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INTRODUCTION

The Democratic Republic of Vietnam was created in 1946 by the leadership of the Communist Lao Dong (Workers) Party, but did not achieve widespread diplomatic recognition until the signing of the Geneva Accords in 1954. The Communists' drive to unite Vietnam under their control has survived more than 25 years of guerrilla and conventional warfare against the French, the South Vietnamese, and the United States. There is little evidence that the human and the economic losses suffered by North Vietnam have shaken the confidence of the party's leaders, who believe that unremitting military and terrorist pressures, combined with political subversion, will eventually bring them to their goal. Even during the transitional period following the death of Ho Chi Minh in September 1969, unity was maintained and the populace has been successfully kept in line with the regime's war policies.

The stamina displayed by the North Vietnamese people is based in part on an ancient sense of ethnic identity, which has survived the intense dynastic quarrels that have marked the country's history. The almost continuous warfare since the end of World War II has fostered a siege mentality, and early domination by China and recent colonial control by France have resulted in an atmosphere of xenophobia. Most of the 20 million inhabitants are ethnic Vietnamese who work on collective farms, cultivating rice in the densely populated Red River Delta and coastal areas. Only 10 to 15% of the population are not ethnic Vietnamese. They consist almost entirely of relatively primitive and traditionally hostile tribes in the mountainous interior areas, where they scratch a meager living from poor soil. Only about 10% of the total labor force are industrial wage earners.

The effective control system of the leadership is based on the Lao Dong Party organization with its membership of more than one million and on a highly centralized government structure. Internal security is maintained by an elaborate police and security service, backed up by the military forces.

The North Vietnamese Army as a whole has proved to be the most effective ground force indigenous to Southeast Asia, particularly for guerrilla and small unit warfare. Its tactics have profited from the combat experience gained in its nine-year war against the French, as well as from the current conflict in South Vietnam, Laos, and Cambodia. In 1970, increased military mobilization and the addition of Cambodia to the army's area of combat operations was accompanied by a drive to improve regional and militia

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troops, the forces that serve as a home guard. The country still seems capable of fulfilling its domestic labor requirements, although at some cost to the civilian economy, of maintaining a credible combat presence in South Vietnam, and of continuing combat activity in Cambodia and Laos.

North Vietnam's unique place within the Communist world derives partly from its military ability to continue the war in South Vietnam despite the heavy US commitment and partly from its leaders' skill in exploiting the competition between Moscow and Peking to obtain sizable military and economic assistance from both. The country has some economic resources of its own, such as valuable deposits of coal, iron and other minerals, hydroelectric power, and some of the trained manpower required to support a limited degree of industrialization.

A period of intense planning for economic and industrial development under the First Five Year Plan (1961-65) was brought to an end by the first US bombing campaign from 1965 to 1968. The continuing disruptions of the war allowed only a slow rate of reconstruction after the bombing halt, but by 1970 the economy had recovered to about 95% of the prebombing level. That growth has been set back by the severe floods of 1971 and the resumption of US bombing in early 1972. Import requirements for food as well as for industrial goods are high. The population is held to an austere level of living as top priority is given to the war in the South.

Although the government continues to pay lip service to the longer term, standard socialist goals of developing heavy industry, further collectivizing agriculture, and generally building a more orthodox Marxist state, it appears that real pursuit of these objectives will continue to be put off because they are so costly and because they could prove a distraction to the population and weaken the regime's ability to press the war in the South.

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GEOGRAPHY

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I. GEOGRAPHY

Location

North Vietnam is in the northeastern part of the Indochina Peninsula, bordering the Gulf of Tonkin. Contiguous to China on the north and Laos on the west, at approximately 17 degrees N, it is separated from South Vietnam by a Demarcation Line and Demilitarized Zone, Hanoi, the capital, is within about 600 nautical miles of Saigon, Bangkok, Rangoon, and Hong Kong, and 1,000 nautical miles of Shanghai, Taipei, Manila and Calcutta.

Area

North vietnam narrows from a maximum width of about 375 miles through the Red River Delta area in the north to about 30 miles down through the coastal panhandle in the south, and has a maximum north-south extent of about 150 miles. The total area is approximately 61,300 square miles, or about the size of the state of Washington.

Climate

Distinct wet and dry periods are the major features of North Vietnam's monsoon climate. There are two monsoonal periods, which differ mainly by the direction of the wind; the northeast monsoon lasts from mid-October to mid-March and the southwest monsoon from mid-May to mid-September. Annual rainfall varies from as little as 25 inches in the mountains to as much as 125 inches in the low coastal areas, with the greatest amounts falling during the southwest monsoon. From late December through April the coastal lowlands and adjacent mountain slopes are affected by a low cloud cover accompanied by fog and drizzle. Daily temperatures in the lowland areas vary between minimums in the mid-60s (F) and maximums in the high 80s. In the highlands temperatures are 10 to 20 degrees cooler. Relative humidity is high throughout the year over most of the country. An average of three tropical cyclones, one of which may reach typhoon intensity, affect the country during the period from June through October and may cause widespread destruction, particularly in the coastal lowlands where flooding may be extensive.

Topography

Most of North Vietnam is mountainous or hilly. The mountains are highest and most rugged in the north and northwest, where the highest point

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in North Vietnam, 10,312 feet, is located. Uplands are more broken and hilly in the northeastern and western areas adjacent to the plains. Roads are few and settlements are small and far apart. In the northeast there are large karst areas with irregular basins, pinnacles, and steep-sided hills. The plains area consists of the delta of the Red River, covering slightly less than 6,000 square miles and generally below 45 feet elevation, and the coastal plains, which extend northeast and south from the delta, generally less than 30 feet elevation with scattered sand dunes and isolated hillocks about 350 feet high.

Most of the mountains and hills are covered by dense forests, but cultivated clearings and large patches of grassland break the continuity. Most of the streams and rivers flow swiftly through deeply cut V-shaped valleys in relatively straight courses. Small streams may dry up during the dry season and larger streams are reduced to trickles. A few roads, railroads and trails extend through the main valleys and connect major villages and towns, while travel elsewhere is confined to footpaths and trails.

