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Meeting of Prime Minister Trudeau and Premier Zhou Enlai at the State Guest House (Diaoyutai)

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Summary:

Zhou Enlai offers Canadian Prime Minister Trudeau an extensive history of the Chinese Civil War and Chinese Revolution. Zhou also comments on China's foreign policy positions toward and views on the Soviet Union, nuclear war, Bangladesh, revisionism, and great power hegemony, among other topics.

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CONFIDENTIAL
CANADIAN EYES ONLY

MEETING OF PRIME MINISTER TRUDEAU AND PREMIER CHOU ENLAI
AT THE STATE GUEST HOUSE (TIAO YU TAI)

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CHOU

Thank you for your comments of yesterday and for the exposition you gave about Canada's international relations. The comparatively deeper impression which I gained is that Canada is a country with vast areas, a vast potential, and numerous and abundant underground resources which have not yet been exploited. It is a good thing that they have not all been exploited, and we think that Canada's potentialities for development will not all be fully realized in the twentieth century, but partly in the twenty-first century, and possibly the twenty-second. Canada is a developed country, but as I understand it, it is a developing country too. Perhaps this is not an entirely accurate view, and you may wish to correct my understanding.

TRUDEAU

Yes, Canada is an industrialized democracy and a developed country, but from the point of view of our development and our dependence on foreign capital and technology, we are a developing country, because we need the contribution of foreign capital and technology. We are trying to reduce this dependence in ways which I have indicated, one of which is to increase and diversify our contacts with other countries, as we are doing with the People's Republic of China. The first time you came to China was when you visited Canton and

CHOU

The first time you came to China was when you visited Canton and Shanahai?

TRUDEAU

Yes, I also went to Chekiang.

CHOU

Did you go by car?

TRUDEAU

No, I went by rail and by bus, by bus to Hangchow. Those were exciting days, and I was in Shanghai when the Red Army was just across the Yangtse.

CHOU

We were negotiating at that time, but we were also preparing to cross the river if our negotiations failed. (ONE PHRASE INDISTINCT)

TRUDEAU

Yes, I was disappointed by the fact that negotiations were taking place, in a way, because I was hoping to see the Red Army enter Shanghai. But the negotiations began and I left before that happened.

CHOU

The Vice-Premier who accompanied you in the car this morning was the one who commanded the Red Army which crossed the Yangtse. He was their Political Commissar; he was, in fact, the First Secretary of the Committee of the Joint Army which crossed the Yangtse. We began our preparations for the crossing in February, and continued them in March and April. We had no motorboats for the crossing, and we relied completely on wooden boats. There was one good thing about them, which was that they could be hidden among the trees and in the small valley streams on the northern bank of the Yangtse. Once Chairman Mao gave the order, we were able to bring out all the boats, and to cross over literally one million troops. We crossed west of Shanghai, from Changhai to Chiangyin, as far as Wuhu, and almost up to Anching in Anhwei Province. Our line was almost two hundred kilometres long. I myself was the head of the peace negotiations, and my counterpart was a KMT officer who was often designated to negotiate with the Communists. He eventually came over to our side and died three years ago. He was Vice-Chairman of the Standing Committee of the National People's Congress. I knew him back in Whampoa. At the beginning of the negotiations, I told him that "if the negotiations go well, that is fine; if they do not go well, we will cross the Yangtse River". I knew almost all the members of his delegation, except for one advisor. We talked every day, and Chairman Mao met with one member of their delegation from time to time. We were preparing the negotiations and, at the same time, we were preparing the river crossing, and Chairman Mao was in command of both.

TRUDEAU

What, in your view, would have constituted a successful negotiation? For example, would it have been a capitulation of the other side, or perhaps a division of China between the two sides, or what? Definitely not a division of China. Strictly speaking, you might call it a kind of capitulation, but we would rather regard it as a

