



February 26, 1989

**Memorandum of Conversation: President Bush's
Meeting with Chairman Deng Xiaoping of the
People's Republic of China, February 26, 1989,
11:00 a.m. - 12:00 noon**

Citation:

"Memorandum of Conversation: President Bush's Meeting with Chairman Deng Xiaoping of the People's Republic of China, February 26, 1989, 11:00 a.m. - 12:00 noon", February 26, 1989, Wilson Center Digital Archive, Memcons and Telcons, George Bush Presidential Library and Museum,

<https://bush41library.tamu.edu/files/memcons-telcons/1989-02-26--Xiaoping.pdf>

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Summary:

Conversation between Deng Xiaoping and President George Bush on Sino-US relations. Deng expressed the hope that the bilateral relationship would develop in a "new pattern" based on mutual trust, mutual support, and minimizing as much as possible mutual problems. They also discussed the continued tensions between China and the Soviet Union,

Credits:

This document was made possible with support from Leon Levy Foundation

Original Language:

English

Contents:

Original Scan

Transcript - English

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President Bush's Meeting with Chairman Deng Xiaoping of the People's Republic of China

PARTICIPANTS: U.S.
 President Bush
 James A. Baker III, Secretary of State
 Winston Lord, Ambassador to China
 John Sununu, Chief of Staff
 Brent Scowcroft, Assistant to the President for National Security Affairs
 Andrew Card, Deputy Chief of Staff
 Marlin Fitzwater, Assistant to the President and Press Secretary
 Gaston J. Sigur, Assistant Secretary of State for East Asia and Pacific Affairs
 Robert Zoellick, Counselor (Designate), Department of State
 Margaret Tutwiler, Assistant Secretary of State, Public Affairs-Designate
 James A. Kelly, Senior Director of Asian Affairs, National Security Council
 J. Stapleton Roy, Deputy Assistant Secretary of State
 Peter Tomsen, Deputy Chief of Mission, Embassy Beijing
 Karl Jackson, Senior Director of Asian Affairs, National Security Council
 Ray Burghardt, Political Counselor, Embassy Beijing
 Mark Mohr, Notetaker
 Vivian Chang, Interpreter

China

Chairman Deng Xiaoping
 CCPCC Chairman Li Xiannian
 Vice Premier Wu Xueqian
 Foreign Minister Qian Qichen
 Vice Foreign Minister Zhu Qizhen
 Han Xu, Ambassador to the U.S.
 MFA Protocol Director Wu Minglian
 MFA Information Director Li Zhaoxing
 USA Deputy Director Zha Peixin
 USA Deputy Counselor Wang Li
 MFA Protocol Deputy Division Chief Liu Xizhen
 MFA Protocol First Secretary Zhu Luchang
 Interpreter
 Notetakers (2)

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DATE, TIME February 26, 1989, 11:00 a.m. - 12:00 noon
AND PLACE: Great Hall of the People, Fujian Room, Beijing,
China

SUMMARY: Chairman Deng warmly welcomed the President and called his short working visit more important than an official visit. He expressed his personal hope that the bilateral relationship would develop in a "new pattern," based on mutual trust, mutual support, and minimizing as much as possible mutual problems. He characterized the overall pattern of the relationship as one of steady progress. President Bush pointed out those who say he had come to China because Gorbachev was coming were wrong. The President said that Sino-U.S. relations stand on their own merits and are not based on changes in Soviet policy. He noted that support for the bilateral relationship has never been stronger in the U.S.

Turning to Sino-Soviet relations, Deng emphasized the deeply rooted historical difference between China and the Soviet Union that would continue to affect the relationship. He noted that over the past 150 years, two countries had done the greatest damage to China: Japan and Czarish Russia/Soviet Union. Deng noted, however, that the Soviet Union got the most tangible benefits in the form of the three million square kilometers of territory that had been cut off from China, although he acknowledged that much of this acquisition has now been formally accepted by the PRC. Deng cited the tearing away of Outer Mongolia and Khrushchev's policy of encircling China to underscore the unfavorable strategic situation that continued to make the Soviet Union the main threat to China. Deng said he had cited these factors to demonstrate that China's opening to the U.S. and the West had been a strategic decision and not a question of expediency. This is why, concluded Deng, China's relations with the Soviet Union will not revert to what they were in the 1950's.

Turning to internal problems, Deng said China's overwhelming need was to maintain stability. He noted, "We hope our friends abroad can understand this point." END SUMMARY.

