

~~Secret~~

(b) (3)

NATIONAL INTELLIGENCE ESTIMATE

Short-Term Prospects for Vietnam

~~Secret~~

NIE 53/14.3-73
12 October 1973

Copy No 303

~~SECRET~~

THIS ESTIMATE IS SUBMITTED BY THE DIRECTOR OF CENTRAL INTELLIGENCE AND CONCURRED IN BY THE UNITED STATES INTELLIGENCE BOARD.

The following intelligence organizations participated in the preparation of the estimate:

The Central Intelligence Agency and the intelligence organizations of the Departments of State and Defense the NSA and the Treasury.

Concurring:

The Deputy Director of Central Intelligence

The Director of Intelligence and Research, Department of State

The Director, Defense Intelligence Agency

The Director, National Security Agency

The Assistant General Manager for National Security, Atomic Energy Commission

The Special Assistant to the Secretary of the Treasury

Abstaining:

The Assistant Director, Federal Bureau of Investigation, the subject being outside of his jurisdiction.

WARNING

~~This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited.~~



~~SECRET~~

~~SECRET~~

SHORT-TERM PROSPECTS FOR VIETNAM

PRÉCIS

The major judgments in this Estimate are:

A. Hanoi's actions are clearly designed to insure that it can again resort to major military action at some point to gain its objectives if other means fail. The chances of the communists gaining power through the political provisions of the Paris agreement are negligible; nor are their prospects good for achieving the GVN's collapse through a combination of political and clandestine warfare backed up by only moderate military pressure. Hanoi may not have made a final decision as to the timing of a major offensive. It must, however, believe that it will ultimately have to return to the battlefield to seek its objective of reunifying Vietnam. (Paras. 3, 54.)

B. The current military balance in South Vietnam is only slightly in favor of the GVN; with heavy infiltration and supply movements, it may have shifted to the communists' advantage by mid-1974. The political balance, however, is clearly in the GVN's favor and will remain so. (Paras. 6-19, 31-53.)

C. The forward positioning of communist forces and supplies and the improved road system give Hanoi the capability to kick off a

~~SECRET~~

major military campaign with little additional preparation, perhaps less than a month. (Paras. 13-15, 55.)

D. It is a close choice whether Hanoi will opt for a major military offensive during the current dry season (October 1973-May 1974). In making its decision Hanoi must assess the following factors:

- The likelihood and extent of a US response; the positions of Moscow and Peking, particularly the consequences to the North Vietnamese position if they can not be certain of enough material support to cover losses that would accompany prolonged heavy combat; the military balance between its forces and the RVNAF; and the overall political and military situation in the South. (Para. 56.)
- The arguments for and against an offensive this dry season are presented in paragraphs 57-64.¹

E. If there is not an offensive this dry season, Hanoi will continue to launch and no doubt accelerate carefully orchestrated significant localized, and limited-objective attacks in various regions of South Vietnam to seize territory and test the GVN's resolution. (Paras. 67-68.)

F. In the event of a major communist military effort this dry season, however, the communists would initially make substantial territorial gains in MR-1 where they would probably commit their own air assets. If the fighting were prolonged, RVNAF's continued resistance in MR-1 would be in doubt without renewed US air support. Communist gains in the rest of South Vietnam would be less dramatic, and RVNAF should be able to blunt the communist assault. (Paras. 44, 65-66.)

G. Beyond this dry season, we believe the odds favoring a major communist offensive will increase significantly in the following dry season. (Para. 76.)

- Over the long run, Hanoi may place greater weight on trends it observes in the South than on the external restraints imposed by Moscow, Peking, and Washington. (Paras. 69-75.)

¹ The Assistant Chief of Staff, Intelligence, USAF, believes that the case postulated in favor of a North Vietnamese offensive in 1974, *earlier rather than later*, merits greater weight than the case against such an offensive. His arguments in support of this position are presented in his footnote on page 16.

THE ESTIMATE

I. INTRODUCTION

1. The current situation in Vietnam is one of "less fire" rather than "cease fire", and there is no real peace. Both sides have initiated or provoked some of the fighting that has occurred since the January accords, primarily by attempting to seize or retake territory deemed strategic. In addition, the communists have replenished their southern forces, ignoring the Paris accords' strictures against personnel augmentation or equipment resupply beyond ICCS-supervised exchanges of used materiel. The communists have also engaged in a variety of activities such as road building which, while not technically a violation of the Paris agreement, enhance their military potential.

2. The ICCS has been ineffective in its peace-keeping functions. Nor is there reason to hope that the ICCS will be effective in coming months. Neither Vietnamese party will limit its actions solely because of the formal machinery of the Paris agreement. If anything, the ICCS became weaker with the withdrawal of Canada and the substitution of Iran. In essence, the governing factors for both

North and South Vietnam will remain what they have always been—the perception of both Vietnamese parties of the gains and risks involved in pursuing a course of action.

II. THE VIEW FROM HANOI

3. Hanoi has made it clear that it clings to its ultimate goal of uniting Vietnam under communism and will pursue this goal by whatever means possible. But in signing the Paris agreement, North Vietnam admitted that it then faced formidable constraints—military pressure had failed to crack ARVN's resolve and the communist position was growing weaker; the US would not dissolve its commitment to Saigon (indeed, the US response in 1972 was greater than Hanoi anticipated); Hanoi's Soviet and Chinese allies were anxious for détente with Washington; and the cumulative pressures of the war were creating stresses and war-weariness in North Vietnam itself. The North Vietnamese were thus forced to make major concessions in Paris—they had to retreat from their longstanding demand for Thieu's removal, the formation of a coalition government, and an end to US military assistance.

4. Hanoi did not, however, leave Paris empty-handed. The cease-fire and bombing halt left communist forces in control of substantial, but largely unpopulated, areas in South Vietnam and allowed badly hurt units an opportunity to rest and refit. Politically, the PRG gained some aura of respectability. Military pressure on the North ceased, permitting renewed attention to reconstruction and development. And—most important—the agreement signaled the end of direct US military participation in the war.

A. Hanoi's Options

5. In weighing its strategy in the South, North Vietnam can choose from several courses of action.

- It can forego large-scale military operations and attempt to compete primarily through open political competition and clandestine warfare. Displays of military muscle would be designed primarily to protect communist personnel in the field.
- While keeping a lid on large-scale military operations, Hanoi can maintain a moderate level of main-force pressure to assess the capabilities and reactions of the other side. At the same time, it can continue to build up its forces toward the time when it might be feasible to renew all-out hostilities. Essentially, this is the course of action that Hanoi is now following.²
- Or, Hanoi can opt to renew offensive warfare on the scale of Tet 1968 or March 1972, either countrywide or in one or two military regions with lower levels of

² Neither of the above options necessarily excludes an occasional flare-up of more serious fighting. An integral aspect of both would be the build-up of the political and economic viability of the communist enclave in western South Vietnam.

action elsewhere. Such actions could be preceded by a gradual escalation of military pressure—rather than an abrupt series of major assaults—on the theory that such a course would minimize the chance of US intervention.

