The original documents are located in Box 14, folder “People's Republic of China (18)” of the Presidential Country Files for East Asia and the Pacific at the Gerald R. Ford Presidential Library.

Copyright Notice
The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. The Council donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.
REASON FOR WITHDRAWAL: National security restriction

TYPE OF MATERIAL: Memorandum

CREATOR'S NAME: Richard T. Boverie

RECEIVER'S NAME: Brent Scowcroft

CREATION DATE: 11/17/1976

VOLUME: 1 page

COLLECTION/SERIES/FOLDER ID: 032400149

COLLECTION TITLE: NATIONAL SECURITY ADVISER, PRESIDENTIAL COUNTRY FILES FOR EAST ASIA AND THE PACIFIC

BOX NUMBER: 14

FOLDER TITLE: People's Republic of China (18)

DATE WITHDRAWN: 05/07/2001

WITHDRAWING ARCHIVIST: HJR

REDACTED
MEMORANDUM

NATIONAL SECURITY COUNCIL

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: RICHARD T. BOVERIE
SUBJECT: Chinese Nuclear Test

As predicted, the Chinese conducted a high-yield atmospheric nuclear weapons test at their Lop Nor Test Site.

Due to the relatively high altitude of the blast, its fall-out would be minimized (little surface contact) and most of the radioactive debris would be carried high into the stratosphere. This was also true of the last test, however, but deposited more fall-out over the US than expected due to abnormal weather patterns.

Judging from the reaction to the last test, we can probably expect considerable pressure from the press to divulge details of the NSG (EPA) study the President requested at that time, and of the consultations Secretary Kissinger promised with the Chinese.

With regard to the latter point, an EA deputy office director in the State Department called in a counselor from the Chinese liaison office and reaffirmed our continued opposition to atmospheric testing. The Chinese response was that there was "no reason under heaven" why they should not be able to test in the atmosphere since the US and Soviets had done so for an extended period.

We are checking into the status of the EPA report and will send over some proposed press guidance as soon as we have some more information about this report and the anticipated severity of the fall-out.

c: Cathie DeSibour
**Subject:** Chinese nuclear test on Nov 17

**INTERNAL ROUTING AND DISTRIBUTION**

<table>
<thead>
<tr>
<th>B O A R D</th>
<th>ACTION</th>
<th>CHOICE</th>
<th>CHECK</th>
<th>INFO</th>
<th>REC CY FOR</th>
<th>ACTION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADV CES 5/CROFT/WSH</td>
<td>STAFF SECRETARY</td>
<td>CONGRESSIONAL</td>
<td>X</td>
<td></td>
<td></td>
<td>MEMO FOR EICONECRFT</td>
</tr>
<tr>
<td></td>
<td>ECONOMIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MEMO FOR PRESS</td>
</tr>
<tr>
<td></td>
<td>EUR/CANADA/OCEAN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>REPLY FOR APPROPRIATE ACTION</td>
</tr>
<tr>
<td></td>
<td>FAR/EAST/PAC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MEMO TO RECOMMENDATIONS</td>
</tr>
<tr>
<td></td>
<td>INTELLIGENCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>JOINT MEMO</td>
</tr>
<tr>
<td></td>
<td>LATIN AMERICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>REFER TO FOR ANY ACTION NECESSARY</td>
</tr>
<tr>
<td></td>
<td>MID-EAST/RD. AFRICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CONCURRENCE</td>
</tr>
<tr>
<td></td>
<td>SFC PLANNING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DUE DATE</td>
</tr>
<tr>
<td></td>
<td>SCIENTIFIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>COMMENTS: INCLUDING SPECIAL INSTRUCTIONS</td>
</tr>
<tr>
<td></td>
<td>SUB-SAH/AFRICA/UN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SUBSEQUENT ROUTING/ACTIONS**

- DATE: 11/11, 11/18
- FROM: BOLOGNIA
- TO: STAFF
- STATUS: "IX" INFO (BY-PASS)
- DUE DATE: 11/18
-髁EEU ACTION REQUIRED OR TAKEN: DESCRIPT

**NOTES:**
- SPECIAL DISPOSITION: SPECIAL INDEXING
- SPECIAL INDEXING: X

**SPECIAL INSTRUCTIONS:**
- X U.S. GOVERNMENT PRINTING OFFICE - 599-022 - 1976
MEMORANDUM
NATIONAL SECURITY COUNCIL

TOP-SECRET/SENSITIVE -XGDS

INFORMATION
November 30, 1976

MEMORANDUM FOR: BRENTH SCOWCROFT
FROM: WILLIAM J. BUCKLAND
SUBJECT: Reconnaissance Flights Near China

In concurring with this month's reconnaissance schedule for the East Asian area, I penned a note saying that I wished to explain something.

In view of the statements we made in Peking in 1972-73 about terminating our U-2 operations in Taiwan, I have tried to ensure that U-2 aircraft are not re-introduced into direct China operations.

In 1974 when the drone program over the Yellow Sea was dropped in favor of extending Burning Candy flights northward around the Shantung Peninsula, we, in the State Department, agreed on the understanding that U-2's would not be ultimately involved. Last year when the U-2's were moved from Southeast Asia to Korea, we again specified that it was with the understanding that they would be used for Korean and not primarily Chinese purposes. Since then, and despite statements each time that it is the final phase of a track adjustment, the U-2 tracks have been inching westward over the Yellow Sea. The current track moves the planes well off the Korean coast and about 100 miles from Shantung. This is safe enough in terms of our political commitments so long as the salami slicing stops.

My particular concern about U-2 aircraft does not apply to other kinds of aircraft, and obviously I would abandon my scruples if U-2 aircraft were uniquely able to obtain vitally important information. Nothing I have seen so far suggests this is the case.
EYES ONLY FOR

1. Bill Fountain
2. Ed Stokes

MEMORANDUM
NATIONAL SECURITY COUNCIL

MEMORANDUM FOR: BRET SCOWCROFT
FROM: WILLIAM H. GLEYSTEEN
SUBJECT: Ambassador Gates and China Transition Papers

I have been meaning to talk to you about the attached letter from Ambassador Gates to you and Secretary Kissinger, but I think a brief memo will suffice.

As you will recall, Gates originally asked to be involved telegraphically with the preparation of transition papers. You suggested instead that he send in his ideas by letter, and he has done so. State is drafting an acknowledgement thanking Gates for his effort and promising to keep his proposals in mind if the new Administration requests policy views. In addition, State proposes to send Gates a copy of their transition paper on China, but they are not sure whether the Secretary will agree to do so.

I do not think you need to bother with the Gates letter which crosses no new frontiers. Briefly, it states that: China is going to be a very important factor in the world scene; leadership transition and other problems may make it difficult for China to proceed with normalization and that we will have problems on our own side as well; but the new Administration should nevertheless make an effort to resolve the Taiwan problem, perhaps by trying to get around a direct approach to the security question through a step-by-step expansion of assurances about continued economic access to the island. Meanwhile, Gates would continue with troop drawdowns, lower our diplomatic representation in Taipei to the Charge's level, and would let the PRC know that we are continuing to implement the Shanghai Communiqué in these ways.

I have a number of problems with Gates' proposals. The main one is that Peking could easily satisfy us on the question of economic access to Taiwan without giving us any comfort on military security. In fact, they have already done so. I also suspect that if we were to lower our diplomatic representation in Taiwan in current circumstances, we might...
find that the domestic cost was not worth the marginal gain with the PRC -- in fact, Gates seems to underestimate the conservative American mood on Taiwan. Finally, even though I, too, would proceed with military drawdowns in Taiwan, I would not favor getting down on our knees to tell the Chinese what we are doing. I would prefer to let the Chinese find out for themselves.

