MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET

REFER TO CIA, DOS

INFORMATION
April 4 1973

CIA REVIEWED 09-Mar-2011: NO OBJECTION TO DECLASSIFICATION.

MEMORANDUM FOR:

HENRY A. KISSINGER

FROM:

WILLIAM STEARMAN

SUBJECT:

DOD Memoranda on the Situation in Vietnam

DOS REVIEWED 09-Mar-2011: NO OBJECTION TO DECLASSIFICATION.

We have received two memoranda from Defense on the current situation in Vietnam, one from Richardson (Tab 1) and another from DOD Systems Analysis (Tab 2). We have summarized the main points of both memoranda below:

Enemy Intentions

While the enemy has the capability to launch offensives this month in northern MR 1 and western MR 3 (as the GVN fears), he will probably not choose to resume main-force warfare before the end of the year. He will instead protect his military option while engaging in the political struggle.

Enemy Strength

In most respects, the enemy is stronger than he was in March 1972 (just prior to the offensive). He then had 120,000-140,000 regular combat forces but now has 145,000-170,000. In March 1972, he had 330-370 tanks and now has 425-575. In the same period his artillery has grown from 280-320 to 290-340 pieces (and now has, for the first time, long range artillery in MR III). The number of AAA regiments in South Vietnam has increased from 9 to 13.

ARVN Strength

With only 143,000 troops the ARVN is numerically inferior to the enemy in respect to regular combat forces; however, the GVN does have a total of 371,000 ARVN, and RF/PF forces which gives it a favorable 3.4 to 1 ratio over the Communist forces in South Vietnam (excluding VC guerrillas and the GVN:PSDF); moreover, GVN forces have been

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considerably strengthened (especially in air power) by Enhance and Enhance Plus.

Richardson's memo concludes that in the event of a major enemy attack, the outcome "should not be in doubt" so long as the GVN has the will to survive and uses sound military judgment and leadership. (This estimate posits timely US logistic support, but no US air support.) Without US air support the ARVN will either fight harder or panic sooner and will, in any case, take more casualites. (See page 5 at Tab D for a more detailed discussion of US options in providing air support.)

Infiltration

Dry season troop infiltration starts totalled 94,000 in the period September 1, 1971, to March 25, 1972. The figure for this dry season (same period) is 86,500. In addition the enemy has acquired 19,000 released POW: who could (and probably will) be reinducted into his forces. (Nevertheless, Systems Analysis estimates that many enemy units are understrength and will have to be reinforced before offensive actions would be launched.)

Ten thousand five hundred personnel are believed to have left North Vietnam since January 28. There currently are some 20,000 in the pipeline and an additional 15,000 are believed to have arrived at their destination in South Vietnam or Cambodia since the ceasefire. There is evidence, however, that the 308th Division and some AAA and engineer units have returned to North Vietnam.

Very heavy resupply activity continues in Laos and Cambodia. The detected shipments far exceed the enemy's present needs. It is estimated that 10,000 short tons entered Laos from North Vietnam in February alone. With the deterioration of sensor strings and the loss of other sources, it is becoming increasingly difficult to get an accurate reading on logistics and other movements.

Ceasefire Situation

During the first week of the ceasefire, there were 172 major violations. This dropped to 117 for the week beginning March 21. During the first week of the ceasefire, there were a daily average of 450 total (both sides) KIA. This has now dropped to about 75. (The Richardson memo also discusses the peacekeeping mechanism, but adds little of interest on this subject.)

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THE SECRETARY OF DEFENSE WASHINGTON, D. C. 20301

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Situation in Vietnam (U)

- (TS) As your visit with President Thieu nears, I thought it appropriate to provide you with my views on the overall situation in South Vietnam. The GVN is, in general, in a strong position, with good future prospects. Much will depend upon its will to survive and upon its ability to manage its political and economic structure in an era of reduced US involvement and support.
- (TS) Infiltration of men and supplies -- in particular armor and artillery -- from the DRV has substantially strengthened their forces in the South. Facing this threat is an RVNAF which, on balance, is stronger than it has ever been. Combat experience, improved training, a much improved personnel replacement system, strong territorial forces, and the leadership changes which emerged from the travail of the war over the last year have all improved the combat effectiveness of RVNAF.
- (TS) In sum, the military situation in South Vietnam will soon be dominated by the fact that the opposing Vietnamese forces will each be stronger than before, but with an uncertainty regarding US air support.
- (TS) I am attaching to this memorandum certain papers prepared in the Department of Defense that expand and support the various views given below:
- The Cease-Fire Situation. (TS) Considering the intensity and the duration of the struggle, it is not surprising that a totally effective cease-fire has not yet been obtained. There is, of course, great improvement over the pre-cease-fire situation. The number of violations has now begun -- slowly and haltingly -- to decline; the decreasing trend in the daily number of casualties is even more heartening. (Charts showing violation and casualty trends are at TAB A).
 - -- In the first week of the cease-fire, 28 January-3 February, there were 172 major violations; during the period 14-20 March there were 135; and between 21 and 27 March there were 117.
 - -- The combined total average daily casualties (KIA) for both sides is now down to approximately 75. During the first week of the cease-fire the daily average was more than 450 KIA.

