SECRET/NODIS/XCDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Nixon
            Congressional Delegation enroute to the People's Republic of China
            Major General Brent Scowcroft,
            Deputy Assistant to the President
            for National Security Affairs

TIME AND DATE: Saturday, June 30, 1973
                11:42 a.m. - 12:32 p.m.

PLACE: The Western White House
       San Clemente

The President: Have any of you been there before?

Magnuson: Just when I was a kid.

Bruce is having a coming out party on the 4th of July.

The President: You have had extensive briefings. I will just give a rundown. Will you spend much time on trade? [They nod yes.]

Your trip comes at an interesting time. It's just as well it was postponed to after the Soviet Summit. The Chinese have an understandable concern about the Summit. They see U.S.-Soviet relations improving and they wonder what will happen to them.

Our policy is even-handedness. Do not indicate any illusions about our Soviet relations -- or our Chinese ones. Toasts are okay, but don't get euphoric. The Chinese are dedicated Communists. We respect them for that and they respect you if you don't think all is sweetness and light.

Brent Scowcroft
If I were Chinese, this is what I would see -- more Soviet divisions to their west than in Europe. To the south, India. They have contempt for the Indians, but consider them a threat because of their Soviet support. With Japan there is a love-hate relationship. Respect because the Japanese are an able people. The Chinese respect that the Japanese are the second country in the Free World. They look at our history and see how successful the Japanese have been. This is where some hate comes in.

Last year some of my briefing papers advocated reasoning with the Chinese about the Japanese and renouncing our Japanese treaty and getting out of the Pacific. This is wrong.

If our protection is removed, they must either accommodate or go nuclear. The Japanese are not likely to give in. The Chinese don't consider the Japanese a threat now, but in the longer-term future, they could be an enormous threat. So the Chinese won't press the Communist doctrine that the U.S. should withdraw from Japan.

Across the Pacific they see the United States, a major anti-Communist state.

Economics plays a part in their thinking, but basically they need good relations with the United States as a buffer against the Soviet Union and India and to keep Japan in line.

Now how does this work out? Every time we make a move toward China or the Soviet Union, the other gets worried. We can't play one against the other.

If the Chinese want to discuss the Soviet Union, let them bring it up.

What's in it for us in the Chinese game? Within 15-20 years, China will be a major nuclear power and they won't need us. The time to build a new relationship is now.

Now economics -- trade is building rapidly and it's six to one in our favor. The problem is how can a free society, speaking with many voices, deal with a closed society?

A year ago they didn't talk much about trade. If they do now, it will not be trade for trade's sake. The security factor is dominant -- trade is just the cement.
The more we can have the PRC tied to us, the better.

Don't get involved in discussion of Taiwan. They are relaxed about it and take a long-range view.

The big trade question is how does a free country trade with a closed society. Your recommendation on how to do it would be useful.

Magnuson: Even establishing conditions is hard.

The President: Why not consider an East-West bank for this? Communist credit is darned good. They keep their deals. It may be that we need a new institution.

We must avoid giving the impression we are linking trade with the political relationships. But they are linked, and the big thing we have to offer the world is our economic strength.

Keep in mind that the Chinese are very polite, but behind the facade are tough minds who will respect us if we are not soft headed. If you indicate the world is changing, the chance of war is going down, they will desert us.

Who would have thought a year ago that China would support NATO and stop trying to get us out of Japan?

Magnuson: We have thought too long that we can't trade with any but our friends. We can speak for a certainty that that is no longer the case, right?

The President: Yes. We don't have to like each other's systems to work with them.

Let's have trade, on the basis that it's mutually advantageous. Frankly, they don't have anything to sell us.

S______: Your idea of an East-West bank. You know the EXIM Bank has done a great job in Japan and the USSR.

The President: I just threw out an idea. Maybe expand EXIM.

S______: Does China have resources which will let them expand their trade.
The President: Now, no. Taiwan is a bigger trader. But potentially, maybe. If they had the economic system of Taiwan, they would be the biggest economic giant in the world. If they could tap their manpower...

S: Japan has some resources.

Magnuson: The oil people tell me there might be oil off shore.

The President: The Japanese are buying up everything everywhere.

The President: You may be asked did the President make any deals at the expense of the Chinese or others? You can answer a flat no. A strong China is in our interest.

M: Wasn't the Nuclear War agreement a protection for China.

The President: Both of us agreed there would be no use of force against third countries. That includes China.

The President: You will note the Chinese leadership is old. The question is, who will follow? The Chinese are very complicated people. You will be impressed and depressed. No rags, no beggars, no hungry. But it's a drab life.

Magnuson: But Chou En-lai is impressive.

The President: There is much to admire.

The President: The food will be good. The Chinese haven't shunted off on their manners.

M: MFN is a confusing term. It sounds like we are giving the Soviet Union and China special treatment.

The President: Yes, it is just to end discrimination.

Griffin: From the briefings I got the impression Taiwan would be the big thing. You said no.

The President: They may bring it up but they seem relaxed about it.

S: Is there anything to the news that Peking-Taiwan differences are breaking down?
The President: That I think is PRC propaganda. Would the Taiwanese want to be absorbed into the PRC?

Question: What are the PRC's priorities? Will they stress hydropower?

The President: Ask them, then we'll make up our minds.

Magnuson: They will ask me because they have great power potential. They don't know how to build dams.

The President: Your views are a bit wrong.

You can't tell the women from the men. The Chinese are more puritanical than the Russians. They're highly puritanical.

Question: Will we get caught in their internal differences?

The President: I doubt it.

Question: Are they stabilized? Have they come out of the Cultural Revolution?

