

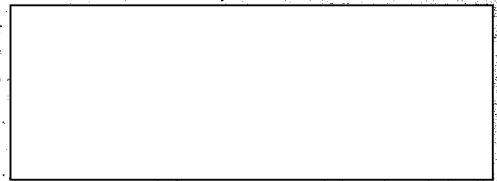
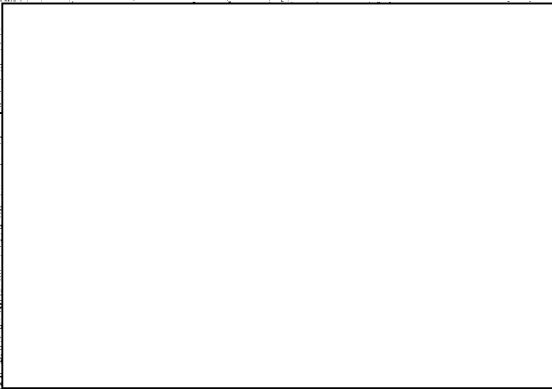
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South Vietnam: Problems and Prospects



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SOUTH VIETNAM:
PROBLEMS AND PROSPECTS

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SOUTH VIETNAM: PROBLEMS AND PROSPECTS

NOTE

The US military presence in South Vietnam will be reduced to about 185,000 by the end of 1971 and even further by the end of 1972. But it is assumed in this paper that a US military support effort will be maintained beyond 1972 along with substantial amounts of US economic assistance. As the US disengages militarily, however, the non-communist forces in South Vietnam will face the test of dealing with a variety of challenges largely on their own. This Estimate assesses the major problems which will confront the Saigon government in the future as the US reduces its presence and which, depending on how they are met, will largely determine South Vietnam's prospects through the mid-1970s.

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CONCLUSIONS

A. The outlook in South Vietnam for the remainder of 1971 is reasonably good. The past three years have produced a more stable political situation, a marked improvement in security conditions, and considerable progress in Vietnamization. Meanwhile, communist problems in supporting the insurgency have mounted. Though communist military strength remains substantial, particularly in the northerly provinces, most of the available evidence suggests that—for the next six months or so—they will continue to rely essentially on the basically conservative tactics observed over the past year. While occasional spurts of larger scale military activity seem almost certain, particularly in the north, any such activity in South Vietnam would probably be limited in area and duration.

B. On the political front, the odds in the presidential election of October 1971 appear to favor a Thieu victory. His re-election would, of course, constitute a mandate for continuing to oppose the communists along present lines. But even the election of the more equivocal "Big" Minh would not necessarily lead to any major shift in Saigon's approach to the struggle, if only because the South Vietnamese military would compel Minh to be extremely circumspect in any dealings with the communists. As for Hanoi, the defeat of Thieu would provide a tempting opportunity to feel out South Vietnamese sentiment on continuing the war.

C. Prospects for 1972 are less clear. The approaching US election period, coupled with continued drawdowns of US troop strength in South Vietnam, make it probable that Hanoi will elect to step up its military activity by early 1972. We do not envisage an effort to duplicate in scale or intensity the 1968 Tet offensive. We would expect a general increase in the level of communist activity with sharp focus on a few selected areas, most likely the northern provinces and highland region of South Vietnam. The aim of this strategy would be to score tactical victories likely to impact adversely on the South Vietnamese and US will to persist in the struggle—specifically, to discredit the Vietnamization program and to encourage sentiment in the US for complete disengagement from the war. There are practical limits, however, to what the communists could accomplish militarily next year in South Vietnam, and we do not believe that they will be able to reverse the military balance there.

D. At the same time, there seems little doubt that the communists will continue to maintain an active military and political challenge to the GVN well beyond 1972. The question in their mind is how and at what level the campaign should be prosecuted. Much would depend on Hanoi's view of the remaining US presence and commitment to Saigon, and on what balance Hanoi struck in its willingness to continue investing resources in the struggle. There are risks and practical difficulties in any course which Hanoi might contemplate: an effort to exploit the drawdown of US forces by a return to large-scale military action; to continue a course not unlike that of the past two years; or to pursue a purely guerrilla struggle at a much lower level. In any case, as it views developments in Laos and Cambodia, Hanoi may well calculate that it can maintain forces on South Vietnamese borders as long as necessary to sap Saigon's will to continue the struggle.

E. In attempting to cope with the communist military threat, South Vietnamese forces will probably require substantial US support for many years. ARVN lacks the logistical system and technological and managerial skills required to maintain and support a modern fighting force. There are also serious personnel problems, including a shortage of qualified leaders and a propensity for enlisted ranks to desert. Problems of leadership and morale are even more severe in the territorial forces and village militia, key elements in the campaign to control the countryside.

F. A major element in Hanoi's ability to stay the course in South Vietnam is the apparent durability of the communist party apparatus there. The apparatus has been hurt, severely in some areas, but relatively few high-level communist cadres have been eliminated as a result of direct GVN action against them. The communists have been able to maintain a viable organization, and this is likely to continue to be the case for the foreseeable future.

G. In addition to the threat posed by the communists, the GVN will have to cope with internal problems. These include meeting the increased demands of a society in the process of change. A greatly enlarged urban slum population has been created and is a target for radical agitation, while the rural populace looks increasingly to the government to meet its growing needs. In the economic sphere, the GVN simply will not be able to satisfy the demands of this "revolution

of rising expectations" from its own resources. The political impact of the changing South Vietnamese society is less easily defined. But the regime is likely to find itself faced with rising nationalism, often manifested as anti-Americanism. In the future, there is also likely to be a shift toward a more traditional Vietnamese pattern of a centralized executive authority, although the major elements of the present constitutional system are likely to be retained. Such a system might result in a more efficient government, but the regime might also rely increasingly on its coercive powers, thereby leading to instability and risking political disintegration.