Chairman Deng: You have had a long journey.

President Bush: But I am not tired. I have even been riding my bicycle.

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Chairman Deng: Yes, you have so many hobbies. One of them you have in common with me - bridge.

President Bush: But you are too good for me.

Chairman Deng: That is hard to say. We have not played together. Even if we play, it will be friendly.

President Bush: I gave up bridge a long time ago. It was too difficult and complicated. You're the expert.

Chairman Deng: Nowadays, it is even more difficult to find time to play bridge. You have a difficult job, being President of the United States. You could be champion of the world in terms of the busyness of your schedule.

President Bush: I have been busy, but it is very interesting. Although the time here is short, I am having a good visit. I have just had a very interesting talk with Premier Li Peng, and last night I had a wonderful banquet hosted by President Yang.

Chairman Deng: Mr. President, because this is a working visit, we've simplified some protocol arrangements. I hope that you will pay an official visit to China at a time you think appropriate.

President Bush: I would love to do it. I appreciate the invitation, especially the opportunity to look around the countryside again.

Chairman Deng: In my view, although this is only a working visit lasting two days, it is more important than an official visit.

President Bush: There is so much change in the world, so many big things happening. I have come at an interesting time of opportunity and challenge. I am delighted that the Soviet leader is coming here. That is a good thing. I think he can learn from you.

Chairman Deng: Gorbachev will come to Beijing on May 15. So far, I don't know how many gifts he will bring. I don't even know what will happen regarding Vietnamese troop withdrawal from Cambodia. When you served as Chief of the Liaison Office, you contributed to the promotion of Sino-U.S. relations. After that, you visited China four times. During the two times you visited as Vice President, you brought happy tidings with regard to the expansion of Sino-U.S. relations. This time, you've taken time out of your busy schedule to first come to Beijing. This in itself represents an important development in Sino-U.S. relations. I believe the above judgment of mine is a sound one.

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This does not necessarily mean that we see eye-to-eye on all matters, nor does it mean that disputes will not crop up between us. However, I can say that both the Chinese and American sides want to see the further development of Sino-U.S. relations. I am speaking not just for myself but for other Chinese leaders as well, and you are speaking for the U.S. side. My personal hope is that during your tenure as President, Sino-U.S. relations will develop in a new pattern. I am not talking about a strategic relationship, but rather a relationship of mutual trust, mutual support, and minimizing as much as possible the problems (in Chinese - ma fan) between us. Problems after all will be there, but they can be reduced.

President Bush: Some have said in the world press: "The U.S. President is going to China because Gorbachev is going to China." That's crazy, that's wrong. I wanted to come because I agree with you on where the relationship stands, and that the prospects for our two countries to advance the relationship have never been greater. Support for this relationship has never been stronger in my country. So the China-U.S. relationship must stand on its own feet. After that we can talk about the broad challenges that face all of us because of changes in the Soviet Union, the unification of the European common market in 1992, and the Third World debt. We can discuss these problems. But I was anxious to come as President to make the relationship stronger and better. I can guarantee that in my Administration our bilateral relationship will be stronger and better. Yes, we can fight about our differences, but the differences are far outweighed by our common points, so the differences are a small matter.

Chairman Deng: Just now, you talked about the Soviet Union. China, like the U.S., is improving its relations with the Soviet Union. We think this will make a major contribution to the maintenance of world peace. However, the fact is that a great many problems exist in the U.S.-Soviet relationship. This is also true of Sino-Soviet relations. What's more, the many problems that exist are not those that can be easily solved. For instance, the U.S. and Soviet Union were successful in solving the INF question, and we expressed our welcome. Why? Because relaxation of tension between the U.S. and the Soviet Union is beneficial to world peace. This does not mean that peace has already arrived. Recently, the question of short-range nuclear missiles cropped up. Also, the question of long-range nuclear missiles has hardly been touched. Nor have the U.S. and the Soviet Union dealt with the question of conventional weapons. The most that can be said is that you have had some contacts on this question. We hope that the U.S. and Soviet Union will follow up on the INF treaty and proceed to settle other major questions.

