



*Gerald R. Ford Presidential Library and Museum*

---

*www.fordlibrarymuseum.gov*

*Library: 1000 Beal Ave., Ann Arbor, MI 48109*

*Museum: 303 Pearl Street, NW, Grand Rapids, MI 49504*

*(734) 205-0555 fax (734) 205-0571*

*(616) 254-0400 fax (616) 254-0386*

**The documents in this  
folder continue from the  
previous folder.**

Wednesday, October 22, 1975



Lin/Habit  
morning



DEPARTMENT OF STATE

*Memorandum of Conversation*

Wednesday -

DATE: October 22, 1975

10:12 a. m.-

12:12 p. m.

SUBJECT: Secretary Kissinger's Visit to Peking:  
Counterpart Talks--Claims and Exchanges

PLACE: Villa Number 6  
Peking

PARTICIPANTS: Lin P'ing, Director, American and Oceanian  
Affairs Department, Ministry of Foreign Affairs,  
People's Republic of China  
Ting Yuan-hung, Director, US Office, American and  
Oceanian Affairs Department, Ministry of  
Foreign Affairs, PRC  
Chao Chi-hua, Deputy Director, US Office,  
American and Oceanian Affairs Department,  
Ministry of Foreign Affairs  
Tsien Ta-yung, Counselor, PRC Liaison Office, Washington  
Ni Yao-li, Interpreter  
Hu Feng-hsien

Philip C. Habib, Assistant Secretary for East Asian  
and Pacific Affairs  
William H. Gleysteen, Jr., Deputy Assistant Secretary  
for East Asian and Pacific Affairs  
Oscar V. Armstrong, Director, PRC and Mongolia Affairs,  
Bureau of East Asian and Pacific Affairs  
Richard H. Solomon, Senior Staff Member, NSC  
Harry E. T. Thayer, Deputy Chief, US Liaison Office  
  
Miss Anne Boddicker, Notetaker

NSC:ARoddicker *ama*  
EA/PRCM:OArmstrong

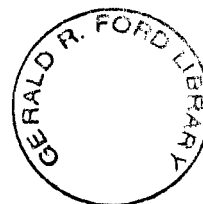
(Drafting Office and Officer)

~~SECRET/NODIS~~

GDS

ORM  
2 - 65 DS - 1254

*W 11/3/03*



-2-

/The American delegation arrives first and greets the Chinese delegation. All are seated./

Lin : Have you had a nice rest?

Habib: Enough.

Lin : We have learned that you have something to say so maybe you will begin.

Habib: I think that is useful.

As you will recall, Mr. Director, ladies and gentlemen, the day before yesterday the Secretary made some general comments with regard to our approach to the principal issues we would want to consider with respect to the President's trip as reflected in the Shanghai Communiqué. At that time he indicated that among the three principal subjects was his interest in certain bilateral issues. He presented to your side some proposals with regard to those bilateral issues, as to how they at least might be identified and in certain cases treated. He did so in the context of a general recognition that a greater understanding and some progress with respect to these issues would contribute to our overall understanding of the perspective of the Shanghai Communiqué and political realities that are involved in the progression of our relationship. Therefore, it is in that perspective, and within the framework of subjects which we have put forth with respect to the Presidential visit and the Joint Communiqué, that I would like to mention those items which might be the subject of further discussion between Director Lin and myself and my colleagues.

Let me first mention some general categories. First, those that we might call certain active issues. In that regard we have, of course, an outstanding issue which we have discussed in the past with some specificity, and that is claims and assets. That issue has a substantial relationship with other bilateral issues such as commercial navigation treaties, civil air routes and other issues of common interest. Also the question of trade exhibitions mentioned in the proposed communiqué.



Another general category which includes some important items is the question of how our governments communicate with each other: enhancement of the work of the two liaison offices, establishment of branch liaison offices and methods of establishing a timely and direct manner of communication, as mentioned in the draft communique.

Also there is that general category of items that deal with people-to-people relationships. This would include such things as the cultural, scientific, medical, industrial, leadership and other exchanges reflected in the communique. The whole range of exchanges, specific exchanges, are subject to the possibility of discussion between our USLO and PRCLC channels of communication and others outside of those channels.

A further item involving people is the question of facilitating the reuniting of families, general communication and student exchanges.

Those are the general categories and I think it is important to point out that there are interrelationships among them and they should be looked upon as a manifestation of a desire to move together in the spirit of the Shanghai Communique.

How would you like to proceed on a general discussion of these? Would you like me to take one of them and elaborate or would you like to make some preliminary comment?

Lin: It's entirely up to you. Whichever question you would like to begin with.

Habib: We have had considerable discussion about claims and assets. We had a very detailed discussion of this subject the last time, and I would like to make--after consideration of our discussions in the previous meeting /in November 1974/---specific proposals to you.



As you will recall the last time we talked about this there were three broad elements which remained unsettled. So, I would like to present to you today our thoughts on how to present this in a package in a manner which meets the mutual desires of both sides. I am going to leave out all the detailed discussion and go right to the point because I think we understand each other and the issues involved.

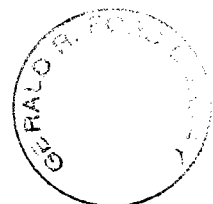
Lin nods. /

Lin: Yes.

Habib: With respect to the question of third-country banks and their assets, we understand you had withdrawn a previous position but with the expectation that if the package issue could be resolved, we would include the proposal discussed by Secretary Kissinger and Premier Chou En-lai as part of the broader solution.

Lin: When did they agree on this point?

