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THE DIRECTOR OF CENTRAL INTELLIGENCE

NIO No. 1609-75

Office of the Director

10 July 1975

MEMORANDUM FOR: Brigadier General J. M. Thompson, USA
Director for Estimates
Defense Intelligence Agency

SUBJECT: Suggestions for a Paper on the PRC

REFERENCE:



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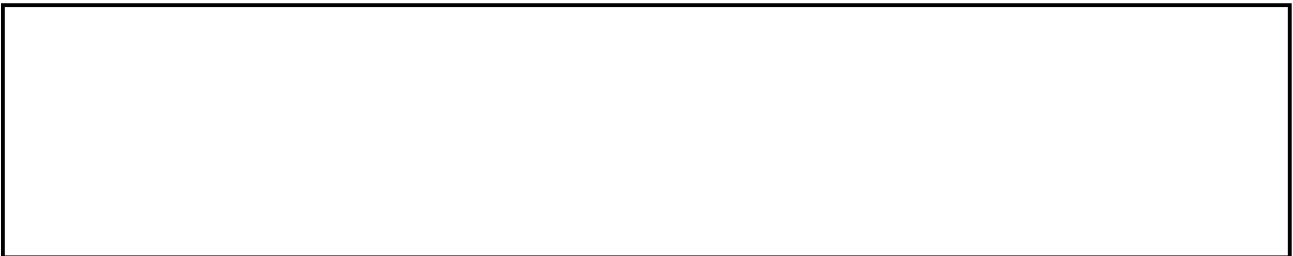
1. On 9 July I had a productive exchange with



on

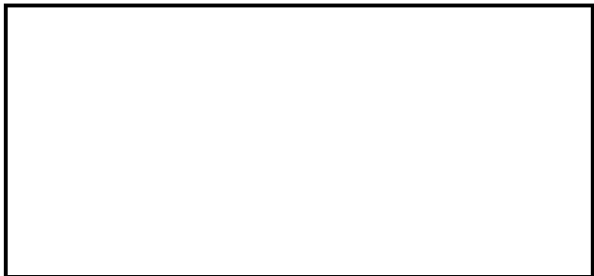
the need for estimates on PRC intentions in 1976. We came to the conclusion that a relevant and significant paper could be written now, prior to the President's trip to China, on "PRC Military Options in 1976 in the Taiwan area and in the South China Sea."

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3. We would introduce the paper with an explanation that the Chinese, in the persons of Vice Premier TENG Hsiao ping and Foreign Minister CHIAO Kuan hua, had recently and publicly stated that China would not renounce the use of



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in solving the Taiwan problem. In January 1974 the Chinese pulled off a successful and limited military operation in the Paracels [redacted] Chinese conventional forces are currently well-equipped and well-motivated and have recently conducted maneuvers designed to deal with secondary military powers such as they would encounter in these areas. Even should the Chinese renounce the use of force with regard to Taiwan itself, these military options still would be open to them.

4. We would also recognize the constraints on China, especially the presence of the USSR, China's need for stability and its accommodations reached with the U.S. On the other side of the coin, China faces rising Vietnamese ambitions in contested areas and the prospect of nuclear weapons on Taiwan.

5. I have discussed this with the NSC which agrees that a paper of this kind would be an important contribution. My suggestion is that DE undertake to prepare the basic paper setting a deadline of 10 September 1975 for the finished product. I would appreciate your views.

James R. Lilley
James R. Lilley
National Intelligence Officer
for China

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