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Likewise, there are piles and piles of problems in the relationship between China and the Soviet Union. As a matter of fact, China and the Soviet Union cut off contact in 1963. A good 25 years have elapsed since then. Sino-U.S. contacts were cut off in 1949 and resumed in 1972, a period two years shorter than for Sino-Soviet relations. Another special feature of Sino-U.S. relations is that President Nixon and Dr. Kissinger visited China in 1972. This essentially restored relations between our two countries, and that was 16 years ago. We have continued to make progress. There have been quarrels, disputes, and mutual criticism, but the overall pattern has been one of steady progress. It has always been our view that Sino-U.S. relations have developed steadily. More importantly, this continued development shows a great potential for a new pattern to emerge. I deeply believe that leaders in both China and the U.S., including leaders of the Democratic and Republican parties, all hope that the Sino-U.S. relationship will make even better progress in a new pattern.

With regard to the Sino-Soviet relationship, if talks with Gorbachev prove to be successful, and Sino-Soviet relations are normalized, then what will follow? Personally, I think it is still an unknown quantity. The fact is there are many accumulated problems. What's more, they have deep historical roots. The Chinese people pay great attention to history. In China, it is a question of China's having been subjected to humiliation and invasion of foreign powers interfering in China's internal affairs. This went on for a hundred and fifty years, since the outbreak of the Opium War in 1840. In that century and a half, foreign powers each inflicted great losses on the Chinese people. But taken together, there were two countries that did the most damage. The first is Japan, and the other is Czarist Russia and the Soviet Union. However, in terms of who got the most tangible benefits from these wars with China, it was Czarist Russia and the Soviet Union. Japan did the most damage. Tens of millions of lives were lost, and the damage is incalculable in financial terms. However, in the end Japan didn't get any Chinese territory. In terms of territorial questions between China and Japan, there is only the Diaoyutai Islands, which the Japanese call the Senkakus. We've proposed to shelve this problem for the time being, and anyway there are no inhabitants to speak of on these islands. Speaking historically, Japan started to invade China several hundred years before the Opium War. There are historical accounts of Japanese bandit invasions starting from the Ming Dynasty. Finally, Japan failed to gain any Chinese territory.

The situation is different with respect to Czarist Russia and the Soviet Union. What the Soviets gained after World War II was Chinese territory -- more than 3 million square kilometers. In

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the Czarist Russia period, the Russians gained 1.5 million square kilometers or more of Chinese territory. They have this in their hand now. During the Stalinist period, what the Soviet Union gained in territory was Outer Mongolia, which had been Chinese territory for hundreds of years. It was split off and is now the Mongolian People's Republic, which is under Soviet control. Outer Mongolia covers an area of 1.5 million square kilometers, about the same as the territory occupied by Czarist Russia. So all together this comes to 3 million square kilometers. I would like to add that one of the results of the Yalta Conference held by the Soviet Union, Great Britain, and the United States at the end of World War II was to divide up China. I don't think Churchill played a significant role. This matter was mainly between the U.S. and the Soviet Union. However, because Chiang Kai-shek was defeated in China, the U.S. didn't gain anything. I am speaking historically and am not trying to offend you.

President Bush: You are not offending me. I don't like Yalta either. In retrospect, Yalta did not turn out so well. It pledged free elections for Eastern Europe, and they still haven't occurred.

Chairman Deng: Yalta not only severed Outer Mongolia from China, but also brought the Northeastern part of China into the Soviet sphere. Sovereign rights to the Changchun railroad were given to the Soviet Union, and also sovereign rights to Port Arthur. After the founding of the PRC, our first demands to the Soviet Union were to recover Chinese sovereignty over the Changchun railway and Port Arthur. Only then was PRC authority in northeastern China confirmed. Only the question of Outer Mongolia remained. We raised the question of Outer Mongolia, but the Soviets didn't respond. At present, the Soviet Union has an anti-Stalin campaign. But after the founding of the PRC, Stalin did some good things for China. He helped us with economic development. For example, there were 156 industrial projects. Soviet experts also genuinely had the intention of helping us. However, after Khrushchev came to power, he scrapped several hundred Sino-Soviet contracts overnight. What's more, Khrushchev's strategy, besides trying to counter the U.S. and others, was to encircle China. All along the Sino-Soviet boundary line, in the west and the east, the Soviet Union stationed one million men and deployed about one-third of all its nuclear missiles.

Mr. President, you are my friend. I hope you will look at the map to see what happened after the Soviet Union severed Outer Mongolia from China. What kind of strategic situation did we find ourselves in? Those over 50 in China remember that the shape of China was like a maple leaf. Now, if you look at a map, you see a huge chunk in the north cut away; the maple leaf has

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been nibbled away. I hope Ambassador Lord will show the President a map of China. It's very interesting. The strategic situation I have mentioned is very unfavorable for China. The Soviet Union used this strategic advantage in its war with Japan, i.e., as a pincer movement from the west and the east to cut East and Northeast China right in half. This encirclement of China has continued from the Khrushchev period through Brezhnev to the present.