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Cease-fire Supervision Arrangements. (TS) The Four Party Joint Military Commission (FPJMC) which was our principal mechanism for implementing the Agreement, has been effective, only in the area of prisoner releases. Through the arrangements of the FPJMC, 588 prisoners have been returned from Indochina. US and Republic of Korea forces have been withdrawn.

- -- The Commission has clearly not been successful in supervising the cease-fire. The Provisional Revolutionary Government's (PRG) failure to man its delegation beyond about 25 percent hamstrung the Commission's field deployments and thus its ability to police the cease-fire. This was a political decision on their part and stemmed, at least in part, from their distrust of the GVN and unwillingness to "surface" their cadre. The GVN has contributed to the problem with its harrassment of the Communist delegations.
- The International Commission of Control and Supervision (ICCS) is now fully organized and deployed to most of its team sites. The Hungarian and Polish delegations have engaged, to an unacceptable degree, in obstructionism despite protestations of their good will and objectivity from Budapest and Warsaw. If we are to see real improvement in this situation, it will require heavy pressure on both capitals, and on Moscow as well.
- The Two Party Joint Military Commission has only just begun to function. If the cease-fire is to become effective and if the struggle is to be moved from a military to a political sphere, this Commission will have to perform substantially better than its four party predecessor. A possible key to improvement would be for the Government of Vietnam to employ much more relaxed restrictions on the PRG delegation than it did on the Communist delegations to the FPJMC. (Discussion of the functions of the Commissions at TAB B).
- The Growing Communist Threat. (TS) The continued infiltration of men and material over the trail system through Laos and Cambodia constitutes the most serious threat to the 27 January Agreement. This infiltration is of major proportions.
 - -- Some 345-465 tanks are believed to have now arrived in South Vietnam.
 - -- As many as 200 artillery pieces have also arrived in South Vietnam or contiguous border areas.
 - -- Fifteen thousand troops have reached their destinations in South Vietnam and another 20,000 are in the pipeline. Personnel infiltrations since the cease-fire exceed those of a like period in 1972 when the pre-spring buildup was ongoing.





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Although the South Vietnamese believe an enemy offensive could come in April -- and it appears the DRV will have the capability to do so in the northernmost provinces of SVN and in the western portion of MR III -- I accept the intelligence community's estimate that the Communists will not choose to resume main-force warfare before the end of the year. Instead they appear to be protecting their military option while preparing to engage in a political struggle. (Detailed treatment of the threat at TAB C).

- The Government of Vietnam's Military Capability. (TS) In the face of this threat, the GVN possesses sufficient military resources. We can expect the GVN initially to lose some territory in the event of a major attack. They will have difficulty regaining it, but should eventually be able to do so. I agree with General Weyand's assessment that "the major areas of concern are now, and I believe will continue to be into the mid-term period, the Quang Tri-Thua Thien and Binh Long-Tay Ninh areas".
- In the last analysis, the outcome will turn on the resolve of the South Vietnamese to prevail, and on their optimum use of the means at their disposal. The provision of US air support at the outset would greatly enhance the prospects of a successful defense, although the negative consequences of such action would have to be carefully weighed at the time. At Tab D is a more detailed analysis of the military situation in South Vietnam.
 - More than 600 aircraft were delivered to the VNAF in Project ENHANCE PLUS. The expansion of VNAF to accommodate these aircraft has created a pilot/crew shortage which will not be corrected for a few years. Given the uncertainties surrounding the role of US air power in the event of an offensive in SVN, a key to RVNAF effectiveness in any stepped-up military confrontation will be the combat effectiveness of the VNAF. Its principal attack mission is to provide close air support to RVNAF during engagements with enemy forces. The VNAF now has the capability to perform that mission, without supplementary US air support, against all but a major offensive.
 - Through Projects ENHANCE and ENHANCE PLUS we have furnished the RVNAF with ground equipment inventories which, for selected items, exceed the required level to equip their combat forces, furnish maintenance floats, and provide for advanced attrition.
 - -- Preemptive action by the South Vietnamese to forestall a full-scale Communist attack does not appear to be a fruitful course. It would place the onus on the GVN for destroying the cease-fire and it is



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doubtful that it would be militarily successful. The North Vietnamese could be expected to initiate a major counteroffensive which would likely require the reinvolvement of US air support.