The lowlands area is densely populated and almost entirely covered by rice fields. There are many large perennial streams that interconnect with a vast network of irrigation canais and drainage ditches running through miry fields. Nearly all of the numerous but poor roads are confined to embankments built up from 3 to 15 feet above the surrounding land and are interrupted by many ferry crossings, and low-capacity bridges and fords, which may be made unusable during the high-water season. Off-road transport is further hindered by the flooding of rice fields much of the year.

Conventional military operations would be very difficult in almost all areas of the country. In the highlands, off-road dispersal and cross-country vehicular movement would be greatly restricted or precluded by steep slopes and dense forests. On the plains and other lowland areas, dispersal and vehicular movement would be feasible only during the dry season when rice fields are not flooded. During the wet season all movement in the lowlands would be confined to the main roads, some of which are impassable in places after heavy rains. Some coastal areas are suited for amphibious operations, but exit from the beaches is dependent on difficult movement over dunes and through rice paddies. During the Indochina War (1946-54) there was more success with small-unit operations than with large-scale operations. Small groups can maneuver across country slowly but without major difficulty, and supplies could be air-dropped at suitable selected sites.

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Natural resources

North Vietnam has large reserves of coal, more than 95% of which is anthracite, and a substantial but undeveloped potential for hydroelectric power. There are no known resources of crude oil or natural gas, although exploration with Soviet and Romanian assistance has been under way for several years. In addition to coal, North Vietnam has a great variety of mineral resources including substantial deposits of iron ore, phosphate rock, clay, and limestone. There are also smaller deposits of chromite, tin, zinc, and tungsten. Reserves of manganese, bauxite, graphite, antimony, mercury, gold, silver, talc, mica, and asbestos have been reported, but few of these resources have been exploited. The only minerals mined in appreciable quantities are iron ore, apatite and phosphorite for fertilizer production, and limestone and clay for cement production.

Forests cover about one half the total land area, but pocr forestry practices have badly depleted natural forest resources, especially the valuable hardwoods logged for timber.

Human resources

The estimated population of North Vietnam as of July 1971 was 20.5 million persons. This estimate is based on a projected annual rate of increase of about 2% applied to the 15.9 million persons registered in a national census in 1960, although actual rates of growth since 1965 have been affected by high death rates because of the war.

Over-all population density is about 335 persons per square mile, the highest in Southeast Asia except for Singapore. The heaviest concentration of population is in the Red River Delta, one of the most densely populated regions of the world with an estimated average population density of some 1,500 persons per square mile. The narrow coastal strip extending from this area south to the border of South Vietnam is also densely settled, while the remainder of the country is sparsely populated. Hanoi and Haiphong are the only traditional urban centers of any consequence and no more than a dozen other cities have significant metropolitan populations. Most North Vietnamese are farmers living in small village enclaves. The Communist government began in 1954 to institute economic development policies designed to increase the urban population and industrial work force, but since the inauguration in 1965 of the US program of bombing significant North Vietnamese military targets, the regime has implemented programs to disperse the population into rural areas as a civil defense measure, leaving only essential combat and production personnel in the cities.

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The population of North Vietnam is about 85 to 90% ethnic Vietnamese. The other 10 to 15% comprises ethnic minorities who traditionally live apart from their Vietnamese neighbors in the seclusion of less populated northwestern areas of the country, maintaining a tribal isolation that preserves their cultural homogeneity.

A large proportion of the population (41% in 1960) is under 15 years of age. The proportion of women in the adult population was estimated at 59% in 1970; a result of manpower losses during the guerrilla war against the French (1946-54), the predominance of men among the refugees who moved south in 1954, and the loss of over 600,000 men in the war with South Vietnam.

Strategic area

The Hanoi-Haiphong strategic area, situated in the delta of the Red River, is one of the most densely populated areas of Southeast Asia and the heartland of North Vietnam's government, commerce, industry, and transportation. Much of the population evacuated from the urban areas during 1965-68 has not returned to the cities since the bombing halt in 1968, and many former urban dwellers still remain in the rural areas adjacent to the major cities. The strategic area is heavily fortified and contains primary air defense commands, as well as five airfields, two of which are jet fighter bases.

Hanoi, the capital and largest city in the country, has an estimated population of about 500,000. It is also the hub of the transportation and telecommunications networks and an important commercial center. Most nationally significant military installations are located in or around the city, including the headquarters for the armed forces. The largest concentration of industries in North Vietnam is in Hanoi and its immediate environs; however, a number of light industries were moved to rural areas during 1965-68 and have not been reactivated. Haiphong, the second largest city, has an estimated population of about 200,000. It is the main port of the country and its primary logistics center. The port, which handles about 80% of the nation's foreign trade and the bulk of military and petroleum imports, is being expanded. Industrially, the city ranks second to Hanoi, but it is the site of a significant cement plant, which is a key industry for the rehabilitation of urban installations and the reconstruction of the transportation network. The Hanoi-Haiphong strategic area is served by rail, road, and inland waterways and forms the hub for the country's transportation system.

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Together, the cities provide a concentration of commercial and storage facilities for receipt and transshipment of goods and supplies throughout North Vietnam. The strategic area contains a combined storage capacity of about 360,000 barrels of refined petroleum products that are stored in three bulk storage facilities and in many smaller facilities that are dispersed tiroughout the area.

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II. ECONOMIC BACKGROUND

Growth rates and trends

North Vietnam is predominantly an agricultural country with the nucleus of a modern industrial sector and a substantial small-scale industrial base. The small size and underdeveloped nature of the economy are indicated by the gross national product (GNP), which in 1970 was about the equivalent of US\$1.4 billion, or less than US\$100 per capita.

As a result of US bombing, industrial growth began to slow down in 1965, to decline somewhat in 1966, and then to drop sharply in 1967 when air strikes were heaviest against the modern industrial sector. The value of industrial output in 1967 is estimated to have dropped to two thirds of the 1965 level. Damage to agriculture, commerce, and light industries was minimal because of the simplicity and geographical dispersion of these activities. Nevertheless, the war contributed to a decline in agricultural output, mainly from the military manpower drain. Economic recovery after the bombing halt in 1968 was slow because of the priority allocation of resources to the war effort and a shortage of manpower. By 1970 the economy had recovered to about 95% of the 1965 level, and the government began a new program designed to rehabilitate the economy and promote agricultural production. Floods in the late summer of 1971 dealt a serious setback to the economy, especially in agriculture, where production fell to about 20% below the 1970 level. The reconstruction program was impressive as most of the bomb-damaged industry was restored, boosting production nearly up to the pre-bombing level.