My miscellaneous comments are not meant to belittle Ambassador Gates' thoughtful letter, only to emphasize the complexities.
December 1, 1976

Dear Secretary Kissinger and General Scowcroft:

I refer to my exchange with the White House concerning USLO's participation in framing China policy proposals for the new Administration, and I am responding to the suggestion that I send my present comments by letter. I still consider a dialogue during the transition period will be useful.

In making the following recommendations I assume that the PRC has the potential to become a major world power by the year 2000. However, I also assume that its progress toward this goal will be painfully slow. Chinese economic policies and practices are antiquated. Its leaders are unskilled in modern management or systems techniques. The organization of industry is sadly deficient. They are weak militarily. The purge of the "Gang of Four" has stimulated new expectations, but higher standards of living and a significant military modernization program are at present financially impossible.
Hua Kuo-feng, in my view, is heading a transitional government which is likely to be faced with a continuous struggle for power. The movement toward modernization of the army, increased and more efficient production, and a higher standard of living will continue, but the sorting out process of both people and priorities is a huge task, and more heads could roll along the route.

Given these circumstances, I believe that the Chinese leaders will be preoccupied with domestic economic and political problems for some time. Meanwhile it is unlikely they will be willing or able to effect much change in their foreign policy including the priority in the Sino-U.S. relationship on our common concerns vis-a-vis the Soviets. This is to say that the Chinese will continue to care more about the U.S. performance globally, as a counter to the USSR, than about resolution of the Taiwan issue.

While there is no particular heat from Peking on the Taiwan issue now, that can change. The issue has not been put in the closet; there is the "debt"; and we have acknowledged that the next move is up to us. The Chinese are likely to remain intransigent on their three conditions and their refusal to renounce the use of force in recovering Taiwan. In making their conditions increasingly precise and hence less negotiable -- while also declaring that they do not expect a peaceful transition -- the Chinese may even secretly want (a) to make it politically impossible for the
USG to free itself of the Taiwan problem now, when the PRC is in no position to do anything about Taiwan anyway, and (b) to make it politically difficult for the USG not to meet Peking's terms later on, when much of the American public will have come to see the alternative as U.S. involvement in another Asian war.

Notwithstanding different views on Peking's Taiwan game, all of us here agree, on both geopolitical and bilateral grounds, that the U.S. must actively seek opportunities to end the present stagnation in our relations with Peking and that certain initiatives are called for as soon as possible. These are primarily cosmetic but they will signal to Hua's new government, and others, that the new Administration recognizes China's importance and also intends to pursue normalization. The new Administration should, over its first few months:

- Include Huang Chen among the first of the envoys to be received by the new Secretary and the President.
- Reaffirm to Huang, and in a private Presidential message to Hua, and in the Administration's first public foreign policy statement, that the Shanghai Communique remains the basis for the development of U.S.-China relations.
- Promptly name USLO Chief. The importance of the back­ground and characteristics of this individual is in Chinese eyes a vital part of the relationship -- more so than in other places.
--Proceed to carry out present undertakings on the U.S. force level on Taiwan.
--Leave our representation in Taipei at the Chargé level.

All of the above steps would convey continuity. They would not give anything away, and would not require prior decisions on the pace of normalization or on our basic terms for normalization.

As part of the negotiating process in moving toward normalization, I recommend a series of meetings either at the Assistant Secretary or Ambassadorial level with the Chinese, here and/or in Washington, to find out if the Chinese remain intransigent on their three conditions and their refusal to endorse a peaceful transition for Taiwan. Second, the meetings should also explore the Chinese concept of the "Japanese formula". For example, will the Japanese formula allow us to assure our businessmen that their present and future investments on Taiwan will be safe for, say, the next 10-20 years? Third, we should inform the Chinese that we are withdrawing the remainder of our forces in Taiwan and do not intend to name a new Ambassador to Taipei. Fourth, we should see if there is any give on the Chinese side in settling the claims/assets question. Fifth, contingent on the fourth, could be a discussion of follow-on economic measures, such as most favored nation status. A textile restraints agreement is another possibility, and there are other items that can be included, along the lines of U.S. proposals during the Secretary's visit in October 1975.
If we make no progress with the Chinese, we still have the same options we have had all along:

(1) Retain the status quo while continuing to try to get the Chinese to change their terms and not to contradict publicly our desire for a peaceful transition. Success under present conditions is unlikely, and we would have to assess the costs of a long period of stagnation in our relations.

(2) Seek another way to break the impasse with a concentrated plan to fully inform Congress and the public about the strategic issues involved. One possibility is to substitute a PRC private assurance (growing out of the Japanese formula) that Taiwan will remain open for foreign investment. We might leak such a statement if the PRC would agree not to deny it. Another possibility is to decide on a three-year program leading toward recognition of the PRC and using this time to keep negotiations open and to obtain public support for the abrogation of the Mutual Defense Treaty.

You are in a better position to gauge American public opinion concerning our relations with Taiwan and the Mutual Security Treaty. Codel Curtis and others are strong in their support of the MST -- and of course there are the U.S. newspaper editorials and statements over the past few months which stressed the need for a peaceful solution of the Taiwan issue.

On the other hand, these views may be in fact noisy, minority ones. Wide-spread interest in China on the part of our fellow citizens is testified to by continuous coverage of
events in China by even small-town newspapers all over the country. Senator Mansfield also was for movement now. We may be over-emphasizing our political difficulties.

In any case, it is my firm view that continued stagnation could freeze political positions in both countries to the point of making a reopening very difficult. I think it is imperative for the new Administration to do everything possible to move toward diplomatic relations with the PRC. The prospect of a powerful, hostile China twenty-five years from now is not something that can be brushed aside.

Sincerely yours,

Thomas S. Gates
Chief, U.S. Liaison Office
SUBJECT: \textit{Actual 

[rest of the text is not legible]
MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Response to Senator Curtis' Letter Regarding His China Trip

Before meeting with you on December 17, Senator Curtis sent a letter thanking you for having been given the opportunity to travel to the People's Republic of China (Tab B).

Senator Curtis also offered his view that the Chinese consider Taiwan an important but lesser issue in comparison with "Soviet aggression" and the need for US-PRC cooperation to deal with it. He urged that we not abrogate the Mutual Defense Treaty with Taiwan arguing that it is not necessary for the sake of US-PRC relations and that it would be wrong to desert a free society for a closed Marxist one.

A suggested response is at Tab A.

Max Friedersdorf and Jack Marsh concur. Douglas Smith, of Robert Hartmann's office, has cleared the text.

RECOMMENDATION:

That you sign the letter to Senator Curtis at Tab A.
Dear Carl:

I want to thank you for your thoughtful letter of December 10 and for your courtesy in personally reporting to me on your trip to the People's Republic of China.

You are to be congratulated on the excellent job you did as leader of the delegation. You and your colleagues represented the American tradition of friendship towards others combined with a free and frank exchange of views.

I firmly believe that such visits will do much to further the understanding between our peoples and governments, and thus make a significant contribution to sound policy. I am hopeful that they will not only continue but will be expanded, so that more Members of Congress and more of the American people will have an opportunity to learn about and share ideas with the Chinese people.

Warm personal regards,

The Honorable Carl Curtis
United States Senate
Washington, D.C. 20510
Dear Carl:

I want to thank you for your thoughtful letter of December 10 and for your courtesy in personally reporting to me on your trip to the People's Republic of China.

You are to be congratulated on the excellent job you did as leader of the delegation. You and your colleagues represented the American tradition of friendship towards others combined with a free and frank exchange of views.