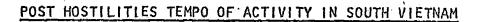
- The military struggle for South Vietnam has never been limited to main-force warfare. The contest for the control of the rural hamlets and villages will become even more important as the political struggle develops. Both sides recognize the importance of this facet of the struggle. The Communists' pre-cease-fire hamlet grab was met by a GVN response that has returned all but a few of the more than 300 hamlets which the Communists seized to government control. (Discussion of Communist population base at TAB E.)
- (S) The GVN's Political and Economic Outlook. It is in these areas that the GVN will face the greatest difficulty, assuming no reversion to major military activity. While the GVN is now the most effective administration the South Vietnamese have ever had, and President Thieu has gained substantial personal political strength over the past year, the underlying features of political factionalism and corruption remain. Nevertheless, the GVN is clearly stronger than the PRG and current trends are in its favor. President Thieu has established a strong administrative structure stretching throughout the country. Without question, he would win overwhelmingly any election held in the near term.
- (S) A key to Thieu's success rests in the future of the South Vietnamese economy. The nation's economy, subjected to various stages of recession in 1972, remains sluggish. Agriculture was not as seriously affected as industry, but the combination of bad weather, military activity and some postponements of planting since the beginning of 1973 have prevented increases in production. Industrial activity has not recovered from the slump it experienced in 1972.
- (S) The slump is, however, primarily a function of the fact that continued hostilities have reduced consumer and investor confidence. A restoration of confidence -- dependent on an effective cease-fire, the promise of stable government, and the proper amount of foreign aid -- should restore momentum to the South Vietnamese economy. (Discussion of DOD support to the GVN economy is at TAB F.)

Attachments

E.L.C.







As of March 24, 1972 over 1,200 major cease-fire violations had been reported from South Vietnam. As Table 1 shows, over half these violations have been reported from GVN Military Region 1. Military Region 4 had reported nearly 23 percent of the total, which Military Region 2 and 3 reported nearly 12 percent and 14 percent respectively.

TABLE 1

VIOLATIONS SINCE THE CEASE-FIRE

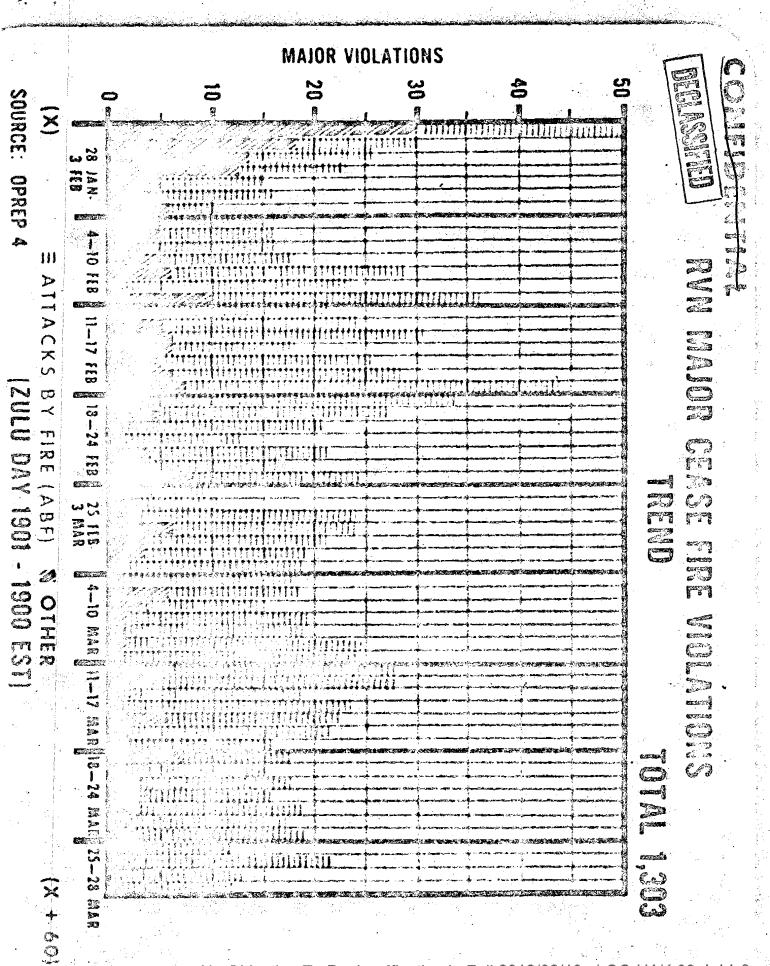
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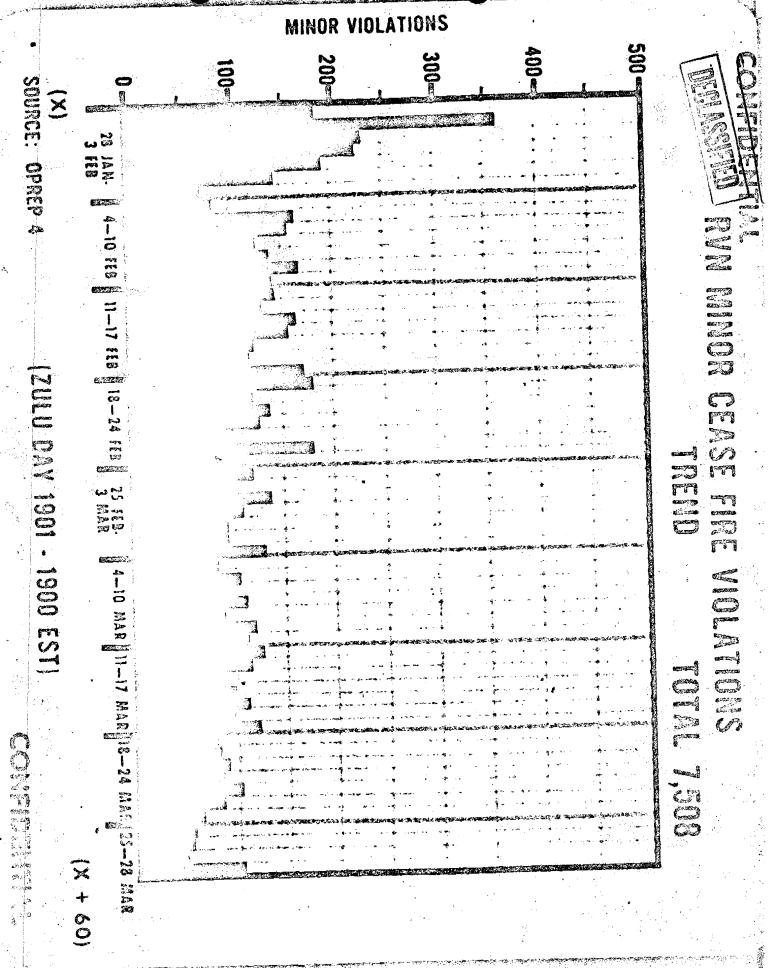
	<u>Major Violations</u>			Minor Viol	
MR 1 MR 2 MR 3 MR 4	635 147 177 285	51.0% 11.8% 14.3%		2,260 85,1 1,364	31.7% 11.9% 19.1%
GVN	1,244	<u>22.9%</u> 100.0%	•	2,661 7,136	37.3% 100.0%

