

Tab

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Subj: FOCUS Review -- Philippines (NFAC 3239-80)
- STAT 2 Note for [redacted] (CRES) from JHH, dtd 9 May 80
Subj: Release of Cable
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- 4 Memo for DD/NFAC from HLH, dtd 13 May 80
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- STAT 5 [redacted]
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- STAT 19 [redacted]

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

1 May 1980

MEMORANDUM FOR: See Distribution

FROM :
National Intelligence Officer for
China-East Asia Pacific

SUBJECT : FOCUS Review -- The Philippines

REFERENCE : Our Memorandum, dated 18 April 1980,
Same Subject (NFAC 2079-80)

STAT

The FOCUS Philippines meeting scheduled for 6 May has
been rescheduled for Friday, 9 May at 0945 hours in Room
7 E 62, CIA Headquarters. Please telephone
by COB 8 May to give her the names of those who will attend.



Distribution

(LDX to each member)

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STAT

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THE DIRECTOR OF
CENTRAL INTELLIGENCE

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ational Intelligence Officers

12 May 1980

STAT
NOTE FOR:

Here is the paragraph you asked me
for. I would like it back with your
signature appended as quickly as possible.

STAT

*A memo addressed to our Office of
Medical Services seems the best way
to handle this, Send it to us and I'll
send it on.*

STAT

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

13 May 1980

MEMORANDUM FOR: Deputy Director, National Foreign
Assessment Center

VIA : Chairman, National Intelligence Council
National Intelligence Officer for
China-East Asia Pacific

FROM :
NIO/Ch-EAP Officer

SUBJECT : Request to Submit Article for Publication

1. I request permission to submit for publication the attached
article

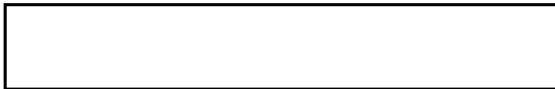
3. None of the material presented in the article is, to my
knowledge, classified.

4. I am not under cover. I will be identified as an Agency employee, but will append the standard disclaimer indicating that the views expressed are my own and not those of the Agency.



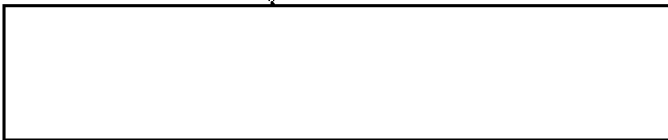
Attachments
As Stated

I have reviewed the attached text, to the best of my knowledge have found it to be unclassified, and approve it for publication.



Chairman, National Intelligence Council

Date



Deputy Director
National Foreign Assessment Center

14 MAY 1980
Date

Distribution

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- 2 - NIO/Ch-EAP, w/o att
- 1 - NFAC/Reg

AT

STAT

STAT

13 May 1980

TALKING POINTS

Our analysts think the:

- article puts forward articulate well reasoned arguments that, for the most part are historically correct.
- There is a quarrel over the tone of the presentation. These differences lead our analysts to be generally more pessimistic about the SRV's interest in a political settlement. Folks here think that the notion that the SRV sort of stumbled across the Mekong is overdrawn. SRV is portrayed as being more reluctant on Kampuchea than they probably were and as being more anxious to settle and able to settle than they probably really are.
- OER analyst doubts rebuilding the economy was really principal objective after war with us. The economy is now in a shables, with Kampuchean threat eliminated why haven't they devoted more attention to it. They do not know how to go about long range economic development.
- OSR picks up on [] last paragraph about the kind of government Hanoi would need and is skeptical that there is really sufficient common ground for settlement. They don't see how China could abide government in sympathy with Hanoi.
- OPA says it stronger, although they would no doubt prefer to establish a viable puppet regime which could gain international acceptance and support -- as the regime in Laos has done -- they will keep military forces in Kampuchea as long as necessary to insure their control.
- OPA also notes even during the Vietnamese Foreign Minister's recent trip to Malaysia and in preparations for his upcoming discussions in Bangkok, the Vietnamese have shown no real signs of interest in a political compromise in Kampuchea. They may make some gestures to draw out the ASEAN states and weaken their unity -- token troop withdrawals or consideration of another Khmer leader as a figurehead for the regime -- but Hanoi still clearly considers the Kampuchean situation to be "irreversible." In the near future, Hanoi is not apt to compromise on the central issue of its domination there.

