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Approved For Release 2004/05/05 : CIA-RDP80R01720R000200110006-8

1 August 1968

MEMORANDUM

SUBJECT: Net Strengths of Communist Forces in South Vietnam

1. The net strengths of North Vietnamese and Viet Cong Main and Local Force units in South Vietnam, as reported by COMUSMACV, have evolved as follows since early this year:

	<u>Before Tet</u> <u>(31 Jan 68)</u>	<u>Before Second</u> <u>Offensive (31 Apr 68)</u>	<u>Current</u> <u>(21 Jul 68)</u>
NVA	51,435	72,313	79,744
VC	59,622	50,128	49,647
Total	<u>111,057</u>	<u>122,441</u>	<u>129,391</u>

2. The above represent J-2 MACV's accepted Order of Battle holdings, and do not necessarily reflect the full impact of recent infiltration. All three totals may be retroactively adjusted by MACV on the basis of new data acquired in the future.

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No. 0610/68

CENTRAL INTELLIGENCE AGENCY
1 August 1968

MEMORANDUM

SUBJECT: Vietnamese Communist Intentions as Reflected
in Captured Documents and Prisoner Interroga-
tions

Summary

Captured documents and prisoner interrogations in late May and early June suggested that the Communists at that time intended to press their "second offensive" against Saigon and other targets over an extended period. Since mid-June, however, information from these sources indicates that the Communists cut short their "second offensive" and instead embarked on a period of regrouping and refitting. These sources do not provide a clear indication as to the extent to which political considerations may have influenced the apparent change in plans. The most recently available documents, dated in early July, indicate that the Communists will renew offensive operations during August.

Notes This memorandum was produced solely by CIA. It was prepared by the Office of Current Intelligence and coordinated with the Office of National Estimates and the Director's Special Assistant for Vietnamese Affairs.

1. Recently captured documents and prisoners indicate that the enemy is preparing new attacks during the current period of reduced military activity.

2. Communist forces were advised that major new military victories were required to make the Paris talks "really meaningful" in a directive issued on 5 June by the Viet Cong regional authority for Saigon and its environs. The document's language suggested that a new general offensive was envisioned. It said, "We must commit all our might to successfully implement an all-out attack and general uprising to seize power...."

3. More explicit reference to plans for a new general offensive was contained in captured notes made in late June by a cadre of the Viet Cong 2nd Battalion south of Saigon. The May offensive was ended, the notes said, "to permit (Communist) forces to strengthen themselves and make preparations for the Third General Offensive."

4. Many documents and prisoners have provided testimony on Communist plans for new attacks against Saigon. According to a circular apparently published in late May, the Communists intended to follow up their "Second General Offensive" with new attacks against the city through June and July. During this period, forces were to be strengthened and routes prepared apparently for more widespread attacks after July.

5. COSVN's Current Affairs Committee issued a directive on 10 June to bring the war "into the heart of Saigon" and to increase military activity in nearby districts. Colonel Le Van Ngot, the deputy commander of Subregion 5, who was captured on 10 June, stated that as of the time of his capture the plan was to launch a third "phase" of the second general offensive against Saigon by late June. This was to terminate the large Communist offensive operations until after the southwest monsoon in October or November, at which time a Third General Offensive would begin.

6. Subsequent evidence, however, indicated that the Communists decided sometime in June to postpone their attacks on Saigon to late July and August. For example, captured orders dated 13 June to intensify intelligence collection on the central sections of Saigon asked that this work be completed by early August. A captured battalion executive officer has testified that his battalion had received orders on 1 June to attack Saigon between 19 July and early August. Another letter, dated 26 June, to a unit in Subregion 4 ordered preparations for a rocket attack in late July to be coordinated with other attacks throughout the region.

7. A Viet Cong fighter who defected on 26 June stated that artillery attacks planned to begin on 28 June against Saigon as well as Da Nang and Khe Sanh had been postponed, although he gave no reason.

8. A captain captured on 8 July stated that all Communist forces in his area, Subregion 3, south of Saigon, were understrength and he did not believe the next offensive would begin against Saigon until after mid-August.

9. Four separate references to 5 August as the deadline to prepare for the "third climaxing phase" were contained in notebooks captured south-east of Saigon.

10. In the Mekong Delta area, several Viet Cong defectors have described Communist efforts to build up local forces. Two ralliers claimed a "general mobilization" policy was in effect. Other ralliers said new force structures were being created out of small local force units.

11. To the north, Da Nang and other cities and towns in Quang Nam Province were scheduled for sustained attacks through the end of July, according to attack plans captured from a Communist sapper battalion.

12. These reports aside, however, documentary and prisoner-defector evidence on Communist attack

plans outside the Saigon area is limited. There has been relatively little time since mid-June for documents to be issued by the enemy, captured by allied forces, processed, and reported to Washington. Moreover, the recent period of reduced contact in much of South Vietnam has probably reduced the number of documents and prisoners captured.

13. Finally, it should be kept in mind that captured directives and indoctrination documents are more likely to instruct commanders and fighters to prepare for new action than to suspend activity. Captured documents therefore do not constitute firm and independent proof that the enemy does or does not plan to renew the offensive when preparations permit. It is possible, in fact, that incoming documents during the next few weeks will show some further slippage in the timing of enemy attack plans as the Communists attempt among other things to cope with allied counteroperations and their own military shortcomings.

14. Attached at annex are verbatim excerpts from selected pertinent documents.

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to meet requirements for the third climaxing phase." (Notebook with entries by an unidentified cadre dated from 1 January to 13 July, captured in Sub-region 4).

* * *

"Another shipment of rockets will be sent to your area very soon. These rockets should be concealed with extreme care, since they will be used in the upcoming operation. Instruct group 10 to make preparation for an attack late in July." (Letter dated 26 June from a cadre of Subregion 4).

* * *

"Based upon the military action trend in the third quarter of 1968, the formation and training of cadre is an important task and a decisive factor for the fulfillment of immediate missions. BS-4 will need a greater number of cadre because it will assume a new and higher position. In the future, its armed force will grow in size and strength...the command committee of present units should be consolidated. This reorganization must be completed by July 1969." (Notebook captured on 2 July with entries by a cadre of Subregion 4).

