

S E C R E T

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SHORT-TERM TRENDS IN SOUTH VIETNAM

The Problem

To assess political and security problems and probable trends in South Vietnam over the next year or so.

CONCLUSIONS

1. Developments within South Vietnam over the past six months indicate a trend adverse to the stability and effectiveness of President Diem's government. Criticism of Diem's leadership within urban groups and government circles has been mounting. More immediately important, the Communist Viet Cong, with support and guidance from Hanoi, has markedly increased subversive operations, terrorist activities, and guerrilla warfare. (Paras. 4-13)

2. Although Diem's personal position and that of his government are probably not

now in danger, the marked deterioration since January of this year is disturbing. These adverse trends are not irreversible, but if they remain unchecked, they will almost certainly in time cause the collapse of Diem's regime. We do not anticipate that this will occur within the period of this estimate. However, if Diem is not able to alter present trends and the situation deteriorates substantially, it is possible during the period of this estimate that the government will lose control over much of the countryside and a political crisis will ensue. (Para. 17)

DISCUSSION

3. Since the beginning of 1960, there has been a general decline in the political and security situations in South Vietnam. The Communist Viet Cong ^{1/} has stepped up terrorist activities and guerrilla warfare.

At the same time, grievances against the government, which have long been accumulating, have become increasingly urgent and articulate.

The Political Situation

^{1/} The Viet Cong insurgents represent the paramilitary arm of the North Vietnam Communist Party. The Viet Cong estimated to have in South Vietnam between 3,000 and 5,000 regular armed cadres and about 3,000 irregulars organized as underground troops. Main areas of Viet Cong activity lie south and west of Saigon and along the Cambodian border. North Vietnam furnishes guidance, personnel reinforcements, and logistical support to the insurgents.

4. Discontent with the Diem government has been prevalent for some time among intellectuals and elite circles and, to a lesser extent, in labor and urban business groups. Criticism by these elements focusses on Ngo family rule, especially the roles of the President's brother, Ngo Dinh Nhu, and Madame Nhu, the

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