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SECURITY INFORMATION

*No instantive objection
Is necessary
This is a slant on
covered in #12, p 37
MAR 6 1952
35*

SUGGESTED OIR REVISIONS OF PARAGRAPHS 18, 19, and 20 OF N.I.E. 35/1

18. 1. The importance of Indochina to the Communist Bloc.

(1) Potential Importance. The potential importance of Indochina to the Communist bloc and particularly to Communist China is based upon the fact that in Communist hands Indochina would become (a) a possible strategic stepping stone to further Communist conquests in Southeast Asia; (b) a major prestige factor for the Kremlin -- the conquest of Indochina by the Communists would seriously weaken the determination of Thailand, Burma, and other areas to resist Communist aggression; (c) an important "buffer" area, preventing the "encirclement" of Communist China by non-Communist states and safeguarding other possible Communist conquests in Southeast Asia; and (d) an important economic area, providing the Communist bloc with a rice surplus, rubber, coal and other economic advantages.

(2) Present Importance. Within the time-context of this estimate the Communist leadership will probably primarily consider not the long-range importance of Indochina, but the present importance of the areas now under DRV control, and in particular the fact that (a) the existence of the DRV armed forces has compelled France to maintain a considerable military investment in Indochina, seriously reducing French capabilities for contributions to NATO; (b) the DRV as the only Communist regime in Southeast Asia recognized by the Communist satellite states, represents a considerable prestige investment

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in Asia which has so far prevented the Associated States from assuming full international status in the eyes of many "neutralists" or pro-Communists; (c) the DRV, while not constituting a firm "buffer" for south China, has helped to prevent the establishment of stable non-Communist forces on China's border.

(3) Importance in case of World War. In the event of a general Far Eastern or world war, Indochina might be of less relative importance to the Communist bloc than at present, unless a determined drive into Southeast Asia is dictated by the Soviet need for raw materials. If it should become necessary for the Communists to retrench their power in the Far East during the conduct of a general war, Southeast Asia would probably be surrendered ahead of other areas, not only because of its remote location from the center of Communist military and economic strength, but also because of the fact that not only Southeast Asia but also the southern part of China is of comparatively little military and economic importance to the Soviet bloc.

19. We believe that although the Chinese Communists continue to have the capability for an invasion of Indochina, such an invasion is not likely within the time period of this estimate. Under present conditions the following factors appear to mitigate against such an invasion:

- a. Current Communist strategy is bringing considerable success in Indochina, may weaken the determination and ability of the French and the Vietnamese to continue resistance,

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and may provide the Communists with a potential tool for exacerbating differences among the western powers.

- b. Recent moves have probably made world Communist leadership aware that the West, and in particular the US, may react vigorously should Communist China invade Indochina. This fear of retaliation is probably somewhat offset by Communist recognition of divided opinions in the West as to the merits and timing of such retaliation. On balance, however, fear of drastic retaliatory action against the mainland of China is probably sufficient to be a paramount factor dissuading the Chinese Communists from intervening in force in Indochina.

20. However, a Chinese invasion of Indochina could take place, if the Communist leadership should decide that a ~~possible~~ shift in western policies ^{had} ^d ~~may~~ create a serious threat to China that could not be countered through present Communist strategy. The Communists may desire to counter an anticipated blow by the west or by the KMT by an attack in Southeast Asia. A Communist belief that the west intends to attack China regardless of Chinese policies in Southeast Asia, would destroy the deterrent effect of the estimated Communist belief that the US may react to an invasion of Indochina with a possible counterattack against the Chinese mainland.

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