1. (S) Over the past month, the enemy continued to maintain his projected level of manpower infiltration and unprecedented logistical shipments. No major combat units were noted deploying from the north. This month's Intelligence Summary and Threat Analysis (MISTA) contains the following subjects:

   a. Reconstruction in North Vietnam
   b. Air Defense
   c. Logistics
   d. Infiltration
   e. MR-1
   f. MR-2
   g. MR-3
   h. MR-4
   i. Conclusion

2. (S) In the 14 months since the January 1973 Ceasefire, North Vietnam has made limited headway in recovering from U.S. airstrikes, but faces formidable obstacles in its efforts to revitalize the northern economy. Noticeable progress has been made in restoring transportation and communication lines though much work still remains. Limited developments have also been reported in light industry. Despite the progress that has been made, high officials admit that several years of intensive effort will be necessary just to restore the economy to pre-1965 levels of output. Some of the major problems facing the North Vietnamese in their reconstruction efforts are as follows:

   a. Basic insufficiency in food production
   b. Inefficient manpower usage
   c. Lack of mechanization
   d. Poor management
   e. Lack of motivation among workers
3. (S) Concerning agriculture, Hanoi appears to have serious problems that are not being overcome by imports:

   a. 75-80 per cent of the work force is engaged in agriculture.

   b. Agricultural work force consists primarily of women and children.

   c. Production does not meet domestic requirements.

   d. Estimated 25 per cent rice shortfall last year compared with the usual 5-10 per cent shortfall.

   e. Shortfall also likely in this year's spring harvest.

   f. Even with imports, shortfalls are keenly felt by the population. Rationing continues with food scarcer and more expensive now than at any time since the Ceasefire.

During the course of the war, it is estimated that over one million North Vietnamese men have been lost on the battlefield while others with needed skills have been pressed into military service. University studies were curtailed and fewer students were sent abroad. Although there is no manpower shortage, North Vietnam suffers from a highly inefficient labor force.

Nhan Dan Editorial, 11 March 1974:

"Generally speaking, in our economic branch, machinery and equipment are used about one-half of their capacity in some sectors; machinery and equipment are used only about one-fourth of their capacity. This is a most serious waste particularly for our country since the material and technological bases are very small and the labor productivity of the entire society remains low."

4. (S) An influx of male labor into agriculture and the use of skilled military personnel in reconstruction efforts, either through demobilization or assignment of integral military units, could significantly increase agricultural and industrial production and speed up reconstruction. While there is no indication that demobilization is planned, officials have indicated that the military must participate in reconstruction activities, though it is not clear to what extent.
5. (U) Another problem area is corruption and waste. An inventory of state property conducted last year revealed widespread corruption and waste. Hanoi's news media constantly addresses this problem and attempts are being made to correct the situation.

6. (S) Although Hanoi continues to receive substantial economic aid from its allies -- 1973 was a record import year -- its ability to capitalize on this assistance is adversely affected by the following:

   a. Lack of effective central planning and management.
   b. Paucity of skilled managers and technicians.
   c. Manpower constraints.
   d. Corruption.
   e. Improper storage and use of materiel.

7. (U) Statements by high party and DRV officials during the first quarter of 1974 place major emphasis on reconstruction and development in the north. At the February session of the National Assembly, which was convened for the express purpose of promulgating the Resolution of the 22nd Plenum of the Party Central Committee, Vice Premier and Polit-buro Member, Le Thanh Nghi, delivered the most comprehensive report on economic matters at an assembly session since 1965. The Vice Premier announced the DRV's plans for economic revitalization and recovery during 1974 and 1975 and listed the priorities of the 1974 state plan as follows:

   a. Rapidly finish healing the wounds of war.
   b. Strive to rehabilitate and develop the economy.
   c. Continue to build the technical and material foundations of socialism.
   d. Consolidate the socialist regime.
   e. Stabilize the living conditions of the people.
   f. Consolidate defense.
   g. Endeavor to fulfill the duty to the heroic south.
8. (U) The 1974 State Plan and Guidelines through 1975 are intended to lead up to a five-year plan (1976-1980), and a 10 to 15 year development plan is under consideration. Whereas earlier economic planning was essentially a year-to-year effort to use whatever resources were available after war-related needs were met, this latest planning represents a long-range economic development effort which will require sustained, dependable inputs of resources over a period of years.