CHOU

CHOU (cont) form of alliance with the heads of their government and a transformation of their army. This is the Chinese way. Later, almost all members of their delegation eventually joined our government. By then, by the time of the negotiations, Chiang Kai-shek was no longer President; he had given that role over to Li Tsung-jen. It was he who presided over the talks for the KMT side, and he directed the delegation. We recognized that at that time, the Chinese revolution was in the new democratic stage. You, in Canada, also have a New Democratic Party. What we meant by the new democratic revolution was the not-yet stage of the socialist revolution. We held that the revolution was taking place. in stages. One of the characteristics of that stage was to allow the national capitalists to be active, and we assisted them in procuring raw materials. The second characteristic of the period was land reform. These were the main characteristics of the new democratic revolution. The third characteristic was that the imperialist forces were driven out of China. Those were the characteristics of the new democratic revolution. Another basic characteristic was the nationalization of the main departments of the economy; for example, some enterprises were owned by the Japanese; in the course of the war they were confiscated. Some enterprises were helping Chiang Kai-shek. Other state-owned enterprises were actually capitalist enterprises. That enabled us to nationalize all the main departments of our economy, which facilitated the transition from the new democratic revolution to the socialist revolution. That is to say, at the same time, we managed this program and we prepared for the transition to the socialist stage. The composition of the Government was mainly an alliance of workers and peasants under the leadership of the Communist Party. But also there were a number of nationalist bourgeoisie, non-Communist scientists and intellectuals, who also became components of our government. The armed forces were transformed, but we reinstated some of their officers, but sent members of our People's Liberation Army into their ranks. That was the program which was agreed to in our negotiations. It was

* *

CHOU (CONT.)

approved by the Nanking delegation, and then Litsung jen, Acting President in Nanking, said that he would give his personal approval, but that two forces were obstructing this: one was Chiang Kai-shek who, although he had resigned, was beind the scenes and was commanding the KMT forces from Ningpo; the second was the USA and, in particular, Ambassador Leighton Stuart; they were wavering. When the results of the negotiations were submitted to Nanking, they refused, and as we had agreed if they did not approve, we would cross the Yangtse River. So we did that. There is an interesting anecdote from that time, and I told Chester Ronning about this. Toward the end of 1948, when we were about to cross the Yangtse, the Nanking Government moved to Canton, which they chose as an alternate capital. But at that time, although Leighton Stuart, the USA Ambassador, stayed in Nanking, the Soviet Ambassador moved to Canton.

TRUDEAU CHOU And what did Mr. Ronning do?

No, he stayed in Nanking; he entirely understood the situation then. But as for the Russians, that proved, first: that they were not aiding us in the war, and second: that they did not think we could cross the Yangtse and liberate China. So they continued to maintain relations with the Canton Government as the so-called legitimate government, their action at that time was about the same as their action now in recognizing Lon Nol, and yesterday only, recognizing Sihanouk. The Soviet Ambassador in Peking delivered a verbal message yesterday [Interpreter Nancy Tang interrupts to say that it was the day before yesterday to Samdech Norodom Sihanouk, saying that the Soviet Union felt that it had never severed diplomatic relations with the royal government of Cambodia and had never recognized the Lon Nol régime. They say this in spite of the fact that they have continuously had an ambassador in Phnom Penh with Lon Nol and that Lon Nol still has a Chargé in Moscow. It is really quite ridiculous.

TRUDEAU

Were you at that time, the time of which we have been speaking, in 1949, afraid of the possibility of a repetition of the situation which arose in 1926?

CHOU

No, that would have been impossible then; our strength was too great. If you had stayed in Shanghai, you would have seen that. In three major military campaigns of 1948-49 in the northeast, in the vicinity of Peking and Tsientsin and in the vicinity of Foochow, we wiped out more than two million of the enemy's troops; we captured most of the troops, and for example, in the course of a single night, their own troops would cross over and join us to fight them. That was because their men were peasants. Even now, there are many of Chiang Kai-skek's former commanders residing here. There are twenty or thirty generals, not only one-, but three-, four- and five-star generals. There is only one military man in Taiwan who can even try to hold a candle to these fivestar generals (we had more than ten of them here) and all these people were the first class of graduates from the Whampoa Academy. Many of those five-star generals on the KMT side have died off; there is only one of them left and some of the more junior officers. The circumstances at the time were most complex. It would not have been possible for a repetition of the events which you suggest to have taken place; 1926 could not recur because we had transformed their troops, and by 1949, the government was led by the Communist Party, whereas in 1926 it had been led by the KMT, and included some rightist elements. The proof of Li Tsung-jen's sincerity was that he later came back to China after living in the USA for more than ten years; he died here in China in 1969. Because of the united front which continued for so long, many people of the KMT are still here on the mainland. Peking was, of course, peacefully liberated. There were 200,000 KMT forces and their commanding general is still here. He held office for ten years as the Minister of Hydroelectric Power and Water Conservancy in our Government; he is now Vice-Chairman of the CPPCC. He is not very strong now, but he is still active and he is older than I am.

