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CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D.C.

China
CH 268/1

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19 SEP 1963

MEMORANDUM FOR: Mr. McGeorge Bundy
Special Assistant to the President

SUBJECT : Visit of General Chiang Ching-kuo

Forwarded herewith is a copy of the draft minutes covering your meeting with General Chiang Ching-kuo on 10 September. We would appreciate a copy of the final approved version of the minutes.

FOR THE DEPUTY DIRECTOR (PLANS):

W. E. Colby
William E. Colby

Attachment:
Minutes

OK
[Handwritten signature]

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changes telephoned
to Colby's office
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CH 268/2

DRAFT MINUTES

Subject Meeting Between Mr. Mc George Bundy and
General Chiang Ching-kuo, 10 September 1963

Summary

On 10 September 1963, General Chiang Ching-kuo met with Mr. Mc George Bundy. Also present at the meeting were Mr. Ray Cline, Mr. William Nelson, Mr. James Shen, Mr. Cal Mehlert, and Mr. Donald Duffey. After an exchange of amenities, General Chiang Ching-kuo said that, although the Government of the Republic of China (GRC) understood the reasons why the United States had signed the nuclear test ban treaty and the GRC shared the U. S. desire to ease world tensions and preserve world peace, the treaty alone would not solve all the problems. The GRC is encouraged by President Kennedy's public acknowledgement of the potential threat of continued Chinese Communist growth; but, Chiang emphasized, the Chinese Communist regime at the present time is weaker than it has ever been since its 1949 takeover of the China mainland. On the assumption that the U. S. and the U. S. S. R. will maintain the status quo in their mutual relations, the GRC feels that now is the time for the U. S. and the GRC to establish a formula aimed at solving the problem of the China mainland without triggering a major war. The GRC is prepared to assume full political responsibility for

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such action with U. S. support. President Chiang Kai-shek is positive that if the GRC acts now, the Soviet Union will not go to the aid of the Chinese Communists. Time is the key element, however, since new factors could change the situation in the future. According to Chiang Ching-kuo, it is important that the U. S. and the GRC take joint action immediately to enhance the difficulties now facing the Chinese Communists and make it impossible for them to consolidate their position. Chiang Ching-kuo re-emphasized that the GRC recognizes the leading role of the United States and accepts the assumption that no action will be taken which would risk war. The GRC is willing to discuss ways and means to weaken the Chinese Communist regime and eventually overthrow it and feels that the solution to the problem must be more political than military. Chiang's definition of political devices included political warfare, psychological warfare, diplomatic action and paramilitary operations such as maritime raids on the coast and airdrops of paramilitary teams. The GRC plans for the maritime raids and airdrops were to escalate from small and medium teams to large teams in three stages, six months apart. Chiang Ching-kuo claimed that the GRC has located missile sites and atomic installations on the China mainland and desires to work with the United States on ways and

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means to remove these and restrain their expansion. Chiang promised to discuss details of the ways and means to achieve this goal on other levels and reiterated that the GRC would assume full political responsibility for this action, expecting only transportation and technical assistance from the United States. In conclusion, Chiang repeated the contention that the GRC is not planning a large scale attack on the China mainland and that the Chinese Communists must not be permitted to solve their present difficulties to become an even greater menace in the future.

In reply, Mr. Bundy told Chiang that the United States places a high priority on measures to weaken the Chinese Communist regime, particularly its nuclear growth, and assured him that the U. S. Government would examine most carefully any possibilities advanced. Mr. Bundy stressed the United States Government's aversion to triggering a major conflict and expressed the view that the split between the Soviet Union and Communist China would probably widen unless extreme forces of great magnitude drove them back together again. He said that one example of such a force would be any major attack against the China mainland in which the United States would be a dominant factor. Mr. Bundy emphasized that the ^{the major} moment ^{danger of} action against the mainland can be taken without Soviet intervention is not yet here and may never arrive.