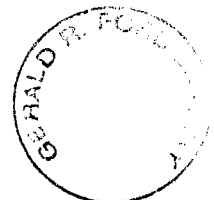
Habib: As I understand it, in November 1973 Premier Chou En-lai made a proposal to Secretary Kissinger, and we would like to operate on the basis of that proposal as part of the overall package. Let me go through each of the elements of the package. With respect to the bond issue on which we had a good deal of discussion but no mutual understanding /In November 1974/---on the bondholder issue, which we indicated was not an issue as far as we are concerned, I would like to make a very concrete proposal. You will recall that you took issue with our memorandum of March 21, 1973 and our Aide Memoire of October 1973. I have a very specific suggestion. Why don't we simply withdraw both the statement of March 21 and the Aide Memoire of October 27, 1973 and then they will not exist and, therefore, will not be an issue. You will recall you considered that we should not have raised the subject. If we withdraw them, they do not exist and so there is no problem.



/There is some confusion on the Chinese side as to what is meant by this but finally they nod in agreement./

Let me go on to the next question and that is a definition of assets and claims or arriving at language for the assets. I would like to make a very concrete suggestion again, Mr. Director. In order to resolve the problem, I will submit to you a draft letter of agreement which is identical to that proposed previously between us but with the addition of the two phrases underlined which we believe resolve the issue and do so in a manner that is identifiable with respect to both our positions so the symmetry of both our proposals will be clear to you. In doing so we have sought to take into account your views as well as our situation, and we propose to you two alternate ways of doing this. You can analyze it and can decide which one you prefer. But we will give you two ways to resolve this issue.

One way would be to amend the draft letter of agreement which had been previously discussed to include the two phrases underlined--one of which refers to one side and the other to the other side in a perfectly symmetrical interpretation. /Hands over paper to Lin/ I would suggest we give you some time to study this. Let me put to you the whole thing. We prefer this alternative because it is contained all in one document and says what needs to be said in a perfectly symmetrical way. If you prefer, however, an alternative would be to use the draft agreement worked with before and put the phrases in an exchange of letters. This means the phrases are repeated but in a different context. Again, our purpose is to provide wording that is noncontroversial and with perfect symmetry so that there are no side effects but with a process of identification as so desired by both parties. If you wish we could take a few minutes now while you look at this thing and then we could discuss them. As I said earlier, what we are proposing is a way we can break down this thing in an equally desirable manner for preparation of the President's visit.





-6-

Lin: I would prefer to hear you all out, to hear all you have to say on these subjects.

Habib: Let me proceed briefly. Subjects we have talked about before don't need repetition. Let me take the next question. The question of exchange programs.

We are now talking about future programs but with respect to general principles and general proposals for 1976 which could be finalized at the time of the President's trip. We think that the exchange program indicates as a general principle the vitality of our relationship and its continuation in a viable manner; an improvement of relations, not stagnating but moving progressively in the manner of the Shanghai Communique. But the final general principle I see as a useful result of the President's visit, would be some improvement in the pattern of exchanges. That is naturally desirable.

First, on specific things, let us take up the program for the National Committee on US-China Relations. I will not go into great detail on items that have been described in the past. We should go right to the proposals which were submitted by the National Committee to the PRCLC in Washington on October 2. They submitted a suggested list of American delegations to China for your consideration. I take it you have studied that letter and are aware of what is in it. There is no reason for me to say anything but simply to note that those that are in the general list are those which we suggest. If I were to call attention to any one specifically, I would say the proposed photography exhibition strikes us as an extremely worthwhile endeavor.

We would also like to get a kind of balance between those types of exchanges which are spectaculars, such as sports and performances, and some of those which are more in the substantive, intellectual fields. The National Committee also in the spirit of cooperation and future exchange of ideas made further suggestions for you to consider where possible. They would like for you to send to the United States groups that they could handle with greater depth and detail. These are listed and I see no reason to list them again now.



However, we would like to see some balance and depth and substance in these exchanges, and I would like to make one final point on that.

I think now that we have had a number of years' experience, we can begin to consider such things as longer visits, visiting in certain areas, and also the possibility of choosing an area of interest and following it over a period of years so we get an in-depth exchange. This has merit and is offered to you from the National Committee. So we can see from this that the National Committee on US-China Relations is looking forward to a very active year with an expanded program of educational, cultural and sports exchanges.

With respect to the proposal of the Committee on Scholarly Communication with the PRC, we are not as far along in terms of the precise problems being fully established and solved, partly because the high-level scientific and technical delegation you sent is still there and there is some discussion going on with the Committee on Scholarly Communication. But we have some problems. I will discuss them briefly with you.

At these preliminary exchanges in the United States it would appear that we are a little bit short of what we have in mind--of what our Committee has in mind. Your Committee has submitted a list of tentative exchanges and our Committee has also supplied areas in which they would like to see exchanges. And I assume you are aware of these. We understand that your delegation has indicated their positions are tentative and final decisions would be made in the course of government-to-government negotiations with respect to the President's trip. At this point, what we would like you to do is take a look at the proposals we have made. We would like to send 10 groups to the PRC in 1976, drawn from the proposed list given to your Committees during their visit to the United States. The Committee would like to move in the general direction of more flexibility and versatility and to some extent to a more intensive exchange program. The Committee is pleased that they



have established a relationship in which some programs allow for longer visits to fewer places so there is more intensification. For example, in another field, that of seismology, there has been an ongoing relationship which we find satisfying. In the second area, however, we have not yet reached that kind of ambiance. Our Committee would prefer--it would like--one-third of our exchange programs in any year to be in the field of social sciences and humanities which they have been discussing with your delegation and they hope you would take it under direct consideration.

In addition to exchanges which were conducted by these two Committees there is a range of other exchanges which would be worth some comment at this point. These have some previous history and we would like to continue them. They are non-committee exchanges--those outside the two Committees' relationships. In that regard one of the most significant has been Congressional visits and we submit that to you for your consideration. We have a number of requests, one in particular: that is, a request from Senator Sparkman, Chairman of the Senate Foreign Relations Committee who has expressed to the President and Secretary Kissinger his desire to bring a group to China in 1976, preferably in February. I need not outline to you the importance of his comments. There have been other requests. Some have been in direct contact with you. When you consider these, we hope you will consider this as a whole and give us your direct views.