* * *

No. 06895/68

CENTRAL INTELLIGENCE AGENCY
1 August 1968

MEMORANDUM

SUBJECT: Recent Vietnamese Communist Political
Action in South Vietnam

Summary

The Communists in the past month or so have apparently increased the tempo of their political activity in South Vietnam, although hard information on the scope of their effort and on the degree of their success or failure is lacking. They have been giving increased domestic and international publicity to their Vietnam Alliance of National, Democratic, and Peace Forces, which first surfaced somewhat unsuccessfully during Tet and was revived later in the spring. They are developing the Alliance as a supposed haven for non-Communists opposed to the Saigon regime, but they continue to emphasize the activities and pronouncements of the National Liberation Front, suggesting that they are retaining maximum flexibility on the future roles and relationships of the two organizations.

In the countryside, the Communists have been endeavoring to create the trappings of a democratic administration in areas to which they have gained access; presumably to be merged with the shadow Party-Front administration they have long maintained in regions under their control. Again information is sketchy, but it does point to a continuing effort by the Communists to develop a situation in which the Front, the Alliance, and the rural "revolutionary administrations" can be orchestrated to assure them a strong voice in South Vietnam's political future.

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Current Intelligence and coordinated with the Office of National Estimates and the Director's Special Assistant for Vietnamese Affairs.

1. After some months of relative obscurity, the Vietnam Alliance of National, Democratic, and Peace Forces last month became the subject of renewed Communist propaganda. On 11 July, in its first major statement since mid-May, the Alliance, in the midst of "refuting" US arguments at the Paris talks, hinted at a new and larger, future political role for itself. The statement reinforced other indications that the Communists are no longer adhering to the principle that the National Liberation Front alone must represent South Vietnam in a settlement of the war.

2. The statement, broadcast on both Hanoi and Liberation radios, avows that "we are ready to talk with the US Government...and to contact and talk with the National Liberation Front...to end the war soon, to re-establish peace, and to regain national independence and sovereignty." The Alliance has previously indicated its desire to talk to the US, but this was its first official mention of a mediator's role between the US and the Front.

3. A more explicit exposition of the Alliance's role in negotiations and a future coalition government was carried in a Tokyo Yomiuri interview with an unnamed Alliance official on 6 and 7 July, but this presentation lacks the Communist stamp of approval implicit in statements carried by Hanoi or Front media. Claiming that the Alliance could speak for the Front because it has its support and represents a broad spectrum of non-Communist South Vietnamese, this official said that the Alliance "may take care of negotiations with the US for the time being" on behalf of the Front. If such talks occur and the US abandons the Thieu-Ky regime, the spokesman stated, the Alliance will establish a coalition government with non-Communist Front members and any "patriots" except such "puppets and traitors" as Thieu and Ky.

Growth of the Alliance Mechanism

4. Little information is available on the Alliance's recent efforts to expand its apparatus and membership. There have been reports of failure to establish organizations in Ban Ho Thuet and Can Tho. There have been organizational attempts reported

in a few other areas, but it is not known what progress has been made in most of the country. The Alliance appears to be having some success in I Corps, particularly in Quang Ngai Province. In late June it was discovered that several members of the Vietnam Nationalist Party (VNCN) in Quang Ngai had joined the Alliance, and a number of ARVN 2nd Division officers are reported to be involved with the organization. In addition, there are reports that the Quang Ngai Pagoda is the center for Alliance organizational efforts in the province, and others that militant Buddhists in Quang Tin Province recently met in Tan Ky to organize an Alliance.

5. In Saigon, both the national and the Saigon Alliances appear to be gaining a measure of support. Youth leaders are expressing fear that the chairman of the Saigon Students' Union (SSU), who has a close friend on the Alliance central committee, may have left to join the organization. If true, he would be the second chairman of the SSU to do so. There are also indications that several lawyers and judges from Saigon have joined but wish to keep their names secret.

6. As a possible adjunct to the Alliance, pro-Communist labor leaders have apparently succeeded in establishing a labor union in Saigon. According to a clandestine source, two former leaders of the Vietnamese Confederation of Labor (VCL) who defected to the Alliance shortly after Tet returned to Saigon in June and persuaded a Communist-leaning labor leader to organize a union of merchants from Saigon's markets. As its first act, the union signed a peace petition addressed to Prime Minister Huong by a group of trade unions.

The Liberation Front

7. Despite new emphasis on the Alliance, the Communists frequently shift their propaganda emphasis back to the Front, indicating that their strategy and tactics for using the two organizations are still evolving. The Front continues to issue authoritative pronouncements; its presidium recently met; it continues to try to expand its representation abroad; and it is portrayed as continuing to direct the Communist war effort in the South.

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Action in the Countryside

8. In the rural areas, the Communists reportedly have accelerated their political activity since about mid-May following a period in which their primary post-War activities focused on gaining new territory, recruiting, and rebuilding forces. Reports of efforts to establish "revolutionary administrations" at the village and hamlet levels increased during late May and June although information on the success or failure of these efforts remains fragmentary. A high-level directive ordering the establishment of such "people's committees" had been captured as early as mid-March. Little concrete implementation, however, had been noted until recently.

9. Most of the reporting on Communist political activity in the countryside comes from agents and informants, and the Saigon government itself is less than forthcoming on the subject, making hard information difficult to obtain. The relative impunity with which the Communists move through much of the countryside, however, offers little reason for complacency. In the past two months nearly all provinces of II and IV Corps and scattered provinces of I and III Corps have reported increased Communist attempts to elect or otherwise install "people's committees" at the local level. The Communists themselves have publicized the election of village administrations in a few specific localities and have claimed extensive success in the delta; a few prisoners and raillees have confirmed such election activity. Available information indicates that they have made strides in a few provinces while in others they have relied on "exile administrations," the appointment of party committees to be "introduced" to the villages, or the renewing of existing Liberation Front committees. In many instances, they have reportedly run up against popular apathy, and their newly established people's committees have either dissolved, defected, or been apprehended when a modicum of government presence was restored.

10. Despite apparently serious problems and only spotty successes, the Communists evidently hope to use the trappings of elected village and hamlet administrations to lay claim to control over a significant portion of the countryside. They have in mind

an eventual coalition government from the grass roots up, or, failing that, a possible cease-fire in place. They have generally avoided linking such committees with either the Liberation Front or the Alliance, although in at least one instance an Alliance source publicly indicated that they would be an extension of the Alliance organization. The likelihood is furthered by indications that the revolutionary administrations are to be expanded upward to district and province levels, and into the cities. The Communists have already claimed the existence of "self-management committees" in four of Saigon's precincts.