Prior to the resumption of large-scale bombing of North Vietnam in early 1972, increased industrial production and growing export volumes pointed toward over-all industrial development, while agriculture continued to suffer from lingering effects of the floods. Information on the effects of the bombing on North Vietnam's economy will probably not be available for some time.

Income distribution

The standard of living in North Vietnam is probably among the lowest in Asia. For several years the regime has given first priority to the demands of the war in South Vietnam and second priority to economic development, with improved living standards for the populace running a poor third. The

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great bulk of the population, working or socialized agricultural production cooperatives, receives a subsistence-level income in kind—food produced by the family, homemade clothing, and housing constructed by the families from locally available materials. Sparse data on monetary income indicate that urban workers receive various state allowances to supplement their low wages. The rationing system, initiated in 1954, has continued to allocate grain and root crops to adults on the basis of the strenuousness of labor and to children according to age. Imports had enabled North Vietnam to maintain the grain ration at the same level since 1965, but in 1971 the ration for state employees was reduced by about 7%. Because of the war's continuing demands, rationing is also in effect on many consumer goods, including clothing, textiles, and tobacco.

Sectors of the economy

Agriculture accounts for about one half of national income among the material production sectors, employs about 70% of the non-military labor force of 9.9 million people, and uses about 14% of the total land area. A program of gradual agricultural socialization was begun in 1954, and by 1970 about 95% of the peasant population had been formed into 22,300 agricultural production cooperatives that farmed 75% of the cultivated land. In spite of the commitment to socialized agriculture, the regime permits about 5% of the cooperative land to be used as private plots on which the peasants grow food crops and raise livestock to supplement income earned on the cooperative. The plots provide about 40% of the peasants' income and supply about 90% of the country's hogs and most of the leafy vegetables. Farming is labor intensive on a small cultivated area, with little machinery, chemical fertilizers or insecticides.

The production of food for domestic consumption dominates North Vietnamese agriculture. Rice, the staple in the diet, is planted on about 70% of the total harvested area, and 40% of the rice land yields two crops per year. Subsidiary food crops, including corn, potatoes, and manioc, are grown primarily during the dry season in areas where a single rice crop is harvested, and also in the highlands near the Red River and along the coast. Other foods such as taro, beans, peanuts, soybeans, and vegetables are also grown. North Vietnam produces a large variety of industrial crops including sugar cane, oilseeds, cotton, jute, tobacco, tea, and coffee. While some industrial crops are produced in sufficient quantities to be exported, food production has not been required. The disastrous floods of 1971 destroyed an estimated 35 to 45% of the autumn rice crop, and total food crop production fell tc a record low of about three million metric tons, or about 20% below the 1970 level.

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Industry comprises about 15% of the national income from the production sectors. Of the total product from industry, the modern ector contribates about two fifths. The industrial sector is divided into two major groupings: "central industry," which roughly coincides with the large, modern branches of industry that are managed by the state, and "local industry," which generally includes small factories and the handicraft enterprises that function under decentralized local management but with assistance and direction from state planners. The activities of local industry may at times encompass production operations normally found in the central sector such as coal mining, textile manufactures, electric power plants, or boat building, the final categorization resting mainly on the scale of operations. Handicraft workshops form an important part of local industry, typically producing textile products, metal products, or light consumer goods. The state owns essentially all manufacturing plants. A majority of handicraft workshops are formed into state-owned cooperatives.

The labor force in industry numbered nearly one million people in 1970, the majority of which were employed in local industry and handicrafts. Shortage of skilled labor, always a problem, has been accentuated in recent years because of the manpower demands of the war. The major industries include food processing and textiles, including leather and clothing manufacturing. Production of machinery, transportation equipment, and military hardware is small relative to North Vietnam's requirements, with the bulk of these products being imported from other Communist countries. The chemical industry, fuel exploitation and processing and electrical power industry, built and developed with foreign assistance, also produce small amounts that are augmented by imports.

Since 1960 the value of industrial production has fluctuated because of North Vietnam's involvement in the war. According to official data, the gross value of industrial production increased about 70% from 1060 to 1964. In 1965 the estimated increase was 1 or 2%, and by 1367 output is estimated to have fallen to 65% of the 1965 level, reflecting the impact of bombing on the centrally controlled sectors of industry. Extensive reconstruction of the economy following the 1968 bombing halt allowed the total industrial output in 1970 to reach 85 to 90% of the 1965 level. In 1971, industrial growth was claimed to be 14%, representing fulfillment of the 1971 portion of the current three-year state plan. Renewed bombing in 1972 has already had a major effect on industrial production.

Transportation and telecommunications

The transportation facilities of North Vietnam have been integrated into a multimode transportation system incorporating both land and water

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communication. Land and water transport performance are about evenly divided. All facilities are government-owned and are operated by the various departments of the Ministry of Communication: and Transportation. The systems extend from Hanoi to all major population and economic areas.

The railroads are the primary long-distanc - land carrier of passengers and freight, both domestically and internationally. The system, totaling about 602 usable route miles, consists of about 25 miles of standard-gauge, 438 miles of meter gauge, and 139 miles of dual standard and meter gauge lines. All are single track and none is electrified. Principal commodities normally moved include military supplies, construction materials coal, agricultural products, and lumber. In 1966 the railroads carried about 3.6 million short tons of freight, about 16% of the total freight moved.

Much of the rail network is in the coastal plains and the Red River Delta, linking the major industrial, mining, and agricultural areas with Hanoi and the port of Haiphong. Two international connections are made with the railroads of China, one of these via the northeast line through Lao Cai. The line south from Hanoi to Vinh is the restored part of the former connection with South Vietnam and has been of great importance in the support of military operations in the South.

Highways, although a very important means of transportation, serve mainly as short-haul feeders to the railroads and are used in conjunction with rail and water transport in support of the North Vietnamese war effort. They also provide access to agricultural and industrial areas and serve remote regions that lack other means of transportation. The highway network consists of about 8,400 miles of motorable roads, plus about 2,100 miles of seasonally motorable roads. About 800 to 900 miles of roads have bituminous-treated surfaces and the remaining motorable roads have crushed-stone, gravel, or earth surfaces. The basic pattern of the highway system centers on the major cities of Hanoi and Haiphong, from which routes extend radially to the hinterland. There are also highway connections with China and Laos, and an unused link with South Vietnam.