B. Factors Influencing Hanoi's Policy Decisions

North Vietnam's Internal Strengths and Weaknesses

6. Political leadership in North Vietnam is stable, cohesive, and unchallenged. From time to time, however, there are indications of public and private debate within the ruling hierarchy over basic issues, e.g., large-scale military attacks versus guerrilla warfare tactics, reconstruction of the North versus liberation of the South, and emphasis on political tactics versus military action. Even though rivalries and policy disputes may exist within the collegial apparatus that has ruled since Ho Chi Minh's death, they are masked by a public display of unity and an apparent willingness of the Politburo members to fall in line once decisions are made.³

7. Since the cease-fire, Hanoi has rebuilt and strengthened its internal military structure. The country's air defenses appear stronger than ever. Hanoi has replenished its fighter inventory by bringing most of its Mig-15s and Mig-17s home from China, is integrating Soviet SA-3 missiles into its air defense network around Hanoi, and has renovated, streamlined, and modernized its radar network. The navy also appears stronger as a result of the acquisition in late 1972 of Chi-

³ It is not possible to speculate meaningfully on the consequences of change by death or removal of one or more of Hanoi's leaders. But in the short run, we do not think it would make much difference.

nese and Soviet gunboats, including KOMARs. The ground forces have been strengthened by the addition of new armor and artillery, although it is not clear when this materiel entered the North Vietnamese inventory.

8. There is evidence as well that North Vietnamese training programs have been tailored to correct the weaknesses in leadership, discipline and tactics that hampered its army throughout last year's offensive. According to North Vietnamese military journals, conventional warfare doctrine emphasizing the combined use of armor, artillery, and infantry forces is still being stressed. (Coordination between armor and infantry was markedly lacking in the March 1972 offensive.) As in previous years, the North Vietnamese conducted their fall military conscription campaign during August 1973. There is no doubt that North Vietnam has adequate manpower resources for maintaining a large standing army, and the number of men reaching draft age each year is more than sufficient for absorbing a continuing high rate of casualties if major military action were resumed.

9. Communist propaganda continues to list reconstruction as the nation's foremost priority. The bulk of North Vietnam's efforts to date, however, has gone into activities which serve both war-related and civilian needs.

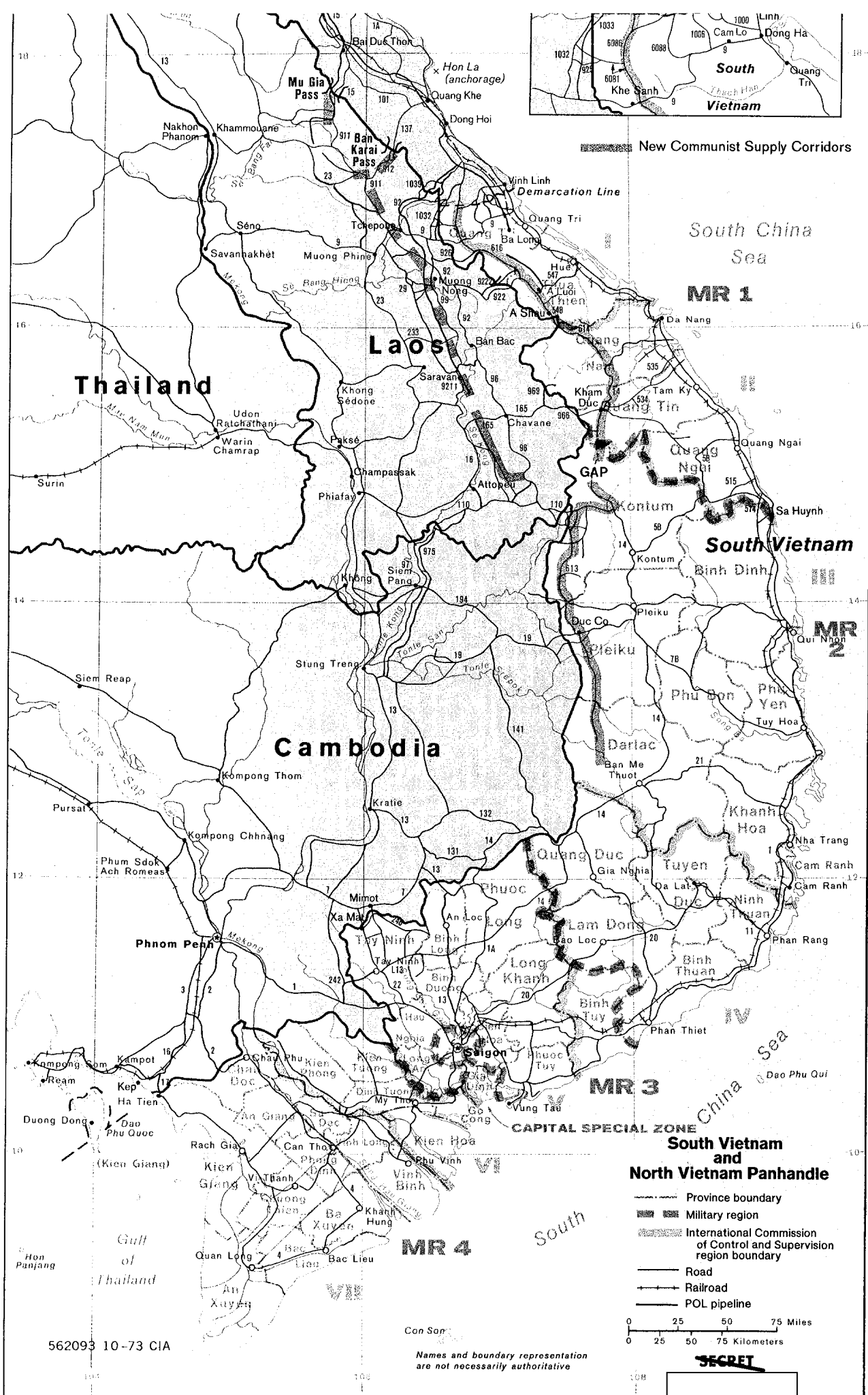
10. In making its policy decisions, the regime might give some consideration—albeit minor—to popular attitudes. There is no evidence, however, of significant popular unrest or serious opposition to the government's policies. The populace would fear that renewed US bombing would accompany a major offensive. Such potential problems, however, could almost certainly be kept in bounds by the regime, particularly if external military aid were forthcoming.

The Communists' Position in the South

11. The communists failed to capture and hold any major population centers in the 1972 offensive, but did seize territory which they are turning into relatively secure base areas in which an extensive and heavily defended interlocking road system is being constructed. (See Figure 1.) The termination of American bombing has relieved most of the pressure on communist logistics and infiltration. Communist efforts at population resettlement and economic development in PRG areas will be some time (if ever) in reaching fruition, but the communists' western enclave already provides them a forward staging area for any future offensive.