In addition, in the non-Committee group of possible exchanges, I would like to mention to you a group of people who are our White House Fellows--a select group of potential leaders. You had one group here. I would like to propose the visit of a similar group of 16 persons for the summer of 1976, and in return the White House Fellows would be pleased to host a similar group from the PRC the same year.

Another area of possible exchange would be in language students. We have referred to these in the past. You have no Americans in your universities and we would be proposing some kind of reciprocal language

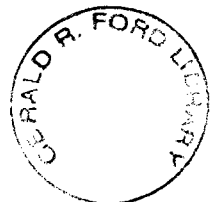


studies exchange between the two countries. If they are of interest to you we could discuss details through our Liaison Offices. Similarly, and somewhat related, we are interested in a Chinese-English dictionary exchange of materials and techniques, and Chinese dictionary materials, to improve our understanding in this area. We have developed some techniques with computers discussed with your technicians and we would be prepared to improve their understanding of this. We feel it would be of substantial benefit to both our countries to send people from the US here and for us to host people from your country. The details would have to be worked out through our Liaison Offices but agreement in principle now might be possible.

Finally, in the exchange field there is an item we would like to take up with you related to our trading relations. As you know the National Council for US-China Trade recently hosted a visit from the China Council (for the Promotion of International Trade). In addition to the discussion regarding industrial missions and other matters, there was taken under consideration an exchange of visits between the two organizations. The China Council supported this topic and said it should be discussed by our two governments. We would like to propose that these exchanges continue between the two organizations. It is suggested that the US send its delegation to China in the fall of 1976 with another visit of the China Council to come to the United States sometime later, perhaps sometime in the following year.

I think, Mr. Director, I have given you the details on the main items. The other items are probably more self-explanatory and there is no need for me to go into them in any greater detail except to remind you that they are all mentioned in the draft communique and can be the subject of further consideration.

There are aspects of some of those items, however, that I would like to call to your attention.



We mention in the Communique the enhancement of Liaison Offices. I would like to note it is our intention to increase the number of personnel in the office here and this raises the question of additional space which we would like you to take cognizance of. I think it would be fair to say we have been most cooperative in that regard, as you have been also in the past, and that mutually satisfactory cooperation can be enhanced from the operation of those offices.

Mr. Director, I have gone on at some length but we wanted to present everything to you so we could move effectively and efficiently on this trip. I would be very happy to hear now what you have to say.

Lin: Shall we take a few minutes rest and we shall proceed with the talks after that.

/A short break was taken from 11:02 - 11:17 a.m./

/The meeting continued at 11:17./

Lin: Shall we get down to business?

Habib: Always ready.

Lin: Well, we have just heard your thoughts as expressed by Mr. Habib on a number of questions in bilateral relations between our two countries, including specifics. Now I am going to express some of our views. I will generally follow the order you did.

The first question is concerning the settlement of claims. We have had discussions on this matter for quite some time. You are well aware of our position on this question. There was much talk about this question during our talks last year. So I am not going into great detail in this respect. Just then Mr. Habib mentioned some of the issues still open in this question.

The first point is about the amount of money we have already drawn from deposits in the third banks. We already talked about that during our talks last year.



Not only was this point discussed during our talks last November but it was also made clear in our letter to you dated June 14, 1974. That is, we have withdrawn what was expressed in the talks of 1973--that the Chinese side would return to the US side an amount equal to that we have already drawn from the third country banks. On this question our stand remains the same. So this is not a point that has been agreed upon between both sides.

The second point concerns the bond indebtedness incurred prior to the founding of the PRC. Our position has been made clear in our statement attached to our letter of November 1973. Our position remains the same as that in the above-mentioned letter.

On the third point concerning the definition of assets, we have carefully studied the subject as put forth by Mr. Habib. From that it can be seen that the position of the US side does not differ in any way from that expressed during last year's talks. That is to say, in other words, you want to impose on us US laws as to claims and liabilities concerning Chinese affairs. Laws of the US can be applied only in the United States on your own affairs. They do not work in our country nor have any bearing on our affairs. Therefore, we cannot accept your suggestion. As a result of this, the question of claims and assets will remain unsettled for now, temporarily, or even for 100 years to come, they would be left in that state. All in all, the position of the Chinese side is still the same as expressed in the proposed exchange of letters and the statements attached to it dated November 1973.

The second question, the exchange programs between the popular organizations of our two countries. The general idea on this matter is to maintain the same level as it has been in those past few years.

In terms of the number of groups to be exchanged, it will be eight for each side. And by saying eight for each side we mean eight items agreed on between both sides.



To be more specific now as regards to those items concerning the National Committee on US-China Relations. After having consulted our departments concerned, our preliminary review of the proposal made by the National Committee on US-China Relations is like this. As to those groups to be sent by the US side to China, there will be two groups. One is a physical cultural group-- a sports group--specifically speaking, it will be your gymnastic group to be sent to China from the US side. Second will be a group of staff members of Congressmen.

As regards to items sent by China to the US, there will be one item and that is a sports group. It will either be our swimming-diving group or our women's volleyball team or a group of archers. A final decision will be reached through consultations between departments concerned of our two sides.

As to other items posed by the National Committee on US-China Relations, it is understood that the Committee proposes to host a delegation to be sent by the China People's Institute for Foreign Affairs. The Institute for Foreign Affairs would like to express its thanks to your Committee for its invitation but due to pressing work the Institute will not be able to send a delegation to the US next year. The specific time of sending such a delegation in the future will be agreed upon between these organizations later.

As to the invitation for our delegation of Municipal Revolutionary Committee officials, we think for the time being it is not appropriate for the Chinese side to organize such an official delegation to visit the United States.

The third item, the invitation for a Chinese group, either a national one or provincial one, of educational administration officers to visit the United States--the organization of such a group will be left for further consideration.