H. Over the longer term, a critical factor in South Vietnam's survival will be the will of the South Vietnamese as a people and as a nation to sustain the struggle against the communists. As Vietnamization proceeds, the South Vietnamese will have to cope with the communists and face the country's problems largely on their own. Developments thus far suggest that they are responding reasonably well to the challenge. But there is no way to determine how tenacious they will be a few years hence when the US is much further along the road to disengagement.

I. Thus, it is impossible at this time to offer a clear-cut estimate about South Vietnam's prospects through the mid-1970s. There are many formidable problems and no solid assurances over this period of time. In our view, the problems facing the GVN, the uncertainties in South Vietnam about the magnitude, nature, and duration of future US support, doubts concerning the South Vietnamese will to persist, the resiliency of the communist apparatus in South Vietnam, and North Vietnam's demonstrated ability and willingness to pay the price of perseverance are such that the longer term survival of the GVN is by no means yet assured.

DISCUSSION

I. THE PRESENT SITUATION

1. Over the past three years, South Vietnam has made substantial progress. The performance of the army (ARVN) has improved steadily; it has assumed the bulk of the ground fighting responsibility without any appreciable decline in territorial security. Indeed, in this period, the Government of South Vietnam (GVN) has extended its control, or at least its access, to most of the country's territory and almost all of its population. As a result, people's confidence in the government has increased, particularly in the rural areas.

2. A more stable political situation has also evolved in South Vietnam. Political participation has broadened greatly, and all major groups have at least a piece of the action—if not in the executive branch, then in the legislature or at the local level. The regime apparently values the aura of legitimacy that accrues from operating on a constitutional basis, and most political elements, including

the key military leaders, show no disposition to challenge the government frontally. To most groups, the gains to be derived from working within the system appear to outweigh the costs and risks of efforts to overturn it. In addition, the government's administrative structure has improved, making possible a more vigorous and effective attack on the country's problems. Overall, there is considerable forward momentum in South Vietnam today, and an air of cautious optimism permeates many sectors of the population.

3. As for the Vietnamese communists, during the past year their military/political position in the countryside has been further eroded, considerably in some areas, and their forces have continued to suffer substantial casualties despite lower levels of combat activity. Captured documents continue to reflect difficulties in the communist effort to strengthen the party's control apparatus. Nor has Hanoi been able to achieve decisive results on the political front. Despite surges in anti-war sentiment in the US, the administration

has been able to pursue Vietnamization at a deliberate pace, thus dimming any hopes that Hanoi may have had of winning concessions from the US in the near term. The turn of events in Cambodia and southern Laos has compounded communist problems in South Vietnam, requiring Hanoi to divert energy and manpower toward reconstituting and expanding logistical routes. The loss of sanctuaries and the widened area of conflict have particularly complicated the communist situation in South Vietnam. Hanoi also has problems on the home front, where economic reconstruction and development continue to be subordinated to the requirements of the war. Morale problems have resulted as manpower losses in the South have increasingly been brought home to the North Vietnamese populace.

4. But the war is far from over. Despite their difficulties, the communists retain important military capabilities throughout Indochina. As their recent performance in southern Laos demonstrates, they can still fight hard when they choose to do so. Meanwhile, the tightly disciplined communist party organization in South Vietnam gives them considerable flexibility in adapting to changing conditions. Finally, as the US withdraws, existing weaknesses in South Vietnamese government and society will tend to surface, requiring increased attention in Saigon to basic problems affecting internal stability and national development.

II. GVN PROBLEMS AND PROSPECTS THROUGH 1971

A. Political Problems—the October Election

5. As the next order of business, the South Vietnamese must settle the question of national leadership for the next several years. This process will come to a head in the presi-

dential election now scheduled for October 1971.¹ The election will test public acceptance of Thieu's stewardship and, to some degree, the strength of the system of government now prevailing in South Vietnam.

6. The Thieu government's image with the electorate is at best gray. Inability to bring peace, the military's large role in government, corruption, economic problems, and the GVN's extensive dependence on US support all will cost Thieu votes. Even so, Thieu seems to be the front runner at this time. He has, first of all, tremendous assets at his disposal. Thieu can utilize available governmental and military personnel and funds to propagandize for his candidacy and to get out the vote. His control of the massive governmental administrative and security apparatus and his personal support within the military establishment probably assure him a large number of votes from these sectors. Finally, he has worked hard in recent years to broaden his appeal to the rural population; the land reform program and the improved security conditions in the countryside should serve to bolster his standing among the peasantry.

7. *Thieu's Opposition.* Thieu's major opponent currently appears to be Duong Van ("Big") Minh, though he may ultimately decide not to run. Minh's appeal has never been tested at the polls, but he is a national figure and appears to have a favorable image throughout much of the country. And despite his ineffective performance during his three months as Chief of State (1963-1964), Minh apparently retains some support within the military and administrative establishments. The An Quang Buddhists, despite certain reservations, are also likely to throw their con-

¹ Elections for the Lower House will take place in August. Although these elections may provide clues to the way the political winds are blowing in South Vietnam, they are more likely to reflect local issues and personalities.

siderable influence behind his candidacy. Although he is neither a "peacenik" nor anti-American, Minh would probably pull a substantial proportion of the pro-peace and anti-US vote. More important, Minh should also gain the bulk of the anti-administration protest vote. Finally, Minh might be the recipient of whatever votes the communists could deliver, though there are no indications that they believe Minh would wittingly serve communist ends.

