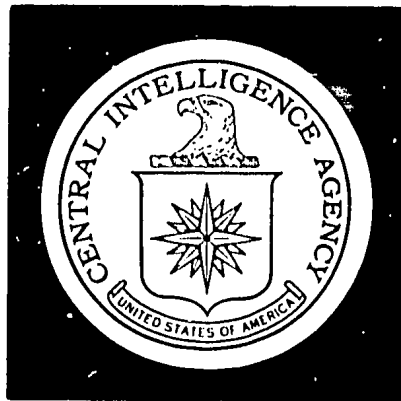


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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

The Manpower Situation In South Vietnam

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
July 1971

INTELLIGENCE MEMORANDUM

The Manpower Situation In South VietnamBackground

1. As recently as June 1969 the prevailing attitudes on manpower questions for South Vietnam were that (a) military manpower requirements might prove difficult to meet; and (b) some significant dislocations to the civilian economy might attend an increased mobilization effort by the GVN. In retrospect, some of these earlier judgments appear too pessimistic, for we have not seen clear evidence of either prediction being fulfilled. Currently, there is generally an increasing confidence in South Vietnam's ability to meet military manpower requirements and an emerging concern for local unemployment as US activities in South Vietnam are phased down. In addition, current estimates of pressing social problems confronted by the GVN invariably refer to the existence of an urban slum population in which underemployment will be a continuing problem during the 1970s.

2. The apparent reversal in judgments on South Vietnam's manpower position is explained for the most part by imprecision of data. South Vietnam has never been the subject of a complete national census, and civilian labor force estimates have been attempted only for 1960 and 1966. While we are reasonably confident that the total population is about 18 million, we are still largely ignorant of the details of its structure and distribution. We believe the population is growing at somewhat over 2.5% although a figure as high as 3% would still be in keeping with the circumstances. An

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overall participation rate on the order of 40% suggests a labor force of about 7 million. On the basis of limited official success by the GVN in estimating the available number of draft-eligible males, we believe that at present some 175,000-225,000 young men each year reach the age of 18 to add to a pool of roughly 2½ million men in the prime military age group of 18-39 years of age. This pool represents somewhat less than 15% of the total population of South Vietnam.

3. The most significant single change in the manpower situation has been increased GVN access to labor resources in areas formerly dominated by the Viet Cong. An extension of a basic Vietnamese problem of longer standing has been the increasing pressure on limited resources of skilled labor. This problem has been met by the use of thousands of foreign (US, South Korean, and Filipino) workers, some moonlighting on the part of military personnel, and the increased employment of women in the civil service and US-sector jobs. 1/ South Vietnam has made ever-increasing use of women in other segments of the civilian labor force as well. At the same time, increased pressures for labor mobilization have resulted in a substantial increase in the employment of pre-draft-age youth. Finally, it should be noted that one significant outcome of the more effective use of labor resources has been a major reduction in the traditional underemployment in the agricultural sector, as large numbers of rural inhabitants have been called into the armed forces or have moved to towns and cities. 2/

Survey of the Military Manpower Situation

Overall Manpower Requirements

4. Over the past three years, the already-large South Vietnamese military forces have grown substantially. By the end of 1970 the regular and territorial

1. In 1970 it was estimated that over 40% of some 140,000 Vietnamese employed at the time by US forces and contractors were women, many of whom held skilled and semi-skilled jobs.

2. A best guess is that about 30%-40% of the population is now in urban areas the size of district towns or larger, compared to about 20% in the early 1960s.

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armed forces of the GVN numbered some 1,047,000, compared with about 643,000 in 1967. In both years, this force was augmented by roughly 150,000 para-military personnel.

