#### THE WHITE HOUSE

WASHINGTON

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#### MEMORANDUM OF CONVERSATION

SUBJECT:

Summary of the Vice President's Meeting with People's Republic of China Vice Premier Deng Xiaoping

PARTICIPANTS:

Vice President Walter Mondale
Leonard Woodcock, U.S. Ambassador to
the People's Republic of China
David Aaron, Deputy Assistant to the
President for National Security Affairs
Richard Moe, Chief of Staff to the
Vice President

Denis Clift, Assistant to the Vice President for National Security Affairs Richard Holbrooke, Assistant Secretary of State for East Asian and Pacific Affair Michel Oksenberg, Staff Member, NSC

Vice Premier Deng Xiaoping
Huang Hua, Minister of Foreign Affairs
Chai Zemin, People's Republic of China
Ambassador to the United States
Zhang Wenjin, Deputy Foreign Minister
Han Xu, Director of American Department
Wei Yongqing, Director of Protocol
Ji Chaozhu, Deputy Director of American
Department

DATE, TIME AND PLACE: August 28, 1979; 9:30 a.m. - 12:00 Noon The Great Hall of the People, Beijing, People's Republic of China

Vice Premier Deng: I heard your speech was warmly welcomed.

<u>Vice President Mondale:</u> I was thrilled by the opportunity to speak at your great university and to speak to the people. It was an unprecedented occasion, and I thank you for that opportunity.

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Vice Premier Deng: It was published in full in today's People's Daily.

Vice President Mondale: Thank you. I am most grateful. And then last night, we attended a cultural event at which we heard two Chinese classics -- Jingle Bells and Do Re Mi.

<u>Vice Premier Deng:</u> What you said at Beida -- the \$2 billion in credit and other items -- answers the questions of the journalists.

Vice President Mondale: A great statesman once said we should learn truth from facts.

Vice Premier Deng (turning to journalists): You heard what he said.

Journalists (obviously flabbergasted, not knowing what to say): Yes.

Vice Premier Deng: You put us on the spot, so we put you on the spot.

Vice President Mondale: No. They never put us on the spot.

<u>Vice Premier Deng:</u> True, they are very friendly.

(Journalists leave.)

<u>Vice President Mondale:</u> What a thrill it was to talk to those students. I will never forget the night at the Kennedy Center when you went on stage with President Carter and kissed the children. There was not a dry eye in the place or in the country.

Mr. Vice Premier, may I begin?

Vice Premier Deng: Yes.

<u>Vice President Mondale:</u> You gave us a serious presentation on Indochina yesterday, and I would like to respond at this time.

#### INDOCHINA

Vice President Mondale: We wish to begin on the very serious problem of Vietnam. In Indochina, we share the same objectives: to create an independent Kampuchea that is not threatening to its neighbors, to prevent Laos from falling further under Vietnam and Soviet sway, to protect Thailand and other ASEAN states, and to show Vietnam that its increasing dependence

We see the root of the problem in Vietnam's desire to dominate the Indochina Peninsula and Soviet encouragement to this end. The U.S. has long recognized this danger.

We, therefore, understand Thai and other ASEAN concern with the threat that would be directed against Thailand from a Kampuchea under Vietnamese domination.

We are concerned by the Soviet military presence in Vietnam. As you well know, they are making port calls and establishing military facilities. We also note with concern persistent Soviet efforts to make calls at ASEAN ports. We have drawn and will continue to draw our concerns directly to Moscow's attention. We are working directly with Japan, Australia, and the ASEAN states to resist these pressures.

As to Hanoi itself, we believe Vietnam is in a very difficult situation. It faces an incipient insurgency movement in Laos. Its forces are bogged down in Kampuchea, the conquered populace in South Vietnam is alienated and restless. Its ethnic minorities are persecuted and seek to flee. It is devoting increased military resources to its northern border. Its own economy is in a shambles -- most recently its oil explorations have not met expectations -- yet it must both support full mobilization and assist Laos and Kampuchea. Its ambitions exceed its capabilities and it increasingly must depend on the Soviet Union to make up the gap. And its standing in Asia and elsewhere in the world has fallen to a new low as a result of its policy on refugees.

Your representative at Geneva put the blame exactly where it belongs: Vietnam. We added our condemnation of Vietnam. They are heartless in expelling their own people. At Geneva, we caused a devastating blow to Vietnam around the world and in my own country.

