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FM PEKING 150845Z MAY 79

TO PRIORITY FCO

TELNO 450 OF 15 MAY

AND TO MOSCOW, WASHINGTON, UKMIS NEW YORK, UKDEL NATO, TOKYO,

DELHI, CANBERRA

SINO/SOVIET RELATIONS

Powi In

1. YOU WILL HAVE SEEN PRESS REPORTS THAT THE CHINESE HAVE PUT TO THE RUSSIANS NEW PROPOSALS FOR NEGOTIATIONS. THE MFA HAVE CONFIRMED THAT THE CHINESE GOVERNMENT ON 5 MAY PRESENTED TO THE SOVIET SIDE A MEMORANDUM PROPOSING THAT THE TWO SIDES HOLD NEG-OTIATIONS TO RESOLVE OUTSTANDING QUESTIONS BETWEEN THEM AND TO IMPROVE RELATIONS. THIS MEMORANDUM, REPLYING TO THE SOVIET NOTE OF 17 APRIL, WAS HANDED OVER BY YU ZHAN, DEPUTY FOREIGN MINISTER, TO THE SOVIET AMBASSADOR. THE MEMORANDUM SAID THAT THE CHINESE SIDE WAS READY TO HOLD WIDE-RANGING NEGOTIATIONS, IN ADDITION TO CONTINUING THE SINO/SOVIET BORDER NEGOTIATIONS WHICH SHOULD ACHIEVE RESULTS AS SOON AS POSSIBLE. THE NEG-OTIATIONS SHOULD INCLUDE THE FORMULATION OF PRINCIPLES GUIDING RELATIONS BETWEEN THE TWO COUNTRIES, THE REMOVAL OF OBSTACLES TO NORMALISATION OF RELATIONS, AND THE QUESTIONS OF THE DEVELOPMENT OF TRADING, SCIENTIFIC AND TECHNOLOGICAL AND CULTURAL EXCHANGES. THE MEMORANDUM WOULD NOT BE PUBLISHED. THE CHINESE HAVE TOLD WEST GERMAN COLLEAGUES THAT CHINA WAS WAITING TO SEE WHETHER THE SOVIET UNION ARE "'SINCERE". CHINA WISHED TO REACH A MODUS VIVENDI, EVEN THOUGH THERE REMAINED DIFFERENCES OF OPINION. BUT THE DIFFERNCES SHOULD NOT IMPEDE THE NORMALISATION OF RELATIONS. THE MFA INDICATED THAT ARRANGEMENTS FOR THE LEVEL, TIME AND PLACE OF THE NEGOTIATIONS WERE TO BE DECIDED THROUGH CONSULTATION.

2. A MEMBER OF THE SOVIET EMBASSY CONFIRMED THAT THE MFA'S
ACCOUNT ACCURATELY REFLECTED THE CONTENT OF THE MEMORANDUM AND
COMMENTED THAT, IN SUGGESTING NEGOTIATIONS ON PRINCIPLES GUIDING
MUTUAL RELATIONS AND ON SCIENTIFIC AND TECHNOLOGICAL AND CULTURAL
EXCHANGES, THE CHINESE WERE BREAKING NEW GROUND, SINCE IN RECENT
TIMES THEY HAD EXCLUDED THESE SUBJECTS FROM NEGOTIATION. THE

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SOVIET DIPLOMAT ADDED THAT THE CHINESE HAD INDICATED THAT THEY WOULD LIKE DOCUMENTS TO BE SIGNED BY EARLY 1980 AND THAT THEY WOULD AGREE TO THE NEGOTIATIONS TAKING PLACE IN MOSCOW. CHINESE DIPLOMATS HAD INFORMALLY IMPLIED THAT THE NEGOTIATIONS MIGHT TAKE PLACE AT THE LEVEL OF FOREIGN MINISTER.

- 3. THE SOVIET DIPLOMAT SAID THAT AT AN EARLIER MEETING BETWEEN YU ZHAN AND SHCHERBAKOV ON 15 FEBRUARY, YU ZHAN HAD BEEN EXTREMELY NEGATIVE ON THE SUBJECT OF NEGOTIATIONS. THE RUSSIANS WERE WONDERING WHAT HAD CAUSED A SUDDEN MARKED CHANGE IN THE CHINESE APPROACH. THEY WOULD CONSIDER THE CHINESE PROPOSALS CAREFULLY AND WOULD BE IN NO HURRY TO GIVE A REPLY. THE CHINESE PROPOSALS WERE COUCHED IN GENERAL TERMS AND THE SOVIET SIDE WOULD NEED A MORE DETAILED INDICATION OF WHAT THE CHINESE HAD IN MIND BEFORE THEY WOULD AGREE TO ENTER INTO NEGOTIATIONS. IF, FOR EXAMPLE, THE CHINESE INTENDED PROPOSING PRINCIPLES GOVERNING MUTUAL RELATIONS SIMILAR TO THE EIGHT PRINCIPLES WHICH THEY HAD RECENTLY PUT TO THE VIETNAMESE, THE NEGOTIATIONS WOULD BE A WASTE OF TIME.
- 4. WHILE THERE IS NO REASON TO BELIEVE THAT THE CHINESE PROPOSALS REFLECT A FUNDAMENTAL RE-THINK OF THE CHINESE APPROACH TO THE SOVIET UNION, THE CHINESE MAY NOW SEE TACTICAL BENEFIT IN TAKING SOME OF THE TENSION OUT OF THEIR RELATIONS WITH THE SOVIET UNION, PARTICULARLY IN VIEW OF THE CONTINUING STRUGGLE WITH VIETNAM.

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