8. Minh so far has stuck to platitudes about national unity under his leadership; his stand on major issues has been vague. He blames Thieu for inflation in South Vietnam, but has not indicated how he would handle the problem. He has identified himself more or less with groups espousing peace sentiments, but he has not come forth with any specific proposals for settlement of the war. He seems to believe that he could outmaneuver the communists and has adopted a less bellicose stand than Thieu against their participation in the political process, but he has ruled out the possibility of a coalition arrangement. He has been in contact with most major political elements in South Vietnam, but has made no firm commitments to any. Many people, including some of his supporters, have reservations as to whether Minh will run and whether he could provide adequate leadership, especially in the period when the US is withdrawing from South Vietnam.

9. Vice President Nguyen Cao Ky is also a potential candidate. Although he has not officially declared himself in the race, he is casting about for political support and is increasingly vocal in his criticism of Thieu and his policies. Ky, however, does not appear to have a major power base or a large popular following and would appear to have little chance of winning the election. Thus, it is possible that his current maneuvering is designed to enhance his bargaining power and that he will

not actually run. But if he does, Ky's candidacy will be a complicating factor in the election. He would probably cut into Thieu's support among the military; since he seems to be trying to project a somewhat "dovish" image, Ky could also draw some support away from Minh.

10. *The Communist Role in the Election.* The communists would certainly like to see Thieu defeated or at least to discredit the election results in South Vietnam. It is doubtful, however, that they have the capability to do very much either to influence the election's outcome or to disrupt the voting process on a countrywide basis. Their past performance in this area has been weak, and captured documents suggest that their shortcomings have not yet been overcome. Thus, while the communists would attempt to exploit any anti-regime demonstration that occurred, it is doubtful that they could spark significant demonstrations on their own. Beyond this, Hanoi might surface a "peace" initiative during the campaign in an effort to complicate Thieu's position.

11. But in general Hanoi seems to assume that Thieu will be re-elected and is already denouncing the elections as a fraud. Even if Minh won, the communists probably would not view his victory as portending a decisive shift in the political climate in their favor. Communist hopes in the event of a Minh victory would probably rest more on an expectation that the GVN would be more inefficient and unstable under his leadership than on a belief that he would be conciliatory. They might feel out Minh's intentions, however, by adopting a less bellicose attitude toward the new government and perhaps by showing a somewhat greater interest in talking with Minh.

12. *Election Prospects.* Uncertainties as to trends in the overall military situation over the next few months complicate an election forecast. If, on top of Lam Son 719, the com-

munists maintain a considerable show of military strength over the next few months, Thieu's election prospects might be affected adversely. On the other hand, a generally low level of communist military action during this period could enhance the regime's claims to progress in the military and security fields, and increase Thieu's support in the election.

13. Another factor in the election campaign will be the South Vietnamese perception of the US posture. Paramount in the minds of many South Vietnamese is the question of whether the election results would significantly affect the level of US support. Most South Vietnamese believe that the US favors Thieu staying in office, and this may incline many voters to opt for him in hopes of ensuring continued US support. Aware of such sentiment, Minh has gone to some lengths to urge a policy of "neutrality" for the US in the election, stating that unless the US demonstrates that it favors no particular candidate, he may not even run since Thieu would be sure to win. In any event, if the South Vietnamese public came to believe that the US was truly neutral or favored someone other than Thieu, his chances of election would probably decline.

14. All things considered, however, Thieu appears to stand a better than even chance of winning the election. His control of the governmental apparatus and the financial resources at his disposal are advantages difficult to overcome. This knowledge should encourage discretion on his part and reduce the possibility of blatantly underhanded election tactics by the regime. For their part, despite a desire to unseat Thieu, most of the non-communist opposition elements would probably be loath to risk undermining the present system by disruptive actions.

15. If Thieu is re-elected, it will be an obvious mandate for continuing along present lines. But Minh also might not depart sig-

nificantly from existing policies. He would face the same problems with basically the same assets as Thieu; and, ultimately, he would have to rely on the military as the major prop of his regime. There would be a chance of erosion in governmental effectiveness under Minh as he attempted to put his stamp on the administration, mainly because this would almost certainly entail a shake-up in personnel assigned to key programs. Minh's policies toward the communists, however, would be the key factor in his hold on power once elected. If he began to assume what the military deemed an overly accommodating posture toward the communists, they would probably warn him to desist; a coup would be possible.

16. Previous elections under the Thieu regime have appeared to be relatively honest. But the stakes are higher than ever before. The country's future is likely to be determined by developments during the next four years, a period in which the South Vietnamese will have to demonstrate that they can fend largely for themselves as the US progressively disengages from Indochina. This could increase the regime's nervousness about the Minh candidacy. Ky's appearance on the ballot would increase the uncertainty in Thieu's camp. The regime might conclude that a relatively honest election was too risky and be tempted to rig the voting. If they did so in a blatant manner, it could inflame the political opposition and special interest groups, and the regime might find itself faced with demonstrations and rioting, especially in the cities. Such developments obviously would lessen the prospects for national cohesion over the longer term.