5. The maintenance of a force of this size under existing combat conditions and desertion losses requires an annual inflow of approximately 200,000 "new" men. ^{3/} Of these, the largest element comes from the 175,000-225,000 young men who reach the age of 18 each year. Allowing for those not physically fit for induction, this pool probably provides at least 125,000 men to meet the annual requirement. Although this represents a substantial loss of healthy workers to the civilian economy, this loss is offset somewhat by the young men's gains in work discipline and labor skills in the service and by occasional moonlighting by military personnel. 4/

6. Another major source of "new" men is the circular flow of deserters. Although soldiers may desert their original units for a variety of reasons, many of them subsequently reappear with other units. Because of the difficulty of keeping track of these men, we cannot be sure of their numbers. Nevertheless, it seems very likely that they account

3. Total recruitment less additions to the GVN's force level averaged about 230,000 from 1968 through 1970. This annual figure could be expected to fall to around 200,000 with the continuation of recent monthly declines in induction or slight reductions in desertion rates. Although the figure 200,000 would be increased somewhat by further overall force expansion, current plans do not provide for any changes that would substantially affect the discussion that follows.

4. Obviously, the VC recruit from South Vietnam's manpower pool as well. In the Tet 1968 period when the VC were able to produce a surge of new manpower as many as 12,000 men a month were recruited. By 1970 recruitment dropped to probably not more than 3,000 a month. At present there is insufficient information on which to base an estimate of VC recruitment, but it is clear that VC recruitment has declined further and is not currently at a level sufficient to affect the analysis and conclusions in this memorandum.

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for the remainder of annual recruitment (or perhaps something on the order of 75,000-100,000 of the total). Analysis of net desertions juxtaposed against annual recruitment from the existing manpower pool strongly indicates that something on the order of 50%-75% of deserters reentered the military pipeline either with their old or new regular units or with the territorial forces.

7. Despite the limited data base, we are fairly confident that the overall annual requirements of 200,000 new recruits can continue to be met without significant economic dislocation. This estimate, however, does not preclude specific manpower problems at a local level or for particular force components.

Regional Force Ratios and Problems

8. Historically, the deployment of GVN military units has been in large part determined by the local availability of manpower and personnel links with the population. This has facilitated the heavy force deployment in Military Region (MR) 3 (including Saigon), which has been the area of greatest GVN control and heavy VC/NVA military pressure. At the same time, strong local ties have had their costs. Although the policy of recruiting territorial forces for use within their own provinces is clearly in keeping with the broader goal of discouraging Viet Cong penetration it tends to make the occasional relocation in emergency circumstances more difficult. Even the regular forces are afflicted by such problems as large-scale desertions and significant declines in morale when units are separated from their dependents and traditional areas of responsibility.

9. GVN force/population ratios by military region are shown in Table 1. Some of the factors underlying these ratios are worthy of note.

a. The highest number of total GVN military forces and the largest share of regular ARVN units in the force structure have always been found in MR 3. This is partly the result of GVN control of the large recruitment base of Saigon and partly the result of the fact that

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Table 1
GVN Military Forces in Relation to Population

	Military Forces (Thousand)		Population (Thousand)		Military Forces per Thousand Population	
	Jan 1968	Dec 1970	Jan 1968	Dec 1970	Jan 1968	Dec 1970
MR 1	<u>101.8</u>	<u>163.7</u>	<u>3,230</u>	<u>3,269</u>	<u>31</u>	<u>50</u>
Regular Forces	55.3	81.9			17	25
RF/PF <u>a/</u>	46.5	81.8			14	25
MR 2	<u>133.0</u>	<u>203.7</u>	<u>3,094</u>	<u>3,290</u>	<u>43</u>	<u>62</u>
Regular Forces	58.8	84.9			19	26
RF/PF	74.2	118.8			24	36
MR 3	<u>231.6</u>	<u>371.1</u>	<u>4,985</u>	<u>5,602</u>	<u>46</u>	<u>66</u>
Regular Forces	165.3	248.8			33	44
RF/PF	66.3	122.3			13	22
MR 4	<u>180.5</u>	<u>308.9</u>	<u>5,879</u>	<u>6,409</u>	<u>31</u>	<u>48</u>
Regular Forces	63.0	97.8			11	15
RF/PF	117.5	211.1			20	33
South Vietnam	646.9	1,047.4	17,190 <u>b/</u>	18,570 <u>b/</u>	38	56

a. Regional and Popular Forces (South Vietnamese territorial forces).

b. Population data derived from the 1969 GVN Statistical Yearbook and an assumed annual growth rate of 2.6%.