-- There are of course several other key factors that figure prominently in a discussion of the prospects for a settlement.

- Chinese attitude
- SRV's concern at being labeled a Soviet Satellite
- ASEAN attitude.

13 May 1980

MEMORANDUM FOR: Donald P. Gregg
Office of the Assistant to the President
for National Security Affairs

Comments on "Vietnam: Past Restraint Suggests Desire for
Kampuchean Settlement"

25X1 [] 9 May 1980 article, clearly designed as a
provocative think-piece, succeeds in raising a number of
interesting concepts. His analysis wanders, however. Al-
though Hanoi did show restraint in 1977 and 1978, as he
acknowledges in his final paragraphs there is little
evidence that it will be willing to seek a political
settlement in Kampuchea. []

25X1 It is true that Kampuchean forces, rather than the
Vietnamese, provoked the border clashes during 1977 and
1978, and that the Vietnamese would have preferred in early
1979 to concentrate on economic development rather than
becoming embroiled in military operations against the
Kampuchians. They showed restraint because of their broader
priorities. That does not mean the Vietnamese had no designs
on Kampuchea, however--they simply favored economic pressures
and political subversion at that early point. With more than
50 million people, compared to an estimated 6 million Kampuchians,
and a much more powerful military apparatus, the Vietnamese
were no doubt confident of their long-term ability to dominate
Kampuchea. As Sino-Vietnamese tensions increased, however,
the Vietnamese apparently viewed the Kampuchians as Chinese
surrogates and a potentially more serious military problem. []

Pol Pot, moreover, was acutely aware of the threat. He
warned repeatedly that the Vietnamese intended to "swallow"
Kampuchea, and apparently launched the cross-border attacks
to demonstrate that Kampuchea was much tougher than the
Vietnamese assumed. []

25X1 The Vietnamese are clearly determined to maintain their
dominant position in Kampuchea. Although they would no doubt
prefer to establish a viable puppet regime which could gain
international acceptance and support--as the regime in Laos
has done--they will keep military forces in Kampuchea as long
as necessary to insure their control. The Vietnamese fear
reinstatement of a pro-Chinese regime, but even if the Chinese
had no access to Kampuchea at all, Vietnamese forces would
continue to perform "police" duties and to prop up the pro-
Vietnamese regime there. []

25X1 Even during the Vietnamese Foreign Minister's recent trip
to Malaysia and in preparations for his upcoming discussions
in Bangkok, the Vietnamese have shown no real signs of interest
in a political compromise in Kampuchea. They may make some
gestures to draw out the ASEAN states and weaken their unity--
token troop withdrawals or consideration of another Khmer
leader as a figurehead for the regime--but Hanoi still clearly
considers the Kampuchean situation to be "irreversible."
In the near future, Hanoi is not apt to compromise on the
central issue of its domination there. []

STAT

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

15 May 1980

NOTE FOR THE DIRECTOR

SUBJECT: Visit of Ambassador Woodcock

1. Ambassador Leonard Woodcock, our representative in Beijing, will be visiting the Agency beginning at 0900 on Wednesday, 21 May. I will be seeing him privately for 30 minutes, after which he will be debriefed by NFAC representatives. DDO will be meeting with him beginning at 1100 and will host a lunch in his honor.

2. If you wish to meet briefly yourself with Ambassador Woodcock, I will make the necessary arrangements with him.



STAT

cc: DDCI
DD/NFA
C/NIC

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NFAC 3691-80

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

20 May 1980

MEMORANDUM FOR: Deputy Director for National Foreign Assessment

25X1 FROM :
National Intelligence Officer for
China-East Asia Pacific

SUBJECT : NIE 11/13-80

1. Apropos of your comments at the NIO meeting on 20 May, I would appreciate any guidance you can provide on where you think the Key Judgments section of the Sino-Soviet Estimate might be expanded to reflect more fully the language of the text. At Dick Lehman's suggestion, I would propose to insert appropriate phraseology from the text (which has already been agreed upon by the representatives) to insert in the Key Judgments. In this way a further meeting of the representatives might be avoided.