Inland waterways and coastal shipping account for about half of the country's total transport capability, and inland waterways carry more cargo than any other mode. The waterway network, totaling 4,200 miles, is heavily trafficked by barges, junks, and sampans; craft with drafts to six feet can navigate perennially about 1,800 miles of the inland routes. Most waterways are concentrated in the lowlands area and include the Red River and Song Thai Binh networks and the interconnecting Song Luoc and Song Duong

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nets. During the high water season, craft drawing seven feet can travel more than 300 miles up the Red River from the sea. Craft operating on inland routes are estimated to total about 33,000 units, 80% of which are primitive junk and sampan varieties. The coastal fleet has been augmented and modernized, and the estimated total of 105 craft is capable of carrying 18,625 tons. Periodic dredging is necessary to maintain adequate waterway depths in the heavily silted lowland deltas.

The ports of Haiphong, Cam Pha, and Hon Gai are the only ports having alongside accommodations for ocean-going ships. Haiphong handles over 95% of all maritime imports and most of the exports for coal. The importance of Haiphong to the economy and the military effort is evident in the fact that the port receives about 90% of the country's total imports, which in 1970 amounted to over 2,232,000 metric tons. Cam Pha and Hon Gai, the other major ports, function primarily for the export of coal from nearby mines. The North Vietnamese merchant marine consists of six dry cargo ships and five tankers totaling 16,523 gross register tons. Augmenting the merchant fleet are more than 200 river and coastal cargo ships and tankers. Foreign flag ships carry virtually all of North Vietnam's sea-borne foreign trade.

All of North Vietnam's scheduled air transport services have been suspended, and all transport aircraft are believed to be in use for military purposes. The only regularly scheduled international commercial services are semi-weekly flights by the Civil Aviation Administration of China, operating between Hanoi and Nan-ning, and weekly flights by Aeroflot linking Moxow and Hanoi, via Tashkent, Karachi, Calcutta, and Vientiane.

The telecommunications system has been repaired and expanded since the bombing halt in 1968, but it is still not capable of meeting current requirements. This system operates chiefly for defense and civil administrative needs and is composed basically of a carrier-equipped open wire network, supplemented by high frequency radio communication facilities and a few newly installed radio relay links. Domestic radiobroadcast and wire broadcast facilities have been expanded to cover most areas. The international broadcast service has grown to be a major propaganda medium. Special purpose communication systems are also operated by railroad, aeronautical, maritime, and meteorological agencies and, most importantly, by the Lao Dong Party. The military also operates a comprehensive wire and radio communication network. A telephone and telegraph landline network radiates from Hanoi to all provincial capitals and other major towns. The total number of telephones is estimated at 15,000 or more, virtually all of which are designated for official use.

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Government economic policy and financial system

All economic policies in North Vietnam are formulated by the leadership of the Lao Dong Party and are translated into specific programs of action through the national economic plan. The Council of Ministers is responsible for formulating national economic policy. The State Planning Commission, under the Council of Ministers, draws up the plans. Targets for all sectors of the economy, such as the evels of production for major commodities, the amount and types of capital investment, and the allocation of labor and materials, are sent to individual operating units through the economic ministries of the central government and provincial and district governments.

In the 1950s and mid-1960s the regime set forth three-year and fiveyear state plans based primarily on the need for reconstruction after long years of war and for the general rehabilitation of agriculture and industry. In 1965, the first Five Year Plan had not been fulfilled and US bombing forced a new look at economic policies. A proposed second Five Year Plan was replaced by a two-year emergency plan (1966-67) designed to disperse industry as a defense against air attacks and to emphasize regional selfsufficiency. Few data have been published by the regime, but there is little doubt that production in 1967 fell to the lowest level of the war, mainly as a result of bomb damage to heavy industrial facilities.

North Vietnam has not legally defined its currency in terms of gold or foreign currencies and no official exchange rates are announced. The standard unit of currency is the dong, which the State Bank of Vietnam converts at the rate of 3.7 to the US dollar for Western travelers. This rate probably does not reflect the real value of the dong. Imports from and exports to non-Communist countries are valued either in the currencies of the trading partner or in pounds sterling, and trade with Communist countries is expressed in clearing-account rubles.

Foreign trade

The Communist countries are North Vietnam's major trading partners, accounting for more than 95% of the value of North Vietnam's total trade in 1970, compared to roughly 85% during 1961-64. Of the 1970 total, the USSR accounted for 54%, the Eastern European Communist countries 31%, and China 13%. Japan was the largest non-Communist trading partner from 1966 to 1970, accounting for roughly one half of the trade.

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More than one half of North Vietnam's total exports by value are agricultural products, handicrafts, and light manufactures (clothing and footwear). The remainder is made up principally of metals, minerals, and building materials. Pig iron exports, formerly an important hard currency earner, have not resumed since 1967 when the country's only significant iron smelter was bombed. Exports of apatite and cement were resumed in 1969 for the first time in more than two years, but increasing domestic needs in 1971 probably prevented a significant expansion of cement exports and also may have accounted for the sharp decline in apatite exports. Although coal exports were never halted, the effects of the bombing reduced coal exports in 1970 to less than one third the 1965 level. In 1971, coal exports increased by 30% over 1970 levels, with Japan taking over from China as the leading customer.

North Vietnam depends on imports for all of its supplies of petroleum, finished steel, railroad rolling stock, and vehicles; and for most of its complex machinery, metal manufactures, spare parts, industrial chemicals, and raw cotton. In addition, roughly one sixth of total food supplies were imported during the period 1965-70. Seaborne imports totalled more than 2.2 million tons in 1971, with the USSR accounting for less than 60%, China for about 30%, and the remainder from Eastern Europe and other Communist countries.

Balance of payments

North Vietnam has incurred a deficit in its foreign trade every year since 1954, that is financed essentially by aid from Communist countries. The deterioration in the export situation brought about by damage from US bombing, accompanied by increased reliance on imports from Communist allies, brought about a sharp increase in the deficit from an average of US\$70 million during 1961-64 to a peak of about US\$680 million in 1969 and \$605 million in 1970. North Vietnam maintains a favorable balance of trade with non-Communist countries, although an occasional small deficit occurs in trade with an individual country.