11. Reporting from the provinces indicates that the Communists have also been active along traditional political and subversive lines. Terrorist intimidation involving the assassination and abduction of local government officials, for example, has been heavy in recent months. The Communists are also giving greater emphasis to proselyting government troops and refugees, in an effort to encourage both troop defections and the return of people to areas under their control. They have apparently scored some individual successes in both targets.

THE VIETNAM SITUATION: AN ANALYSIS AND ESTIMATE

CONCLUSIONS

A. Despite obvious problems and difficulties, at least some progress has been recorded over the past year in every major component of the struggle in South Vietnam. Progress has been most marked in the evolution of national political institutions and, at least until recently, in the conventional military struggle. There has been less progress in the struggle against the Communists' southern organization. In the economic field, problems remain but inflation has at least been kept within politically acceptable bounds. Progress has been least evident in the pacification field, but even here the net assessment still comes out a shaded plus, and the very intensity of the Communists' current attack on the RD program is testimony to its partial success and their recognition that it poses a fundamental threat to Communist objectives. Little momentum has been built up and little dramatic improvement can be anticipated in the near future -- except possibly in the evolution of national institutions. At the moment, however, the major trends are all favorable.

B. These trends, of course, could easily be reversed. The Communists are endeavoring to regain some measure of strategic military initiative, and their attacks are posing serious obstacles to the pacification effort. The Ky-Thieu rivalry could undo much that has been achieved in the political realm. Nonetheless, the longer-term prospect is not necessarily bleak. Much rides on the events of the next six months. If the Communists are once again militarily frustrated we can anticipate, at a minimum, serious morale problems throughout their southern organization. If the electoral process produces a new government with a reasonable

mandate, the GVN will be strengthened and its domestic and international image greatly enhanced. The security problems inhibiting pacification progress are rooted in matters of training and attitude -- not inadequate resources or lack of physical ability -- and, hence, at least theoretically subject to amelioration. There is no guarantee that all will go well in these critical areas and the situation could deteriorate markedly over the summer. On the other hand, much has been accomplished in the past two years and further progress in any one of these key areas would produce a significant improvement in the overall situation.

C. North Vietnam is paying a stiff price for its leaders' relentless pursuit of Communist Party objectives, but the price is one the Communist leadership is willing to pay. Furthermore, it seems unlikely that any feasible program of military action against North Vietnam could render Hanoi physically incapable of continuing its support and direction of southern insurgency. This does not mean that a cessation of military action against North Vietnam would improve the prospects for peace, since such a cessation would most likely have exactly the opposite effect. Even a reduction in the present level of punishment now being inflicted on North Vietnam would encourage the Hanoi leadership in its conviction that the US is politically unable to persist in the struggle. Furthermore, if the north were not impelled to pay at least some continuing cost on its own territory, Hanoi would have little reason not to persist forever in its attempt to conquer the south.

D. Hanoi's assessment of the struggle, and hence its basic strategy, is not likely to change unless Communist forces are militarily and politically defeated in the south or unless Hanoi changes its estimate of US determination and comes to believe that present

Communist strategy will produce a struggle of indefinite duration during which North Vietnam will be forced to pay a continuing price on its own territory.

E. There are compelling reasons why Peking wants the war to go on. To yield at this point would not only mark a defeat for the Chinese line of revolutionary warfare but would enhance Soviet influence. Although the Chinese are probably prepared to broaden their military and economic aid to sustain Hanoi's will and ability to prolong the war in the south, it is doubtful that they are committed to success in South Vietnam at any price. China clearly wants to avoid a major confrontation with the US, although Chinese intervention would be likely in the event of air attacks on Chinese bases, a major invasion of North Vietnam, or a disintegration of authority in Hanoi.

F. Soviet leaders probably believe that there is no prospect of movement toward negotiations for the time being and appear to have concluded that they have no alternative but to help Hanoi to carry on the war until political solution is possible.

G. The longer the war lasts, the more problems the US will have with its international image and world position. A long and intense conflict would heighten fears of a broader war, would be widely deplored, and would bring heavy criticism on the US. If the conflict does not spread, however, and if its outcome encourages the belief that East Asia has been stabilized and Communist expansion blocked, it would be widely recognized that the effort had been justified.

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DISCUSSION

I. South Vietnam

1. The framing of a net assessment of the situation in South Vietnam requires an analysis of the situation's separate, though related, major components: the military struggle (or the conventional, large unit war), the struggle against the Communists' indigenous southern organization, the evolution of national political institutions, and the "pacification" effort, which involves providing the bulk of the populace -- or at least a significant portion thereof -- with both the opportunity (through providing basic physical security) and sufficient inducements (through a positive, credible political program) to engage itself and identify its fortunes with the political process evolving in Saigon.

2. The Military Situation: The past two years have witnessed a dramatic build-up in the size and capabilities of allied forces, a loss of the Communists' former near monopoly of the initiative, and a dearth of the Communist tactical successes which has shattered the aura of military invincibility that used to be one of the Communists' most potent political assets. By all standards of comparison, the contrast between the military situation today and the situation existing in the late spring of 1965 is dramatic and encouraging. In May 1965, the ARVN was being whipsawed and the Government of Vietnam (GVN) was faced with a real threat of imminent defeat. Now, a Communist strategic victory is virtually unthinkable.

3. Though the Communists have undoubtedly been checked, they are far from defeated; and though the contrast between May 1965 and May 1967 is encouraging, the record of the past twelve months is mixed. Allied forces now possess substantial advantages in tactical mobility and awesome firepower, but the Communists have more than kept pace with our build-up in terms of infantry units and have managed to improve their fire support capability. The Communists have had to react to our force increase but have not been cowed by it and, on balance, have improved their strategic posture somewhat in the main force war during the past year, despite the allied build-up. Further-

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more, the Communists are now endeavoring to regain at least some measure of strategic initiative. The expansion of the Communists' positional warfare threat in northern I Corps has forced major allied redeployments in the face of apparently reinforced enemy capabilities in the highlands and III Corps. The Communists are also trying to achieve a better mix between conventional and guerrilla activities, intensifying the latter not only to check the momentum of the pacification effort but also to force a diversion of allied conventional forces to the protection of rear areas, thus enabling reinforced Communist units to cope more readily with the allies' reduced offensive potential.

