS

THE UNDERCURRENT OF FEAR REGARDING SOVIET MILITARY INTENTIONS TOWARD CHINA. THE DOCUMENT MAKES IT CLEAR THAT CHINESE FEARS HAVE BEEN KEPT ALIVE BY THE CONTINUING SOVIET MILITARY BUILD UP ON THE SINO-SOVIET BORDER IN MONGOLIA AND SIBERIA, THE SOVIET INVASION OF AFGHANISTAN, AND THE SOVIET USE OF VIETNAM AND POTENTIALLY INDIA TO ENCIRCLE CHINA. THE DOCUMENT CHARACTERIZES THE SOVIET AGGRESSIVE THRUST IN THE WORLD AS NOT LINKED TO ANY INDIVIDUAL LEADER, OR TO MISTAKES MADE OVER A PARTICULAR PERIOD OF TIME BUT RATHER AS A LONG TERM STRATEGIC DESIGN MOVING INEXORABLY FORWARD. LIU'S ATTENTION TO THE SOVIET EMPHASIS ON SIBERIA DURING THE BREZHNEV ERA AS "OF MILITARY SIGNIFICANCE IN FACING CHINA" REVEALS BEIJING'S SENSITIVITY TO THE LONG TERM STRATEGIC IMPLICATIONS OF SIBERIAN DEVELOPMENT THAT RARELY APPEARS IN CHINESE PUBLIC OR EVEN PRIVATE COMMENT.

10. THE DOCUMENT PRESENTS A DRAMATIC ESCALATION OF THE CHINESE CRITICISM OF STALIN. IT NOTES STALIN'S "GREAT ACHIEVEMENTS" BETWEEN 1928 AND 1940 IN INDUSTRIALIZING THE SOVIET UNION AND LAYING THE FOUNDATIONS FOR VICTORY IN WORLD WAR II, BUT IT ATTACKS STALIN FOR DESTROYING THE PARTY AND SOVIET "LEGAL SYSTEM," AND INSTITUTING ONE-MAN RULE. MORE SIGNIFICANT TO THE MAIN THESEIS, IT CHARGES STALIN WITH CREATING A BUREAUCRATIC POWER STRUCTURE OF "GREAT EVIL" THAT HAS BEEN PERPETUATED AND STRENGTHENED BY HIS HEIRS, WHO HAVE UTILIZED IT FOR EXPLOITATION OF WORKERS IN THE SOVIET UNION AND FOR EXPANSION ABORAD. IN A REMARKABLE ASIDE, LIU NOTES THAT THE WORKERS OF POLAND HAVE RISEN UP AGAINST SIMILAR

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13

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PAGE 01 BEIJING 1276 DTG: 140417Z OCT 81 PSN: 027597
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~~SECRET~~ BEIJING 11276

EXDIS
CINCPAC FOR POLAD
E.O. 12065: RDS-1 10/14/01 (HUMMEL, ARTHUR W., JR.) OR-M
TAGS: PEPR, MASS, CH, TW
SUBJECT: HAROLD BROWN DISCUSSIONS WITH PRC

1. ~~SECRET~~ - ENTIRE TEXT.
2. FORMER SECDEF HAROLD BROWN, ACCOMPANIED BY GEN TIGHE (RET DIA) AND RICHARD SOLOMON (RAND CORP), HELD DISCUSSIONS WITH PRC OFFICIALS IN BEIJING OCT 9-10. BROWN IS ON PRIVATE VISIT HOSTED BY PRC INSTITUTE OF STRATEGIC STUDIES. PARTY, INCLUDING MEMBERS OF BROWN'S FAMILY, ARE NOW TRAVELLING IN NORTHEAST, INCLUDING SHENYANG, AND XINJIANG INCLUDING URUMCHI. THEY RETURN TO BEIJING OCT 17 FOR ONE DAY.
3. THIS MESSAGE CONSTITUTES PARTIAL REPORT OF DISCUSSION ON OCT 10 WITH VPRIMIN/DEFMIN GENG BIAO, WHICH I ATTENDED. NAVALATT CAPT SAM MONK ATTENDED THIS AND ALL OTHER BEIJING TALKS AND WILL PROVIDE FULLER REPORTS THROUGH DAO CHANNELS. BROWN INTENDS TO GIVE EMBASSY WRAP-UP OF HIS DISCUSSIONS ON HIS RETURN OCT 17
4. GENG BIAO TOUCHED ONLY LIGHTLY ON TAIWAN DURING HIS LENGTHY OPENING PRESENTATION, WHICH INCLUDED FAMILIAR STATEMENTS ON PRC POSITIONS ON WIDE RANGE OF GLOBAL ISSUES. ON TAIWAN, HE SAID PRC IS FIRMLY OPPOSED TO ANY US ARMS SALES TO TAIWAN. HE REFERRED TO MARSHAL YIE JIANYING'S 9-POINT APPEAL OF SEPT 30 FOR RECONCILIATION WITH TAIWAN AND HOPED THAT THE USG COULD COOPERATE IN HELPING RECONCILIATION.
5. BROWN RESPONDED AT SOME LENGTH, SAYING THAT HE REMEMBERED THAT DURING DISCUSSIONS SURROUNDING NORMALIZATION IN DEC-JAN 1978-79 US SIDE HAD MADE IT VERY CLEAR THAT ARMS SALES WOULD CONTINUE, AND WHILE PRC HAD EXPRESSED ITS STRONG DISAGREEMENT, THE PRC HAD GONE AHEAD WITH NORMALIZATION ANYWAY. BROWN, EMPHASIZING THROUGHOUT HIS NON-OFFICIAL STATUS, SAID PRC SHOULD NOT BE MISLED BY STATEMENTS ON TAIWAN MADE EARLY IN THE NEW ADMINISTRATION.

BROWN THOUGHT THAT SOME OF THOSE STATEMENTS WERE THE RESULT OF LACK OF TIME TO STUDY THE REAL ISSUES; NOW, HE SAID, THERE WAS GOOD UNDERSTANDING OF THOSE ISSUES.

6. BROWN THOUGHT THAT REAGAN ADMINISTRATION WOULD CONTINUE TO FOLLOW ORIGINAL GUIDELINES AS LAID DOWN BY CARTER ADMINISTRATION -- THAT ARMS FOR TAIWAN WOULD BE CAREFULLY MANAGED, AND THEY WOULD NOT UPSET THE BALANCE OF FORCE IN THE TAIWAN STRAITS BY INTRODUCTION INTO TAIWAN OF ADVANCED SYSTEMS. THE PRESENT ADMINISTRATION, HE SAID, UNDERSTANDS THE HIGH IMPORTANCE OF US-PRC COOPERATION IN MAINTAINING THE STRATEGIC BALANCE, AND KEEPING PRESSURES ON THE SOVIETS.

7. BROWN THEN GAVE EXPOSITION OF HIS VIEW THAT THE PRC'S OWN INTERESTS SHOULD DICTATE A PRUDENT AND CONTINUING LEVEL OF US ARMS SALES TO TAIWAN. IF SUCH SALES TERMINATED, THERE WOULD BE A REAL DANGER THAT THE TAIWAN AUTHORITIES WOULD LOSE SELF-CONFIDENCE AND CONSIDER TURNING ELSEWHERE FOR HELP, PERHAPS EVEN TO THE SOVIETS. AN EQUALLY UNDESIRABLE POSSIBILITY WOULD BE THAT THE NATIVE TAIWANESE WOULD BECOME UNMANAGEABLE AND MIGHT CAUSE SERIOUS INTERNAL TROUBLES FOR THE MAINLANDER AUTHORITIES WITH A POSSIBLE END RESULT OF DECLARING AN INDEPENDENT TAIWANESE NATION. THE USG, BROWN EMPHASIZED, THUS BELIEVED IT IMPORTANT TO CONTINUE ARMS SALES, WHICH WE DO NOT BELIEVE OBSTRUCT, BUT RATHER PROMOTE OVER THE LONG RUN, A CLIMATE CONDUCTIVE TO RECONCILIATION.