What can be done to change the situation? Obviously and most importantly the current level of pressure must be kept on Hanoi. World criticism of Vietnam must continue. No legitimacy must be bestowed on the Vietnamese puppet regime in Kampuchea or the presence of Vietnamese troops there. We also think it is important to generate a greater political opposition to Vietnam's recent propaganda campaign of psuedo-flexibility on refugees and Kampuchea.

We understand the desire of the Kampuchean people to resist Vietnamese occupation and understand the support this resistance has gained from countries other than the U.S.

A broad coalition in Kampuchea is urgently needed to strengthen the long-term support inside that country for a genuinely independent government. You know our view that Pol Pot cannot generate adequate support. If Pol Pot is the sole focal point of resistance to Heng Samrin, the situation is likely to get worse. There probably will be a decrease in resistance and external support. We and many others cannot support Pol Pot even though we will not recognize Heng Samrin.

We believe the interests of the region and of the U.S. and China would best be served if a search for a political settlement in Kampuchea were initiated, a settlement which resulted in the removal of foreign troops and the installation of a genuinely non-aligned government. That this will be difficult is obvious, but I was pleased to note in listening to your presentation yesterday we both share the same objectives. I agree we should maintain close consultation. The U.S. stands ready to work closely with China and with ASEAN in making progress to this end.

I noted your comments about Prince Sihanouk with great interest. When you tell us that Prince Sihanouk sometimes pursues his own policies, Mr. Vice Premier, you are not telling us something new. Looking to the future, we are also unsure of what his role may be, but we agree that he should be encouraged to follow a course which could make it possible for him to play a role achieving the objective that I mentioned earlier -- the installation of a genuinely non-aligned government and the removal of foreign troops from Kampuchea.

In regard to your comments concerning Japan's aid to Vietnam, you should know that the Secretary of State and the President both raised this issue with the Japanese in their meetings in April, May, and June. I am sure you are also aware of their position. We have made it clear to them, and to many other countries throughout the world, that we feel strongly that because of Vietnam's invasion of Kampuchea, its treatment of its own people and its willingness to accept a Soviet military presence in their country, it is inappropriate for countries to extend aid to Vietnam. We have also had substantial success in preventing major loans to Vietnam from the World Bank, the Asian Development Bank, and other international institutions.

As for your comments on the U.S. and Japan working together without informing China, I want to assure you again that this is not the case. We have kept you informed of our views, and

prior to and following each contact that we have had with the Vietnamese we have briefed your government fully. We do this, Mr. Vice Premier, because we believe that the more we can work together on this difficult issue, the greater the chances of our reaching our common goal of an independent and non-aligned Kampuchea. I hope that your government will make the same efforts with us. Mr. Vice Premier please excuse me for making this extended statement because of its importance. Our policies should be spelled out in some detail. I would like to make two related points.

It is important that we continue to make efforts to aid refugees, to increase the pressure on Vietnam, and to maintain international outrage at their policy of forced expulsion of their citizens. We will continue to do our part. We are not at all convinced that the Vietnamese have agreed on any permanent position to stop expulsion of their people and their recent decrease may be related to the monsoons.

When they expell their people, pressure is put on ASEAN and this creates international tension. We should continue to make efforts to aid the refugees and to keep the pressure on the source.

Finally, there is the problem of relief of a humanitarian aid effort in Kampuchea. As you know the situation in Kampuchea is desperate: no agricultural production, people starving, desperate human needs. This puts pressure on the people to flee to Thailand, which creates new problems. I would note that the puppet government has agreed "in words" to allow aid to be distributed within Kampuchea. Timing is important more than ever. Pol Pot should permit relief to be distributed in Kampuchean areas under his control. Otherwise there will be even further international condemnation of his policies. That completes my presentation.

Vice Premier Deng: I wish to thank Mr. Vice President for presenting the American position with regard to Indochina, Kampuchea, and Vietnam. I think the problem of Vietnam, Kampuchea and Indochina in fact are at our front step but they are on your front step as well. Some international opinion claims that Vietnam constitutes a danger only to China, but we do not think so. We think it an important part of the global strategy of the Soviet Union.

We do not take seriously the danger that the Vietnamese pose to China from the south or the Soviet use of Vietnam to threaten China from the south. Our forces on the Pacific Ocean are relatively small. If the Soviet Union uses Vietnam to attack China by land, we can only welcome them. We have full information on how powerful the Vietnamese land forces are.