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In view of the lack of success of the small GRC operations of the past two and three years, Mr. Bundy felt there was a question of whether larger operations would be productive and said the U. S. and the GRC must work together on the problem. In Mr. Bundy's opinion, any action against the China mainland should depend on three factors: (1) a sound intelligence estimate of Chinese Communist strength and capabilities; (2) the degree of political usefulness of such operations; and (3) the hazards and repercussions of failure to the U. S. and GRC. In passing, Mr. Bundy mentioned the U. S. admiration of the GRC's accomplishments in its social and economic growth and assured Chiang that the success and effectiveness of such growth is of great interest to the United States Government. (End of summary)

General Chiang Ching-kuo opened his 10 September 1963 discussion with Mr. Mc George Bundy by saying that he had come to the United States at a most interesting moment in world politics, during the Sino-Soviet split and the nuclear test ban treaty. Chiang said he was looking forward to discussing common problems at what his government considered a particularly important time. Mentioning that, in the past, the GRC and the United States had cooperated very smoothly, Chiang expressed the hope that this

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cooperation would continue. Chiang wished to present some of President Chiang Kai-shek's views on matters of common interest which he hoped would stimulate joint Sino-U. S. efforts. The GRC understands the reasons why the United States had signed the nuclear test ban treaty. The GRC feels, however, that the treaty alone will not solve all the problems even though the GRC also desires to ease world tensions and preserve world peace.

Chiang Ching-kuo continued that the GRC had noted President Kennedy's remark that if the Chinese Communist regime continued to grow at a steady pace, by 1970 it will have become a great problem--a kind of Frankenstein. The GRC is encouraged by this statement since it means that Washington recognizes the seriousness of the problem. At the same time, Chiang wanted to point out that the Chinese Communist regime is now the weakest it has been since 1949 when the regime seized power on the China mainland. Proceeding from the major premise that the Soviet and the U. S. Governments would maintain the status quo in their mutual relations, the GRC feels that now is the time for the U. S. and the GRC to get together for the purpose of establishing a formula aimed at solving the mainland problem without triggering a major war. In this connection, Chiang said, the GRC is prepared to

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assume full political responsibility for its actions, with the understanding that it would receive United States support. Chiang Kai-shek is positive that if the GRC acts against the China mainland now, the Soviet Union will not go to the aid of the Chinese Communists. General Chiang Ching-kuo emphasized that time is the key element and it is uncertain how long the time will continue to be favorable. Many new factors may arise in the future and bring about changes and it is important that the GRC and the U. S. take timely action to make it impossible for the Chinese Communist regime to consolidate its position. We must act now, said the General, to enhance the difficulties the Chinese Communist regime now faces on the mainland. The philosophy that President Chiang Kai-shek desires to convey to the United States Government is that, in view of the close relations of the GRC and U. S. Governments, it is important that they coordinate their planning and their moves toward finding a solution to the Chinese Communist problem.

Mr. Bundy replied by pointing out that the split does change many aspects of the opportunities and dangers the GRC and the U. S. will face in the future but thought the two governments differed in their estimates of the effects of the split. This division has proceeded at an accelerated pace for seven years, since the

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Twentieth Congress, and unless extreme forces of great magnitude drive the Soviet Union and the Chinese Communists together again, it is likely to widen in future years. For example, one of the factors that would drive them back together again would be any major attack against the mainland in which the United States would be a dominant factor. It is possible that the U. S. could be forced into conflict with them if they crossed the boundary lines now established. The moment that ^{may} action against the China mainland could be taken without ^{danger of} Soviet intervention is not yet here and may never arrive. The United States Government does not desire to take any action that would trigger a major conflict.

In response, General Chiang said that the GRC has duly considered this question and anything that the GRC plans to propose doing will be governed by the premise that it must not trigger a major conflict. The GRC recognizes that the United States is a world leader and that its actions have world ramifications. Thus, the GRC recognizes that it must not do anything that would lead to war. However, said Chiang, if no action is taken, the Chinese Communists may recover from their difficulties and in the future present a problem more difficult to handle. GRC plans do not include a large frontal attack against the mainland but concern

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operations which will increase the Chinese Communist's difficulties on the mainland and decrease its strength.

Mr. Bundy expressed U. S. concern about the type of operations that would be launched. He pointed out that: (1) GRC action must not trigger a major conflict and must be measured according to the degree of involvement of the United States and the hazards to the strength of the GRC and (2) it is debatable whether the operations will work. The U. S. has watched the small GRC operations of the last two and three years and has not yet found in them, at their level and form, any prospects of weakening the Chinese Communist regime. There is a question of whether somewhat larger operations will be productive and on this question the GRC and the U. S. must work together to see what can be done. Mr. Bundy thought any action would depend on three factors: (1) a sound intelligence estimate of Chinese Communist strength and capabilities, (2) the degree of political usefulness of such operations, and (3) the hazards of failure to the United States and the GRC and the results of failure. This question should be carefully studied to determine our respective estimates of the degree of usefulness these type of operations would have.