Foreign aid

Economic assistance from Communist countries, which reached a peak of US\$685 million in 1969, continues to be essential for maintaining North Vietnam's economy and for prosecuting the war in Indochina. During 1962-65, economic assistance was responsible for establishment of the country's modern industrial base, expansion of the transportation network, and

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improvement and diversification of agriculture. Following the advent of the US bombing program in 1965, the character of aid changed from emphasis on large-scale enterprises to the development of small enterprises that were intended to bolster regional self-sufficiency. Although assistance to the large-scale sector of industry has continued since the bombing hait in 1968, it has been limited largely to reconstruction of bomb damage or to completion of unfinished projects. North Vietnam has also had to rely heavily on commodity assistance to offset shortfalls in domestic output and to maintain an adequate level of consumer welfare.

From 1955 through 1970, total economic aid from Communist countries reached about \$3,4 billion. The USSR has provided about 50%, China about 20%, and the Eastern European countries nearly 25%. Only nominal assistance has been received from Albania, Cuba, Mongolia, and North Korea. Assistance from non-Communist countries thus far has been confined to small amounts of humanitarian aid such as pharmaceuticals, textiles, foodstuffs, and other consumer goods.

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III. POLITICAL SITUATION AND TRENDS

Historical summary

Since ancient times Vietnam has been an ethnic and cultural crossroads. Its history is partly a record of the territorial expansion of the Vietnamese at the expense of other peoples and partly a record of its political conquest and cultural penetration by the Chinuse and the French. Following their conquest by the Han Dynasty in the second century B.C., the Vietnamese experienced a millenium of direct Chinese rule. In the mid-10th century a period of semi-independence as a tributary state began, and finally from roughly 1428 until the imposition of French rule in the mid-19th century the Vietnamese enjoyed a greater degree of political independence.

The French initiated Vietnam's second great social revolution, introducing Western education, Christianity, industrialization, the money economy, European-type urbanization, and numerous other aspects of Western material and intellectual culture. Vietnam became a transitional society; a complex, unstable mixture that resulted from the merging of disparate values and ways of life and from the varying impact of the processes of socia! change on the different elements of society. Much in the same way that the Vietnamese had absorbed Chinese culture while constantly resisting their political domination, anti-French nationalism took root early and persisted throughout the colonial period. Reflecting the Vietnamese penchant for factionalism and internal conflict, various groups of Communist and non-Communist nationalists competed for leadership of the struggle for independence. in early 1941 the Viet Minh was formed from a front movement that united diverse nationalist elements. This in time became dominated by Ho Chi Minh's better organized and more highly motivated Indochina Communist Party.

World War II and occupation by the Japanese were followed by the seven-and-one-half year Indochina War in which the French, in their attempt to re-establish control, were defeated by the Viet Minh. Under the terms of the 1954 Geneva Accords ending the war, Vietnam was reconstituted as the separate states of North Vietnam and South Vietnam, divided at about the 17th parallel on the basis of military and political factors. In North Vietnam, the French economic and political elite was replaced by a new elite composed largely of hard-core revolutionists, other more recently recruited Communist cadres, and the leadership of the North Vietnamese Army. The Ho Chi Minh regime continued to consolidate its power mainly through

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programs, begun as easily as 1946, aimed at destroying the traditional and the colonial social structure and reordering society along doctrinaire Communist lines. The government conducted a determined drive to socialize the economy, collectivize agriculture, expand industry and, with aid from the Soviet Union, China and other Communist countries, repair war damage.

While continuing domestic social reforms, Hanoi's leaders undertook a concerted effort in the late 1950s to arm and organize the Viet Cong in South Vietnam, with the ultimate aim of taking over the Saigon government. The police state nature of the Communist apparatus and the continuing privations and hardships of the people probably resulted in a waning of public enthusiasm and growing dissatisfaction in the later 1950s and early 1960s. Peasant restiveness was stimulated by a succession of poor harvests, but the prevailing public attitude appeared to be one of apathy and passivity, without significant organized opposition. Throughout this period, the regime continued to strengthen the party apparatus, particularly at the lower and middle levels, and improve all instruments of control—the party, the army, and the police—in an effort to get them firmly established and responsive to commands from above.

The US aerial bombardment from 1965 to 1968 halted Communist efforts at major social reform and considerably disrupted North Vietnamese civilian life, interfering with the regime's efforts to put the economy firmly on a Communist basis. During that period, however, the leadership was extremely effective in appealing to patriotic feelings among the population and in recapturing some of the earlier nationalistic fervor. Severe military setbacks suffered by Hanoi in South Vietnam since the Tet offensive of 1968, the death of Ho Chi Minh in 1969, and the events in Cambodia in 1970, further complicated the regime's efforts to improve the performance of an inefficient economy and forced Hanoi's leaders to divert more of their country's manpower, as well as more of their own energy, away from domestic problems and back to the war. This has not meant that the North Vietnamese are neglecting domestic problems. Hanoi is stressing efficiency, improvement in managerial techniques, and even material incentives, even though party control remains a basic feature of society.

Structure and functioning of the governmental system

The principal function of the highly centralized and authoritarian government of the Democratic Republic of Vietnam is to implement the national policy directives of the Lao Dong Party, whose structure parallels that of the central government. Although there are other instruments that

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the party uses to carry out its programs—the party apparatus itself and the nationwide mass organizations—the governmental machinery is its principal vehicle. The governmental system is modeled closely on that existing in Chir a in the late 1950s, and it operates on the same principle of "democratic centralism" as does the Lao Dong Party. Although the constitution makes a theoretical separation of the legislative, executive, and judicial functions, the legislative and executive branches in practice are combined, resulting in a highly centralized government. The judiciary is subordinated both to the executive elements of the government and to the party.

The constitution, adopted in 1960, is modeled extensively on the 1954 Chinese constitution and serves both as a body of law for the government and as a propaganda document for the Lao Dong Party. It gives special prominence to the Marxist-Leninist interpretation of economic and social conditions, and it contains a long list of civil liberties that are guaranteed so long as they do not conflict with the interests of the state. Like all Communist constitutions, it does not reveal the totality of party control and ascribes to the governmental organization considerably more responsibility and authority than it has in practice.