4. The bulk of available evidence indicates that the Communists are embarking on a grinding, positional warfare campaign in the northern provinces which they plan to supplement over the next two months by coordinated offensive thrusts in the central coastal provinces and the western highlands, combined with major actions in the III Corps area. These main force moves are to be supported throughout the country by intensive guerrilla action designed to disperse and tie down as many allied units as possible. The enemy's objectives are to check the momentum of the pacification effort, inflict the maximum possible attrition on allied forces (at whatever cost to his own) and create a condition of apparent stalemate. The Communists want to make it appear that no matter how many troops the US commits to the fray, allied forces will be bogged down in a costly, never-ending campaign. The Communist high command -- in the field as well as in Hanoi -- seems to believe that such a situation will generate international and domestic political pressures that will make it difficult if not impossible for the US Government to continue the struggle.

5. In essence, the next few months will witness a critical test of allied ability to maintain the military momentum built up over the past year. Communist military capabilities are such that the enemy seems likely to achieve at least some of his objectives, though the allies almost certainly will be able to blunt the anticipated Communist offensive, inflict heavy losses, and prevent decisive erosion in most pacified areas over the next few months. The basic struggle is unlikely to be won (or lost) on the battlefield, however, since the real issue is more a contest of political will and determination than a conventional military campaign.

6. The Enemy Force: Estimating the size, structure and effectiveness of the enemy force in South Vietnam is a difficult intelligence task complicated by methodological problems, the difficulty of acquiring hard data in a timely fashion, and the presentational issues involved in refining our data base in the light of new knowledge without giving data users the false impression that the enemy force has suddenly ballooned or without making new data difficult to relate to earlier analyses. There is, for example, the inevitable tension between the need to apply stringent criteria of confirmation and acceptability, which tend to produce inherently low "assessments" (in the real estate taxation sense), with the need, particularly on the part of unit commanders, for appraisals (in the real estate sales sense) which indicate what allied forces actually may be facing. Over the past year our methodology and data base have both improved markedly. Further refinement is still desirable, but some problems, particularly acquisition problems involving timeliness, are inherently insoluble (unless, for example, Communist infiltrators start defecting sooner after their arrival in South Vietnam).

7. Our review of all evidence available indicates that despite the allies' increasingly effective operations and resultant Communist casualties, the Vietnamese Communists have continued to expand the size of their main force structure in South Vietnam, both by infiltration and local recruitment. Though part of this main force expansion has been achieved at the expense of lower-level Viet Cong military formations (provincial and district units) and of the "political infrastructure," we believe the Viet Cong paramilitary and political organization is still probably far larger than official US order of battle statistics indicate. We think the official figure for main and local forces, currently 115,000, is probably fairly accurate, though lagging somewhat behind the actual input from North Vietnam. We estimate, however, that the strength of the so-called "administrative services" (and non-combat support troops) is in the 75,000 - 100,000 range, that the strength of the "irregulars" is in the 200,000 range, and that the number of Viet Cong political personnel is in the 80,000 range. Thus the overall strength of the Communists' organized force structure in South Vietnam is probably in the 500,000 range and may even be higher.

8. We are not suggesting that the total Communist force structure has increased dramatically in recent months, but do believe an accumulation of improvements in methodology and data indicates

that the allies have long been facing a total organized opposition far larger than accepted official figures have indicated. We also feel that an appreciation of the probable true size of this organized opposition will enable us to make far more valid and useful interpretations of future input and loss statistics.

9. We believe that over the next year or so the Communists will probably be able to keep their main force up to strength because of their organizational ability and their access to replacements in the south and from the north. If allied pressure continues, however, along with progressive diminution of the areas under Communist control (and, hence, the population base on which the Communists can draw), in order to maintain their main force strength the Communists will be impelled to impose an increasing quantitative and qualitative drain on the other elements of their force structure.

10. The Communists' Southern Organization: The Communists' southern organization -- that which would remain if all ethnic North Vietnamese elements were withdrawn from South Vietnam -- is obviously too large and complex to be monolithic, but it is so tightly organized and disciplined that it should be discussed as a collective entity. Despite persistent propaganda pretensions to the contrary, the insurgent structure (i. e., the "National Liberation Front") is not and never has been a coalition or confederation of disparate political bodies, including ones of non-Communist persuasion. Instead, the organized insurgency is and always has been directed through a hierarchy of Communist Party committees with a vertical command line running from the Lao Dong Politburo in Hanoi to every three-man hamlet cell in South Vietnam. There are obviously debates within the Party hierarchy over strategy or tactics, but there is no "NLF" position on either independent of Hanoi.

11. The core of this southern organization is the Communists' intricate network of provincial and district committees and the Communist cadre who work under these committees' jurisdiction and control. It is this committee/cadre structure which maintains the insurgency's essential base at the hamlet and village level and, from this base, exerts control over the rural population which provides the local (i. e., southern) manpower and resources without which the insurgency would collapse. Virtually all the members of this committee/cadre network are ethnic southerners (usually operating in their native provinces) though

many, if not most, of those in positions of command authority were trained in and infiltrated back from North Vietnam.

12. The data available in Washington does not permit a province-by-province analysis of this Viet Cong infrastructure or even a very meaningful quantified statement of its strength and effectiveness beyond that presented in our order of battle calculations. Available evidence does suggest, however, that over the past year this cadre structure has suffered some shrinkage in numbers, an overall decline in quality (and, perhaps, zeal), and appreciable erosion in morale, particularly at the lower levels. The southern organization as a whole is still large, strong, effective and (generally) resolute. It is far from unravelling, but it is fraying appreciably around the edges.

13. Several factors have contributed to this trend. One, obviously, is allied military power, pressure and success. Another -- less obvious but at least equally important -- is the past year's Communist policy of stripping their local organizations in the drive to increase their main force structure. This practice has produced morale problems and a qualitative deterioration in the local organizations.

14. The trends outlined above could be arrested by a change in Communist assignment practices (which may already be in train), a diminution in allied pressure, or a reversal of the Communists' military fortunes. While they exist, however -- and they have existed for over a year -- these trends pose a grave potential threat to the organizational foundation on which the Communists' whole "liberation war" strategy is based.

