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# The Vietnam Situation

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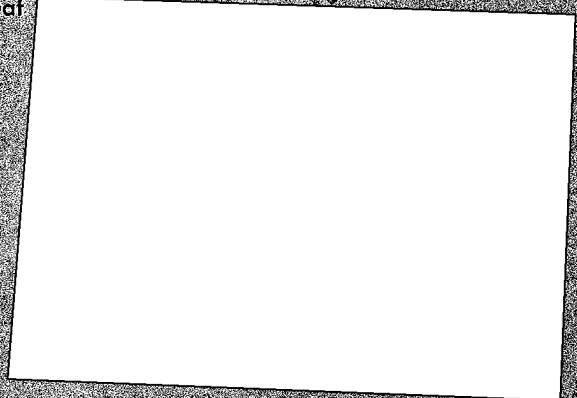
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## THE VIETNAM SITUATION

### THE PROBLEM

To estimate probable developments in the Vietnam situation over the next six months or so.

### ASSUMPTIONS

For the purpose of this estimate we make two assumptions: that the discussions between the US and Hanoi are not broken off completely in this period and that the US does not resume full-scale bombing of North Vietnam.

### CONCLUSIONS

A. The Vietnamese Communists are striving through their current fight-talk strategy to produce a decisive result in the war this year. Hanoi will coordinate intensified military and political operations in the South with diplomatic moves, all designed to disintegrate the fabric of the GVN, intensify pressures for peace within the US, and bring about major concessions in the Paris talks.

B. Communist forces are suffering extraordinary military losses, but with massive replacements from the North, they will be able to maintain a high level of military pressures during the summer. We do not believe, however, that the Communist military effort by itself will be decisive. ARVN's fighting effectiveness will probably not be seriously weakened, and the Saigon government, despite continuing political and administrative weaknesses, will probably retain the capability to cope, at least minimally, with the problems of the war.

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C. Nevertheless, developments in the Paris talks or in US politics could severely test the GVN's stability and even its survival. Saigon will press for a tough stand by the US and for major concessions from Hanoi. Moves toward compromises, whether at US initiative or Hanoi's, could touch off a severe crisis in Saigon, especially if a formal political role for the NLF appeared likely. In the end, Saigon's appraisal of US policy, in the context of the Presidential elections, could be decisive in the continuing viability of the GVN.

D. For its part, the regime in Hanoi is feeling the strains of the long and costly struggle. These will intensify if the war is protracted at the present high levels. While we expect no early shift in strategy, if, by year's end, the situation has not taken a turn in its favor Hanoi will probably be obliged once again to undertake a thorough review of its options.

## DISCUSSION

1. The beginning of formal diplomatic contacts in Paris has opened a new phase and added new complexity to the Vietnam problem. For the near term at least, the struggle within South Vietnam is still the predominant factor, but maneuvers at the negotiating table will become increasingly important, affecting Hanoi's calculations and especially the mood and outlook in Saigon.

### I. THE COMMUNIST POSITION

2. A number of factors have led the Vietnamese Communists into the present phase of fighting and talking. Ever since the US intervened in force, they have assumed that the war would have to culminate in some kind of negotiations, but they were determined to avoid such talks until their battlefield position permitted them to negotiate from a position of apparent strength. The 1968 winter-spring offensive, they believed, would achieve such a position. Having shifted the focal point of their operations to the urban areas and generally intensified their military pressures they anticipate that the confidence and authority of the GVN and the ARVN will be badly shaken if not demolished, that large parts of rural areas will pass from GVN control, that popular support for the GVN will fade, and that the US will be demoralized by these setbacks and by the prospect of a long, costly effort to regain lost ground. In a US election year they apparently expect the overall political/military results will cause the US to seek an end to the war on terms favorable to the Communists.

3. *Fight-Talk Tactics.* Thus, Hanoi expects that the present phase, lasting perhaps through a change in the US Administration, will prove decisive in its revolutionary struggle. Communist forces will try to maintain continuous military

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pressures, especially around cities and towns, erode the pacification program in the countryside, and, at times and places of their choosing, launch major offensive thrusts. Hanoi will coordinate these intensified military and political operations in the South with diplomatic moves, all designed to disintegrate the fabric of the GVN, intensify pressures for peace within the US, and bring about major concessions in the Paris talks.

