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Trends in South Vietnam

69. Barring a major Communist effort to disrupt the Diem regime by renewal of large scale guerrilla operations, the over-all prospects for improved security of South Vietnam are good. The VNA, as its training progresses and as more units are released from static security duties, probably will be able to pacify and extend government authority into many areas of present Communist influence. [Diem's success in by-passing the July 1956 election date without evoking large scale Communist military reaction will reassure many Vietnamese and encourage them to cooperate with GVN programs to expose and root out Communists. Continued improvement in internal security will depend in some measure on the government's ability to deal with economic and social problems and on the effectiveness of the administrative apparatus.]

70. If the Communists were to undertake large scale guerrilla action in South Vietnam, they probably would not be able to develop widespread popular support, especially if the VNA were to register some early military success. The GVN is being increasingly accepted as a nationalist alternative to Communist leadership. Public confidence in the GVN, combined with general war-weariness, may have already reached the point where any effort to upset the government by force would lead to a strong popular reaction against the guerrillas.

71. The trend toward increased political stability in South Vietnam will probably continue during the period of this estimate and President Diem will probably continue to exercise effective political control. [The trend toward authoritarian rule through the political parties led by Diem's relatives and small circle of trusted associates will probably continue. Isolation and neutralization of government crit-

ics and men disliked or distrusted by Diem will also continue. Diem and his associates are likely to exert strong pressures against any opposition in the Assembly. Thus it is not likely that Diem or his government will meet any serious opposition in the National Assembly during the period of this estimate; however, over a longer period the accumulation of grievances among various groups and individuals may lead to development of a national opposition movement.] The major economic problems will undoubtedly continue and over the longer run may handicap South Vietnam in competition with the Communist north, but economic conditions are unlikely to affect political stability during the period of this estimate.

72. Despite the moderately favorable outlook projected for South Vietnam, the situation contains many elements of instability, and progress will continue to depend on firm US support. A number of contingent developments could create new tensions among the foreign powers concerned as well as between the GVN and the DRV. For example, the steps which Diem is willing to take toward facilitating the operations of the ICC may not be adequate to satisfy India whose representative serves as chairman of the Commission. Should the Commission withdraw, DRV agitation might well be intensified and international Communist pressures on the diplomatic level would probably increase. The UK might become less firm in its support of Diem's position. Weakening of international support for Diem, a marked increase in Bloc support for the DRV, or a substantial increase in Communist activity within South Vietnam would probably weaken the government's confidence in its position, cause some loss of public support, and lead to renewed efforts by opponents of the regime in the direction of reconciliation with the north.

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