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23 February 1966

Mr. Raymond E. Idale
Director
Office of Eastern European Affairs
Bureau of European Affairs
Department of State

CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED

Dear Ray:

In accord with the interests expressed by you during our discussion on 11 January, I asked our people to look into the question of Soviet Bloc aid policies toward the DRV. The results of their research and analysis are incorporated in the attached report, Soviet Bloc Aid to the DRV: Evidence of Tokemia and Dissension.

Although data were too few and scattered to permit a definitive, country-by-country assessment, the evidence was nonetheless sufficient to permit a number of general conclusions to be drawn regarding the policies of the Bloc as a whole, with supporting examples from individual Bloc countries.

Sincerely,

Director
Research and Reports

Attachment:
As stated
cc: Mr. Malcolm Toon, SOV/EUR/State
(S-1325)

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GROUP 1
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downgrading and
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SOVIET BLOC AID TO THE DRV:
EVIDENCE OF TOKENISM AND DISSENSION

23 FEB 1966

I. The Size and Character of Soviet Bloc Aid

In 1965 Soviet Bloc* military and economic assistance to the DRV increased sharply, and is believed to have totalled somewhere in the range of \$200-300 million, by far the larger part of which -- probably 80-90 percent -- was supplied by the USSR. Military assistance, in particular, rose from a previously low annual level to an estimated last year. New economic aid extended in 1965, after a two-year lull, amounted to perhaps \$100 million.

More than four-fifths of Soviet military aid deliveries in 1965, by estimated value, consisted of air defense equipment, operational surface-to-air missiles sites, anti-aircraft artillery, and radar equipment. Other major assistance included at least 40-odd military jet aircraft delivered by the USSR and several thousand trucks supplied by the Soviet Bloc, largely by the USSR. The chief contribution of the East European Communist countries in 1965 was an increased supply of medicines and medical equipment, estimated to have been on the order of a couple of million dollars. Last year these countries also provided the DRV with a few million dollars in small arms and ammunition.

* The term "Soviet Bloc" is used here for convenience rather than for descriptive precision to lump together the USSR and the following East European Communist countries: Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Rumania.

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New extensions of economic aid grew rapidly in 1965, although the total is believed to have been well below that extended in several of the years prior to 1962. Relatively little is known about the composition of last year's aid. The evidence available, however, suggests that it may have consisted in large part of materials and equipment made necessary by the war, such as those needed to restore and maintain transport, power, and major industrial capacity. In addition it is believed that more than a thousand Soviet Bloc technical personnel, probably four-fifths of whom were from the USSR, were assigned to duty in the DRV during the year. Moreover three countries -- the USSR, Hungary, and Rumania -- formally agreed to defer repayment on certain debts owed them by the DRV.

Assistance to North Vietnam in 1965, unlike that in any previous year, included commitments by every country in the Soviet Bloc. This broader participation of the Bloc in assisting the DRV reflects the growing pressure on these countries to give tangible proof of their support for North Vietnam's military effort against the United States. Although the Bloc countries substantially raised the level of their commitment to the DRV last year, the total value of their assistance was nonetheless small in terms of their individual and joint aid capability. In 1965, for example, the Soviet Union supplied the less developed countries of the Free World with more than twice as much military equipment (by estimated value) as it supplied to the DRV in

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the same year. Similarly Soviet economic aid extended to the Free World in 1965 was about twice that which the USSR is believed to have extended to North Vietnam. The East European countries, which extended only token quantities of economic aid to the DRV in 1965, extended some \$500 million in such aid to the Free World's developing countries during the same period.

2. Tokenism and Dissension

Since mid-1965 officials of the DRV have made a number of statements that could be interpreted as suggesting that Hanoi may have wanted more support than it was getting from the Soviet Bloc. Moreover some of the Soviet Bloc's leaders have appeared to be at pains to justify the extent of their assistance to North Vietnam.

DRV officials have, on almost every occasion, expressed appreciation for the aid received. After the conclusion of talks with the Russians in December, for example, the DRV delegation "warmly thanked" them for "this valuable and effective assistance to the development of the economy and consolidation of the national defense potential of the DRV." ^{1/} The DRV's leaders have nevertheless given what appear to be veiled hints on the inadequacy of Bloc assistance. In July, for example, the DRV ambassador to the USSR, gave a speech in Moscow in which he conveyed thanks for past aid, and expressed confidence that

^{1/} See Appendix II for other DRV statements of gratitude for Bloc aid. Sources of citations in this paragraph are FBIS, "Survey of Communist Bloc Broadcasts" (hereafter referred to as "Bloc Survey"), issues of 22 July and 14 October 1965, and FBIS Daily Report on the Far East, 4 August 1965.

the USSR "will continue to accord still more active and consistent support and aid." The DRV's CP First Secretary, LeDuan, speaking to a visiting Party delegation from Hungary last October said, "much help, including aid in arms, is needed," then added that the DRV "got very much of this" from the USSR, China, and other socialist countries. In Ho Chi Minh's 24 January open letter to all Communist countries, he stated that, given the intensified US aggression, he firmly believed that these countries would "extend increased support and assistance to the just struggle" of the DRV.