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both South Vietnam's command structure and ARVN's reserve divisions have been located in the Saigon area. Finally, heavy VC/NVA pressure has in the past necessitated strong regular forces in this politically important region.

b. The ratios for MR 4 reflect past GVN policy of emphasizing the development and use of RF/PF units. The support of regular ARVN units in this area has traditionally been the lowest in Vietnam.

c. MR 2, which has consistently maintained Vietnam's highest ratio of territorial forces to population, is exceeded in the total forces/population ratio only by MR 3.

d. MR 1, with a population almost equal to that of MR 2, has recently maintained a smaller number of total GVN forces per population than MRs 2 and 3. The assignment of most US combat units to the northern part of Vietnam has enabled total Allied forces to maintain a favorable balance to enemy forces.

10. The problem of regional distribution becomes more significant as the process of US withdrawal proceeds. The area most affected by the removal of US combat forces is MR 1, where from 40% to 60% of US maneuver units have been located over the past three years. The regional effect of the US reduction is indicated by Table 2, in which an index is computed using December 1967 as a base period to compare friendly versus enemy force balances by Military Region. These data, however, are not meant to suggest specific combat force deficits, but to illustrate the effect on the main force ratio of US force current reductions. There are a number of reasons why both absolute and relative main force requirements by Military Region, would be different than those suggested by Table 2. In MR 3 the "deficit" shown may be an overstatement because it does not take into account other factors which have altered the military balance -- for example, the disruption of the enemy's Cambodian supply network certainly had an important effect on the enemy's capabilities, but this would not be

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Table 2
South Vietnam: Index of Force Balance a/

	December 1967 = 100				Balance Following US Withdrawal <u>b/</u> (No RVNAF Redeployment) Jun 1972	Number of Effective ARVN Battalions Needed to Regain Prior Balance, by Military Region	
	Dec 1967	Dec 1968	Dec 1969	Dec 1970		Dec 1970 Balance	Dec 1969 Balance
MR 1	100	99	119	184	108	37	13
MR 2	100	129	127	114	100	9	17
MR 3 <u>c/</u>	100	95	126	217	158	22	(18 surplus <u>d/</u>)
MR 4	100	135	151	201	201	0	(14 surplus <u>d/</u>)
All SVN	100	105	126	171	133		

a. Relates only friendly maneuver forces to enemy main and local combat and combat-support forces.

b. Calculated with no US combat units and all other forces (including ROK troops) constant with Dec 1970 deployment. The greatest decrease occurs in MR 1, reflecting the fact of that region having the greatest share of US forces. Conversely, MR 4 experiences no change, as no US combat forces are present in the Delta.

c. Not including GVN Strategic Reserve forces.

d. Indicates that even following US withdrawal the ratio in these MRs would be more favorable than that computed for Dec 1969.

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reflected in force ratios. Also, as a result of the growth and development of RF/PF troops and the decline of the Viet Cong Local Forces and Guerrillas, South Vietnamese regulars should be able to cope with NVA main force threats with something closer to parity. Nonetheless, the calculated "deficit" for Military Region 1 of 37 battalions amount to some 25,000 men.

11. In re-achieving comparative main force balance among regions, GVN options are limited to combinations of the policies of local recruitment and regional force upgrading, relocating in the north ARVN regular units from the southern military regions, and deploying South Vietnam's Strategic Reserve. Some aspects of these policies are outlined briefly below.

*Local Recruiting and Upgrading
of Regional Forces*

12. Comparison of GVN military forces to population, by region (Table 1), indicates that MR 1 has a relatively low number of military personnel per thousand population and suggests that the region could contribute more to the GVN's military forces. Specifically, if MR 1 matched -- by increased recruitment -- the relation of forces per thousand population of the highest area (MR 3), the additional manpower acquisition would be adequate to replace all the present MR 1 regional forces so these might be upgraded to par with regular ARVN units. Such upgrading would be a lengthy process, however, and even with an optimistic timetable would not be completed in pace with US withdrawals. Further, even this process would compensate for only about one-half of US strength withdrawn. Therefore, although future increases in recruitment from the region seem possible, the compensation for the reductions in Allied main forces by drawing more heavily upon the local population must remain a long-term solution.