15. Political Trends and Prospects: The military establishment has a virtual monopoly on the levers of real political power in South Vietnam, but since assuming political control in May 1965 the military has shown a steadily increasing degree of political wisdom and sophistication, has successfully coped with the kinds of crises that toppled its predecessors, and has taken South Vietnam a significant way down the road toward constitutional government. Though South Vietnamese politics are still marked by stress, fragmentation and potential discord, the last two years have witnessed a notable improvement in political stability, and the initiation of a process at the Saigon level which holds promise of leading to the evolution of the kind of national political

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institutions which are needed to make South Vietnam a viable modern state.

16. For over a year, the military establishment has been quietly exploring ways of creating a political apparatus capable of ensuring continued military domination within a constitutional and representative system (though no such apparatus has yet been built or is likely to be constructed before the elections). This effort has been carried on primarily by Marshal Ky (and his immediate associates), who has made overtures to and developed some measure of support among a wide range of civilian groups. Military political thinking, however, has been premised on the assumption that there would be only one military candidate in the forthcoming elections, a candidate to which the military establishment could give unified support. This assumption, in turn, has been based on the recognition that military unity and cohesion is essential to continued political progress and stability, for the generals are well aware that the prime contributor to the political achievements of the past two years has been the unity displayed (so far) by the military establishment. This unity is now threatened -- though not yet jeopardized -- by the sharpening rivalry between Ky and General Thieu. Ky has formally announced himself a candidate for the presidency and Thieu has indicated that he also plans to run.

17. The civilian political opposition to the military establishment is fragmented and almost certainly could not develop the kind of organized effort that would be necessary to defeat a candidate with undivided military backing. If Ky were the only military candidate his chances for winning a comfortable plurality (honestly) would be considerably better than even. If Thieu actually runs, prognosis will be uncertain until we can see the actual effect of Thieu's candidacy on unified military support of Ky.

18. In casting about for issues, civilian candidates are certain to raise the themes of corruption, peace and foreign (i. e., US) domination. The militant (Tri Quang) Buddhists have already launched at least a trial run of an anti-war, anti-US campaign. The injection of such themes into the electoral campaign will receive wide play in the international press but we doubt if they will become (or that the GVN will let them become) burning, divisive issues in Vietnam. Though the US has some vocal and highly articulate critics among the Vietnamese intelligentsia,

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and though the sheer magnitude of the US presence in Vietnam makes some friction and resentment inevitable, by and large the US is well regarded by politically conscious Vietnamese, most of whom are grateful for American support and recognize that without it, South Vietnam could not survive as an independent political entity. Similarly, though many Vietnamese are understandably tired of strife, there is widespread acceptance of the fact that the only alternative to continued struggle is the unacceptable one of Communist domination. The GVN is not likely to allow much discussion of reconciliation or rapprochement with the NLF during the forthcoming campaign, but here it will be running with, not against, the prevailing climate of non-Communist opinion since the NLF's claims to potential independence of view and indigenous political roots are given much less credence within Vietnam than they are given abroad.

19. Over the past two years the trends in South Vietnamese political life have been favorable and encouraging, but the unity and stability achieved, though significant, is fragile. Over the weeks ahead there will be real and constant risks that electoral ambitions and stresses will inject divisive strains sufficient to destroy this stability and arrest the progress achieved to date, particularly if the Thieu-Ky rivalry splits the unity of the military establishment. There will also be the risk that Ky or his associates (e.g., General Loan) will succumb to temptation and try to rig the election in a politically disastrous manner. Predictions, thus, cannot be offered with confidence. It remains the case, however, that South Vietnam's record of political achievement has been impressive, that in the process now in train there are signs of genuine political development, and that events, so far, are moving in the right direction.

20. Economic Considerations: There are, obviously, economic considerations which affect any estimate of South Vietnam's political prospects. The economy of South Vietnam, greatly distorted by the war, will have to endure additional strains during 1967 as the demand for goods continues to exceed the available supply. A substantial increase in US force strength could add further pressures unless MACV can repeat its remarkable 1966 tour de force of reducing US military spending during a period of rapid troop increase. Inflationary pressures were eased somewhat by the GVN's reasonably well-executed mid-1966 reforms, including a devaluation of the piaster, but renewed pressures began to

appear by the end of 1966; and are still present. It would be inaccurate to say that South Vietnam is on the verge of a runaway inflation, but the danger is constantly present and strenuous efforts by the US and the GVN will be necessary to hold inflationary pressures within acceptable bounds.

21. Pacification: The basic objectives of the pacification/ Revolutionary Development program are political: to align the populace against the Viet Cong, to engage it in support of the government and to induce it to identify itself and its fortunes with the political processes of the GVN. These objectives cannot possibly be achieved until the populace can be provided with basic physical security, not only against the depredations of main force elements but -- above all -- against the actions of local Communist units resident in a given area: district companies, village platoons and armed terrorist or propaganda squads.

22. Though the pacification concepts now jointly endorsed by the US and GVN are fundamentally sound, little progress has been made this year and prospects for significant improvement in the near-term future are not bright. Planning delays; command, administrative and procedural changes; and the preoccupation of GVN officials with other matters (e.g., elections) have all inhibited progress. Moreover, an intensified Viet Cong campaign of guerrilla pressure has set the program back in some areas and revealed generally inadequate security arrangements elsewhere.

23. By its very nature, pacification and Revolutionary Development is a complex, slow-moving program requiring close integration of a wide variety of political, psychological, economic, social, military and paramilitary programs conducted jointly by a number of GVN and US agencies. The magnitude of the task is reflected in statistics derived from the new hamlet evaluation system, which indicate that of the approximately 12,000 hamlets in South Vietnam, roughly one-third are controlled by the Viet Cong and government influence is marginal in another third. Significant progress toward pacification and nation-building goals exists in only 14 percent of the hamlets and only fair progress is reflected in another 20 percent.