TRUDEAU The general in command at the time in Nanking, was it not a General Ho?

CHOU Yes, Ho Yung-ching; but he was not in command. He was then Premier of the State Council. But he had commanded troops and he was comparatively experienced. But Chiang Kai-shek did not trust him, he was afraid Ho would seize power and he did not allow him to become Minister of National Defence.

TRUDEAU Mr. Premier, in the light of what you have been saying, may I ask what will be the future of Taiwan?

CHOU That is an internal matter. We think we will see changes. Many foreign countries, including Japan, have severed diplomatic relations with Taiwan, and the USA has recognized that all Chinese, on both sides of the Taiwan Straits, view it as one China, and the USA does not contest that view. When President de Gaulle's Government recognized the People's Republic of China, France had already severed diplomatic relations with Taiwan. But the British wanted to leave a tail behind. As a result, although they were the first among western countries to recognize us, they were one of the last to establish full diplomatic relations with us; in fact, they did so after you did. They have now severed all relations with Taiwan. Western Germany did not have diplomatic relations with Taiwan, I think. Therefore, there is here a very interesting fact: among all five continents, the continent which has most countries recognizing us is Europe. Only Ireland and Portugal have not; although with Ireland we do have trade relations. With Portugal, on the other hand, we do not have any, and we do not intend to have any. It would have been very interesting if you had stayed in Shanghai at that time. It is our fault, we arrived too late; when did you arrive?

TRUDEAU I arrived in March, I remember that the cherry blossoms were in bloom in Nanchang.

CHOU Our negotiations lasted for 20 days, and we moved our forces into Peking exactly when you were in Shanghai. There is, you know, a very nice photograph of our entry into Peking. Some people here

CHOU (CONT.) don't like to show that photograph to others, but I think it is very nice. It shows Chairman Mao reviewing the forces and all the equipment you can see in the photograph, including the jeep that Chairman Mao was riding on, was all American. I think that, although it was not direct aid, all that equipment was sent to us by the KMT forces which, in effect, functioned as our supply forces. In fact, not long after liberation, we used their planes to train our pilots. That shows that in the stage of the New Democratic Revolution, we engaged in long years of armed struggle to win unity in China. Only after gaining state power, based on the worker/peasant alliance led by the Communist Party, we were able to peacefully transit into the Socialist Revolution. But if it were thought, if it were considered possible to have such a process of peaceful evolution everywhere, that would be a very dangerous conception. Because without a very fierce or comparatively fierce revolution, you could not shake the foundations and awaken class consciousness among the people, and class enemies would arise. Only by such struggle can we organize the people to defend their state power. So the question you have just asked is very interesting; whether or not we would be concerned at the possibility that the events of 1926 and 1927 could recur in 1949, it was primarily because of the situation. Chairman Mao discussed the question at the Central Committee meeting just before our forces entered Peking. He pointed out that after achieving unity in the New Democratic Revolution, and after effecting land reform, we could enter into the Socialist Revolution. There, the main contradiction would be between the proletariat and the bourgeoisie, and between socialism and capitalism. He also reiterated the well-known statement: "Many of our comrades have been very heroic in the face of armed enemies, but they must be aware of the sugar-

coated bullets that will be shot at them after liberation; those

who do not flinch before the enemy may fall before these sugar-coated

CHOU (CONT.) bullets." There also was a period of transition into the Socialist Revolution. We drove out the Imperialist forces, we deprived the landlord class of their exploitation, and we expropriated the properties of the bureaucratic capitalists, but we also adopted a policy of gradually transforming the national bourgeoisie.

They retained the businesses until 1956.

4:30 p.m.

TRUDEAU

I met some of them as late as 1960.