B. Economic Problems

17. With the help of large infusions of US economic assistance, the South Vietnamese economy has responded relatively well to years of war and military mobilization. Per

capita consumption has remained approximately stable, and there has been no serious decline in domestic production despite the massive dislocation of the labor force. In addition, as a result of military construction activities, South Vietnam now possesses a well-developed transportation network and air and port facilities. In the past few years, the agricultural sector has benefited from technological advances, and a revolutionary land reform program has gotten underway.

18. Nevertheless, there are still serious shortcomings in the South Vietnamese economy. It is far from being self-sustaining; large-scale US assistance provides the basic underpinning for the economy and will have to do so for years to come. And GVN economic policies have performed largely been concerned with the short-term military and political consequences of the war, and have slighted the more basic aspects of economic development.

19. Over the short term, the major problem continues to be the threat of inflation.² Although the regime's recent economic reforms contributed to a substantial slowdown in the pace of inflation, it is a persistent and serious problem. At its heart is the massive spending by the Vietnamese and US Governments for war-related purposes. As a result, effective demand has tended to exceed the available supply of goods and services. Only by recourse to a program of massive imports, financed almost totally by the US, has the GVN been able to keep inflation from skyrocketing.³

² The increase in prices ranged from 30 percent to 55 percent each year from 1965 through 1969 and amounted to 30 percent in 1970. Since July 1970, however, there has been almost no increase in basic prices.

³ From an annual average of \$334 million during 1963-1965, imports of goods rose to an average of \$725 million during 1966-1969. On the other hand, exports declined rapidly because of reduced production of the country's two major export commodities—rice and rubber. In 1969, exports amounted to only 4 percent of imports; data for 1970 are not available.

The availability of imported consumer goods has improved the GVN's image at home, but at the same time it has conditioned the population to expect relative abundance in the midst of war. In short, consumer demand has become rather sophisticated, while the GVN's economic base and practices, despite some improvements, have not.

20. The US troop withdrawal program will tend to complicate the effort to find solutions to the GVN's economic problems. Large numbers of South Vietnamese workers are being released by US forces and their contractors. Providing additional jobs in the civilian economy would require increases in production and imports, which in turn would require increased foreign aid. Meanwhile, the reduction in US military expenditures is reducing the GVN's supply of dollars, and hence its own resources for purchasing imports and stimulating economic growth.

21. *Short-Term Economic Prospects.* Income distribution will continue to be an important issue in South Vietnam. In recent years, farmers have had a significant increase in real income, but the political will to tax the farmer directly does not seem to exist. Within the urban areas, workers in the private sector have done reasonably well despite some erosion of real income. On the other hand, the civil service and military are much worse off than several years ago despite a recent wage increase, and their unhappiness could create problems for the government in addition to making any systematic attack on corruption vastly more difficult. Despite this, the GVN probably will not attempt to redistribute income significantly through another government pay hike or by other means in this election year.

22. Grievances growing out of the maldistribution of income may cause political difficulties for Thieu in the months ahead, but are not likely to pose a critical threat to the GVN's viability during 1971. The worst of the re-

gime's other economic problems will continue to be alleviated by large-scale US assistance. Labor dislocations caused by US withdrawals will create some localized problems, but these are not likely to be critical.

C. Military Problems—Communist Strategy and United States' Withdrawals

23. *Communist Military Action in the Near Term.* The communists retain significant military capabilities in various parts of South Vietnam, particularly in the northerly provinces. But in southern South Vietnam, these capabilities are severely limited relative to the period 1967-1969 as a result of the loss of the Sihanoukville supply route, disruption and attrition of the communist support structure in South Vietnam itself, continued air interdiction, and allied cross-border operations in Cambodia and Laos. The communists recognize their weaknesses in South Vietnam and over the past year have been trying to repair the situation. Heavy emphasis has been given to beefing up the infrastructure, increasing the number of "legal" communist cadres who can operate in GVN-controlled areas, and subverting the South Vietnamese military and security forces. In the meantime, the communists have relied largely on small unit actions, terror tactics, and sabotage in an effort to conserve forces in anticipation of a prolonged struggle.

24. Most of the available evidence suggests that, for the next six months or so, the communists will continue with these same basic tactics to husband manpower and resources and to rebuild their position in the countryside. Nevertheless, occasional spurts of communist military activity will occur and there may be some military pyrotechnics prior to the South Vietnamese presidential election. But the present pattern of communist action in most of the country, the state of readiness of their forces in South Vietnam, the restric-

tions imposed by their logistic support capability, and the evidence drawn from captured documents, clandestine reports, and interrogation of communist prisoners and ralliers all suggest that any heightened military activity in South Vietnam over the next several months will be limited in area and duration.

25. *Impact of US Withdrawals.* South Vietnamese forces are being spread more thinly with each succeeding US withdrawal, and despite the weaknesses of communist forces, there will probably be some deterioration in local security during 1971. The combat effectiveness of ARVN may also suffer somewhat as US artillery and helicopter support is diminished. But for the next several months at least, no critical problems are likely to develop. So far, the psychological impact of the withdrawals has been limited; most South Vietnamese have by now adjusted mentally to the fact that the US will continue to scale down its military involvement in Vietnam. Even though demonstrated ARVN shortcomings may raise doubts in South Vietnam about ARVN's ability to fill the gap over the longer term as the US disengages from Indochina, such doubts are unlikely to result in any serious deterioration in the morale of ARVN or the general public during 1971.