24. The chief obstacle to progress is lack of security at the local level. Providing this security is now the responsibility of the GVN, principally ARVN. Though senior GVN officials recognize the

issues at stake and support ARVN's new pacification role, many Vietnamese tactical unit commanders are less than enthusiastic about accepting a mission which they feel is less prestigious than that of combatting main force elements. Furthermore, even where ARVN commanders accept their mission with good grace, they seldom seem to appreciate that what is required is not a "screen" behind which pacification efforts can be mounted but, instead, an aggressive, offensive effort designed to harry, render ineffective and, eventually, destroy the Communists' district companies and village platoons. Although more than 50 ARVN battalions are now theoretically committed to direct support of pacification, their performance has been spotty, and they have not thus far undertaken the kind of aggressive, counterforce operations required to reduce or eliminate the threat posed by Viet Cong local and guerrilla forces. Only one-third of the Popular and Regional forces are committed to direct support of pacification, and their efforts have not been effectively coordinated with RD activities. The Police Field Forces continue generally to be misused in static security functions rather than in support of RD.

25. The reorganization of US advisory and support functions under MACV control should improve coordination of US planning and operational activities. Some progress seems likely in more effective concentration of resources, attaining further flexibility, and reinvigorating the GVN administrative machinery. While these developments will enhance our joint posture for future momentum, little progress can be expected until the RVNAF demonstrate that they can meet the Viet Cong challenge effectively. On balance, while we can expect some continued forward movement in areas where effective security is provided by Free World military forces, this is likely to be offset in the near term by erosion in those areas more vulnerable to Viet Cong pressure.

26. While the short-term outlook is indeed somber, prospects over the long term are not so bleak. We have come a long way during the past few years in developing our understanding of the problem, and in devising the concepts, techniques and organizational tools necessary to solve it. That our endeavors thus far have been properly oriented and successfully implemented is reflected in the intensity of the enemy's counterthrust. If the RVNAF can be effectively engaged in providing the requisite security, the other problems can probably be surmounted through evolution, and the prospects for long-term progress will be favorable. The issues at stake are crucial, since a successful pacification/RD program, particularly if coupled with continued progress in the

development of national political institutions, will doom the Communists' chances of perpetuating an organized, effective insurgent movement in South Vietnam.

27. Net Assessment: Despite obvious problems and difficulties, at least some progress has been recorded over the past year in every major component of the struggle in South Vietnam. Progress has been most marked in the evolution of national political institutions, and, at least until recently, in the conventional military struggle. There has been less progress in the struggle against the Communists' southern organization. In the economic field, the problems remain but inflation has at least been kept within politically acceptable bounds. Progress has been least evident in the pacification field, but even here the net assessment still comes out a shaded plus, and the very intensity of the Communists' current attack on the RD program is testimony to its partial success and their recognition that it poses a fundamental threat to Communist objectives. Little momentum has been built up and little dramatic improvement can be anticipated in the near future -- except possibly in the evolution of national institutions. At the moment, however, the major trends are all favorable.

28. These trends, of course, could easily be reversed. The Communists are endeavoring to regain some measure of strategic military initiative and their attacks are posing serious obstacles to the pacification effort. The Ky-Thieu rivalry could undo much that has been achieved in the political realm. Nonetheless, the longer-term prospect is not necessarily bleak. Much rides on the events of the next six months. If the Communists are once again militarily frustrated we can anticipate, at a minimum, serious morale problems throughout their southern organization. If the electoral process produces a new government with a reasonable mandate, the GVN will be strengthened and its domestic and international image greatly enhanced. The security problems inhibiting pacification progress are rooted in matters of training and attitude -- not inadequate resources or lack of physical ability -- and, hence, at least theoretically subject to amelioration. There is no guarantee that all will go well in these critical areas and the situation could deteriorate markedly over the summer. On the other hand, much has been accomplished in the last two years and further progress in any one of these key areas would produce a significant improvement in the overall situation.

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II. North Vietnam

29. North Vietnamese Attitudes Towards the War: The decision on whether or not the Lao Dong (Communist) Party will continue the war in South Vietnam rests with the eleven members of the Lao Dong Politburo in Hanoi (four of whom, it should be remembered, are ethnic southerners). Despite some signs of strategic debate, there are no indications that this group is wavering in its determination to continue the struggle or its dedication to the objective of acquiring political control over South Vietnam. The Lao Dong leadership recognizes the cost that has been paid and is likely to be exacted if the struggle continues -- in terms of destruction in North Vietnam and losses in the ranks of the Communists and their supporters in the south -- but it seems resolutely prepared to pay this cost in order to attain its objectives. The leadership sees the war as essentially a struggle with the US and views it not as a test of relative physical capabilities but as a test of political will. This is a test Hanoi is convinced it can and is going to win. Because the Hanoi leadership is convinced that its motivation is stronger than Washington's, Hanoi's basic strategy is to make the struggle in South Vietnam a grinding war of attrition. The Vietnamese Communists believe a military stalemate in South Vietnam will suffice for their purposes, whereas (in their opinion) the US must either win quickly or settle on terms conducive to the attainment of Communist objectives.

30. Given this long range strategy, it appears unlikely that the North Vietnamese intend to make any dramatic military move such as an overt invasion across the DMZ in the near future. They are more likely to continue the same basic approach as in the past, infiltrating sufficient replacement personnel to keep existing units at combat level and introducing additional combat units to the south as needed to maintain or perhaps gradually exceed a relative balance with US and allied forces.

31. Hanoi has already called in substantial foreign personnel to aid in North Vietnam's air defense system. Chinese Communist anti-aircraft artillery units, North Korean jet fighter pilots, and Soviet surface-to-air missile operators have all been active thus far against US aircraft. In addition, on several occasions since late April Chinese Communist jet fighters have attempted to engage US aircraft operating over northeast North Vietnam. It is probable that Hanoi will call for further help in this field as the bombings do more and more damage and

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as North Vietnamese defense efforts prove inadequate. The North Vietnamese, however, are unlikely to call for foreign ground troops unless a US invasion should threaten the heartland of the DRV, the Red River Delta.

32. The negative results of US efforts to arrange peace talks with Hanoi further indicates Hanoi's intention to keep the war going. The North Vietnamese have consistently stuck to their refusal to offer some quid pro quo in return for a cessation of the bombings. Hanoi's release on 21 March of the exchange of letters between President Johnson and Ho Chi Minh was the act of a nation which had decided, at least for the time being, to reject the role of secret diplomacy in regard to a negotiated settlement of the war. Captured enemy documents giving details of Hanoi's attitude toward negotiations disclose that the North Vietnamese regard them primarily as a tactic to be used in conjunction with continued warfare in order to extract maximum concessions from the US. There is nothing in the documents to suggest that the North Vietnamese entertain any notion of withdrawing from South Vietnam as a result of negotiations.

