

Top Secret

[To] Ambassador Wang Bingnan:

1. Summary account on the 2nd meeting on 2 August received.

Our act of releasing eleven US spies before their sentence times expired has aroused broad responses among Asian countries, making the US position more passive. The US does not have many cards in its hand. As expected, the US seized the opportunity to ask us to release more civilians and plans to raise the issue of 500 missing US servicemen from the Korean War. Nonetheless, in his talk with journalists on 2 August, Dulles had to leave the door open for even higher-level talks. This demonstrates how hard the pressure [on the US] is from various sides. As to our policy, we decided in our cabled instructions on 31 July: only after the first agenda has achieved a certain result can we approve the exit and release of civilians. At present, our target of struggle is to win US concessions on the return of our nationals and students. The focus of this issue is to have India take care of the affairs of our nationals and students. In view of the inaccurate information at hand, it may be passive for us to propose a list of names. The best way to deal with this is to propose a total number (about 400 people) and some typical cases of the detained students. As to the other party's complaints against us, you may give him a dose of his own medicine. Should the other party hand over a list of missing US military personnel, we may tell them honestly that these are old accounts which will not aid in settling issues. We have the issue of more than 14,000 Chinese People's Volunteers who were captured. These people have actually been detained. We are not afraid of discussing this issue, but we think this kind of discussion will not aid in the settlement of current matters.

At the meeting on the 2nd [of August], the other party spoke first. Our speeches addressed their issues. On the contrary, the other party failed to respond to our questions. Thus, at the meeting on the 4th [of August], we may invite the other party to speak first. If the other party declines to speak first, we may speak about the so-called issue of ill-feeling and ask the other party to state its attitude about our four proposals.

Attached is an outline on the issue of "ill-feeling" and live examples of our students being prevented from returning for your proper use at the meeting.

2. Telegraph dated 12:00 noon, 3 August received. Agree to your evaluation and manner of handling it. When reprimanding the other party as unreasonable for demanding the release of all US nationals, be careful. [It might appear as though] we are not going to release one more or everyone in any case. We should stress the importance of the efforts on both sides. As for the other party's claim that there is no longer [a] hindrance for [Chinese] students to leave the US, and there is no need to entrust a third party, we should point out that we know there are many students who are willing to return. They dare not express their wishes, however, under various pressures. They may also be forced to change their minds after expressing their wishes to return. Many of them have financial difficulties. Thus, only after entrusting a satisfactory third party to look after their affairs could this matter be handled reasonably.

Foreign Ministry

3:30 a.m., 3 August