

SECRET

11

10,000 with approximately 5,000 organized in skeletal company and battalion sized units which could be expanded through recruitment. These armed forces are generally scattered through the mountains paralleling the Annam coast and the remote swampy regions of Cochinchina. They are capable of harassing actions against VNA outposts and of widespread intimidation, assassination, sabotage, and terrorism, especially in rural areas. They could disrupt north-south traffic throughout Central Vietnam and interfere seriously with provincial and local administration. However, any sustained guerrilla operations would require a flow of reinforcements and supply from the north.

54. The Communists have an unknown number of political cadres in the south engaged in subversive and propaganda activities. Although Communist cadres probably exercise effective control over some remote communities where the GVN has not yet attempted to establish its authority, and have some influence in villages through much of South Vietnam, over-all Vietnamese Communist political influence in the south appears to have diminished during the past year. However, if the Communists decide to exercise their capability for armed intimidation and terror they could quickly reassert political control or influence, at least in some rural areas where GVN authority is tenuous. (2)

55. During the past year the Communists in South Vietnam have remained generally quiescent. They have passed by a number of opportunities to embarrass the Diem regime. Although some cadres and supplies are being infiltrated across the 17th parallel, the DRV probably has not sent any large scale reinforcement or supply to the south. Communist activity in the south appears to concentrate on protecting vital bases and supply caches, developing clandestine paramilitary organizations, and implementing a broad program of infiltration and subversion. While seeking to maintain intact as much of their armed strength as possible, their main activity seems to be an effort to weaken the Diem government by subversive and political tactics. Communist directives indicate that penetration and subversion of the GVN military and

security forces is a major objective. Although there is little specific evidence, they probably have penetrated lower echelons of the VNA, especially the integrated sect forces, and probably hold positions of influence in some provincial governments and village councils. Local Communist groups probably gave some assistance to the Cao Dai and Hoa Hao forces opposing the government. Since the collapse of sect armed resistance it is possible that the Communists are seeking to take over the remnants of the sect forces.

56. The GVN has organized a Civil Guard to relieve the VNA of many static internal security duties. Current strength of the Civil Guard is approximately 48,000 men organized in lightly-armed mobile companies. Its mission is to maintain law and order, collect intelligence, and conduct countersubversion operations at the provincial level in areas pacified by the army. Although considerable progress and refinement in its training and organization will be necessary before the Civil Guard can fully discharge its responsibilities, it has shown considerable potential as an instrument for maintaining internal security. A 60,000-man village Self-Defense Corps (Dan Ve Doan) is being organized to provide security at the local level.

Foreign Relations

57. GVN foreign policy objectives are to win recognition as the legitimate government of all Vietnam, to obtain maximum foreign military and economic aid and guarantees of foreign assistance in the event of Communist aggression, and to develop foreign support for its position with respect to the Geneva Agreements. Forty-one nations have recognized the GVN. In addition, India and Indonesia maintain consular relations with the GVN.

58. President Diem consistently has maintained that South Vietnam is not bound by the 1954 Geneva Accords and has no legal responsibility for their implementation. He has refused to deal directly with the DRV on any issue and has been steadfast in his rejection of all-Vietnam elections until "democratic processes can be assured in North Vietnam." He believes that any consultations or implied recognition of the DRV would have

SECRET

1077