### **Military Capabilities**

4. In terms of capabilities to sustain this fight-talk strategy, the next few months are likely to be critical. Since last fall the Communist forces have made notable gains in firepower, and have expanded their force structure through an unprecedented level of infiltration from the North. From mid-February until early May there was a relative lull in large-scale Communist offensive operations, and Communist forces have been recruiting, refitting, and regrouping. As a result of these activities, plus the large number of replacements and new units now in the pipeline, and intensified recruiting in the countryside, Communist forces will be capable of undertaking a series of major attacks between now and the fall.

5. The main thrusts will probably be against targets of political and psychological importance. A special effort is already underway against Saigon, and similar tactics may be applied against other key provincial centers. These attempts to penetrate urban areas may be followed at some stage by heavier and more direct assaults. The present pattern of infiltration, current troop dispositions, and weather conditions also suggest a major effort in the Central Highlands fairly soon, a renewed effort in the Da Nang area, and perhaps the eastern DMZ during the summer.

6. At the same time, the Communists will have to face problems of their own, which will limit the extent to which they can effectively carry out at least some of their plans. The problem of preparing and executing major offensives against urban areas has become more complex and difficult, and the possibility of achieving surprise has been reduced. Allied counteroperations and mobility continue to disrupt Communist plans and impose heavy costs on their forces. Casualties since 1 January have been extraordinary, and large concentrations of enemy forces, such as at Khe Sanh, have proved highly vulnerable to Allied firepower. The quality of Viet Cong forces, particularly the guerrillas, appears to have declined somewhat, and the increasing reliance on North Vietnamese replacements has allowed less and less time for combat training in the South, familiarization with terrain, and assimilation into existing units. There are also continuing problems of morale, though the Communist defection rate is still low, and these problems could be aggravated if costly military operations do not bring an early peace. Despite an increase in logistical capability from the North through Laos, as well as in-country, it will be a major problem for the Communists to supply large forces in forward positions over extended periods of combat. Additionally, the Communists have to calculate that their intensified military

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operations could cause the US to resume full-scale or at least augmented bombing over the North, thus adding to their problems of repair and rehabilitation.

7. In sum, we do not believe that the Communists can succeed in inflicting a decisive defeat on US/ARVN forces on any large scale or across any broad front. Nor are Communist forces strong enough to seize and hold urban areas for an extended period. But they can create great disruption and turmoil and bring about the destruction of parts of the areas attacked. Moreover, their forces will probably be able to maintain a strong position in much of the countryside.

#### **Political Factors**

8. As for their political position, the North Vietnamese leaders are probably fairly confident that their position in South Vietnam and in Paris is a strong one; that they are better able to withstand pressures for peace than the US; that they can afford to wait for elections in the US without fear of serious deterioration in their combat effectiveness; that they cannot be defeated in the field; and that the US will be constrained from escalation and will eventually have to move toward a compromise settlement, which in itself will threaten the stability of the government in Saigon.

9. Nevertheless, in our view, there are good reasons for Hanoi to have doubts over the future. In North Vietnam there are the cumulative strains of the war resulting in part from the large combat losses of the past two years and accentuated by the current infiltration rate. Aside from this heavy drain on North Vietnamese manpower, there is no doubt that the bombing in the North severely tasked North Vietnam's recuperative capabilities and constant strain and pressure to work long hours on a modest diet produced some lowering of morale in the North. While Hanoi's control mechanism has coped adequately with these problems, the regime could hardly contemplate an indefinite prolongation of the war along current lines with confidence and assurance.

10. To Hanoi the position of the GVN may appear precarious but the North Vietnamese cannot be sure that its collapse is inevitable by any early date. In particular Hanoi has reason to be concerned over its failure to develop any significant popular support let alone promote a "general uprising" in South Vietnam. Communist forces have not been able to sustain the "continuous attacks" called for after Tet, and the tactical initiative in some areas has passed to Allied forces. And the political atmosphere in the US probably seems more uncertain and ambiguous to Hanoi than in the period from the Tet attacks through President Johnson's address of 31 March.