And fourthly, the United States would like to invite a delegation of Chinese women leaders. We consider it is not appropriate for us to send such a delegation at present. When the time is ripe for the visit of such a delegation we shall get in touch with the women's organization concerned.

The number five item, the US would like to send to China a group of urban affairs experts for a number of years in the future. We are not prepared to take into consideration such a long term plan.

On item number six, the United States side wishes to send a group of American magazine editors. We think we have been maintaining satisfactory relations with the US news media and in this respect a delegation of the Association of Newspaper Editors visited our country. Due to a limited capacity for reception, it will be difficult for our side to receive such a delegation of US magazine editors next year. Whenever the necessity arises we shall get in touch with the organization concerned on the US side.

On item number 7, the United States would like to organize a third delegation of the National Committee on US-China Relations to visit China. Since the opening of the relations of China and the United States in 1972, there have come to China two delegations of the National Committee on US-China Relations already. Besides, we have been maintaining regular contacts with said Committee. The gentleman from the Committee, Mr. Rosen has gotten in touch with our departments concerned. Therefore, we think it might be a bit too early for the third delegation of the said Committee to come to China next year.

Item eight. The United States wishes to hold a photography exhibition in China next year. This was particularly mentioned just then by Mr. Habib. We think it is difficult for us to arrange for such an exhibition next year.

So much about items concerning the US-China Relations Committee. Now we will come to the second category, items concerning the Scholarly Committee.





Following consideration by our departments concerned, we have the following preliminary views. In view of the specific proposals made by your side and the situation on our side, we are ready to accept five items to be sent by the US side. The first is earthquake forecasting. The second is pure and applied mathematics; the third is steroid chemistry and biological chemistry, or environmental sciences.

Habib: Either/or?

Lin: Either/or, yes.

Item four, a petrochemical group, petrochemistry. Item number five, a study group on fruit trees.

Habib: That's not on the list.

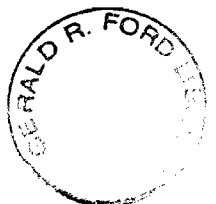
Lin: These items have been proposed by your side and we are ready to accept.

/There is some discussion as to which side submitted the request for the fruit tree study./

Lin: Because your side has accepted that you can receive a study group on fruit trees, we can send a group to your country next year. We are also ready to receive a small group from your side.

These are the five items we are prepared to receive from your country.

As regards items to be sent by our country to yours: number one, a group on seismological engineering; number two, a group of environmental scientists; number three, a group of astronomers; number four, a study group on the techniques of iron mining; number five, a study group on the tapping, storing and transporting of natural gas; number six, a comprehensive study of the mechanisms of agricultural machinery; and number seven, a study group on fruit trees. So much about items to be exchanged under the second category.



Besides, we are also ready to receive next year a Congressional group from your country. We are also ready to receive a trade delegation to be sent by your National Council on US-China Trade next year. All told there will be nine items from three aspects to be sent by the United States to China next year. And eight items from our side to yours. This number does not include those items left over from this year to be carried out next year.

Habib: What items do you still consider to be carried over from last year?

Lin: The group to be sent by our side to your country is a group on immunology.

Besides, there are some other items, as Mr. Habib just mentioned, and you said they were also mentioned in the draft communique. These include items concerning commercial navigation, civil aviation, re-uniting families, etc., and also language students.

We consider that under the present state of relations between China and America, these items are not practical ones.

Finally, you mentioned the housing--the space for your office--for the Liaison Office here--that is to say you want to expand the Liaison Office. I think you are well aware that ever since the establishment of your Liaison Office here we have provided sufficient facilities to your Liaison Office. In view of the specific situation prevailing here in Peking in terms of the number of countries with which we have established diplomatic relations and the demand for space for housing and residences, we are not in a position to consider further increasing of space for your Liaison Office here. Since the time of your establishing the Liaison Office, we have provided facilities to your side and I think Mr. Solomon and other gentleman seated there are quite aware of that. As to the specific conditions now prevailing here, I think Mr. Thayer, though he hasn't been here long, might know something about that. So these are our considerations in reply to the questions just raised by Mr. Habib.



~~SECRET/NODIS~~

-16-

Habib: Let me briefly reply, Mr. Director. With respect to your comments on the claims and assets question, in view of the position you have taken I see no further necessity to discuss the subject today. Since we have made a substantial proposal on a package basis which should be sufficient to meet the requirements of both sides, there is nothing further to discuss on that subject and I suggest that we drop it in this meeting. There is no further point in discussing it in this meeting.

As to the exchange programs, I think that we will refer your views to the appropriate Committees who deal with these matters and we will be in touch with your representatives through the Committees through the Liaison Office as is appropriate. I can tell you I believe the Committees will be somewhat disappointed to see the limited nature of the exchanges but we will report your views. The Committees in their previous discussions had their expectations on a somewhat more elaborate program and in a different pattern, but we will report your views.

Quite obviously, in addition, the other items which you list as not subjects for discussion at this time, one way or another will arise in the larger context of the joint communique and we can leave that for future discussion. I would like to recommend in respect to the above, so you understand our position, the primary problem involving our Liaison Office /additional space/ is not resolved by the response given us today. But that is something we can continue to keep under discussion with you in the normal manner.

I think that is about the limit of the comments I will have and I would suggest that we have had an exchange of views, we both understand each other's position, and I have nothing further at this time.

~~SECRET/NODIS~~



Lin: I would like to ask just one question concerning the statement of claims. You just mentioned that you had some phrases to propose.

Habib: That is in the paper I gave you.

Lin: Yes.

Well, if you have nothing more to say.

Habib: We have completed our work. We can report to our superiors. We are very efficient now so we can cut through the red tape. We don't have to have any rhetoric between us.

Lin: We were quite aware of each other's position so we can go directly to the point.

Habib: That is what I tried to do and that is what the Director did.

