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NATIONAL SECURITY
DECISION DIRECTIVE 140

THE PRESIDENT'S VISIT TO
THE PEOPLE'S REPUBLIC OF CHINA

Over the past year, we have witnessed an improvement in U.S.-China relations. The recent visit to the United States by Premier Zhao Ziyang and my return visit to China are in themselves strong indications that the relationship is moving forward in areas of mutual interest. We want my visit to continue this progress. (S)

Because of the importance of this relationship and the sensitive aspects of managing our relations with both the People's Republic of China and Taiwan, it is essential that our strategies and policies be coherent and that our actions be consistent and mutually reinforcing. (S)

Objectives

In our relationship with China we seek:

- To promote a China that remains independent of the Soviet orbit. (S)

- To encourage China's efforts to modify and liberalize its totalitarian system, introduce incentives and market forces in its economy, and continue expanding its ties with the major industrialized democracies. (S)

- To help China modernize, on the grounds that a strong, secure and stable China can be an increasing force for peace, both in Asia and in the world, if the two objectives above are realized. (S)

To achieve these overall objectives we should emphasize the following themes during this very important visit:

Political/Diplomatic Relationship

First, on political/diplomatic issues we should aim:

- To reaffirm our commitment to regard China as a friendly, non-allied nation and to consolidate and advance our bilateral relationship on that basis. (C)

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- To enhance Chinese understanding of the United States and carry the message of American friendship directly to the Chinese people by further developing the rapport between U.S. and Chinese leaders, and by direct talks to the Chinese people, carried over Chinese television and radio, as well as in the press. (S)

- To reaffirm our intention to abide by the various joint communiques we have signed with the Chinese, including the one of August 1982 on arms sales. At the same time we should reconfirm our moral and legal commitment to maintain unofficial relations with the people of Taiwan, including the continued sale of defensive arms. We believe the "resolution" of the Taiwan issue is a matter for the Chinese people to settle themselves, and our only concern is that it be done peacefully. A continued peaceful approach by Beijing to Taiwan is fundamental to our position on Taiwan arms sales and to the whole framework of our relations. (S)

- To send a quiet signal to our friends in Asia, as well as to the Soviets and others, that U.S.-China ties can prosper on a foundation of realism and mutual interest. (S)

- To seek ways of expanding and perhaps institutionalizing regular U.S.-Chinese consultations and coordination on issues where our interests are similar or parallel (e.g., USSR, Korea, Afghanistan, Kampuchea). (S)

- To expand the personal involvement of top Chinese leaders in the Sino-U.S. relationship. This effort should be focused on those members of the Politburo Standing Committee who have not yet visited (especially Hu Yaobang), the four Vice Premiers, and the heads of appropriate ministries and government agencies. (S)

Economic/Trade/Scientific and Technological/Cultural Relationship

Second, in this area we should seek:

- To articulate our readiness to lend support to China's ambitious modernization effort, especially through our liberalized technology transfer policy. (S)

- To make every effort between now and the end of my visit to conclude an agreement of cooperation on the peaceful uses of nuclear energy which meets our non-proliferation objectives and our legal requirements. (S)

- To express our disappointment over the Chinese failure to abide by the terms of our bilateral grain agreement in 1983 and our expectation that they will henceforth abide by the terms of the agreement. (S)

- To encourage the Chinese to look beyond immediate problems in some areas to the longer-term potential of their economic

relationship with the U.S., and to assure them that we view the relationship in this perspective. (C)

- To attempt to create an atmosphere in which we can conclude, on terms which provide for mutual benefit, the various bilateral agreements and treaties still pending, especially a comprehensive bilateral investment agreement, and a renewal of the Maritime Agreement. (C)

- To build on the substantial trade benefits that both countries have derived over the past few years. (C)

- To work for the removal of U.S. legislative language formulated in earlier years, lumping China together with the USSR, which prohibits U.S. assistance to China. While we have no plans now for U.S. government aid or concessional loan programs, the restriction is inconsistent with our present bilateral relationship. (C)

- To encourage the Chinese to look mainly to our private sector for development finance supplemented by U.S. government programs such as Export Import Bank, Overseas Private Investment Corporation (OPIC), and Commodity Credit Corporation (CCC). (C)

- To promote greater industrial and commercial cooperation by urging the Chinese to expand the areas of cooperation under the new Technological and Industrial Cooperation Accord through the establishment of protocols in specific industrial sectors, especially energy, transportation and telecommunications; and by the announcement of a Presidential Trade Mission and several other major trade missions to China to take place over the next two years, sponsored by the U.S. Department of Commerce. (C)

- To urge Ministerial-level talks in the area of energy cooperation, indicate U.S. willingness to strengthen our dialogue with China on its energy planning efforts and provide technical advice. (C)

- To dramatize our cooperation in Scientific and Technological areas by offering the Chinese a program of cooperation in space research which would include the possibility of a Chinese astronaut accompanying a Chinese experiment on a flight of a U.S. Space Shuttle. (S)

- To increase the already large student exchange program, and to seek improved access for American scholars in China to research materials, more commensurate with that enjoyed by Chinese scholars in the U.S. (C)

- To encourage increased people-to-people exchanges in the cultural area, including athletics and the arts. (C)

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Strategic/Military Relationship

Third, in the area of strategic and military relations, we should strive:

- To explore possibilities for raising the level of strategic dialogue and expanding U.S.-PRC cooperation against the common threat posed by the USSR. We should discuss with Chinese leaders Soviet military expansion in Asia, their likely future weapons development, Soviet efforts to expand their influence throughout the world, and arms control matters. (S)

- To discuss the need to take measures in concert to enhance prospects for stability on the Korean peninsula. We should discuss with the Chinese our view of the threat posed by North Korea, and discuss with them ways to bring the North into bilateral talks with the Republic of Korea aimed at reducing tensions. (S)

- To restate our determination to work together with them to upgrade certain defensive military capabilities. Transfer of appropriate levels of technology, civilian and military, consistent with other strategic interests and international obligations, is necessary and desirable in pursuit of this objective. (S)

- To continue to expand the exchange of military VIP's and specialist delegations, include setting a date for the visit to the U.S. of the Chinese Minister of Defense. (S)

Our overall strategy should be to develop our relationship by highlighting the areas of agreement and potential cooperation, while maintaining a firm but quiet stance on issues involving our own principles and commitments not subject to compromise. (S)

Ronald Reagan

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