8. GENG BIAO RESPONDED BRIEFLY, AND SOMEWHAT GLUMLY, THAT THE PRC REMAINS FIRMLY OPPOSED TO US ARMS SALES TO TAIWAN. ✓

ON A POSSIBLE DATE FOR DEPUTY CHIEF OF STAFF LIU HUACHING'S VISIT TO THE US, WHICH I SAID THE USG WOULD WELCOME. GENG IN AN UNCLEAR RESPONSE SAID THE PRC WANTS THE VISIT TO BE PRODUCTIVE AND WANTS TO BE SURE CONDITIONS ARE RIGHT BEFORE SETTING A DATE.

10. COMMENT: THE PRC IS STILL SCRUPULOUSLY AVOIDING LINKING ITS POSTPONEMENT OF THE LIU VISIT WITH ANY OTHER EVENTS, BUT IT SEEMS CLEAR THAT THEY FIRST WANT TO SEE THE RESULTS OF THE SUMMIT MEETING AT CANCUN AND FONMIN HUANG'S VISIT TO WASHINGTON. HUMMEL ✓
BT

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10/27/81

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TO ALLEN

FROM LILLEY

DOCDATE 14 OCT 81

KEYWORDS: CHINA P R

MEDIA

SUBJECT: CHINESE REACTION TO ALLEN FACE THE NATION STATEMENTS

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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NLRR M386/1 #60167

BY KML NARA DATE 10/18/13

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INFORMATION

October 14, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: JIM LILLEY *[Signature]*

SUBJECT: Chinese Reaction to your Face The Nation Statements (U)

Jim I agree with what you recommend. but's follow the West. Moreover, even in today's world nobody OR did you "freak" .. what interest you have? wa

At Tab A is a short cable from our Embassy in Peking describing the Chinese reaction to your Face The Nation statements. The Chinese predictably whine about your reference to the TRA and your comment about provision of weapons of a defensive character to Taiwan. As our Embassy points out, the Chinese response is pro forma and the Embassy waves its finger at us and says we should not mention arms sales at this point. (C)

My opinion is that your comments were on the mark. I say this because I believe they represent a commonality of views that has emerged from our exchanges over the past several months. As I see it, you have made these points:

-- We are going to sell weapons to Taiwan. What weapons we eventually sell is our decision, but we will take Chinese concerns into account.

-- The providing of arms to Taiwan is related to a "permanent solution." This repeats the historic transition period of Brzezinski, but in a different context. We are saying to Peking that as long as the problem of its relations with Taiwan is not solved, we will contribute to a strong and stable Taiwan.

-- Your comment that we watch with interest and anticipation the development of a dialogue holds out the possibility that a strong Taiwan is a much better dialogue partner than a weak and unstable Taiwan. This is an important message to drive home in Peking. There is an implicit connection between arms sales to Taiwan and a non-specific hope that a dialogue will ensue.

-- The sale of advanced aircraft to Taiwan, bringing about a strong Taiwan, could be related to a Taiwan which would be more willing to talk to Peking. (C)

What underlies the above points is the mood in Taiwan which runs against reunification. In order to take on oppositionists,

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President Chiang must feel he has strong U.S. backing. To deprive him of this at this juncture would cause those conditions in Taiwan which would be detrimental to the interests of both Peking and Washington. (C)

I have heard some mutterings from the Taiwan side about your comment that the U.S. watches with great interest the development of a dialogue. I have told my Taiwan friends that "dialogue" is any conversation between residents of Peking and Taiwan and that this goes on all the time everywhere. I have informed them that we watch this phenomenon with interest. (C)

I understand that State's talking points for Cancun are general in nature and preserve the flexibility and Presidential character of the exchange. This is what I have been advocating all along. I will probably be suggesting to you that the President consider making some comment to the Chinese Premier along the lines of the points above. (C)

Attachment

Tab A Beijing 11252

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PAGE 01 BEIJING 1252 DTG: 130959Z OCT 81 PSN: 026236
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TO TAIWAN FOLLOWING THE CHINESE INITIATIVE FOR RECONCILIATION WITH TAIWAN, WOULD HAVE A VERY NEGATIVE SYMBOLIC EFFECT AND COULD BE UTILIZED TO UNDERCUT THE INITIATIVE. ZI INSISTED THAT "NOW WOULD BE THE WORST POSSIBLE TIME" TO RAISE THE ISSUE OF US ARMS TO TAIWAN.
HUMMEL
BT

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CINCPAC FOR POLAD
E.O. 12065: RDS-1 10/13/91 (TAYLOR, JOHN J.) OR-M
TAGS: CH, TW, MASS, US, PEPR
SUBJECT: (C) CHINESE PRESS RESPONDS TO NSC ADVISOR ALLEN'S STATEMENT ON ARMS SALES TO TAIWAN

1. (U) XINHUA ON OCTOBER 12 DISTRIBUTED AN ARTICLE REPORTING WHITE HOUSE NATIONAL SECURITY ADVISOR RICHARD ALLEN'S COMMENTS ON BEIJING'S CONCILIATION PROPOSALS TO TAIPEI AND THE TAIWAN RELATIONS ACT (TRA) ON THE CBS "FACE THE NATION" PROGRAM. AFTER CITING ALLEN'S COMMENTS ON THE TRA, THE ARTICLE REITERATES THE CHINESE POSITION THAT "THE UNITED STATES SHOULD NOT INTERFERE IN THE INTERNAL AFFAIRS OF CHINA WITH ONE OF ITS DOMESTIC LAWS AND THE CHINESE GOVERNMENT HAS STRONGLY REJECTED THE US CONTINUED SALE OF ARMS TO TAIWAN. "THE ARTICLE THEN QUOTES ALLEN AS STATING THAT THE TRA "ALSO ENVISIONS THE ULTIMATE PROVISION OF WEAPONS OF A DEFENSIVE CHARACTER TO PROVIDE FOR THE DEFENSE OF TAIWAN, ABSENT SOME MORE FAR REACHING PERMANENT SOLUTION TO THE PROBLEM." THE ARTICLE CONCLUDES BY STATING THAT "ALLEN MADE THIS STATEMENT AFTER CHAIRMAN HE JINGYING MADE HIS SEPTEMBER 30 STATEMENT ON CHINA'S PEACEFUL REUNIFICATION. THIS CAN ONLY DAMAGE THE CHINESE PEOPLES EFFORT FOR PEACEFUL REUNIFICATION."

2. (U) COMMENT: THE CHINESE HAVE OFTEN SHOWN THEIR SENSITIVITY ON US JUSTIFICATION OF ACTIONS REGARDING TAIWAN UNDER THE UMBRELLA OF THE TAIWAN RELATIONS ACT. THIS QUICK BUT RELATIVELY RESTRAINED CHINESE RETORT TO NATIONAL SECURITY ADVISOR ALLEN'S LINKAGE OF THE TRA AND ARMS SALES TO TAIWAN REFLECTS THIS SENSITIVITY.