9. (U) The targets and scope of the 1974 State Plan mark it as the most ambitious and comprehensive plan in the history of the DRV, envisioning a 21 per cent increase in gross national product. The plan is to be achieved by implementing these measures:

   a. Fifty per cent increase in state investment in capital construction.
   b. Increased availability of skilled labor through:
      (1) Eighty-three per cent increase in recruitment of technical worker trainees.
      (2) 22.3 per cent increase in vocation school enrollment.
   c. Intensified enforcement of socialist laws.
   d. Greater efforts to improve management and planning.
   e. Combining the economy with rational defense.

10. (U) More recently, in mid-March, Vice Premier Nghi appeared to give even more emphasis to reconstruction.

   "We should not tend toward leisure and comfort...nor should we be too bent on maintaining vigilance and making preparations for war and thus become unsteady and undecided in mobilizing all forces and latent capabilities to intensively perform the task of economic restoration and development..."

11. (U) Hanoi leadership's emphasis on reconstruction and development in the north does not mean that the long-standing goal of taking over the south has been discarded. This statement was followed by Nghi's assertion that Hanoi's reconstruction program for 1974 and 1975, incorporated in the 22nd Resolution, is essential to "forwarding the revolution in South Vietnam."
12. (S) During 1973, the DRV concentrated on rebuilding its lines of communications, its military rear service capability, its strategic reserves and its combat capability in the south. All are at unprecedented levels. The DRV apparently believes it can now begin to turn at least partial attention to the economy in the north, and still maintain its support to the south.

13. (S) In air defense activity, the NVA has deployed three AAA regiments (the 230th, 341st and 280th) from Quang Tri to North Vietnam. One AAA regiment—the 219th—moved into South Vietnam from the Vinh Linh area. These developments leave the NVA with 22 air defense regiments in MR-1:

<table>
<thead>
<tr>
<th>Division</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regiments</td>
<td>22 (Controlled by above Div)</td>
</tr>
<tr>
<td>Battalions</td>
<td>82 (Controlled by above Regts)</td>
</tr>
<tr>
<td>Weapons</td>
<td>1,200 (12.7, 14.5, 23, 37, 40, 57, 85 and 100MM)</td>
</tr>
</tbody>
</table>

14. (S) A usually reliable source indicates that over 60,000 tons of supplies have been moved either into or through Quang Tri Province over the past three months. Approximately 50 percent of these goods were arms and ammunition. It is estimated that the enemy now has enough supplies on hand in South Vietnam to conduct attacks similar to 1972 for well over a year. Except for localized distribution problems, logistics is no longer a limiting factor on enemy capabilities.

15. (S) Below is DAO Saigon's estimate of infiltration activity during the first quarter of 1974 compared with the same period in 1973:

<table>
<thead>
<tr>
<th>Area</th>
<th>1973</th>
<th>1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMZ/MRTTH</td>
<td>11,700</td>
<td>200</td>
</tr>
<tr>
<td>MR-5</td>
<td>6,000</td>
<td>6,200</td>
</tr>
<tr>
<td>B-3 FRONT</td>
<td>10,200</td>
<td>14,100</td>
</tr>
<tr>
<td>COSVN</td>
<td>22,700</td>
<td>35,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>51,600</td>
<td>55,500</td>
</tr>
</tbody>
</table>

16. (S) Of particular interest this year is the NVA's unprecedented emphasis on infiltration to COSVN. The following table depicts the relative percentage of his past infiltration effort to COSVN.
17. (S) The preponderance of infiltration enroute to COSVN
and B-3 Front this year reveals the enemy's need to raise
the manning level of combat units in these areas as well as
to provide a replacement pool for future losses. The units
in MR-1 (MRTTH and MR-5) are believed to be manned presently
at near authorized strength. In addition, it is estimated
that any major attacks in MR-1 would be preceded by the de­
ployment of combat units from the strategic reserve in NVN.

