MEMORANDUM OF CONVERSATION

PARTICIPANTS:        Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs  
                       James Lilly, USLO, Peking  
                       Major General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE & TIME:          Thursday, June 28, 1973

PLACE:                Western White House  
                       San Clemente, California

SUBJECT:              CIA Activity in Peking

Kissinger: Any passive intelligence you want. As long as it isn't obscene. But don't engage in recruiting or operations.

Lilly: The only problem would be a drop in.

Kissinger: Impossible.

Lilly: I agree it is hardly possible. It could be someone recruited elsewhere.

Kissinger: They are sophisticated. We don't want our relations messed up by some two-bit operation.

We will identify you to Huang Chen. We will tell the Chinese after you get there. I will tell Huang when he comes out next week.

Political intelligence is okay. But don't recruit agents. If you want to run agents in, we have to know about it.
Any passive collection is okay. Contact is okay. But no covert operations. If a Penkovsky shows up, we can change the rules; if it's a military man, we probably will forego it.

Scowcroft: You'll be casing the situation.

Kissinger: Right. Make sure you check with us on any operation.

You can make contacts which they can see.

We have told them we need a separate communications channel.

Scowcroft: 50X1 and 6, E.O.13526

Kissinger: 50X1 and 6, E.O.13526

We may use you to pass intelligence information to them.

Refuse any such requests from them until we give you guidance.

Lilly: You mean if someone should come up and want to establish contacts with me?

Kissinger: Yes.

Scowcroft: Porter wants a note from us on whether to identify him.

Kissinger: Tell Porter to stay out of it. I will tell him.

We are playing a big game with the Chinese and don't want it ruined with a crappy little game. Do anything a Foreign Service Officer would do in establishing contacts, etc. Just no covert operations.

Lilly: Have you any special interests?

Kissinger: Anything in Southeast Asia, the Soviet Border, internal developments.

Scowcroft: You will report to the White House.