To cope with a land attack from Vietnam, we only have to mobilize three provinces: Guangdong, Guangsi, and Yunnan. Those three provinces have a population of nearly 100 million.

(The Vice President shakes his head. Deng laughs heartily.)

So in deciding what to do with regard to Indochina, it is not merely a Sino-Vietnamese or an Indochina problem alone but it must be seen from an entire global perspective, particularly of the situation in Asia and the Pacific. The Soviet Union already has control of the military bases in Cam Ranh Bay and Danang, and it will not be long before they control Sihanoukville. In her visit not long ago Madame Marcos said it was a very short distance from Indochina to the Philippines -- a distance of only 100 knots. That is what Madame Marcos told us. That is their concern.

And to put it in a very vivid sense, the strategy of the Soviet Union is like a barbell -- one end of the barbell is the Pacific and Southeast Asia. Another end of the barbell is the Middle East, with the Soviet drive toward the Indian Ocean. And the bar linking the two ends of the barbell is the Malacca Straits.

# Vice President Mondale: Right,

Vice Premier Deng: If we do not try to frustrate their attack from this strategic perspective, then they would gain the strategic initiative in Asia and the Pacific. In event of any trouble, if they would try to block this passageway, at least Japan would face a very troublesome situation. Your Pacific fleet would have a hard time. Of course, I admit this is also aimed at China, but if they did so the direct effect would not be so very heavy. So it is very understandable that the ASEAN countries, Japan, and the U.S. are gravely concerned with this situation. I want to repeat and underscore that China does not consider this problem solely from its own interest but of course we are guided by our own interest. People have the impression that the Soviet Union has not yet gained control of the military bases in Vietnam, but I have repeatedly said this is not the case because the bases are built there ....

Vice President Mondale: We do good work, Mr. Vice Premier. We build excellent bases. I have been there.

Vice Premier Deng: Of course, you withdrew some equipment, but that is very easy to fix. The basic infrastructure is there.

<u>Vice President Mondale:</u> That is true. The basic infrastructure is expensive, but the port is there.

Vice Premier Deng: We are agreed, and we must face up to this serious question. We agree that it is an important thing to watch. But the question is how to do it. We share some common views on how to cope with this problem, but there are also some differences. The point we share in common is how from a long term point of view to bring about a change in Vietnam. There are precedents -- Egypt; Somalia; we can see signs of some change in Angola; Afghanistan is undergoing such a change. Although Iran has turned for the worse, the Soviet Union has not fully achieved its aims there. So we should say at least we should aim to work for a change in Vietnam.

Vice President Mondale: We think we see the beginning of some trouble for the Soviets in Ethiopia. It is just beginning.

Vice Premier Deng: We are not very clear about that part. The evidence of that is not very obvious yet.

Vice President Mondale: If at some point when we can do so we might want to go into that.

<u>Vice Premier Deng:</u> If there are some changes that would be a good thing of course. But we should note the fact that Vietnam is different from the other places. Of course, you have had a long history of dealing with the Vietnamese, but our dealings with them are longer than yours. I know their present leaders well. We fought together for decades.

So it can be said that we have a deeper understanding of the Vietnamese than you do. The most salient characteristic of the Vietnamese is that you cannot count on their words, and this has been proven time and time again. We do not know how the present leaders came about to be this way, but in any case the Soviet control in Vietnam is very tight. Of course we know the sentiments of the Vietnamese people are an entirely different thing. I think I can be very

bold in saying that the great majority of the Vietnamese people have warm feelings for China. But no one there dares publicly to state their views. Hoang Van Hoan did not dare to air his views. No one knows how many people have been imprisoned for saying good things about China and those killed saying good things are not a few.

So we have not yet seen any indication to lead us to believe that there will be a change in the Vietnamese leadership or change in attitude in a relatively short period of time. I can tell you one thing, and we found this out only recently, that Le Duan manages to send a person that is trusted down to every company in the Vietnamese Army. This trusted confident has greater power than the company commander. They have a spy system throughout. It should be our goal to work for such a change, but we have not yet seen indications of this change.

So we do not see many signs of such change taking place in the ruling clique of Vietnam. The other thing is that the Vietnamese will not give up their plan to form an Indochina Federation. It is only with support of the Soviet Union that they can succeed in their plan of forming an Indochina Federation.