12. Since the beginning of the year, North Vietnam has also substantially increased the capabilities of its forces in South Vietnam, notably so in MR-1. Although the GVN retains a substantial manpower advantage in the other military regions, in MR-1 the communists now have a rough parity of forces with ARVN. (See Figure 2.) Moreover, the expansion of NVA firepower has been impressive throughout the country; North Vietnamese forces have a greater concentration of firepower than they had at the outset of the offensive in March 1972. There have been significant increases in AAA, armor, and artillery. North Vietnamese SAMs are deployed in northern South Vietnam. In addition, the communists have rebuilt, or can repair, a number of captured airfields.

13. Perhaps the most ominous aspect of the communist buildup is the positioning of huge stockpiles in or near South Vietnam. From a strictly materiel standpoint, stockpiles of major categories of equipment in place in the North Vietnamese Panhandle, South Vietnam, and adjacent border areas would allow communist forces to maintain heavy combat activity throughout an entire dry season and



562093 10-73 CIA

Con Son

Names and boundary representation are not necessarily authoritative

SECRET

Communist and South Vietnamese Regular Combat Forces in South Vietnam

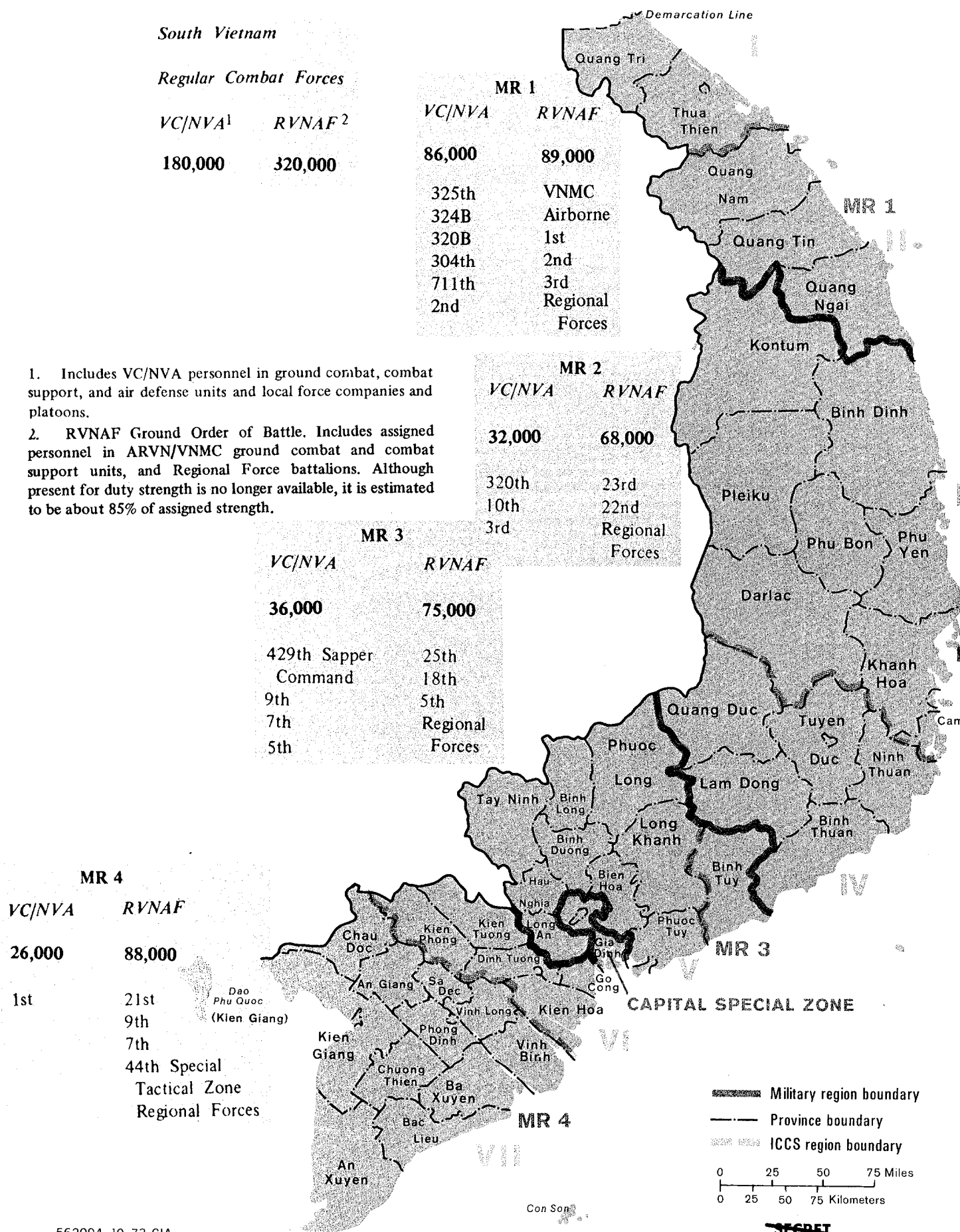
South Vietnam

Regular Combat Forces

VC/NVA ¹	RVNAF ²
180,000	320,000

1. Includes VC/NVA personnel in ground combat, combat support, and air defense units and local force companies and platoons.

2. RVNAF Ground Order of Battle. Includes assigned personnel in ARVN/VNMC ground combat and combat support units, and Regional Force battalions. Although present for duty strength is no longer available, it is estimated to be about 85% of assigned strength.



beyond without any overriding necessity for replenishment. The availability of POL and food is probably more limited. Despite improvements of their logistical situation, however, communist forces would still face some local distribution problems in preparing for and sustaining major military action.

14. There are now considerably more communist combat maneuver battalions and personnel in South Vietnam than at the onset of the 1972 offensive, though many of the units are not totally up to strength. Some 65,000 NVA combat and administrative services personnel have infiltrated south during the first nine months of 1973, the largest portion going to MR-1. Infiltration of combat troops picked up in September, and we expect it to continue in the coming dry season months. The level of such movement will be one clue to Hanoi's intentions. Heavy infiltration would bring NVA forces in the South up to full strength and establish a replacement pool, thus enhancing their capability to launch and sustain an offensive. A low infiltration level, on the other hand, would suggest that Hanoi did not expect heavy military activity in the winter and spring.

15. In general, the communists still have the advantage of being able to choose the time and place for military action. And with personnel and supplies in place close to the battlefield, little lead time is needed for preparing for an offensive, perhaps less than a month. A rapid buildup of personnel and supplies would be detected, but small shifts of personnel, units, or supplies might not.

16. In weighing the military factors, one clear conclusion emerges: the current military balance is only slightly in favor of the GVN.