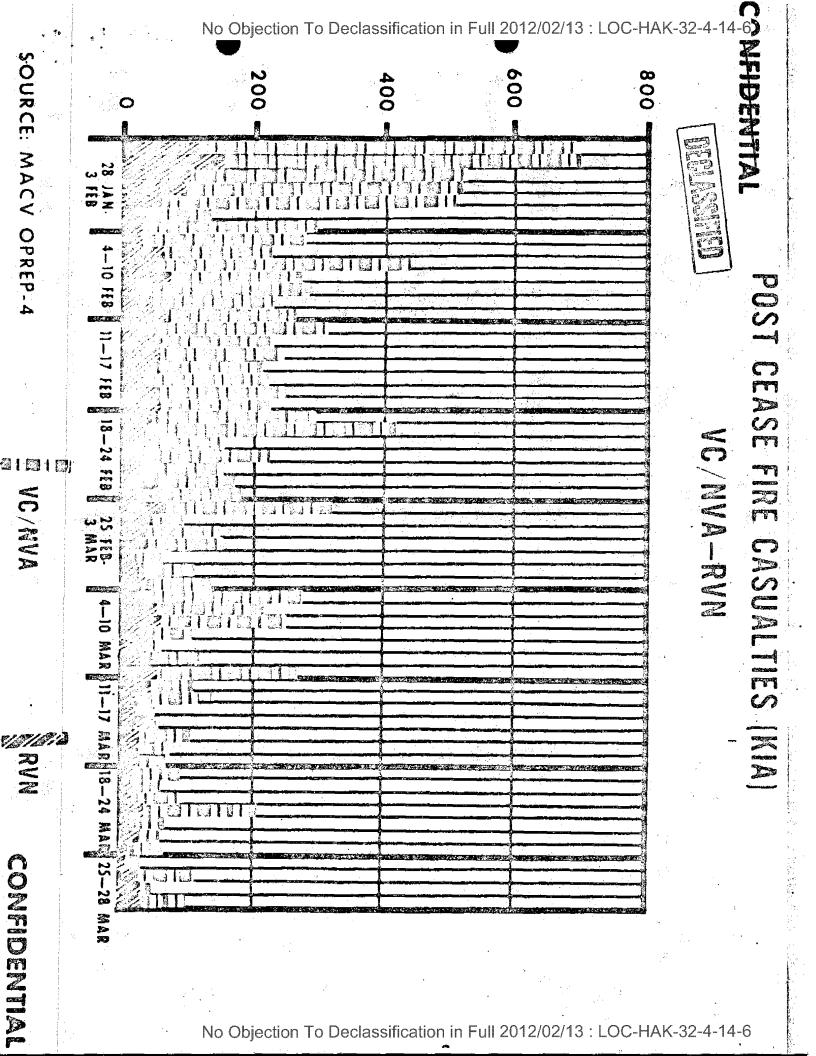
The trend of major violations have, however, been down. The daily average number of major violations reached its highest level in the third week following the cease-fire as violations emerged in Military Region 1, but by the eighth week (March 18-24), the average had dropped to about 18 major violations per day, roughly half the level recorded five weeks earlier. This recent decline has been due primarily to a drop in the number of violations reported from Military Region 1.













ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D.C. 2030

30 March 1973



MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Evaluation of the Military Situation in South Vietnam (U)
INFORMATION MEMORANDUM

(C) The purpose of this memorandum is to forecast potential NVA/VC military capabilities in South Vietnam over the next year (end of this dry season to end of next dry season) and evaluate the ability of the RVNAF to withstand a maximum enemy offensive effort, with or without the assistance of US air support.

SUMMARY

(TS) By July and certainly not later than the end of the year, the NVA/VC will have the capability to launch offensive operations in South Vietnam of equal or greater intensity than last year's spring invasion. The GVN possesses sufficient military resources to successfully turn back the attack and regain most of the territorial losses which would result from it. South Vietnamese success or failure will turn on their resolve to prevail and the intelligent use of the means at their disposal. The provision of US air support at the outset of such an offensive should materially assist a successful defense. There are potential positive and negative consequences of either lending or denying US air support to the RVNAF in such circumstances.

DISCUSSION

Enemy Situation

Overview. (TS-SEN) The NVA/VC main force strength in RVN is estimated at 145,000-170,000 personnel organized in 15 divisions (which exceeds last year's nine division invasion force of 120,000-135,000 men. Two divisions now carried in South Vietnam were organized from separate elements already in the South and four are division forces deployed to the South.) Personnel infiltrations since the cease-fire exceed those of a like period in 1972 when the pre-spring invasion buildup was ongoing. Infiltration detections since 28 January number 25,000 personnel, 10,000 of whom are estimated



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to have entered the pipeline after the cease-fire. However, no combat troop infiltrations have been detected entering the pipeline since 12 March.

(TS-SEN) Since the cease-fire, substantial armor, field artillery and air defense reinforcements have arrived in South Vietnam. The enemy's heavy weapons inventory now exceeds the totals he possessed at the height of last year's offensive. The number of artillery pieces is estimated at 290-340 (versus 280-320 on 31 March 1972) and he is believed to have 425-575 tanks (versus 330-370 on 31 March 1972). The air defense replacements have principally been routed to northern Military Region 1 where intelligence estimates that 900 AAA guns are organic to 15 air defense regiments.

(TS-SEN) The NVA logistic effort has paralleled his push of heavy weapons and personnel southward. There was an immediate increase in truck trips per day after 28 January, followed by a dramatic rise in truck traffic after the Laos cease-fire. Enemy in-country stocks will be reconstituted rapidly at this rate, shipments being far in excess of present needs. This resupply effort is expected to continue at high rates until the end of the current dry season (end of May). There are indications that some supply movement will continue into the rainy season as well. Bridges are being built in Laos, pontoon equipment is being introduced, and some roads are being surfaced in South Vietnam.

- Enemy Strength by Military Region. (U) Given this country-wide picture, the enemy configuration by Military Region breaks down as follows:
 - -- Military Region 1. (TS-SEN) (See Tab A for enemy disposition.)

 NVA/VC combat troops in MR 1 are organized in seven divisions with

 41 regimental headquarters and 222 battalions. Combat personnel

 strength is estimated to be about 75,000-85,000. The artillery
 inventory measures between 130-150 pieces, more or less evenly

 mixed between 122mm and 130mm guns. Armor strength is estimated
 at 135-165 tanks. The AAA strength in northern MR 1 was described
 earlier. The bulk of the enemy strength (four divisions) is concentrated in the enemy-held portion of Quang Tri Province. One
 division is to the west of Hue and another division is in the Que
 Son Valley and another operates in Quang Ngai Province. Separate
 regiments also operate in Quang Tin and Quang Ngai Provinces.
 - -- Military Region 2. (TS-SEN) (See Tab B for enemy disposition.)

 NVA/VC combat troops in MR 2 are organized in three divisions with 11 regimental headquarters and 97 battalions. Combat personnel strength is estimated at 20,000-25,000. Artillery assets are 85 to 110 122mm and 130mm guns, mostly the former. Armor strength is estimated to be 100-125 tanks. Two divisions are in the central highlands, one based west of Pleiku City and



the other in western Kontum Province where enemy control has been essentially established. The third division is in Binh Dinh Province near the coastal plain.

- -- Military Region 3. (TS-SEN) (See Tab C for enemy disposition.)

 NVA/VC combat troops in MR 3 are organized in two divisions with
 13 regimental headquarters and 91 battalions. Combat personnel
 strength is between 25,000 and 30,000. Intelligence sources
 credit the enemy's COSVN Headquarters with 65-70 artillery weapons
 and 185-285 tanks. COSVN jurisdiction encompasses both MR 3 and
 MR 4, but the vast bulk of the enemy's heavy weapons are believed
 to be concentrated in MR 3. Enemy control is essentially established in the northern tier of Tay Ninh and Binh Long Provinces
 and the northwestern corner of Phuoc Long Province. One division
 operates in Binh Long and the other is headquartered in Binh
 Duong Province. Independent regimental operations characterize
 the enemy operations throughout the remainder of MR 3.
- NVA/VC combat troops in MR 4 are organized in three divisions with 16 regimental headquarters and 95 battalions. Combat personnel strength is approximately 25,000-30,000. As noted earlier, the heavy weapons intelligence estimate for MR 4 is imprecise, but the tank and artillery deployment here is believed to be small. Enemy operational areas are concentrated in the northern Delta area in Chau Doc, Kien Phong, Kien Tuong and Dinh Tuong Provinces. All three divisions operate in these provinces. Four main force regiments operate in Chuong Thien in the central Delta.