Permanent Relocation of ARVN Regular Units

13. Table 2 indicates that the infusion of somewhat more than four regular ARVN divisions would be necessary to maintain the balance of main forces

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that obtained in December 1970 in MR 1. A relocation of this magnitude would probably entail unacceptable reductions in levels of morale and consequential desertion from units in other Military Regions that have long held a specific area of operations. Both the experiences of moving the 25th ARVN Division from MR 2 to MR 3 and the extended operation of GVN units in Cambodia indicate that serious reductions in effectiveness can result from such relocation. Although some reduction of relocation losses is possible by moving dependents along with the military units, this measure has been rare and is probably precluded in the future because of the expense involved. Although we have no adequate yardstick of relocation costs, we feel it important to note that they can be minimized only by troop redeployments of limited duration or distance.

14. One particular redeployment configuration suggested for mid-1972 has been sketched out in a 9 April draft by the Military Capabilities Panel of the Vietnam Working Group. This configuration (see Table 3) would still leave substantial reductions from the December 1970 balance in all but MR 2. Moreover, were the Korean troops withdrawn, the force balance in MR 2 would fall below the 1967 level.

Deployment of Strategic Reserves

15. Although traditionally based in MR 3, the units comprising the GVN's strategic reserve could compensate in part for the reduced force balance in the northern provinces. These units can be used more flexibly principally because they have been conditioned to accept prolonged separation from their initial locations. Although currently consisting of 18 battalions of airborne and marine personnel, plans have been formulated for inclusion in the reserve of an additional eight battalions. With this addition, a new assignment of the marine and airborne units would leave a potential reserve intact. As a result, some periodic rotation between the northern provinces and MR 3 of units making up the reserve is conceivable. The deployment in MR 1 of the total current reserve of 18 battalions would not, however, represent force strength adequate to fully compensate for the loss of US combat power.

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Table 3
Indexes of Force Balance Under Regional Redeployment Variants

	December 1967 = 100				
	December 1970	Redeployment Variants for June 1972 ^{a/}			
		Korean Troops in Place	Difference in Number of Battalions ^{b/}	Korean Troops Withdrawn	Difference in Number of Battalions ^{b/}
MR 1	184	126	29	115	34
MR 2	114	126	8 surplus	90	17
MR 3 ^{c/}	217	133	33	133	33
MR 4	201	151	14	151	14

a. The calculated index figures correspond to the 1.1 million man RVNAF force deployment with no US combat troops.

b. Indicates the approximate number of ARVN battalions needed to regain the December 1970 balances.

c. Not including 12 battalions of G1 V Strategic Reserves.

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Furthermore, the balance in the remainder of the country would still remain below December 1970 and in MR 2 would actually decline to the 1967 level.

16. Although no one of the techniques outlined above by itself solve the regional military problem, some combinations could be designed to cope with a substantial part of it. Specifically, the deployment of current strategic reserves in the northern provinces could in part cover the slow process of recruitment and upgrading of RF/PF forces in that area. Concurrent with this, the gradual development over time of other ARVN regulars into effective strategic reserve forces would offer a future possibility of fully compensating for reduced Allied combat strength. However, the regional balancing of forces still remains substantially more complex than the maintenance of countrywide military strength at the authorized ceiling.

The Emerging Civilian Employment Problem

17. As a result of the US phasedown, there has been a steady decline since mid-1969 in the number of Vietnamese employed by US military and civilian agencies and their contractors. Thus far, the dismissals have caused no major difficulties. From an all-time high of 160,000 in June 1969, US sector employment fell to 128,000 at the end of 1970. During 1971, another 22,000 or so are to be laid off, and by mid-1972 the total is to be reduced to about 80,000. The actual number of Vietnamese workers affected by the US withdrawal, however, certainly is much greater. In addition to the reported employment figures, there are thousands more who are employed privately by US civilian and military personnel or whose jobs depend on the spending of the Vietnamese who work for Americans.

18. So far, those laid off apparently have been able to find new jobs easily. The armed forces still are taking about 20,000 men a month. 5/ In

5. As noted previously, some workers laid off from the US sector undoubtedly have been and will be inducted into the armed forces. This process may help relieve some of the pressure for military manpower in MR 1. Other workers, including women and unskilled males over draft age, will be forced to seek new jobs in areas where few currently are available.