3. (U) THE ARTICLE'S REFERENCE TO THE TIMING OF ALLEN'S REMARKS COMING IN THE WAKE OF THE YE JINGYING SEPTEMBER 30 STATEMENT ALSO COINCIDES WITH EXPRESSIONS OF CONCERN WE HAVE BEEN HEARING IN OUR PRIVATE CONTACTS WITH CHINESE HERE. DURING OCTOBER 10 CONVERSATION WITH AN EMBOFF, AMERICAN SPECIALIST AND MEMBER OF THE MFA AFFILIATED INSTITUTE OF INTERNATIONAL STUDIES, ZI ZHONGLUN, STATED THAT US REFERENCE TO ARMS SALES

*JIM LILLEY
Assume you saw this fan*

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Comments:

RVA NOTE: "Jim- I agree with what you recommend. Let's follow this track. Moreover the Was. Post noticed in today's editorial! or did you 'tweak' this interest you devil? RVA"

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PAGE 1 - 258

SITUATION LISTING

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CINCPAC FOR POLAD
E.O. 12065: RDS-1, 10/16/01 (HUMMEL, ARTHUR W. JR.) DR-M
TAGS: UR, CH, PEPR, US, PBR
SUBJECT: (✓) SOVIET DIPLOMAT ON PROPOSAL FOR SINO-SOVIET
BORDER TALKS
REF: BEIJING 11389

1. ~~ENTIRE~~ ENTIRE TEXT.
2. SUMMARY: IN CONVERSATION WITH EMBOFF, A SOVIET DIPLOMAT MIXED STANDARD SOVIET WARNINGS ABOUT AN EVENTUAL IMPROVEMENT IN SINO-SOVIET RELATIONS WITH THE COMMENT THAT MOSCOW HAS PROPOSED THE RESUMPTION OF SINO-SOVIET BORDER TALKS. WHEN ASKED, HOWEVER, HE EXPRESSED PESSIMISM ABOUT THE CHINESE RESPONSE TO THE SOVIET PROPOSAL. HE PREDICTED THAT BEIJING WOULD NOT AGREE TO TALKS IN THE IMMEDIATE FUTURE, ADDING THAT NEGOTIATIONS ON THE BORDER COULD BEGIN "IN A YEAR OR TWO". END SUMMARY.
3. SOVIET POLITICAL COUNSELOR EUGENE KALACHEV CALLED ON EMBOFF OCTOBER 16. DURING THE MEETINGS, KALACHEV REITERATED THE STANDARD SOVIET WARNING THAT OVER TIME --"PERHAPS IN THREE TO FIVE YEARS" SINO-SOVIET RELATIONS WILL IMPROVE SINCE CHINA WILL EVENTUALLY WANT TO ESTABLISH A "BALANCE" BETWEEN THE SOVIET UNION AND THE UNITED STATES. HE VOLUNTEERED THAT THE PROBLEM OF TIQWAN WOULD CONTINUE TO BEDEVIL SINO-US RELATIONS. KALACHEV ALSO SAID THAT THE CHINESE APPEAR TO BE

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RETURNING TO THE THREE WORLD'S THEORY WHICH CHARACTERIZES BOTH SUPER POWERES AS SEEKING WORLD HEGEMONY, ALTHOUGH THIS IS OF COURSE MOSTLY PROPAGANDA, HE STATED, IT ALSO UNDERLINES CHINA'S DESIRE "TO FOLLOW A PRO-CHINESE RATHER THAN A PRO-AMERICAN FORIEGN POLICY" OVER THE LONGER RUN.
4. KALACHEV THEN REMARKED THAT AN INTERESTING DEVELOPMENT HAS TAKEN PLACE IN SIND-SOVIET RELATIONS IN THE FORM OF A SOVIET PROPOSAL TO RESUME BORDER NEGOTIATIONS. EMBOFF RESPONDED THAT THIS NEWS HAS BEEN CIRCULATING IN THE BEIJING DIPLOMATIC COMMUNITY AND ASKED ABOUT THE LIKELY CHINESE RESPONSE. KALACHEV ANSWERED THAT HE THOUGHT THE CHINESE WOULD GIVE A NEGATIVE RESPONSE AND ADDED THAT THE SOVIET UNION INTENDS TO KEEP THE PROPOSAL ON THE TABLE. ELABORATING, KALACHEV SAID THAT THE AFGHANISTAN SITUATION, WHICH HAS COMPLETELY RULED OUT PROSPECTS FOR SIND-SOVIET STATE-TO-STATE TALKS, HAS ALSO NEGATIVELY AFFECTED THE BORDER TALKS. NEGOTIATIONS ON THE BORDER WOULD THEREFORE NOT START IN THE IMMEDIATE FUTURE HE PREDICTED, BUT WOULD RESUME "IN A YEAR OR TWO."

5. COMMENT: KALACHEV'S PREDICTION ABOUT THE CHINESE RESPONSE ON A RESUMPTION OF BORDER NEGOTIATIONS COINCIDES WITH CHINESE MFA'S LIU GUANGZHI'S PESSIMISM REPORTED REFTEL. THE NEGATIVE SOVIET OUTLOOK ON THE CHINESE REACTION TO MOSCOW,S PROPOSAL SUGGESTS THAT THE TWO SIDES MAY ALREADY BE CONSIDERING MOVING THE LATEST INITIATIVE INTO THE PROPAGANDA REALM, WITH MOSCOW CONCENTRATING ON BEIJING'S INTRANSIGENCE IN RESUMING TALKS AND BEIJING ATTACKING SOVIET INSINCERITY. END COMMENT.

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FROM HAIG, A

DOC DATE 16 OCT 81

KEYWORDS: CHINA P R

VISIT

HUANG HUA

AP

CM

SUBJECT: REQUEST APPT FOR FOMIN HUA W/ PRES ON 30 OCT

ACTION: PREPARE MEMO FOR ALLEN

DUE: 16 OCT 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

LILLEY

GREGG

TYSON

COLSON

LENZ

URGENT

COMMENTS *** 3 HOURS RESPONSE FOR CABINET LEVEL MEMO ***

Pointexter has orig of Haig 10/28 memo

REF# 8129057

LOG 8105904

NSCIFID

(H /)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

RUA *IX* *10/16* *Pres for [unclear] decision*

Pres *P* *10/17* *for decision* *EM, JB, MD*

- *10/19* *Pres approved recon*

Willey *S* *10/19* *further action* *10/21*

Allen *X* *10/20* *for decision* *WJF*

Willey *S* *10/27* *for further action* *WJF* *OTC*

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

10/1 *10/1* *10/1* *10/1* *10/1*

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RUA	IX	10/16	Pres for info decision		
Pres	P	10/17	for decision		EM, JB, MD
	-	10/19	Pres approved rework		
Willey	S	10/19	further action	10/21	
Allen	X	10/20	for decision	10/21	
Willey	S	10/27	for further action		CTV

DISPATCH _____ W/ATTCH FILE _____ (C)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

	d	10/27	Lenz of Memo to Bremer (via LK)		CT, DG, DG
	Z	10/28	Recd Haig Memo		
Willey	S	10/28	Prepare Memo for RWA	10/29	CT, DG, CS, RK, LZ
	C	10/29	noted by the Pres		JL, ET

DISPATCH _____ W/ATTCH FILE PA (C) dsm

60170

~~SECRET~~

The President has seen 10/29/81

6068 Add-on

23

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

ACTION

October 28, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *Julie*

SUBJECT: Your Meeting with Chinese Vice Premier
Huang Hua, October 29, 11:45 a. m. (U)

You are scheduled for a half-hour meeting with Vice Premier Huang Hua at 11:45 on Thursday 29 October. He was with the Chinese Premier Zhao at Cancun. Although Huang speaks and understands English, interpreters probably will be used. (U)

I recommend that you not engage Huang on the issue of arms sales to Taiwan. If he brings it up, I suggest that you say that this should be discussed between him and Secretary Haig and others. (U)

-- You could add that the strategic relationship between the U. S. and China is critical and global. No bilateral issue should be allowed to upset this relationship. The issue of arms sales will be handled prudently and with due consideration to the views of Peking.

-- Bilateral exchanges on a broad front have been fruitful for both sides. China and the U. S. have just signed three new scientific protocols during Vice Premier Fang's visit. The first Export-Import Bank loans have been approved and there are numerous students in our respective countries.

-- You are personally interested in technology transfer and during your meeting in March this year with Ambassador Chai you personally informed him of several items of technology which had been approved for China and which were not to be available to the Soviet Union.

-- As a follow-on, you have approved significant upgrading of transfer of technology to the PRC, have removed China from the Munitions Control List, and you have personally recommended that obstructive legislation be removed.

-- U. S.-China-ASEAN cooperation has checked Vietnamese aggression and has focused international attention on the Vietnamese occupation of Cambodia.

~~SECRET~~

Review on October 27, 1987

DECLASSIFIED

NLRR M386/1 # 60170

~~SECRET~~

BY KML NARA DATE 10/18/13

~~SECRET~~

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-- U.S.-China-Pakistan cooperation with Afghan "freedom fighters" has resulted in the Russians being bogged down in Afghanistan and has brought world-wide condemnation for their continued occupation of that Moslem country.