On the northern and western borders of China the Soviets have massive numbers of troops and missiles. India was added, and then Vietnam. Now the Soviets have military air transit rights over North Korea which allows them to connect to Cam Ranh Bay. Their planes can now conduct air reconnaissance over China. How can China not feel that the greatest threat comes from the Soviet Union? That's why in addressing the question of the normalization of Sino-Soviet relations, we have raised various obstacles to be removed, the danger posed to China by encirclement must be removed.

It is precisely because of the above that China in the time of Chairman Mao and Premier Zhou Enlai paid attention to the development of China's relations with the United States, Western Europe, and Japan. I have said all this to show that it was from a consideration of China's own interest that China came to this strategic decision. It was not a question of playing cards, and it was not a question of expediency. I have explained this passage of history to give people a clear point of departure to understand China's foreign policy and economic development. In the last few years, we haven't done a good job in educating young people in China. They don't understand this point. We have started to pay attention to this problem, but it will be difficult to show immediate results.

Just now I said we're not clear what will happen after Gorbachev comes to Beijing. The most important question is whether the Soviets will dismantle their encirclement of China. In this regard, Afghanistan and Cambodia are the most important questions. We share a border with Afghanistan, though it's very short. Another question is what should be the basis for Sino-Soviet normalization. Because of this past history, can anyone really write an article saying that China and the Soviet Union will restore close relations, similar to what they were in the 1950s? No, this cannot be done. Recently, when Shevardnadze came to China, I asked him: To what extent can anyone believe what the Vietnamese say? He said: The decisions made by top Vietnamese leaders are largely credible. I said: One should not be naive. China has had more experience in dealing with the Vietnamese than the Soviets. So people do not need to worry that Sino-Soviet relations will revert to what they were in the 1950s.

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Nor is this possible. There are current and future reasons for this not to happen. The historical reasons are the most important ones.

President Bush: This is extremely interesting.

Chairman Deng: Another question is the timing of the strategy mapped out by Khrushchev, which he implemented exactly at the time when China and the Soviet Union enjoyed their best relations. In the 1950s, we were not clear about that, but after reading Adenauer's memoirs, we came to understand. Back in 1955, Khrushchev warned Adenauer concerning the danger of the Yellow Peril. I have given you this background to let people see the prospects for Sino-Soviet relations. Relations will develop, especially in areas such as people-to-people exchange and trade. However, there is a limit. It is not easy for the Chinese people to forget that the Soviet Union occupies 3 million square kilometers of Chinese territory. We have recognized the treaties signed during the Qing Dynasty which stipulate this Soviet occupation of 3 million square kilometers of Chinese territory. The treaty giving up Outer Mongolia was signed during the Nationalist period. In fact, Chiang Ching-kuo actively participated in the negotiations for the agreement that was signed by T.V. Soong (Song Ziwen) in Moscow. Since that agreement, we have decided to let bygones be bygones. We have concluded a boundary agreement with the Mongolian People's Republic (MPR) so that portions of the Sino-Soviet border has been settled by an agreement with the MPR. I am sorry I have taken almost an hour.

President Bush: What you have said is very important. This hour has been very valuable for me and everyone here. It is essential that we understand this. We will be facing major decisions regarding the Soviet Union. I want to assure you that no decision will be taken -- whether on strategic arms, conventional weapons, or whatever -- that will benefit the West, but be detrimental to Chinese interests. Gorbachev is a charming man, and the Soviet Union is in a state of change. But the byword for the U.S. is caution. This is an interesting and challenging time. We are not afraid to move forward, but we will exercise caution. Your presentation has been extraordinarily helpful for my thinking and I thank you for it.

Chairman Deng: We hope that good results will come out of the U.S.-Soviet strategic arms talks because this is in the interest of mankind. We also hope that Gorbachev's reforms will gradually become fruitful. Our own experience tells us that it is not easy to get fruits.

President Bush: Our experience tells us that you cannot make

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broad foreign policy decisions based on the personality or aspirations of one man. You need to consider the trend of the whole society and country.