CHOU

By then, we were in the second stage of cooperation between the state and them. The first stage was supervision, assistance and transformation of that class. Their profits were limited, they were not allowed to engage in excessive exploitation. They were not allowed to make workmen work too long hours or to pay them too little, but to enable the workers to maintain their livelihood when comparative shortages of raw materials developed, we had to assist them in procuring raw materials. In the early years after the liberation, we stressed self-reliance. We were also short of foreign currency and of raw materials such as cotton. In the late years of the KMT, it was almost all USA cotton; after that we began to develop our cotton production. But it was hard at first, and for two or three months a year we were short of cotton; then the Government would assist the capitalists by giving them money so they could pay the workers. At least 80% of the salaries were paid. The workers could also use the spare time to organize the workers for study. Later, when we would grow our own cotton, the workers and the factories would still be there. The policy which we adopted at that time was for the state to control foreign trade and domestic trade, and we would sell and buy the production of the factories in a unified way. Small enterprises subsisted. The next stage was joint state/private enterprises. Then began the policy of buying over the private enterprises. Lenin had thought of doing so, but he had not been able to implement it in the Soviet Union. We gave them 5% per year on their assessed properties. In the ten years from 1956-65, they were

CHOU (CONT.) able to recover 50% of their capital in the form of interest, while from 1949-55, they were directly gaining profits. Added together, that would be about equal to or a bit more than the value of their property. After liberation, there were two characteristics: in the countryside, the land of the landlords and rich peasants was confiscated. But they were allotted a share of the lands, and they were allowed to till that land. Thus, production did not go down and large masses of people were not killed. In the USSR, they sent peasants to Siberia, and many went into the cities. You might be curious about our not declaring land to be government-owned. We have never done it; we want the peasants to feel that the land is theirs.

TRUDEAU CHOU

But it is owned by the communes, is it not? Yes, and there were concessions at the beginning. The peasants would add their shares into cooperatives, and then higher cooperatives, and then communes. The commune is on the principles of a collective but the peasants retain private plots. Of course, barren areas and large forests are state-owned. Because the bourgeoisie was treated in this manner, in those two stages, the overwhelming part of the bourgeoisie has stayed. A small number fled to Hong Kong and to Taiwan. I think that is very natural; some also fled overseas, and it is really not strange at all for this to happen when such a big revolution happened in such a big country. In the early years after liberation, Chairman Mao tried to persuade various people; he said that "if you cannot adapt yourself with life here, you can go to Hong Kong," but they didn't believe him. I tried to persuade some too. But some also opposed us and fled to Taiwan. There was not much role for them there. All they could do was to write a book or two cursing us, but their writings were forgotten after a couple of years. That was one period of history; a second period followed: the question arises: since the transformation had been so peaceful and smooth, would it be possible

for the Socialist Revolution to be peaceful and smooth? The answer is no. Also, in one of the socialist countries, it arose. They stated that the socialist society was established and that classes had ceased to exist, but only some two years after that, many traitors appeared in the Communist Party and that led to problems. Then they told the people that it was the result of foreign infiltration. That was not true. It was a case of turncoats from within the ranks of the Party. Therefore, in view of our own conditions and experience of the Soviet Union turning revisionist, we have seen that class society and class struggle still exist after the revolution. In 1957, Chairman Mao made the well-known article public "On Correctly Handling Contradictions Among the People". He pointed out that there were two categories of contradiction: those between the people and the enemy, and those among the people themselves. Only by distinguishing clearly between them can we handle them correctly. We recognize that even in socialist countries, there exists the danger of capitalist restoration. Take the French Revolution: how many times did monarchy restore itself, and how many republics have been set up? That, of course, was a case of one exploiting class taking the place of another. We want to eliminate exploitation. But the danger exists and we must admit it. This is the main reason why we want to engage in future revolutions, like the Great Proletarian Cultural Revolution (GPCR). Some people believe our engaging in the GPCR was a complete rejection of the laws governing society; we feel that we are precisely recognizing the laws of social development, and trying to govern them. Some old friends of China came back recently for a look. They say that everything in China is so good; we try to tell them that this is not the case. I am worried about this. They should not see it in this way. Just imagine: China had gone through 2,000 years of feudal system and more than 100 years of semi-colonialism; how could one revolution be able to wipe all this out? That is not even to speak of the fact that the semi-slavery system still existed in such places as former Tibet.