2. If this procedure is not feasible, it will probably be necessary to convene another meeting of representatives to review once again the Key Judgments section.



cc: C/NIC

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THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Officers

21 May 1980

NOTE FOR THE DIRECTOR

Attached are the Talking Points,
State paper and other related materials
for the PRC meeting on the Situation
in South Korea scheduled for 22 May
at 1600 hours.



THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

21 May 1980

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment
Chairman, National Intelligence Council

FROM :
National Intelligence Officer for
China-East Asia Pacific

SUBJECT : PRC Meeting on the Situation in South Korea

1. Action Requested: Review talking points and related materials covering matters to be discussed at the PRC meeting scheduled for 22 May at 1600 hours.

2. Background: The meeting, which will be chaired by State, has been convened to discuss:

- What are realistic objectives for us to pursue in relation to the current ROK political situation?
- How can we best use our leverage?

General Jones will brief on the military situation and the North Korean threat, and you are scheduled to brief on current developments in South Korea. As you know, the serious confrontation between the South Korean military leadership and student demonstrations which we anticipated in our Alert Memorandum of 9 May (Tab D) has in fact taken place, and has led to the arrest by the military authorities of student leaders and prominent politicians who allegedly supported them, the imposition of complete martial law, the closure of the National Assembly, the mass resignation of all opposition National Assemblymen, and the

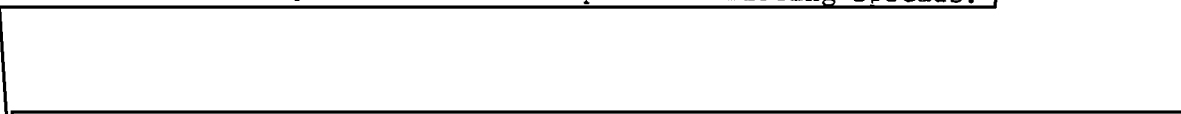
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REVIEW ON MAY 86
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resignation of the Cabinet to leave President Choi as the only civilian official presently functioning in the South Korean government. The southern cities of Kwangju -- Kim Dae Chung's home area -- has suffered a massive insurrection that has been raging out of control for over three days. The military crackdown has at the minimum suspended indefinitely the process of political liberalization which had been under way following the assassination of President Park last October. A major breakdown of governmental and military control over the country could also take place if rioting spreads.

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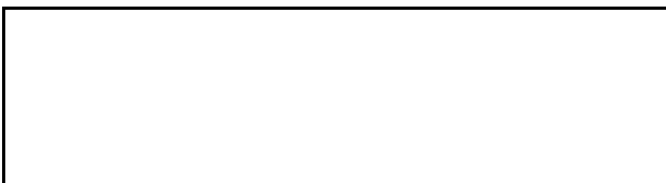
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11. Your briefing book is arranged as follows:

- Tab A -- Your Talking Points
- Tab B -- State Paper on Policy Review in Korea
- Tab C -- Current Sitreps
- Tab D -- Our Alert Memorandum of 9 May
- Tab E -- South Korea: Chronology
- Tab F -- Intelligence Memorandum on South Korean Students: The Potential for Unrest
- Tab G -- Intelligence Memorandum on Political Reconstruction in South Korea: A Difficult Road
- Tab H -- SNIE on North Korean Reactions to Instability in the South



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5

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

John talked to DCI about this. He will advise w/ secdef + ch/SCS as opportunity appears -

National Intelligence Officers

23 May 1980

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment
Chairman, National Intelligence Council

FROM :
National Intelligence Officer for
China-East Asia Pacific

SUBJECT : Korean Situation Reporting by General Wickham
in Defense Channels

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1. You will recall that at the 22 May PRC meeting, SECDEF and General Jones made frequent references to messages that had been received from General Wickham in Korea. These messages are not being made available to CIA and we are therefore deprived of a significant source of information and considered judgment regarding developments in South Korea.

2. I believe it would be helpful in this situation that you talk with Secretary Brown, General Jones or General Tighe and ask them to release messages from General Wickham to us. We would of course keep them closely held.



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13
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TOP SECRET

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

23 May 1980

MEMORANDUM FOR: Director of Central Intelligence
 Deputy Director for Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment
 National Intelligence Officer for Warning

FROM :
 National Intelligence Officer for
 China-East Asia Pacific

SUBJECT : Warning Assessment: China-East Asia Pacific

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The following items were discussed by the Community Representatives at the 19 May Warning meeting.