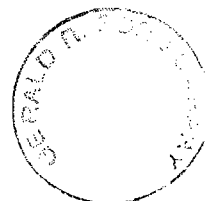
We said that we would come here with a fresh approach and we did that. We kept our word. We hope you will study these ideas and we will also study them.

Lin: Yes. The exchanges between our two sides have been going on fundamentally in accordance with items discussed here last year in our talks. But during this year's exchanges there have appeared some unpleasant things. We hope that the same will not occur again.

Habib: We both hold that hope.

Lin: And we hope to carry on our exchanges in accordance with the spirit expressed in the Shanghai Communique.

Habib: That is our hope also and we will see what comes up. Thank you.



Teng/HAK  
evening



THE WHITE HOUSE  
WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Teng Hsiao-p'ing, Vice Premier of the State Council,  
People's Republic of China  
Ch'iao Kuan-hua, Minister of Foreign Affairs  
Ambassador Huang Chen, Chief of PRCLC, Washington  
Wang Hai-jung, Vice Minister of Foreign Affairs  
Lin P'ing, Director of American & Oceanic  
Affairs, MFA  
T'ang Wen-sheng, Deputy Director of American &  
Oceanic Affairs, MFA, (Interpreter)  
Chien Ta-yung, Counselor, PRCLC, Washington  
Ting Yüan-hung, Director for U.S. Affairs,  
American & Oceanic Affairs  
Chao Chi-hua, Deputy Director for U.S. Affairs,  
American & Oceanic Affairs, MFA  
Mrs. Shih Yen-hua, MFA (Interpreter)  
(plus two notetakers)

Dr. Henry A. Kissinger, Secretary of State and  
Assistant to the President for National Security  
Affairs  
Ambassador George H. W. Bush, Chief of USLO,  
Peking  
Winston Lord, Director, Policy Planning Staff  
Ambassador Philip C. Habib, Assistant Secretary  
for East Asian and Pacific Affairs  
Richard H. Solomon, NSC Staff  
William H. Gleysteen, Jr., Deputy Assistant  
Secretary for East Asian and Pacific Affairs  
Oscar V. Armstrong, Country Director, EA/PRCM  
Robert L. Funseth, Director, Office of Press Relations  
Peter W. Rodman, NSC Staff *PMR*  
Karlene Knieps, Sec. Kissinger's Office (Notetaker)

DATE AND TIME:

Wednesday, October 22, 1975  
3:40 - 4:45 p. m.

PLACE:

The Great Hall of the People  
Peking

SECRET/NODIS/XGDS

CLASSIFIED BY Henry A. Kissinger  
EXEMPT FROM GENERAL DECLASSIFICATION  
SCHEDULE OF EXECUTIVE ORDER 11652  
EXEMPTION CATEGORY 5 (B)(3)  
AUTOMATICALLY DECLASSIFIED ON Imp to Det.

DECLASSIFIED  
 E.O. 12958, SEC. 1.5  
 NSC MEMO, 11/24/88, STATE DEPT. CONSULTING, State Div. 208 9/16/03  
 BY LD, NARA, DATE 11/3/03



SUBJECTS: The President's Visit and Communique; Bilateral Relations; Indochina MIA; Korea; South Asia

Teng: So you visited the museum?

Kissinger: Yes. It was fascinating.

Teng: It is similar to this building, in relation to the Square. They were both built in the same year.

Kissinger: It is a tremendous achievement to put up two such structures in one year.

Teng: Not two--there were ten built, including the compound guest house.

Kissinger: It's an even greater achievement.

Teng: That was because we were commemorating the tenth anniversary.

Kissinger: Will you put out twenty structures on your twentieth anniversary? [Laughter]

Teng: That is past, and we have not added any more. That is sufficient.

Kissinger: There is only one thing I saw there I do not understand. There was a chariot that always pointed south. I do not understand what happened if you wanted to go north. [Laughter]

Teng: At that time the Emperor was situated in the northern part of China, where he had made his capital, and his attack was aimed at the nationalities in the southern part.

Kissinger: What if he wanted to go home again? [Laughter]

Teng: No. He must go through with his hegemonic aspirations to the end. Finally he won.

The President's Visit and Communique

I believe your discussions yesterday with Chairman Mao were very interesting.



Kissinger: And very important.

Teng: Yes, and it can be said that he has put forward all our basic points in an extremely concise manner.

Kissinger: I agree.

Teng: So what do you feel we have left to discuss?

Kissinger: Well, we have to discuss President Ford's visit.

Teng: Would you like to do that?

Kissinger: And your ideas as to the possible outcome. And your proposals as to how it will develop.

T'ang: The ideas or the outcome ?

Kissinger: Both. What concretely will happen when he comes here.

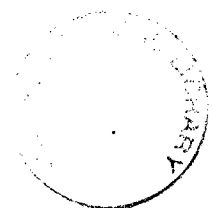
Teng: We have said before that we think it would be all right if our minds meet or if they do not, or whether we discuss more or less. Either way will be all right. The importance we attach to this visit is to the visit itself. As for the protocol and other matters, I think there is no need for your President to be worried about such things.

Kissinger: It is difficult to explain to the American public that we are going to China for no other purpose than a visit. For example, what is your reaction to the Communique we gave you?

Teng: We will try to give you our draft later this evening. And after that you can have discussions with our Foreign Minister. As we have heard that you are of the opinion that the time may not be enough to complete the entire agreement on the Communique, we were thinking you could take back our draft for further study, and if, after reading our draft, you think it would be easy to reach a common view, then you can have discussions with our Foreign Minister this evening.

Kissinger: If I do not think we can agree, what will happen?

Teng: Further consultations!





Kissinger: I cannot make a judgment until I have read the Foreign Minister's draft.

