The original documents are located in Box 45, folder "Chennault, Anna" of the Robert T. Hartmann Files at the Gerald R. Ford Presidential Library.

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Dear Anna:

The President has asked me to respend to your letter of February 28, a copy of which you also sent to me.

We are aware that Gwen Anderson has acted as a contact point for you and the National Republican Heritage Groups Council dating from the time she joined the Vice Presidential staff last year, and I see no reason why this should not continue. As you probably know, the Office of Pelitical Affairs here at the White House is composed of myself, Jack Calkins, and Gwen. We are continuing to work a division of labors within our office, and I would be happy to have you continue to use Gwen as your major contact point for NRHG Council matters.

Should Gwen be unavailable at any given time, please feel free to contact Jack Calkins or myself.

All best personal regards and good wishes.

Sincerely,

Robert T. Hartmann Counsellor to the President

Mrs. Anna Chennault Vice President for International Affairs The Flying Tiger Line, Inc. 1020 Investment Building 1511 K Street, N. W. Washington, D. C. 20005

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From the Desk of -

Anna Chennault

For your information

November 7, 1975

Mr. Jeremiah Milbank Finance Chairman Republican National Committee 310 First Street, S.E. Washington, D.C. 20003

Dear Jerry:

Received your message regarding meeting on November 13th at Sheraton Carlton Hotel.

Desply regret I will not be able to attend because I am scheduled to leave for Tokyo, Taipei and Hong Kong on a business trip on November 11th and will not be back until after November 20th. However, due to my deep concern and interest in our Party, and my past association with the Finance Committee, and working with you during both the '68 and '72 elections, you know you can always count on me for whatever help I can offer.

I am asking my good friend and our dedicated associate, Eleanor Williams, of the John J. McMullen Company, to represent me at this meeting. I already called her and she was so kind in accepting to be by representative. For your information, Eleanor Williams' Social Security Number if 143-14-5359. Her date of birth is November 22, 1922 and her birthplace is Norfolk, Virginia.

I have met with both Senator Ted Stevens and Congressman Guy Vander Jagt from time to time. Do hope you will bring all of us together again, we have much work to do.

As soon as I return from my trip, would like to sit down and talk with you.

Watmest regards,

Anna Chennault

cc: Eleanor Williams

Copy to Mr. Robert T. Hartmann

THE FLYING TIGER LINE INC.

1020 INVESTMENT BUILDING . 1511 K STREET, N. W. WASHINGTON, D. C. 20005







The Honorable Robert T. Hartmann Counsellor to the President The White House Washington, D.C. Anna Chennault Investment Building 1511 K Street, N.W. Washington, D.C. 20005

June 1, 1976

The Honorable Robert T. Hartmann Counsellor to the President The White House Washington, D.C. 20500

Dear Bob:

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The China issue will be debated in the days and months ahead during the campaign. I am sending you two papers, one written by myself and the other written by Mr. Ray S. Cline. I quote my last paragraph:

"However, realizing our foreign policy should always remain flexible, the other possibility is to use the example of our dealing with the situation of Germany - recognizing one Germany - two governments. East Germany and West Germany both have diplomatic relations with the U.S. This might be a workable formula on the China issue."

Do hope you will call it to the attention of the President. I strongly feel this is in the interest of America.

Sincerely,

Anna Chennault

Enclosures (2)



STATEMENT BEFORE THE SUBCOMMITTEE ON FUTURE FOREIGN POLICY RESEARCH AND DEVELOPMENT OF THE HOUSE INTERNATIONAL RELATIONS COMMITTEE

by Ray S. Cline

U.S. POLICY TOWARD CHINA

It is a great honor to appear before this distinguished group of Congressmen addressing themselves to the complex questions of future U.S. foreign policy. With your permission, Mr. Chairman, I will make a few brief remarks about one of the most vexing and most crucial issues confronting the United States in its foreign policy, namely our relations with the Republic of China. This is the formal name of the political entity governing the daily lives and welfare of 16 million Nationalist Chinese residents on Taiwan and the adjacent small islands of the Pescadores. The Government of the Republic of China claims the rightful or de jure political responsibility for ruling all of China, although -- as the Nationalist Chinese know better than anyone -- their de facto control of the territory has been restricted to its present island area since 1949, when the Chinese Communists won physical control of Mainland China after a bitter civil war, (Mao Tse-tung established the Government of the People's Republic of China on 1 October 1949 in Peking).

Let me say at the outset that my view of foreign policy is based on my 30-plus years of government service, more than 10 of which were spent in overseas posts. I had the good fortune some 15 years ago to spend almost five years in Asia, residing in Taiwan, where I learned an enormous respect and admiration for the Chinese people. Their ancient cultural traditions are based mainly on the Confucian virtues of respect for the family and family obligations as the basis of all civilized life, an enlightened humanism as an ethical guide for conduct, and political moderation in governing a self-disciplined society. The Chinese I know have deep confidence in the moral basis of government and international relations; they are extremely self-reliant and are among the most energetic, hardworking, entrepeneurial people in the world.

I am sure this is potentially true of the Chinese people on the Mainland too, but the Government of the Republic of China (Taiwan) has based its policies on developing these characteristics within a modern outward-looking, international-trading society with political processes representative of individual voters; whereas the Mao regime has denigrated Confucian ethics, introduced a command economy with total central control, and forced the police controls of an arbitrary dictatorship on the 900 million Chinese people on the Mainland.

Finally, in the way of preliminary explanatory remarks, permit me to give you my views on the proper modalities of U.S. foreign policy. I have studied this subject for many years, both in theory and in practice, and I have written down some of my conclusions in a book published last year under the title <u>World Power Assessment</u>. Hence I can tell you very briefly -by lifting a passage from this book -- what I think ought to be our basic approach in international affairs:

... in thinking about an appropriate strategy for the United States and the strategic balance which we seek in the world, it is essential to return to some positive ideas about which nations of the world are sympathetic toward U.S. purposes and which of them are strong enough to be helpful to the United States.

A nation must not be mesmerized by the power

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potential of an adversary. An obsessive preoccupation with hostile governments can lead to error, either through exaggerated fear of the dangers they present or through anxiety to placate them. The sine qua non is to know what U.S. objectives are and whether or not they can be achieved. This will depend upon our own national power plus that power committed to our side by dependable alliances. Like good friends, good allies must be shown again and again the mutual benefits of free and voluntary association.

In the light of these principles our recent foreign policy attitudes toward Asia leave a good bit to be desired. The main thrust of the policy of Richard Nixon and Dr. Henry Kissinger was to placate our avowed adversaries, the USSR and the People's Republic of China (PRC), by propitiatory concessions, some of them at the expense of our allies and our own worldwide strategic capabilities.

I believe that President Ford has brought our policy back to proper emphasis on candor and straight dealing with our main allies, as well as on our strategic strength, but the credibility of the United States in this regard is still limited. There are still reverberations of the Nixon "shocks" of neglect of Japan's interests while were secretly fabricating the detente with Mao Tse-tung, reverberations of the harsh and disdainful treatment of our great European allies in the economically and politically stressful years of 1973 and 1974, and the reverberations of the generally secretive and inadequate way of handling commitments and guarantees to such endangered species of nations as South Vietnam, now extinct, Israel, and the Republic of China (Taiwan).

If there is any specific track in our foreign policy today where we seem to me to be walking into a disaster, it is our policy toward China -- more specifically our shabby treatment of a loyal, strong, self-reliant ally, the Republic of China, as a device to capture the attention of the Mao regime in Peking.

Our China policy lurched suddenly into a new phase with the Kissinger secret trips to Peking in 1971 and the Nixon TV spectacular visit of February 1972. These contacts with Peking, eagerly sought by Mao because of fear of the Soviet Union, set the stage for improving our relations with Communist China. Basically, improving contacts with China is a good idea. Almost total hostility on both sides had been the rule for more than 20 years; and the future of Mainland China is a critical element in international affairs. The Nixon policy also, however, implied abandonment of our firm, long-established strategic commitment to defend the people and the territory of Taiwan from forcible conquest and subordination under the Communist dictatorship, which none of the people on Taiwan want. Communist China could have had better relations with the United States at any time in the past 20 years if they had been willing to renounce the use of force to recapture Taiwan. This they are still unwilling to do.

The first betrayal of our commitments to Taiwan occurred when the White House torpedoed the earnest efforts by the State Department and other friends of the Nationalist Chinese to maintain a seat for the Republic of China in the United Nations, even while acquiescing in the entry of the People's Republic. I know from my personal observation in the State Department, where I worked at the time, that Secretary of State William Rogers and U.N. Ambassador George Bush made every effort in good faith to save Taiwan's membership in the General Assembly, in which

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at the time, it was a full member in good standing. At the crucial moment, however, a duly publicized trip to Peking by the itinerant Dr. Kissinger took place. His presence in Peking in October 1971, at the very time of the close vote on expulsion of Nationalist China from the U.S., signalled to the world that U.S. interest had shifted to the PRC and, despite public policy pronouncements, would be less than resolute than before in protecting the interests of its longtime ally, the Republic of China. The Republic of China was deprived of membership in the U.S. by a very close vote which would probably have gone the other way if Nixon and Kissinger had vigorously supported the two-Chinas policy espoused by Secretary Rogers with their approval at the time.

It was no surprise, then, that the Shanghai Communique in February 1972 somewhat equivocally endorsed the "one China" concept on which Peking based its claim to rule over Taiwan -to be made good in their view by force if necessary. While White House verbal support for "old friends" accompanied these pronouncements, there was no firm and unequivocal restatement by the United States of commitments concerning Taiwan; there has been instead a persistent emphasis from that time forward on the overriding necessity of improving relations with the PRC. Thus for five years U.S. policy has implied without openly saying so that Taiwan ought to be resubordinated to the Mainland in some fashion or other regardless of what the 16 million people there want.

This is the real sticking point in our policy. If our commitments to Taiwan get in the way of our diplomatic surge

- 5 -

toward Peking, are we entitled to discontinue our support of Nationalist China and let it become highly vulnerable to pressures that eventually will bring it into line as part of the Mainland dictatorship? Especially we must ask, can we morally justify this step even though its citizens are united in wanting to keep their own democratic society, elected leaders, internationally oriented free-trading economy, and standard of living about three times higher than that in Mainland China? Are nations of 16 million, like Taiwan, of which there are well over 100 among the 150-odd independent political entities in the world, playthings to be tossed about to suit the convenience of the great powers?

I discussed these very issues with Jack Kennedy and Dean Rusk when they were the primary architects of U.S. policy. To their credit, both of these great men based their position on the moral principles of loyalty to an ally, commitment to freedom of political choice for small nations as well as large ones, and the prevention of the use of military force to settle political disputes. The United States even in those days would have been pleased to have better relations with the Mao regime, although we deplored its policies -- particularly its policy of arming and aiding North Vietnam to destroy the anti-Communist regime in South Vietnam. Regardless of the diplomatic gains that might have been made from improved relations with Peking, or the troubles that might have been avoided, no leader in that day was willing to take the step of selling the Nationalist Chinese into subjugation to the Mao regime as the price of detente.

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As a result of this view, also held by President Eisenhower in his day, the United States has always maintained diplomatic relations with the Government of the Republic of China and honored a Mutual Defense Treaty (of 1954) guaranteeing U.S. assistance in case of military attack. On these ties to Taiwan have hinged the stability and peace of Northeast Asia, where remarkable strides toward economic and political strength have been made by the major country in the area allied with the United States, i.e., Japan. It is hard to see how the United States can gain by disrupting this stability. Not only does the Republic of China have a modern society firmly linked with the international trading countries essential to U.S. well-being and security, but it has an expanding Gross National Product of about \$15 billion and a foreign trade of about \$12 billion, more than all of Mainland China. It also maintains well-trained and equipped armed forces with a total strength of about 500,000, a major contribution to the security of the East Asian island chain stretching from Japan to Indonesia, on which depend U.S. strategic defense of the West Pacific and protection of the vital shipping lanes on the periphery of all of Asia.

Despite these facts there now appears to be a quiet but concerted move by State Department officials trying to redeem Dr. Kissinger's implicit promises to Mao and the recently deceased Premier Chou En-lai, by Sinologists anxious to be admitted to the ancient seats of Chinese culture on the Mainland, and by journalists who are hoping to get posted to Peking if they write friendly stories on the PRC, to extend diplomatic recognition to the PRC and withdraw it from the Republic of China (Taiwan).

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The political chaos in Communist China surrounding the struggle for succession to the power wielded by the senescent Mao Tse-tung would seem to any reasonable observer to argue that nothing can be gained by recognizing at this moment a regime whose leaders and policies in a few months may be entirely different; they are certainly unknown. In the heedless rush to recognition, however, the very uncertainties are used as arguments for acting quickly while Mao is alive, if he is. The aim is presumably to forestall greater enmity than now exists in Peking toward the United States, which is now classed as a superpower enemy to be destroyed in due time, but a failing, weakening superpower which the PRC hopes to exploit diplomatically to its advantage in its more urgent and deadly conflict with the other superpower, the USSR.

To his credit, President Ford has not succumbed to steady pressure to move on to early diplomatic recognition of the PRC. This bow to Peking is the kind of over-eager concession which we made to buy goodwill in our detente policy toward the USSR. As I have observed elsewhere, this detente policy has shown little return in the hoped for form of restraints on Soviet weapons building, stabilizing influences on the turbulent Mideast, or Soviet abstention from wars of so-called "national liberation" with Soviet arms in Vietnam and Angola. Full diplomatic relations with the PRC is hard to justify on general principle in view of the price Peking demands of severing relations with Taiwan; it makes especially little sense just now in view of the confused leadership struggle going on in Mainland China. Worse, it forebodes great trouble in East Asia if we pay the price demanded

- 8 -

by the Peking regime for the privilege of establishing the diplomatic relations with the PRC which it needs much worse than we do. The price Peking has always demanded is abolishing diplomatic relations with the Republic of China. This is the cost to us of making this extravagant detente gift of recognition of the PRC, which insists we bow to its concept of its rightful rule in every area once considered Chinese. The trouble will come from the damage we do, not only to a loyal ally of great strategic importance in East Asia, but also to our credibility as a responsible partner in international affairs.

In many ways Taiwan is the Israel of the Far East, a nation beleaguered by intolerant enemies and ultimately dependent on strategic support from the United States to resist the pressures of the much larger hostile forces nearby. Like the Israelis, the Chinese Nationalists are united politically in their determination to defend themselves and maintain an independent status regardless of the pressures on them. It is impossible for me to see how Israel, or Japan, or Indonesia, or any other nation could rely on U.S. guarantees of a solemn treaty nature if we are willing to abrogate them on demand of another power with whom we want to curry favor.

The only pseudo-respectable argument I hear for proceeding to abolish diplomatic relations with Taiwan is that it would not make any difference anyway. The people who make this case claim that we can recognize Taiwan as being only a province of the PRC, and hence unilaterally cancel the U.S. Mutual Defense Treaty of 1954; they go on to say Taiwan is so resolute and strong that it could survive anyway with some sort of informal security assurance

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from the United States. This argument, if not deceptively disingenuous is downright erroneous. The United States cannot give any kind of credible security assurance to a Taiwan which we have just formally recognized to be legally a province, a subordinate part of another state. If we withdraw formal recognition of Taiwan as an independent political entity, despite the fact it is now a state in every normal meaning of the word, we will invite a chain of similar opportunistic capitulations to Peking. This would make Taiwan the only country of any consequence in the world to be denied formal diplomatic ties to the main members of the international community of nations. It would be disgraceful to do this solely to satisfy the rival political claims of another state. Further, we would run a grave risk of fatally undermining the political and economic hope for the future of the hard-working people of the Republic of China who have in 25 years created in Taiwan a stable island of tranquility and friendliness toward the United States amid the stormy political seas of East Asia.

What then is the right model for U.S. foreign policy with respect to the two states that call themselves China? It is so plain that only a fascination with Metternichean diplomatic gamesplaying can confuse the issue. We should return to the position adopted for a brief time in 1971 by Secretary of State Rogers. It is basically a two-China position, proposing fair treatment for both the Republic of China and the PRC. This position called for accepting the reality that the PRC has <u>de facto</u> control of the Mainland territory of China and offering to extend full diplomatic recognition to it on a <u>de facto</u> basis without subscribing to its <u>de jure</u> claim to be the rightful rulers of all territory that is called Chinese. This is a gesture of willingness to conduct

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cordial diplomatic relations with the Peking regime despite the fact its political system is based on internal controls we disapprove of.

At the same time to be fair we should also announce, coolly but firmly, that the United States does not permit any other government, certainly not the government of the PRC, to dictate our decisions on international relations with other states. We should say flatly that the United States will maintain full diplomatic relations and our Mutual Defense Treaty with the Republic of China (Taiwan). Our ground in principle for this stand is that the Government of the Republic of China is full de facto control of the territory and population of Taiwan and the Pescadores just as much as or more than the PRC is in de facto control of the Mainland. Accordingly, U.S. policy should urge that the Republic of China (Taiwan) should be formally recognized by all other nations as an independent state, a political entity with full sovereignty. We would not by these acts be endorsing the de jure claims of any state to be the eventual rightful regime for all China, but we would be facing facts as they exist today.

This solution is similar to the German model, whereby we have extended diplomatic relations to East Germany, a rigidly Communist state, while maintaining full diplomatic relations and defense treaty guarantees with our ally, West Germany. This is the only realistic basis compatible with our moral and political principles for dealing with the China problem for the foreseeable future. If the Chinese Communists are so rigid in their politics and ideology as to spurn this solution, it is their loss. This model is the only one that promises stability and order in East Asia. It is the only

- 11 - .

one compatible with U.S. strategic interests and moral and political concepts. I strongly recommend it to this Committee and our nation as the equitable way out of an evolving trend toward a disastrous pro-Peking one-China policy.

CHINA ISSUE

By Anna Chennault

The principal U.S. foreign policy in East Asia is the maintenance of peace and security. Toward this end the continuity of the existing balance of power is of the utmost importance not only to Asia but to the U.S. Japan, as the leading economic power in East Asia, or for that matter, in all of Asia, occupies a key position. Naturally the U.S. is interested in keeping Japan as a non-nuclear ally, friendly to the U.S, however, it is important for us to be reminded that Japan's security depends not only on U.S. support but also on South Korea and on Taiwan remaining safe and sound and friendly to U.S.

The idea of detente with mainland China is to use the Communist regime on the Chinese mainland as a counter-weight to the Sovièt Union and its expansionist policy in East, Asia provided a stablized government is in existence in the mainland. How stablized the mainland Chinese government is, is debatable at this time.

The U.S. policy of "normalizing relations" with Peiping will end in the recognition of, and the establishment of diplomatic relations with, the "People's Republic of China." Logically speaking, this will necessarily mean the U.S. de-recognition of, and the severance of diplomatic relations with, the Republic of China on Taiwan. Now, between the U.S. and the Republic of China there is a Mutual Defense Treaty which was concluded in 1954. Should the U.S. decide one day to de-recognize the Republic of China on Taiwan, this treaty cannot remain in effect. In other words, if the U.S. should de-recognize the Republic of China, she would also be unilaterally abolishing the treaty, which was duly ratified by the U.S. Senate.

There is a theory or hope that perhaps the Chinese Communists could be somehow persuaded to renounce the use of force against Taiwan, thereby obviating the need of maintaining this treaty. The question we must ask is: even if the Chinese Communists should so agree for tactical reasons, how much trust may the U.S. place in such a written or verbal assurance?

It is true that Chinese on both sides of the Taiwan Straits maintain that there is only one China and that Taiwan is part of that China. But the Shanghai communique did not say Taiwan is part of which China -- the People's Republic of China on the mainland or the Republic of China on Taiwan. Semantics aside, there are, in reality, two Chinas or one China divided into two parts each with its government and its area of control. This state of affairs is expected to last for some time to come. How and when the two parts will come together is a problem for the Chinese people themselves to solve. Now, for the U.S. to recognize the People's Republic of China now or in the near future will be tantamount to interfering in the domestic affairs of the Chinese people before they themselves are ready for it.

U.S. de-recognition of the Republic of China on Taiwan and the abrogation of the Mutual Defense Treaty would have the most serious effect on the existing balance of power in East Asia, without bringing any benefit to the U.S. The reasons can be observed as follows:

1. It would drive the government and the people in the Republic of China into further diplomatic isolation and even despair and desperation. In their determination to survive, they may do things or adopt policies which they normally would not even think of doing or adopting, such as declaring Taiwan as a separate nation, going nuclear or re-opening to the Soviet Union.

2. The U.S. abandonment of the Republic of China, a long-time " friend and ally of the U.S., would arouse apprehension and distrust in South Korea and Japan and other remaining free countries in East Asia. Whatever is left of U.S. credibility as a dependable ally will

- 2 -

be challenged and questioned. It will further damage U.S. prestige in Asia.

3. U.S. abandonment of the Republic of China on Taiwan will automatically end in the abrogation of the Mutual Defense Treaty. This would create a gaping hole in the U.S. chain of defense stretching from the Aleution Island through South Korea, Japan all the way down to the Philippines, Indonesia and Australia and New Zealand.

There is another compelling reason why the U.S. should not take any precipitate action to complete the "normalization of relations" with the People's Republic of China on the mainland. The Chinese Communists are preoccupied with their conflict and confrontation with the Soviet Union. They are obsessively afraid of a Soviet military attack, and as a result have given a low priority to the question of Taiwan. In the last two or three years they have told any number of American visitors that on the question of Taiwan they can wait for 50 to 100 years. Should the U.S. recognize them as the sole legitimate government of China, and once the Mutual Defense Treaty is terminated, they would feel compelled to invade Taiwan, because failure to do so would expose them to the Soviet taunt of their being a "paper tiger" after all. Meanwhile the government and people on Taiwan will surely resist and this might even bring the Soviet Union into the picture. In such an eventuality, the U.S. would be hard put to stay aloof. What such a train of events would lead to and with what consequences will be anybody's guess.

All in all, it is imperative that the U.S. leave the existing balance in East Asia undisturbed until the proverbial dust has settled.

What would the U.S. stand to gain from such a fateful step? Absolutely nothing at this time. The Chinese Communist regime, caught in a power struggle and beset with serious political and economic problems at home, has little to offer on the scale of geopolitics. It is not even stable! Besides, there is always a possibility that after leadership changes in both Peiping and Moscow, their ideological affinity will make them move to reduce their present level of antagonism and hostility, though never to form a monolithic bloc again as in the 50's and early 60's because of historical and territorial disputes.

The thing for the U.S. to do is to do nothing to change her existing contacts with the People's Republic of China on the mainland and the Republic of China on Taiwan until the situation clears up. From the standpoint of the U.S. she has obtained as much as it could be expected from "opening" of contacts with the Chinese Communists. Formal recognition will not bring any more benefits. At present, the U.S. already has a liaison mission in Peiping, which is an embassy in fact if not in name. On the other hand, the Republic of China has remained a loyal ally and friend and a trading partner of increasing importance. Besides, the Republic of China has been making a valuable contribution to the maintenance of peace and security in the West Pacific. For this reason and other reasons enumerated above, the U.S. should refrain now and for the foreseeable future from taking any steps which would have the undesired and undesirable effect of upsetting the delicate balance of power in East Asia.

However, realizing our foreign policy should always remain flexible, the other possibility is to use the example of our dealing with the situation of Germany - recognizing one Germany - two governments. East Germany and West Germany both have diplomatic relations with the U.S. This might be a workable formula on the China issue.

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