18. (S) The 55,500 personnel that have arrived or are in
the system represent a significant number when compared with
other years and when taken in the context of the relatively
low level of activity since the signing of the Ceasefire.

19. (S) The relatively high level of infiltration starting
in January this year and the high proportion of men going to
the B-3 Front and COSVN indicate the Communists are apparently
attempting to increase force levels in these areas well beyond
that needed to replace the low level of current combat losses.
By the end of the Lao dry season in June, the Communists will
build the manning level of their combat forces to a strength
higher than that prior to the 1972 country-wide attacks.

20. (S) In Military Region 1 during the past month, enemy
activity continued at a low level and no major changes were
detected in the enemy threat.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>STRENGTH</th>
<th>% OF COUNTRY TOTAL BOUND FOR COSVN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>71,100</td>
<td>30</td>
</tr>
<tr>
<td>1969</td>
<td>44,800</td>
<td>42</td>
</tr>
<tr>
<td>1970</td>
<td>27,700</td>
<td>52</td>
</tr>
<tr>
<td>1971</td>
<td>35,100</td>
<td>53</td>
</tr>
<tr>
<td>1972</td>
<td>37,000</td>
<td>25</td>
</tr>
<tr>
<td>1973</td>
<td>25,900</td>
<td>34</td>
</tr>
<tr>
<td>1974 (to date)</td>
<td>35,000</td>
<td>63</td>
</tr>
</tbody>
</table>

DIVISIONS 4 (Plus 1 AD)
REGIMENTS 33 (Plus 22AD)
COMBAT PERSONNEL 95-105,000
ADMIN PERSONNEL 30-35,000
TOTAL 125-140,000
ARMOR 355-385
ARTILLERY 288-324
21. (S) In the northern reaches of MR-1, the enemy threat to RVNAF defenses in the Quang Tri City area consists of 10 infantry regiments, 6 artillery regiments and one armor regiment with some 35,000 personnel. There has been virtually no military activity in the area as the enemy remains preoccupied with reconnaissance, logistic, road building and agricultural activities. The most significant OB development has been the deployment of the line regiments of the 325th Division from the Cua Viet area to an area west and southwest of Quang Tri, indicating increased enemy emphasis on the western approach to the city. A new regimental entity, the 47th, has been created from miscellaneous battalions and subordinated to the 325th to replace 325th Division elements in the Cua Viet area.

22. (S) The threat to Hue consists of five infantry regiments, two artillery regiments and one armor regiment with some 22,000 combat personnel. However, an envelopment around the Quang Tri defenses toward the south, coordinated with another enemy effort based from the A Shau Valley toward the Hue area could seriously threaten the city of Hue. As in the Quang Tri area, enemy forces at present are concentrating primarily on logistics, roadbuilding and agricultural activity. The enemy is constructing a road branching north from Route 5482, which, when completed, will provide an additional approach to both Quang Tri and Hue.

23. (S) Farther south, the enemy threat to Danang consists primarily of the forces deployed in the Que Son Valley. (i.e., three infantry regiments, one artillery regiment and one armor regiment with some 15,500 combat personnel.) It appears that the 711th Division has been reconstituted and the 1st NVA Regt has deployed back to its original AO. Recent reports indicate that Front 4 elements are preparing for attacks. The scope of current planning is unknown but it is doubtful that major attacks will be initiated. We expect a series of limited attacks originating from the Que Son Valley against government outposts. The objective of these attacks is to counter GVN pacification and economic blockade.

24. (S) In all major threat areas of MR-1, the enemy has achieved the following:

- Development of integrated LOC network and logistics system for movement of men and materiel to forward areas.

- Development of formidable air defense system that deters effective ARVN reconnaissance and air strikes against key logistic complexes.
- Unit strengths and logistical bases at optimum levels for major attacks.

- Large amounts of both armor and artillery in forward staging areas.