I firmly believe that such visits will do much to further the understanding between our peoples and governments, and thus make a significant contribution to sound policy. I am hopeful that they will be continued so that more members of Congress and more of the American people will have an opportunity to learn about and share ideas with the Chinese people.

Warm personal regards,

The Honorable Carl Curtis
United States Senate
Washington, D.C. 20510
<table>
<thead>
<tr>
<th>TO (Name, office symbol or location)</th>
<th>INITIALS</th>
<th>CIRCULATE</th>
<th>DATE</th>
<th>COORDINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Helms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REMARKS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#6556</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The draft for the to notice was</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>redone, attached, put in folder.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thanks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do NOT use this form as a RECORD of approvals, concurrences, disapprovals, clearances, and similar actions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FROM (Name, office symbol or location)</th>
<th>DATE</th>
<th>INITIALS</th>
<th>CIRCULATE</th>
<th>DATE</th>
<th>COORDINATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSC/5</td>
<td>1/6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MEMORANDUM
NATIONAL SECURITY COUNCIL
6558

MEMORANDUM FOR BRENT SCOWCROF
FROM: WILLIAM GLEYSTEEN
SUBJECT: Confidential Letter of Acknowledgement to Senator Curtis

Senator Curtis has written the President thanking him for the opportunity to travel to the PRC and offering some thoughts on U.S. policy towards China (Tab B).

A suggested response is attached at Tab A.

Cathie de Sibour, Maureenriedersdorf, and Jack Marsh concur.

Douglas Smith, of Robert Hartmann's office, has cleared the text.

RECOMMENDATION:
That you sign the memorandum to the President at Tab I.
MEMORANDUM
THE WHITE HOUSE
WASHINGTON

CONFIDENTIAL: GDS

MEMORANDUM FOR THE PRESIDENT

FROM: BRENt SCOWCROFT

SUBJECT: Acknowledgement of Senator Curtis' Letter Regarding His China Trip

In addition to meeting with you December 17, Senator Curtis sent you a letter of appreciation for having been given the opportunity to travel to the People's Republic of China (Tab B).

Senator Curtis also offered his view that the Chinese consider Taiwan a lesser issue than containing the Soviet threat and the need for U.S.-PRC cooperation to deal with it. He strongly urged that we not abrogate the Mutual Defense Treaty with Taiwan arguing that it is not necessary for the sake of U.S.-PRC relations and that it would be morally wrong to desert a free society for a closed Marxist one.

A suggested response is at Tab A.

Max Friedersdorf concurs. Douglas Smith, of Robert Hartmann's office, has cleared the text.

RECOMMENDATION:

That you sign the letter to Senator Curtis at Tab A.
Please file the attached cleared draft with the rest of the package.
NATIONAL SECURITY COUNCIL

December 23, 1976

TO: DOUG SMITH
FROM: ALAN ROMBERG 373

The attached proposed Presidential reply to Senator Carl Curtis is forwarded for your clearance.

Please call 4966 when cleared.
Dear Senator Curtis:

I want to thank you for your thoughtful letter of December 10 and for your courtesy in calling on me in person December 17 to reporting on your trip to the People's Republic of China.

You are to be congratulated on the excellent job you did as leader of the delegation. You and your colleagues represented the American people in the finest tradition of friendship towards others combined with free and frank exchange of views.

I firmly believe that such visits will do much to further the understanding between our peoples and governments and to make a significant contribution to sound policy. I am hopeful that they will not only continue to be expanded, so that more Members of Congress and more of the American people will have an opportunity to learn about and share ideas with the Chinese people...

Warm regards,

GRF

The Honorable Carl Curtis
United States Senate
Washington, D.C. 20510
ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:  BRENT SCOWCROFT
FROM:  JIM CONNOR
SUBJECT:  Report from Senator Carl Curtis re visit to People's Republic of China

The attached report from Senator Carl Curtis covering his trip to the People's Republic of China was directed to you in the President's outbox.

Please follow-up with appropriate action.

cc:  Dick Cheney
    Max Friedersdorf
THE WHITE HOUSE
WASHINGTON

December 17, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: JIM CONNORS
SUBJECT: Report from Senator Carl Curtis re visit to People’s Republic of China

The attached report from Senator Carl Curtis covering his trip to the People’s Republic of China was directed to you in the President’s outbox.

Please follow-up with appropriate action.

cc: Dick Cheney
    Max Friedersdorf
Dear Mr. President,

I am taking this opportunity to express my appreciation to you for appointing me to the delegation to visit the People's Republic of China. Mildred and I wish to thank you most sincerely for this great opportunity and for this most interesting experience.

May I also take this occasion to convey to you my thoughts concerning the People's Republic of China as it related to the official policies of the United States?

I found the Chinese people to be friendly individuals. I was impressed by the fact that they were all working and that they all looked well and happy.

I am convinced that the concern they express in reference to the Soviet threat is genuine and real. They frequently mention this. Because of their belief concerning the danger of Soviet aggression, they welcome the friendship and cooperation of the United States.

The People's Republic of China through its officials will urges a full normalization of relations between our two countries and will repeat the party line in reference to Taiwan. These people believe in one China and that the People's Republic of China should be that one China; also, that the People's Republic should possess and govern Taiwan. However, as the conversations proceeded, the officials admitted that the world problem of Soviet aggression is of supreme importance and that Taiwan is a lesser issue. I think this is significant.

I believe it would be a mistake for us to abrogate our treaty with Taiwan and desert our friends in Taiwan. It would reflect very badly upon the United States for us to break a treaty. Other nations would not know when they could rely on the United States.

As a further reason for not deserting Taiwan, I want to point out that the People's Republic of China is a closed Marxist
society. Our group gave a gift to our guides and interpreters of two World Atlases and some copies of Bartlett's quotations. Later they talked with me as Chairman of the delegation and to Senator Birch Bayh as Vice Chairman. We were told that they could not accept the gifts since they contain errors. The Chinese mentioned that the Atlases were wrong about Taiwan and they stated that many of the quotations were in error because they were contrary to the Marxist teachings. This is quite significant. The People's Republic is a closed society to Christianity and all other religions and to private enterprise. All of these things not only are present in Taiwan but flourish there. It would be wrong for the United States to do anything that would destroy the liberty and freedom of any of these people.

I do not think that it is necessary for us to abrogate a treaty or forsake Taiwan to continue to have the friendship and the cooperation of the People's Republic of China. If the United States stands firm and everyone is patient, a solution might come about that would be acceptable to all the parties involved, including Taiwan.

Respectfully yours,

CARL T. CURTIS, USS

The President
The White House
Washington, D.C. 20500

P. S. Attached hereto are transcripts of our conversations with Vice Premier Li and Vice Foreign Minister Wang.
There follows a nearly verbatim transcript, cleared by Senator Curtis, of the conversation between Codel Curtis and PRC Vice Foreign Minister Wang Hai-jung on November 13, 4:00 - 5:40 p.m., at the former American Legation. Americans present were:

CODEL:
Senator Carl Curtis
Senator Birch Bayh
Senator Milton Young
Senator Ernest Hollings
Senator Ted Stevens
Senator Bennett Johnston
Mr. Robert Holthuis
Mr. Terry Howe
Mr. Richard Hart

USLO:
Ambassador Gates
Mr. Richard Bock

Principal Chinese present, in addition to Vice Foreign Minister Wang were:
Tang Wen-sheng, Deputy Director, American and Oceanian Department, MFA
Ko Po-nien, Vice President, Chinese People's Institute of Foreign Affairs (CPIFA)
Kang Tai-sha, Deputy Secretary-General, CPIFA

Wang: I would like to extend a welcome to our American friends on behalf of my colleagues and to thank them for coming so far to visit our country.