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addition, the fact that about two-thirds of the Vietnamese working for the United States have some manual or technical skill undoubtedly has eased the transition.

19. As in the military manpower case, the absence of an adjustment problem at the national level does not preclude regional difficulties. With continuing reductions in force, there may be particular cause for concern in cities in MRs 1 and 2. The number of dismissals scheduled through mid-1972 is greatest in MR 3, as shown in Table 4, but the greatest impact will be felt in MRs 1 and 2 where a greater share of the urban labor force is employed by or for Americans. In Da Nang, for example, US officials estimate that 40%-50% of the city's wage earners either work directly for Americans or for Vietnamese firms servicing US activities. Similar situations probably exist in Qui Nhon, Nha Trang, and Cam Ranh. In order to ease local unemployment problems, US officials have postponed layoffs as long as possible. Earlier this year, military agencies and contractors planned to dismiss 34,000 Vietnamese during 1971, but have since reduced the number to about 22,000.

20. For the longer term, planners have been much more concerned about a possible manpower surplus than a shortage. Assuming that security does not deteriorate and the size of the armed forces remains relatively stable, there will be about a million new entrants into the labor force during the next five years or so in addition to those laid off as a result of the US phasedown. If any demobilization occurs, the number seeking employment will correspondingly increase. The question, therefore, is whether the economy can grow fast enough to absorb this additional manpower and still not suffer a politically costly decline in per capita incomes. Our research indicates that South Vietnam could achieve these goals with a substantial increase in agricultural yields and strong growth in the non-agricultural sector. With some expansion of cultivated area, advances in technology, increased use of high-yielding rice seed and other inputs, and increased diversification into other crops after 1972, agriculture could absorb roughly a million workers during the next five years. Should employment opportunities develop in this

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Table 4
Vietnamese Employed in US Sector

	Thousand Workers				
	<u>30 Jun 1969</u>	<u>31 Dec 1970</u>	<u>31 Mar 1971</u>	<u>30 Jun 1972</u>	<u>Dismissals from Dec 1970 to Jun 1972</u>
<i>Total</i>	160.0	127.8	N.A.	N.A.	N.A.
By US civilian agencies	<u>6.0</u>	<u>6.5</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
By US military agencies	<u>154.0</u>	<u>121.3</u>	<u>115.7</u>	<u>79.6</u>	<u>41.7</u>
MR 1	N.A.	23.5	21.7	14.5	9.0
MR 2	N.A.	32.6	31.2	22.4	10.2
MR 3	N.A.	54.6	52.6	37.0	17.6
MR 4	N.A.	10.6	10.2	5.7	4.9

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fashion, however, there would still remain the problem of distributing the available manpower.

21. Although underemployment in urban areas may be a problem in the 1970s because many workers will be reluctant to return to the countryside, a recent survey of residents in major cities indicates that about 10% of them would like to return or move to rural areas when security is better. A migration of such magnitude would probably relieve any urban underemployment and -- along with the natural increase in the present agricultural labor force -- be sufficient to meet the requirements for agricultural labor during the next few years.

Conclusions

22. There is no clear indication that the major effort at enlarging the GVN's military forces following Tet in 1968 has caused serious dislocations in the South Vietnamese economy. Indeed, focusing solely on production, there has been substantial economic recovery since then. In terms of the regular and territorial forces, the South Vietnamese appear to have no significant difficulty in meeting their annual requirements for inductions to cover combat losses and desertions. They should have no basic difficulty in maintaining current force levels, and a moderate increase should be possible.

23. A significant regional problem does exist with respect to military manpower because of the difficulty of making use of troops outside the area in which they were recruited. The historical distribution of GVN forces and the planned withdrawal of US troops (who have made up an overall force deficiency in MR 1) suggest that it will be particularly difficult to sustain the current friendly/enemy force balance in that region. Solutions available over the next year or so are not adequate to fully redress the balance.

24. Finally, despite the likelihood of some local problems, the economy of South Vietnam is

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fully capable of growth -- primarily in the agricultural sector -- at a rate adequate to absorb additions to the manpower pool (including those released by the US forces) between now and 1975. It will be up to the South Vietnamese government to create policies to spur labor movement out of urban areas and into the agricultural sector to support this growth.

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