25. (S) There are no positive indications that he is preparing to use this capability for major attacks in the near future. We would expect the redeployment of elements of NVN's strategic reserve if major attacks were planned. Enemy near term intentions are as follows:

   a. Continue developing force structure.

   b. Develop political and economic base in "liberated" areas to achieve greater self-sufficiency.

   c. Continue expansion and upgrading of LOC network.

   d. Defend and retaliate against ARVN security operations in contested and "liberated" areas.

   e. Conduct reconnaissance and harassing actions against ARVN outposts, military installations and LOC's.

26. (S) In MR-2 during the past month, enemy activity has continued at a moderate rate in Kontum, Pleiku and Binh Dinh. In Kontum Province, the enemy threat consists of 3-4 infantry regiments, one artillery regiment and one armor regiment with some 10,000 combat personnel. Enemy activity has been concentrated in the area northeast of Kontum City, where the enemy is attempting to clear ARVN forces to complete a new road and cover movement of troops southward. Since February, the 10th NVA Division has moved eastward to control the operations. In other order of battle developments, the movement of the 593rd AAA Regiment into the Plei Trap Valley and its replacement in central Kontum by the 234th AAA Regiment have been confirmed. Information from ralliers and PW's has indicated major enemy attacks during April, but evidence on enemy intentions is still somewhat contradictory. Current infiltration indicates, however, that the enemy in Kontum will have the manpower necessary to initiate major offensive activity by the end of April. The following indicators point to major attacks in the near future.

   - Movement of artillery and armor into B-3 Front.

   - Unprecedented movement of supplies into B-3 Front (10,000 tons of ordnance since January 1974).

   - Construction of new road circling Kontum City.
27. (S) In Pleiku Province, there has been an increase in LOC interdiction activity during recent weeks along QL-19 in northeast Pleiku following the movement of elements of the 95B Regiment into the area. There are indications that enemy reinforcements are moving into this area from Kontum. It appears that the enemy intends to make significant efforts to close QL-19 in Le Trung District in the near future. In other order of battle developments, the 9th Regiment/96th Division which infiltrated into Pleiku Province in early February, has deployed in the Duc Co area and there is unconfirmed information that the 9th Regiment may be subordinated to the 320th Division. Additionally, recent intelligence confirms the replacement of the 46th AAA Regiment/Group 470 in the Ia Drang Valley by the newly-infiltrated 232nd AAA Regiment, allowing the 46th Regiment to deploy southward to cover the enemy's Route 14 commandos in western Darlac Province.

Since 1 April, the 320th NVA Division, its 48th and 64th Regiments supported by at least 1 AAA Bn of 593rd AAA Regiment moved into positions south of Thanh An District Capital and have initiated a series of attacks against outpost manned by the ARVN 82nd Ranger Battalion. The 320th Mission appears to be to eliminate GVN outposts between Pleiku and Plei Me and isolate and probably eliminate Plei Me. Long Range plans indicate the 320th would like to cut QL-14 and continue road construction east of Binh Dinh Province. It is unlikely they will be able to accomplish this objective in the immediate future unless B-3 Front can coordinate these actions with attacks in Kontum and on Route 19; tying down RVNAF units and denying them the capability to shift forces. Current attacks south of Pleiku are probably premature as attacks in Kontum do not appear imminent.

28. (S) In Binh Dinh Province, enemy activity has been at a very low level. The 3rd NVA Division is apparently still experiencing serious food shortages and corresponding troop morale and discipline problems. The 141st Regiment/2nd NVA Division has apparently rejoined its parent unit in Quang Ngai Province following six months duty in Binh Dinh Province reinforcing the 3rd Division. The 12th Regiment/3rd Division Headquarters has returned to the Tam Quan area in its old area of operation. Recent reports indicate that the long-dormant 21st Regiment/3rd Division is located west of Bong Son, apparently rebuilding. Reports of movement of elements of the 2nd and/or 12th Regts
southward to the An Khe Pass area on QL-19 have not been confirmed. Major offensive activity is not expected in Binh Dinh Province in the near future; however, the enemy may deploy additional forces to the An Khe Pass area to support B-3 Front interdiction efforts on QL-19 in Pleiku Province. Enemy unit strengths in MR-2 are as follows:

- **Divisions**
  - 3

- **Regiments**
  - 16 (Plus 4 AD)