III. MAJOR PROBLEMS OVER THE LONGER TERM

A. The Nature of the Communist Threat

26. *Prospects for 1972.* Hanoi's approach to the war in 1972 will be conditioned by certain basic elements in the situation such as continued US withdrawals, improvements in the pacification situation and in the capabilities of South Vietnam's military forces, and communist determination to gain control of South Vietnam. Certain recent developments, particularly allied operations in Laos and Cambodia, will also have some effect. On the one hand, the communists suffered

heavy casualties in these operations, lost and expended significant quantities of supplies, and had their supply lines disrupted; and this is likely to impose restrictions on the scale of military action possible during the early stages of the 1971-1972 dry season. Beyond this, allied action or the threat of action in Laos and Cambodia will impose a continuing burden on Hanoi to protect and maintain the Laos supply route.

27. On the other hand, having weathered the recent ARVN cross-border operations in southern Laos, Hanoi probably feels somewhat more confident that it can wait out the withdrawal of US forces and stay the course in Indochina. Hanoi's view is probably tempered by the realization that communist forces suffered very heavy casualties in Lam Son 719 and benefited from terrain which favored the defense, as well as from superior numbers in place on the ground. The operation did not provide any solutions to the many problems the communists face in South Vietnam. But from Hanoi's point of view, its forces contained a threat to its vital supply lines, and avoided a critical setback to the 1970-1971 supply effort. Hanoi probably calculates that ARVN, on its own, would have great difficulty in mounting further cross-border operations of this magnitude once the US is largely out of the picture.

28. Given this outlook, Hanoi might opt in 1972 for a continuation of its basically low-profile military approach in South Vietnam. In the meantime, the communists would pursue their efforts to prepare the logistical and organizational base necessary for either a long drawn-out struggle or a return to large-unit action once US forces were no longer an important factor in the war.

29. But there are other considerations which could lead Hanoi to attempt a step-up in military activity in 1972. For example, if communist fortunes took a sharp turn for the

worse in the months ahead, Hanoi might hope to reverse the trend by increasing its attacks against ARVN and other government security forces during the 1971-1972 dry season campaign. Such a decision on Hanoi's part could also come later in 1972 if Hanoi at that time were convinced that the US was determined to maintain an effective residual presence in South Vietnam for an extended period.

30. Regardless of the course of the war, Hanoi's leaders might see considerable advantage in a show of military muscle prior to the US election, intended to demonstrate that Vietnamization was not working and to fan antiwar sentiment in the US. In their view, the effort could help generate increased domestic pressure on the US Administration to disengage completely from the war or, failing this, it might affect the election outcome itself. They might also calculate that the backlash in South Vietnam from negative US reactions to adverse battlefield developments would work to communist advantage by sharpening US-South Vietnamese differences.

31. On balance, we believe that Hanoi will find the arguments for some step-up in its military activity in South Vietnam persuasive. But this would be likely to differ from Hanoi's present strategy more in degree than in kind. Thus, we would not envisage an effort by Hanoi to duplicate in scale or intensity the 1968 Tet offensive. Instead, we would expect a general increase in the level of communist activity with sharp focus on a few selected areas, most likely the northern provinces and highland region of South Vietnam. The thrust of this strategy would be to attempt, with greater determination than in recent years, to score tactical victories aimed at impacting adversely on the South Vietnamese and US will to persist in the struggle.

32. Whether or not the communists initiate such increased activity, we do not believe that they will be able to reverse the military

balance in South Vietnam in 1972. Continuing communist difficulties will impose limits on how much they can accomplish, and continued allied pressures during the remainder of 1971 and pre-emptive operations in the 1971-1972 dry season could forestall communist preparations for extensive military operations. But the communists are unlikely to be frustrated at every turn; there are too many vulnerabilities in the South Vietnamese situation. For example, the adverse psychological impact in South Vietnam of increased communist military activity could be considerable, particularly if it led—or were thought by the South Vietnamese to be leading—to a weakening of US resolve. And even if—in a purely military sense—the odds seem to favor the South Vietnamese being able to contain the communist effort in 1972, the GVN will still be faced with a communist military and political organization retaining significant strength and potential.

33. *Beyond 1972.* At this point in time, there seems little doubt that the communists will continue to maintain an active challenge to the GVN well beyond 1972. Despite continued concern over the Sino-Soviet dispute, Hanoi probably assumes that it will continue to receive military and economic assistance from both Moscow and Peking as long as necessary. For its part, Hanoi has committed enormous manpower and material resources and has suffered staggering losses in attempting to gain control of South Vietnam. And while there have been shifts in strategy, Hanoi's will to persist has shown little indication of flagging. The war has been going on for over a generation—it has become a way of life for the communists and a part of their ethos. Any leader in Hanoi who advocated giving up the struggle would risk losing his position. Indeed, the present communist leadership might find it difficult to contemplate any course other than continuation of the struggle even if it meant throwing away additional resources in

a basically fruitless effort. The question in their minds is not whether to continue the struggle, but how and at what level it should be pursued.

34. The "how" and "at what level" may be as difficult for Hanoi to decide as it is for us to estimate at this stage. Much would depend on how Hanoi viewed the remaining US presence and commitment to Saigon, on the strength and morale of ARVN at that time, and on what balance Hanoi struck in its willingness to continue investing resources in the struggle. There are risks and practical difficulties in any course which Hanoi might contemplate.

35. Assuming that ARVN and the territorial forces maintain or improve their capabilities over the next year or so, any communist effort in the period beyond 1972 to return to large-scale military action in South Vietnam would involve heavy manpower commitments and other strenuous demands on a North Vietnamese population already weary from the cumulative effects of the war. It would also require, as a precondition, the maintenance of secure logistic routes to the South and the rebuilding of an infrastructure in South Vietnam capable of supporting the operations of main force units in the countryside. And, of course, a large-scale military effort might fail and put at risk the ability of Hanoi to rebuild its forces once again.