Friendly Situation

- Overview. (S) RVNAF ground force dispositions remain essentially those effected to meet last year's enemy offensive. Overall combat effectiveness has risen steadily as a result of combat experience and improved training, logistical support and leadership. Effectiveness was further improved by the acquisition of materiel delivered in Projects ENHANCE and ENHANCE PLUS and by the force structure changes which were made in order to accommodate new weapons systems. RVNAF's tank inventory exceeds 500 (approximately 400 organic to units) and the South Vietnamese have more than 1,600 artillery pieces (105mm and 155mm howitzers, 175mm gun). No sizeable mobile reserve force exists as the RVNAF ground forces are presently deployed.
 - (S) The more than 2,000 aircraft in the VNAF are distributed throughout the Military Regions to meet the threat posed by the enemy. They may, of course, be shifted rapidly as the tactical situation dictates. VNAF presently has a capability of more than 6,000 fighter-attack



sorties and 900 gunship sorties per month. The fighter-attack capability should rise to more than 8,000 sorties per month by the end of this calendar year. The increased airlift capacity resulting from introduction of the two C-130 squadrons should satisfy foreseeable combat support requirements.

- (U) The Vietnamese Navy is adequately trained and equipped to meet the potential threat and to assist the ground forces with limited direct naval gunfire support.
- (S) The RVNAF are continuing to improve their logistic capability and are showing favorable progress toward logistic self-sufficiency. Major items of equipment provided the RVNAF satisfy baseline authorizations and include up to two years attrition for some items. Overall in-country stockage levels and resupply procedures for ammunition and petroleum are adequate to meet all known projected requirements. Resupply of this material is being furnished in accordance with the cease-fire agreement. The facilities provided RVNAF for depot overhaul as a result of prior accelerated Vietnamization logistic programs are in place. They are not yet manned by the South Vietnamese and will require US assistance in the form of contractor support for some time. The overall assessment of logistic capability is adequate to support the RVNAF operating forces.
- (U) Friendly Ground Strength by Military Region. RVNAF ground forces disposition by Military Region is as follows:
 - -- (S) Military Region 1. ARVN combat forces in MR 1 total some 75,000 men organized in five divisions with 19 regimental head-quarters and 92 battalions. Included in the battalion totals above are 22 artillery battalions, 1 air defense battalion, one tank battalion and five armored cavalry squadrons. In addition, approximately 75,000 RF/PF forces are distributed throughout the MR.
 - -- (S) Military Region 2. ARVN combat forces in MR 2 total some 28,000 men organized in two divisions with 11 regimental head-quarters and 54 battalions. The number of battalions includes 11 artillery battalions and one tank battalion and four armored cavalry squadrons. RF/PF forces in the MR total some 116,000 personnel.
 - -- (S) Military Region 3. ARVN combat forces in MR 3 total some 55,000 men. There are three divisions with 14 regimental head-quarters and 65 battalions, including 14 artillery battalions and one tank battalion and four armored cavalry squadrons. RF/PF strength in the MR is about 110,000.
 - -- (S) Military Region 4. ARVN combat forces in MR 4 total some 42,000 men. Three divisions have a total of 14 regimental headquarters and 55 battalions, including 15 artillery battalions and four armored cavalry squadrons. RF/PF forces in the Delta total some 206,000 men.

Enemy Capabilities

- (S) Despite the enemy buildup which has already occurred and may not be completed, his present strength should not yet be equated to that of March 1972. Even though NVA/VC aggregate personnel and heavy weapons strengths exceed those of last year's invasion force, most combat units are currently understrength. There is little doubt that time is needed to effectively integrate new personnel into combat units. The enemy's inability to carve out and hold new territorial gains in the immediate post cease-fire period attests to the weak base upon which the buildup is being superimposed.
- (S) However, given time and lack of harassment by air power, we can expect a force to be developed which will at least equal and probably surpass last year's effectiveness. As early as July and certainly by the end of the year, the forces now in-country should attain credible combat effectiveness. They will probably more effectively integrate combined-arms techniques into their tactics from lessons learned last year. Additionally, further personnel infiltration potential exists from the North Vietnamese training base (with an annual training output capacity of 100,000 men), and from the approximately 40,000 NVA combat troops which may be redeployed from Laos.
- (TS) Based on present intelligence estimates of the forces in-country, and assuming the worst possible case regarding enemy intentions and capabilities, another all-out NVA/VC offensive could be launched no later than the end of this year with forces totaling at least 200,000 men, supported by some 600 tanks and 350 artillery pieces. The staying power of the NVA/VC forces could be enhanced considerably over that heretofore known. They have been violating the terms of the agreement in their use of the Laos trail system and, if continued, could build up substantial stockages of munitions and material along the entire RVN border with Laos and Cambodia.
- (TS) The most likely major attacks would be in Quang Tri-Thua Thien Provinces in the north (perhaps with Hue as a principal objective) and in Binh Long-Tay Ninh Provinces in the south (perhaps with Tay Ninh City as a principal objective). Major secondary attacks could be expected in the Central Highlands (Pleiku/Kontum) and the coastal provinces of Binh Dinh, Quang Ngai and Quang Tin. Diversionary attacks of lesser intensity would be probable countrywide with emphasis placed on the Delta to prevent reinforcement movement from there to the Binh Long-Tay Ninh area. Tactical air support could be provided to the attacking forces in the north.



