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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

18 April 1979

National Intelligence Officers

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM: [redacted]
Assistant National Intelligence Officer for China

SUBJECT: Monthly Warning Assessment: China

Summary

Community China analysts of our meeting on 16 April found the situation in Indochina still fluid but did not find other potential problems especially troubling at this juncture. We examined three problems in detail: the possibility of a new round of major hostilities between China and Vietnam; the possibility that a new wave of leadership instability could develop in Beijing, with adverse consequences for US policy; and the possibility that dissident activity in Afghanistan could lead to some sort of proxy confrontation between China and the USSR, which share a common border with that country. Community representatives found these propositions in order increasingly improbable; they generally concluded that the Indochina situation remained potentially explosive, but tended to doubt that a new flash-point was imminent.

1. Renewed Sino-Vietnamese Hostilities. Community representatives focused on the talks just beginning in Hanoi 25X1

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as a "safety valve" that in the short run reduced the chances for renewed heavy fighting. No one thought the talks would proceed very far or very fast; as a result some thought that Beijing might in time come to the conclusion that Hanoi had to be taught another lesson. Everyone thought there would be a period of temperature-taking first, however, and that serious consideration would not be given to this option for at least six or so weeks. Others thought that, since the original Chinese attack had been primarily a political act, rather than a purely military operation, there was little China could gain merely by repeating the initial attack, and that a much larger operation--against a much more formidable opposition--would run risks Beijing had deliberately avoided the first time round.

2. The actual evidence is mixed: Chinese propaganda leaves open the possibility of a "second strike", a theme that is occasionally echoed by Chinese officials in private; but most officials say that Beijing will not renew the attack. Most of the forces assembled after Christmas remain close to the border, but tactical command centers have apparently been phased out and civilians are returning to the border areas in the north. In sum, the Chinese retain the capability to repeat their strike, but there is little good evidence they intend to do so. On balance, logic appears to point away from a major renewal of hostilities.

3. The representatives agreed that two factors were major variables in the situation: Hanoi's apparent determination to continue to pursue those policies that aroused China's anger in the first place; and the situation in Cambodia. The analytical question was whether the Chinese expected its action of 17 February would lead to an early change in either factor in the short run. After some discussion there seemed to be general agreement that Chinese behavior suggested that Beijing had not and did not expect an early or major change in either area.

4. The representatives briefly addressed the question of whether the important Vietnamese buildup of forces in northern Vietnam presaged a major Vietnamese attack on China. There was general agreement that the buildup was designed to make a new Chinese attack more costly and to increase Vietnamese bargaining leverage at the new talks. A Vietnamese attack could not be ruled out entirely but was irrational and unlikely. Everyone agreed that friction, shooting incidents and possibly occasional artillery fire along the border were all but a certainty for the next several months.

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5. Renewed Domestic Instability. The representatives considered the recent indicators of trouble in this quarter--the crackdown on "democracy", the halt on attacks on Mao, the rethinking of the foreign purchases program, and a wide-spread report of a major purge that went uncorrected for several weeks--and concluded that it was largely insubstantial. Most thought that the evidence that serious instability was in the offing was not very good, and most also believed that Deng Xiaoping remained in a relatively strong political position. There was general agreement, however, that Deng was central in the continued development of US-China policy, and that therefore stronger evidence of a weakening of his position would have to be examined with great seriousness.

6. The Afghan Problem. The meeting considered only briefly the possibility that the Afghan situation could produce a warning situation in the China context. It was generally agreed that China was unlikely to play an extensive and active role in the developing situation, and that the possibility of a Sino-Soviet confrontation, even by proxy, was remote. It was generally agreed that a further intensification of Soviet influence would be regarded with apprehension in Beijing, but most representatives thought there was little China could do or would be prepared to do, however.

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