Chairman Deng: Yes. With regard to the problems confronting China, let me say to you that the overwhelming need is to maintain stability. Without stability, everything will be gone. even accomplishments will be ruined. We hope our friends abroad can understand this point.

President Bush: We do.

Chairman Deng: We don't have any more time. Let's continue this discussion at lunch, if that's alright with you.

President Bush: That's fine with me.

Chairman Deng: All right, then, let's have lunch.

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

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SUBJECT: □□□ □□□ □□□

President Bush's Meeting with Chairman Deng Xiaoping of the People's Republic of China □□□ □□

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PARTICIPANTS: □□□ □□□ □□□

U.S. □□□

President Bush □□□

James A. Baker III, Secretary of State □□□

Winston Lord, Ambassador to China □□□

John Sununu, Chief of Staff □□□

Brent Scowcroft, Assistant to the President for National Security Affairs □□□

Andrew Card, Deputy Chief of Staff □□□

Marlin Fitzwater, Assistant to the President and Press Secretary □□□

Gaston J. Sigur, Assistant Secretary of State for East Asia and Pacific Affairs □□□

Robert Zoellick, Counselor (Designate), Department of State □□□

Margaret Tutwiler, Assistant Secretary of State, Public Affairs-Designate □□□

James A. Kelly, Senior Director of Asian Affairs, National Security Council □□□

J. Stapleton Roy, Deputy Assistant Secretary of State □□□

Peter Tomsen, Deputy Chief of Mission, Embassy Beijing □□□

Karl Jackson, Senior Director of Asian Affairs, National Security Council □□□

Ray Burghardt, Political Counselor, Embassy Beijing □□□

Mark Mohr, Notetaker □□□

Vivian Chang, Interpreter □□□

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China □□□

Chairman Deng Xiaoping □□□

CCPPCC Chairman Li Xiannian □□□

Vice Premier Wu Xueqian □□□

Foreign Minister Qian Qichen □□□

Vice Foreign Minister Zhu Qizhen □□□

Han Xu, Ambassador to the U.S. □□□

MFA Protocol Director Wu Minglian □□□

MFA Information Director Li Zhaoxing □□□

USA Deputy Director Zha Peixin □□□

USA Deputy Counselor Wang Li □□□

MFA Protocol Deputy Division Chief Liu Xizhen □□□

MFA Protocol First Secretary Zhu Luchang □□□

Interpreter □□□

Notetakers (2) □□□ □□

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DATE, TIME AND PLACE: □□□ □□□ □□□

February 26, 1989, 11:00 a.m. - 12:00 noon □□□

Great Hall of the People, Fujian Room, Beijing, China □□□ □□

SUMMARY: Chairman Deng warmly welcomed the President and called his short working visit more important than an official visit. He expressed his personal hope that the bilateral relationship would develop in a "new pattern," based on mutual trust, mutual support, and minimizing as much as possible mutual problems. He characterized the overall pattern of the relationship as one of steady progress. President Bush pointed out those who say he had come to China because Gorbachev was coming were wrong. The President said that Sino-U.S. relations stand on their own merits and are not based on changes in Soviet policy. He noted that support for the bilateral relationship has never been stronger in the U.S.

Turning to Sino-Soviet relations, Deng emphasized the deeply rooted historical difference between China and the Soviet Union that would continue to affect the relationship. He noted that over the past 150 years, two countries had done the greatest damage to China: Japan and Czarist Russia/Soviet Union. Deng noted, however, that the Soviet Union got the most tangible benefits in the form of the three million square kilometers of territory that had been cut off from China, although he acknowledged that much of this acquisition has now been formally accepted by the PRC. Deng cited the tearing away of Outer Mongolia and Khrushchev's policy of encircling China to underscore the unfavorable strategic situation that continued to make the Soviet Union the main threat to China. Deng said he had cited these factors to demonstrate that China's opening to the U.S. and the West had been a strategic decision and not a question of expediency. This is why, concluded Deng, China's relations with the Soviet Union will not revert to what they were in the 1950's.

Turning to internal problems, Deng said China's overwhelming need was to maintain stability. He noted, "We hope our friends abroad can understand this point." END SUMMARY.

Chairman Deng: You have had a long journey.

President Bush: But I am not tired. I have even been riding my bicycle.

Chairman Deng: Yes, you have so many hobbies. One of them you have in common with me - bridge.

President Bush: But you are too good for me.

Chairman Deng: That is hard to say. We have not played together. Even if we play, it will be friendly.