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RVNAF CAPABILITIES WITHOUT US AIR SUPPORT

- (S) The element of surprise, the likely intensity of attack, and the enemy's ability to mass at decisive points would probably bring considerable success at least initially. In the north, NVA/VC forces could almost certainly overrun Quang Tri Province once more if the main attack came from the north. If the attack from the north was a holding attack and the main attack was aimed at Hue through the A Shau Valley, RVNAF ability to defend Hue might hinge upon their correct perception of the main threat and their ability to disengage a division in Quang Tri in order to reinforce at Hue. Reinforcements from southern MR I might also be required. If enemy tactical air is introduced, the principal damage would probably be psychological rather than real due to range limitations and pilots inexperienced in a ground support role. The psychological impact could, however, play an important role in the outcome of the battle.
- (TS) In the south, Binh Long Province would probably also be an early loss and Tay Ninh City would be gravely threatened. RVNAF ability to stem the tide would again probably be dependent upon good judgment in freeing lesser engaged forces and moving them rapidly to the threatened area. Elsewhere throughout the country, serious setbacks would not be expected although Kontum City might fall. As the pattern of the offensive became increasingly clear, shifting of KVNAF ground forces could begin in order to reinforce as necessary and to regroup in order to recapture lost territory. Possession of superior and interior lines of communication, the mobility to take advantage of them to include fixed and rotary wing airlift, and a logistical system which will provide vastly longer staying power should all contribute to a successful defense and counteroffensive.
- (S) RVNAF casualties would no doubt be heavy, but so would NVA/VC losses. Timely US logistic support would be critical, both psychologically and militarily. But so long as the GVN has the will to survive and uses sound military judgment and leadership, the outcome should not be in doubt.

US OPTIONS REGARDING THE PROVISION OF AIR SUPPORT

(S) Considering only our options concerning provision of air support to the RVNAF defending forces, our choices appear to be: provide no air support regardless of the outcome; provide no air support initially and only commit US air if and when we perceive it vital to prevent a serious GVN defeat and potential NVN takeover in the south; provide air support initially and at the maximum available sortic rate. Considering these options in turn, their likely consequences can be summarized as follows:



- (U) No Provision of Air Support

- -- (S) Denial of US air support will bring out either the best or worst in the RVNAF. With the realization that they are completely on their own, RVNAF will fight harder or panic sooner. The eventual outcome of the struggle will depend completely on GVN resolve and its ability to use the resources at hand, which should be ample if correctly managed.
- -- (C) RVNAF losses will be considerably higher than if US air were committed, territorial losses commensurately greater and RVNAF resolve adversely affected.
- (U) No initial provision of air support, but retention of the option to intervene.
 - -- (C) We will be able to ascertain whether the GVN can rise to the occasion. Should they do so, there would be expected salutary effects on their future confidence and NVN doubts as to the wisdom of continuing its military adventures.
 - -- (C) Judging the right moment to intervene will be difficult.

 If the situation begins to deteriorate, our ability to turn it around by the commitment of air support may be questionable.
 - -- (C) RVNAF casualties and territorial and material losses will still be extensive.
- (U) Initial commitment of air support at the maximum sortic rate.
 - -- (C) By providing all available air support from the outset and, if applicable, resurging to our present capabilities, we would materially assist the successful repulse of the NVN offensive.
 - -- (S) We run the risk of fostering over-dependence of the GVN on US support and a concomitant lack of maturation on their part.
 - -- (C) RVNAF losses would be reduced while those of the NVA/VC would be increased.
 - -- (S) In the event this option were implemented, serious consideration would have to be given to the conduct of interdiction operations in NVN.



The Communist Population Base

The Communist position

The current communist population base is, by almost any estimate, less than that of the GVN. According to the information from the Hamlet Evaluation System (HES) for January, the communists control some 2.3% of the population, or roughly 437,000 South Vietnamese. Up to about 55,000 members of the Viet Cong Infrastructure live in GVN controlled and contested areas, but have to be counted as part of the population base of the Provisional Revolutionary Government (PRG). Thus, as a minimum the PRG can probably count on the support of about 492,000 South Vietnamese. This base is probably sufficient to provide the personnel inputs necessary to maintain a viable political presence, but hardly sufficient to match the GVN in any national electoral test. (Local contests in several areas could, however, be won.)