So we would rather take the initiative to lead the GPCR, a socialist revolution, rather than to wait for eventualities. That is why Chairman Mao led the Communist Party to lead such a revolution. It was a Socialist revolution, a political revolution. Now the GPCR is about to conclude. But after a few years, it is likely that another GPCR will occur. So since one must admit that socialism will advance and that old things will be got rid of, we must prepare for it. Since you mentioned that in 1949, you would have liked to have witnessed the liberation of China, then I give you this account of the process of our revolution, and I give you a frank account of our history and of our revolution. We do not conceal that we have been through struggles, and we explain our policy line. You and we may not share common views, but we want you to know our views. Since you have come to China, we thought we should speak very frankly about our present situation. Thus, when we discuss international problems, it will help you to understand why we see things this way. Do you have any questions to ask? I do not mean that I want you to concur to what I have said; these are purely internal matters.

TRUDEAU

Mr. Premier, I would be curious to know, since you have been good enough to talk of philosophy and history, how this fits into the theory of Marx and Engels of the withering away of the State? It should not be necessary to go through many cultural revolutions if one is successful. Under Marxist theory, the State will wither away.

CHOU

As for the withering away of the State, that is far away from us. Of course, in present circumstances, there are nationalist countries as well as socialist countries (and in some socialist countries, capitalism has been restored); some socialist countries are still advancing, and in Asia, Latin America and Africa, many countries have achieved national independence. Imperialist countries are on the decline, although for the moment they seem to be rising. The time may be very long. In the long term, states will wither away; but this is a remote ideal. The socialist stage will be considerably long, that is to say the development

from capitalism to communism. According to our experience, that stage will be considerably long. When we say that GPCRs will occur again, we are applying this to our own country. When we talk about the old ideology which will affect the future generations, we will have to go through a long struggle; we cannot banish it very easily; we cannot get rid of all the old ideas at one time. So we are in favour of continued revolution. I am concerned with this experiment in our own country, I would not seek to impose it on others. When we find that in other countries they failed in their practice, we express our own views about it. But what we have done is not entirely correct; only after the establishment of a socialist society can we say that it will be so. Secondly, we have also said that it is impossible for a single country to enter into Communism; in 1961, Kruschev said that in ten years the Soviet Union could enter into the communist society. I attended their party congress, and we did not agree. Now, 13 years have passed, and Brezhnev is now borrowing money from many countries, and he is selling off the resources of the Soviet Union. What kind of Communism is that? Since your country is trying to cut off foreign capital, you see that the Soviet Union is going in the opposite direction. How can we believe that they are going to practise Communism? It is sheer nonsense; it is the opposite of what Marx had said. Of course, Marx at his time could not be able to see society as it is now. There was no socialist country. He could only speak of general principles. Even in the case of Lenin, he died not long after the seizure of state power, and it was also impossible for him to predict that. Although we have gained some experience in the past 24 years, we have not adequate experience in these aspects. We cannot yet fully recognize the law of development of society. We are now carrying on by interpreting Marxist/Leninist principles within the revolutionary practice of our own country. Theoretically, we believe we will be successful, but we will have to wait for proof through practice.

5:00 p.m.

TRUDEAU CHOU Is any other country currently evolving towards Communism? It is a remote thing to evolve toward Communism. It cannot come quickly; not in this century. If Imperialism the world over is not overthrown, including Social Imperialism, how can we acrive Communism? It is even impossible to correctly realize Socialism in that case. So we say that the Socialist Revolution is a matter which will cover a very large period. That is why we say that the victory of the Socialist Revolution will be won the whole world over only when the majority of countries are engaged in the Socialist Revolution. We are not at that stage yet. In Africa and Latin America, the chief movement at work is still the national independence movement; they style themselves socialist, but it is Socialism of a different description.

TRUDEAU

In China, a whole new generation has grown up since the liberation of 1949. Why would you have to go through successive cultural revolutions? Why would the new generation not be educated into communist society? Is it because of outside influences, or is it because of thousands of years of influences which cannot be so quickly overcome?

