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GRAV IN
PART
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Detailed Points for Chi Small Group

Intro -- want visit to confirm and expand resumption of mil-mil links, part of major commitment by Administration to leaving a legacy of solid US-China relations

Mil-Mil

Welcome resumption of contacts
Mil-mil rel aspect of overall relationship
Will discuss in detail in plenary

(b)(1)

Overall view of US-China relations:

US-China relations of enormous importance to both and to region
Both sides have worked hard to improve over past year, esp.

WTO/PNTR, now need to carry process forward, esp. re mil-mil,
discuss issues -- including overall relations, Korea, Taiwan,
proliferation

Our goal -- leave to next administration US-China rel on sound footing

US strongly committed long-term to fostering security/stability in Asia-Pacific region b/c essential to our interests

Key elements of our policy -- active engagement, security coop with allies, forward military presence, open markets/economic opportunity, build multilateral institutions

AND solid relationship with China -- US wants a successful, strong China, as peaceful and constructive partner in region.

China policy generally

US and China need a constructive relationship as basis for security/development in Asia-Pacific region

Policy of engagement has opponents in US who would favor containment

-- but broadly supported in both parties and in both exec and legis branches.

Demonstrated by political capital expended for PNTR.

WSC: "If we treat China as an enemy, then it will become an enemy." Many in US recognize this, and have worked hard to treat China as important partner, not enemy.

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Equally important that Chinese side avoid rhetoric and charges that
falsely attribute hostile motives to US
Of course, we have differences, some very important (human rights,
proliferation, Taiwan), but need to resolve through dialogue, not
threats/ confrontation

Taiwan

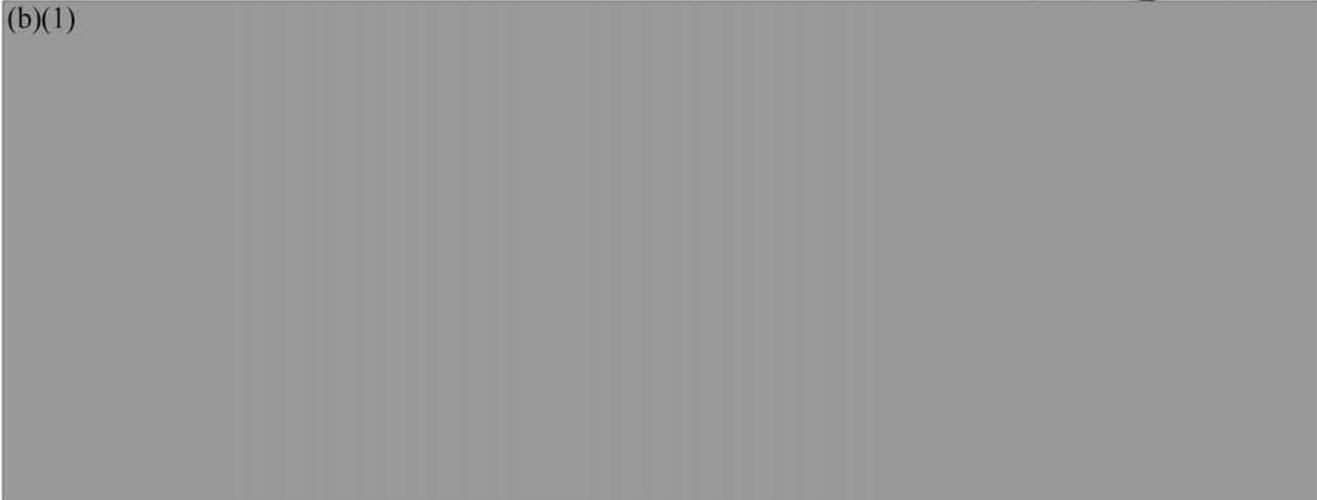
Recognize difficulty and sensitivity of issue -- but cannot let it
overshadow all others -- or no context for relationship

Basic US policy re T --

One China policy/ 3 communiques, , support for dialogue,
unofficial rel with T consistent with TRA

Premise is that any resolution must be peaceful

(b)(1)

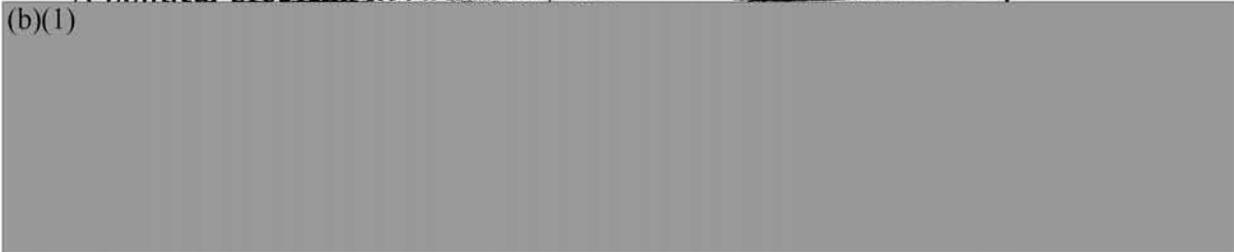


US has no pre-conceived position on outcome
Will accept any peaceful outcome, as arrived at between
parties without coercion

Would be fundamental error to militarize the issue

A political problem, not a military one

(b)(1)



[Reply when PRC side raises arms sales:

US sales are consistent with 3 communiques and TRA
US is committed to supply T with sufficient defensive capability

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(b)(1)

Our arms sales based on situation in region, urge dialogue to ease tensions, resolve problems]

Non-proliferation

(b)(1)

Now need to resolve the missile technology issue

Dialogue with Einhorn/Holum useful (b)(1)

(b)(1)

Key now is to continue engagement (b)(1)

(b)(1)

Prompt resolution of issue would

not only provide basis for waiver of sanctions under current law, and help head off new legislation,

Would remove a long-standing irritant in bilateral relations

NMD

Threat of missile/WMD attack is real

Neither test failure nor Korea summit change basic problem or need for solution

Strong support in US for limited defense

Not aimed at China (or Russia)

US wants to maintain ABMT, cooperate with Russia

President will decide on basis of threat, technology, costs, international relations

Embassy bombing

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US has provided full explanation of how mistaken attack occurred,
apologized, and paid compensation
Time to treat the incident as closed and move on.

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