Teng: Indeed. But there are some concrete issues in the matters in your draft that perhaps are not yet realistic, as can be seen from this morning's session between Director Lin P'ing and Director Habib. Because, generally speaking, under circumstances where relations between states have not been normalized, it is not the normal practice to sign certain agreements between states, for example, commercial and navigation agreements, and on air traffic. We think it should be mainly the political aspect that should be able to manifest the significance of the visit. Of course, it should show that we are prepared to continue the move forward according to the principles of the Shanghai Communique; and of course, other matters such as trade, people-to-people exchanges, cultural exchanges, and things like that, can also be put into the Communique.

The important issue between us bilaterally is the Taiwan issue. And it seems to be that at present you are not yet prepared to put any essentially new language into the Communique. Under these circumstances we think it is appropriate to reiterate the language of the Shanghai Communique.

Kissinger: We thought we had put some changes into the Communique.

Teng: There is a bit. We have noticed that. We noticed one phrase: "We agreed with that view," something like that. [The Vice Premier leans down beside his chair and spits into his spittoon.]

Kissinger: But that is not a minor change. It picks up the principle of the November 1973 Communique.

Ch'iao: Of course, on the one hand it is slightly new; on the other side, it is not entirely. Because in the Shanghai Communique you have already stated that you did not challenge that view.

Kissinger: True. It is a nuance. It is related to our November 1973 Communique.

Teng: Anyway, when your President comes, we will be able to have a candid exchange of views, which might also be considered as a continuation of the exchange of views between the two sides during your visit this time.

LIBRARY

Kissinger: The problem I think for both of us to consider is whether the points that have been made in today's various discussions about the balance in our international relationship, and whether we do certain things in order to gain favor somewhere or whether we do them for tactical reasons, that these problems can only be solved-- or can be solved at one level more effectively --by showing some progress in Sino-American relations. We did not ask for it. We did not even ask for the visit, particularly. If we cannot show some progress, then given the way our media will report the visit, the only way to solve it is to show concrete progress in our relations.

Teng: As for the Presidential visit, it was the proposal put forward by the Doctor during your last visit to China last November. But we do not attach such great importance to who raised the visit. We anyway express our welcome.

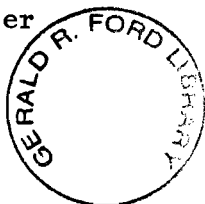
Kissinger: I think it is very difficult to discuss this in the abstract. And relationships can progress anyway only with the concurrence of both sides. We have, therefore, to see what -- we will have to look at your draft before we can make any conclusions.

### Bilateral Relations

Teng: Do you have any concrete ideas about any issues that you would like to have settled? Apart from those which I just now raised, which were unrealistic only because of the fact that relations between our two countries are not normalized?

Kissinger: We put what we thought were soluble into our draft of the Communique. But we do not insist on any one in particular. I do not have any beyond those I have mentioned. Those two or three are not important. And they do not all require formal agreement.

Our basic concern, Mr. Vice Premier, is not what is in those proposals, because the essence of our relationship does not depend on any of this. But the question we discussed yesterday -- the symbolism of whether China is our fifth priority, or a higher priority, which is what I would say--would be reflected, if we can find some concrete expression of it. I do not think China is our fifth priority, and I think we know our priorities better than anyone else knows them. If we want to give our public a stake in this relationship, then there has to be some concrete expression of it at sometime. But we are willing to listen to any other proposals.



Teng: Of course there are certain issues like, for instance, the assets and private claims and so on, which might be where agreements might be reached. But according to my knowledge of this morning's session, each side was still at its original position. The words were not new at all. But this is not an issue we are concerned about; as we have said, it won't matter if it is not settled in one hundred years.

Kissinger: The claims issue too?

Teng: We were saying that it would be all right if it was not settled in one hundred years, but if you think it possible to reach an agreement and settle it during the President's visit, we would not oppose that. As for the Most-Favored-Nation treatment and so on, Chairman Mao has explained our view. He said we do not need such things. As long as you do not give it to that bastard. [Laughter] And there always exists the possibility that one hundred years might be cut down to one and a half months.

There also was the issue you raised in your previous visits about the search for American military men missing in China, due to the Vietnam war. There also have been some initial discoveries, but they are too few. Each side can just state this to each other. It is too small to be put into the Communique.

Kissinger: On the claims and assets....of course, we are primarily concerned with enabling the Foreign Minister to come to New York via Anchorage in a Chinese aircraft, which will ease his discomfort when he arrives. [Laughter]

Teng: I believe a trial flight was made before I was planning to go for the Special Session.

Kissinger: And we had some legal complications.

But the sums themselves are trivial. We are not interested in the sums that are involved here. It is not a commercial problem with us. Mr. Habib put forward our latest thinking on the subject, this morning. Which represented some modification of our previous position.

Ch'iao: Too marginal to be perceived.



Teng: Our perception is that it is basically the same position. And as you just now mentioned, we do not think a few dollars more or less is of any importance, and we do not think it necessary to get involved in legal terms to express a settlement. If the terms and if these two points can be worked out, that would be a settlement. And if it is, as you have mentioned before, that without getting involved with legal terms one cannot settle such issues as Most-Favored-Nation and the legal status, we are willing to give them up.

Kissinger: Is it true...one of our newsmen told me he asked last year how you would react to a Jackson amendment in regard to Most-Favored-Nation and one of the Chinese said to him: "Anytime you want fifty million Chinese, we are ready."

That was a joke. It was told by a Chinese, not by us. [Laughter].

The basic obstacle to Most-Favored-Nation for the Chinese side is the claims problem. There is no other. There are no other obstacles.

Teng: I do not think it is necessary to get entangled in the legal matters of the Most-Favored-Nation status issue. We can just say that both of us agreed to settle it in one stroke.

Kissinger: To settle what?

Teng: To cancel the claims in one stroke. To just let it go with the wind.

Kissinger: Mr. Habib is afraid we will deprive him of his profession if we do that. [Laughter] If you can find some complicated way of expressing that same thought, he will probably be satisfied.