17. On the other hand, the political balance is clearly in the GVN's favor and will remain so. The communist infrastructure is still weak

as a result of the devastating losses of the 1968 offensive and subsequent government pacification campaigns, although there have been some improvements in the infrastructure in at least a few areas. Hard intelligence on the VCI is limited, but there is a generally negative cast in reports on its status, at least to the extent of strongly suggesting that the rebuilding effort will take time. The most serious problem of the VCI is its inability to maintain close contact with the population. This is most apparent in urban areas, but even in the countryside, communist access is limited.

18. The communist presence is still demonstrated by terrorism, enforced tax collection, kidnapping, and harassment. Much of the population is not firmly committed to either side and remains sensitive to any show of force or any shift in the balance of power. Local accommodations are easily arranged and are probably widespread. The North Vietnamese are making open efforts to communicate with ARVN units to consolidate cease-fire positions. Covert arrangements between the communists and local GVN defense forces in isolated villages and outposts are not easily discerned or prevented. These usually work to the communists' advantage by reducing the pressure on base areas, facilitating entry into villages and hamlets for taxing and proselyting, and reducing the flow of intelligence to the government on communist strength and activities.

19. The communist enclaves provide Hanoi a very limited potential for developing an economic base in South Vietnam. The communists are most securely ensconced in northern and western MR-1, but this is not an economically viable area. To build any type of economic infrastructure in the communist-held areas of MR-1 will require heavy imports from North Vietnam and a continued influx of civilian specialists. From a strictly eco-

conomic sense, the communist areas in MR-3 have slightly more potential. In general, however, communist holdings are in isolated areas that are sparsely populated and lacking in resources. The North Vietnamese leaders appear to realize that there is little prospect for a viable "Third Vietnam" in the South which could compete economically or politically with the GVN. Instead, the focus now seems to be on using these areas as forward staging areas for communist military forces.

External Pressures

20. *The USSR and China.* Hanoi has often ignored the advice of its major communist allies in formulating its wartime strategy and counted on forcing their support for reasons of fraternal solidarity and Sino-Soviet competition. Nonetheless, the North Vietnamese leaders are cognizant of their ultimate dependence on their allies' material assistance and have been somewhat sensitive both to their positions on the war and to their relations with each other and with the US. Chinese-Soviet rivalry offered Hanoi some insurance in the past that neither would abandon the field of fraternal support to the other. While this still holds true to some extent, their interest in détente with Washington has produced a commonality of interest between Moscow and Peking in restraining Hanoi's actions. Hanoi's latitude for playing China and the USSR off against each other has been reduced. For example, since the cease-fire, North Vietnamese leaders have made their annual pilgrimages to Moscow and Peking to review their relations and seek new aid agreements. Unlike past years, however, there was no subsequent announcement of military aid from the USSR, although military aid was mentioned after Le Duan's visit to Peking. North Vietnamese public statements (although not the most reliable weathervane) seem to indicate less than a satisfactory outcome.

21. Although Hanoi is now in a logistics position to launch and sustain prolonged heavy military operations in South Vietnam, a decision to do so in the face of opposition by Moscow and Peking and without some assurances of a continued flow of supplies would represent a major gamble unless Hanoi were confident of RVNAF's collapse.⁴ To do otherwise would leave Hanoi, should its military effort fail, faced with drawn down stocks and no assurance of replacement. Over the short term, POL and foodstuffs would be the major requirements, especially in North Vietnam itself. Since these items have civilian as well as military value, China and the USSR might find it easier to rationalize supplying them to Hanoi than would be the case for purely military equipment.

22. At this point, both Moscow and Peking appear to be urging restraint on Hanoi, in part because they view détente with the US as a priority interest. They are not prepared to abandon Hanoi and will certainly continue to provide some military aid to North Vietnam, though perhaps at reduced levels.⁵ (During the 1972 offensive, for example, while both allies seemed to point to the benefits of a negotiated settlement, neither attempted to

⁴ Even without assurances from their allies, the North Vietnamese might consider launching an offensive limited in objectives and duration.

⁵ It is virtually certain that US intelligence efforts will not be able to determine how much military equipment is actually sent to North Vietnam. There is a reasonably good chance that the dispatch of equipment to South Vietnam will be detected, unless there is a further degradation of US intelligence collection in Indochina. It will be difficult to determine—at least in the next several months—whether such equipment has only recently arrived in North Vietnam. For example, although recent intelligence noted a number of armored vehicles and artillery pieces at a military equipment transloading point northwest of Hanoi, it cannot be determined when this equipment arrived in the country. Nevertheless, since this equipment had not been noted previously, there is a strong possibility that it represents new deliveries.

force the issue by drastically reducing their logistic support.) But an offensive launched without provocation at a time when more relaxed great power relations seemed to be paying dividends would be opposed by Moscow and Peking, particularly if the offensive appeared likely to cause the US to reenter the war. Under these circumstances, Hanoi's allies would continue their aid, but would probably not increase it to cover the losses. But in view of Hanoi's sizable military stockpiles, such reluctance on the part of its allies would have more impact in political terms than on Hanoi's military capabilities in the short run.

23. *The US.* Judgments about the potential US reaction to a major military effort by the communists would be a major factor in Hanoi's policy calculations. A large-scale offensive would be a total rupture of the Paris agreement and, as such, would remove its restrictions on active American involvement. Hanoi undoubtedly views the chances of American forces reentering the war under any circumstances as greatly reduced due to domestic political pressures. In addition, if Hanoi perceived the US as being preoccupied with trying to settle a prolonged Arab-Israeli conflict, it might calculate that the US would be diverted from responding to a major communist provocation in Vietnam. But the North Vietnamese leaders would not dismiss the possibility of an American reaction, in part because they have been so wrong before in gauging the impact of American politics on the war. While the "stick" of American air power would be carefully considered before deciding whether to launch an offensive, the "carrot" of American dollars would represent no more than a minor factor in Hanoi's policy calculations.

24. *Cambodia.* Communist action in Cambodia is not likely to provide clear indications of Hanoi's intentions in South Vietnam since there are uncertainties about how much con-

trol the North Vietnamese have over the Khmer insurgents. In addition, Hanoi's encouragement of a relatively low scale of fighting in the Cambodian quadrant would not necessarily mean that Hanoi had decided to lie low in South Vietnam. Indeed, the North Vietnamese might not want to tip their hand by striking out hard in Cambodia if they were contemplating major action in South Vietnam. Conversely, prior to launching an offensive in South Vietnam, Hanoi might want to wrap up the Cambodian situation to obtain a more accurate indication at lower cost of how the US might react to stepped-up communist action.