11. On balance, it would appear that the Communists can and will carry out a vigorous military and political campaign at least through the summer. The military situation in South Vietnam is not likely to improve much, if at all, for

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Hanoi by the end of the summer, and it may be worse. In any case, we believe the military campaign will not by itself produce a decisive result. Thus, the outcome of the total Communist effort will depend on such political considerations as the viability of the GVN in face of the Communist onslaught and on the course of the talks in Paris.

## II. THE GVN POSITION

12. The Tet offensive, the continuing intense Communist military and political effort, and especially the Paris talks have added new dimensions to the general situation in South Vietnam. South Vietnamese doubts of the future have probably increased sharply, and there is considerable concern about the strength and depth of the US commitment. Despite some tightening of the ranks both inside and outside the government, the total response of the GVN has not yet taken shape, and the non-Communist political forces have still not developed the kind of political cohesion that would permit the leadership to act with sureness in the new situation. These factors tend to reinforce one another and could undo the government. On the other hand, the South Vietnamese leaders have shown no tendency toward panic or political extremism and thus far at least appear more inclined to look for ways to strengthen the government and improve the war effort.

### National Leadership

13. We consider the chances for a significant increase in governmental cohesion and national political unity to be slight over the next six months. Longstanding divisive factors continue to be strong and the problems created by the transition to constitutional government have added new aspects to the rivalries between civilians and military, within the military, and among the numerous civilian political and social groupings. Meanwhile, neither the new constitutional institutions nor the three national "fronts" founded just after the Tet offensive appear to have mobilized any appreciable degree of mass popular support behind the government.

14. On the positive side, President Thieu has strengthened his image and support within the Assembly and among the civilian politicians. He appears increasingly committed to enlarging the role of civilians in the government, despite the conflict this raises with many of the senior generals. A new Prime Minister, Tran Van Huong, has been appointed, and his prospective Cabinet includes several civilians who, like Huong, command a measure of popular support. It is thus more broadly based than its predecessor and has more prestige. This, together with the President's apparent interest in asserting his own role more strongly, could lead, in time, to more vigorous and effective government performance.

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15. Optimism on this score must be tempered, however, by the fact that the proposed Cabinet includes some potentially disruptive individuals, and still excludes representatives from a number of important political groups. Moreover the National Assembly, while it has generally supported the government, is nevertheless intent upon maintaining its independence of the executive, which will be unable to count on an assured majority in either House. Difficulties between the executive and legislature over the tough issues to be faced during the next few months may tempt the executive to circumvent the legislature on critical issues.

16. More importantly, however, the contest and maneuvering between President Thieu and many of the senior generals, including Vice President Ky, are continuing and indeed have been exacerbated by Thieu's efforts to expand his own personal power and consequently limit the influence of the generals. Moreover, Huong's penchant for independence and his announced intention to eradicate corruption wherever he finds it may aggravate rather than ease civil/military tensions. An attempt by Thieu and Huong to effect major changes in the military command over the objections of the senior generals would almost certainly precipitate a severe crisis.

17. In general, however, it does not appear likely that constitutional government will be overturned by a military coup. Despite their unhappiness with Thieu, the senior generals have accepted the new situation, while making it clear that any reshuffling of the military structure must have their collective approval. Rumors of a coup will recur. However, the inclination of some of the senior generals to mount a coup is tempered by their realization that the probable US reaction would be extremely adverse and that such a move would, at present, play into Communist hands in the US-DRV conversations in Paris.

18. At this point, the Huong Cabinet and the military appear to share strong opposition to any concession to Hanoi on a political settlement of the war. Indeed, it is possible that if issues arising in Paris seemed to threaten the future of the GVN, this in itself could become the basis for greater unity between the civilians and the military. It is also possible, though perhaps less likely, that the same trend of events in Paris—particularly if it appeared that elements within the GVN were prepared to go along—could prompt the generals to abandon their relatively cautious behavior, ignore the consequences in the US, and stage a coup precisely in order to sabotage those talks as a preparation for "going it alone" against the Communists.

