

SFChronicle

**Almost Embassies**

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**New Trade Offices  
For U.S. and China****Big Step in  
Easing of  
Tensions**

N.Y. Times Service

Washington

The United States and China moved close to formal diplomatic relations yesterday with the announcement that each would soon establish a liaison office in the other's capital.

The new step in the relaxation of tensions was disclosed in a communique released jointly in Peking and at the White House exactly a year after President Nixon's arrival in the Chinese capital for negotiations there.

Henry A. Kissinger, Mr. Nixon's adviser on national security, who returned on Monday from an Asian trip that included China said: "Our contacts with the People's Republic of China have moved from hostility toward normalization."

**SCOPE**

Kissinger made no attempt to conceal the fact that the liaison offices will be embassies in all but name. He said they would handle "trade as well as all other matters" and they would "cover the whole gamut of relationships."

He told correspondents in a 43-minute briefing that the following additional steps to "accelerate" the improvement of relations between Peking and Washington have been agreed to:

- Within the next few weeks the Chinese will release the last two American military prisoners they hold — Lieutenant Commander Robert J. Flynn of Salt Lake

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City and Major Philip Smith of Victorville, Calif. Flynn, a navy officer, was shot down in 1967; Smith, of the Air Force, in 1965.

- In the second half of 1973 the Chinese will review the sentence of John T. Downey, an agent of the Central Intelligence Agency whose plane was forced down in 1952. Under Chinese law, sentences may be commuted for good behavior, Kissinger said, and "we have been told that the behavior of Downey has been exemplary."

- The U.S. and China will negotiate, "on a global basis in the immediate future," American private claims against the Chinese government and Chinese assets now frozen in the U.S.

- Increased cultural and technical exchanges will take place later this year, including visits by American congressmen and the Philadelphia orchestra to China and by Chinese gymnasts and nuclear physicists to the U.S.

**KISSINGER**

Kissinger, who visited Hanoi as well as Vientiane, Peking, Hong Kong and Tokyo during his trip, also made a

spirited plea for American postwar aid to North Vietnam — an idea that has encountered some congressional hostility.

"We are asking for support for the idea of such a program, not on economic grounds and not even on humanitarian grounds primarily," he said, "but on the ground of attempting to build peace in Indochina and therefore to contribute to peace in the world."

As if speaking to the congressional nay-sayers, Kissinger added pointedly:

"You should look at the economic aid program not in terms of a handout, and not in terms of a program even of reconstruction alone, but as an attempt to enable the

leaders of North Vietnam to work together with other countries, and particularly with western countries."

**DENIAL**

He denied that the U.S. had promised aid to Hanoi as part of the price of negotiating a cease-fire and said that the North Vietnamese are "aware of our constitutional processes" — the apparent necessity for Senate approval of any major aid program.

Senate majority leader Mike Mansfield of Montana said that both the President and Kissinger assured congressional leaders at a meeting yesterday that "nothing will be done unless it meets with the approval of Congress, and that has been made clear to all of the countries of Indochina."

The liaison offices, which are the key elements in the Sino-American agreements, will constitute the first representation between the two countries since the Communists defeated the Nationalists in 1949 and took over the mainland.

Although the offices will not have embassy or mission status (and their chiefs will not be called ambassadors or ministers), they will be entitled to full diplomatic immunity and privileges, including the right to send messages in code.

**TAIWAN**

Only the remaining American link to the Nationalist Chinese on Taiwan, with which the U.S. maintains formal relations, appears to have dictated the elaborate diplomatic fiction that the liaison offices constitute.

Peking and Taiwan have made it clear that they will refuse to maintain relations with any country that exchanges embassies with the other.

Initial congressional reaction to the announcement was, for the most part, favorable. Mansfield described it as "an accomplishment that really astounds me."