President Bush: I gave up bridge a long time ago. It was too difficult and complicated. You're the expert.

Chairman Deng: Nowadays, it is even more difficult to find time to play bridge. You have a difficult job, being President of the United States. You could be champion of the world in terms of the busyness of your schedule.

President Bush: I have been busy, but it is very interesting. Although the time here is short, I am having a good visit. I have just had a very interesting talk with Premier Li Peng, and last night I had a wonderful banquet hosted by President Yang.

Chairman Deng: Mr. President, because this is a working visit, we've simplified some protocol arrangements. I hope that you will pay an official visit to China at a time you think appropriate.

President Bush: I would love to do it. I appreciate the invitation, especially the opportunity to look around the countryside again.

Chairman Deng: In my view, although this is only a working visit lasting two days, it is more important than an official visit.

President Bush: There is so much change in the world, so many big things happening. I have come at an interesting time of opportunity and challenge. I am delighted that the Soviet leader is coming here. That is a good thing. I think he can learn from you.

Chairman Deng: Gorbachev will come to Beijing on May 15. So far, I don't know how many gifts he will bring. I don't even know what will happen regarding Vietnamese troop withdrawal from Cambodia. When you served as Chief of the Liaison Office, you contributed to the promotion of Sino-U.S. relations. After that, you visited China four times. During the two times you visited as Vice President, you brought happy tidings with regard to the expansion of Sino-U.S. relations. This time, you've taken time out of your busy schedule to first come to Beijing. This in itself represents an important development in Sino-U.S. relations. I believe the above judgment of mine is a sound one.

This does not necessarily mean that we see eye-to-eye on all matters, nor does it mean that disputes will not crop up between us. However, I can say that both the Chinese and American sides want to see the further development of Sino-U.S. relations. I am speaking not just for myself but for other Chinese leaders as well, and you are speaking for the U.S. side. My personal hope is that during your tenure as President, Sino-U.S. relations will develop in a new pattern. I am not talking about a strategic relationship, but rather a relationship of mutual trust, mutual support, and minimizing as much as possible the problems (in Chinese - ma fan) between us. Problems after all will be there, but they can be reduced.

President Bush: Some have said in the world press: "The U.S. President is going to China because Gorbachev is going to China." That's crazy, that's wrong. I wanted to come because I agree with you on where the relationship stands, and that the prospects for our two countries to advance the relationship have never been greater. Support for this relationship has never been stronger in my country. So the China-U.S. relationship must stand on its own feet. After that we can talk about the broad challenges that face all of us because of changes in the Soviet Union, the unification of the European common market in 1992, and the Third World debt. We can discuss these problems. But I was anxious to come as President to make the relationship stronger and better. I can guarantee that in my Administration our bilateral relationship will be stronger and better. Yes, we can fight about our differences, but the differences are far outweighed by our common points, so the differences are a small matter.

Chairman Deng: Just now, you talked about the Soviet Union. China, like the U.S., is improving its relations with the Soviet Union. We think this will make a major contribution to the maintenance of world peace. However, the fact is that a great many problems exist in the U.S.-Soviet relationship. This is also true of Sino-Soviet relations. What's more, the many problems that exist are not those that can be easily solved. For instance, the U.S. and Soviet Union were successful in solving the INF question, and we expressed our welcome. Why? Because relaxation of tension between the U.S. and the Soviet Union is beneficial to world peace. This does not mean that peace has already arrived. Recently, the question of short-range nuclear

missiles cropped up. Also, the question of long-range nuclear missiles has hardly been touched. Nor have the U.S. and the Soviet Union dealt with the question of conventional weapons. The most that can be said is that you have had some contacts on this question. We hope that the U.S. and Soviet Union will follow up on the INF treaty and proceed to settle other major questions.

Likewise, there are piles and piles of problems in the relationship between China and the Soviet Union. As a matter of fact, China and the Soviet Union cut off contact in 1963. A good 25 years have elapsed since then. Sino-U.S. contacts were cut off in 1949 and resumed in 1972, a period two years shorter than for Sino-Soviet relations. Another special feature of Sino-U.S. relations is that President Nixon and Dr. Kissinger visited China in 1972. This essentially restored relations between our two countries, and that was 16 years ago. We have continued to make progress. There have been quarrels, disputes, and mutual criticism, but the overall pattern has been one of steady progress. It has always been our view that Sino-U.S. relations have developed steadily. More importantly, this continued development shows a great potential for a new pattern to emerge. I deeply believe that leaders in both China and the U.S., including leaders of the Democratic and Republican parties, all hope that the Sino-U.S. relationship will make even better progress in a new pattern.

