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TELEGRAM NUMBER 786 OF 10 SEPT 79

INFO CANBERRA, HONG KONG, VIENTIANÉ, BANGKOK, WASHINGTON,
TOKYO, MOSCOW, UKMIS NEW YORK, UKDEL NATO.
INFO SAVING TO HANOI

Remie Municipality

SINO - VIETNAMESE RELATIONS

And

- 1. IN A LONG TALK WITH MR HEATH ON 7 SEPTEMBER, FOREIGN MINISTER HUANG HUA MADE THE FOLLOWING MAIN POINTS ON VIETNAM.
- 2. HE COULD CONFIDE TO MR HEATH AS AN OLD FRIEND THAT CHINA FOUGHT THE RECENT 'MINOR WAR' NOT OUT OF A NARROW VIEW OF HER OWN INTERESTS OR BORDER SECURITY BUT BECAUSE OF THE OVERALL STRATEGIC SITUATION, PARTICULARLY IN THE ASIAN PACIFIC REGION.
- VIETNAM, DRAINING HER STRENGTH AND THEREBY SUITING THE RUSSIANS, HE SAID HE THOUGHT THE DISPUTE WOULD CONTINUE FOR A LONG TIME TO COME. HE EXPECTED NO RESULT FROM THE SINO-VIETNAMESE TALKS IN THE FORESEEABLE FUTURE. UNLESS VIETNAM GAVE UP "REGIONAL HEGEMONY" CHINA WOULD NOT SIGN AN AGREEMENT ON BORDER DISENGAGEMENT. TO DO SO WOULD GIVE THE VIETNAMESE AND RUSSIANS A FREE HAND TO PURSUE THEIR DESIGNS IN SOUTH EAST ASIA.
- 4. THERE WAS THEREFORE NEED FOR HIGH SUSTAINED PRESSURE, POLITICAL, ECONOMIC AND MILITARY ON VIETNAM. SUPPLIES TO THE CAMBODIAN RESISTANCE WERE CURRENTLY VERY DIFFICULT BUT NOT IMPOSSIBLE, IF GUERRILLA WAR COULD BE SUSTAINED FOR 3 TO 5 YEARS IT WOULD PRODUCE CHANGES IN THE VIETNAMESE INTERNAL SCENE. HE WAS REMINDING ASEAN COUNTRIES THAT SUPPORT FOR THE DEMOCRATIC CAMBODIAN FORCES WAS SUPPORT FOR THEIR OWN SECURITY. DURING HIS RECENT VISIT MR MONDALE HAD ASSURED THE CHINESE THAT THE UNITED STATES HAD NO INTENTION TO ENGAGE IN ACTIVITIES WITH JAPAN FOR A POLITICAL SOLUTION IN CAMBODIA BEHIND CHINA'S BACK. THOUGH THE AMERICANS LEANED TOWARDS THE IDEA OF A POLITICAL SOLUTION, THEY AGREED THE TIME WAS NOT YET RIPE. MONDALE HAD ALSO SAID THAT THE UNITED STATES WOULD NOT NEGOTIATE WITH VIETNAM FOR US DIPLOMATIC RELATIONS AND WOULD TRY TO PERSUADE OTHER COUNTRIES TO STOP ECONOMIC AID TO VIETNAM. CONFIDENTIAL / 5. CHINA

- 5. CHINA DID NOT ENTIRELY OPPOSE A POLITICAL SOLUTION IN CAMBODIA BUT AT PRESENT THE IDEA WAS NOT REALISTIC. SIHANOUK WANTED TO NEGOTIATE AND STRIKE A COMPROMISE WITH VIETNAM IN PURSUIT OF AT LEAST A PHASED WITHDRAWAL OF VIETNAMESE TROOPS. THIS WOULD BE AN UNACCEPTABLE GAMBLE. SIHANOUK WAS AN OLD FRIEND AND PATRIOT AND DESPITE DIVERGENCES, THE CHINESE RESPECTED HIM AND FAVOURED HIS NATIONAL SALVATION FRONT TO OPPOSE VIETNAMESE OCCUPATION. BUT THE IDEA OF A PROVISIONAL GOVERNMENT AND NEGOTIATIONS WITH VIETNAM WAS A DIFFERENT MATTER. SIHANOUK HAD NO REAL FORCES AT HOME AND IF AN ELECTION WERE HELD AS HE SUGGESTED UNDER U.N. AUSPICES, THE RESULT WOULD BE VIETNAMESE CONTROL.
- 6. CHINA HAD RESERVED THE RIGHT TO REPEAT THE MILITARY LESSON.

 OF FEBRUARY AGAINST VIETNAM. SHE ALWAYS HAD IN MIND POSSIBLE SOVIET ACTION IN THE NORTH IN SUCH AN EVENT AND WOULD ALWAYS ACT PRUDENTLY. BUT THE RUSSIANS WOULD BE FACED WITH A PROBLEM. IF THEY CHOSE MINOR BORDER CONFLICTS THE CHINESE COULD HANDLE THEM. EVEN A MEDIUM-SIZE INTERVENTION, INVOLVING, SAY 2 ARMY CORPS, WOULD NOT BRING RESULTS. A MASSIVE ACTION WOULD INVOLVE A SWITCH IN SOVIET STRATEGIC DEPLOYMENT FROM EUROPE TO THE FAR EAST. THE RUSSIANS WOULD NEED 1 2 MILLION MEN TO COPE WITH CHINA.
- 7. ON REFUGEES, HUANG HUA ADMITTED PROBLEMS IN SETTLING THE 250,000 WHO HAD ALREADY CROSSED THE LAND BORDER INTO CHINA. BUT THE CHINESE WERE PREPARED TO RECEIVE A MAXIMUM OF 10,000 MORE PRESENTLY IN THAI CAMPS INTO CHINA.
- 8. RECORD FOLLOWS BY BAG.
- 9. BANGKOK PLEASE PASS SAVING TO HANO! CRADOCK

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