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SHORT-TERM TRENDS IN SOUTH VIETNAM

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

on 23 August 1960. Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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SHORT-TERM TRENDS IN SOUTH VIETNAM

THE PROBLEM

To assess political and security problems and probable trends in South Vietnam over the next year or so.

CONCLUSIONS

1. Developments within South Vietnam over the past six months indicate a trend adverse to the stability and effectiveness of President Diem's government. Criticism of Diem's leadership within urban groups and government circles has been mounting. More immediately important, the Communist Viet Cong, with support and guidance from Hanoi, has markedly increased subversive operations, terrorist activities, and guerrilla warfare. (*Paras. 4-13*)

2. Although Diem's personal position and that of his government are probably not

now in danger, the marked deterioration since January of this year is disturbing. These adverse trends are not irreversible, but if they remain unchecked, they will almost certainly in time cause the collapse of Diem's regime. We do not anticipate that this will occur within the period of this estimate. However, if Diem is not able to alter present trends and the situation deteriorates substantially, it is possible during the period of this estimate that the government will lose control over much of the countryside and a political crisis will ensue. (*Para. 17*)

DISCUSSION

3. Since the beginning of 1960, there has been a general decline in the political and security situations in South Vietnam. The Communist Viet Cong¹ has stepped up terrorist ac-

tivities and guerrilla warfare. At the same time, grievances against the government, which have long been accumulating, have become increasingly urgent and articulate.

¹The Viet Cong insurgents represent the paramilitary arm of the North Vietnam Communist Party. The Viet Cong is estimated to have in South Vietnam between 3,000 and 5,000 regular armed cadres and about 3,000 irregulars organized as underground troops. Main areas of Viet Cong activity lie south and west of Saigon and along the Cambodian border. North Vietnam furnishes guidance, personnel reinforcements, and logistical support to the insurgents.

The Political Situation

4. Discontent with the Diem government has been prevalent for some time among intellectuals and elite circles and, to a lesser extent, in labor and urban business groups. Criticism by these elements focusses on Ngo family rule, especially the roles of the President's brother, Ngo Dinh Nhu, and Madame Nhu; the

pervasive influence of the Can Lao,² the semi-clandestine apparatus of the regime; Diem's virtual one-man rule; and the growing evidence of corruption in high places. In late April, 18 prominent Vietnamese publicly petitioned Diem to "liberalize the regime, expand democracy, grant minimum civil rights, (and) recognize the opposition in order to let the people speak without fear." This unprecedented public attack on Diem by a non-Communist group may embolden other urban elements to become more vocal.

5. A new and even more important element in the political situation is the growing criticism of Diem's leadership within government circles, including the official bureaucracy and military; this criticism has become more intense than at any time since 1956. Since the early part of this year, Vice President Tho, other members of the cabinet, and middle echelon officials have made known their serious concern over Diem's handling of the internal security problem and have privately criticized the power and influence exerted by Nhu and his entourage. In addition, there is considerable uneasiness concerning the operations and activities of the Can Lao organization.

6. Although most of the Vietnamese peasants are politically apathetic, they also have their grievances against the government. These include the ineptitude and arrogance of many local and provincial officials, the lack of effective protection from Viet Cong demands in many parts of the country, the harshness with which many peasants have been forced to contribute their labor to government programs, and the unsettling economic and social effects of the agroville (government-sponsored settle-

²The Can Lao organization is based on the cell and cadre system, similar to that of the Kuomintang or a Communist party. It is controlled by Diem's brothers, Nhu and Can. Can Lao members are active at virtually every level of Vietnamese political life. One-third of the cabinet members and over half of the National Assembly deputies probably belong to the Can Lao. The organization also controls the regime's mass political party, the National Revolutionary Movement. It is deeply involved in Vietnamese business affairs and has a program to recruit key officers in the Vietnamese military establishment.

ments) program. As a consequence, Diem's government is lacking in positive support among the people in the countryside.

7. The members of Diem's immediate entourage have attempted, with some success, to keep him insulated from unpleasant developments and trends. However, he has become concerned over the deteriorating internal security situation, although he still tends to discount the amount of discontent both in the countryside and among urban elements. Although he has taken some steps to meet the internal security problem, he tends to view it almost entirely in military terms. He believes that increased military activity against the Viet Cong, along with an expansion of the agroville program, will greatly improve internal security. He has been openly contemptuous of the views of oppositionists in Saigon and regards them as uninformed and dupes of the Communists. Diem also has failed to take any major steps against corruption and arbitrary conduct on the part of the Can Lao organization.

The Security Situation

8. Aggravating many of the government's problems is the active campaign of the Viet Cong to discredit Diem and weaken the government's authority through political subversion as well as paramilitary action. The Viet Cong has had some success in exploiting discontented intellectuals, sowing disaffection among the populace, and disrupting the effective administration of government. This campaign has been well organized and skillfully executed, with the result that Diem has been confronted not merely with the armed threat of guerrilla operations but with a comprehensive subversive program.