With regard to the Sino-Soviet relationship, if talks with Gorbachev prove to be successful, and Sino-Soviet relations are normalized, then what will follow? Personally, I think it is still an unknown quantity. The fact is there are many accumulated problems. What's more, they have deep historical roots. The Chinese people pay great attention to history. In China, it is a question of China's having been subjected to humiliation and invasion of foreign powers interfering in China's internal affairs. This went on for a hundred and fifty years, since the outbreak of the Opium War in 1840. In that century and a half, foreign powers each inflicted great losses on the Chinese people. But taken together, there were two countries that did the most damage. The first is Japan, and the other is Czarist Russia and the Soviet Union. However, in terms of who got the most tangible benefits from these wars with China, it was Czarist Russia and the Soviet Union. Japan did the most damage. Tens of millions of lives were lost, and the damage is incalculable in financial terms. However, in the end Japan didn't get any Chinese territory. In terms of territorial questions between China and Japan, there is only the Diaoyutai [Diaoyutai] Islands, which the Japanese call the Senkakus. We've proposed to shelve this problem for the time being, and anyway there are no inhabitants to speak of on these islands. Speaking historically, Japan started to invade China several hundred years before the Opium War. There are historical accounts of Japanese bandit invasions starting from the Ming Dynasty. Finally, Japan failed to gain any Chinese territory.

The situation is different with respect to Czarist Russia and the Soviet Union. What the Soviets gained after World War II was Chinese territory -- more than 3 million square kilometers. In the Czarist Russia period, the Russians gained 1.5 million square kilometers or more of Chinese territory. They have this in their and now. During the Stalinist period, what the Soviet Union gained in territory was Outer Mongolia, which had been Chinese territory for hundreds of years. It was split off and is now the Mongolian People's Republic, which is under Soviet control. Outer Mongolia covers an area of 1.5 million square kilometers, about the same as the territory occupied by Czarist Russia. So all together this comes to 3 million square kilometers. I would like to add that one of the results of the Yalta Conference held by the Soviet Union, Great Britain, and the United States at the end of World War II was to divide up China. I don't think Churchill played a significant role. This matter was mainly between the U.S. and the Soviet Union. However, because Chiang Kai-shek was defeated in China, the U.S. didn't gain anything. I am speaking historically and am not trying to offend you.

President Bush: You are not offending me. I don't like Yalta either. In retrospect, Yalta did not turn out so well. It pledged free elections for Eastern Europe, and they still

haven't occurred.

Chairman Deng: Yalta not only severed Outer Mongolia from China, but also brought the Northeastern part of China into the Soviet sphere. Sovereign rights to the Changchun railroad were given to the Soviet Union, and also sovereign rights to Port Arthur. After the founding of the PRC, our first demands to the Soviet Union were to recover Chinese sovereignty over the Changchun railway and Port Arthur. Only then was PRC authority in northeastern China confirmed. Only the question of Outer Mongolia remained. We raised the question of Outer Mongolia, but the Soviets didn't respond. At present, the Soviet Union has an anti-Stalin campaign. But after the founding of the PRC, Stalin did some good things for China. He helped us with economic development. For example, there were 156 industrial projects. Soviet experts also genuinely had the intention of helping us. However, after Khrushchev came to power, he scrapped several hundred Sino-Soviet contracts overnight. What's more, Khrushchev's strategy, besides trying to counter the U.S. and others, was to encircle China. All along the Sino-Soviet boundary line, in the west and the east, the Soviet Union stationed one million men and deployed about one-third of all its nuclear missiles.

Mr. President, you are my friend. I hope you will look at the map to see what happened after the Soviet Union severed Outer Mongolia from China. What kind of strategic situation did we find ourselves in? Those over 50 in China remember that the shape of China was like a maple leaf. Now, if you look at a map, you see a huge chunk in the north cut away; the maple leaf has been nibbled away. I hope Ambassador Lord will show the President a map of China. It's very interesting. The strategic situation I have mentioned is very unfavorable for China. The Soviet Union used this strategic advantage in its war with Japan, i.e., as a pincer movement from the west and the east to cut East and Northeast China right in half. This encirclement of China has continued from the Khrushchev period through Brezhnev to the present.