25. A communist victory in Cambodia would not bring about an immediate or major shift in the present balance of military power in South Vietnam. Hanoi already enjoys the access it needs to the eastern Cambodian provinces along the South Vietnamese border, and the cessation of US bombing has removed most of the danger of using this region. A communist-controlled Cambodia, however, could ease communist logistical burdens by opening the port of Kompong Som to communist shipping. But Hanoi would probably hesitate to make great use of the port in the short run; it would almost certainly want to wait to see how the US and South Vietnam reacted to Cambodia's collapse, and it would not want or need to reveal its strategic plans by pouring supplies through Kompong Som.

26. In the short term, the major import of a communist victory in Cambodia on Hanoi's intentions in South Vietnam would be more psychological than military. Hanoi might hope that the fall of Cambodia would so unnerve the South Vietnamese that the stage would be set for major actions in South Vietnam. We do not believe, however, that the GVN would be so rattled by Cambodia's collapse that, by itself, this would encourage Hanoi to risk a major military push in South Vietnam.

27. *Laos.* The settlement in Laos will have little effect on Hanoi's actions. It is likely that the combat structure in the Panhandle will remain essentially intact during the upcoming dry season to protect communist supply lines through Laos. Some NVA rear services units which shifted into South Vietnam earlier this year have already moved back into the eastern Panhandle, and others will probably follow.

III. THE VIEW FROM SAIGON

28. To Saigon, just as to Hanoi, the Paris agreement reflects a less than satisfactory situation. The GVN signed the agreement reluctantly and has violated it when such action seemed advantageous. The GVN believes that the January agreement left it vulnerable to communist military pressure. The GVN also has major reservations about the political aspects of the agreement and will show little interest in implementing the political arrangements called for in the accord. The GVN is determined not only to prevent the further expansion of the communists' military and political position in South Vietnam, but to reduce it as much as possible.

A. Saigon's Options

29. Despite its unhappiness with the present situation, Saigon's options for changing it are limited. Over the years, the basic strategy of the GVN has been the building of a strong nation-state able to withstand communist aggression and subversion. In this effort, the GVN has significantly improved its military and political position. It still lacks the ability to expel communist forces from South Vietnam, and it cannot effectively carry the war to the North. In sum, the GVN is still basically in the position of having to react to communist military policies and actions, while continuing its efforts to forge

a strong base of support which will erode the communists' ability to pose a significant threat to South Vietnam.

30. Though not sharply defined, the GVN has several options in meeting the communist military threat:

- Quick raids could be conducted against established communist base areas—or even into Cambodia.
- The GVN could launch air strikes on NVA base areas, both within South Vietnam, and in Laos and Cambodia.
- Saigon might move on a large-scale and sustained basis to reduce communist-controlled territory.
- If the GVN concluded that the NVA were, in fact, in the preparatory stages for a new offensive, it might launch a major preemptive strike of its own.⁶

B. Factors Influencing GVN Policy and Capabilities

Political and Economic Strength of the GVN

31. President Thieu's political position has grown stronger over the past several years. Non-communist groups lack the unity or leadership to present a challenge, while the ability of the communists to mount effective political action has been very limited since the 1968 Tet offensive. The massacre in Hue turned the An Quang Buddhists, once in vigorous opposition to the government, away from thoughts of accommodation with the communists and toward working within the

⁶ Concurrently with any of the above military options, Thieu would move rapidly to extend and consolidate his political controls at all levels. In addition, a nation-wide effort to gradually extend and consolidate GVN-controlled territory by military and political means would be continued.

system. There are various leftist-intellectual and student groups which are vulnerable to communist manipulation, but these groups are small and lack public support—proving little more than a nuisance to the government.

32. Thieu's power is based on the support of the government bureaucracy and the military establishment—the major instruments through which he has worked to extend his base of support throughout the country. Although basically a loner who operates through a skillful blend of patience and manipulation, Thieu is not unaware of the need to gain popular support. To this end, he has initiated a considerable number of reforms and new programs, and—probably more important—he has worked to improve his ties with village leaders and provincial councils. These efforts have borne fruit; while still not a popular figure, Thieu is accepted by most South Vietnamese as preferable to a communist alternative.

33. In the process of solidifying his position, Thieu has whittled away almost all of the political power of the individual military commanders, leaving them frequently beholden to him in the process. Thus, even though there are occasional grumblings within the military hierarchy over Thieu's political actions, there is no figure in the military who appears capable of seriously challenging him. There is little prospect of this situation changing so long as Thieu maintains the image of a firm and effective anticommunist leader who commands continuing US support, although ambitious men remain in the wings.

34. The government structure is becoming increasingly centralized and personalized, with loyalty to Thieu a prime prerequisite for any significant government assignment. The recently-formed Democracy Party—largely encadred by military officers and bureaucrats—has emerged as Thieu's instrument for extending his authority both at national and local

levels. The new party has a parallel clandestine apparatus within the party organization which serves as a potential vehicle for monitoring and enforcing the loyalty of its members. While the forms of representative government may be preserved, Thieu is obviously aiming for, and already has largely achieved, a political apparatus that is wholly responsive to his direction.

35. Although the GVN will have little trouble in coping with overt communist political action, dealing with the communists' covert activities will be difficult. This task falls largely to the GVN's local paramilitary and police forces, whose effectiveness varies widely from place to place. Police effectiveness is generally good in the larger urban areas, but falls off rapidly the further one goes into the countryside. Popular Forces (PF) units and Peoples' Self Defense Forces (PSDF)—the night watchmen of the rural hamlets—often fail to resist when Viet Cong finance cadre or proselyters and their guerrilla escorts visit a village by night, particularly if there is no ARVN unit in the area.

36. Although the South Vietnamese economy has good long-term growth potential, key commodity shortages, inflation, and declining foreign exchange reserves are serious problems. The US military withdrawal has reduced both dollar inflow and employment opportunities, and the *de facto* reduction of American aid caused by the devaluation of the dollar and rising commodity prices in world markets have compounded the problem. Increased foreign and domestic investment could improve the situation, but, for the short run, it is limited because of the uncertainties of the GVN's long-term viability. The basic problems of inflation and stagnation defy quick solutions and could come to have adverse political ramifications. But for the short run, as long as US economic assistance is available, such problems are not likely to reach critical dimensions.

37. A more immediate problem, however, and one which could lead to some popular resentment against the government, is the availability of rice. The fighting in the Delta last spring contributed to a shortfall in rice production in South Vietnam. This, coupled with difficulties in obtaining immediate rice imports because of a world shortage, raises the spectre of a serious rice shortage in the late fall. This is likely to be a temporary problem, however, since additional quantities of American rice should arrive in South Vietnam by late December.