Curtis: I would like to express my appreciation for the opportunity to visit your country. We have seen some of your countryside and industry and the manner in which you are developing your economy. I also wish to express my appreciation for your hospitality.
Wang: You are our friends and when you come over to look at our country it helps promote mutual understanding between us.

Curtis: We value that friendship. Our people have a warm feeling for the Chinese people. We are happy to bring you the greetings from the President of the United States.

Wang: Thank you. It is our common desire to develop friendship between the Chinese and American peoples.

Curtis: I think that is a mutual desire. We were delighted with your invitation to come visit you. We have six Senators and their wives, three from each Party. The three Democratic Senators are very influential within that Party and close to President-elect Carter. We are here not only to show our friendship but to learn about your country, to know more about your economy and to meet with you and other leaders of your country.

Wang: Well, how shall we proceed this afternoon?

Curtis: We are your guests. Whatever you wish. We will be glad to hear what you have to say.

Wang: In that case, we welcome our friends who have travelled so far to take the floor first and to express your views on the international situation.

Curtis: We feel very strongly obligated on our part for the U.S. to remain a very strong power. This is not only in our interests but also that of our friends. There are those who have great ambitions and we hope to make our contribution to world peace by remaining the number one military power. We feel that one of the big factors in world politics at present is the supply of oil. It has shifted some of the power. We are pleased to know that your oil production is increasing and would appreciate knowing something about this. Under our system of government, we, as members of the U.S. Senate, are not empowered to carry out or administer foreign affairs. That is the responsibility of the President and his Secretary of State. Consequently, while certain policies must be approved by Congress, we are without power to negotiate with foreign countries, make proposals, or react to them. But, in the end, what our President proposes or what the Secretary of
State carries out, we are of course interested in. We would like to carry back with us some of your ideas and expectations with regard to matters of common interest. We would be most pleased to hear from you your views concerning the conduct and future plans of the Soviets.

Wang: Well, it is difficult for us to say anything about the conduct and future plans of the Soviets. Maybe this question can best be answered by the concrete activities and conduct of the Soviets in days to come. What the Soviet Union says is actually unbelievable and is meant to deceive people. They talk of sham things. This conclusion is drawn from the conduct and activities of the Soviet Union.

Curtis: I can share your opinion. I have great doubts of many things they say. I regard them as adventurers and a potential threat. Perhaps it would be better put to ask what should be our course of action with regard to the Soviet Union.

Wang: What course the U.S. will take is a matter for the U.S. Government. The Chinese Government's attitude is to expose their schemes, criticizing and repudiating their schemes, and exposing their deceptions and fallacies and adopting a tit-for-tat struggle against them. In dealing with Soviet social-imperialism, China and the U.S. have a very great point in common. Our difference of principle with the Soviet Union must continue to be carried out. But the debate on principles need not hinder and obstruct state relations. But we hold that the Soviet social-imperialists have fundamentally betrayed the principles of Marx and Lenin and their imperialistic nature will never change.

Curtis: Do you feel the Soviets are a threat to your border?

Wang: People say they have deployed one million troops along the border. One million troops along a borderline of more than 7,000 kilometers. What use is it to station so many troops on such a long borderline? If they dare to mount an invasion against us, I'm sure they will be annihilated in the Great Sea of a people's war. Our policy is: "We will not attack unless we are attacked. If attacked we will certainly counter-attack." We have no fear of them. The Soviet threat is mainly directed against the U.S.
Curtis: Why do they threaten the U.S.?

Wang: Because they want to strive for world hegemony. You have interests in the world to defend and the Soviet Union seeks to expand. In our view, such a situation will never change.

Curtis: I agree that they are a serious adversary and I am interested in your views regarding them.

Wang: superficially, Soviet social-imperialism appears wildly ambitious. But actually they are very weak. The imperialistic nature of their policies causes them to carry out aggression, expansion, and to bully other countries all over the world, but essentially they are weak although wildly ambitious. If they continue to seek world hegemony, they lack the physical strength and they are most unpopular among the people of the world.

Curtis: What is the basis of their weakness?

Wang: They are carrying out fascist rule in their own country. Internationally they want to enslave the peoples of other countries. The irregular development of industry in their country, the bad harvests are all part of this. We look upon them as paper tigers and paper tigers are always weak; their weakness is decided by the nature of social-imperialism. What do you think?

Curtis: My individual opinion is that they are imperialists, permit no freedom to their own people, and have ambitions to dominate in the world. Do you believe the Soviets are anxious to take more territory?

Wang: They are seeking hegemony.

Curtis: Should we be concerned about the Soviets' activities towards Western Europe.

Wang: Yes, we should. (Wang apparently misunderstood question as being directed at Chinese attitudes. She was corrected by Nancy Tang.)

Curtis: Do you favor the U.S. policy of strengthening NATO and full support of NATO?

Wang: This is an affair of the U.S. Government. On our part, we endorse the idea that the U.S. and Western Europe should establish a relationship of partnership and equality. We also endorse and hope that Europe
becomes united and strong. Today there are many countries in Europe and they seem to be divided and too soft. We endorse your efforts to improve relations with Europe.

Curtis: Our delegation which is here at your gracious invitation is a bipartisan one and the Vice Chairman is the distinguished Senator from Indiana, Birch Bayh. I would like to yield to him.

Wang: Welcome.

Bayh: Madame Vice Foreign Minister, I also appreciate your hospitality and don't wish to impose to a great extent. For most of us, this is our first visit to China. Senator Stevens of Alaska served here during our common effort against the Japanese and my father was in Kunning. We have heard warm reports of the Chinese people but this is our first exposure. I make these remarks so that you will understand that my comments are based on a lack of familiarity and not designed to be offensive. Both of our countries have gone through dramatic times in the last few weeks. We share your grief at the loss of your great Chairman Mao Tse-tung. I would like to convey our sympathy at his passing.

In the same period, you have a new Chairman, Mr. Hua. You have also had a natural disaster and have displayed a marvelous ability to bounce back. At the same time our country has tried to strengthen ourselves economically and we have had the quadrennial exercise of political elections. These things are now behind us for both the U.S. and China. Now to the future. I apologize for speaking so long. We here of course wish to sustain the initiative taken by Chairman Mao, former President Nixon, Premier Chou, and Secretary Kissinger to try to move toward normal relations. Now we have new leaders. What do you see in our relationship under Chairman Hua as opposed to that under Chairman Mao? We read of the Gang of Four having been opposed to this relationship started by Mao and Chou. I think we can all speak with some authority that our new President is determined to move toward normalization under the principles of the Shanghai Communique. We cannot be certain of our attitude. Could you enlighten us, please?

