

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

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?

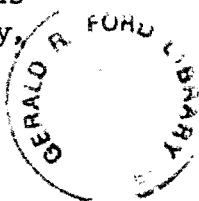
Magnuson: Just when I was a kid.

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.



DECLASSIFIED
E.O. 12958, SEC. 3.6
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES state review 3/8/04
BY lma, NARA, DATE 3/21/04

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EXEMPTION CATEGORY 5(B)(3)
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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 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.

_____: 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.

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

_____: 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?

The question is can oil and water learn to live together?

_____ : 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.

_____ : Will we get caught in their internal differences?

The President: I doubt it.

_____ : 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.

*Dick Solomon ?
for action*

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.



1142 Pres Mtg w/ Congressman
visiting PRC to June.

THE WHITE HOUSE

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Small talk

P- Would have any of you been there before?
(Ligot) - Just when I was a kid (Congressman)

Binner having a coming out party on 4th

P- your home had extensive briefing - I will
first give outline, you will spend
much time on trials

Your trip comes at extremely time just
as well prepared to open Sov summit.
Chinese have made the decision about
a summit. They see US-Sov relations
improving & they wonder what will
happen to them.

Our policy is non-ambiguity - Do
not indicate any ambiguities about
our US relations or our Chinese ones.

At Toasts are ok, but don't get emphatic.
Chinese are dedicated Christians - We
respect them for that & they respect
us if you don't think all
is sweetness & light.

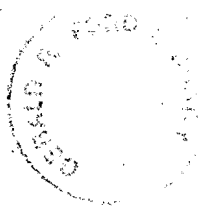
If Dandra Chinese, this is what I will
see - more Sov division or crisis than
in Europe. To Smith, Indra & Tracy

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E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES State Dep. cw 3/8/04

BY SA, NARA, DATE 3/31/04



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have contempt for Indians, but consider
them a threat because of Sov support.
As/Japan there is love-hate relationship
Respect because Japs are an able people -
Chinese respect that Japs are a real enemy
in free world. They look back at
own history & all their successful
Japs have been - this is where some hate comes
in.

Last year some of my briefing papers
advocated reasoning China about Japs &
securing some Jap treaty & get out of
Pacific. This is wrong.

If one protection is removed, they
must either accommodate or go
nuclear. Japs not likely to give in.
Chinese don't consider Japs a threat
now, but in larger future, could
be increasing threat

So Chinese won't pass Coast doctrine
that US should withdraw from Japan -
Access Pacific they see a US, or
major anti-Coast states

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~~SECRET~~

Economies play a part in their thinking, but basically they need good relations w/ US as buffer against USSR. I like to keep focus in that. How does this work out? Every time we make a move toward China or USSR, others get worried. We can't play one against the other.

If Chinese want to choose USSR, let them bring it up.

What's in it for us in a Chinese joint w/ in 15-20 yrs. China will be major market partner & they want good relations. I think to build a new relationship is now.

How economics - Trade building rapidly & is 6-1 in our favor. Problem is how can free society speaking w/ many voices deal w/ a closed society?

A year ago they didn't talk much



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Don't think of trying to move, it will
not be trade for trade's sake. Trade
security factor is dominant - trade is
just a dividend.

The more we can have the better
we can do, the better.

Don't get involved in the creation of
Tension. They are reluctant about it & take
a long range view.

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

M. Even total credit is hard

P. Why not consider a E.W. bank for this?
Credit credit is desired good. They keep
their checks. It may be that we need
a new institution.

We must avoid going in
we are looking back w/ political relation
things. But they are linked & by
they we have to offer a world is our
economic strength.



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

Who would have thought a year ago that China would say just NATO + stop trying to get us out of Japan.

M - We have thought too long that we can't trade w/ any but friends. We can speak for country that is no longer coal, right?

P - Yes, we don't have to like exchange systems to work w/ them.

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

S - Your idea of E-W bank. You know X M bank has done great job in Japan + USSR

P - I just threw out an idea. Maybe expand X M

S - Does ~~any~~ China have resources which would let them expand their trucks.



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P- Now, now Taiwan is a bigger trader.
But potentially maybe. If they had a clean
regulation of Taiwan, they would be biggest
trader in world. If they could
top management.

S- Japan has some resources

M- Oil people tell me there might be
out of price

Japan are buying up everything everywhere

P- You may be asked did we know
any deals at expense of Chinese & others
concern a plot no. A strong China is
in our interest

con't. Wasn't some agreement protection
for China.

P- ~~Both agreed~~ Both agreed no force against
3rd countries. That includes China.

You will note Chinese leadership
is old. A system who will follow.
Chinese are very complicated people. You
will be impressed & depressed. Too
rags, beggars, hungry. But a great
life

M- But China _____



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P. There is much to achieve.
Food will be good, Congress doesn't
understand off on their manners.

S. Right (Gerry) MFN is a cooperating term.
Sounds like we are going SU + China
special treatment

P. Yes, it is just to remove the ambiguity.
Giffon - From briefing I get impression
Taiwan would be big thing, you said
no.

P. They may bring my hats they seem
relaxed about it.

S. I believe anything to remove that
PRC - Taiwan difference are breaking down.

P. That I think is PRC propaganda. Would
Taiwanese want to be absorbed into
PRC.

Q. mixture is emulsion + water seem
to mix together.

Jerry - What are PRC priorities, what they
stress hydro panels.

P. Ask them they making over
roads.

M. They will ask me because they



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have great power potential. They don't
know how to build down.

P- You miss what way ^{you can't} ~~you can't~~
tell a ~~man~~ woman from a man.

Misses out more practical than
Russians. Highly practical.

2P- Will we get caught in internal differences

P- Admitt it

Why are they stabilized? Walt, Rosen, etc

P- Yes but would be long in due to age
factors.

Chen is one of most sophisticated psych
docs, but he is 24. A remarkable man

listen to him. He is a giant in a world.

Why - He committed to you on _____

1232