The President: Yes, but it could be temporary, due to the age of the leaders.

Chou is one of the most sophisticated people ever, but he is 74. A remarkable man. Listen to him. He is a giant in the world.
THE WHITE HOUSE
WASHINGTON
July 19, 1973

MEMORANDUM FOR: BRIG. GEN. BRENT SCOWCROFT
FROM: DAVID C. HOOPES
SUBJECT: Memorandum for the President's File

Please prepare a Memorandum for the President's File on his meeting with U.S. Congressional delegation en route to China, Saturday, June 30, 1973; 11:20 a.m., Western White House Conference Room.

DATE DUE: Forty-eight (48) hours after receipt of this memorandum.

Thank you.
Small talk:

- It seems like we should have some time to talk.
- How has your home been? I heard there was a flood (or something).
- I'm just trying to stay positive. It's hard.

How are things going in the White House?

Our policy is very important. We're not in the position to be solicitous of others.

- The House is okay, but it's not anything special.
- The Senate is more... (what's the word?)

I don't know where China is. It seems to be everywhere.

- We're still deciding on our next move in Europe. To Smith, perhaps?
THE WHITE HOUSE
WASHINGTON

There are no limits to this and Japan, and China, too, have a love-hate relationship. They have been forces on the world stage for centuries, but they have often been enemies or at least not friendly. Japan is seen as a threat to China, and China is seen as a threat to Japan. This is where some of the tension comes from.

I have some friends who think that Japan is a positive force in the world. They believe that Japan is a peaceful nation that can help bring about peace in Asia. They also believe that Japan is a strong economic and technological force that can help to drive global growth.

I agree with these friends, but I also believe that Japan must continue to work on improving its image in the world. Japan has a long history of military aggression and has been accused of human rights abuses. It is important that Japan continue to work on these issues and show the world that it is a responsible and peaceful nation.

In conclusion, I believe that Japan is a complex nation that must work on improving its image in the world. It is a nation that has a lot to offer, but it must also address some of its past and present problems.
WASHINGTON

Economics say a potent in their thinking but beneath the veil gaol within a/25 as they fight again.

Do trade to keep going in but - how long how long this week and? Every time we make a move toward push a S.U. cotton gets involved. We can't play against c order.

If they want to chosen S.U. let them bring it up.

We have it for us in a United pact of in 15-20 yrs. China will be major medium power. China want push us. I think to build a new relationship is more.

Good forever - Trade building rapidly. In 5-1 roman power.

Problem is how can sell trade?

Ed and society.

A year ago they didn't talk much.
THE WHITE HOUSE
WASHINGTON

...and another 8-1/2 or more, it will
not be truth for truth is itself a thing.
The security factor is enormous - truth as
just a chance.

The game we can have, no
to the little.

Podiatrist mended the same of
Ewan. They are not, but it is, too:
a long range view.

The bighorn sheep in how do
a few times without their Walter's,

\begin{math}
\gamma_m \approx \frac{1}{\sqrt{\frac{\pi}{\pi}}}
\end{math}

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It: Even catch credit in hand

P: Why not credit on E-W track for this?

Is not credit its needed could. They keep

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\end{math}

and credit is checked good. They keep

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\end{math}

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\end{math}

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were our looking here it failed so there.

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\end{math}

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\begin{math}
\mathcal{M}(\mathcal{V}) = \max \{ \mathcal{V}_i \mid i = 1, \ldots, n \}
\end{math}

this we found to often I would so don
discern in 8-1/2...
THE WHITE HOUSE
WASHINGTON

Keeping in mind that China are very

prudent, but behind a façade façade are

strong minds who will not get us if we

are not soft headed. If you will not

realize that China's war is going

down, this will defeat us.

We should have thought 3 1/2 years ago

that China would not be at peace & that

they'd get us out of Europe.

M. Gabon himself thought the long term

could work with any but France & we

ought to be so wise. That was no longer true,

anyhow?

1. Yes, we don't know the exchange

equivalent to 1/4 of our time.

2. It's hard to see how it is otherwise,

advantageous. France, he can't have

any thing is well, etc.

3. Your idea of E-W link. You know

the problem. It is a great job for

Japan & U.S.

4. I don't think our idea. Maybe

then it is.

5. They say China has promised which

will be done by us & then they

trust.
THE WHITE HOUSE
WASHINGTON

P. Here, not Taiwan is a bigger threat. But potentially more, if they had a clear agreement together, they would be better off being part of the world. So they could stop mehrime.

S. Okay, thanks, remarks.

M. Our people tell me there might be a break of the middle, but no strong opinion of China or Taiwan. Confer a plan, or. Spy. China is in our interest.

S. Would you agree on participation in America?

M. America.

P. Both agreed we face against the Soviets and need balance.

You will note Chinese leadership is well, and China will follow, and Chinese are very complex. They will want to know, support, encourage. But a deal.

M. On that China.
THE WHITE HOUSE
WASHINGTON

P. There is much to achieve. Forward with it! Sweden does not want war and I feel we have achieved.

S. Right. (Long pause) May I say, this is a very fine thing that you have done. Sweden is very much in favor of peace.

P. Yes, it is a great service to the world.

S. (Looking at the map) The situation is quite clear.

P. Thank you for your help. I must express my appreciation. Sweden will be the country you would have wished.

S. They very much appreciate the things you have said about us.

P. I hope the situation will improve. I think the situation is quite clear.

S. It is clear that the people, the people of the countries, should work together.

P. (Looking at the map) What can we do to help them make their own decisions.

S. I think they should be free to decide.

P. They would be free to decide.
THE WHITE HOUSE
WASHINGTON

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123