Wang: It is true that this year Chou En-lai, Chairman Chu Teh of the National People's Congress and Chairman Mao all passed away unfortunately. The Chinese people were deeply
grieved in particular with the passing away of our great leader, Chairman Mao. But I'm sure you will be able to witness from our newspapers that the Chinese people are heeding the call by the Central Committee headed by Chairman Hua to turn grief into strength. They are also determined to carry on the behest of Chairman Mao and resolutely implement the policies and line formulated by Chairman Mao, and to carry through to the end the revolutionary cause pioneered by him. Chairman Hua was personally selected by Chairman Mao before he died to be his successor to the revolutionary cause. Chairman Hua has been loyal to Marx-Leninism-Mao Tse-tung thought. Maybe you have also heard of the words of Chairman Mao when he was alive and spoken to Chairman Hua that "With you in charge, I'm at ease." You can see Chairman Hua is resolutely carrying out and implementing the policies formulated by Chairman Mao. With Chairman Mao at ease, the 800,000,000 Chinese people are even more at ease because the successor of the revolutionary cause was selected and arranged by Chairman Mao while he was alive. As to the Gang of Four, you've heard of them—Wang Hung-wen, Chang Ch'un-ch'iao, Chiang Ch'ing, Yao Won-yuan—they constituted an anti-party clique. They frenziedly opposed Chairman Mao, opposed his thought, and frantically opposed the policies and line formulated for us personally by Chairman Mao. They engaged in scheming activities and plotted to usurp party and state power. When Chairman Mao was still alive, he criticized them for a number of years and tried to educate them when he saw them engaging in revisionism, split-tism, and scheming. Because Chairman Mao discovered this scheme in timely fashion and acted and exposed them, they were unable to succeed while Chairman Mao was alive. When Chairman Mao passed away, they again engaged in frenzied opposition to Chairman Hua, who had been selected as successor to the revolutionary cause by Chairman Mao when he was alive. They plotted to usurp the supreme party and state power. Why were they so frenziedly opposed to Chairman Hua? Just because Chairman Hua resolutely inherited the behest of Chairman Mao, resolutely carried out the policies and line of Chairman Mao, and remains infinitely loyal to his thought. Chairman Hua had been waging a resolute struggle against their scheming activities. Originally, Chairman Mao wanted to settle the question of the Gang of Four while he was alive but unfortunately before he could do so, he passed away. Chairman Hua brought about the solution of this issue which
Chairman Mao wished to but was unable to because of his death. Chairman Hua with one stroke smashed the plot of the Gang of Four to usurp party and state power. In this way, under the leadership of the Central Committee headed by Chairman Hua, we are even more determined to carry out the line and policies of Chairman Mao.

Bayh: Does this mean that you will continue to follow the principles of the Shanghai Communiqué to move towards normalization?

Wang: Of course. The lines and policies formulated by Chairman Mao also include foreign policy and under the leadership of the Central Committee headed by Chairman Hua, we will resolutely implement such lines and policies. On the question of normalization between our two countries, as I have often stated to American friends and as Mr. Gates of the Liaison Office understands well, if both parties adhere to the principles of the Shanghai Communiqué, relations between the U.S. and China can be improved. This was stated by Premier Chou in his report to the Fourth NPC. On the question of normalization between our two countries, we have three principles which we have time and again stated. I am sure you are familiar with them, but I would like to clearly state them for you. The three principles are: sever diplomatic relations between the U.S. and Taiwan; withdrawal of American troops from Taiwan; and abrogation of the so-called Defense Treaty with Taiwan. These are inseparable and indispensable. There can be no other alternative. On the question of Taiwan, we do not believe in the so-called peaceful transition. Chairman Mao taught us "Where the broom doesn't reach, dust will not run away by itself." In Taiwan, there is still a bunch of counter-revolutionaries. Our stand on Taiwan is that we base ourselves on a footing to fight. As to when we will liberate Taiwan and the methods we will adopt to liberate Taiwan, this is purely an internal matter for China and no other nation has the right to interfere whatsoever. Since you raised this issue, I have stated our consistent stand very candidly.

Bayh: I appreciate your candor. Our nation remains committed to the Shanghai Communiqué although we realize there might be some difficulties. But we are dedicated to this purpose and our distinguished representative Ambassador Gates has stressed to us the three principles which the Vice Foreign Minister has mentioned. One last thing—after talking with outstanding leaders like your—
self, and meeting with our hosts who are outstanding ambassadors of goodwill, I am convinced that our two nations have so much to offer to each other and to the world, I am certain that if our two nations are interested in solving these questions, we can find a method to resolve our differences.

Wang: Between friends we can have a candid exchange of views. Between China and the U.S. there are many common points on many issues. The big issue is the international one. Taiwan is a minor issue. Among the many common points we share, the most important is to deal in common with our northern so-called ally.

Bayh: We have a saying that with friends like that we don't need enemies.

Curtis: We do have something very much in common—the protection of things we hold dear against the Soviets, just as you have. The fact that you extended an invitation to us and that we were able to accept it has led to better understanding. I commend you on inviting us to visit here. We also commend you on your statement that the large picture is world affairs, and the welfare of your great country and our country with respect to the Soviet Union. We also feel that way. We are pleased to hear you say that the problem of Taiwan is secondary to these world problems. Taiwan is a problem for us as well and we hope that eventually there will be a peaceful solution.

Wang (smiling broadly): I already stated that we don't believe in peaceful transition and that has always been our consistent stand.

Curtis: You must realize that when a nation such as ours follows a course of conduct for decades, it is difficult to change. Just as you have problems, we have problems.

Bayh: Time is all too short and especially I've already had some time to speak. This first visit to China has been an eye-opener. As much as I had respected your country and your people, I now respect them even more. I am convinced that it is possible for more Chinese to come to the U.S. I would like to make a slight suggestion. I am convinced it can resolve some problems. Relations could be more supportive through broader exchange programs, more
trade, and other ways of getting to know one another better. We've had this opportunity but there are only six of us. If there were 600 you would have 600 missionaries going back.

Wang: Since the doors between China and the U.S. were opened by your former President Nixon, and by Chairman Mao, and after the issuance of the Shanghai Communique, there have been quite a few exchanges between China and the U.S.

Curtis: You have been a most gracious hostess. Before we end, I wonder if my colleagues have something to say.

Young: We deeply appreciate the opportunity to come to know you better. We will know you more in the future. The U.S. is spread thinly over the world but we are bound not to become second to the Soviet Union. Still, there are problems—the Philippines want us to remove our bases. We have problems all over the world and that's why we need friends like you.

Hollings: I too am very grateful for your hospitality, and as Senator Bayh has pointed out, this visit has been an eye-opener. China has a big part of the world's population and the U.S. and China should be working together for peace in the future. I thank you for your time and appreciate the opportunity to meet you this afternoon.

Stevens: I thank you too. This has been a very enjoyable time and it is most memorable for me to come back again. I would like at some time to explore why we cannot have some of the steps that lead towards normalization prior to the realization of the principles you have mentioned, such as air routes and expansion of exchanges. I think, and it may be important, sometimes I'm not sure you are fully cognizant of the difficulties we face, and increased exchanges would help you become aware of these problems.

Johnston: Madame Vice Foreign Minister, I would like to add my gratitude to that of my colleagues. One question of substance is related to Korea. In the coming session of Congress in January, some colleagues will be calling for the withdrawal of troops there. May we report to our colleagues that the retention of troops and the treaty with Korea will not be a major stumbling block in implementing the Shanghai Communique or a block to the improvement of our relations?
Wang: On Korea, our stand is consistent: we support the stand of the DPRK on independent and peaceful reunification of Korea and that all U.S. troops should be withdrawn and the UNC disbanded. The issue of Korea should be left to the Korean people themselves to settle. This has been our principled stand.

Curtis: Ambassador Gates, do you have something to say?

Gates: We're old friends.

Wang: I welcome your coming here and the exchange of views. They will help promote mutual understanding between us.

Curtis: We believe much has been gained. You are a charming hostess.

Wang: Our exchange of views and discussion will help understanding but when you leave Peking and visit other parts of our country you will understand more what happens in our country. You can witness for yourself how the people bring their initiative into full play and rely on their own efforts to bring about socialist revolution and construction of our country.

Curtis: We have already witnessed some of that. Before we depart, I would like to say that former President Nixon asked me to extend his warmest greetings.

Wang: I will convey that to our leaders. Thank you for coming to visit us.