38. The communists are actively seeking to exploit the GVN's economic difficulties, while trying to reduce the economic burden on the North. Apart from enforced taxation, the communists have always maintained a shadow supply system in South Vietnam, buying foodstuffs, fuel, and pharmaceuticals on the local economy. Their recent purchases of rice and kerosene at inflated prices not only help supply their military forces and civilian residents in communist-controlled areas, but also tend to aggravate shortages and price spiraling in GVN areas. The GVN is taking stringent measures to interrupt trade with the communists, but their effectiveness has been spotty. On balance, however, it is highly unlikely over the short term that the communists will make significant gains in exploiting or even seriously aggravating Saigon's economic problems. Moreover, the severely restricted economic situation in PRG areas will reinforce the communists' need for continued taxation and commercial purchases in the GVN areas.

Can RVNAF Meet the Challenge?

39. The political strength of the GVN is clearly adequate to cope with communist subversion, but its military adequacy is a matter of concern, particularly in MR-1.

40. The South Vietnamese have large and well-equipped armed forces. Their combat effectiveness is undercut, however, by logistic and maintenance deficiencies and shortfalls in training, command and control, and manning of units. Corruption and desertion in the armed forces continue to be problems. In addition, the ground forces, including mobile reserves, are fully deployed. Faced with a communist adversary in South Vietnam which is larger and stronger than at its peak in 1972, RVNAF would probably yield substantial territory, at least initially, should the communists launch an all-out attack.

41. On the other hand, RVNAF has improved significantly in recent years, especially since the start of the 1972 campaign, as Thieu has cashiered many inept officers. Further, front-line units have gained valuable combat experience and confidence. For example, in the 1972 offensive, RVNAF (albeit with the benefit of US air support) was able to regroup and reverse many of the communists' gains. Even mediocre units hung together (excepting the disaster-struck 3rd Division) and maintained stiff resistance to the NVA. RVNAF's problems would be at least partially offset by the frequently poor tactics and performance of communist forces.

42. In terms of overall military manpower, the GVN has a substantial edge. RVNAF's 320,000 regular combat ground forces compare with a communist regular combat strength of 180,000 men. (See Figure 2, page 7.) In MR-1, however, no numerical advantage exists, as South Vietnam's 89,000 troops face a comparable communist force. Moreover, with the withdrawal of US air assets, the GVN's firepower advantage in many parts of the country is less impressive. The amount of GVN artillery tubes currently exceeds that of the communists, but the North Vietnamese have demonstrated greater proficiency in the use of such firepower. The communist tank

inventory slightly exceeds the GVN's, but this advantage is largely offset by greater RVNAF crew proficiency. It should be noted, however, that communist inventories of tanks and field and antiaircraft artillery are now at their highest level of the war owing to a significant deployment of such firepower to South Vietnam during the 1972/1973 infiltration cycle.

43. Massive air support and exclusive control of the sky have been crucial factors in ARVN's defensive and offensive capabilities. Most of this support was American; the critical question now is whether the GVN ground forces could manage without it. The South Vietnamese Air Force cannot begin to provide the abundance of air support that ground commanders were accustomed to prior to the cease-fire. Even so, VNAF ground support capabilities have improved considerably and should help to counterbalance communist firepower in most of the country.

44. In northern MR-1, however, where RVNAF is clearly most vulnerable, VNAF air operations would be severely hampered by the heavy concentration of NVA AAA/SAM forces. In addition, the North Vietnamese are in a position to mount air operations of their own in MR-1. In the event of an all-out military offensive, we believe that they would do so. The effectiveness of North Vietnamese close air support, however, would be curtailed by inexperience in ground support operations and the paucity of ground radar control facilities. In terms of air defense, North Vietnam's superior air-to-air combat experience, defense in depth, and totally integrated air defense system would probably result in an unacceptable VNAF loss rate if it attempted sustained operations over communist-controlled northern MR-1. Moreover, in the event of a major communist push in MR-1, including the forward deployment of AAA and SAMs and the possible use of Migs, VNAF would also experience serious problems in providing effective ground support.

45. Successful preemptive offensive operations of any magnitude seem well beyond GVN capabilities. The communist would undoubtedly be aware of South Vietnamese planning (as in the past) and be prepared for an attack. RVNAF could not sustain large-scale operations without a significant expansion of US military aid shipments to cover losses. Moreover, the GVN would probably be most reluctant to launch major offensive operations without the assurance of US air support.

46. Meeting lower levels of communist pressure should be well within RVNAF's capabilities. But the South Vietnamese are not likely to improve their position substantially. The communists obviously would put up a determined defense against any moves by government forces against their enclaves. As the communists continue to strengthen and consolidate their western base areas, South Vietnamese chances of successful penetration will diminish.

47. Curbing a campaign of terrorism, guerrilla warfare, and covert action would fall more to the GVN's territorial forces (the RF, PF, PSDF, and NPFF) and municipal police than to the regular forces. As in the past, certain areas can be expected to prove very resistant to communist penetration. In general, the communists are not well-prepared to undertake a significant increase in such activities.

48. Even so, the GVN's ability to stem a gradual extension of communist influence is uncertain. The communists cannot be satisfied penned up against the borders of South Vietnam. They clearly are determined to extend tendrils into GVN-controlled areas, especially in southern MR-1 and northern MR-2, which they must do if they are to support a resurgent infrastructure. And Saigon is just as deter-

mined to prevent this. Over the short run, the struggle for the "contested" areas will remain more or less stalemated.

IV. PROSPECTS THROUGH THE DRY SEASON (OCTOBER 1973-MAY 1974)

A. The GVN

49. Prospects for the GVN over the next nine months are mixed.⁷ On the one hand, Thieu's political position will probably grow stronger, and the communists are unlikely to make significant political gains. On the other hand, by next summer, the GVN may no longer have a military edge over the communists if Hanoi continues its current level of buildup in the South—which we believe it will do.

50. The GVN, faced with a situation where its real options are limited, will basically devote its efforts to strengthening the country's infrastructure, maintaining and building up its military defenses, and attempting to counter Hanoi's thrusts. Continued US military and economic support will be crucial to the GVN's performance and prospects during this period.

51. The GVN will push with equal force to forestall the resurgence of the communist infrastructure, but will be faced with something of a dilemma. Aggressive local government chiefs can often interrupt communist efforts to build bridges to the local population, but government harassment often prompts communist retaliation. The ensuing rash of

⁷ Though either unpredictable or else very unlikely, there are certain factors which, if they occurred, could seriously affect judgments about the cohesion and effectiveness of the GVN. Among these are: Thieu's assassination; widespread civil disorders sparked by economic problems or a sudden revival of Buddhist opposition to the government; unexpected US Congressional action that drastically reduced or suspended entirely US assistance to South Vietnam; or clear indications that the US was no longer committed to Saigon's survival.

terrorism and military activity upsets the local population, whose lives and livelihoods are threatened by the lack of security. As a result, the local chief often loses his popular support and is hard pressed to prove that he indeed has "pacified" his territory. Caught in this situation, the local officials frequently find it preferable to seek the apparent quiet provided by accommodation. There is little reason to believe that the GVN can successfully break this longstanding pattern, although this is unlikely to be a serious problem over the short run.