The most important centers of power within the government are the executive agencies—the President of the Republic, the Premier, the Council of Ministers, and at the local level the administrative committees that represent the principal governmental authority within their areas.

According to the constitution, the president is appointed by the National Assembly, and he in turn, with the approval of the National Assembly, appoints the premier and the Council of Ministers. All terms are for four years and run concurrently with that of the National Assembly. In addition, the constitution grants the president the power to promulgate laws and regulations. He is commander of the armed forces and presiding officer of the National Defense Council, and he may attend and preside at meetings of the Council of Ministers. He can convene special political conferences to examine major policy problems.

Of all the government organization, the Council of Mir.isters, an executive and administrative organ of the National Assembly, is closest to the policy-making process. In mid-1971 it consisted of the premier, seven vice premiers (five of whom also headed ministries or state commissions), 31 additional ministers and heads of state commissions, and the director of the State Bank. At that time, most of its 40 members were serving on the party Central Committee, and several occupied positions on the Politburo, the

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party's senior policy-making body, thereby assuring that government decisions were in fact party decisions.

Non-Communists participated extensively in the council during the early days of the regime, but this participation decreased significantly as the number of competent party administrators grew. By early 1971, few nonparty members sat on the council. Their responsibilities are confined to the cultural field or to a few of the economic portfolios that require some technical competence.

The Office of Premier is the executive organ of the Council of Ministers and as such is responsible for executing all decrees and plans of the Council of Ministers, as well as those of the Standing Committee of the National Assembly. It is composed of the premier, three ministers, a secretariat, and several branch secretariats that coordinate and supervise the activities of their respective ministerial subordinates. The Ministry of National Defense and the Ministry of Foreign Affairs, headed by men who are also vice premiers, are not under the supervision of branch secretariats.

Legislative authority, according to the constitution, resides in each of the elements of a pyramid of elective representative assemblies existing at four descending levels of government. These assemblies are the National Assembly and the Peoples' Councils at three successively lower levels: 1) autonomous regions, provinces, and special cities; 2) rural districts, major towns, and provincial capitals; and 3) small towns, villages, and urban wards.

The 420 members of the unicameral National Assembly are elected by direct vote to four-year terms. The latest elections were held in April 1971. In the previous three legislatures there were 91 deputies from South Vietnam who were elected in 1946 but had their terms extended because of "temporary territorial partition." This practice, however, was ended with the newly at sted legislature. The National Assembly is in fact under firm party control (its chairman and vice chairman are Politburo members) and does little more than approve and publicize the proposals and actions of the executive agencies. In April 1965, because of the war situation, the National Assembly authorized a suspension of the constitutional provision that assembly sessions be held semiannually, and delegated some of its power to its permanent Standing Committee, which consisted in early 1971 of 22 members. Like the assembly itself, the Standing Committee does little more than ratify decisions made either in the Council of Ministers or in the party's policy-making organizations. Since 1965 the National Assembly has held only six sessions, of which two were held in 1971.

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Representatives to the local people's councils are elected for two and three-year periods at different levels, and all elections are under the close supervision and direction of the Lao Dong Party. Local elections, which unlike the National Assembly elections were not suspended during the years of the US bombing, were also held in April 1971.

The judicial establishment consists of the regular court system and the People's Organs of Control, both of which are nominally responsible to the National Assembly or to its Standing Committee. The courts are declared to be independent and subject only to the law in the administration of justice, but all are controlled by the party.

At the apex of the court hierarchy is the People's Supreme Court, established along with the People's Organs of Control to handle judicial matters after the abolition of the Ministry of Justice in 1960. The People's Supreme Court has two types of jurisdiction: as a court of the first instance, it deals with cases involving high treason and other serious criminal and civil cases that "it may wish to try"; and as the highest court of appeals, it reviews cases originating in the lower courts. In addition, it supervises the judicial system, including the organization of the courts, the training of legal staffs, and the establishment of court procedures. Subordinate tribunals include local people's courts, military courts, and special courts authorized by the National Assemoly to handle extraordinary cases.

The People's Organs of Control serve as watchdogs of the state and function independently of all government agencies except (nominally) the National Assembly or its Standing Committee. The People's Supreme Organ of Control and its subordinate bodies exercise extraordinary powers of surveillance over both the public and private domain. They check on the performance of government enforcement agencies. Officials of the People's Organs of Control represent the state before the people's courts in judicial proceedings. Like the people's courts, subordinate organs of control are established at all levels of territorial administration, with each reporting to the next higher level of authority. Unlike the local people's courts, however, they are not responsible to the people's council at the corresponding levels. The code of justice, adopted in 1950, is an adaptation of the French Civil Code.

Political dynamics

The Lao Dong Party, an orthodox Communis⁴ party formed in 1951, exercises all political power in North Vietnam, and has occasionally used its control over the military and the police to suppress any overt opposition. It

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claims a membership of over one million, about 5% of the population, and it is estimated that 97% of all army officers are party members.

The highest powers of the party, including determination of policy and direction of all activities, are vested in a National Congress and a Central Committee elected by the Congress. The party constitution calls for the Congress to meet once every four years, but the last meeting was in 1960. Because of its infrequent meetings and its size (about 600 delegates), the Congress is not suited to perform its statutory functions. Its powers are in practice exercised by the Politburo and various Central Committee departments. The Congress rarely does more than ratify past or proposed actions of the party leadership.

The Lao Dong Party Central Committee by mid-1971 had a membership of 41 regular members and 28 alternates. Central Committee plenums, scheduled to be held about twice a year but often delayed or held in secret, discuss major policy developments. Rather than formulate policy, the role assigned to it by the party constitution, it serves largely as a forum for the dissemination of information concerning policy and its implementation. Many major policy directives are issued as Central Committee resolutions, but they were formulated by the all-powerful Politburo, which releases many others. The last Central Committee plenum was held in early 1972, but was not announced by Hanoi until April.

The Secretariat of the Central Committee serves as the central coordinating body for all party activities and as the party's primary agency for implementing policy. It directs the specialized departments of foreign affairs, propaganda, organization, inspection (or control), military affairs, reunification, industry, and agriculture. The Secretariat probably also makes the decisions on most routine middle and upper echelon party assignments and promotions.