As to when such a change might be affected, they will have to be bogged down in Kampuchea, bogged down in Laos, international difficulties will have to magnify, perhaps after three years, five years, there may be a new situation there. So if we are to work for such a change, at least in the coming three years, we will have to increase the pressure from all aspects. And this would include putting pressure on the Soviet Union. As to the domestic difficulties, we feel very strongly that your Congressman Wolff has given the impression that their problems are not so severe as people believe — that it has recovered. Perhaps he has heard honeyed words.

Vice President Mondale: Do you agree with this? Our report is that their economy is in collapse.

Vice Premier Deng: It is very obvious. A blind person can arrive at that opinion.

Vice President Mondale: They have a tremendous rice deficit.

Vice Premier Deng: Not only rice. They have a shortage of all kinds of commodities. They have nothing in their stores. The wage of the ordinary person is enough only to pay for

one or two packages of cigarettes, and not this kind of cigarette (pointing to his). Before our counterattack in self-defense, their armed force numbered not more than 600,000. After our counter-attacks, they increased their armed forces to more than one million to stabilize the situation. For a country of that size to keep a standing force of more than one million, where will you find enough work force? A standing force of one million needs a lot of logistical support. Now they depend on the Soviet Union. Some estimates say they are getting \$2 million a day from the Soviet Union, some estimates say \$2½ million. We do not know exactly, perhaps you have more information on that.

Vice President Mondale: Our estimate is \$2 million. And we estimate this year a total of \$850 million.

Vice Premier Deng: But that is mainly arms and ammunition. And, of course, they can get some food supplies from the Soviet Union but not much. But what about other commodities they use? The Russians know from the very beginning that they are shouldering a burden so they thought of two ways to deal with it. One, they wanted the Vietnamese to join COMECON, so as to let the East Europeans share the burden. The other suggestion was for the Vietnamese to try to approach the Japanese and Americans and West Europeans and to get some help from them.

# Vice President Mondale: Yes.

Vice Premier Deng: And that is the reason why they have abandoned all their preconditions they had previously set for establishing diplomatic relations with you. So it is imperative now for all of us to keep up all kinds of pressure on the Vietnamese -- political, economic pressure, and military pressure on our part. We do not expect other people to exert military pressure, but of course your increasing the Pacific Fleet is a form of increasing military pressure. In that way it will increase difficulties, and this burden on the Soviet Union will grow heavier and heavier. Things will become more difficult. In time the Vietnamese will come to realize that not all their requests to the Soviet Union can be met. those circumstances perhaps a new situation will emerge. Frankly speaking, when we heard that the Vietnamese enlarged their military force from 600,000 to one million we were very happy. And more than sixty percent of the military force are positioned north of Hanoi. To us that does not matter.

In Kampuchea they cannot work out a situation to get benefits from keeping their military forces there. So they do not get anything out of their occupation of Kampuchea. They send their

poor quality flour to Kampuchea and take away rice from Kampuchea and this creates dissatisfaction with the Kampucheans.

<u>Vice President Mondale:</u> They take rice and send flour? They must be very popular!

Vice Premier Deng: Yes. We can see from among the non-aligned and ASEAN countries Vietnam is quite isolated. And some European countries and Australia have stopped providing the aid that they had promised. This is a good thing. So we should isolate them politically. Economically, let the Russians bear the burden. What Japan can give in effect is only a straw, but even this straw should not be given.

On the other hand, we should try to strengthen the forces of resistance in Laos and Kampuchea so that they have company for this resistance. What we should do really is not to give the Vietnamese any straw to hang onto, as the Japanese are doing. This straw would not be of real help to them, but politically it has a bad effect.

Vice President Mondale: It is a symbol.

Vice Premier Deng: Yes. The amount of the money does not matter. But politically it is a bad thing to do. So we say it will take some time to bring about a change in Vietnam. On your part you should take political and economic measures; on our part, we will add military pressure and after a certain period of time I can say for sure that a change will take place. We intend to present our different view to Foreign Minister Sonoda soon, and we hope that you will also present soon a message to the Japanese.

Vice President Mondale: The President and Secretary Vance have already done so. I will also do so again. We agree completely on this matter. And you should know that the Australians have stopped and the Swedes are reconsidering.