- **Combat Personnel**
  - 40-45,000

- **Admin Personnel**
  - 20-25,000

- **Total**
  - 60-70,000

- **Armor**
  - 115-135

- **Artillery**
  - 60-75

29. (S) Enemy intentions in the region over the short term appear to be:

- Conduct major operations in Kontum and Pleiku.
- Interdict/harass major LOC's, particularly QL-19.
- Protect/develop logistics installations.
- Prepare for major attacks in B-3 Front.
- Rebuild forces in coastal areas.
30. (S) In MN-3, enemy force structure is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Divisions</td>
<td>3</td>
</tr>
<tr>
<td>Regiments</td>
<td>21 (Plus 2AA)</td>
</tr>
<tr>
<td>Combat Personnel</td>
<td>37-39,000</td>
</tr>
<tr>
<td>Admin Personnel</td>
<td>20-33,000</td>
</tr>
<tr>
<td>Total Personnel</td>
<td>55-72,000</td>
</tr>
<tr>
<td>Armor</td>
<td>190-200</td>
</tr>
<tr>
<td>Artillery</td>
<td>80-90</td>
</tr>
</tbody>
</table>

31. (S) Over the past month, military activity in the region has remained at low level. Although enemy forces have the ability to apply military pressure throughout the region, they have basically continued to maintain a defensive posture, while emphasizing the following objectives:

- Defend "Liberated" and base areas.
- Continue to improve combat tactics.
- Continue to expand force structure.
- Undermine GVN influence and economy.
- Rebuild infrastructure and political base within the contested and GVN controlled areas.

32. (S) The primary threat to the Saigon-Bien Hoa area is represented by some 25,000 enemy troops positioned mainly in northern part of the region, supported by increasing amounts of armor, artillery and AAA:
UNIT STRENGTH

3 Infantry Divisions  11,500
4 Infantry Regiments  3,500
2 Artillery Regiments  1,700
5 Sapper Groups  5,300
Independent Battalions  2,500
Total  24,500

Armor  100-150
Artillery  50-60

33. (S) Enemy forces could also use the Parrot's Beak as a potential staging area for attacks from the west. The recent reported firings of enemy artillery in the vicinity of Lai Khe and Trung Lap emphasize the susceptibility of fixed installations accurate, concentrated artillery fire. Although the enemy would have to make substantial advances along the Saigon River Corridor to bring Saigon within artillery range, moderate advances north and northeast of Bien Hoa would enable enemy gunners to fire upon vital air and logistical support centers in vicinity of Bien Hoa/Long Binh. Current Communists Forces in this area are not capable of seizing Saigon or Bien Hoa, but an intermediate objective of an area such as Phu Cuong is a possibility.

34. (S) Although the threat to Tay Ninh, shown below, is secondary to the Saigon/Bien Hoa area, loss of Tay Ninh would have serious military and political consequences for the GVN.

UNIT STRENGTH

5th NVA Division  4,000
271st NVA Regiment/9th NVA Division  1,000
C-50 NVA Regiment  800
2 Sapper Groups  3,400
101st NVA Regiment  800
1 Artillery Regiment  800
Local Force Battalions  1,500
Total  12,300
35. (S) Recent intelligence has revealed that all three regiments of the 5th NVA Division have moved from northern Tay Ninh to the Parrot's Beak-western Hau Nghia Province area. Units from the division along with local force elements are apparently targeted with eliminating GVN presence west of the Vam Co Dong River, as part of a COSVN-wide effort to "regain" territory lost to the GVN since the Ceasefire. Additionally, securing this area would facilitate Communist infiltration efforts into both MR-3 and MR-4. In northern Hau Nghia, a similar build-up of 9th Division forces has been noted. The 9th Division is apparently targeted with regaining areas south of the Ho Bo/Boi Loi Woods. The congregation of elements of these two divisions near Route 1 also provides the enemy with the capability to temporarily interdict Route 1 and isolate Tay Ninh for short periods; however, enemy forces are believed not to be targeted against Tay Ninh City at this time. Enemy forces in the vicinity of Tay Ninh are not capable of taking Tay Ninh City but may be able to eliminate GVN control in certain areas near the Parrot's Beak and Base Area 356.