52. The GVN can and will ensure that the PRG does not enhance its internal legal position through the vehicle of the Paris agreement. While a National Council of Reconciliation and Concord may eventually be formed, it will play no substantive role; the local councils will probably never be formed.

53. Militarily, RVNAF can be expected to continue its operations against communist positions, especially against enclaves not contiguous to the western corridor, and against NVA efforts to move into new areas. Main force maneuvering in areas that are not clearly controlled by either side could easily result in sporadic surges of heavy fighting. A more volatile situation could arise should the GVN, fearful that a communist military offensive was in the offing, attempt to launch a major preemptive strike against communist forces. In such a situation, there would be a high risk that the communists would retaliate in kind, and the fighting could get out of hand. It is unlikely, however, that the GVN would undertake such an action prior to consulting its American ally.

B. The Communists

54. In assessing Hanoi's military intentions, we are hobbled by a lack of firm intelligence. In fact, the communists have probably not yet

made a final decision whether to attempt major military action next spring. *It is clear, however, that Hanoi is acting to preserve an option to resume major military action in South Vietnam at some point.*⁸ The chances for the political aspects of the Paris agreements being realized are negligible; nor can Hanoi have much hope of achieving the GVN's collapse through a combination of political and clandestine warfare backed up by only moderate military pressure. Ultimately then, Hanoi must believe that it will again have to turn to the battlefield to seek—if not the immediate military defeat of the GVN—at least a situation where new political arrangements will have to be made (e.g., coalition government) that would give the communists sufficient political leverage in the South to ensure a shift to their domination. The question, however, is when?

55. The forward positioning of communist forces and supplies and the improved road system give Hanoi the capability to kick off a major military campaign with little additional preparation. As Hanoi continues to augment its forces in South Vietnam during the coming dry season, the military balance may tilt to the communists' advantage unless there is countervailing US support for the GVN. Such a shift in the military balance could encourage Hanoi to launch major military action. In any event, with heavy infiltration, it appears likely that Hanoi would be in a position to launch—with little warning—and sustain such action by early 1974 if it so chose.

56. This means that Hanoi will probably be in a position to choose among the full range of options to attain its goals in South Vietnam. In the absence of firm information

⁸ As defined in this Estimate, major military action could encompass a countrywide offensive on the scale of Tet 1968 or March 1972, or attacks on a similar level generally confined to one or two military regions, with lower levels of action elsewhere.

on Hanoi's short-term intentions, it is a close choice whether Hanoi will opt for a major military offensive sooner rather than later. It is such a close choice that the only prudent assessment must allow for either. This is especially so since the US role in the situation is a major one, and its position as perceived in Hanoi could well determine whether such an offensive will occur this dry season. The other major factors are the positions of Moscow and Peking, Hanoi's assessment of the military balance between its forces and RVNAF, and Hanoi's calculations about its overall military and political situation—including external considerations—should it launch or not launch a military offensive this dry season.⁹

The arguments which persuade some analysts that a major North Vietnamese offensive early next year is more likely than not are as follows:

57. The buildup of North Vietnamese manpower and war materiel in South Vietnam and adjacent border areas since January 1973 should be seen not only as an expansion of

⁹ The Assistant Chief of Staff, Intelligence, USAF, believes that the case postulated in favor of a North Vietnamese offensive in 1974, *earlier rather than later*, merits greater weight than the case against such an offensive. Inflexibly, Hanoi has always chosen to pursue the offensive—logistics permitting. Logistic preparations in the three northernmost provinces of MR-1 (Quang Tri, Thua Thien, and Quang Nam) are now virtually complete. A major offensive to seize and sever the northern provinces is almost a certainty, and will likely come earlier rather than later—especially during periods when weather would inhibit South Vietnamese air power. The South Vietnamese Air Force is a clear weather force—a fact which North Vietnam will exploit at the appropriate time. Almost certainly, an enemy thrust in MR-1 would entail diversionary offensive actions in other parts of the RVN to inhibit RVNAF reinforcement of the northern battle areas. Hanoi probably believes that a major effort to take the northern provinces entails the least risk of American reinvolvement.

communist capabilities in the South, but also as a probable sign of an intent to use these capabilities sooner rather than later. Recent indications that the beginning of the new dry season will bring additional movements of men and equipment to the South further strengthen the case that Hanoi may be preparing for a major offensive during this dry season.

58. With sufficient stocks of equipment and munitions in the South to engage in heavy combat for the duration of an entire dry season, it is unlikely that pressure from Moscow or Peking will be a decisive factor in preventing the North Vietnamese from starting an offensive. Even a complete cutoff of Soviet and Chinese exports to North Vietnam would affect Hanoi's domestic economy long before it affected the war in the South, and it is highly unlikely that Moscow or Peking would take such a step.

59. Further, Hanoi may well now regard the risk of the reinvolverment of US combat forces (air as well as ground) as fairly small. North Vietnam's view of the risk probably would not restrain its leaders from launching a major offensive if they felt other factors were favorable. Throughout the coming months, Hanoi will be constantly reevaluating its views on this matter. Political trends in the US that seemed to further restrict or to liberalize the President's power to react, would of course affect Hanoi's assessment of the risks.

60. Finally, the North Vietnamese leadership may see its chances of winning a major military victory as being greater in the spring of 1974 than later. There is an appreciable volume of evidence that the communists themselves believe they are doing badly in the political struggle in South Vietnam, and that in this struggle time is on the side of the GVN, not the communists. If this is the case, there are almost certainly elements within

the Hanoi leadership which favor a resumption of military action sooner rather than later. North Vietnam's leaders might also believe that US domestic problems are likely to be greater—and the restraints on the government's actions more severe—in the next six to nine months than would be the case a year or two later. Moreover, if the Soviet Union and China are reducing arms aid to Hanoi, the North Vietnamese might consider that they would be at their maximum strength for an offensive during the coming dry season.

The arguments which persuade other analysts that the North Vietnamese will delay an offensive beyond the current dry season are as follows:

61. Hanoi will weigh a number of factors—no one of which is likely to be controlling—in deciding on the timing and scope of a military effort. A vital judgment will be what Hanoi gauges it can get away with and still avoid a crushing US response with air power. The North Vietnamese leaders almost certainly entertain major reservations on this score. Faced with uncertainties on the likelihood of a US military response to a communist offensive, the North Vietnamese would probably prefer to wait for the passage of time to provide them a better indication of the depth of the US commitment to South Vietnam.

62. In contemplating prolonged heavy combat, Hanoi would also want to be assured of enough continued material support from Moscow and Peking to cover losses. Such assurances are unlikely over the short term. Despite the heavy stockpiles in or adjacent to South Vietnam, it would be exceedingly dangerous for Hanoi to attempt a go-it-alone strategy. Given the close military balance between communist forces and RVNAF, prudence—if nothing else—would dictate to the North Vietnamese leaders that they would

have to be prepared for a possible failure of the offensive. And without assurances of sufficient supplies from Moscow and Peking to replenish battlefield losses, the communists would be left, should the offensive fail, in a weakened and vulnerable position.