China

1. Analysts discussed the apparent contradictions between the recent speech of Hua Guofeng which contained criticism of material incentives, and a Peoples Daily article the following day defending such incentives in strongest terms. While Hua's speech could have represented a serious division among the leadership, most analysts considered it to be more of a personal position of Hua himself, who seems to be fighting a losing battle to stay in power. Deng Xiaoping's reported decision to step down in August probably meant that he would be taking Hua with him, too, and Hua is "going out with a whimper." The question of incentives would be addressed at the forthcoming NPC session according to Vice Premier Zhao Ziyang, but there was no reason to believe that present policy lines would be reversed even though there were clearly those at lower levels who opposed material rewards for production increases.

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2. On Chinese foreign policy, analysts believe that the Chinese are presently quite concerned over their relations with the ASEAN countries, particularly the tendency among some of these countries -- Indonesia and Malaysia -- to seek out a negotiated settlement of the Kampuchean situation. This may be why Deng Xiaoping spoke of accepting a phased Vietnam withdrawal from Kampuchea to a German reporter. There was no question but that China is now in a more difficult situation than it was a year ago with respect to Vietnam and Kampuchea (see below). [redacted]

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Indochina

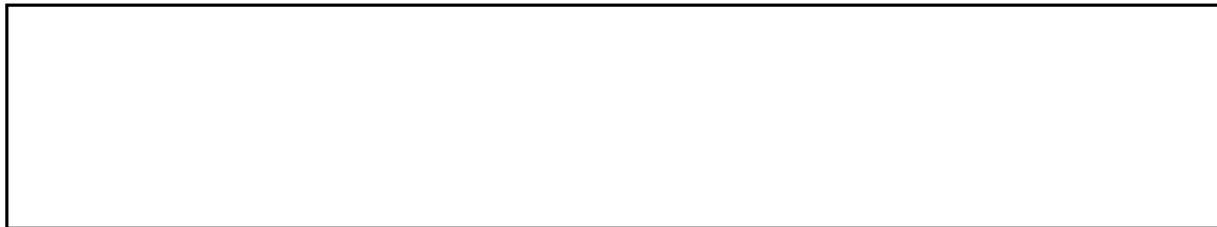
3. Analysts did not believe that Vietnam intended to make any serious concessions with respect to Thai and the other ASEAN countries on troop withdrawal from Vietnam -- the reported VN willingness to withdraw some troops was regarded as a token gesture and possibly could be related to the practice that Hanoi followed in last year's rainy season in withdrawing some units back to Vietnam for refitting. Vietnam Foreign Minister Thach's visit to Kuala Lumpur showed no real flexibility despite some reference to some troop withdrawals under "certain conditions." However, the Vietnamese apparently perceived the existence of differences among the ASEAN nations on negotiations and were trying to exploit these differences. [redacted]

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4. The purge of the Lao Dong party currently conducted by the Vietnamese was not regarded as being particularly serious; the Vietnamese were evidently attempting to weed out cadres who were "good at war but no good at managing the economy." The corrupt and inefficient were also targeted for elimination. Nevertheless, the purge (which had begun in January) could pick up steam later this year as high-ranking party members became involved. It was noted that party members of Chinese ethnic background were being removed as well. [redacted]

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6. Within Kampuchea, analysts commented that the DK forces under Pol Pot had evidently developed plans for military operations during the rainy season, but no real action had yet occurred. However, the rainy season had not yet fully arrived. The DK forces were evidently drawing food supply from UN stocks at the Thai border. Arms and equipment from Chinese sources appeared adequate. [redacted]