Teng: We can continue to study the problem. Anyway, we are not very interested or very concerned with the Most-Favored-Nation status issue. There is only one thing that is clear; it cannot be stated anywhere in any settlement that Chinese are required to observe American laws.

Kissinger: That is a very reasonable proposition, which is not self-evident to our Congress.

Teng: You can continue your study.



Indochina MIA

Kissinger: You said you had some information on missing in action. That would be of some interest to us if you could give us whatever you know.

T'ang: You mean now?

Kissinger: Whenever. Either now or later. It does not have to be expressed in a Communique.

Teng: There is no need to make a Communique for that.

Kissinger: No, but we would appreciate if there is any information that we could give to the families.

Teng: Yes, I think it perhaps would be most appropriate for us to give you the material and the information we have on these issues during your next visit.

Kissinger: All right. If you can use your influence on occasion with the Vietnamese, we would also appreciate that; but we do not have to know what you are doing. On the issue of the missing in action.

[Teng leans down again and spits into the spittoon.]

Teng: As I think I mentioned to you last time during your previous visit, we do not think our saying anything would be of any use, and it is our policy not to raise any such questions of such a nature.

Korea

Kissinger: About Korea.... Let me get a few other housekeeping things done. The Foreign Minister and I will have to agree on a Communique for this visit.

Teng: You mean an announcement of the date of the President's visit?

Kissinger: I do not know whether there is any need to say anything about my trip here. The trip we are now concluding.

[The Chinese side confers].



Teng: I think what is needed is just the announcement of the date of the President's visit. Everything else is already in the press.

Kissinger: Plus some things that did not happen. [Laughter] [To Funseth:] Where did you get Growald [Richard Growald of UPI]?

Funseth: He is from the White House.

Kissinger: [To Teng:] I think we probably want to do that in Washington and not from here.

Teng: You mean to discuss it?

Kissinger: No, the announcement of the President's visit should be made from Washington.

T'ang: And discuss it later on?

Kissinger: No. We can agree on a text here. We can agree later on a time of the announcement.

T'ang: After your return?

Kissinger: Yes. We can agree on the text here, and then set the time of the announcement after we return to Washington. It makes no difference to you on the time of the announcement?

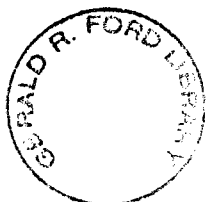
Teng: Anytime will be all right for us.

Ch'iao: Yes, we can decide on the text of the announcement here and you can just tell us when you want to have it announced after your return. Any time will be all right with us.

Kissinger: All right. That's how we'll do it.

Ch'iao: Good.

Kissinger: Now, on Korea: We have said that we are prepared to talk to North Korea, in any forum that includes South Korea.



Teng: I think the views of each side are very clear by now to the other. I think you have several sufficient channels leading to the Democratic People's Republic of Korea. They have an observer at the United Nations.

Kissinger: Who is extremely active. [Laughter] He thinks David Rockefeller runs the United States. [Laughter] So I hear from him periodically.

Teng: You have others.

Kissinger: We can communicate with them. We just want you to know our position.

Teng: I understand your position.

Kissinger: What is your understanding of how the legal position can be fixed in Korea if the UN command is abolished?

Teng: You are asking.....?

Kissinger: As I read your Foreign Minister's speech at the UN, he said it is an easy problem, but he did not tell us how to solve it. [Laughter]

Ch'iao: That is to say that an armistice and a cessation of hostilities--an armistice agreement--cannot go on forever. There is bound to come a day when it will be turned into a situation of peace. That can be said. Our view is that once the Armistice Agreement is replaced by a peace agreement, it will not be difficult to settle the issue in principle.

Kissinger: Yes, but if the UN Command is abolished and before there is a peace agreement, there will be no legal status at all.

Ch'iao: Our understanding of the position of our Korean friends is that these two things are connected, that is, that the Armistice Agreement will be replaced by a peace agreement.

Kissinger: Yes, but their position is also that the UN Command should be abolished.

Ch'iao: As for the concrete issue of dissolving the UN Command, I think it is something for you to discuss with Korea. And it seems that the time is not yet ripe for the solving of this issue.



Kissinger: I hope we will all not fire too many cannons in the debate that is now ahead of us. [Laughter]

Teng: It seems that it won't do if certain cannons are not fired. I think it is a saying with you, you also have a considerable number of cannons. [Laughter]

Kissinger: Yes, but we lack the eloquence of some of our critics. [Laughter] And Mr. Habib is very sensitive, because he was Ambassador in Korea. [Laughter]

South Asia

On South Asia, we are often asked by Pakistan about our attitudes. The Chief of the Pakistan Air Staff is coming to visit us the end of November, and we will begin selling some equipment to them then. And we have also warned the Soviet Union against military pressure against Pakistan by them or their friends.

Teng: That is good. We have given them a bit of what we have, but that is very backward. I think that what they need more is things that you can give them.

Kissinger: And we will begin it after the visit of the Air Marshal. We have already agreed to sell them some anti-tank weapons and I think some artillery.

Teng: How is your work going on with India?

Kissinger: They are very eager to improve their relations with us. Their Foreign Minister visited Washington a few weeks ago. Our basic assessment is that in the next five years they may bring pressure on both Bangladesh and Pakistan, and maybe attack them both. Our information is that they are seriously considering engineering a coup in Bangladesh or seriously considering engineering refugees to give them an excuse to bring pressure on Bangladesh.

Teng: I think we still have to wait to see the development of events.

Kissinger: They would be more active if they were not also pacifists. [Laughter].



Teng: Aren't they the origin of all peace? [Laughter] They have also been very eager to improve their relations with us.

Kissinger: Yes, they told us.

Teng: And want first of all to exchange Ambassadors. And during the recent visit of the Yugoslav Prime Minister Bijedic to China, he also brought us a message from India and we gave him a message back. It consisted of no other content than of asking Madame Gandhi to improve her relations and policies toward neighboring countries.