(After the session had ended, Wang came up to Senator Curtis to say that the conversation had been frank and was not for publication.)
Transcript of Li Hsien-nien/Codel Curtis Conversation

There follows nearly verbatim transcript, cleared by Senator Curtis, of conversation between Codel Curtis and PRC Vice Premier Li Hsien-nien on November 14, 4:45 - 6:15 p.m., at the Great Hall of the People. Americans present were:

CODEL:
Senator and Mrs. Carl Curtis
Senator and Mrs. Birch Bayh
Senator and Mrs. Milton Young
Senator and Mrs. Ernest Hollings
Senator and Mrs. Ted Stevens
Senator and Mrs. Bennett Johnson
Mr. and Mrs. Robert Wolthius
Mr. Terry Howe
Mr. Richard Hart

USLO:
Ambassador Gates
Mr. Richard Bock

Principal Chinese present, in addition to Vice Premier Li, were:

Vice Foreign Minister Wang Hai-jung
T'ang Wen-sheng, Deputy Director, American and Oceanian Department, MFA
K'о Po-nien, Vice President, Chinese People's Institute of Foreign Affairs (CPIFA)
K'ang Tai-sha, Deputy Secretary-General, CPIFA
Li: Welcome to our friends.
Curtis: We are delighted to be here.
Li: Today you visited the Great Wall?
Curtis: We have read of it through the years. For many of us this is our first visit to China and we were delighted to visit the Great Wall.
Li: It's a place of historical interest. I wonder whether any of you have been to China before.
Curtis: Senator Stevens, tell us of your first trip to China.
Stevens: I was in the 14th Air Force, stationed in Kunming and was here in Peking in 1945 right after the war ended.
Li: That is under Chennault?
Stevens: Yes, I served with General Chennault.
Li: You were in China during World War II. At that time you had a transport team.
Stevens: I was a pilot. I flew transport planes into Sian, Hankow, Kweilin, all over the country.
Li: How long since you arrived in China?
Curtis: We arrived last Monday, had a delightful stay in Shanghai, took the train to Nanking, enjoyed our stay there of two nights and then had a very pleasant train ride here. We have been treated wonderfully.
Li: So you arrived the 8th of November. In Shanghai did you read the big character posters?
Curtis: We couldn't read them ourselves, but our guides told us about some of them.
Li: You have arrived in China at a time when the Central Committee has made the decision to appoint Hua Kuo-feng as Chairman of the Central Committee and of the Military Commission of the Central Committee. It is also at the time that we have explained the schemes of the gang of four—Wang Hung-wen, Chang Ch'iu-ch'iao, Chiang Ch'ing, and Yao Wen-yuan. The decision was made in October. Thus, you must have seen many big character posters in Shanghai.

Curtis: Yes, we did.

Li: That was a major event in China. This year First Premier Chou En-lai passed away, then Chu Teh, the Chairman of the National People's Congress, and then our great leader and teacher Chairman Mao Tse-tung.

Curtis: We follow all the news we get from China because we value the friendship of your great country. We wish to express our condolences on the loss of your leaders, particularly Chairman Mao. Also, we bring greetings to you from President Ford.

Li: Thank you. When President Ford visited China last year, I met him. Please convey my greetings to him.

Curtis: Thank you, I will do so. A few days before I left the U.S. I had a call from former President Nixon and he asked that I convey his greetings to China and the Chinese people.

Li: Please convey my thanks to Mr. Nixon.

Curtis: You'll be pleased to know that when the announcement of our visit was made, all of us experienced a tremendous response from our people who expressed a great interest in China. My Nebraska constituents were delighted that we were making this trip.

Li: Your state has a highly developed agriculture.

Curtis: Yes, we are a great agricultural state. A number of the senators here represent agricultural states and we have been tremendously impressed by the industriousness of your agricultural workers.
Li: Senator Young, you are also from an agricultural state, I believe.

Young: I'm a farmer myself and my three sons farm. One of the amazing things to me is that your land has been producing for 2,000 years or more and produces just as well as ours which has been producing for only a little over one hundred years.

Li: In the past 2,000 years or more we were under feudal rule and production was restrained. Afterwards, there was aggression by foreign imperialist states so our agriculture did not develop. Before liberation (in 1949), production was backward in China and not only draft animals but also human beings had to pull plows. There was the ruthless plunder by landlords and bureaucratic-capitalists, as well as by imperialists. So peasants at that time were in a dire plight. It was not surprising that several million peasants starved to death. That was the situation during the feudal dynasties and under Chiang Kai-shek's rule. You might very well study why Chiang Kai-shek fell. There must be some reasons behind it. It was because he offended the majority of the people. Above all he offended the peasants and workers. Now in China, with such a vast territory and 800 million people, we have solved the food problem in the main, so people won't starve to death or die of cold. This was the great achievement made under the leadership of Chairman Mao and by relying on the efforts of the broad masses of people. But we are not satisfied. Just now I said we had solved the food problem in the main. It is not yet completely solved and we must continue our efforts. We just have sufficient food grain to feed our people. We have some to export but we also import some. The amount is limited compared to yours. We export one or two million tons and import about the same. We must rely on our own efforts and run everything with our own strength.

Curtis: I wish to commend you on your great progress, and on your determination to be self-sufficient in food. You have done a great job. I understand your exports include some rice. Is that right?
Li: We export some rice and soy beans.

Curtis: What do you import?

Li: A certain amount of wheat, also some food grains from your country.

Curtis: While we commend your determination to be self-sufficient in food grain, if you have to buy any, please come to us. Senator Young is a wheat farmer and so is Senator Bayh.

Li: But we don't have enough money.

Curtis: Then we must buy something from you. Do you have some oil to sell us?

Li: We are just self-sufficient in oil. Our surplus is not much. Of course we have big oil deposits.

Curtis: We understand the potential is very great.

Li: Yes, you're right. Further efforts should be made for exploration. Our oil industry is still very young and in the past we had very little. In 1960 we began to have our own oil industry. But we had to import oil from others, especially from our neighbor to the North who tried to strangle us. Perhaps you know what I mean by our neighbors to the North. We've had bad relations.

Curtis: We don't think they're very neighborly.

Li: They seek hegemony.

Curtis: The major reason the U.S. spends so much to stay strong militarily is that we feel that will retard any chance that the Soviet Union will try aggression.

Li: The Soviets have big ambitions and would like to have the whole globe, but they are unable to achieve that because their strength is not that great. Politically, they seek hegemony. No matter what tricks or fine words they use, they will eventually be exposed by the people of the world. Their
seeking hegemony makes them the enemy of the world's people. At home there is lopsided development in the Soviet economy. There is not enough food to eat, not enough food grains. Some people satirize the Soviet Union by saying the Soviets sow seeds in the Ukraine and harvest crops in the US. Their top priority is the development of national defense and in domestic policies the Soviet Union oppresses the minority nationalities and practices fascist rule. Actually they are very feeble.

Curtis: You have had a long and distinguished career and you are a student of economics. Why in your opinion is the Soviet economy weak?

Li: I'm no student of economics. I'm not a scholar of economics. But I did fight in the war. In my view, the Soviet Union has offended the workers and peasants and broad masses of the people; therefore there is no enthusiasm on their part. In planning, they give prominence to development of national defense. Other branches of industry--machine building, chemicals, etc.,--are lagging behind. In relations between industry and agriculture, they neglect the development of agriculture. You can study whether or not I'm right. In the Soviet Union line, principles and policies are all wrong. They practice revisionism and fascism, and there is no way to mobilize the enthusiasm of the workers, peasants and other people.

Curtis: We in the US are very aware of the Soviet military threat and the great sums they are spending on armaments. That is why we intend to stay strong and why we make sacrifices in many parts of the world to resist Soviet aggression.

