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DIRECTOR OF INTELLIGENCE AND RESEARCH

To

The Acting Secretary

HUANG HUA

From

Subject:

INR - Ray S. Cline

COMMUNIST CHINA/US: Peking's People's Diplomacy: A "New Page" in

Sino-American Relations

Chou En-lai made it clear to the US table tennis delegation today that in inviting them and several US journalists, Peking had opened a "new page" in Sino-American relations. This move toward "people's diplomacy" alters Peking's longstanding policy of refusing to accept American visitors and revives the more flexible policy toward the US inaugurated in late 1969 but broken off at the time of the Cambodian incursion. There seems little question that the shift was timed to influence opinion in the US and other countries to press for China policy changes favorable to Peking. The visits may be followed by a moderate level of trade as US restrictions are eased, but Peking will probably be more cautious in trade than in travel. Although having important implications for our discussions at Warsaw, the new Chinese approach to the US  $\nearrow$ does not appear to portend any immediate resumption of the governmental talks.

America Policy Reactivated. Peking's most immediate consideration in adopting "people's diplomacy" toward the US is presumably a belief that a show of reasonableness will fuel its current drive for international recognition and improve prospects for allocation of the China seat in the United Nations

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to the PRC this fall. But the more flexible approach will also enhance Peking's ability to affect the emerging four-power inter-relationship in East Asia. The impact on Moscow of PRC gestures to the US was obviously quite strong last winter and the present steps must have been designed in part for their effect in both Moscow and Tokyo. In addition, Peking presumably hopes that Taipei's predictably anguished reaction will contribute to the PRC's long-standing--and strikingly unsuccessful--effort to undermine morale on Taiwan and cause the Nationalist Government to collapse. It is less clear whether Peking, by responding so swiftly to the removal of US travel restrictions hopes to encourage further US moves.

Reversed Decade-Old Policy. Peking has not employed "people's diplomacy' with the US since the mid and late 1950's when it sought agreement in the Sino-American talks for an exchange of newsmen, resumption of trade, and general cultural exchange. The Chinese characterized their strategy during that period as "creating favorable conditions for the settlement of fundamenta issues (i.e. the Taiwan Question)." After Washington rebuffed these approache Peking changed its policy and announced in September 1960 that "there was no need...to waste time on minor questions" at the Warsaw Talks. Later US exchange proposals were repeatedly rejected and virtually all American citizens who applied for visas were turned away. Only Edgar Snow, a special case, and a few other Chinese Communist sympathizers were admitted.

Aim of "People's Diplomacy." The "people's diplomacy" approach is designed to enhance Peking's image in the US on the assumption that this will eventually bring changes in the government's China policy. This objective

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Will be reflected in carefully considered invitations to selected groups.

Although Peking may feel obliged to show some hospitality to ideologically congenial groups, its invitations thus far indicate that the Chinese effort to project "reasonableness" will lead to emphasis on visitors who represent the middle range of American public opinion. Through people of this type, Peking will hope to win propaganda benefits while avoiding the tough substantive issues which would inevitably arise in governmental discussions or visits by high-level US personages. To maintain the momentum at least through this year's UN vote on Chinese representation, Peking may selectively invite more prominent Americans, quite possibly including members of Congress.

Permitting Chinese groups such as a table tennis team to visit the US would be another way of maintaining momentum and Chou hinted such a visit may well be in the offing.

Ottawa: "Window to the US." The appointment of Huang Hua as PRC ambassador to Canada strongly suggests that Ottawa will be a center of Peking's "people's diplomacy" effort as well as its chief "listening post" for the US. A participant in the Marshall Mission negotiations, former chief Chinese delegate at Panmunjon, and leading participant at the critical 1958 Warsaw Talks during the offshore islandscrisis, Huang is one of the PRC's top "old America hands." His high standing was confirmed during the Cultural Revolution when, as ambassador to Cairo, he was the only Chinese chief of mission not recalled from his post. In Ottawa, Huang can be expected to take an active role in meeting a steady stream of Americans seeking to visit or do business with China. Peking will probably rely on him to coordinate its "people's diplomacy"

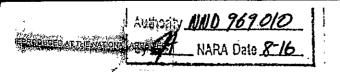
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campaign; at a later stage it may also use him in establishing contacts with the US government.

Will Trade Be Next? Trade with the US could also fall under the rubric of "people's diplomacy" and it would have some of the same attraction for Peking as visitor exchanges. Indeed, the Chinese have been probing around the edges of the trade question for over a year. However, even though a few carefully paced, but fairly spectacular, trade deals might be made with American companies to whet business appetites and upset Tokyo, Moscow and Taipei, any large volume of Sino-American trade still seems a distant prospect. The Chinese may regard trade as involving considerably more commitment than visitor exchanges and as an important counter in any future negotiations over the question of Taiwan. They would be reluctant to increase trade very much merely to add to the atmospherics of "people's diplomacy." Any response to specific partial relaxations of US trade restrictions would also be inhibited by continuing questions of equality and reciprocity.

Implications for the Warsaw Talks. Despite Peking's disclaimer, there are obvious implications for government-to-government dealings in Peking's sudden resort to "people's diplomacy." Such exchanges have been a major topic of discussions in our bilateral meetings for the past sixteen years. "People's diplomacy" does, however, have the virtues for the Chinese of producing movement in Sino-American relations without prejudice to any other steps they might wish to take in the government-to-government field. Events thus far,



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do not suggest an imminent move by Peking to call for another meeting at Warsaw. It seems more likely that they will first wish to assess the results of their new line and to wait for the international context to ripen.

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