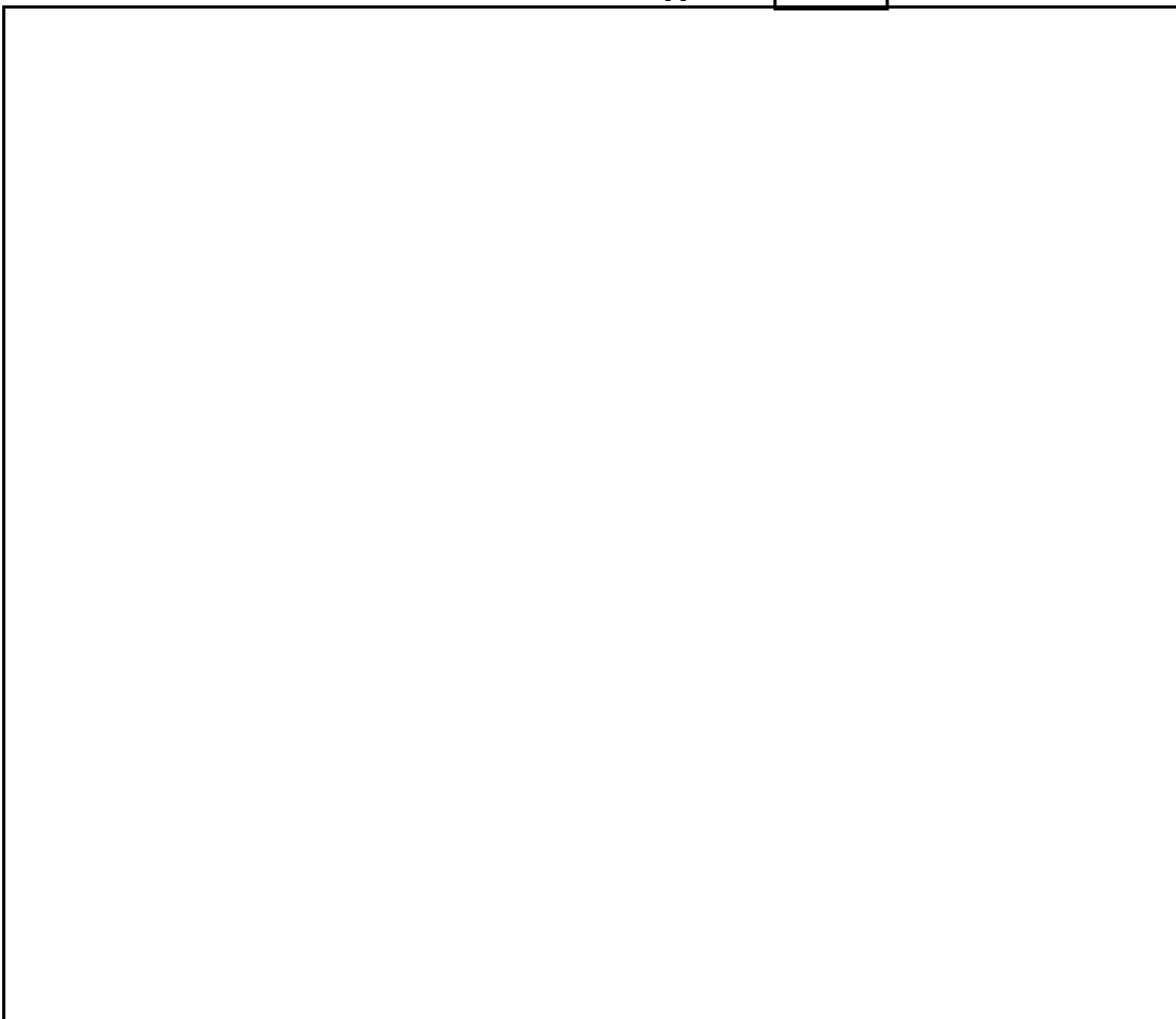
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7. Analysts observed that the Vietnamese were trying hard to provide a facade of a Kampuchean governmental structure under Heng Samrin, but were still not having much success. Village committees had been set up in some areas of Kampuchea but lacked real authority and the only local governmental operations which functioned required active Vietnamese support.

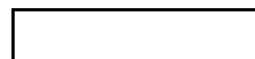
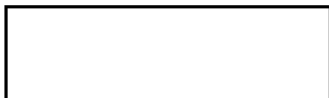
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South Korea

11. Analysts were not surprised by the declaration of martial law in South Korea given the failure of the government's restrained approach to student demonstrations. One analyst characterized General Chun Doo Hwan as having a seige mentality which made his strong reaction to the student's ultimatum and 22 May deadline predictable. It was generally agreed that Chun enjoyed strong support within the

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military for tougher action against the demonstrators and the establishment of martial law. Indeed, a Defense Security Command Survey of senior military officers, which has come to light since our meeting, appears to back up that judgment. There is probably a good deal less support among military officers for Chun's capitalizing on martial law to neutralize -- in some cases wipe out -- his political opposition. [redacted]