Li: We are also aware of Soviet military strength, but they talk of disarmament every day.

Curtis: Do you think the Soviets have plans for Western Europe if they are not resisted?

Li: What do you mean by plans? The Soviets think first of all about Europe.

Curtis: I mean aggressive plans.
Li: Some people in the world tend to think about the focus of Soviet strategy lies in the East. Chairman Mao thought that the Soviet strategic focus was in Europe, including the Middle East. This does not mean we will slacken our vigilance. We are heightening our vigilance. That is why we dig tunnels deep and store grain everywhere. By digging tunnels deep we mean if the Soviets invade us we will fight back. Mao taught us to prepare against war, prepare against natural disasters, and do everything for the people. By preparing for war we mean if the Soviets attack China, we certainly will fight back. But the focus of Soviet strategy remains in Europe including the Middle East, so we support a united Europe. But at present the European countries are too divided.

Curtis: Do you support the efforts of the United States to make NATO strong?

Li: You can't afford to leave Europe; neither can Europe.

Curtis: The US has assumed responsibility in so many places in the world and we expect to continue those responsibilities, so we welcome the support of the great people of China in opposition to Soviet aggression.

Li: We hope you will establish an equal partnership with Europe and all other peoples of the world.

Curtis: Do the Soviets have many troops on your borders?

Li: They claim to have stationed about one million troops on the border. The border extends over many thousands of kilometers. It is a long front line. Do you think the one million troops are directed against China only? I think they are primarily directed against the US, then against Japan, and of course are also directed against China. One million troops is not enough to fight against China. Even if they added another one million it would not be enough. Nor even two million more. If the Soviets come, we'll yield some places to them, then close our door and beat the dog inside the room.
When the door is closed, it is easier to deal with the dog and to beat the dog. That was the way we fought the Japanese. We closed the door and thoroughly annihilated the Japanese. At that time, China was ruled by Chiang Kai-shek and large tracts of territory in North and Central China were left to us because Chiang Kai-shek ran away. Chiang Kai-shek first ran from the Northeast and the Japanese occupied it. Then from North, Central, South and East China. Chiang Kai-shek's troops were running in front of the Japanese and our troops were running after the Japanese. They turned their backs to the Japanese but we faced the Japanese. During the war of resistance against the Japanese, North, Central, even East and South China was led by the Communist Party. So one million Soviet troops on the border will be no match for us. In the final analysis, the focus of the Soviet strategy is Europe. My friends may not believe my words but facts will bear me out. As for the disarmament they are always talking about, we don't believe it.

Curtis: What would be the best strategy in Europe to oppose Soviet aggression?

Li: I don't know. The Soviet Union wants to swallow up that place.

Curtis: Are you making progress in your armament program?

Li: Since we must make preparations against war, we must manufacture some things.

Curtis: You have been very gracious in receiving us. I would like to yield at this point to the Vice Chairman of our delegation, Senator Birch Bayh of the state of Indiana. He might wish to make some comments or ask some questions.

Bayh: Mr. Vice Premier. This is my first time in your country. Earlier I saw it through the eyes of my father who was here at the time when Senator Stevens was here, but it's not like seeing it myself. My wife and I are delighted and extremely impressed by what we have seen. It would be remiss of us not to indicate our gratitude to your Vice Foreign Minister who met us yesterday, to our host at the banquet and to all those, including Madame K'ang, who have shown us the kindest hospitality.
Li: What years was your father in China?

Bayh: 1943-45. I'm a farmer basically as well as a Senator. I have been impressed by the way that the greatest amount of production is obtained from each square centimeter of ground, by the industriousness of your people and by the diversification of your agriculture. We have seen all this as well as your cancer institute, your hospital, your industries. It is to see the legend of Chairman Mao come alive. We can thus realize better the depth of the grief your country must have at the death of the Chairman, and we wish to convey our sympathy.

Li: Thank you.

Bayh: I would like to ask your thoughts on a different area. You have understandably talked about defense against the war-making potential of the Soviet Union, which is of course extremely important. We are all concerned that another war with the modern instruments of war now available would be a holocaust. I would like to talk about peace. I do not wish to contradict anything you have said but we have heard of the important work you have given in economic guidance in helping Chairman Mao. I believe you are an economic genius. I appreciate your modesty, but believe we can see your expertise everywhere.

Li: You flatter me.

Bayh: This has been a long prologue. I would like to get your thoughts on what I think our whole country would like to know. As I understand it, sometime this year you will promulgate your fifth Five Year Plan of your country. Are there elements in this plan which you could disclose to us in which a closer relation and friendship between China and the United States could be beneficial?

Are there ways in which we could be of assistance --although I can appreciate your strong feeling of self-reliance--range of areas which could be part of the continuing relationship between our two countries?
Li: Speaking about our plan is complex and involves lots of aspects. It is difficult to discuss in a systematic way. During his lifetime, Chairman Mao not only laid down the basic line for policy but also the basic line and principles for construction of the country. These principles were stated in the report by the late Premier Chou En-lai at the Fourth NPC. He discussed the modernization of industry, agriculture, national defense and science and technology. In making economic plans, we must first think of the 800 million people and bear in mind the food, clothing and housing problems of 800 million people, so we plan the economy in the order of agriculture, light industry and heavy industry. This is consistent with the teachings of Chairman Mao that we must first develop agriculture. If we don't have enough food for our people, even if we import 10 or 20 million tons of grain, this would not solve our problem. If agriculture is developed, it is easier to develop light industry, and heavy industry will have a solid foundation. So we make our plans according to this principle. We have a plan but it is not yet finalized. We have no intention of making it public. The plan has not yet matured and is still under discussion. In discussing it we may find new problems and revise the plan. As for relations between our two countries, especially trade, it remains to be seen. We have bought some equipment from the US--such as chemical fertilizer plants.

Bayh: The Kellogg urea plants.

Li: It depends on whether we need this and are able to do it. The question of necessity is easy. But if we ask our Minister, he will ask for many things. As for our ability, that is very difficult. We don't have the money to buy. On principle we rely on our own efforts. Mainly we rely on our own efforts. We do not plan to be in debt. We were once in debt to the Soviet Union. Our debts to the Soviet Union were incurred in 1950-51 during the war of resistance against the US and to assist Korea. We fought a war in that country, our two countries. It is not pleasant to be a debtor.

Bayh: It is not pleasant to be a creditor of the Soviets either.
Li: Perhaps the Soviet Union finds it pleasant. Then we made our minds up to repay all debts to the Soviet Union. After that we never incurred any foreign or domestic debts. Once we issued public bonds but we later repaid them. So as to trade between our two countries, we'll have to see. I have just said that it depends on necessity and ability. Another thing is your high tariff which is troublesome. I think it is not easy to solve this problem for the time being. Roughly this is where we are at the present stage. I think we import more from the US than you do from us.

Bayh: You have been very kind and I appreciate your response. What I asked was in respect to our future relations. I think that to the extent that we can increase trade opportunities, permit more people of the US to visit China and more Chinese to visit the US--there has been some of this but it should be increased--to the extent that trade and other open door policies can be pursued they will help to find a solution. The group here is going back, as ambassadors of goodwill for China.

Li: At present there are lots of exchanges already.

Curtis: We feel privileged and appreciate the opportunity to carry on this conversation with you. I would like to extend to my colleagues the opportunity to say something or to ask questions.

Young: First I would like to say that I deeply appreciate the real friendship which we have received while here. You have opened your doors to us and shown us real friendship. I would like to say also that no other nation in the world could feed, clothe, educate and provide such good care of 800 million people. To do this and to stay out of debt is something. We could learn a few things from you about staying out of debt. Thank you.

