

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Chang Wen-chin, Assistant to the PRC Foreign Minister
Tsien Ta-yung, Deputy Director, Western European, North American and Australian Affairs, PRC Foreign Ministry
Chao Ch'i-hua, American Desk, PRC Foreign Ministry
Shen Jo-yun, Interpreter

Alfred LeS. Jenkins, Director, People's Republic of China and Mongolian Affairs, Department of State
John H. Holdridge, Senior Staff Member, National Security Council
Richard H. Solomon, Staff Member, National Security Council

DATE, TIME, AND PLACE: Wednesday, June 21, 1972; 10:05 a.m. - 12:30 p.m.
Guest House, Peking, People's Republic of China

SUBJECT: Bilateral Issues: Exchanges and Trade

After an initial exchange of pleasantries, Mr. Jenkins opened by expressing gratification at the progress achieved since February in the spirit of the Shanghai Communique, mentioning the U.S. tour by the PRC table tennis team, the visit to China by U.S. Senators Mansfield and Scott, and the imminent Congressional visit. We thanked the Chinese for the hospitality shown American representatives at the Canton Trade Fair.

Mr. Jenkins said that Mr. Kissinger had already given Premier Chou our rationale as to why we believed visible evidence of sustained momentum in exchanges and trade was in our mutual interest. Hence he touched only lightly on the theme that we were interested in this for international and domestic political reasons, not for the intrinsic value of the trade. While we welcomed the latter, it would be small relative to total U.S. foreign trade.

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2

President Nixon's chief interest was in the political and psychological significance of exchanges and trade. We recognized that political and psychological factors in turn were germane to the question of timing and pace. For our part, we were prepared now for further forward motion.

Mr. Jenkins said that we were flexible on mechanisms which would advance exchanges and trade. This could entail formal agreements, exchanges of letters, public announcements, or simply implementation without announcement, inasmuch as developments would become public. Visibility, however was important, because the American people had to become accustomed to our new relationship if we were to be able to take more fundamental steps in our relationship at some future time. Furthermore, it was important before such time to have developed a mechanism whereby these matters could be controlled via White House channels.

Mr. Jenkins developed the rationale for movement in such areas as medicine and public health, scientific and technological cooperation, cultural exchanges, and agricultural research. He spoke of the possible utility of some form of bilateral commercial commission. He also referred to the observation made by Secretary of State Rogers in February, 1972 that claims and blocked assets were practical matters affecting the development of trade and probably should be faced soon. These were complicated issues requiring specialists; hence some mechanism to pursue these matters was needed, whether in Paris, Peking, or partly in each city. Chang Wen-chin said the PRC first needed to study the claims/assets problem, but promised to give it early attention.

Chang expressed appreciation for both the substance and spirit of Mr. Jenkins' presentation, which he found most interesting and helpful. He assured Mr. Jenkins that the Chinese side wanted gradual but steady movement. The PRC was actively considering how to further implement the Shanghai Communique. He said remaining political problems prevented the use of certain types of mechanisms during our present stage of transition. He touched politely, and once only, on America's "two Chinas" problem. The Chinese were frankly groping for appropriate mechanisms during the present transitional stage. Referring to the illustrative exchange suggestions the U.S. side presented to the PRC in October, 1971, Chang said that some could be adopted in the near future; others would take longer. Exchanges in physical culture and sports were easy. The Chinese were also actively considering sending medical specialists and other scientists to the U.S. Chang displayed particular interest in cancer research.

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Mr. Jenkins said all of these plans were welcome. He concurred in the concept of "gradual and steady" progress, but reiterated the importance of visibility. Referring to the transitional nature of our relations, Mr. Jenkins said that continued momentum could in turn be helpful in easing the political problems of that stage. Development of appropriate mechanisms was also important, so that matters would not "get off the track" as we proceeded down the course we had mutually agreed upon. It was much better to prevent accidents than to have to pick up the pieces after one had occurred.

Chang said their "private organizations" for facilitating exchanges were "unified" and gave them no trouble. He invited elaboration of our concern that problems could arise. Mr. Jenkins said we saw no particular problems on the horizon now, but the nature of our diverse society was such that all sorts of organizations and individuals wanted to get into the act. Some would not have the experience or resources to follow through properly, and we could not vouch for them. Broadly based institutions with experience and resources could "prevent accidents" and more effectively accustom the American public to dealing with the PRC.

Chang Wen-chin said that while formal bilateral commissions or governmental agreements were not appropriate at this stage, perhaps we could experiment with bilateral groups dealing with specific problems or areas of mutual concern. Mr. Jenkins expressed interest, but reminded him of the problem of the ad hoc approach which we had discussed.

Chang Wen-chin said that the PRC was interested in an exchange of scientific information and materials, but Chinese publications were limited just now which would limit reciprocity. PRC publications would be increasing, but he hoped that in the meanwhile the U.S. could provide some information of this sort "out of good will." We asked for an expression of specific areas of Chinese interest, which Chang promised to supply.

The meeting concluded on this point.