36. (S) The potential threat to isolated GVN enclaves remains high. Heavy pressure on Tong Le Chon finally forced the beleaguered rangers to abandon the camp on 12 April. The enemy can mass forces against any of the following positions: Phuoc Binh, An Loc, Don Luan and Chon Thanh. Enemy objectives in the vicinity of Chon Thanh and An Loc appear to be limited to preventing ARVN from expanding defensive perimeters. Although Phuoc Long Province affords the enemy his best chance to seize a provincial capital in the region, he has made no serious attempts to do so.

37. (S) Finally, the recent deployment of four battalions of the 367th Sapper Regiment to War Zone D and the subsequent redeployment of the 274th and 33rd NVA Regiments into southern VC MR-1 provide the enemy with the capability to apply additional pressure against strategic targets and LOC's in Bien Hoa, Long Kanh and Phuoc Tuy Provinces. Previously the 367th Sapper Regiment had conducted successful attacks in the Phnom Penh area and probably is targeted against GVN installations in Bien Hoa/Long Binh area. Enemy forces are also targeted against new resettlement sites in Long Kanh and Binh Tuy.
38. (S) In the near term enemy forces are expected to maintain a defensive posture while continuing to strengthen their combat capability. Should enemy forces continue efforts to reopen supply corridors to the northern Delta, however, attacks can be expected in western Hau Nghia and Long An Provinces, possibly supported by diversionary attacks in northern Hau Nghia and Tri Tam area of Binh Duong Provinces. Current infiltration effort to COSVN will provide necessary combat replacements to bring enemy units up to desired combat levels of 1,500 men per infantry regiment by May and provide approximately 15,000 replacements for initial losses. Recent photography also indicates that additional armor, artillery and possibly AAA pieces are destined for COSVN. Available information, however, does not suggest major attacks for MR-3 in the next couple of months, but attempts by the enemy to carry out the intentions shown below and GVN counter operations could result in escalation of activity from limited to major actions at any time.

- Increase combat capability and defense of "liberated areas"
- Emphasize economic and political development in the "liberated" and contested areas
- Undermine GVN influence and economy

39. (S) In MR-4 the enemy strength and force structure is as follows:

<table>
<thead>
<tr>
<th>DIVISIONS</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGIMENTS</td>
<td>13</td>
</tr>
<tr>
<td>COMBAT PERSONNEL</td>
<td>19-21,000</td>
</tr>
<tr>
<td>GUERRILLAS</td>
<td>10-13,000</td>
</tr>
<tr>
<td>ADMIN SERVICES</td>
<td>8-10,000</td>
</tr>
<tr>
<td>TOTAL PERSONNEL</td>
<td>37-44,000</td>
</tr>
</tbody>
</table>

40. (S) Since November 1973 two of the three major Communist threat areas, the Seven Mountains of Chau Doc Province and Dinh Tuong Province, have come under heavy RVNAF pressure. The first of these, BA 400 in the Seven Mountains of Chau Doc, has been rendered all but ineffective, with only remnant forces of the 101st Regt (900 men) and three independent battalions (200 men) avoiding contact with RVNAF elements.
41. (S) In the second, Dinh Tuong Province, enemy forces, shown below, have been rendered much less effective due to constant combat personnel losses, which stand at more than 2,000 KIA since 1 December:

<table>
<thead>
<tr>
<th>UNIT</th>
<th>STRENGTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>24TH NVA REGT</td>
<td>800</td>
</tr>
<tr>
<td>DT-1 NVA REGT</td>
<td>800</td>
</tr>
<tr>
<td>Z.15 NVA REGT</td>
<td>850</td>
</tr>
<tr>
<td>Z.18 NVA REGT</td>
<td>900</td>
</tr>
<tr>
<td>INDEPENDENT BNS (5)</td>
<td>750</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,100</strong></td>
</tr>
</tbody>
</table>

Supply problems caused both by combat expenditures and RVNAF seizures, appear to be significant.