At this point, Mr. Bundy observed that perhaps there were factors which he had not mentioned on which General CHIANG would like to comment.

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General Chiang thought it appropriate for him to sum up the GRC position which fundamentally revolved around two points: (1) now is the time that the U.S. and the GRC should get together to weaken the Chinese Communist regime on the China mainland and eventually seek its overthrow; (2) The GRC is mindful of the leading role of the United States and accepts the assumption that no action will be taken which would risk war. The GRC is willing to discuss ways and means to weaken and overthrow the Chinese Communist regime, and believes the solution to the problem must be more political than military. The GRC feels it should use more political devices than military means to obtain its objectives, such as political warfare, psychological warfare and diplomatic action plus paramilitary operations. The kind of paramilitary operations the GRC has in mind fall into two categories--maritime raids on the coast, and air drops of paramilitary teams. The GRC plans to start on a small scale, then escalate to medium and then large teams. The GRC hopes to implement this plan in three stages of six months each, adding up to a year and a half of action. Chiang Ching-kuo said that he would like to emphasize that the GRC is just as concerned as the United States over the growth of the Chinese Communist atomic capability. His government, said Chiang, has located missile sites and atomic installations

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on the mainland and desires to work with the United States on ways and means to remove these, recognizing that if they are allowed to grow, they will be faced with a much more difficult problem in the future. General Chiang did not wish to burden Mr. Bundy with the details of the ways and means he intended to propose but promised to discuss these at other levels. Chiang added that in this action the GRC will assume full political responsibility and that all it expects of the United States is transportation and technical assistance.

Mr. Bundy saw no difficulties in cooperating in political and psychological measures. He pointed out that the GRC and the United States are not alone in the world and that other countries also have their own interests to consider. For example, many of the interesting possibilities such as economic pressures are conditioned by other countries. In distinction to political and psychological measures, there are obviously more risks involved in military and paramilitary action and there is a cost in failure. Mr. Bundy acknowledged the GRC's acceptance of political responsibility and emphasized that the precise size of the teams is less important than the prospects of success. In any action that we take, close study must be given to specific ventures and in each case we must ask ourselves if this operation has a satisfactory prospect of success.

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Our experience in these kinds of problems is that they must not fail. The United States is very much interested in whether something could be planned which would have a delaying and preventive effect on the nuclear growth of the Chinese Communist regime and favors a most careful study in that field.

Touching briefly on another subject, Mr. Bundy said we have all watched with admiration the accomplishments of the GRC in its social and economic growth and that the success and effectiveness of such growth is of great interest to the United States Government.

General Chiang said he would like to make two final points:

- (1) The GRC is not contemplating a large scale attack on the mainland;
- (2) The Chinese Communists must not be permitted to tide over their present difficulties because they would then become a greater menace in the future.

Mr. Bundy assured Chiang that the United States priority on measures to weaken the Chinese Communist regime is high and said he understands General Chiang's concern, although he would not be so gloomy as to say "now or never." (General Chiang asked for a clarification of the term "now or never" and Mr. Bundy repeated, "I could not say 'now or never'.")

General Chiang answered that he considered the important thing is that we have a common mind on a common problem.

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Mr. Bundy said he agreed with General Chiang on this point and that our common mind should be aimed at action which we commonly accept as practical. Marginal variations were not so very important, but it was important that we look specifically at specific opportunities, consider our respective responsibilities and act accordingly. Mr. Bundy repeated his assurance to General Chiang that the United States shares his concern with the development of Chinese Communist nuclear capability.

In thanking Mr. Bundy for his frank exchange, Chiang said he wished to make it known that he was prepared to discuss with United States representatives ways and means of delaying the development of nuclear growth on the China mainland.

Mr. Bundy closed the meeting by again expressing his pleasure at having had the opportunity to meet with General Chiang and said he knew President Kennedy was looking forward to seeing him.

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