Hollings: Mr. Vice Premier, I appreciate very much the opportunity and I am particularly honored to have this conversation with you, since you are well known in the US as one of the last of the veterans of the Long March and as a partner with Chairman Mao and Premier Chou in the modernization of China.

CONFIDENTIAL
Li: We will work still harder to build our country under the leadership of the Central Committee headed by Chairman Hua, relying on the efforts of the people.

Hollings: As a Senator, I must point out that I speak individually. We are told that anything a US senator may utter is considered a position of the USG. That is not true. Each one of us speaks for himself. There are five other senators here and they do not speak for me and I cannot speak for them. I believe you have an investment in the time and effort it took to bring me all the way to China and I wish to speak frankly. Speaking for myself, we believe in the principles of the Shanghai Communique and we believe we are adhering to the principles, and as the Communique states, as tensions ease, we can continue to make progress under the Shanghai Communique. We believe this trip so generously provided to us has helped to ease tensions and certainly has enhanced my understanding and appreciation of China. As a senator, I believe that there is one China and that you are that China.

Li: You're right.

Hollings: However, we have had friends of long standing on Taiwan and as a senator, I don't believe the majority of the US senators would abruptly abandon that friendship. A journey of 1,000 miles, they say in China, begins with one step. I think we should make steps together to try to increase trade, open air routes, and on our side reduce troops on Taiwan to make steps for the realization of the Shanghai Communique principles. We in the US have never believed in hegemony. The fact in our long history is that we gave freedom to the Philippines and Cuba. After World War II in which we defeated Germany, Italy, and Japan, we not only gave them freedom but also financed their recovery.

Li: People in the world believe you still have some hegemony.
Hollings: We absolutely refute that by our own acts over 200 years of history. We wish nothing but freedom for the peoples of the world and I think the US and China working together could bring about freedom and economic sustenance to the third world. I'm sure this visit has served as a platform or starting point for me as a senator to understand and appreciate the greatness of China and I hope similar visits by your distinguished leaders to the US will follow.

Li: How can we go to the US since the Embassy of the Taiwan clique is there?

Hollings: That's one of the problems we will have to solve and we in the Senate will be working on that problem.

Li: The solution must conform to the Shanghai Communique.

Curtis: Senator Stevens of Alaska.

Li: That is the northernmost state.

Stevens: Yes we are. Alaska is somewhat similar to Yunnan province where I was stationed during the war. It may interest you to know that those of us in the Air Force here had great respect for your people in the North. My squadron supplied your troops at times. You speak the truth when you say you really fought the Japanese. We knew that and respected you for it. My large colleague from the South, he speaks candidly and we respect his candor. But I'd like to pursue his point. Isn't there some way we could start the flow of visits both ways? We have difficulties in Congress in being able to follow through on the implications of this relationship based on a lack of understanding. Your people have doubled since I was here. Your housing and food problems have been solved, but that word isn't getting back to the US. We need more of our people coming this way but also more of your people coming to the US to visit colleges, our counties, our cities, to increase friendship and understanding. I have been amazed by the friendship I have found here. I am deeply impressed by the smiles I have seen on the streets here because I didn't see that during the war. Perhaps people don't smile during wars. But this is a two way street, this approach to normalization. Somehow I don't see much coming our way on that two-way street.
Li: It is not a bad record having so many people visiting before completion of normalization of relations. The future depends on events, nevertheless there will be exchanges. As for visits by officials, our relations are not yet normalized. In Washington there is still the Embassy of Taiwan. If we go, both you and we will be embarrassed. I've heard that Vice Foreign Minister Wang told you that the major aspect is the international situation, and the minor question is Taiwan. I think she put the question very well. Nevertheless Taiwan remains an issue. I think our American friends, especially Mr. Gates, know our views very well so I won't discuss this any more.

Johnston: Mr. Vice Premier, I would like to add my thanks for the warm hospitality. I am particularly reassured and pleased to learn that Chairman Hua is committed to Chairman Mao's policies in carrying out the principles of the Shanghai Communiqué, and to develop further relationships and cooperation between our two countries.

Li: You are right that we will carry out the behest of Chairman Mao.

Johnston: In our country, policy does not trickle down from the top but comes up from the people. Presidents have found this out in a couple of instances, most recently in our policies in South-east Asia and the Middle East. What my colleagues are trying to say is that we are trying to help you and you must help us with our people in developing this friendship.

Curtis: Mr. Vice Premier, this has been a most enjoyable and helpful occasion. I am grateful to you for having received us and express the gratitude of all of us for the invitation to bring our wives along. They are a very influential group and have enjoyed it, especially our hospital trip yesterday to see your advances in cancer treatment. Thank you for this and I express the gratitude of all of us.

Li: You should have asked the ladies to sit in front.
Curtis: You are a very wise man.

Li: We must show respect for the ladies. I would like to thank you for coming and for having travelled so far. I express my welcome to you.
Dear Senator Curtis:

I want to thank you for your thoughtful letter of December 10 and for your courtesy in calling on me in person December 17 to report on your trip to the People's Republic of China.

You are to be congratulated on the excellent job you did as leader of the delegation. You and your colleagues represented the American tradition of friendship towards others combined with free and frank exchange of views.

I firmly believe that such visits will do much to further the understanding between our peoples and governments and make a significant contribution to sound policy. I am hopeful that they will not only continue but will be expanded, so that more Members of Congress and more of the American people will have an opportunity to learn about and share their ideas with the Chinese people.

Warm regards,

GRF

The Honorable Carl Curtis
United States Senate
Washington, D.C. 20510
**SUBJECT:** Ask Pres to Press for Sec. Carter's funding spt of his visit to PRC & visit of Vice Premier Li & Vice Fmr Premier Wang

---

**INTERNAL ROUTING AND DISTRIBUTION**

<table>
<thead>
<tr>
<th>ACTION</th>
<th>COUNTRY</th>
<th>ISSUE DATE</th>
<th>RE</th>
<th>REC FOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAFF SECRETARY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONGRESSIONAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECONOMIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAR EAST/PRC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTELLIGENCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LATIN AMERICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MID EAST/NO. AFRICA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSC PLANNING</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROGRAM ANALYSIS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCIENTIFIC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUB-BAN/AFRICA/UK</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**SUBSEQUENT ROUTING/ACTIONS**

<table>
<thead>
<tr>
<th>DATE</th>
<th>FROM</th>
<th>TO</th>
<th>STATUS</th>
<th>SUBSEQUENT ACTION REQUIRED OR TAKEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**ACTION REQUIRED**

- Memo for Scowcroft
- Memo for SecState
- Appropriate Action
- Recommendations
- Joint Memo
- Refer to
- Any Action Necessary
- Concurrency
- Due Date: 2/24

**COMMENTS:**

**DISTRIBUTION/INITIAL ACTION AGENT**

- ADY CB/SCOWCROFT/WHO
- STAFF SECRETARY
- CONGRESSIONAL
- ECONOMIC
- FAR EAST/PRC
- INTELLIGENCE
- LATIN AMERICA
- MID EAST/NO. AFRICA
- NSC PLANNING
- PROGRAM ANALYSIS
- SCIENTIFIC
- SUB-BAN/AFRICA/UK

---

**DISPATCH**

- NOTIFY
- SPECIAL DISPOSITION
- SPECIAL INDEXING

---

**NSC**

- 76-0220-930
- 76-0220-930

---

**U.S. GOVERNMENT PRINTING OFFICE: 1976-220-930**

---

**SPECIAL INDEXING**

---

**SPECIAL DISPOSITION**

---

**SUSPENSE CS ATTACHED**