-- U.S. and China must work together to reverse the trend of pacifism and neutrality in Europe. The Soviets are heavily involved in exploiting this movement and it represents a continuing threat to our global strategy of checking Soviet aggression. (S)

A note on Huang Hua: He first came into contact with Americans in the mid-1930's when he was an interpreter for Edgar Snow. He attended the Harvard-affiliated Yenching University in Peking and has been dealing with Americans through his entire career. Huang vacillates between being a charming, smiling, affable diplomat and a hard-nosed, dogmatic communist. (S)

~~SECRET~~

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MEETING WITH HUANG HUA (VICE PREMIER, CHINA)

- YOU HAVE TAKEN PERSONAL INTEREST IN LIBERALIZING TECHNOLOGY TRANSFER TO CHINA.
- U.S.-CHINESE BILATERAL EXCHANGES PROGRESSING - TRADE UP TO \$5 BILLION, 7000 CHINESE STUDENTS IN U.S.
- U.S.-CHINESE-ASEAN COOPERATION BLOCKED VIETNAMESE AGGRESSION IN CAMBODIA AND HAS RESULTED IN WORLD-WIDE CONDEMNATION.
- A STABLE, PEACEFUL, PROSPEROUS TAIWAN IS IN ALL OUR INTERESTS.
- TAIWAN ARMS SALES WILL BE HANDLED PRUDENTLY. CANNOT BE ALLOWED TO JEOPARDIZE MORE IMPORTANT STRATEGIC INTERESTS.

DECLASSIFIED

NLRR M386/1 * 60171

BY KML NARA DATE 10/18/13



Director
Central
Intelligence

60172

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~~Secret~~



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13526
E.O. 12958
~~As Amended~~
Sec. 3.3 b(1)
3.5c

Deng Xiaoping and the FX Aircraft Issue

Interagency Intelligence Memorandum

~~Secret~~

NI IIM 81-10020X
22 October 1981

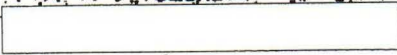
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NLRR MIL-386#60172

BY _____ NARA DATE _____

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DENG XIAOPING AND THE FX AIRCRAFT ISSUE

Information available as of 16 October 1981 was
used in the preparation of this Memorandum.

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KEY JUDGMENTS

Deng Xiaoping—China's preeminent policymaker and the architect of the normalization of US-Chinese relations—is prepared to downgrade both the symbolic and substantive nature of relations with the United States if Washington breaches the limits of Chinese tolerance of arms transfers to Taiwan. China has identified the sale of an FX aircraft as outside those limits.

Despite consolidation of Deng's power since the late 1970s, significant resistance to his policies remains. Those who resist him on specific issues do not now, however, constitute a cohesive opposition.

Deng is uniquely identified with the US relationship, and he will act to limit his own political vulnerabilities on the Taiwan issue in order to preserve the consensus behind his overall policies. Deng is fully capable of sacrificing elements of his policy toward the United States in order to preempt his opponents and protect his position. Thus protected, he appears strong enough to ride out even a serious setback on the Taiwan arms issue.

Chinese concern over the direction of US policy has prompted Beijing's repeated warnings—accompanied by a progressive narrowing of options—regarding the consequences for bilateral relations of unacceptable arms sales to Taiwan. Beijing is positioned to portray a US decision to sell the FX as a violation of the understandings implicit in normalization and as a grave blow to hopes for peaceful reunification with Taiwan. The Chinese appear equally opposed to either the F-5G or F-16/79 versions of the FX.

In the event of an outright sale of an FX aircraft to Taiwan, Beijing almost certainly would demand the withdrawal of the Ambassadors in both capitals and would reduce various forms of cooperation. Chinese efforts to act in parallel with Washington on policies toward the USSR and the Third World also would come under increased pressure.

It is highly unlikely that Deng would forgo sanctions even if an FX sale were managed in a discreet, incremental, and publicly ambiguous

Note: This Interagency Intelligence Memorandum was prepared under the auspices of the National Intelligence Officer for East Asia. It was coordinated with the National Foreign Assessment Center, Central Intelligence Agency; the Bureau of Intelligence and Research, Department of State; the Defense Intelligence Agency; the National Security Agency; and the intelligence organizations of the military services.

manner.¹ The Chinese view the FX issue as a litmus test of the US commitment to the "one China" principle, first expressed in the 1972 Shanghai Communique.

On the other hand, if US-sponsored improvements in Taiwan's military capabilities fall short of an FX or comparable advanced weapon systems, Beijing would formally protest the sales but would not permit them to impede the development of other aspects of US-Chinese relations.

¹ Specifically Beijing would react negatively to any US strategy for providing Taiwan the improved engine that in effect makes an F-5E into an F-5G (FX).

DISCUSSION

1. Deng Xiaoping has been one of the central figures in Chinese politics since the People's Republic was founded in 1949. His abrupt manner and willingness to take great risks, however, have brought him trouble along with success. Knocked out of power by Mao Zedong in 1966, Deng returned in 1973, only to be purged again in 1976 by a dying Mao concerned about Deng's independence. With the purge of the Politburo's left wing—the Gang of Four—after Mao's death in 1976, Deng again began the climb to leadership that has made him the strongest man in China today.

2. Deng has chipped away at the reputations of his rivals by associating them with offenses committed when he was out of power. He has removed leftist opponents from the Politburo and diluted the strength of others who have resisted his initiatives. But Deng lacks Mao's sway. He has succeeded because of his drive, connections, strategy, and compromises. Invoking Deng's name is not always enough to silence critics; indeed, Deng can be resisted and, when Deng's policies face problems, his critics have reined him in through their collective pressure.

Deng's Opponents

The Left

3. Although Deng has compromised repeatedly on specific policies, his general domestic goals are clear. He wants to ensure his followers' succession to power, to rebuild a party damaged by the Cultural Revolution, and to stimulate the economy with a dose of market forces. These objectives have locked him in potential combat with the roughly half of the party members who were inducted during the Cultural Revolution, when there was a greater emphasis on ideological commitment. Today, leftists are entrenched at every level of the Chinese government and party bureaucracy, except at the very top where Deng has concentrated his energies the past four years.

4. In foreign policy, the leftists have long been disposed to a policy of confrontation toward both the

United States and the USSR. Their political tactics have consistently drawn on China's reservoir of traditional xenophobia by attacking as a sellout even the slightest signs of compromise with foreign powers. Criticism along these lines can be discerned in the allegories and historical commentaries that are used to air dissenting views.

The Military

5. Deng's policies have aroused resentment within the military. His determined efforts to remove the military from politics and return it to the barracks have eroded the privileged status enjoyed by Army officers. The military has resisted many of Deng's ideological and economic initiatives, and showed its political muscle this summer in pressing him to clamp down on writers whose criticism of the behavior of the military rankled senior officers.

6. The military's views on foreign issues are less clear, but Deng's policies toward Taiwan, along with the reduction in the Army's share of the budget, probably have produced opposition from within the military. From the military's perspective, the prospect of US-sponsored improvements in Taiwan's military capability provides an argument for corresponding increases in China's defense budget and a basis for criticizing Deng's approach to the Taiwan issue. Allegorical articles in the Beijing press have indicated that some elements in the Army favor a tougher line on Taiwan.

Party Conservatives

7. Deng must also deal with senior party leaders who differ with some of his policies. These senior leaders—including Ye Jianying, Chen Yun, and Li Xiannian—often coalesce to resist policy initiatives that they fear might be destabilizing.

8. At a major party conference last December problems with budget deficits and inflation combined with the perception of deteriorating social order to restrain, but not halt, Deng's political momentum. The publication of propaganda themes closely identified

with the military—like the need for Maoist “revolutionary spirit”—immediately after the conference also indicated that the Army lent its weight to Deng’s critics.