CHOU

You can change the rule, but in order to change ideology and the superstructure, you have to go through a long-term class struggle. You speak of the process of education; after liberation we took over KMT schools. Although we had experience of running schools in liberated areas in the countryside, when we entered the cities, we came across different aspects of culture. In colleges and schools, there were senior intellectuals; what did they learn? That old stuff. What they taught was also those old things. As for that old stuff, in China it is mainly bourgeois education taken over from the west. We also sent a number of students to the Soviet Union. But their educational system was still inherited from the bourgeois educational system, and it is even more backward than western-style educational system, because they have too meticulous divisions of subjects. They could only devote study

to one subject, with no overall education in mind. For example, take geography: in the Soviet Union, political geography is not in the same department as natural geography. Take dentists: those who fill cavities and treat tooth diseases are separated from those who work on dentures and from those who remedy facial disfigurements. So as a result of that kind of education, the student can only master one subject, and doesn't know anything about other subjects. He is ideologically very limited. Their educational system is more bourgeois than the bourgeois educational system itself. In China, apart from all that, there is also the influence of Confucianism, which advocates a slave society. As for educational reform, in the west they are also for educational reform; in western Europe and the USA, there was a trend toward educational reform. For example, take the Sorbonne: those professors were very outdated in their methods; the students' achievements were from self study, not from attending their classes. If does not go through reform, it will not progress, it education will retrogress. The GPCR also includes teaching reform. We believe that wisdom will come from the people, from the masses. Is it not a more reliable way to mobilize the masses? China is so large; it will not do if we do not rely on this method. It is easy for bureaucracy to arise in China. There are too many layers of departments and agencies and structures. People are in danger of becoming detached from the masses. There are many old things in the Soviet Union too; if there is no reform, revisionism will be helped. They think that everything in their country is the first in the world, so they are not able to learn from others and to progress.

TRUDEAU

You have been able to make many changes and you will make many more. Why will people not automatically see the value of Communism? Why must there always be struggle against revisionism, against bureaucracy, and against Confucianism? Is it because there is something bad in human nature that the Communist Party must fight against

TRUDEAU (CONT.)

constantly? Perhaps Premier Chou is like the Christians who believe in original sin and who, 2,000 years after Christ, are still trying to make people behave better and cannot succeed because of what they call original sin. It must be discouraging for Premier Chou En-lai, who joined the Communist Party as a young man, and who sees the need for still more cultural revolutions ahead.

CHOU

No, on the contrary, I think it is even more hopeful. Because we do not think that such bad things were brought to people when they were born. These bad things come from the social system, from the environment. Otherwise, why should we say that we have the ideal of realizing Communism all over the world in the future? Then, of course, there will be no more states. It is a long time away, but it is still our ideal. Would it be contradictory to continue to mention the five principles of peaceful coexistence, since we have the ideal of achieving Communism in future? No. Because it is not easy to reach that goal. We have to go through the present stage, and to push it forward through struggles. Far from being disappointed, I am hopeful. There are always new questions arising, and those problems are left for the next generation to settle. If you do everything in this generation, it will leave nothing for the next generation to do. We have developed from oil lamps to electric lights. That is a change, and when energy resources will be exhausted, we will have to seek another way. The wisdom of human beings, I believe, will allow things to go forward. If we think that we can work out a plan

5:30 p.m.for the next generation to go by, and tell them how to do things, that would be subjectivism. We can tell them the principles, but the practice will be for them to find out by themselves.

Because in any era there will always be contradictions, and they are the motivating force to push things forward. Of course, in saying that we are carrying on revolutions, we do not predict the form by which that revolution will go forward. We know that

it will be more progressive than the present form but we can't predict it.

TRUDEAU

Is the Premier more afraid of the bad influence of the Soviet Union, or of Soviet armies for the future of China? What is the most dangerous for the free progress of China, the presence or power of armies, or the revisionism of Communism which is taking place?