19. On balance, however, we think it most likely that Thieu, Huong, and the generals will play their cards carefully and each will avoid drastic actions that would provoke drastic responses by the others. In the end, there may be a modest gain in the stability of the constitutional system and a slight enhancement of the domestic political standing of the GVN. At the same time, be-

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cause of the hopes generated by Huong's appointment, the failure of his government could represent a costly setback.

20. *Administrative Viability.* In urban areas the government is still laboring to some extent under the problems of dislocations and disruptions created by the Tet offensive. Recovery in some areas has been painfully slow. Nevertheless, with US help, the government's administrative machinery has remained largely intact and has continued to function. Several Communist offensives on the scale of that at Tet could, of course, physically overwhelm the GVN's ability to cope. But more likely is the type of action which has occurred in the Saigon area since early May. Similar attacks in various areas will result in continuing pressure on the GVN's administrative ability, but in view of US assistance, we do not believe that the situation will reach unmanageable proportions for the GVN. Even so, as the burdens imposed by continued Communist pressure accumulate, the GVN's ability to provide administrative services to the people will probably suffer a further decline.

21. *The Economy.* The South Vietnamese economy was dealt a considerable blow by the Tet offensive. The present situation is one of near stagnation, and it could deepen into crisis unless the GVN acts decisively to bolster confidence and to stimulate a return to more normal levels of activity. Physical damage to communications, industry, and marketing facilities has continued during the recent attacks in and around Saigon. The industrial sector has made little effort to resume normal operations nor have manufacturers whose plants were undamaged expanded their activities to pick up the slack. Movement of basic food supplies into the capital area continues to be adequate, however, and there should be no prolonged shortages of rice or other foodstuffs in any part of the country. The mercantile community lacks confidence in security conditions and is uncertain of the future. Import activity appears to be at a standstill except for such items as foodstuffs, pharmaceutical and building materials. Consumers appear reluctant to spend for anything other than necessities, but, if the security situation improves, the threat of inflation will increase dramatically as the demand for goods outstrips the supply.

### The Countryside

22. Since the Tet offensive, the GVN has been able to reestablish some of its previous control in terms of territorial security (outposts, logistic bases, and open roads). GVN military units are now better deployed and more active in rural areas than immediately after the Tet offensive. The GVN's 600-odd revolutionary development teams are functioning once again.

23. But the GVN's overall representation in the countryside remains significantly less than before Tet. ARVN's commitment to urban defense has increased in the face of the continuing threat to the cities posed by large NVA/VC units and this has further weakened peasant confidence in the GVN's ability

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to provide security in the countryside. In the face of increased rural insecurity and the demands of urban recovery, the GVN's emphasis on civic action programs appears to have diminished. In response to the current challenge, President Thieu has ordered pacification to be "refocused" so that the program will concentrate on hamlets surrounding provincial and district capitals and LOCs. By the end of March, the GVN exercised a reasonable degree of control over 1.1 million fewer rural inhabitants than prior to Tet. In addition, some 7,200 hamlets were considered to have a functioning administration prior to Tet; by April, this figure stood at 4,400, though it does not necessarily follow that the VC now control a large proportion of the balance. Thus the GVN recovery effort has a long way to go, will most likely be slow, and, as in the past, will be subject to sudden reversals in the face of renewed Communist military action.

24. *The Armed Forces.* In addition to continuing US military support, the ability of the government to exercise its authority in South Vietnam depends heavily on the presence and the combat effectiveness of ARVN. The government is now undertaking measures to increase troop strength, to strengthen top level leadership, to raise morale, and to improve firepower. Some progress will be made in all these fields, and in general ARVN's performance since Tet has been more aggressive. Nevertheless, the GVN's Armed Forces face some long term problems. Overall leadership remains spotty, the quality of training is low, especially for technical personnel, and the efficiency of the selection and promotion system is questionable. Although improved, the basic motivation continues to be weak, making the armed forces susceptible to shifts in the prevailing political and psychological climate.