A number of East European leaders have attempted to justify the low level of their material aid to North Vietnam by relating it to their countries' limited economic capabilities. Last summer President Dobi of Hungary asserted in several speeches that his country was providing the DRV with "every moral, political, and material support", "within our modest capabilities." An identical line was taken by the Bulgarian Party First Secretary, Zhivkov. 2/

Both Soviet and East European officials have called attention to the difficulties involved in organizing, coordinating, and supplying foreign aid to North Vietnam. Although much of this comment is thinly-disguised criticism of Chinese "obstructionism", discussed below, at least part of it appears to be unrelated to the polemic with China.

2/ More extensive source references for this section appear in the Appendix-I.

For example the head of a high-level Hungarian party delegation said, upon returning from the DRV, that the group had sought ways to make Hungary's assistance "more organized and more effective", and that this could be done in the future "with the more precise knowledge of the requirements of the Vietnamese comrades." Soviet officials, too, have hinted at the enormity of the logistics problem involved in aiding the DRV. A further difficulty, perhaps more invented than real, was suggested by East Germany's Gerhart Eisler, who was asked why the GDR had not assigned skilled technical personnel to assist North Vietnam's industry. Eisler answered that East Germany was sending people to the DRV who could be useful, and noted that "there is no point in our sending people who probably would not be able to work successfully under the climatic conditions there."

In the spring of 1965 there were indications of a sharp Sino-Soviet dissension concerning the flow of Soviet aid through China to the DRV. In July a Soviet official visiting Outer Mongolia accused "countries with common borders" of hindering the flow "even of military equipment" to North Vietnam. ^{3/} These charges were made more explicit in November, when Pravda contained the assertion that Bloc aid "would have been more effective if the CCP leadership had not given up unity of action." A Polish military spokesman in December accused the Chinese

^{3/} For a discussion of the Sino-Soviet open polemic over Chinese obstruction of aid deliveries, see FBIS Bloc Survey, of 20 January 1966, C. and FBIS Special Supplement on Vietnam, 6 January 1966, C., from which information for this paragraph was taken.

of "torpedoing all the attempts of the socialist camp to coordinate aid to the DRV."

Intelligence information supports the Soviet Bloc charges that China hampers deliveries of Soviet supplies to the DRV. Both China and the DRV, however, denied that Bloc deliveries had been obstructed; indeed, Pham Van Dong took the occasion of Shelepin's visit to Hanoi to state that the "aid of the USSR and other socialist nations has been transported to the DRV according to plan."

In late December the Chinese again publicly assailed the objectives of Soviet aid, and disparaged its quality and size. The Russians were said to be aiding the DRV in order to gain the leverage necessary "to strike a political deal with the United States"; but the aid supplied "has consisted in large part of obsolete equipment discarded by the Soviet armed forces, or damaged weapons cleaned out from the warehouse." The Chinese further asserted that the Soviet goods they have transported to Vietnam were far from commensurate with Soviet strength, and should be "a hundred times greater." ^{4/}

^{4/} Information in this paragraph is derived from FBIS, Bloc Survey, 23 December 1965, C. and 6 January 1966, C., and from the New York Times, 16 January 1966.

The USSR's response to such charges has been to continue asserting its intention to provide North Vietnam with "all necessary assistance" and, more recently, to identify some of the assistance extended. In November, for example, -- some five months after the fact -- the USSR acknowledged its role in supplying the DRV with SAM sites. Shelepin, responding to Chinese charges that the USSR was capitulating to imperialism at every opportunity, perhaps was indirectly referring to limited aid to the DRV during a January speech in Hanoi, when he spoke of the USSR's obligations throughout the world, and noted that Soviet military strength "is a prop to all progressive forces in the world." He also referred indirectly to the internal needs of the Soviet economy, pointing out that the further economic growth of the USSR "meets the essential interests of all revolutionary forces." 5/

East European officials generally have not made extravagant claims regarding the scale of their material aid to the DRV; indeed, East European propaganda has tended to avoid giving information on concrete state-to-state aid commitments, and instead has stressed the moral and allegedly popular support given to the North Vietnamese people in their struggle.