CHOU

Mainly revisionism. Their abiding thinking is revisionist so they are bound to practise expansionism; so they are bound to contend for hegemony. Because in the world today, the most powerful country is the USA, and of course the Soviet Union wants to contend with the USA for hegemony. That is why they want to devote any effort to keep up with and surpass the USA. In what? Mainly in arms, not anything else. Nobody can know how large is the military budget of the Soviet Union. It is ridiculous for the Soviet Union to put forward a draft resolution to the United Nations for a reduction of 10% of the military budgets of the five permanent members of the Security Council and to use part of the money saved to help other countries. Didn't the Foreign Secretary of Great Britain, Sir Alexander Douglas Home, ridicule the Soviet Union about this, saying that what Britain gives in aid already surpasses the sums mentioned by the Soviet Union? It is very difficult to assess the military budget of any country. The Soviet Union says that the total amount of their budget is 160 billion, and their military budget about one-tenth of their total budget, more than ten billion; whereas in the case of the USA, they say their military budget is about one-third of their total budget, about 80 billion. This only shows that the Soviet Union is trying to deceive people. Their military budget can't possibly be so small. Just think: where do they use their steel? Why do they need loans? Why are they short of capital? Why are they short of commodities in their market? It is because they use most of their money on conventional weapons, on the build-up of their

CONFIDENTIAL CANADIAN EYES ONLY

CHOU (CONT.)

navy, on nuclear weapons, and on competition in nuclear weapons. Although last June, the Soviet Union signed with the USA an agreement on the prevention of nuclear war, they immediately increased the variety of their nuclear weapons, for example multiple entry missiles. That is why the USA immediately made a response to the Soviet move. Laird and Schlesinger as well asked Congress not to cut back but to increase the military budget of the USA. We think that there is a reason for that. What disarmament is there to speak of? They are both expanding their arms. It is an empty word. All the same, Gromyko is talking of cutting the military budgets of the five permanent members of the Security Council, and they talk glibly of the Conference on Disarmament, and permanent non-use of nuclear weapons. These are empty words to deceive people. When we expose their deceptive nature, they are most disgusted with us. So I reply to your question: "Are we afraid of their attack?" We are not worried about this. But we must prepare against them, because in dealing with the Soviet Social Imperialists, if we are prepared, they have to stop and If you are not prepared, they will attack. They will attack where it is soft. Just imagine: when the USA was busy in Indochina and not paying much attention to the subcontinent in 1961, Pakistan was dismembered, and what was the use of those resolutions in the United Nations? Afterwards, there were changes in Afghanistan; just because Afghanistan is a soft spot. Besides, they want to demoralize Europe through the convening of the European Security Conference. Now, people are beginning to understand the lessons of the European Security Conference, although it is just a beginning. If China fails to step up its preparedness against war, and it digs tunnels deep, then perhaps the Soviet Union would indeed carry out an attack some day. They will try wherever preparations are not done. So some countries are

considering this question: the Soviet Union is looking for economic cooperation everywhere; people wonder whether there is some intrigue involved. When Brezhnev went to Bonn, he had discussions with the big capitalists, those entrepreneurs. He spread maps before them, saying you can invest money here, exploit our resources, there, use our gas reserves here and there. He is not a Party Secretary, he is a salesman. He acted the same way in Washington. And when Tanaka went to Moscow, the Soviet Union did not talk about the territorial problem; Brezhnev spread out his maps and he talked about investing in the Soviet Union. So this cannot but give rise to people's doubts as to the Soviet Union's intentions. They wonder whether the Soviets would make use of the freed capital to invest in their own military industries. For example, it would be much simpler to build a pipeline to the Soviet far east and to refine oil there, rather than to transport oil to the western part of the Urals. So people cannot but stop and think that the development of their military industry is not a menace to China only, but also to the USA and Japan. That is why they are thinking of joint investment, for fear that they will be taken in. If they should be taken in, better to be taken in together. In the east, it is USA/Japan cooperation, and in the west, it is cooperation between the USA and West Germany.

