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estimated to number at times in the hundreds, have operated over wider areas than at any time since 1954 and have assaulted Vietnamese Army installations. Since the beginning of the rainy season in April and the launching of Vietnamese Army counteroperations, Viet Cong operations have abated somewhat but terrorist activity, such as assassination and kidnapping of provincial officials and government sympathizers, has continued at high levels.³ Support from North Vietnam appears to have increased over the past several months. In particular, senior cadres and military supplies such as communications equipment are believed to be moving south through Laos and Cambodia and by junk along the eastern coastline.

10. The upsurge in Viet Cong activity, accompanied by a stepped up propaganda campaign from Hanoi, probably reflects a recent Communist decision to increase pressures on the South Vietnamese Government. The indications of increasing dissatisfaction with the Diem government have probably encouraged the Hanoi regime, supported and guided by the Chinese Communists, to take stronger action at this time. The Chinese Communists probably regard South Vietnam as a promising area for weakening the US position in Southeast Asia at little cost or risk. From the Chinese point of view, many favorable elements are present: a sizable and effective indigenous guerrilla apparatus responsive to Communist control; a government lacking in positive support from its people; and the widely recognized political commitment the US has in South Vietnam.

11. In countering the Viet Cong challenge, Diem faces many of the same problems which confronted the French during the Indo-China War. Viet Cong guerrilla units have succeeded in exploiting their natural advantages of surprise, mobility, and initiative. In many of their areas of operations, they have ex-

ploited the tendency of the largely passive population to accommodate to their presence and thereby avoid reprisals. In some areas of operations, however, they have obtained the active cooperation of the local population.

12. In contrast to the French strategy in the Indo-China War, however, the Vietnamese Government is attempting not only to control the populated areas and main lines of communications but also to group the peasantry into more defensible units through its agrovillage program. Special measures in organization and training have been implemented enabling the army to react more quickly and effectively against guerrilla hit-and-run tactics. The civil guard is forming "commando" units and new stress is being placed on the building of a youth corps, 10,000 strong, for patrol and reconnaissance purposes in the villages and towns.

13. The most effective government measure against the Viet Cong, however, remains the active participation of the army, with air force support. Until recently, the army's commitment to internal security operations has been limited by the deployment of major elements in defense against an overt attack from North Vietnam and by training activities in support of this mission. Some improvement in the army's effectiveness and capabilities can be expected with the increased emphasis on antiguerrilla training, improved organization, and better combat intelligence. We believe it unlikely, however, that the army will be able to do more than contain the Viet Cong threat, at least over the short run.

The Outlook

14. The Viet Cong will probably maintain its pressure on provincial officials and government installations at the present high level, and, with the end of the wet season in October, return to large-scale guerrilla actions aimed at nullifying the government's authority in the rural areas. Hanoi could step up the weight and pace of the Viet Cong activities in South Vietnam. In the absence of more effective government measures to protect the peasants and to win their positive cooperation, the prospect is for expansion of the areas of Viet

³In the first five months of 1960, 780 government officials and sympathizers were assassinated by insurgents. The total number of assassinations in 1958 was 193 and in 1959, 239. Kidnappings this year through May total 282, as compared with 1 in 1958 and 344 in 1959.

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