Vice Premier Deng: Yes, we are aware of that. What the Japanese are doing, to use a Chinese saying, is to supply people with coal during a snow storm -- giving them a straw to hang on to. It is not advantageous.

Vice President Mondale: I first heard the story from a Polish cab driver in Warsaw. He told me Poland had this arrangement with the Soviet Union: the Poles send them coal, and the Soviets send them snow.

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Vice Premier Deng: That saying is an old Chinese saying.

In passing I want to say that we will keep up the military pressure. We more and more believe that our lesson we gave them was necessary last time. The Vietnamese themselves can appreciate this very clearly and so do the Russians. I want to tell you Mr. Vice President of our bringing to your attention a sentence from a statement we made when we announced our plan to withdraw our forces on March 5. If the Vietnamese continue to make trouble along the Sino-Vietnamese border, we reserve the right again to give them a lesson. The implication of that statement is to keep up military pressure. The Vietnamese fully understand that if they are to act beyond our tolerance we will take action again. But of course it is not our wish to do so again. But the Vietnamese know the significance of this statement. Strategically speaking, to do this is to keep up our military pressure.

Turning to Kampuchea, the situation is that Sihanouk has no real forces. He has some followers among the expatriates in Europe. But they are disunited among themselves.

Because they are disunited and argue with each other over who would get what post, Sihanouk got so mad he said, "I am washing my hands of politics." He was just showing his displeasure. As I said yesterday, we are in favor of and hope that a settlement can be made at an appropriate time. But the conditions for a political settlement must be the genuine independence of Kampuchea and the withdrawal of Vietnamese troops from the country. Any political settlement that departs from these two preconditions is in fact aiding the Vietnamese and aiding the Russians.

And I want to point out to you that in our dealing with Sihanouk, Sihanouk is not very clear cut about these points: real independence of Kampuchea and of Vietnamese withdrawal. He now considers Pol Pot as his arch enemy rather than the Vietnamese. He persists in thinking that he is the person who can negotiate now with Pham Van Dong. That is an unrealistic approach on his part. So we hope you will keep this in mind. As I said, any political settlement cannot waiver on these two preconditions whatsoever, then the political settlement will not rid us of a Vietnam trying to form an Indochina Federation. And secondly, so far as

Sihanouk is concerned, any political settlement must not include Pol Pot. This is an unrealistic approach because, whatever may happen in the future, at least for the present it would weaken the Pol Pot forces, which are almost the sole force in resisting Vietnam's position, and support the Heng Samrin regime in Kampuchea.

There are some 300 followers of Lon Nol who went to Thailand. Recently we gave some military assistance to this force as a core to help them go back into Kampuchea so that they can wage a fight against the Vietnamese armed forces along with Pol Pot.

<u>Vice President Mondale:</u> I understand there is a very uneasy relationship between Pol Pot and the KLM (Kampuchea Liberation Movement).

Vice Premier Deng: The leaders of the two groups have been in touch and coordinated their actions. But as to the people below, old animosities exist, and we can expect there are some small conflicts. But we do give help to all those who can go back to Kampuchea to put up a resistance. But those include forces who were opposed to Sihanouk in the past. Do you know that Lon Nol was an uncle of Sihanouk?

## Vice President Mondale: Is that right?

Vice Premier Deng: Yes. They do not hold a very high opinion of Sihanouk's leadership. But regardless of everything, we hope that Sihanouk will become the leader of such a group. But we think that Sihanouk as a political leader is not taking a high enough stance in his present attitude toward working with Pol Pot. A political figure must have a very broad political outlock. Pol Pot has stated clearly that he supports Lon Nol as head of state. But Sihanouk has rejected this. In any government he wants to form or in which he serves as head of state, he wants to exclude Pol Pot and his forces.

The U.S. and Japanese governments want a political settlement. The question is which forces are to be included in this new government in the political solution. There are already two governments in Kampuchea — the government of Democratic Kampuchea and the other puppet government of Heng Samrin. Are you looking for a third government? The questjon is whether there are two governments or three governments. If there are two governments, it will mean reorganizing the government of Democratic Kampuchea with Sihanouk as its head of state with the Pol Pot forces. The matter is really two governments or three governments. The Democratic Kampuchea is already a member of the U.N. and the non-aligned states.