9. Between mid-1957 and the end of 1959, the Viet Cong conducted a steady but low key campaign of propaganda, subversion, and terrorism in the South Vietnamese countryside. Since January, there has been a significant increase in the number and size of Viet Cong attacks in several areas, particularly in the southwest. Civilian travel on public roads more than 15 miles outside Saigon has become hazardous. Attacking units,

estimated to number at times in the hundreds, have operated over wider areas than at any time since 1954 and have assaulted Vietnamese Army installations. Since the beginning of the rainy season in April and the launching of Vietnamese Army counteroperations, Viet Cong operations have abated somewhat but terrorist activity, such as assassination and kidnapping of provincial officials and government sympathizers, has continued at high levels.³ Support from North Vietnam appears to have increased over the past several months. In particular, senior cadres and military supplies such as communications equipment are believed to be moving south through Laos and Cambodia and by junk along the eastern coastline.

10. The upsurge in Viet Cong activity, accompanied by a stepped up propaganda campaign from Hanoi, probably reflects a recent Communist decision to increase pressures on the South Vietnamese Government. The indications of increasing dissatisfaction with the Diem government have probably encouraged the Hanoi regime, supported and guided by the Chinese Communists, to take stronger action at this time. The Chinese Communists probably regard South Vietnam as a promising area for weakening the US position in Southeast Asia at little cost or risk. From the Chinese point of view, many favorable elements are present: a sizable and effective indigenous guerrilla apparatus responsive to Communist control; a government lacking in positive support from its people; and the widely recognized political commitment the US has in South Vietnam.

11. In countering the Viet Cong challenge, Diem faces many of the same problems which confronted the French during the Indo-China War. Viet Cong guerrilla units have succeeded in exploiting their natural advantages of surprise, mobility, and initiative. In many of their areas of operations, they have ex-

³ In the first five months of 1960, 780 government officials and sympathizers were assassinated by insurgents. The total number of assassinations in 1958 was 193 and in 1959, 239. Kidnappings this year through May total 282, as compared with 236 in 1958 and 344 in 1959.

ploited the tendency of the largely passive population to accommodate to their presence and thereby avoid reprisals. In some areas of operations, however, they have obtained the active cooperation of the local population.

12. In contrast to the French strategy in the Indo-China War, however, the Vietnamese Government is attempting not only to control the populated areas and main lines of communications but also to group the peasantry into more defensible units through its agro-ville program. Special measures in organization and training have been implemented enabling the army to react more quickly and effectively against guerrilla hit-and-run tactics. The civil guard is forming "commando" units and new stress is being placed on the building of a youth corps, 10,000 strong, for patrol and reconnaissance purposes in the villages and towns.

13. The most effective government measure against the Viet Cong, however, remains the active participation of the army, with air force support. Until recently, the army's commitment to internal security operations has been limited by the deployment of major elements in defense against an overt attack from North Vietnam and by training activities in support of this mission. Some improvement in the army's effectiveness and capabilities can be expected with the increased emphasis on antiguerrilla training, improved organization, and better combat intelligence. We believe it unlikely, however, that the army will be able to do more than contain the Viet Cong threat, at least over the short run.

The Outlook

14. The Viet Cong will probably maintain its pressure on provincial officials and government installations at the present high level, and, with the end of the wet season in October, return to large-scale guerrilla actions aimed at nullifying the government's authority in the rural areas. Hanoi could step up the weight and pace of the Viet Cong activities in South Vietnam. In the absence of more effective government measures to protect the peasants and to win their positive cooperation, the prospect is for expansion of the areas of Viet

Cong control in the countryside, particularly in the southwestern provinces.

15. Dissatisfaction and discontent with the government will probably continue to rise unless the security situation improves and unless Diem can be brought to reduce the corruption and excesses of his regime. Although there have been no popular demonstrations so far, we believe that the possibilities for antiregime disturbances are increasing. The Viet Cong will attempt to capture and control major demonstrations that occur. Existing police and civil guard strength is capable of controlling small-scale disorders in major population centers, but army support would be required if rioting became widespread.

16. The position of the army in the Vietnamese political scene is not entirely clear. The regime has taken pains to insure that no one army figure could acquire such personal standing or prestige that he could range himself and the army against the government. However, there is some discontent among offi-

cers over Can Lao influence in promotions and assignments, and concern over corruption and nepotism in the army has increased. If unrest in official circles and urban elements became extreme and attempts were made to organize an antiregime opposition, the attitude of the army would become a vital political factor. But it is not clear what the army's action would be in these circumstances.

17. Although Diem's personal position and that of his government are probably not now in danger, the marked deterioration since January of this year is disturbing. These adverse trends are not irreversible, but if they remain unchecked, they will almost certainly in time cause the collapse of Diem's regime. We do not anticipate that this will occur within the period of this estimate. However, if Diem is not able to alter present trends and the situation deteriorates substantially, it is possible during the period of this estimate that the government will lose control over much of the countryside and political crisis will ensue.