



United States Department of State

Washington, D. C. 20520

DECLASSIFIED

84 SEP 12 P7:59

12 SEP 1984

BRIEFING MEMORANDUM
UNCLASSIFIED

S/S

100

TO: The Secretary
FROM: EAP - Paul Wolfowitz
SUBJECT: Your meeting with a delegation from China, Thursday, Sept. 13 at 10 AM in the Operations Center Conference Room.

KEY PARTICIPANTS:
The Secretary
EAP - Paul Wolfowitz
EAP, acting - Don Anderson

Chinese delegation of 11 persons, headed by:
HAN Nianlong, President, Chinese People's Institute of Foreign Affairs and former Ambassador to Pakistan (addressed as Ambassador HAHN).

other ranking members:

LI Qiang (addressed as Minister LEE), former Minister of Foreign Trade.

CHAI Shufan (addressed as Minister CHAI, rhymes with wry), former Minister of Machine Building Industry.

Hosts for visit by Chinese to US:

Ray SHAPER, Chairman, National Committee on US-China Relations (NCUSCR).

Arthur ROSEN, President, NCUSCR.

Scenario for the Secretary's meeting with a delegation from China
Sept. 13, 1984

9:50 AM Delegation arrives at C Street entrance of State Department and is escorted by an EAP/C officer to Operations Center Conference Room (room 7516).

9:55 AM Mr. Wolfowitz arrives in the Secretary's office and accompanies the Secretary to the Operations Center Conference Room.

DEPARTMENT OF STATE A/ODC/MR

CLASSIFIED by KAS DATE NOV 10 1988
DECLASSIFY ()
DECLASSIFY in PART ()
Non-responsive info. ()
or PA exemptions

UNCLASSIFIED

MICROFILMED BY S/S

TS authority to:

84064301337

UNCLASSIFIED

- 2 -

- 10:00 AM The Secretary arrives in the Conference Room and makes brief remarks to the visiting delegation (talking points attached at Tab 1).
- 10:15 AM The Secretary returns to his office; Mr. Wolfowitz remains to talk with the delegation.

Attachments:

- Tab 1 - Talking points.
- Tab 2 - Background information on Chinese delegation
- Tab 3 - List of American participants in Tarrytown conference

Drafted by: EAP/C M. Holbrook
632-1004 9/12/84 W5955E

Clearances:

EAP/C: SSchlaikjer
EAP/C: RSwenson
EAP: DMAnderson
P: Witoh
PM: CCartman
EB/EWT: RKirkpatrick

UNCLASSIFIED

84061301JUB

IV. DISCUSSION OF OBJECTIVES

Note that since the reciprocal visits of Premier Zhao and President Reagan, US-China relations, once based on shared strategic concerns alone, have continued to move forward in other areas as well.

oPOINT OUT THAT THE RECIPROCAL VISITS BY OUR TOP LEADERS IMPROVED OUR UNDERSTANDING OF EACH OTHER'S POSITION ON GLOBAL, STRATEGIC, AND BILATERAL ISSUES.

oINFORM THE CHINESE THAT OUR BILATERAL ECONOMIC RELATIONS CONTINUE TO ADVANCE. TWO-WAY TRADE IN THE FIRST SIX MONTHS OF 1984 REACHED \$2.66 BILLION DOLLARS, AND IS EXPECTED TO EXCEED \$5.6 BILLION FOR THE YEAR. IF THIS TOTAL IS REACHED, IT WOULD BE THE HIGHEST NOMINAL VALUE EVER FOR TRADE BETWEEN OUR TWO COUNTRIES, REPRESENTING A 27 PERCENT INCREASE OVER LAST YEAR'S RELATIVELY DEPRESSED LEVEL. MEANWHILE, MORE AND MORE U.S. FIRMS ARE SEEKING INVESTMENT OPPORTUNITIES IN CHINA. OVER TWENTY HAVE FORMED JOINT VENTURES IN THE PRC AND MADE EQUITY INVESTMENTS OF ABOUT \$85 MILLION. TWELVE U.S. FIRMS HAVE MADE COMMITMENTS TO SPEND NEARLY \$600 MILLION EXPLORING FOR OIL AND GAS OFF CHINA'S COAST.

oEXPRESS SATISFACTION WITH THE DEVELOPMENT OF US-PRC MILITARY COOPERATION, AND NOTE THAT THE PRESIDENT RECENTLY ANNOUNCED THAT CHINA WAS ELIGIBLE TO BUY MILITARY ITEMS ON A GOVERNMENT-TO-GOVERNMENT BASIS.

34064301339

CLASSIFIED

NOTE THAT BILATERAL CULTURAL AND EDUCATIONAL PROGRAMS ARE
CONTINUING TO EXPAND. OVER 12,000 CHINESE STUDENTS ARE NOW IN
THE US, AND HUNDREDS OF AMERICANS IN CHINA. OUR SCIENCE AND
COOPERATION PROGRAM IS THE LARGEST BILATERAL PROGRAM OF ITS
KIND FOR EACH SIDE, ENCOMPASSING 22 PROTOCOLS.

0315587000

Assure the Chinese that we have taken steps to expedite the approvals for the export of appropriate high technology items to China.

Their US hosts have indicated that at the Tarrytown conference, the Chinese expressed particular interest in the subject of technology transfer.