The Lao Dong Party follows the familiar Communist organizational principle of democratic centralism, whereby each administrative unit is subordinate to the one immediately above it in the organizational chain. In theory, all positions in the party are filled by elections. According to party statutes, the membership at the provincial and at the district or city level elect congresses, which then elect executive committees. In practice, however, each list of candidates is carefully selected in advance by the party leadership. The local executive committees select "standing committees" and "secretaries," which serve as the executive authority for the area, working closely with the specialized departments of the Central Committee and

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under the direction of the National Secretariat. At the base of the party administrative structure is the cell (chi bo), established in all geographical, economic, social, and cultural groups where at least three party members are located—villages, government offices, factories, farms, retail stores, schools, trade unions, and women's groups.

The Fatherland Front, which was organized in 1955, placed under party control the various non-Communist elements of society that Hanoi gathered into mass orgnizations (women's, youth, peasant and labor groups). The front was designed to mobilize popular support for the regime's domestic programs, to preserve the facade of a multiparty system, and to orient all front activities toward the national goal of unification. The Fatherland Front is an important way of influencing a large majority of the population. It has been headed since its creation by Ton Duc Thang, a full member of the Lao Dong Party Central Committee. Organized like the Lao Dong Party, the front has a Central Committee and a ruling presidium. Prominent party members dominate the controlling positions in the organization. In 1971 the front still included the Socialist and Democratic parties, catering to intellectual and bourgeois elements, respectively. Since 1960, when the DRV began to increase its military pressure on South Vietnam, the Fatherland Front has become more active in promoting the goal of reunifying Vietnam, It has served as the propaganda counterpart in North Vietnam to the National Front for the Liberation of South Vietnam, which was set up in the South by the Lao Dong Party in December 1960.

Security system-police, security

The North Vietnamese security and intelligence apparatus, organized under several government branches, is the organ of Lao Dong Party control over the populace in North Vietnam and in Communist-held territory in South Vietnam. A sizable amount of manpower is engaged in police, security, and intelligence functions, and there is also a vast network of informers outside the formal apparatus. There are the usual Communist population controls: identification cards, licenses, travel permits, and census data.



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VI. ARMED FORCES

Defense organization

The armed forces of North Vietnam consist primarily of ground forces. Air and naval forces are small and are oriented toward a ground support or a defensive role. Equipped with modern conventional weapons of primarily Soviet and Chinese origin and having a combined strength of about 530,000 personnel (as of late 1971), these forces constitute the most experienced and effective military power native to Southeast Asia. Large numbers of North Vietnamese troops are in combat in South Vietnam, Cambodia, and Laos. The army has the capability to launch assaults of multi-divisional strength, but is at its best in guerrilla or small-unit warfare.

President Ton Duc Thang is the nominal Supreme Commander of the armed forces. Broad military policy is determined by the National Defense Council, which transmits its decisions through the Ministry of National Defense to the High Command. Most of the members of the National Defense Council are members or alternate members of the politburo. The High Command consists of the commander in chief, General Giap, and the heads of the three General Directorates: Political, Staff, and Rear Services. Under the commander in chief, operational control over the armed forces is exercised by the general directorates. Superimposed on the military command channels is the Lao Dong Party control structure. Party policy is disseminated from the Central Committee's Military Committee (headed by General Giap) to the General Political Directorate, then passed through political bureaus, committees and delegates at every unit command level.

Territorially, North Vietnam is organized into five military regions and a capital area headquarters. Commanders of the military regions control provincial militia and certain regular army units in their regions. Most regular units are normally under the direct control of the High Command but may be placed under regional control for particular missions.

The armed forces have a combination of military, political, and economic functions. Militarily, their mission includes the maintenance of internal security, suppression of sabotage and subversive activities, support of the national objective of reunification of North and South Vietnam, and furtherance of Hanoi's objectives in Laos and Cambodia. Politically, they are used to indoctrinate the civilian population in governmental policies and goals. Economically, they grow their own food and are also called upon to help

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farmers during the planting and harvesting seasons and to assist in the development of agricultural cooperatives.

The ground forces are the dominant service element, consisting in April 1972 of about 540,000 men under arms, including about 90,000 in Laos, 35,000 in Cambodia and over 200,000 in South Vietnam. Ground combat forces are organized into eight infantry divisions, three training divisions, one infantry training group, seven independent regiments and the Armor Command with two regiments. Other units are organized under the Engineer, Artillery, Transportation, and Sapper commands subordinate to the High Command. Weaponry includes Chinese-made assault rifles, Soviet and Chinese artillery including the 130-mm. field gun, and Soviet tanks.

Limited support for the ground forces is provided by the 3,000-man Navy Command, which is subordinate to the General Staff Directorate. The navy is a small coastal defense force with an inventory of 44 to 47 patrol boats and 50 service craft, engaged mainly in patrolling national waters and assisting in air defense. Offensive capability is probably limited to surprise torpedo boat attacks. Combatant ships include motor torpedo boats, motor gunboats, and submarine chasars used for patrol purposes, organized into squadrons, divisions or flotillas by type or function. Fleet headquarters is at Haiphong. Junks may be used to supplement logistic operations by the service fleet.

The Air Force—Air Defense Command, equipped with surface-to-air missiles, radar-controlled anti-aircraft artillery, modern Soviet fighter aircraft, and an efficient early warning system, is currently formed iero a sophisticated defense force, but it has a very limited offensive capability. The air force has an estimated personnel strength of 10,000, including about 300 jet pilots. There are approximately 350 aircraft, which operate from eight major airfields. Air defense forces are organized into 45 anti-aircraft artillery regiments and about 50 missile battalions, equipped with the SA-2 missile.

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Other military manpower resources are an estimated three million in an unarmed reserve and 16,500 in the paramilitary Armed Public Security Forces, a full-time armed security element subordinate to the Ministry of Public Security.

As of April 1972, North Vietnam had a manpower pool of an estimated 1.3 million male civilians aged 15-39 fit for military service, about one half of whom are in the 17-25 age bracket. The armed forces can induct and train up to 100,000 men per year without drawing down this reserve. Available manpower is classified according to health and political reliability. During the past several years, the high and persistent losses suffered by the North Vietnamese Army have caused deterioration in the quality of its cadres and troops.