9. The political crosscurrents at play last December were complex, including feuds within the leadership over the trial of the Gang of Four, the demotion of Hua Guofeng, and the evaluation of Mao Zedong. They were further complicated by a heightened concern about US policy toward Taiwan.

10. Even so, the reaction to Deng’s policies and his political problems last winter were less formidable than in previous years. Deng benefited from the success of his earlier efforts to reshape the Politburo by removing recalcitrant leftists and promoting his own allies. He was further helped by the disorganization of his opposition, part of which was itself under attack. The purge of the party’s remaining leftwing leaders in 1980 essentially eliminated the chances for the leftists at lower levels to challenge Deng.

11. For their part, party conservatives retain their positions in the central leadership, but they do not advocate any coherent alternative to Deng’s programs. Deng apparently intends to limit their influence over time, but until he achieves that goal he cannot ignore their opinions. The events last winter demonstrate that the combination of the senior party conservatives, leftists, and the Army’s application of political muscle can significantly limit the scope of Deng’s program and policies.

12. At the same time, however, it seems likely that only extreme circumstances could unite the forces within the Politburo to topple Deng. Deng has not only improved his own position in the last few years, but he also has adopted a more cautious political approach to reduce his exposure to risk. Finally, complementing Deng’s more cautious tactics, the behavior of the conservatives suggests they want to avoid disarray in the leadership.

Deng and the Taiwan Issue

13. Since the normalization of US-Chinese relations, Chinese officials have repeatedly highlighted Taiwan and the arms sales question as “sensitive” issues for the “leadership.” Given the fact that Deng has personally managed China’s relationship with the United States,

turning it to his political advantage, the question therefore arises whether Deng’s handling of relations with the United States and Taiwan is a sufficiently volatile issue to bring him down.

14. Deng immediately assumed the management of US-Chinese relations when he returned to power in 1977. In August of that year, for example, he told Secretary Vance during their talks that there was no need to refer to then Premier and party Chairman Hua Guofeng for guidance. The dangers inherent in Deng’s exposed position apparently accounted for Deng’s subsequent public denunciation of the Vance trip following foreign press reports that Deng had been “flexible” on China’s right to use force to regain Taiwan.

15. Deng cemented his control over US-Chinese relations during the final days of normalization talks in December 1978, when he personally conducted the negotiations. At that time, Deng and his supporters were simultaneously engineering a major political victory at the Third Party Plenum. We do not know whether Deng used the promise of a quick normalization agreement for political capital at the plenum, which focused primarily on domestic politics. The coincidence of the plenum and normalization negotiations makes it logical to assume a political connection. Given Deng’s role as a link between the two events, he mortgaged a share of his personal position to a successful management of US-Chinese relations.

16. More specifically, Deng’s handling of the negotiations may have made him individually vulnerable to any criticism of the normalization understandings. Though Ambassador Woodcock had explicitly stated to the acting Chinese Foreign Minister on 4 December 1978 that the United States would continue the “restrained sale of carefully selected defensive arms” to Taiwan after normalization, this issue was left ambiguous during the Deng-Woodcock negotiations on 13-14 December. They agreed to a one-year moratorium on arms sales, but the question of resuming sales after the moratorium was not directly addressed. By the close of the meeting on 14 December, Deng appeared to believe he had reached a complete understanding, which incorporated a valuable ambiguity on what Deng termed this “most sensitive issue.” Ambassador

Woodcock's 15 December visit on instructions from Washington to affirm explicitly that the United States reserved the right to resume arms sales may have raised serious problems for Deng. Deng reacted to the Ambassador's presentation with surprise and anger and asked why the subject had come up again.

17. After considerable agonizing, Deng decided on the spot not to reopen the negotiations or to refer the now sharply defined Taiwan arms issue back to the Politburo. He opted instead to seize the opportunity to close the normalization deal while putting aside the question of future US arms sales to Taiwan. That decision left Deng particularly exposed on the arms question, and he may have argued in leadership discussions that normalization, coupled with the Chinese campaign for "peaceful reunification" with Taiwan, would lead to a phasing out of US arms transfers to Taiwan as tensions in the area diminished.

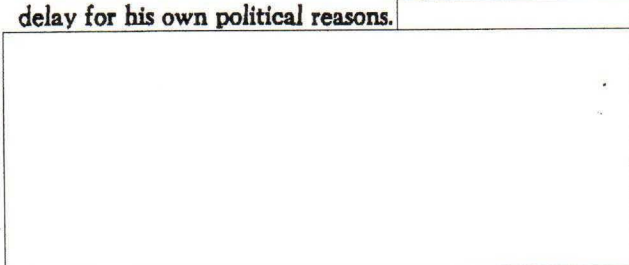
18. In this context, the Chinese leadership now may view a strict limitation on arms sales to Taiwan as a necessary response to Deng's peaceful reunification initiatives. This would help explain Deng's urgings that the United States keep sales at low levels and avoid public comment on the subject. It may also account for the unsuccessful attempt last summer to obtain acknowledgment from former President Carter that he had agreed to wind down the sale of arms over time.

19. Deng's personal association with the normalization agreement was reinforced by his triumphal visit to the United States the next month, in response to an invitation that had been offered to either Hua or Deng. Deng also has continued personally to handle important discussions with US leaders.

20. Although Beijing remains strongly opposed to arms sales in principle, it has not allowed the issue to inhibit the rapid development of the US-Chinese relationship. Deng Xiaoping and ranking officials in the Foreign Ministry imply that they recognize the United States will continue to sell arms, but insist that there must be strict limits.

21. The Chinese have also suggested that the timing of arms sales is important. On the one hand, Beijing wants to avoid a coincidence in arms sales to Taiwan and other aspects of US-Chinese relations that would create an impression of Beijing's acquiescence in US

actions. On the other hand, Deng appears to want to delay for his own political reasons.



22. Chinese concern over the Taiwan issue in general—and over the potential for problems with Washington over weapons sales in particular—grew markedly during 1980. Moreover, Chinese uncertainty about the direction of US policy toward Taiwan has prompted repeated warnings about the consequences for US-Chinese relations of US decisions on the arms sales issue.

Beijing's Objection to Advanced Weapons Sales

23. This concern underpins Beijing's anxiety over sales of advanced weapons, in particular the FX aircraft. From the Chinese perspective, Taiwan is seeking the FX not to shoot down other aircraft, but to bring down the US-Chinese relationship. Beijing believes that Taipei wants the FX in order to demonstrate US willingness to help Taiwan prevent reunification on Beijing's terms. The net result would implicitly acknowledge the concept of "two Chinas" or "one China, one Taiwan"—something that Beijing insists it cannot accept in its relationship with Washington.

24. Since last year, Beijing has responded with a drumfire of criticism to every indication from either Taipei or Washington that the United States might sell the FX to Taiwan. In the process, the Chinese have not distinguished between the alternative FX models; they apparently would find the F-5G and the F-16/79 equally objectionable. Indeed, their behavior strongly suggests that it is not the aircraft itself, but its symbolism of US support for Taiwan's political claims, that disturbs Beijing.

25. Last January, for the benefit of the new US administration, Beijing mounted a concerted demonstration of its determination to resist any FX sale. Next, the Chinese applied maximum political pressure on the Netherlands to prevent the sale of conventional submarines to Taipei. Chinese officials indicated that

Washington was the real target of the campaign against The Hague. Final approval of the sale by the Dutch parliament led to reduction in relations to the charge d'affaires level in February, followed by Chinese measures to alter other bilateral economic ties.

26. The Chinese intentionally have used both the Dutch case and their subsequent statements on the arms sale issue consciously to narrow their options for responding to an unfavorable FX decision. This kind of signaling process is managed carefully by the Chinese, and they can be expected to act in a manner that will not impair their credibility.

27. Sino-Dutch and Sino-US relations, however, do not offer precise parallels. Strictly speaking, the Dutch precedent suggests that, in the event of an FX sale, Beijing would insist that the US Embassy return to its status as a liaison office before to normalization. In fact, Deng recently told [redacted] that relations might even regress to the pre-1972 level. Beijing interpreted the Dutch submarine sale to be an implicit recognition of the sovereignty of Taiwan, and Deng's remark, which may have been intended for US consumption, may reflect a Chinese contention that a sale of the FX would undercut US acknowledgment of "one China" in the Shanghai Communiqué. However, it is more likely that Beijing would call for the removal of Ambassadors from both capitals, but not for the regression hinted at in Deng's talk [redacted].