33. The Impact of the US Bombing Program on North Vietnamese Thinking: Twenty-seven months of US bombing of North Vietnam have had remarkably little effect on Hanoi's overall strategy in prosecuting the war, on its confident view of long-term Communist prospects, or on its political tactics regarding negotiations. The growing pressure of US air operations has not shaken the North Vietnamese leaders' conviction that they can withstand the bombing and outlast the US and South Vietnam in a protracted war of attrition. Nor has it caused them to waver in their belief that the outcome of this test of will and endurance will be determined primarily by the course of the conflict on the ground in the south, not by the air war in the north.

34. The Effectiveness of the Bombing Program and Enemy Counter-Measures: The ROLLING THUNDER program has raised the cost of sending men and supplies to South Vietnam and forced North Vietnam to pay a price for its southern aggression; these effects have been enhanced by the recent expansion of the bombing program. Increased disruptions to orderly economic activity and sustained pressures on North Vietnam's limited human and material resources are evident. The damage to economic and military target systems has not been sufficient, however, to cause a meaningful degradation of North Vietnam's

ability to support the war, at least at current levels of combat. Despite increasing hardships, popular morale has not eroded to the point where widespread apathy and war weariness are threatening the control of the Hanoi regime.

35. The bombing program has forced North Vietnam to divert from 575,000 to 700,000 people about equally divided between full-time and part-time workers and troops, to air defense activities and to repair, reconstruction, and dispersal programs. The cost of physical and military damage has been growing. Total damage resulting from air attacks through April 1967 is estimated at over \$233 million. More than 70 percent of this damage was inflicted on economic target systems.

36. Despite the increasing costs and burdens resulting from the air attacks, North Vietnam, aided by an increased flow of imports from the USSR and Communist China has managed to maintain, and in many respects to improve, its organized support of the war. The attacks on military target systems through April 1967 had not significantly reduced the capabilities of the military establishment. These capabilities have, in fact, been greatly expanded through large infusions of military aid from the USSR and Communist China.

37. The ability of North Vietnam to withstand the pressures of air attacks is explained by several factors. The economy is essentially agrarian and provides little direct input, other than manpower, into the war in the south. The increasing flow of essential economic and military aid into North Vietnam far surpasses the total damage resulting from air attacks. This aid provides North Vietnam the necessary materials to continue the war; it also implies that the USSR and Communist China will underwrite the damage sustained and the eventual reconstruction of the country, as they did in the case of North Korea. Finally, the North Vietnamese have devised and employed an elaborate and highly successful system of counter-measures -- dispersal of industry, mobilization of labor units, evacuation of population and the like -- which negates most of the desired impact of air attack on the vital flow of men and supplies to the war in the south.

38. Summary Assessment on North Vietnam: As indicated above, North Vietnam is paying a stiff price for its leaders' relentless pursuit of Communist Party objectives, but the price is one the Communist

leadership is willing to pay. Furthermore, it seems unlikely that any feasible program of military action against North Vietnam could render Hanoi physically incapable of continuing its support and direction of southern insurgency. This does not mean that a cessation of military action against North Vietnam would improve the prospects for peace, since such a cessation would most likely have exactly the opposite effect. Even a reduction in the present level of punishment now being inflicted on North Vietnam would encourage the Hanoi leadership in its conviction that the US is politically unable to persist in the struggle. Furthermore, if the north were not impelled to pay at least some continuing cost on its own territory, Hanoi would have little reason not to persist forever in its attempt to conquer the south.

39. Hanoi's assessment of the struggle, and hence its basic strategy, is not likely to change unless Communist forces are militarily and politically defeated in the south or unless Hanoi changes its estimate of US determination and comes to believe that present Communist strategy will produce a struggle of indefinite duration during which North Vietnam will be forced to pay a continuing price on its own territory.

III. International Aspects

40. Chinese Attitudes Towards Vietnam: China has a substantial stake in the conduct and outcome of the war in South Vietnam, and a vital interest in the preservation of a friendly Communist regime in Hanoi. From the beginning of the Viet Cong insurgency, in the late 1950's, China has provided political support and encouragement to Hanoi, and in later stages direct military aid. Vietnam has been the testing ground for one of China's principal ideological theses: that in the present era wars of national liberation can be successfully and safely pursued not only in Southeast Asia but throughout the underdeveloped world. By late 1964 and early 1965, Communist successes promised early vindication of this thesis which Mao had made a major issue in the Sino-Soviet dispute, and the Chinese were urging Hanoi to move on to the final stage of mobile warfare.

41. Since the US intervention and the bombing of North Vietnam, the Chinese have gradually begun to attribute a new strategic significance to the war. In the Chinese portrayal, US intervention was not only a desperate effort to retrieve a local defeat, but might also be a preliminary

for an aggressive war against China. The Chinese were thus forced to give increasing attention to the chances that out of the Vietnam war would come an attack on China. In such circumstances, it might have been prudent for China to advise Hanoi to seek a political solution before the US buildup could be accomplished. But, in fact, China's hostility to negotiations of any kind has become more and more rigid, even to the point that Peking has been openly at odds with Hanoi on the question of whether a cessation of the bombing could be followed by US-North Vietnamese talks.

42. We believe the Chinese are prepared to exert considerable pressure, to increase types of military and economic aid, and, if requested, to station combat troops in North Vietnam in order to sustain Hanoi's will and ability to prolong the war in the south. Even so we do not believe that Peking is fully committed to a Communist success in South Vietnam at any price. The Chinese have allowed themselves room in their public position, especially in recent months, to accept the failure of the military effort in the south. If faced with a situation where only their own intervention could save the situation in South Vietnam, we feel that their fear of a US attack on mainland China would be the commanding factor. Rather than accept this risk in these circumstances, we believe that Peking would be inclined to accept a termination of the fighting without negotiations, in hope that this might permit some level of resistance to continue. They would say that the setback was owing to deviations from Maoist doctrines and to Soviet perfidy.