Vice President Mondale: We want one government. We want the Vietnam Government out. You cannot have an independent government with the puppet government. Our problem is Pol Pot. We think his reputation is such that he cannot reassert control of Kampuchea. His reputation is, let's be candid about it, very bad in his own country. And our position has been there should be a broad coalition; we have not worked out modalities. That is the approach: a broadly based coalition. That is the approach that I recited earlier in my remarks. It is the only approach which we think provides for a long-range solution. This approach puts the international pressure on Vietnam. It is important that we not get ourselves into a position where we support someone who has no international support. We would be taking the heat off Vietnam in so doing.

Vice Premier Deng: The realities of the situation are that in deciding to form a united front we cannot exclude Pol Pot because Democratic Kampuchea is practically the only force of resistance now in Kampuchea. At present, if Sihanouk were to form a government it could only be a government of exiles either in Europe or elsewhere. If such a government were formed, it would be a blow to forces of resistance and therefore it would in fact be an aid to the Vietnamese. We are in favor of a united front that does not exclude Pol Pot and Pol Pot agrees with this position. And I can tell you that Pol Pot has already committed himself to the fact that there will be a different government with a different program and a different social system than he had in the past. The future of Kampuchea will be a democratic, not socialist system. To be very candid, we do not approve of their former form of socialism.

Vice President Mondale: If Pol Pot is the sole focal point of resistance, the situation is likely to get worse. I think we have to be clear about this. I earlier observed that Pol Pot's international reputation is bad.

<u>Vice Premier Deng:</u> The question of Pol Pot being the sole focal point of resistance is not a problem. The question is whether Pol Pot forces are to be included. Because if a third government were to be formed, we would be at once faced with the problem of whom would be recognized in the U.N. And you would be faced with that question.

Vice President Mondale: As you know, we have some immediate concern to be sure that at Havana the non-aligned movement not recognize the Heng Samrin regime. I hope that you do not think we are backing an exiled government. That is not our policy.

Vice Premier Deng: But that is exactly what Sihanouk has in mind, and he is hoping for support from the U.S.

<u>Vice President Mondale:</u> We are a great power, but we are not powerful enough to control Sihanouk's mind.

Vice Premier Deng: I am telling you the actual fact. So what we are trying to do is coordinate our efforts to try to bring about the efforts between China and the U.S. to work for a coalition of all forces of resistance in Kampuchea against the Vietnamese. Let all these forces consult together and work out one program. And the first point in this program is patriotism, the second democracy, the third is non-alignment. Also, this of course will include the matter of a new social system. And this means to reorganize the present Democratic Kampuchea. Who will head the organization? Probably Sihanouk will still be the best person,

Vice President Mondale: I have heard your views and will take them back and report to the President. I would like to respond to the Vietnam point for a moment. We have tried to put pressure on Vietnam in many ways:

- -- First, when we first came in office, Assistant Secretary Holbrooke and Ambassador Woodcock began to see whether relations with Vietnam should be established. In light of their activities, their invasion in Kampuchea, their expulsion of their own citizens -- we refused to proceed further in the recognition process. At this point, the diplomatic track is cold.
- -- Secondly, we never passed up an opportunity to encourage people supplying aid to Vietnam to cease doing so. We had some luck with Australians. We also hope to be able to persuade Swedes to stop. We urged Japan to stop, and I will do so again when in Japan.
- -- Third, we have placed major emphasis on the closest consultation with ASEAN countries including improved security assistance to Thailand, more modern planes, more economic assistance and military assistance. I personally traveled to Bangkok to reaffirm the Manila Pact. I went to the Philippines to get the long-stalled negotiations on Subic Bay extended on a permanent basis. This was very important for our presence in that eastern portion of the barbell along the Malacca Straits. We are now in much better shape and initiated similar consultations in Indochina. This relationship with ASEAN has been a crucial part in the process of increasing stability in the ASEAN and Pacific region.

- -- We have taken other steps. We have also been in the process of strengthening our Pacific Fleet. We have increased the number of our ships in the Indian Ocean and the Persian Gulf. We have encouraged Japan substantially to increase their forces and initiated joint exercises with them. We have reached agreement with Korea to delay withdrawal of our forces which we think will help keep stability in the area. We have tried to make clear that we are a Pacific power and that we intend to play a strong role in maintaining the stability of the area.
- -- An additional key factor is our new relationship with you and your government.