[redacted] In any case, the Chinese will need to calibrate their reaction by balancing their need to maintain credibility against the difficulty of rebuilding relations at a later date.

Deng's Options

28. Deng has ruled out negotiating a quid pro quo for the sale of advanced aircraft to Taipei and asserted that US-Chinese relations will "regress" as a result. China, however, still possesses a variety of possible reprisals, which range from efforts to reverse any decision on sales to sanctions against the United States once a decision is firm.

Reaction to the Sale of the FX Aircraft ²

29. An outright decision by the United States to sell the FX aircraft (F-16/79 or F-5G) to Taiwan would

² For a detailed discussion of the military aspects of the sales of advanced weapons to Taiwan, see NI IIM 81-10019X, *The Military Situation in the Taiwan Strait: Taiwan's Options and Needs*, 22 October 1981.

produce a strong reaction from China. Beijing would loudly interpret the decision as an attempt to pursue a "two Chinas" policy that undermines the central principle of US-Chinese relations.

30. China's most recent proposal on reunification with Taiwan was engineered by Deng in part to dissuade the United States from selling the FX to Taiwan. For Deng to "fail" with respect to the FX would lead some to call into question the broader issue of peaceful reunification. Although China's options with regard to Taiwan are limited by the military and political costs inherent in any military move against Taiwan, there would be pressure to retreat from the conciliatory policy China has adopted vis-a-vis Taiwan and even to take steps that would increase tensions in the Strait.

31. More generally, Deng would suffer an acute political embarrassment over the setback to his policies. This would almost certainly produce vigorous efforts on his part to blame and punish the United States; Deng has already guided Chinese diplomatic moves to place some distance between China and the United States in propaganda and policy toward the Third World, for example, as a sign of things to come. In the domestic setting, Deng would try to protect himself by implicating others in the policy failure and by accommodating the political interests of key figures—and potential antagonists—within the leadership.

32. The Dutch precedent suggests that US-Chinese diplomatic relations would be reduced at least to the charge level. Such a decision would be likely to preclude resumption of normal relations for a few years. Strategic cooperation would be significantly reduced, if not ended. Deng has repeatedly told high-level US visitors that any administration that permits Taiwan to emerge as an issue would not be considered a reliable partner in strategic opposition to the USSR.

33. In economic terms, purchases of US grain might be reduced, returning the United States to its former status as a market of last resort. China also would not purchase US arms or technology; symbolic arms purchases, nuclear plant purchases, and some other commercial activities would be diverted to European suppliers.

Reaction to Graduated Enhancement of the F-5E Leading to the FX Aircraft

34. A decision to provide an aircraft equivalent to the FX by gradually upgrading the F-5E would be treated by the Chinese as tantamount to an immediate FX sale and they would react in essentially the same fashion. The Chinese believe that Taiwan wants the advanced fighter as a symbol of US commitment to its independence, and any information that China obtains about the aircraft improvements from Taiwan or elsewhere will be weighed against that belief. Secrecy and a stretched-out implementation process might moderate China's response and even permit Deng to temporize, but it might intensify rather than mute China's ultimate response to perceived shifts in US behavior. Public disclosure in Taiwan or elsewhere would create pressures on Deng to retaliate. These pressures would intensify greatly—as would the Chinese response—if any formal, governmental announcements of ultimate US intentions were made.

Reaction to Improvements That Fall Short of an FX Aircraft Transfer

35. China's reaction to any US-sponsored improvements in Taiwan's fighter aircraft capabilities that fall short of an outright FX transfer—improvements other than provision of a single, more powerful engine for the F-5E—would depend on Beijing's assessment of what the changes mean in terms of US intentions toward Taipei. Here too, Beijing could temporize at first because of the uncertainties attached to US actions, but the attention already focused on the FX issue would make it impossible for the Chinese to leave even minor improvements in Taiwan's air capabilities politically unchallenged. But in the end, if the Chinese conclude that US arrangements with Taiwan do not include provision of the FX, they would support continued development in bilateral relations.

36. As was the case with previous US arms sales to Taiwan, Beijing would formally protest the sales, but would not permit them to impede the development of other aspects of US-Chinese relations.

Deng and the Leadership Situation

37. How Deng handles China's response to US actions regarding arms sales to Taiwan will depend to some degree on the political dynamics prevailing at the time. When the arms issue is broached [redacted] it is usually described in terms of the "sensitivity" of the Taiwan question and the "feelings of one billion Chinese" on the subject. Moreover, Deng told former President Ford last March that US-Chinese relations "are not matters that can be handled by a few Chinese," implying that the relatively small circle of officials, including himself, who have handled policy toward the United States now must answer to others.

38. The opening to the United States enjoys broad support within the Chinese leadership. Problems over Taiwan, however, could be especially difficult for Deng if they occurred at a time when he was suffering reverses in other major policy areas. In those circumstances, a challenge to Deng's leadership might open the way for his rivals to question the policy of turning to the United States and the West as a means of counterbalancing the USSR and aiding China's modernization.

39. Deng has assets that he can deploy—and in some cases has already deployed—to protect himself from assaults on his handling of US and Taiwan policy. Deng has steadily reduced the power of his historical rivals on the left, and bolstered his support at the top levels of the leadership even after troubles became apparent in US-Chinese relations this year. His most formidable competition—from senior conservatives—is not organized and lacks a clear alternative program. Although Deng's work in managing the military is far from complete, he has made progress, and the Army does not by itself appear to constitute a threat to his rule. In sum, Deng now appears strong enough to ride out even a sharp domestic backlash against the United States and his policies. Moreover, Deng is certain to take the lead rather than find himself driven by events if US arms decisions set in train a deterioration in US-Chinese relations.

MEMORANDUM

6068 addon

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED WITH
SECRET ATTACHMENT

October 28, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *Dick*

SUBJECT: Huang Hua Visit

Attached is additional information on the Huang Hua visit which was received after we had submitted the briefing papers to you. I have sent it directly to you without staffing. If we have any comments on it, I will pass them to you before your meeting.

Attachment

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

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RECEIVED THE SECRETARY OF STATE
WASHINGTON

81 OCT 28 P 6: 31

~~SECRET~~

October 28, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: Alexander M. Haig, Jr. *AP*

SUBJECT: The Huang Hua Visit and Arms Sales

Attached is the memorandum of my conversation with Huang Hua in Cancun, in which he conveyed the message on Taiwan arms sales which Premier Zhao did not have time to deliver to you.

Huang's demarche raised two new conditions, on which the Chinese would premise any future tolerance of US arms sales. These were:

-- that we guarantee that, within a specified time period, the quality and quantity of future sales not exceed levels reached under the Carter Administration; and that

-- we guarantee that the level of sales would decrease, year by year, until, within the same specified timeframe, all sales would cease.

I expressed concern over the uncompromising nature of this and reiterated our firm intention to continue to provide defensive items to Taiwan. I told him I would discuss his message with you and be prepared to respond this week.

We cannot accept Huang's conditions, and I will let him know this. In response, I will restate our views on the Taiwan question and the principles underlying our sale of arms to Taiwan. I will indicate that we do not plan to go beyond Carter levels (because there is no need to) and add that, so long as Beijing pursues its peaceful reunification approach, we expect Taiwan's sense of insecurity, and concomitant need for arms, to diminish over time.

In view of the need to deal with this new Chinese initiative, I do not plan to get into the specifics of the aircraft issue unless Huang raises it. I will let him know, as you authorized in California in August, that we do not contemplate reaching a final decision on this matter until after the Twelfth Party Congress early next year,

~~SECRET~~

RDS-1 10/27/01

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NLRR M386/1 *60173

BY KML NARA DATE 10/18/13

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RECEIVED

81 OCT 28 P 6: 31

In your meeting with Huang this Thursday, I recommend that you not get into this issue at all. If Huang raises it, you can respond that you know I have discussed it with him and that you fully support the approach I have outlined to him. You should stress the importance of managing this carefully, since a confrontation would do serious harm to US and Chinese interests and benefit only the Soviets and their proxies.