36. To do too little also involves serious risk. There is no way to be sure what the impact of a long, drawn-out, low-level struggle would be on communist cadres and lower level elements in South Vietnam. Many of them might in time abandon the effort, rendering the communists unable to present a credible challenge to local security in South Vietnam. In North Vietnam, the communists might also face a decline in popular commitment to the struggle. In a sense, the war is

an "old man's" war, and whether the younger generation in the North shares the same unswerving dedication to the reunification of Vietnam as their elders cannot be determined.

37. The communists may conclude that their circumstances at home and in the South leave them little choice but to pursue a middle course, one not unlike that of the past two years. This would mean that the GVN would be faced with a continuing threat from some main force units, particularly in Military Regions (MRs) I and II, and a generalized local security threat posed by highly self-sufficient guerrillas, sappers, and terrorists throughout the country. And the political, psychological, and subversive struggle would go on at all levels of society.

38. Hanoi can also hope that developments in Laos and Cambodia will further communist objectives in South Vietnam in the years ahead. The communist position in both countries, particularly Laos, is stronger than in South Vietnam. In Laos, Hanoi probably calculates that Vang Pao's Meo guerrillas are fading as an effective fighting force; this, coupled with the possibility that the US air role in Laos may be reduced, could lead Hanoi to foresee the end of any effective indigenous resistance in Laos to communist aims. In Cambodia, on the basis of performance, the communists probably foresee little threat to their established positions from Phnom Penh's fighting forces. Thus, Hanoi probably believes that its prospects over the longer term of being able to hold the key logistical routes extending through the Laotian Panhandle and northeastern Cambodia into South Vietnam are good. And it may calculate that even a moderate level of activity in South Vietnam coupled with the permanent threat posed by communist control of the border areas would in time sap the South Vietnamese will to continue the struggle. At a minimum, Hanoi would expect this situation

to impose heavy additional burdens on South Vietnamese forces, both in protecting the country's long border and in doing the work of indigenous anticommunist forces in southern Laos and Cambodia, all the while filling in for departing US forces in South Vietnam.

B. GVN Capabilities to Deal with the Communist Threat

39. *Military and Security Forces.* As the US scales down its involvement in the war, the South Vietnamese military forces will be required to assume increasing responsibilities in the struggle against the communists. Given in political requirement to provide security to the population throughout large portions of the countryside, the GVN will be forced to maintain a large military establishment to check communist activity. Progress has been made in preparing the South Vietnamese forces for the time when they are more or less on their own, but it will be years before the South Vietnamese can be self-sufficient in the military field.

40. For example, although the South Vietnamese have a significant capability for in-country air support, plans are only in the embryonic stage to provide them with a capability to mount air interdiction efforts against the communist logistical network in southern Laos. Further, ARVN has come to rely on helicopter support, and current plans call for a major reduction in the number of helicopters to remain in South Vietnam as US forces depart. Despite substantial improvements, the GVN's logistical system is not yet capable of meeting the large military establishment's needs without relying heavily on US assistance. Similarly, it will be many years before the South Vietnamese military acquires the requisite technological and managerial skills to handle the complexities of maintaining and supporting a modern fighting force.

41. The availability of technical and logistical assistance will be especially vital to the maintenance of ARVN's fighting effectiveness. ARVN has become increasingly dependent on the availability of such complex equipment as helicopters, advanced communications and fire-control equipment, and electronic monitors and sensors. The use of such equipment has given the South Vietnamese considerable advantages in combating the communists. But without substantial US assistance in maintenance, much of the modern equipment would probably deteriorate over time. ARVN might find it difficult to change its tactics and to fight without all of its technically sophisticated paraphernalia. The South Vietnamese will look to the US to continue to provide—and to assist in maintaining—the types of equipment presently available.

42. The persistence of certain basic shortcomings within the South Vietnamese military establishment is likely to impede military progress over the longer run. Despite improvements, there is little prospect that the military leadership will lose its elitist cast; high-level promotions are likely to continue to be based more on social class and personal loyalties than on military competence. Life for the common soldier will continue to be hard, and separation from families will be frequent. Military pay and allowances at all ranks, already very low, probably will not keep up with the pace of inflation. Under these conditions, military desertions are likely to continue at a fairly high rate.

43. Problems of leadership, morale, and material support are even more severe in the territorial security forces (Regional Forces and Popular Forces—RF/PF) and in the People's Self Defense Force (PSDF) than in the regular military branches. This is so even though these forces are now performing well in many parts of South Vietnam and deserve much of the credit for the improvement in local secu-

ity. As the US withdraws, ARVN will have to assume the full burden of the main force war, leaving local security even more fully in the hands of the territorial forces and the PSDF. The critical importance of these forces appears to be understood at the highest levels of government, and they are receiving better training and equipment. But a considerable part of the pressure to improve the local units has come from the US. Only with a continued push from the highest national levels will the territorial security forces be assured the equipment and support needed to assume increased responsibilities. Without this support, the GVN's position in the countryside would probably suffer gradual deterioration.