NOTE THAT THE US STRONGLY SUPPORTS CHINA'S POLICY OF MODERNIZING ITS ECONOMY, AND DESIRES TO PARTICIPATE IN THIS PROCESS WHERE APPROPRIATE. TO THIS END, AND RECOGNIZING CHINA'S STATUS AS A FRIENDLY, NON-ALLIED COUNTRY, THE US LIBERALIZED CONTROLS ON HIGH-TECHNOLOGY EXPORTS TO CHINA IN NOVEMBER, 1983.

POINT OUT THAT THERE HAS BEEN A SIGNIFICANT INCREASE IN THE NUMBER AND VALUE OF EXPORT LICENSES APPROVED FOR HIGH TECHNOLOGY SALES TO CHINA. THE NUMBER OF APPROVALS INCREASED FROM 2,000 IN ALL OF 1982 TO OVER 2500 IN THE FIRST SIX MONTHS OF THIS YEAR. THE DOLLAR VALUE OF LICENSES APPROVED ROSE FROM \$709 MILLION IN 1982 TO \$1.4 BILLION IN 1983 AND IS EXPECTED TO EXCEED \$1.5 BILLION FOR ALL OF THIS YEAR.

ACKNOWLEDGE THAT THERE HAVE BEEN OCCASIONAL PROCESSING DELAYS IN SOME CASES, BUT ASSURE THE CHINESE THAT WE ARE TAKING FURTHER STEPS TO IMPROVE THE IMPLEMENTATION OF OUR POLICY.

UNCLASSIFIEDTALKING POINTS

--Welcome Ambassador Han and the Chinese delegation, and express satisfaction with their participation in the US-China conference at Tarrytown, New York.; welcome also their US hosts, Governor Shafer and Art Rosen, of the National Committee on US-China Relations.

--Note that our relations have expanded far beyond the strategic concerns which initially brought us together. Our bilateral economic ties, for example, continue to grow. Two-way trade in the first six months of 1984 reached \$2.66 billion dollars, and is expected to exceed \$5.6 billion for the year. If this total is reached, it would be the highest dollar value ever for trade between our two countries, representing a 27 percent increase over last year's relatively depressed level. More and more U.S. firms are seeking investment opportunities in China; over twenty have formed joint ventures in the PRC, and made equity investments of about \$85 million. Twelve US firms have made commitments to spend nearly \$600 million exploring for oil and gas off China's coast.

--Point out that we have taken steps to expedite approvals for high technology exports to China. As a result, the number of approvals increased from 2,000 in all of 1982 to over 2500 in the first six months of this year. The dollar value of licenses approved rose from \$709 million in 1982 to \$1.4 billion in 1983, and is expected to exceed \$1.4 billion this year

--Express the hope that plans for future annual conferences will be successful, noting that this type of dialogue, where issues can be explored informally, can benefit both sides.

UNCLASSIFIED

NATIONAL COMMITTEE ON UNITED STATES-CHINA RELATIONS, INC.

777 UNITED NATIONS PLAZA, NEW YORK, NEW YORK 10104 (212) 722-1385

August 1984

CHINESE PARTICIPANTS IN THE UNITED STATES-CHINA DIALOGUE

Co-Chairmen

Han Xianlong

President, Chinese People's Institute of Foreign Affairs; Adviser and former Senior Vice Minister, Ministry of Foreign Affairs.

Participants

Li Qiang

Member, Central Advisory Commission of the Chinese Communist Party; Former Minister of Foreign Trade; Member, Academic Council of the Chinese Academy of Sciences.

Chai Shufan

Chairman, China State Shipbuilding Corporation; Former Minister of Sixth Machine Building Industry; Adviser and former Vice Chairman, State Planning Commission.

Li Tiesheng

Standing Committee Member, Chinese People's Political Consultative Conference.

Liu Hianzhi

Vice-Chairman, Financial and Economic Commission of National People's Congress; Vice-Chairman, All-China Federation of Industry and Commerce; Vice-Chairman, Standing Committee, Shanghai Municipal People's Congress.

Ding Shisun

President, Beijing University.

Zheng Weizhi

Director, Institute of International Studies; Adviser, Foreign Affairs Committee, National People's Congress; Former Chinese Ambassador to EEC.

Yong Longgui

Adviser, Financial and Economic Commission, National People's Congress; Former Vice-Chairman, China Council for the Promotion of International Trade (Vice Chairman, State Planning Commission).

Cheng Mingqun

Standing Council Member, Beijing Institute of International Strategic Studies.

Specialists

Xue Muhong

Senior Research Fellow, Beijing Institute of International Studies; Professor, Beijing University.

Liu Shan

Senior Research Fellow, Department of Policy Planning, Ministry of Foreign Affairs.

August 1984

AMERICAN PARTICIPANTS IN THE UNITED STATES-CHINA DIALOGUE

Howard H. Baker, Jr.**
United States Senate

Sol M. Linowitz*
Coudert Brothers

W. Michael Blumenthal
Chairman
Burroughs Corporation

Winston Lord
President
Council on Foreign Relations

Harold S. Brown
Distinguished Visiting Professor
of National Security Affairs
Johns Hopkins Foreign Policy Institute

Robert S. McManara
Washington, D.C.

Brent Scowcroft (USA, Ret.)
Washington, D.C.

John M. Deutch
Dean
School of Science
Massachusetts Institute of Technology

Robert S. Strauss
Akin, Comp, Strauss, Hauer
and Feld

Emma H. Gray*
President
University of Chicago

A. Leon Higginbotham, Jr.
Judge
United States Court of Appeals

Robert D. Hornats
Goldman, Sachs & Company

Bobby B. R. Inman (USN, Ret.)
MCC Corporation

Victor H. Li
President
The East-West Center

*Not able to participate in 1984.

**Beginning in January 1985.