Your main purpose should be to welcome Huang and express pleasure over your exchanges with Premier Zhao in Cancun. It would be useful for you to give your personal endorsement to the broad network of bilateral ties which now exist between our two nations -- trade, tourism, cultural and scientific exchanges, maritime, civil aviation and a host of others. You should also express your determination to see that your policy decisions last June -- to expand technology transfer, to make possible an arms transfer relationship, and to revise past discriminatory legislation -- are fully implemented.

You should reiterate your invitation to Premier Zhao to visit Washington, and express your interest in a visit to China the following year.

Following Huang's visit, we must in a most restricted circle lay out a firm strategy on where we go from here in light of the recent intelligence assessment of Taiwan's military requirements, the key conclusions of which have unfortunately leaked to the press.

Attachment:

Memorandum of Conversation

~~SECRET~~

~~SECRET~~/SENSITIVE

MEMORANDUM OF CONVERSATION

SUBJECT: Secretary's Meeting with Foreign Minister Huang Hua of China; Friday, October 23, 1981; 8:00 pm; Cancun, Mexico

PARTICIPANTS: Chinese

Vice Premier Huang Hua, Foreign Minister
Vice Foreign Minister Pu Shouchang, Vice Foreign Minister
Zhang Zai, Deputy Director, American and Oceanic Affairs
Mr. Yang (interpreter)

US

Secretary Haig
Michael Klosson
Vivian Chang (interpreter)

The Secretary: We are very honored and pleased to have you visit Washington so I can reciprocate your hospitality. We have three separate working sessions in the Department, all of which can be changed if you prefer. There is a working lunch I will host. I want to give you details on my talks with Gromyko, including the European situation and TNF. I have asked Under Secretary Stoessel and our European experts to lead these talks. Stoessel will be going to China in November and can bring follow-up information then. I will also have further details on several bilateral matters. It is important that we discuss the Middle East, Kampuchea, Southern Africa, Namibia and Afghanistan. Gromyko was anxious to arrive at a solution on Afghanistan which I do not trust. I am sure we will have a meeting with the President. I know the tremendous importance he places on your visit. I am still getting the details on the meeting. You will see Bill Casey on October 30th. I will have the full details on your visit for your Ambassador by Monday. You will also be meeting with Regan and Weinberger; Brock and Baldrige will be out of town during this period. The Vice President hosts a luncheon on the 29th, and I hope to host a dinner that evening. That is our general approach to your schedule. You will see every important official in town.

Huang Hua: I remember when I was in Beijing I raised ideas about the program. I think it would be better to have time for a nap on the 29th.

The Secretary: I will insist that we do not overdo your schedule like mine. I will ensure your schedule provides opportunity for rest. My schedule over the last couple of days has been like medieval torture.

DECLASSIFIED

~~SECRET~~/SENSITIVE

NLRR M386/1 *60174

BY KML NARA DATE 10/18/13

Huang Hua: Everybody is very tired, especially those coming from the Far East who had to endure a 12-hour time difference.

The Secretary: It has been terrible. As a result, when people negotiate, tempers are short and people are nervous.

Huang Hua: (delivering prepared talking points) The day before yesterday Premier Zhao met with President Reagan and during their meeting the Premier talked about the overall world strategic picture and Sino-US relations, which are a question clearly related to the global strategic situation. China always considers and handles Sino-US relations from an overall global perspective. Zhao gave a detailed exposition of our nine-point proposal for the peaceful settlement of the Taiwan question. He emphasized this was put forward only after careful thought. In putting it forward, we not only have in mind the peaceful unification of China, but also how to serve Sino-US relations and help the strategic pattern of united struggle against hegemonism. Finally, Zhao pointed out that due to our efforts, new circumstances have emerged surrounding the Taiwan question. Now is the best time for the US to remove the danger to Sino-US relations, a danger created by US arms sales to Taiwan. Because he was pressed for time, Zhao said there were several important points he did not manage to tell the President personally. During the meeting the President and Zhao agreed that Huang would convey this to the Secretary and the Secretary was requested to pass it on to the President. The following is what Zhao would have said:

We understand that US arms sales to Taiwan are a problem left over by history and the US needs a certain amount of time to settle such a problem. Since the establishment of diplomatic relations, we have been awaiting for three years a solution by the US. However, the problem remains as it used to be. The Chinese have patience. However, the Chinese cannot be expected to tolerate the present state of affairs indefinitely. If the US takes advantage of the present favorable circumstances and clearly displays its determination to remove the obstacles to Sino-US relations created by arms sales to Taiwan from a sincere wish to safeguard relations, we are prepared to give the US some more time. China will not change its position of firm opposition to the sale of any weapons to Taiwan. Any flexibility for our part can only be built on the following premises:

First, the US Government gives clear assurances that within a specified time period the level of arms sales to Taiwan will not exceed that of the Carter Administration, both in quality and quantity.

Second, the US gives clear assurances that in the same time period its arms sales will be reduced year-by-year and completely stop in the end. Then Zhao states very frankly that this is the maximum limit of tolerance we can exercise. If anything exceeds that limit, it will be unacceptable to the Chinese people. Zhao particularly wants me to point out that our position has been framed in the spirit of maintaining and promoting US-Chinese relations. We hope Reagan will completely understand and consider our position. That is what I wish to convey to you and what Zhao would have said during the meeting. I hope to get a response from your side when I visit Washington.

The Secretary: I understand completely the nature of your statement. While we will discuss it in Washington, I would like to say a few words now. First, I want you to know that this was the first time that President Reagan had heard the full nature of your peace initiative addressed to the Taiwan authorities. Since I have spoken to the President about this, I can say on his behalf that we hail your strategic decision. We welcome your declaration that peaceful reunification is now your "steadfast policy." We earnestly hope you and your Taiwan counterparts can overcome past differences and establish a climate of trust through which a peaceful resolution can be achieved. We have always considered this question a matter to be resolved by the parties concerned. Nevertheless, we are sensitive to your concerns that the US do nothing to harm the prospects for a peaceful resolution. Since the Shanghai Communique, we have supported a peaceful resolution of the Taiwan question.

Tonight, even before assessing the content of your statements, I can assure you we will take no steps contrary to the position I have just outlined. This will apply to all we will do, including arms and airplane sales. On that issue, our discussions have been increasingly specific since my trip to Beijing. We have listened to your concerns and believe our actions more than respond to your concerns. 1981 will show a far, far lower level of arms sales than any other year since normalization began. At the same time, we have never deviated in our discussions from the position that we feel obligated to continue the provision of defensive items to Taiwan. But we have emphasized that such sales will be selective and at all times defensive in nature.

I would be less than frank if I didn't suggest that if one side in a discussion suddenly changes the conditions of long-standing mutual understanding -- not "acceptance," or "agreement," but "understanding" -- it can pose complications. We have received repeated warnings and noted repeated discussions with other nations by our Chinese friends highlighting drastic alternatives.. I would be less than frank if I did not state that this is very disturbing to me personally. I spoke with complete frankness

and candor to your Vice Foreign Minister in New York and then found him seeking an appointment with my Deputy in which greater specificity and detail were demanded. This begins to raise doubts that the underlying spirit with which I have always discussed this issue has either come into doubt or circumstances have changed which I must state frankly give me pause. I realize my old friend knows as well as I do that China is faced with internal and external problems. We, too, are faced with similar problems. We have achieved the level of mutual benefit we enjoy today by always maintaining the spirit of mutual respect for each other's imperatives. I say that because I have found each discussion we have had in the short six months has been increasingly strident and uncompromising. This is a source of personal concern for me.