Economic support and military budget

North Vietnam's underdeveloped economy cannot produce the material .needed to support its armed forces. Aid from Communist countries supplies a substantial portion of all military requirements, including food, petroleum, vehicles, and weapons. Domestic production includes small quantities of grenade launchers, small arms, land mines, grenades and mortar ammunition. Only the output of light mortars and individual quartermaster items is adequate for current needs. The Soviet Union has provided nearly all of the heavy field weapons, naval vessels, aircraft and surface-to-air missiles. China has supplied large quantities of infantry weapons and ammunition, some naval craft, and a few aircraft. Total Soviet and Chinese military assistance from 1965 through 1970 amounted to more than US\$2.1 billion.

The North Vietnamese have not announced a defense budget since 1962. At that time, actual military spending was about US\$103.2 million, or 22% of total expenditures and about 7% of estimated GNP. Data for later years are not available, although current military outlays undoubtedly account for a much greater share of total expenditures and the GNP.

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General policies for military procurement are established by the Ministry of National Defense, and the General Rear Services Directorate is responsible for detailed planning and supervision of the procurement program. The subordinate Munitions Procurement Directorate supervises domestic production of arms and ammunition.

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The army has, for the most part, adopted the standardized equipment of Communist countries, but some quantities of captured weapons of non-Communist origin are still in use by the militia forces. The navy has no extensive logistic network. Naval air force, air defense ordnance, and material are obtained through the General Rear Services Directorate from other Communist countries. The armed forces do not have enough technical specialists for the maintenance of the advanced equipment now held or to be acquired, and they are dependent on the donor countries for training and technical assistance.

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VII. FOREIGN RELATIONS

The DRV regime has two major objectives: to unite North and South Vietnam under Communist control and to establish a Communist society, first in North Vietnam and then in the South. While the Lao Dong Party leadership has always attempted to remain independent in policy determination, as a result of its war needs it must make some allowances for the attitudes of the Soviet Union and China, on whom it is heavily dependent for assistance.

The Sino-Soviet dispute has been of major concern to Hanoi, and the leadership has consistently decried this division in Communist unity. The North Vietnamese have gained some benefit from the rift by remaining neutral and playing off one side against the other for aid and support. For a brief period in 1963-64 they did support the Chinese on most of the major issues, but they returned to neutrality as soon as Premier Khrushchev was overthrown and the new Soviet leadership promised greater interest and support for North Vietnamese objectives. For a while, despite numerous Chinese assurances, Hanoi expressed anxiety that its interests might be compromised in the course of developing Sino-US rapprochement. Loss of support from either Moscow or Peking would seriously disrupt Hanoi's ability to defend itself against air attack and to support the war in the South. Almost all the progress that the Lao Dong Party made toward its domestic and foreign policy goals was made possible by economic assistance from both the USSR and China.

In terms of long-range policy, DRV leaders would like to see Vietnamese hegemony extended to all the states of former French Indochina. Until such a take-over becomes feasible, the DRV has preferred to promote neutral governments in the three non-Communist states with a view to their eventual replacement by Communist regimes. Within these long-range goals, first priority is given to efforts in South Vietnam. Communist activity in the South was for some time focused primarily on political action, including subversion, propaganda, and terrorism. Because of the marginal success of Hanoi's political program, terrorism increased and by 1960 had reached the level of organized guerrilla warfare. The North Vietnamese decision to use increasing levels of military force to achieve their objectives involved ther.. in a major military confrontation with the US and its allies. The North Vietnamese probably expect Southern resistance to diminish as the US withdraws from the war.

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The North Vietnamese interest in Laos and Cambodia is manifested in Hanoi's overt and covert support of the Pathet Lao and the Khmer Communists. The North Vietnamese use both countries as infiltration routes and staging areas for Communist military activity in South Vietnam. In addition, Hanoi is conducting political warfare in an attempt to build up indigenous Communist strength and eventually to overthrow the existing governments in both countries.

North Vietnam has only limited contacts outside the Communist states. Compared with the almost 100 countries that have recognized the Saigon government, only 20 non-Communist countries have recognized Hanoi. Most of these are small nations in Africa and Asia. Sweden and Denmark are the only West European nations having full diplomatic relations, although Norway and Switzerland in 1971 announced their intention to recognize Hanoi. France and North Vietnam have exchanged "delegates general." Burma and India have consuls-general in Hanoi, and Canada has limited contacts with DRV officials as a member of the International Control Commission. Britain maintains a consul-general in Hanoi who is accredited to the municipal rather than the national government. Hanoi has no official representatives in either the United Kingdom or Canada, and treats them with the same basic antagonism that it does the US. The DRV has been especially hostile to all countries that contribute troops or other support to South Vietnam, namely Australia, New Zealand, South Korea, and Thailand. Prior to the opening of the Paris talks in 1968, Hanoi generally refused all contact with the United States, even informal discussions over such problems as the treatment of prisoners of war.

In many countries, DRV diplomats hold themselves in relative isolation from the people, press, and government of the country to which they are assigned. Of the 150 diplomatic and economic officials Hanoi sends to non-Communist capitals, however, those in Paris, New Delhi, Stockholm, and Cairo actively seek publicity through press conferences and interviews in local journals, as well as frequent contact with the foreign office officials of the host governments.

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US INTERESTS

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VIII. US INTERESTS

The US interest in North Vietnam is a result of its heavy commitment to South Vietnam, where US and North Vietnamese policies are in direct conflict. North Vietnam's use of military force in an attempt to achieve its ultimate goal of uniting Vietnam under Communist control has involved the Hanoi regime in a major military confrontation with the United States, which at the height of the war had some 500,000 troops in South Vietnam. Since the withdrawal of US ground combat troops from Vietnam, the US has continued direct military engagement with North Vietnamese forces in tactical and strategic air and naval support of the South Vietnamese.

The only regular direct US channel of communication with North Vietnam is through the negotiations in Paris, which began in 1968 in an attempt to reach a settlement of the war. The talks have made little progress, with North Vietnam often using the negotiating table as a forum for its propaganda. Substantive discussions have at times been broken off, but as of early 1972 the Paris talks had not been formally disbanded.

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