44. Corruption could also continue to impair the military effectiveness of the GVN in the future. Many, possibly most, of the upper echelons of the military establishment engage in some form of corruption; in some cases, the abuses are flagrant and common knowledge. Such excesses tend to lower morale within the ranks and may contribute to the poorly paid, lower level soldier's lack of commitment and tendency to desert. The abundance of US goods has contributed to the growth of corruption and to the improper diversion of military goods and supplies. As the US scales down its effort, such diversions could leave some units short of needed supplies and vulnerable to communist attack.

45. A final critical factor in considering the GVN's military and security forces is that of will. There are no precise guidelines with which to measure the will of the South Vietnamese fighting man. To the extent that they have positive motivation, the RF, PF, and PSDF probably are fighting more from a desire to protect family and village than from any commitment to the Saigon government or aversion to communism. Within the ARVN, many senior officers and noncoms appear ideologically opposed to the communists.

Moreover, while most soldiers would like to see the war come to an end, they would certainly prefer that South Vietnam remain non-communist. In general, however, the commitment of ARVN to the struggle rests more on the force of discipline and being caught up in the system than any other factor.

46. *The Attack on the Communist Apparatus.* The GVN's ability to eliminate the communist party structure is questionable. The communist apparatus has been hurt, severely in some areas, but most of the damage stems from the expanded GVN military presence in the countryside and from attrition resulting from the fighting. GVN programs against the communist apparatus have had limited success; relatively few high-level communist cadres have been eliminated as a result of direct GVN action. Moreover, much of the impetus in the GVN's effort has come from US involvement in the programs. As the US reduces its role in these programs, the GVN is unlikely to take up all the slack, and the effort against the communist apparatus would be likely to decline in effectiveness.

47. The South Vietnamese police forces are ill-equipped to take on the task of rooting out the communist apparatus; their operating procedures are inclined to be erratic, and their motivation appears low. The communists have penetrated the regime's security and police forces, and there is a widespread reluctance among the people to turn in communist cadres to the authorities. Many, perhaps most, South Vietnamese have connections, often family ties, with someone in the communist apparatus. Furthermore, the GVN's detention and judicial systems are lax; when apprehended, communists often go free because of slipshod procedures or the venality of GVN officials. As a consequence, the communists have been able to maintain a viable organization despite the GVN's counterefforts, and this is likely to continue to be the case for the foreseeable future.

C. Political Trends

48. The GVN's political cohesion will be subject to increased stress over the next few years as the US presence with its stabilizing influence declines. Frictions between the executive and the legislative branches are likely to sharpen. Though political groups will expect to participate increasingly in the politics of the nation, there is little prospect for the development of truly nationally-based political parties. It is more likely that the political groupings will continue to reflect various parochial and regional interests. The politics of South Vietnam are likely to remain basically divisive in nature much as in the past. Though these conditions may complicate the development of a cohesive political system, they need not necessarily lead to political instability.

49. In the future, there is likely to be a further shift toward a more traditional Vietnamese pattern: a centralized executive authority which nonetheless permits a considerable degree of popular participation and responsibility at the village level. The major elements of the present, foreign-inspired constitutional system, however, are likely to be retained. Continued dependence on US aid and support will provide one incentive to retain them. Additionally, the constitution tends to bestow an aura of legitimacy on whoever holds the presidency. At the same time, many groups of South Vietnamese have come to view the system as something of a barrier against extreme abuses of executive power.

50. The stronger central control envisaged for South Vietnam might well result in more efficient government; if so, it would probably be acceptable to the majority of the South Vietnamese even if democratic niceties were honored more in form than in substance. But the danger in strong central control, especially if popular political participation were severely restricted, is that it could lead to extremes in coercion, increasing grievances against the

system and leading organized groups to take their complaints into the streets. The organization and skills necessary to make authoritarian controls effective have not existed in South Vietnam, and in the event of mounting popular opposition, the risk of a breakdown in public order would be high.

51. In any case, as the US phases down in South Vietnam—particularly if the communist military threat increases—the political role of the military is likely to become more open and active. Though hardly a monolith, it seems apparent that the military will remain the ultimate arbiter of power in South Vietnam; not only is it the only truly nationally organized group, but it contains most of the country's competent administrators. Moreover, as any GVN president will recognize, the government will be more secure with heavy military participation than with the generals relegated to the position of disgruntled observers or plotters. The withdrawal of US forces, however, will remove some of the inhibitions to extra-legal action by the military. If the problems confronting the GVN became particularly critical or if the generals feared that political leaders were about to make a dangerously soft settlement with the communists, they would be likely to attempt a coup. Before making such a move, however, the military leadership would probably attempt to correct such tendencies by exerting influence within the system.

52. Over the longer term, the GVN will have to face the problems of both developing and coping with nationalism. Nationalism is hardly a new emotion for the Vietnamese; in past centuries, nationalism—bordering on xenophobia—has provided strong cement for the nation in its struggle against foreign invaders. It was the ability of Ho Chi Minh to harness this force that provided the major impetus for the communist movement in the struggle for independence against the French.

But the GVN has not and probably cannot, over the next few years at least, develop a sense of South Vietnamese nationalism that could be used effectively in the struggle with the North.

53. The traditional sense of Vietnamese nationalism with its xenophobic overtones, however, is alive and growing in the GVN. This is likely to pose problems for US-GVN relations. For the last decade the South Vietnamese have been forced to rely on the US for survival. Many South Vietnamese have found this dependence humiliating, and there is little doubt that a reservoir of anti-American sentiment exists in South Vietnam. Recent demonstrations, sparked by offenses—real and alleged—against South Vietnamese by US military personnel, have illustrated the volatility of the issue.