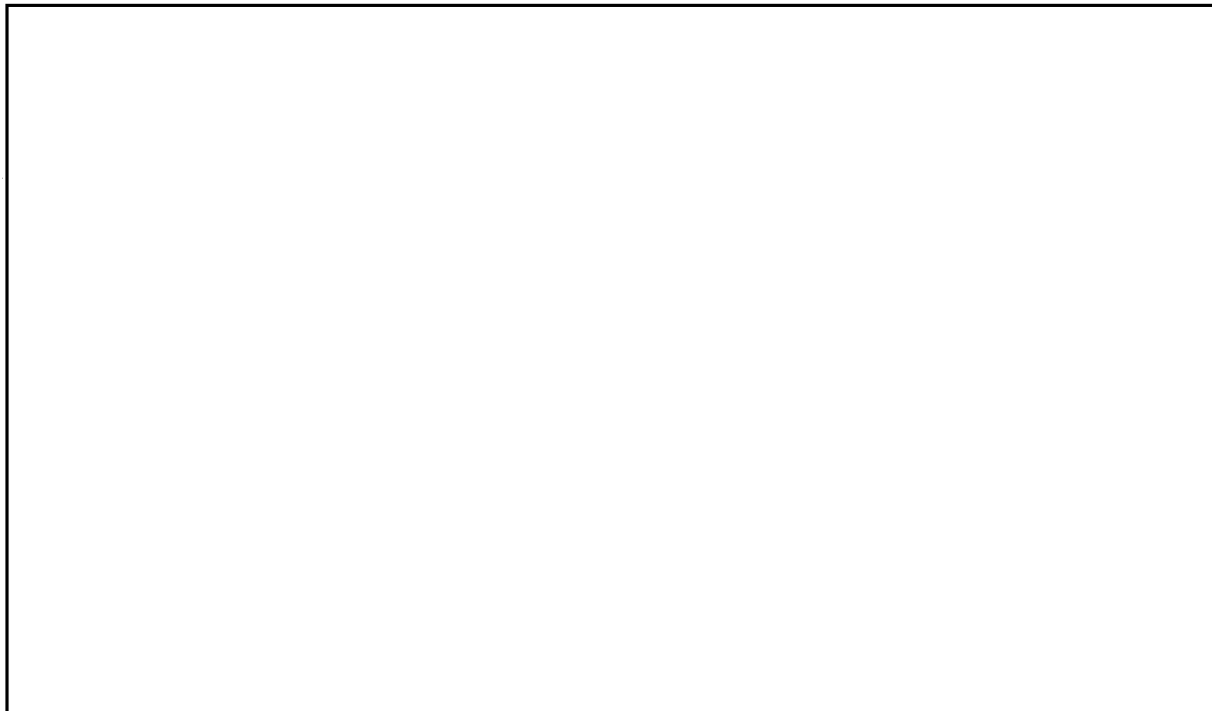
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North Korea

12. North Korean I&W anomalies were noted, but they were thought not to be significant, even in combination in suggesting the North was preparing for an attack. [redacted]

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[redacted]

23 May 1980

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REQUEST TO SPEAK, PRESENT A PAPER, OR PARTICIPATE IN A PUBLIC MEETING

1. Title of Presentation & Nature of Meeting:

Board Meeting of National Council for US-China Trade
Recent political and economic developments in China

2. Name of Institution/Title of Meeting:

NCUST

3. Location:

Metropolitan Club, Washington, D. C.

4. Time:

7:30 p.m., 3 June 1980

5. Name and Position of NIC Requester:

[Redacted]

6. Identified as CIA? YES Agency-sponsored? NO

7. Dollar Cost to NIC (approx):

None

8. ~~Classified~~/Unclassified (Delete one; if classified, indicate level.)

9. Other Pertinent Information:

I addressed this group under similar circumstances last year.