63. The situation in South Vietnam will also be a compelling factor in Hanoi's policy choice. Although the communists have made significant strides in building up their military forces, their progress in the political field has been very limited. Aware of their past and present shortcomings in the political sphere, the communists are placing high priority on some strengthening of their political apparatus. To date, however, efforts at refurbishing and expanding the communist infrastructure have fallen far short of party goals, and communist leaders do not expect rapid or spectacular gains over the short term. The weakened state of the communist political apparatus would argue for the communists delaying a major military offensive until they are in a better position to take advantage of it politically.

64. Finally, there is no apparent requirement for Hanoi to act in haste in South Vietnam. Certainly the GVN will not make such rapid progress in strengthening the economic, political, and military fabric of the South over the next year or two as to become invulnerable to a later, large-scale communist offensive. The communists are in a position to maintain their position—and to strengthen it—inside the base areas in the South for the indefinite future. Thus, the communists will be in a position to carefully weigh all factors—and to entertain extended internal debate—as they shape their strategy beyond the current dry season.

If There is an Offensive

65. In the event of an all-out offensive this dry season, the communists would initially

make substantial territorial gains in MR-1. Although GVN forces might be routed, it is more likely that they would fall back in reasonably good order, and they could probably hold out for some time around the major cities of Danang and Hue, though the latter would be geographically more vulnerable. Prolonged fighting would raise the crucial question of the rapidity of outside assistance for the GVN. Without renewed US air support, RVNAF's continued resistance in MR-1 would be in doubt.

66. Communist gains in the rest of South Vietnam would be less dramatic, unless their forces were significantly upgraded from present strengths. The GVN forces undoubtedly would give ground, particularly in areas where NVA units are concentrated, but should be able to blunt a communist assault.

If There Is Not an Offensive

67. If Hanoi does not mount a major offensive this dry season, there will probably be a period of internal building and testing on both sides with military action remaining generally restricted. Hanoi will continue to launch and no doubt accelerate carefully orchestrated, significant localized, and limited-objective attacks in various regions of South Vietnam during this dry season under the guise of a response to prior GVN aggression. Hanoi will limit the type and scope of such attacks to that which it believes will not provoke a US military response or a negative reaction from Peking or Moscow. Operations will be designed to seize more territory, to test GVN resolution, and for their psychological impact.

68. Hanoi will also continue to make a major effort to rebuild the communist political infrastructure, immediately in contested rural areas and more gradually in towns and cities; however, we anticipate only limited

success in this effort. The communists will, moreover, attempt to entice the population to move to PRG areas, and government officials will be approached to arrange local ad hoc trade agreements and "peace treaties." At the same time, the communists will continue trying to infiltrate the government's ranks for intelligence and subversive purposes. Some increase in terrorist and guerrilla activity is likely as the communists try to break down GVN control at the grass roots and enforce popular tolerance of their own presence.

V. OVER THE LONGER TERM

69. The foregoing summary of prospects over the short term reflects the impossibility of offering confident judgments on the timing and shape of future communist military strategy. North Vietnam's timetable—even over the short term—will be influenced by its perception of shifts in the relative balance of power, military or political, in Vietnam or in the positions of its own allies or the US. If Hanoi does not undertake a major offensive during the upcoming dry season, the question remains whether the communists are likely to opt for a return to major hostilities at some point relatively soon thereafter.

70. The strength of the American commitment to South Vietnam will continue to be a vital factor for the GVN's survival. Not only will it influence Hanoi's policy decisions, but it will also be a critical political and psychological factor in maintaining GVN confidence. Continued US military aid will be essential, even though the amounts allowed by the Paris agreement are not likely to offset the expansion of NVA strength in the South. Further large-scale US economic aid will also be required if the GVN is to have a chance to solve its economic problems. Other sources of external financing, such as offshore oil and foreign investment, offer good potential but

will require several years to make a significant dent in South Vietnam's foreign aid requirements.

71. Apart from US support to South Vietnam, the overall American military posture in the Far East will also be carefully noted by Hanoi. A major US disengagement from the area, or a pulling apart of the American alliance with Thailand—now the site of American reserve forces potentially available to Vietnam—would be demoralizing to Saigon and would encourage Hanoi (and possibly its allies) to feel that the risk of confrontation with the US was negligible. Even in the absence of such signals, however, it cannot be assumed what conclusions Hanoi would draw concerning US intentions. Its record for misjudging the depth and duration of the US commitment to the GVN is well established.

72. At the same time, the willingness or reluctance of Peking and Moscow to underwrite another major military effort to topple the GVN will condition North Vietnam's strategy. At some point, the North Vietnamese are likely to press China and the USSR for substantially increased military aid. This will force these countries to weigh the impact of responding on their relationship with the US and with each other. Great power détente has contributed to a dampening of the Vietnam conflict; it has also served to undercut the North Vietnamese ability to play their allies off against each other. There are no indications now that these conditions will not continue for some time.

73. But there are conceivable developments that might make the Chinese or the Soviets (or both) more receptive to Hanoi's importunings. For example, if the Chinese and Russians came to believe that Washington was no longer so devoted to the GVN's survival as to risk progress in furthering détente, Hanoi's allies might think it safe to provide

the stepped-up aid required to sustain a major communist offensive in South Vietnam. Similarly, if Moscow and Peking become less interested in détente with the US, they might be more willing to provide increased military assistance to Hanoi. On the other hand, should the Sino-Soviet split widen, either Moscow or Peking might step up its aid to Hanoi to undercut the other's influence in Southeast Asia. None of these possibilities appears likely, but should they occur, they would isolate the American commitment to Saigon as the major external restraining force on Hanoi.

74. In weighing its longer-term strategy, Hanoi will also be sensitive to political and military trends in South Vietnam. A steady consolidation of power by Thieu, with little obvious deterioration of RVNAF capabilities, and a failure of the communists infrastructure to make inroads of any significance into the GVN's control of the population would argue—given Hanoi's determination to reunify

Vietnam—for a bold military stroke even though the risks in such an offensive would be high.

75. *In Sum.* The key factor shaping Hanoi's policies will remain its perception of the likely US response, the availability of external support, the pressure imposed by Moscow and Peking, and military and political trends in South Vietnam. Over the longer run, however, Hanoi may place greater weight on the trends it observes in the South than on the external restraints imposed by Moscow, Peking, and Washington.

76. In any event, Hanoi's actions are clearly designed to insure that it can again resort to major military action to gain its objectives if other means fail. If a major communist military offensive does not occur in the upcoming dry season, we believe that the odds favoring such an action will increase significantly as the 1974-1975 dry season approaches.