5:50 p.m.Psychologically, the wish of the people of the world is that it is better to have détente and not war. Especially in the case of Europe since they suffered such losses in the Second World War, especially in the Second World War. That is the subjective wish. It can also be described as the goal. But if you are not prepared for the worst, it is impossible to realize your desire. Why? Because there are indeed people who are preparing for war. In the 23 years since World War II, it is indeed true that there has been no war; a longer period than between World War I and World War II. But local wars have never ceased. Just imagine: the war in Indochina has not yet completely ceased, but another war has already occurred in the Middle East. Hotbeds of war are always

there, since the USA and the Soviet Union are contending for hegemony, and the Soviet Union wants to extend its hands farther and farther. There must be conflict; but first there will be local wars. If we desire relaxation, we must first be opposed to the outbreak of local wars of aggression. Only when one is prepared can one be successful in opposing war; otherwise, they will just attack you. So in our view, we must prepare for the worst and strive for the best. If you are not prepared for the worst, they will attack you and the best will never be realized. But in preparing for the worst, does it mean that we engage in the arms race as they do? No, we will never do that; it is impossible for us to do it; because we will never carry out provocation against them, nor attack them. We will only fight them when they invade, no matter whether it is a surprise attack or a local war; once in, you can't get out, because you are engaged in a people's war. We have said so publicly, that it may occur. We do not fear; if you fear, you can't mobilize the people. That is why we often tell our people that they must be prepared for their coming in. Once they do, they won't be able to get out. We have experience of this with Chiang Kai-shek. We fought with them before we fought against Japan, and even during the war with Japan. Take Vietnam, it is so small and with difficult terrain. Yet they were able to keep up their struggle for ten years. If the Social Imperialists should attack us, why should we not be able to fight them? Some friends tell us they won't attack. Maybe; they won't attack if you are prepared against them. We observe the principle of not provoking them, and they have to stop and think. Don't you think? Canada certainly agrees that we should oppose in every way the hegemony of the great powers, but is it not possible that détente may be a way of fighting hegemony? Premier Chou, himself, in 1955 or 1956, helped Gomulka in Poland to fight the threat of hegemony. Our policy in Europe is not aimed just at reducing arms; our policy, as put by Mr. Sharp, our Foreign Minister, in Helsinki, is in favour of a détente, including the development of contacts between

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peoples, and this may be a way of permitting the people of eastern Europe to become more free. Perhaps for Canada too, it may make us more free. If we think back to the times when the world was polarized between the two great nuclear powers, and Europe was not yet reconstructed, Canada was perhaps less free then to conduct its own foreign policy than in the last few years; with the reconstruction of Europe, the emergence of Japan, the emergence of the strength of China. The world is no longer bi-polarized, and it is easier to come out of the influence of the Soviet Union and of the USA. Is this not a view of détente which is reasonable? There are two kinds of détente: one real, and one pseudo and temporary. Take the subcontinent for example: everybody hopes for relaxation and the repatriation of the prisoners of war. There are United Nations resolutions, but they have not been applied. Even now, they are still retaining 195 prisoners of war as war criminals which they say must be tried. This is the creation of tension in the subcontinent. Both the Soviet Union and India are trying to keep their forces in Bangladesh under certain pretexts. Once there is an opportunity, tension will arise again. For example, the events in Afghanistan and Baluchistan. With the provocation of the Soviet Union, the situation is tense again in Pakistan; because there is no relaxation there, only pseudorelaxation. It was only last year that they signed the agreement on Limitation of Strategic Nuclear Weapons and only this year that they signed the Agreement on the Prevention of Nuclear War. Yet after that, both sides increased their military budgets. So how can détente be spoken of in this case? Right away, there was contention as well as relaxation of tension. Mr. Prime Minister, you have just mentioned freedom of movement of individuals in eastern European countries. In that case, there would be even more tension, because the USSR will never allow it. Gramyko's speech as the first stage of the European Security Conference ended, proves it.

CHOU

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The slogan he put forward was rather formidable. Perhaps Canada would find the situation better because you and the USSR are separated by the Arctic Ocean. It is something upon which you are to be congratulated. I understand what you say about the threat to you from the south; you have no Arctic Ocean to the south. We have to face our neighbour to the north; it is also your neighbour to the north but it is farther away.

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I feel that we have achieved a good result already. To hear Premier Chou En-lai speak, I cannot but admire the strength of character which is apparent in the leaders of the Communist Party, and I am more pleased than ever that we are establishing friendly relations with a country which has such strong leaders. J'espère que M. le Premier Ministre voudra bien continuer de me parler demain avec autant de franchise et d'amitié.

6:15 p.m.