One final point, you and the President had a talk in which he expressed his feelings about the lesson you were about to teach Vietnam. Our feeling is the same if another second lesson is to be taught. There are many reasons for this, but one reason for our fear is that it provides the Soviets a further excuse to intrude further and on a permanent basis in terms of its military posture in Vietnam. We have seen that there are more port calls at Cam Ranh Bay and Danang than before. Now they have signal intelligence facilities, electronic sensors, and have increased aid from \$500 million to \$850 million a year. It is possible that they are using this pressure as an excuse to intrude farther in terms of their presence in Vietnam. That does have a deeply destabilizing impact on the entire Southeast Asian area. You know these matters better: that is one of our concerns.

Vice Premier Deng: The U.S. Government and President Carter made clear its view on this question, and we understand it. That is why following my visit in Washington I made three points: (1) We Chinese mean what we say; (2) We do things only after careful thought; (3) We do not act rashly. I repeat these three statements. The only difference is that, as I pointed out, the Russian military presence in Vietnam has existed long ago, so that the question of an excuse does not arise.

We are in favor of the U.S. strengthening its military facilities in the Pacific and the Indian Ocean. We are in favor of Japan strengthening their defense capabilities.

### KOREA

Vice Premier Deng: As for your forces in South Korea, I think you are aware of your position, and it is not necessary for me to go into it.

#### INDOCHINA

Vice Premier Deng: I want to tell Mr. Vice President one thing, that ASEAN countries particularly Thailand, Malaysia, and the Philippines have expressed their apprehension that the Vietnamese may attack them, and I told them in the event of an attack against the ASEAN countries, we will stand on their side. And I told them that we mean what we say. You just mentioned U.S. assistance to ASEAN countries, particularly Thailand. I think this is a good thing. In Washington I expressed the wish that the U.S. might urge European countries and Japan to help Pol Pot. You mentioned relief supplies. I think they will accept such relief assistance, but of course there is the difficulty of transporting it.

Foreign Minister Huang: The Swedish Ambassador will arrive in the Thailand-Kampuchea border area today, and he is in charge of handling relief supplies.

Vice President Mondale: And he will be there today?

Foreign Minister Huang: That is what we have heard.

Vice Premier Deng: The amount may not be large, but the political meaning is significant. But I want to point out one thing. Trying to give relief to the Kampucheans through the Heng Samrin clique, the Kampuchean people will not get anything out of it. If the approach is to give relief to the Kampuchean people through both Pol Pot and Heng Samrin, then it would be better not to give any relief at all because the greatest beneficiaries will be the Vietnamese and the Kampuchean people will not get anything out of it. When the Kampucheans were fighting against you, our aid materials to them ended up in the Vietnamese pockets because such aid materials had to go through Vietnam, and they funneled them off into their own pockets.

As to other international problems, there is a wide range of such problems, but I think probably we are both aware of each other's position and there will be other chances for us to talk about them.

But in our discussion today, we have touched on the major problem of concern to both of us -- Indochina.

## PAKISTAN

Vice President Mondale: The President gave me direct orders to ask for your view on the present situation in Pakistan and Korea and, if you have a few moments, we might go into it.

Vice Premier Deng: As you are aware, we offered our opinion in the handling of the case of Bhutto, but after his execution we told them we considered the matter closed. But all in all, Pakistan occupies a very important strategic position in South Asia and the Indian Ocean. Regardless of what happens internally in Pakistan, we of course will do our best to help them, and it is our hope that the U.S. will determine that Pakistan is a very serious matter. We hope you will be very careful and try to have good relations with Pakistan because we know that the Pakistanis are not very pleased with the way you are dealing with Pakistan and with India. They feel you emphasize India to the detriment of Pakistan.

#### KOREA

Vice Premier Deng: On the Korean question, we have discussed this many times. Our present suggestion is that the U.S. considers getting in touch directly with the DPRK and leave aside the tripartite talks. Such contact can be held at many different levels and in the course of such contact maybe some modalities acceptable to both sides can be arranged. One thing I want to make clear is that while U.S. forces are still stationed in South Korea I do not think the DPRK will agree to any tripartite meeting. There may be something to be gained through direct talks. I want to clarify one point. As to the impression that the Soviet Union has a very large influence in North Korea, this is not correct.

Vice President Mondale: We do not believe that.

