

6/29/89

PARTIAL-UPGRADED
B1Themes

1. The steady development of relations between the PRC and the U.S. over the past decade and more has brought significant benefits to both nations.
 - The global strategic situation has significantly altered to the benefit of both countries.
 - o The serious Soviet threat to the PRC was, over time, substantially reduced -- in part because of the growing friendship between the U.S. and the PRC.
 - o That same friendship provided running room for the U.S. in its relationship with the USSR. As US-PRC relations developed, the Soviet Union tended to moderate its own stance with regard to the U.S.
 - o Improved US-PRC relations have tended to provide the PRC with greater flexibility in the Asian area. For example, Vietnamese threats to China's interests have been easier for the PRC to deal with; close US-Japanese relations have served PRC

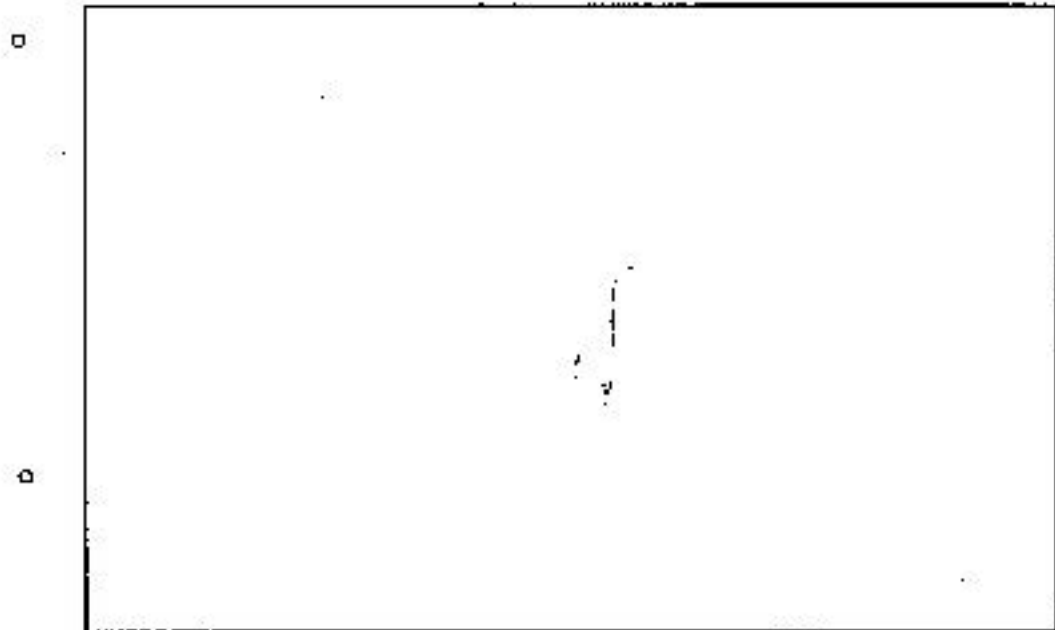
UNITED STATES DEPARTMENT OF STATE
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interests because of U.S. ability to affect Japanese conduct on issues of importance to the PRC; the U.S. presence in South Korea has helped contain North Korean adventurism while making it difficult for Pyongyang to ignore Chinese interests in favor of Soviet interests.



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2. The list of benefits to Washington and Beijing is long; the above list is but representative of a much more extensive catalogue. World peace and a stable international environment have been well served by what our two countries have accomplished together since President Nixon first visited the PRC.

3. At another level -- the human level -- we also have benefited. Thousands of Chinese students have studied in the United States, and brought back with them to China knowledge of Western technology, methods of industrial organization and production techniques that have served, and will serve for years to come, to improve the economic well-being of the Chinese people. Americans, on the other hand, have been exposed to Chinese culture and wisdom, and in the process have brought millions of dollars to the PRC as tourists.

4. President Bush recognizes the value of the PRC-US relationship to the vital interests of both countries. Beyond that, he has a deep personal desire to see the friendship between the Chinese and American people maintained and strengthened. This commitment derives from his experience in China and his personal friendship for so many of China's leaders.

5. It is against this background, and in light of recent developments in the Peoples Republic of China, that the President has ordered his close personal advisor, Brent Scowcroft, and the Deputy Secretary of State, to travel to Beijing. He has done so because, as is obvious to all

observers, serious questions have arisen in both countries about the future of the US-PRC relationship. It is the President's hope that, through the good offices of his representatives, it will be possible to reach an understanding on each side of the concerns and intentions of the other.

6. For his part, the President intends to do all he can to maintain a steady course because he believes deeply that a solid relationship between the PRC and the U.S. is in the interests of world peace and international stability.
7. At the same time, as leader of the nation he must represent and articulate the values of the American people -- values he deeply believes in personally as well.
8. How the GPRC decides to deal with those of its citizens involved in recent events in China is, of course, an internal affair. How the USG and the American people view that activity is, equally, an internal affair. Both will be governed by the traditions, culture, and values peculiar to each.

9. The American people have been shocked and repelled by much of what they have seen and read about recent events in China. That is as much a fact as Chinese views of U.S. reactions to those events. Both governments must take those attitudes into account.

10. President Bush shares the views of the broad mass of the American people regarding those events. He also realizes, however, that the long-term relationship between the PRC and the U.S. is, as already indicated, an important factor for both countries. He wants to manage short-term events in a way that will best assure a healthy relationship over time. But he is not the only factor in the American democratic system. The Congress is a co-equal branch of government; its attitudes are also important in determining how the U.S. reacts to external events.

11. Congressional reaction to what has occurred in the PRC has been strong; inevitably that reaction has led to numerous demands for legislation to end many aspects of our economic, military and political relationship. The President has taken the steps he has believed appropriate

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in current circumstances, while resisting demands by the Congress and segments of the American public for other measures.

12. The degree to which the President is able to maintain his current prudent course will depend, in large measure, on how events develop over the coming weeks in the PRC. Further arrests and executions will inevitably lead to greater demands in the U.S. to respond. Efforts at national reconciliation, on the other hand, will find a cooperative U.S. response.