42. (S) Only in Chuong Thien (P) has the enemy been able to maintain his threat potential:

<table>
<thead>
<tr>
<th>UNIT</th>
<th>STRENGTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>9SA NVA REGT</td>
<td>900</td>
</tr>
<tr>
<td>18B NVA REGT</td>
<td>1,100</td>
</tr>
<tr>
<td>D-1 NVA REGT</td>
<td>1,100</td>
</tr>
<tr>
<td>D-2 NVA REGT</td>
<td>1,150</td>
</tr>
<tr>
<td>INDEPENDENT BNS (4)</td>
<td>500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,650</strong></td>
</tr>
</tbody>
</table>

43. (S) In this province and localized pockets of Kien Giang, Ba Xuyen and Phong Dinh Provinces, the Communists have succeeded in gradually eroding RVNAF presence and control in outlying areas. Since the late December highpoint, VC/NVA units have maintained a gradual momentum in eliminating or forcing the evacuation of selected OP's. This has been accompanied by a number of classical relief column ambushes which have, in effect, constituted victories for the enemy. Despite a formidable presence in outlying contested areas, the enemy does not currently pose a threat to strategic objectives in the lower Delta. Without more manpower and increased supply input, he cannot hope to alter significantly the political/military landscape in the near future. In all provinces, Communist forces are capable of striking selected minor targets, such as OP's, troop elements and GVN installations; RVNAF ability to react with superior strength, however, precludes ventures to seize and hold major objectives. The enemy is currently faced with an additional problem: the increased difficulties in transporting supplies. This is due to both KC/NVA hostilities along supply corridors in Cambodia, as well as aggressive RVNAF operations against supply contingents moving down Routes 1-A, 1-B and 1-C.
44. (S) Strategically, Communist forces have lost ground in GVN MR-4, although not without inflicting their share of RVNAF casualties. The contest for disputed areas, however, is more difficult and costly than winning a battle of attrition in fixed base areas, as is readily apparent in the lower Delta. Under the present circumstances, enemy forces can be expected to limit themselves to military initiatives which support these near term objectives:

a. Defense of base areas and LOC's.

b. Harassment and diversion of RVNAF.

c. Utilization of economy of force measures which create difficulties for RVNAF and the GVN.

d. Improvement and expansion of logistical and procurement systems.

e. Improvement and expansion of combat capabilities and troop strength.

f. Insuring capability to tie down RVNAF in the event of a major attack.

g. Establishment of secure zones along the border to facilitate infiltration and supply movement.

Small gains, rather than decisive victories, will remain the focus of enemy intentions.

45. (S) All evidence suggests that the Communists will not launch a general offensive during the next quarter. Recent COSVN guidance emphasizes that a general offensive would be both politically and militarily unfavorable at this time. The Communists seem intent on building up their forces in the south. It must be emphasized, however, that the Communists retain the capability to launch major attacks on very short notice. Necessary materiel is in-country and cached in forward bases; infiltration of men is bringing units up to desired combat levels; improved LOC's enable the movement of additional men and materiel to forward positions in record time; improved command and control facilities have been established and necessary reconnaissance of key objectives has probably been accomplished. Additionally, more armor and artillery has been deployed to the south than ever before, with many deployed in forward positions, and more on the way south. The Communists have not abandoned their goal of seizing control of the south, nor do they believe that such an objective can be obtained without strong military measures. A recently captured document in Binh Thuan Province emphasized, "Our basic policy has not changed...we should grasp the stand-
point: The revolution in South Vietnam can only win by means of armed violence in close coordination with the political violences (sic) of the masses."

46. (C) However, despite their ever-increasing military capability and stated intentions, the Communists apparently feel that conditions in the north and the south are not right for a general offensive.

47. (C) In the north, bulk of information indicates that, after emphasizing the rebuilding of the military machine in the year after the Ceasefire, the Communists are now devoting some attention to reconstruction and economic development. Our estimate is that the poor economic situation in the north has forced Hanoi to do so or face some deterioration of its power base. Communist propaganda has repeatedly referred to the Ceasefire Agreement as a great victory, but this great victory, achieved by enormous sacrifices, has not unified Vietnam, has not brought peace, and has not brought a better life to the people of the north. As Le Thanh Nghia recently stated:

"Now that peace has been restored the need to improve the people's living condition is a large and urgent one."