<u>Vice Premier Deng:</u> When Foreign Minister Huang told Dr. Kissinger that Kim Il Song had not visited Moscow for twenty years, Dr. Kissinger was very surprised. So that is the question we leave for you to consider. We feel that there is not a tense situation in that part of the world.

Vice President Mondale: I do not want to go over our position again. You are familiar with the situation in that area. I will not take more time to express our views. You know our hopes, and the way we believe progress can be made. I will report your views to the President.

#### PAKISTAN

Vice President Mondale: I will take a minute on Pakistan. It is a very serious problem. We do not have a tilt toward India. We want good relations with Pakistan and think it is

important for all the reasons you cite. The problem is that Pakistan is presently planning to build their own nuclear weapons. This is creating a very serious problem. Our law prohibits practically all forms of assistance to nations that are proceeding in this way, and we have recently urged them to forego their construction of nuclear weapons and they persist in that effort. We feel that this is not only hurting our relations with that nation with whom we want the best possible relations and whom we are very inclined to help in terms of their security problem and economic problem.

It is bound to have a negative impact on our relations with India. The Singh Government stated that they were going to review the question of whether they would start building nuclear weapons in light of this action of Pakistan. This action and reaction and the increased tension presents an opportunity for all kinds of Soviet mischief in the area. They are not doing well there.

Let's not give them an excuse to get back in there by improving relations with Pakistan and with India. We have talked to you about this problem. We are very concerned about this. We want to expand our relations with Pakistan but have a problem. We have been unable to deter them. We do not know if you can help us or not, but we need help.

Vice Premier Deng: This question came up in my discussions in Washington, and I stated that we did not approve of their building atomic weapons and we have tried to urge them against it on many occasions. But of course they have a reason because the Indians exploded a nuclear device. Of course, we can continue to urge them. Of course some people say that Pakistan is on the verge of exploding a nuclear device next year, but I do not think they have the capacity to do it so soon.

<u>Vice President Mondale:</u> We do not think it is that close -- maybe 1982.

Vice Premier Deng: At most it will be, like the Indians, an underground nuclear device. It will not be a weapon. There has been speculation abroad that we Chinese were helping them. Actually, we are not doing any such thing. It is very wasteful and expensive, and it is of no benefit to them. If they have the money, why not spend it on improving conditions of the people? So we will continue to do what we can in persuading them, but it is not possible to expect that others will always listen to us. I was told in Washington that your aid toward India and Pakistan was based on their relative populations.

<u>Vice President Mondale:</u> If we were to do that, it would be a good indication for China! (Laughter)

Vice Premier Deng: Yes. We would approve of your policies in our case! But in the case of India and Pakistan, we hope it will be considered in a fair way!

Vice President Mondale: We want to. Another problem is coming up in the same way. The President had talked to Desai concerning abandonment of developing nuclear weapons. We pressed for an explicit commitment. Finally, the Indians agreed to install safeguards. We could not quite get them to acquisce to inspection, and we are discussing this with them now. We continue to supply nuclear fuel for their electrical nuclear plant, and are pushing for an international system of control of their nuclear systems. If Pakistan continues with plans for detonating a bomb, this will invariably push India back into their old direction of a higher nuclear track. It would end chances for establishing controls on all their nuclear efforts. We would have to cease supply of nuclear fuel. Next, anti-American people might get elected to office. This would make it more difficult for us and you to deal with them. In a short time, we could get in a real mess. We should try to get India and Pakistan to cool down.

Vice Premier Deng: Both of us will try to persuade Pakistan. Of course, no one can foretell what the results will be. We have tried. It is not as if we have not.

Vice President Mondale: I know,

Vice Premier Deng: We could discuss many questions, but you will be meeting with Premier Hua this afternoon at 3:30. Shall we consider that our talks will come to and end? I think our discussions have been very useful. I think on both sides we are not talking in diplomatic language. As we continue to deal with each other in this kind of climate, to increase our exchange of views, then the relations between our two countries will develop in a very satisfactory way. Let these talks with the Vice President be a beginning for the 1980s and for the coming decades.

Vice President Mondale: You have just summarized my views on these talks better than I can. You reaffirmed your reputation for honest and straightforward talk. These two sessions with you moved our relations along substantially.

You lead a great country. I am very honored to be permitted to lead our American delegation in these talks. Thank you very much.

<u>Vice Premier Deng:</u> Thank you for your visit. We are signing two agreements this afternoon. I will meet you this afternoon.



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