Kissinger: They have asked us to be helpful with you. But I assume they have many channels to you.

Teng: Yes, there are plenty of direct channels. On the evening of May Day 1971, when the Chairman met with their Charge' d'Affairs on Tien An Men, he had already said to him we do not think the present state of relations between our two countries can continue forever like this. That shows that the channels in Peking are not clogged up.

Kissinger: It is not a matter of primary concern to the United States.

Teng: Correct. But there is one point that seems to be worth noting. It seems the dissatisfaction among the people about Soviet control of India has considerably mounted.

Kissinger: Yes. I am assuming that the desire to improve relations with you and us reflects a public necessity. And we favor anything that lessens Soviet influence in India.

Teng: It is my personal impression that there will inevitably come the day when the Indians are going to rebel against the Soviet Union.

Kissinger: It seems to be the Soviet destiny whenever they have close relationships. [Laughter]. The ability to maintain allies is not one of their specialities. [Teng nods agreement.]

Teng: So what else do we have to discuss? I think the main issue is still the Communique, which I will leave to our Foreign Minister to discuss with you at a later hour.

Kissinger: Yes.



Teng: As for the discussions we have had, especially the discussion you have had with Chairman Mao, we believe them to be of positive significance.

Kissinger: So do I.

Teng: We will be seeing each other very soon.

Kissinger: That's right. Very soon.

Teng: As for the announcement about your visit this time, perhaps we can save some of the words for the next visit, and use them for the next visit.

Kissinger: I agree. You save the words for the next visit. There is no need to say anything substantive.

Teng: So, do you think that will be about all for the talks?

Kissinger: Yes, I think so.

Teng: We will be seeing each other later on.

Kissinger: Yes, we will be seeing each other.

[The Secretary confers with Bush and Habib.]

All right.

Teng: We will see each other at half past seven.

Kissinger: Yes, half past seven.

[The Chinese side hands over an advance text of the Foreign Minister's banquet toast for that evening.]

Teng: Just words of gratefulness for your banquet this evening.

Kissinger: Thank you.

[The meeting adjourned.]



Exchange of  
Toasts



# PRESS DEPARTMENT OF STATE



October 22, 1975

No. 538

EXCHANGE OF TOASTS  
BETWEEN  
THE HONORABLE HENRY A. KISSINGER  
SECRETARY OF STATE  
AND  
FOREIGN MINISTER CH'IAO KUAN-HUA  
PEOPLE'S REPUBLIC OF CHINA  
PEKING, CHINA  
OCTOBER 22, 1975

SECRETARY KISSINGER: Mr. Vice Premier, Mr. Foreign Minister, Ambassador Huang Chen, Chinese friends and colleagues, Ladies and Gentlemen:

On behalf of all my American colleagues, I extend a cordial welcome to all our Chinese friends to this dinner this evening. And as a sign of my respect for them, I will not again inflict on them Chinese with a Cantonese accent.

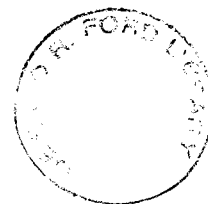
We are satisfied with our visit. Our two countries are too self-reliant to need reassurance and too experienced to confuse words with reality, or tactics with strategy. We ended our isolation from each other because of our perceptions of our national interest. We will strengthen our relationship by deepening these common perceptions. And we will nurture our relationship by respecting each other's views regarding our national interest.

Once again we benefitted greatly from the friendly and wide-ranging discussions I had last evening with Chairman Mao. And many issues of common concern were examined thoroughly and usefully in extensive talks with the Vice Premier, the Foreign Minister, and other Chinese officials.

The preparations for President Ford's visit to China later this year are proceeding well. It will serve to promote Sino-U. S. relationships on the basis of the principles of the Shanghai Communiqué. I would like to thank our Chinese hosts for making our sojourn here once again a memorable experience through the openness and far-sightedness of the talks, the splendors of China's history and culture, and the autumn beauty of the Fragrant Hills.

And with pleasure, I propose a toast:

- to the health of Chairman Mao Tse-tung and Premier Chou En-lai
- to the health of the Vice Premier, the Foreign Minister; and the Chief of the Chinese Liaison Office in Washington;
- to the health of all our friends here today; and
- to the friendship of the American and Chinese peoples; Ganbei.



FOREIGN MINISTER CH'IAO: Mr. Secretary and Mrs. Kissinger, Mr. Bush, Chief of the United States Liaison Office and Mrs. Bush, American Guests, Comrades:

The Secretary of State, Dr. Kissinger will conclude his eighth visit to China tomorrow. We would like to thank Mr. Secretary for inviting us to this banquet on the eve of his departure.

Yesterday, Chairman Mao Tse-tung met with Secretary of State Kissinger, and they had a conversation on a wide range of subjects in a friendly atmosphere.

In the last few days, our two sides had a frank exchange of views on the current international situation, international issues of common interest and Sino-United States relations. Our talks have enabled us to have a clearer understanding of each other's views. This is useful. Both sides reaffirmed the principles established in the Shanghai Communiqué and stated that they will promote Sino-United States relations in accordance with these principles.

Finally, I wish Mr. Secretary and his party a pleasant journey.

I propose a toast:

- to the friendship between the Chinese and American peoples;
- to the health of the Secretary of State and Mrs. Kissinger;
- to the health of the Chief of the United States Liaison Office and Mrs. Bush;
- to the health of all American guests and Chinese comrades present.

\* \* \* \* \*





## *Gerald R. Ford Presidential Library and Museum*

---

[www.fordlibrarymuseum.gov](http://www.fordlibrarymuseum.gov)

*Library: 1000 Beal Ave., Ann Arbor, MI 48109*  
*Museum: 303 Pearl Street, NW, Grand Rapids, MI 49504*

*(734) 205-0555 fax (734) 205-0571*  
*(616) 254-0400 fax (616) 254-0386*

**The documents in this  
folder continue into the  
next folder.**