I will discuss this message, which I would call a demarche, very carefully with the President. Only the President and I are familiar with the discussions we have had up until now. And I will be prepared at the time of your visit to address specific points you have raised, to include precise delineation of our current plans carefully worked out in line with my discussions in Beijing and with your Vice Foreign Minister.

Huang Hua: I thank you for agreeing to convey Premier Zhao's message to the President. I think this issue is by no means a new issue to the American side nor should it be surprising. It is entirely normal and logical. Since the negotiations on the establishment of diplomatic relations, we have always been explicit in our position: we are firmly opposed to any US arms sales to the Taiwan authorities. This represents interference in Chinese internal affairs and is tantamount to an extension of the US/Taiwan Mutual Defense Pact. During the course of the negotiations on the establishment of diplomatic relations, the US said it would suspend its arms sales to Taiwan in 1979 and resume sales in 1980. Then Premier Deng Xiaoping pointed out on the spot, "Is the normalization of US/China relations then valid for just one year?" Then, Deng stated that the question of US arms sales to Taiwan needs to be discussed on a continued basis and settled after establishment of diplomatic relations. Thus, I think the Chinese Government has been consistent in its position. We have not changed our position. Since we are going to have detailed discussions in Washington, we should perhaps conclude now.

The Secretary: We will be prepared to discuss frankly and fully in the same spirit we have always conducted our discussions. I am very much looking forward to your visit. I am sure it will be a good and rewarding visit.

Huang Hua: I hope the visit will yield results.

60175 41

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*hand carried
1620 hrs*

~~SECRET~~

October 28, 1981

MEMORANDUM FOR ED MEESE
JIM BAKER
MIKE DEEVER

FROM: RICHARD V. ALLEN *Dick*

We have asked repeatedly for a briefing memorandum from State on the Huang Hua meeting. You will recall that in Cancun Premier Zhao Ziyang said that he had two additional points to bring up with the President, but that (due to lack of time) he would give them to Huang to pass to Haig.

Al told me on the way back from Cancun that Huang told him the PRC wants a "date certain" for the termination of weapons deliveries to Taiwan. Al said that this is a "crisis," that it could lead to "disaster." He insists that the "Democrats are playing this issue for all it's worth," presumably "for 1984."

Al said that he would send me a memorandum of conversation on the Chinese visit "tomorrow," i.e., Sunday.

Since Monday we have asked for this memo five times, and we have not yet received it. Hence, since we do not have the results of his latest meeting with Huang, we are not able to provide the President with a thorough briefing. I suspect Al will come to us at the last minute with a paper describing a "must" position for the President.

In any event, I would like to brief the President on this meeting tomorrow morning.

~~SECRET~~

Review on October 28, 1987

DECLASSIFIED

NLRR M386/1 # 60175

BY KML NARA DATE 10/18/13

~~SECRET~~

NATIONAL SECURITY COUNCIL

Received in Allen Lenz's office
11:05^{AM}, October 28, 1981

43

DATE SENT: 10/28/81 Classified Material Report v 2066541
 MR. L. PAUL BREMER I-EE C SEC.
 FROM: S/S-RM. 7224- EW STATE BLDG.
 (Name) (Office Symbol) (Room No.) (Bldg.)
 TO: NSC-EYES ONLY FOR RICHARD V. ALLEN, GRND
 FLOOR, WEST WING, WHITE HOUSE (Bldg.)
 (Messenger's Signature)
 IDENTIFICATION ES SENSITIVE 8131369

Optional Form 112
 Rev. 8/79
 State AID USICA
 50112-102

THIS PART IS TO BE FILLED IN AND RETAINED
 BY SENDER UNTIL RETURN OF PART IV AND
 ATTACHED THERETO

DATE SENT: 10/28/81 CLASSIFIED MATERIAL v 2066541
 Return Receipt To Sender
 MR. L. PAUL BREMER I-EE C SEC.
 FROM: S/S-RM. 7224- EW STATE BLDG.
 NSC-EYES ONLY FOR RICHARD V. ALLEN, GRND
 FLOOR, WEST WING, WHITE HOUSE
 DATE RECEIVED: 10/28/81 J. Palacios (for)
 (Signature of Addressee)
 IDENTIFICATION ES SENSITIVE 8131369

Optional Form 112
 Rev. 8/79
 State AID USICA

ADDRESSEE SIGN AFTER CHECKING AND RETURN TO SENDER.
 RETAINED BY SENDER FOR 3 YEARS

DATE SENT: 10/28/81 CLASSIFIED MATERIAL v 2066541
 Copy For Addressee
 MR. L. PAUL BREMER I-EE C SEC.
 FROM: S/S-RM. 7224- EW STATE BLDG.
 (Name) (Office Symbol) (Room No.) (Bldg.)
 TO: NSC-EYES ONLY FOR RICHARD V. ALLEN, GRND
 FLOOR, WEST WING, WHITE HOUSE (Bldg.)
 DATE RECEIVED: _____
 IDENTIFICATION ES SENSITIVE 8131369

Optional Form 112
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 State AID USICA

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~~SECRET~~

60176

44

MEMORANDUM

6068 Add-on

NATIONAL SECURITY COUNCIL

~~SECRET~~

ACTION

October 27, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: CHARLES P. TYSON

FROM: JAMES LILLEY

SUBJECT: Talking Points for President's Meeting
with Huang Hua on 29 October (U)

Attached at Tab I is a memorandum for the President containing talking points. These were done by me in the absence of any talking points received from State. (U)

At Tab A is a 3x5 card with salient talking points for the President's discussion. At Tab II is an important intelligence community study on Chinese reaction to an FX sale. You should read the key judgments on pages 1 and 2. (S)

I have lacked access to key discussions between State and the Chinese leaders; therefore, in a sense, I am flying blind and my judgments could be flawed. With this in mind, I do not agree with two points in the intelligence memorandum:

-- They state Deng is highly unlikely to accept an FX sale, even if it were managed discreetly and incrementally. The Chinese have given out some signals indicating they are looking for a face-saving way out of their self-created dilemma. It is a standard Chinese bargaining tactic to strike an initially tough posture. I therefore conclude that an incrementally-improved F-5E would probably be acceptable to them.

-- I do not agree with the implication that Taiwan would be difficult to deal with if it received advanced American weapons. This is a Chinese argument adopted by the intelligence analysts. In my view, Taiwan would be more likely to deal with Peking from a position of strength than from a position of weakness. (S)

RECOMMENDATION: That you pass the attached memorandum (Tab I) and 3x5 card (Tab A) to the President.

Approve _____ Disapprove _____

~~SECRET~~
Review 10/27/87

~~SECRET~~

DECLASSIFIED

NLRR M3816 #60176
BY RW NARA DATE 3/20/19

6068
Nelson

RECEIVED

81 OCT 27 P 7: 15

JANET COLSON *J (not read)*

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

PETER

CY TO VP ✓

CY TO MEESE ✓

CY TO BAKER ✓

CY TO DEEVER

CY TO BRADY

SHOW CC	<u> </u> ✓
SHOW CC	<u> </u> ✓
SHOW CC	<u> </u> ✓
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*10/28
Jep ant
cc's*

Comments:

~~SECRET~~

60177

46

MEMORANDUM

6068 Add-on

NATIONAL SECURITY COUNCIL

~~SECRET~~

ACTION

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Approve _____ Disapprove _____

~~SECRET~~
Review 10/27/87

~~SECRET~~

DECLASSIFIED

NLRR M386 #60177
BY *RW* NARA DATE 3/20/19

Back From
DALMAN'S OFFICE

RECEIVED #6068 (2 ITEMS)

81 OCT 29 P 3: 04

JANET COLSON	_____		
BUD NANCE	_____		
DICK ALLEN	_____		
IRENE DERUS	_____		
JANET COLSON	_____		
BUD NANCE	_____		
PETER	_____		
CY TO VP	_____	SHOW CC	_____
CY TO MEESE	_____	SHOW CC	_____
CY TO BAKER	_____	SHOW CC	_____
CY TO DEAVER	_____	SHOW CC	_____
CY TO BRADY	_____	SHOW CC	_____

Comments: