MEMORANDUM OF CONVERSATION

PARTICIPANTS:  
Vice President Yen Chia-ken, Republic of China  
Ambassador James Shen  
Vice Minister of Foreign Affairs, Tsai Wei-ping  
President Nixon  
Richard T. Kennedy, Deputy to the Assistant to the President for National Security Affairs.

DATE AND TIME:  
Friday, January 5, 1973  
4:00 - 4:15 p.m.

PLACE:  
The Oval Office  
The White House

Yen Chia-kan: Let me present you with this. It is a book of pictures of events since 1947.

President: I appreciate the long journey you have made to honor President Truman. It’s also an opportunity for me to welcome you here. I remember our meeting two years ago and my many visits to your country. I hope President Chiang is feeling better.

Yen Chia-kan: He is much better, thank you. His doctors advised him against travel. I do much of the protocol work, along with Premier Chiang Ching-kuo.

President: I know you have had problems continuing your diplomatic ties with many countries but you still have great economic strength. It comes from hard work.

Yen Chia-kan: Yes, and we will even work harder. The important part of our international relations is trade. We have a great expansion. It has increased from $4.2 billion to $5.9 billion in just two years, and it’s going up. What you have done for us is bearing fruit. Our production is up per capita.
We know we will continue to work hard and face our future and keep the support of our friends. We have had an election of our legislative bodies. We are drawing more and more local people into politics, more younger people. Education is moving rapidly. We are also emphasizing citizenship and vocational education.

President: That's an excellent move.

Yen Chia-kan: You have been kind to send us scientists for technical exchange. We hope we can increase this and intensify it.

President: We will do all we can.

Yen Chia-kan: A word about our military situation. We have made the transfer of aircraft to South Vietnam as you wished.

President: The purpose was to strengthen the GVN and our common interest. We hope to break the deadlock soon. They [the North Vietnamese] had agreed before our election, then they back off; that's why we resumed the May 8 policy. Now they are willing to start the talks again. We want to settle it -- it will include a cease-fire and the return of prisoners. On the political side, there is no coalition. We want to end it, but we must end it the right way. A bug-out would hurt us everywhere in the world. The Congress is giving us a tough time.

Yen Chia-kan: We will do everything possible to coordinate our policy with yours.

On the military side, we are giving gradually more and more attention to our Air Force and Navy. We have to do everything to prevent our isolation. We will appreciate your help to keep us in international organizations. We need your help and support. We will do everything to merit your support.

You know, there is possibly oil near Taiwan. We are cooperating with U.S. oil companies on this. It's in the exploratory stage.

President: I hope it is there. If you had the oil Saudi Arabia had, you'd be the strongest nation in the world. You've done remarkably with your resources. It comes from hard work and organization.
Yen Chia-kan: We are helping others in land reforms. Our success in land reform is the result of many factors. We are doing multi-cropping now -- with up to four crops a year. We are now producing more industrially than agriculturally. Our industrial growth is greater than our agriculture now. Your help has been very important. Ford's decision to come to Taiwan is very helpful.

President: How is Madame Chiang?

Yen Chia-kan: Fine.

President: She is strong and highly intelligent. We'll keep in close touch. If there is any change in our Ambassadors, we will let you know.

[The President gave him a Presidential ash tray and pin and escorted him to his car].
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

FROM: HENRY A. KISSINGER

SUBJECT: Meeting with Republic of China Vice President YEN Chia-kan
January 5, 1973
4:00 p.m. (15 minutes)
Oval Office

I. PURPOSE

To receive Vice President Yen as the ROC's representative to the Truman memorial service, and thereby to indicate continued warm U.S.-ROC relations.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

A. Background. The ROC, now largely resigned to the prospect of slow improvement in U.S.-PRC relations, continues to watch carefully the pace of this improvement. Taipei is acutely concerned with any signs of diminishing U.S. diplomatic support, or of change in our defense commitment, military assistance, or economic relationship. Taipei was badly jolted by Japan's recognition of Peking last September, and while it is successfully realigning its relations with Japan in order to preserve trade and other ties on an unofficial basis, it is all the more sensitive to the state of its formal ties with the U.S. But as realists, the leaders on Taiwan are working hard to replace their shrinking diplomatic ties elsewhere with unofficial relations that will support Taiwan's vital expanding foreign trade, which accounts for about a quarter of Taiwan's GNP. (Yen himself is an economist, and in part responsible for the ROC's determination to press for a vigorous economy.)

The short-term prospects for Taiwan's internal stability are good. The Mainlander Chinese leadership is expanding somewhat the previously extremely limited role of Taiwanese in politics at the national
level. The principal immediate question is President Chiang's health: his long, slow recovery from his serious bout of pneumonia last July has seemingly left him terribly weak, mentally clear for only limited periods, and thus unable to function even minimally as President.

Vice President Yen from 1966 until last spring was concurrently Vice President and Premier, but has now been replaced as Premier by Chiang Ching-kuo, President Chiang's oldest son. Because of President Chiang's incapacitation, Yen now functions as the effective acting chief of state, although his functions are limited to a ceremonial role.

B. Participants. Vice President Yen, Richard Kennedy

C. Press Plan. The White House photographer will take photos at the beginning of the meeting. Mr. Ziegler will brief the press after the meeting.

III. RECOMMENDED TALKING POINTS

Your talking points are at the end of this document.
RECOMMENDED TALKING POINTS

-- Ask after President Chiang's health, and request Yen to convey your best wishes for an early and complete recovery.

-- Assure Yen that the U.S. will continue to stand solidly behind its defense commitment to the ROC.

-- Tell Yen that the U.S. intends to continue its diplomatic, economic, and other friendly ties with the ROC.

-- Express your admiration for Taiwan's continuing vigorous economic expansion.

-- (If Yen raises the question of the ROC's contracting diplomatic ties) Note that the U.S. did work to prevent the ROC's expulsion from the U.N. General Assembly, and that we have continued to do so in other international agencies, most importantly in the case of the international financial agencies -- in which we were successful last September. Add that where appropriate we encourage other countries which have decided to break diplomatic relations with the ROC to maintain economic and cultural ties with Taipei.
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- Presently feel improving even to
  some extent.

- Appreciate the guidance & help you
  have given all opportunity to
  pursue line discussion.
  Remember meeting two years ago and
  many parting
  thoughts & advice. Hope things
  feeling better

- Much better - despite advances against
  trouble.
  Told dozen of potential went along
  with change later

- Have some local problems control.
  Argument here. Must still
  great same here must

- Yes - still severe west. Danger
  must feel with relation to
  other. Have great expectation.
  Amount $50 in your two year ago.

- Like you have done doing
  fruit improve per capita
  H. C. increased. Will have
  continue to request work will
  your own future. No poppy field
  election of legislative bodies -
  some more local people
  with politics - younger
  people
  education moving rapidly.

- Extra emphasis education
Possibly our next avenue - especially with our company - is exploring alone. I hope it is there. If you had all your land in your name you'd be a mighty patron in need. You've done remarkably well. Don't you know this was bad organization.

If we helping others in land reforms, we assure our success in land reform results, many times, using multi-cropping now up to 10 crops a year.

We are not producing more agriculturally, but less agriculturally. Increase the food more than agriculturally, less agriculturally.

Your help very important. Tor to decision to move to Yemen very helpful.

Q: How much?

Q: Time

Q: She is of high intelligence, will keep close touch very close relationship. Signed and typed as join.

Cp & cencel Date