25X1
APPROVE:

[Redacted Signature]

(Chairman, National Intelligence Council)

27 May 80
(Date)

25X1
CONCUR:

[Redacted Signature]

(Coordinator for Academic Relations)

28 May 80
(Date)

25X1
CONCUR:

[Redacted Signature]

(Director of Security)

30 May 80
(Date)

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

REQUEST TO SPEAK IN A PUBLIC MEETING

FROM: NIO/CH-EAP	EXTENSION	NO.
	<input type="checkbox"/>	DATE 27 May 1980

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1.	C/NIC	DATE		OFFICER'S INITIALS	COMMENTS
		RECEIVED	FORWARDED		
2.					
3.	NIC Admin Officer			H	
4.					
5.	CAR Room 7G25	5/28	5/28	RC	
6.					
7.	D/OS/EAB Room 4E33 HQS				
8.					
9.	NIO/CH-EAP				
10.					
11.					
12.					
13.					
14.					
15.					

29 MAY 1980

15

28 May 1980

Korea, the US, and Western Europe/Japan

- I. Recent events in ROK -- student riots, martial law, Kwangju bloodshed, trend away from political liberation and toward a possible military dictatorship -- add yet another significant area of tension to troubled world scene. US unavoidably drawn in due to our military presence in ROK, 35-year history of close relationship with successive ROK governments, commitment to defense against North Korean attack.
- II. Western (including Japanese) concern and relationship derives from several considerations
- Security, i.e., possibility of hostilities if NK attempts to exploit current disarray in the South by launching a military attack. (Due to proximity, Japan particularly concerned, and Ohira expressed such fears to visiting PRC Premier Hua Guofeng on first day of Hua's visit. Hua said NK would not attack.)
 - Related issue is that EC and Japan have very large investments in ROK, which they stand to lose outright if the North attacks. We also have a very heavy economic stake. Break-down is as follows:

South Korea: Foreign Capital Inflows by Country
(Mil US \$)

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>Cumulative 1959 thru latest year</u>
Commercial Loans					
Total	842	1260	1930	NA	7745
US	231	260	310	NA	2123
Japan	51	348	585	NA	1758
EC	343	407	607	NA	2320
Public Loans					
Total	711	608	818	NA	4763
US	191	126	176	NA	1451
Japan	55	76	98	NA	818
EC	65	47	70	NA	396
Equity Investment					
Total	85	103	101	126	999
US	28	12	15	29	191
Japan	49	53	45	55	586
Other	8	38	41	42	222

SECRET

- Even if NK exercises restraint, continued political unrest in ROK deriving from resistance by student groups, intellectuals, the Church, etc. to martial law, moves by General Chun Tu Hwan to establish military dictatorship and one-man rule, could undercut ROK's "economic miracle" and discourage further foreign loans, investments.
 - ROK already facing serious economic difficulties prior to present crisis: GNP growth only 3-4% p.a. (vice 1971-79 average of 9.9%); inflation running at 25%. Wage increases granted as result of wave of strikes last April could push inflation to 30%.
 - As a result, foreign banking consortia are now seriously considering holding back on further development loans. But absence of such loans could further exacerbate ROK economic strains and add to political tensions. (Labor groups have not joined with students in present situation, but might if economic conditions worsen.)
- III. Western Europe and Japan will inevitably look to US to assist in maintaining ROK's political stability and economic progress.
- Most importantly, our military responses to the potential NK threat will be carefully scrutinized as to adequacy.
 - We will be expected to apply leverage on General Chun and his military colleagues to exercise moderation; restore unity, and not stand in way of political liberalization.
 - We will also be expected to do what we can to safeguard the economic stake which WE and Japan have in ROK.
 - Our own bankers will also be watching us closely for signs that we are playing a positive role with respect to ROK economic developments. If we falter, they will cut back.
 - Our problem is, however, that given our defense commitment to the ROK our leverage over General Chun and his colleagues is not great. Our friends and allies may not understand this.

SECRET

THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Officers

30 May 1980

NOTE FOR THE DIRECTOR

FROM:
NIO for East Asia

Attached is the summary of events from
the 22 May PRC meeting on the situation in
South Korea.

cc: DDCI
DD/NFA
C/NIC
C/DDO/EA

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NFAC 3858-80

THE DIRECTOR OF
CENTRAL INTELLIGENCE

National Intelligence Officers

28 May 1980

NOTE FOR DISTRIBUTION

SUBJECT: FOCUS Philippines

Attached is the draft of the FOCUS
Philippines. Please contact [redacted]
[redacted] by COB 6 June with your comments
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