On the northern and western borders of China the Soviets have massive numbers of troops and missiles. India was added, and then Vietnam. Now the Soviets have military air transit rights over North Korea which allows them to connect to Cam Ranh Bay. Their planes can now conduct air reconnaissance over China. How can China not feel that the greatest threat comes from the Soviet Union? That's why in addressing the question of the normalization of Sino-Soviet relations, we have raised various obstacles to be removed, the danger posed to China by encirclement must be removed.

It is precisely because of the above that China in the time of Chairman Mao and Premier Zhou Enlai paid attention to the development of China's relations with the United States, western Europe, and Japan. I have said all this to show that it was from a consideration of China's own interest that China came to this strategic decision. It was not a question of playing cards, and it was not a question of expediency. I have explained this passage of history to give people a clear point of departure to understand China's foreign policy and economic development. In the last few years, we haven't done a good job in educating young people in China. They don't understand this point. We have started to pay attention to this problem, but it will be difficult to show immediate results.

Just now I said we're not clear what will happen after Gorbachev comes to Beijing. The most important question is whether the Soviets will dismantle their encirclement of China. In this regard, Afghanistan and Cambodia are the most important questions. We share a border with Afghanistan, though it's very short. Another question is what should be the basis for Sino-Soviet normalization. Because of this past history, can anyone really write an article saying that China and the Soviet Union will restore close relations, similar to what they were in the 1950s? No, this cannot be done. Recently, when Shevardnadze came to China, I asked him: To what extent can anyone believe

what the Vietnamese say? He said: The decisions made by top Vietnamese leaders are largely credible. I said: One should not be naive. China has had more experience in dealing with the Vietnamese than the Soviets. So people do not need to worry that Sino-Soviet relations will revert to what they were in the 1950s. Nor is this possible. There are current and future reasons for this not to happen. The historical reasons are the most important ones.

President Bush: This is extremely interesting.

Chairman Deng: Another question is the timing of the strategy mapped out by Khrushchev, which he implemented exactly at the time when China and the Soviet Union enjoyed their best relations. In the 1950s, we were not clear about that, but after reading Adenauer's memoirs, we came to understand. Back in 1955, Khrushchev warned Adenauer concerning the danger of the Yellow Peril. I have given you this background to let people see the prospects for Sino-Soviet relations. Relations will develop, especially in areas such as people-to-people exchange and trade. However, there is a limit. It is not easy for the Chinese people to forget that the Soviet Union occupies 3 million square kilometers of Chinese territory. We have recognized the treaties signed during the Qing Dynasty which stipulate this Soviet occupation of 3 million square kilometers of Chinese territory. The treaty giving up Outer Mongolia was signed during the Nationalist period. In fact, Chiang Ching-kuo actively participated in the negotiations for the agreement that was signed by T.V. Soong (Song Ziwen) in Moscow. Since that agreement, we have decided to let bygones be bygones. We have concluded a boundary agreement with the Mongolian People's Republic (MPR) so that portions of the Sino-Soviet border has been settled by an agreement with the MPR. I am sorry I have taken almost an hour.

President Bush: What you have said is very important. This hour has been very valuable for me and everyone here. It is essential that we understand this. We will be facing major decisions regarding the Soviet Union. I want to assure you that no decision will be taken -- whether on strategic arms, conventional weapons, or whatever -- that will benefit the West, but be detrimental to Chinese interests. Gorbachev is a charming man, and the Soviet Union is in a state of change. But the byword for the U.S. is caution. This is an interesting and challenging time. We are not afraid to move forward, but we will exercise caution. Your presentation has been extraordinarily helpful for my thinking and I thank you for it.

Chairman Deng: We hope that good results will come out of the U.S.-Soviet strategic arms talks because this is in the interest of mankind. We also hope that Gorbachev's reforms will gradually become fruitful. Our own experience tells us that it is not easy to get fruits.

President Bush: Our experience tells us that you cannot make broad foreign policy decisions based on the personality or aspirations of one man. You need to consider the trend of the whole society and country.

Chairman Deng: Yes. With regard to the problems confronting China, let me say to you that the overwhelming need is to maintain stability. Without stability, everything will be gone, even accomplishments will be ruined. We hope our friends abroad can understand this point.

President Bush: We do.

Chairman Deng: We don't have any more time. Let's continue this discussion at lunch, if that's alright with you.

President Bush: That's fine with me.

Chairman Deng: All right, then, let's have lunch.

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