54. In the future, many issues will be given an anti-American twist by oppositionists anxious to tag the leadership as puppets of the US. Sensitive to such charges, the GVN will try to demonstrate its independence of Washington. Indeed, the government in many cases will find it convenient to shunt the blame for its own shortcomings onto the US, further feeding anti-American sentiment in the South. In short, the US is likely to be placed more frequently in the role of the villain and charged with being insensitive to the needs and interests of South Vietnam.

D. The Changing South Vietnamese Society

55. Over the longer term, the government in Saigon will be called upon to contend with other new tensions and anxieties which have developed in South Vietnamese society. Since the fall of the Diem regime, South Vietnam has been undergoing a revolutionary transformation—unanticipated, virtually unreported, and largely without guidance or objectives. Years of gradual adjustment to the stresses of war have led to vast alterations

in social organization: the displacement of large populations, the disruption and often the destruction of traditional village life, the breakdown and partial replacement of the traditional class system, and the chaotic growth of urban centers.

56. Striking changes in Vietnamese society are taking place in the countryside. In much of the country, Viet Cong and GVN-sponsored land reforms have tended to undermine the power of traditional provincial elites. Radio, television, the Honda, and other manifestations of modernization are altering the small farmer's way of life; the adoption of even a modest amount of modern farming technology is changing his role and expectations. He sees his prosperity linked to free access to GVN-controlled markets. Moreover, after years of GVN neglect, sometimes benign but often not, the Thieu government has begun to woo the villager. In addition to land reform, local leadership and village autonomy are being emphasized, and there have been promises of large investments in agricultural development.

57. The political implications of these processes cannot be defined with confidence. The rural Vietnamese are not only exceedingly weary of war and political turmoil, but also considerably more sophisticated about national developments. Thus, although the villager resents GVN corruption and abuses of power, there is reason to believe that he is also more resistant to communist blandishments. If the GVN is moderately successful in meeting rural demands for more effective administrative and economic services, and demonstrates greater overall concern with their personal well-being, it may in time alleviate many of the adversities which the farmers have suffered over the past decade and prevent the countryside from serving as the seedbed for yet another cycle of guerrilla activity.

58. While roughly 60 percent of South Vietnam's population still lives in the countryside,

there has been an unprecedented influx into the country's towns and cities. Originally caused by rural insecurity, the migration was accelerated by a belief that economic opportunities were greater in the cities. Though any improvements in security and economic conditions in the countryside—and prospective GVN programs—will draw some back to their home areas, problems of rapid urban growth will not dissipate. Those who remain in the towns will still be crowded into slums, detached from their traditional communal ties, and exposed to various forms of agitation. Underemployment will be a problem, particularly as US labor needs diminish. Over time, city dwellers—especially frustrated middle class elements and veterans—could become considerably more receptive to radical appeals if the government is unable to meet their demands.

59. These changes in city and country will strain the government's relatively limited funds and expertise. The GVN's efforts to meet its "revolution of rising expectations" will also be impeded by a cumbersome administrative apparatus and widespread corruption. Even with the best of intentions, the GVN simply will not be able with its own internal resources to generate the jobs and capital needed to satisfy the level of economic demand (goods, services, and technology) already reached. While the Vietnamese are basically ambitious and hard working, industrialization can come only slowly. And it will be some time before they can export large quantities of agricultural products; in particular, the rubber industry, will take years to recover its former vigor. Moreover, prospects are not good for substantial foreign investment or large-scale economic assistance so long as the conflict with the communists remains unresolved.⁴

⁴ Japan and a few European countries have shown some interest in aiding or investing in South Vietnam, but to nothing like the extent that will be required.

E. The "X" Factor: The Question of Will

60. All of the political, military, and economic factors discussed above will be important in terms of South Vietnam's future prospects. Nonetheless, an examination of these elements does not provide any certain answer to the key issue: the will of the South Vietnamese as a people and as a nation to sustain the struggle against the communists. There are times when "will" can be measured with a fair degree of confidence. By the spring of 1965, for example, it was clear that the South Vietnamese had lost the will to persist; only the large-scale intervention of US combat troops saved South Vietnam from a communist takeover. At Tet 1968, on the other hand, it became clear that ARVN—as well as some significant portion of the population—had developed a sufficient sense of commitment to offer vigorous resistance to the communist offensive. Since that time, this sense of commitment seems to have developed further.

61. The problem remains, however, of determining the extent to which the growth in commitment in South Vietnam derives from and is dependent on a continued US presence. For the past five or six years, the Americans have always been present or readily available

with their manpower, materiel, and money to assist with military and economic problems. As Vietnamization proceeds, this will no longer be as true. Vietnamization is already bringing home to the South Vietnamese leaders that the time is fast approaching when they will have to cope with the communists and face the country's problems largely on their own. Developments thus far suggest that they are responding reasonably well to the challenge. But there is no way to determine how tenacious they will be a few years hence when the US is much further along the road to disengagement.

62. Thus, it is impossible at this time to offer a clear-cut estimate about South Vietnam's prospects through the mid-1970s. There are many formidable problems and no solid assurances over this period of time. In our view, the problems facing the GVN, the uncertainties in South Vietnam about the magnitude, nature, and duration of future US support, doubts concerning the South Vietnamese will to persist, the resiliency of the communist apparatus in South Vietnam, and North Vietnam's demonstrated ability and willingness to pay the price of perseverance are such that the longer term survival of the GVN is by no means yet assured.

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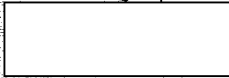
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