25. In sum, we believe that ARVN's fighting effectiveness will not be seriously weakened. But on the other hand, ARVN is unlikely to increase its overall effectiveness significantly during the next several months or to assume a larger burden of the combat during 1968.

#### **Popular Attitudes**

26. It is not possible to estimate popular attitudes with much confidence. There is no doubt that popular resentment of the Viet Cong has increased as a result of the Tet attacks, incursions in populated areas, and increasingly harsh pressures on the peasants. At the same time, there is also increased hostility toward the government and the ARVN for failing to provide protection against the Viet Cong, for looting, and for widespread destruction from air strikes and artillery. And the US is also blamed for destruction of urban areas.

27. The predominant sentiment, however, is probably one of increasing concern to avoid the hazards of the war. The Communists have failed to rally broad popular support, but thus far so has the GVN. The bulk of the people remain passive, though there is a strong desire for peace in rural areas; this desire may also strengthen in urban areas if they are subjected to continuous

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Communist harassment along the lines of the attacks in Saigon. Most of the people respond to power and authority, whether that of the Viet Cong or the GVN. Left to themselves they are likely to remain uncommitted and disengaged until a decisive break in the struggle becomes obvious.

28. The Communists hope to exploit and add to the growing popular desire for peace. In the cities, they are currently engaged in a major effort to establish a new front, the so-called "Vietnam Alliance of National, Democratic, and Peace Forces," and to attract important leaders as well as the masses to it. So far, the success does not appear to be significant, but the Communists are probably looking to a longer term impact. Their basic aim is to advance the image of the Alliance as a credible "third force" which can bring peace to the nation and work out a coalition government with the Liberation Front; they may also attempt to develop it into a major political factor in the Paris talks. In the coming months, the Alliance will almost certainly gain some adherents among lesser known and neutralist and leftist oriented politicians and may possibly attract some well known figures, particularly if the Huong government fails. However, the Alliance is unlikely to gain a large popular following during this period unless there is a major break in favor of the Communists in the military situation or in the negotiations.

### III. EXTERNAL FACTORS

#### The Paris Talks

29. The diplomatic moves emanating from either side in the Paris talks will obviously have a profound impact on the psychological mood prevailing in Saigon and throughout the country. Hanoi will probably wish to keep the talks going for some time. It sees the discussions as an opportunity for propaganda on key issues as well as a means to divide Washington and Saigon and increase pressures on the US for concessions. At the same time, Hanoi does not want to risk the resumption of the bombing by breaking off the talks at any early date. In effect, Hanoi believes time is running against the Allied side. But if the North Vietnamese should conclude that this belief is unfounded they might moderate their negotiating position.

30. During the course of the Paris talks the GVN expects, and will continue to press for, the closest possible consultation and coordination with the US. It will be sensitive to nuances, rumors, and background noises in Paris and the US. In general, Saigon will oppose any concession to Hanoi without a major concession in return. From Saigon's point of view the bombing issue provides an early test of tendencies in US policy. If the bombing of the North were stopped without clearcut and credible restrictions being placed on North Vietnamese support to Communist forces in the South, Saigon's confidence in the US would be severely shaken.

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31. At a later stage in the negotiations, it is almost certain that any serious discussion of a compromise settlement giving the Alliance or the NLF a formal political role in Saigon would touch off a severe crisis in the GVN. This would still be true even if these discussions resulted from a considerable scaling down of North Vietnamese demands. At this point, Saigon would fear that an "imposed" solution involving a political role for the Communists was imminent. The Communists would attempt to exploit the uncertainties in Saigon and these efforts would add to the confusion and demoralization throughout the GVN.

#### US Politics

32. Developments in Paris are but part of the larger question of how US policy will develop in an election period and after. Both Hanoi and Saigon consider that the US election casts a shadow of uncertainty over the future. For its part, Hanoi may not feel the need to make any significant changes in its position at least until after the Presidential nominations and until it has digested any differences in policy between the nominees. US developments, however, are of much more immediate importance to Saigon. Election rhetoric in the US is bound to be amplified and magnified in Saigon and perhaps badly distorted. In the end, Saigon's appraisal of US policy could be decisive in the continuing viability of the GVN.

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