43. Actions against North Vietnam, however, are an entirely different matter. We continue to estimate that Peking wishes to avoid a confrontation with the US, which could result in a nuclear attack. We are certain, however, that China would fight if the US launched a deliberate and sustained air attack on Chinese bases and supply lines in South China. There are two other situations which would probably bring some form of Chinese intervention: a major invasion of North Vietnam, and the disintegration of effective Communist authority in Hanoi.

44. Any estimates concerning Chinese actions must be qualified because of the uncertain situation in Peking. We cannot be sure what the impact of the internal struggle has had or will have on Chinese policies. It is conceivable that under some circumstances a foreign war might appear to certain leaders or factions as a desperate way out of a

political impasse. It seems more likely, however, that the Chinese leadership would seek to avoid a major external crisis so long as internal affairs remain in disarray.

45. Soviet Attitudes and Intentions: * While the Soviet leaders see the war as advantageous to them in many ways, they also see disadvantages which make their options unpromising and hazardous. They probably believe that there is no prospect of movement toward a political solution for several months at best and appear to have concluded that for the time being they have no alternative but to help Hanoi to carry on the war, hoping that changes of attitude in either Hanoi or Washington, or both, will make a political solution possible later.

46. The Soviet leaders fear that the US, in its impatience to get the war over, will escalate the conflict in a way which will increase the risks and costs for the USSR; in an effort to forestall this they are currently stressing their intention to move to more vigorous support of North Vietnam. We believe that during the coming months they will continue to supply equipment designed to strengthen air and coastal defenses in North Vietnam and to increase the firepower of both the regular North Vietnamese forces and the Communist forces fighting in the south.

47. Whether or not there are formal arrangements covering the transit of Soviet supplies across China, we believe that Peking will not pose serious obstacles to such transit. But the relations between Moscow and Peking are still fundamentally hostile, and their attitudes toward major issues of war and peace in Vietnam will continue to differ profoundly.

48. The North Vietnamese at some point will probably press the Soviets for more sophisticated equipment than those types now arriving on the scene or in the pipeline. These might include cruise missiles and tactical rockets which could be used to support North Vietnamese operations in the DMZ area and against US warships. The USSR might believe it had to respond to such pressure, although it would be concerned that the use of such weapons would provoke a still more dangerous US response.

*Conclusions from SNIE 11-11-67

49. If the intensity of the conflict were to be increased by the US, we believe that at some point the USSR would create an atmosphere of heightened tension with the US. The Soviets might take certain actions designed to bolster North Vietnam and to warn the US, such as the provision of limited numbers of volunteers or crews for defense equipment or possibly aircraft. They might also break off negotiations with the US on various subjects and suspend certain agreements now in effect. The mining or the blockade of the North Vietnamese coast would be most likely to provoke these responses, since this would constitute a direct challenge to the Soviets, and there would be little they could do on the scene. We do not think the Soviets are prepared to resort to strong and direct threats of general war as a means to protect North Vietnam or to preserve Soviet face.

50. There would also be a good chance that at some juncture the Soviets would exert strong efforts toward a political solution, but they would probably not make Hanoi's acceptance of talks an explicit condition of continued material support.

51. North Vietnamese Political Capabilities in the Non-Communist World: The North Vietnamese expend a great amount of effort attempting to encourage support for their cause and opposition to US actions in Vietnam among and within non-Communist nations. To this end, Hanoi invites sympathetic foreigners to North Vietnam, sends high-powered delegations to leftist front meetings, and provides "documentary" evidence to interested parties showing US "atrocities." The major channel through which Hanoi pumps its propaganda to each non-Communist country is provided by the local Communist party. Wherever possible, of course, influential newsmen are used by the North Vietnamese to carry their story to the free world.

52. The North Vietnamese, however, are hampered by several factors in their effort to elicit such support. One inhibiting factor is the paucity of permanent North Vietnamese representation in the non-Communist world. Another is the fact that Hanoi's policy toward negotiations has been far too inflexible to stimulate much support. Even its Soviet bloc allies have found it difficult to argue North Vietnam's case on negotiations persuasively. On balance, it appears that Hanoi's cause is best served in the non-Communist world not by the sympathy it has been able to generate but by the fact that many non-Communist

nations, fearing the war will grow larger, apply pressure on the US to bring the war to a close.

53. North Vietnam's political position has also been well served, however, by the fact that the Communists, world-wide, have had considerable success in selling the myth that the struggle in South Vietnam is an indigenously rooted, local (i.e., southern) civil struggle, one side of which includes some Communists along with other nationalist groups, and that North Vietnamese intervention in the fray was prompted (or necessitated) by prior US intervention. This basic view of the struggle has wide currency in non-Communist circles and its prevalence is a major political asset for the Lao Dong Party.

54. Implications of the Vietnam War for the US International Position: The US international position with respect to the Vietnam war is unique in modern American experience. Not within memory have we been so heavily engaged with so few active allies and so much strong criticism, both at home and abroad. Because so much of the world considers itself affected, or likely to be affected if the war is prolonged and intensified, developments affecting the war have become a major concern of many friendly nations. Moreover, because of the world role of the US as the strongest and leading power of the non-Communist world, the way in which the war is conducted and terminated is widely felt to involve great significance for the future of the free world itself.

55. There was indeed bound to be a certain ambivalence in the attitudes of others toward any policy which the US chose to follow in Vietnam.. In the abstract, there was certain to be support for the idea of protecting small nations from aggression and an accompanying fear that this might lead to an uncontrolled and dangerous conflict. In any case of big power intervention there will always be those who applaud and those who object. If US intervention had been brief and quickly decisive, much of this ambivalence would have dissolved. The objectors would have been routed by success and the fears of the sympathetic dissipated. The US problem has arisen largely because the conflict has been prolonged and success appears doubtful, at least by means considered acceptable in many parts of the world. This has removed much of the world's approach to the problem from the abstract to the specific. For many foreign observers and governments it is no longer a question of principle, but a specific case to be examined on its merits.

56. In sum, the problem presented to the US is not only the immediate one of dealing with responses to particular phases in the military conflict and its political surroundings, but with the less immediate and less concrete effects upon the future US role in the world and the fortunes of its friends abroad. Nearly all international actions invoke support in some quarters and opposition in others. In this case the principle underlying the US action has become submerged by ambiguities and doubts regarding the wisdom and correctness of the specific action. Some damage to the US has already been done. How much more damage will occur and how much is recoverable will depend upon how long the war lasts, how we fight it, and how it comes to an end.