About 21% of the population (4.1 million people) live in contested areas in which the presence and effectiveness of the PRG may be at least as potent as that of the GVN. But even if all the people in the contested areas supported the Provisional Revolutionary Government, the GVN population base, by current measures, is still over three times that of the PRG. The key to the PRG's long term future, therefore, depends on the degree to which they can command or elicit support from the 14.9 million South Vietnamese who are at least nominally under GVN control.

Perception of Strength

The extent of this support at present is obviously difficult to quantify and will vary depending on the issue involved and context of the competitive event with the GVN. But one of the elements which will determine the capacity of the PRG to elicit support is the degree to which it is perceived to be a strong competitor.

"Officially" the current perception of PRG strength is one of weakness. President Thieu claims -- justifiably -- control of all major population centers in South Vietnam and at least 76% of the population. This perception of relative strengths accounts for the GVN emphasis on early elections. But the fact that the GVN is pressing for elections soon, while the PRG is much less willing at this time to meet the GVN in an electoral arena, suggests that both sides assume that time is on the side of the PRG.

Attitude surveys conducted early in 1973, for example, indicate a general tendency among rural South Vietnamese to ascribe greater strength on the part of the Viet Cong infrastructure than they did a year ago. Of 2,753 respondents surveyed across the nation in February, about 42% said they thought the VCI was at least as effective now (February 1973) as it had been a year ago.

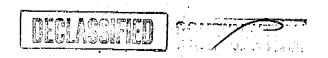


While the argument that up to 42% of the South Vietnamese rural population perceive the VCI/PRG as a fairly strong institution cannot be proved, available data point to a residue of respect and/or fear on the part of a significant portion of the population for the VCI. This could be translated into belief that the PRG is a viable competitor with the GVN.

The Potential PRG Political Ease

The population base of the PRG can be expanded by either bringing people into currently controlled areas or expanding the areas under PRG control. The most likely target for the second approach are the people living in the currently contested areas of Vietnam (over 4 million people or about 21% of the total population). Some of these are more vulnerable than others. About 1.1 million people live in D rated hamlets and, as such, probably are more susceptible to PRG political demands than the roughly 3.1 million presently living in C rated hamlets.

But the trends have favored the GVN rather than the PRG. Indeed, compared to late 1972, the PRG population base has been narrowed. Overall control since October 1972 (as indicated by Hamlet Evaluation System results) has remained predominately unchanged in about 85% of the hamlets in South Vietnam. Of those hamlets reporting a major change of control, 54% of these changes were in favor of the GVN (1,309 hamlets reported an increase in GVN control). This represented a net loss of over 195,000 people from the total PRG base population since October (located primarily in 511 hamlets which reverted from VC control to the contested or GVN controlled category). Only in the Delta did the communists make a net gain in their population base, and that was a meager 15,500 people located primarily in 8 hamlets. The erosion of the PRG base was greatest in MR 1.



DOD Economic Support to GVN

The Department of Defense has played a significant role in supporting US economic policy in Vietnam and in providing substantial economic support to the Government of Vietnam. This support has been in essentially two forms: foreign exchange support and non-financial development and planning support.

Early during US involvement in Vietnam, it was recognized that US purchases of local currency for in-country expenditures, with dollars, provided GVN with direct foreign exchange with which to finance imports. The fact that dollars 'earned' through the sale of local currency could be spent in any foreign market increased their effectiveness over credit or commodity grants tied to specific procurement sources. Since 1964, these purchases have conveyed over \$2.1 billion to GVN.

In recognition of the economic benefit derived from US in-country expenditures and the relative flexibility in programming these expenditures, the US has relied on increased DOD spending to compensate for congressional reductions in the Supporting Assistance Appropriation request. Since 1970, DOD has been called upon to formulate specific programs to make up shortfalls between economic support requirements in Vietnam and availabilities.

The programs which DOD has devised to require increased in-country spending have not only met their objective of providing additional foreign exchange to Vietnam, but have had other salutary effects on the economy of Vietnam, and at little additional US cost.

The program to increase in-country procurements, for example, has been significant in stimulating development of an industrial capability responsive to GVN. Our transfers of surplus unusable property to GVN for resale, has led to the development of a property disposal capability and provides a vital raw material to the economy. Our program to expand military construction will provide facilities with a potential for economic contribution.

In the development and planning area, DOD has been instrumental in influencing GVN economic policy through participation at both the Washington and Mission level. In mid-1970 the Office of the Deputy Chief of Staff, Economic Affairs was established at MACV with a Brigadier General and 20 PhD and Masters level military economists. This office played a significant role in insuring that US military activity in Vietnam complemented US economic policy and at the time of its inactivation had contributed greatly to the formulation of US economic policy in Vietnam.

Within the constraints imposed by reduced presence and activity in Vietnam, the Department of Defense will continue to support US economic policy in Vietnam to the limit of its capabilities.