Nghi emphasized that the war has been the major cause of these difficulties. Elsewhere he points out that economic reconstruction and development of the north is an essential stepping stone to obtaining the ultimate goal in the south:

"We must understand that the task of restoring and developing the northern economy in 1974 and 1975 is part of the initial step in the process of socialist industrialization, aimed at creating necessary conditions for building the socialist north on an increasingly larger scale and at an increasingly rapid rate, in order to strengthen the revolutionary forces throughout the country and to create a good basis for aiding the revolutionary struggle to achieve independence and democracy in the south."

48. (C) Recent reporting from the south also indicates that the situation is not yet right for a general offensive. The Communists, while underlining the current GVN economic difficulties, have admitted that certain important GVN strengths have not been eroded:

a. Control of populated areas and LOC's.

b. Effective police force and local administration.
c. Ability to utilize manpower and resources in its areas of control.

d. Large, well-armed military machine.

49. (C) Meanwhile, while emphasizing their own strengths, such as a strong army deployed forward and an improved logistics and LOC network, the Communists have also recognized that their serious weaknesses must be eliminated:

a. Weak infrastructure.

b. Little population under Communist control.

c. Poor party organization.

d. Parasitic relationship of PRG areas economically with GVN controlled areas.

As can be seen, most of the weaknesses are in the political realm.

50. (S) Current Communist goals appear to be:

a. Reconstruction and redevelopment in the north.

b. Continued improvement in combat capability in both NVN and SVN.

c. Strengthen and rebuild infrastructure and political organization in the south.

d. Exacerbate GVN political, economical and military problems by selective attacks, presence and political means.

50. (S) With regard to the last point, the Communists will probably employ selective attacks throughout the country to weaken RVNAF forces and achieve limited objectives such as obtaining more fertile land and population, or improving their military position. By its very presence, the Communist threat fosters instability, forbids demobilization of RVNAF and discourages foreign investment, all of which exacerbate already serious GVN economic problems. Additionally, recent activity seems designed to destroy public confidence in the GVN — especially in the U.S. While important discussions are occurring in Washington over the continued commitment to SVN, the Communists have been emphasizing their adherance to the Ceasefire, and their apparent pacific intentions by presenting a
"New" 6 Point Peace Plan. The only new wrinkle in this plan is a time table. The recent propaganda on the delivery of the F-5E's emphasized the "increasing" U.S. military effort at a most sensitive time and is intended to persuade a reluctant Congress to disapprove the whole increased Vietnam aid package. Thus, while Communist economic aid to the north continues at record levels, the GVN is supposed to be denied the same needed aid. Success with this new strategy does not appear likely. Hanoi will probably make little progress in reconstruction and development under present conditions. In the south, the increasing success by ARVN against key Communist strongholds such as the Seven Mountains and Tri Phap, have degraded enemy offensive capabilities in MR-4. Food shortages have been reported from nearly every region; Communist forces are concerned about the GVN success in the economic blockade and in pacification efforts -- called "nibbling operations". We believe that one of the reasons for the 1972 offensive was the Communist realization that Vietnamization was working and that RVNAF was becoming more effective. If the enemy concludes that time is again working against him he may feel compelled to launch a decisive offensive sooner rather than later. It is also possible that emphasis on redevelopment in the north will have an adverse effect on morale in the south. The southern Communists who have been struggling for 20 years, will probably once again see their cause being deferred for the benefit of the north. Several recent high level ralliers have defected for this reason. Finally, selective attacks against the GVN dissipate combat strength piecemeal. RVNAF counter offensives, including air attacks against rear areas, may become even more effective in time.

51. (S) In summary, we expect that combat activity, to include major attacks in the south, will increase; major attacks in the three northern military regions, limited attacks in the delta. Meanwhile, a more aggressive and effective RVNAF will precipitate more activity. A threat of gradual escalation into a general offensive is an ever-increasing possibility as action initiated by either side triggers a reaction or retaliation by the other side. A "general offensive" although specifically planned by neither side, could grow out of a series of major attacks.