Some of the factors that may be responsible for the Soviet Bloc's failure to commit more resources to the DRV are discussed below.

5/ Reported in FBIS, Trends and Highlights of Communist Bloc Broadcasts, 12 January 1966, C.

3. Rationale for a Limited Commitment

Although no Communist official has yet admitted publicly that the war in Vietnam is anything other than a vital cause for every member of the Communist camp, the evidence discussed above suggests that, in fact, the Bloc so far has made only a limited commitment of resources in support of the North Vietnamese. The level of the commitment seems to reflect a general Soviet Bloc policy of restraint vis-a-vis the war in Vietnam -- a restraint based on several related fears on the part of the Russian and East European leaders.

There appears to be first of all a general reluctance to involve their countries more deeply in a distant and unpopular war from which they stand to gain nothing. Such a realistic appraisal cannot, however, be publicly voiced, because each Bloc country must maintain the pretense of solidarity with the DRV.

pointed up the dilemma facing all of the Soviet Bloc's leaders: they know that the United States "is not wrong in every respect", but they "cannot be objective in judging the Vietnamese situation", because they then are "vehemently attacked by Communist China." 6/ An indirect hint that aid to the DRV has less than the full support of Hungary's people was given in a speech by Jenos Fock, who said, "Everyone is mistaken who assumes that in the question of

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10 December 1965, f

assistance, the Hungarian working people are in disagreement with the government."

Closely linked to this reluctance to become further involved in supporting North Vietnam is the concern of Soviet Bloc regimes over their own countries' generally unimpressive economic growth. In spite of the cries of Bloc leaders, however, that their aid resources are being stretched, the token assistance so far provided the DRV seems hardly enough to cause any noticeable disruption in the economic life of the Bloc. A more legitimate concern is the future claim that the DRV might make on Bloc resources, particularly in the event of a rapid escalation of the war.

The Soviet and East European regimes have even more vital reasons to fear escalation of the conflict. For the USSR, escalation could lead to a dangerous confrontation with the United States -- a development which the Soviet leaders appear eager to avoid. ^{7/} The Bloc's leaders also are aware that escalation might lead the DRV ultimately to seek Chinese intervention, which would be almost wholly inimical to Soviet and East European policy objectives, both in the Communist camp and in the Free World.

There is also evidence that the East European regimes realize that the Vietnam issue is currently jeopardizing their chances to gain more favorable economic and other relations with the USA. Moreover should the war be intensified to a degree compelling these countries to make a

^{7/} See, for example, the Current Intelligence Digest, 18 January 1966, p. 2, f

really heavy military commitment in Vietnam, they would be jeopardizing their flourishing economic ties with US allies in Western Europe -- an area of far greater importance than the USA to Eastern Europe's major economic objectives. This may well be only a minor consideration in Eastern Europe's Vietnam policy; it is largely through improved economic relations with Western Europe, however, that Eastern Europe can hope to overcome its technological backwardness and to modernize its industrial structure. Credits, licensing arrangements, joint industrial ventures, removal of trade barriers, package trade deals -- all these significant benefits that Eastern Europe has begun to enjoy during the past several years could be quickly nullified by a serious acceleration of the war in Vietnam. 8/

The Bloc's limited commitment may also reflect in part the DRV's limited capacity to absorb material aid, particularly complex modern weaponry. Offers of certain other kinds of aid, including specific types of East European capital equipment that the North Vietnamese felt unable to install in good time, apparently have been declined by the DRV. 9/ That North Vietnam has wanted additional assistance, however, is indicated by the DRV aid-seeking missions throughout the Sino-Soviet camp in late 1965 and early 1966, within six months of the preceding series of aid agreements. From this second

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round of talks the North Vietnamese obtained additional apparently small commitments of both financial and material assistance.

(See Appendix III). It is quite possible that the results of US bombing in 1965 led to the need for additional material help.

Whatever may have prompted the second mission, it suggests that the Bloc's aid to the DRV is of a limited, ad hoc nature, and not a coordinated, long-range program. As noted earlier in this paper, the public appeals by North Vietnamese officials for additional aid, as well as the apologetic line taken by some Soviet Bloc nations concerning the volume of assistance being provided, further suggest that a gap may exist between DRV expectations and the Bloc's commitment so far. The precise nature of this gap -- if, indeed, it does exist -- is not known. It is possible that the focus of apparent DRV concern over aid lies more in the future than in the past; that North Vietnam's leaders have sought assurances that an escalation in the level of fighting will bring forth a corresponding increase in the level of Bloc assistance. There are no indications, however, that these assurances have been met.