The Communists used the cover of that final night to move into many areas that they had not firmly controlled, and when dawn came the Vietcong flag flew over 350 hamlets and villages. To impartial diplomats and newsmen at the time, some Vietcong territorial claims seemed valid, others false. In any case the proliferation of flags touched off a series of Government attacks that shifted control of most of the villages and cleared most of the roads within a few days.

To a degree the fighting of those first days set the early pattern. Government forces kept up the pressure, suffering some reverses but generally gaining territory, planting new outposts to guard rice land as well as returning refugees, and scoring some significant victories, most notably the uprooting of a 20-year-old Communist base known as Tri Phap in the Mekong Delta 50 miles southwest of Saigon.

In contrast the Communists conducted major new operations with ground troops in the first year, favoring artillery, mortar and rocket attacks on Government outposts and concentrating on building their military strength in the South.

The rapid growth of North Vietnamese military and supply capability in South Vietnam has alarmed the Government.

Since the cease-fire and the end of American bombing, the North Vietnamese have built an extensive network of good roads in South Vietnam, American intelligence reports, and have turned the Ho Chi Minh Trail in Laos into a four-lane gravel-surfaced highway.

They have enlarged and improved a dozen airfields—all former American bases—in the western mountains of South Vietnam. They have violated the Paris agreements by sending tanks, artillery, antiaircraft guns, missiles and thousands of fresh soldiers south, raising their contingent, American officials estimate from 160,000 at the time of the cease-fire to 220,000.

Some diplomats believe the infiltration was accomplished simply to give Hanoi a military option in case the Paris agreements failed to produce the anticipated political evolution. But Saigon saw the new troops and weapons as preparation for an offensive, so President Thieu advocated pre-emptive attacks.

TURNING POINT IN 1973

On Oct. 15, 1973, the Vietcong issued an order that is now seen as a turning point in the post-cease fire war. It directed Communist units to “fight back at the Saigon administration as long as it has not discontinued its war acts, any place and in appropriate forms and forces, thus compelling the opponent to strictly implement the Paris agreement on Vietnam.”

As the Communists began to step up attacks and jockey for position, and as cuts in American military aid began to have their effect, the South Vietnamese forces started on a long slide downward. In the last seven or eight months Government units have been outflanked and outmaneuvered, pushed out of newly controlled areas and drawn into costly battles. Since May the Communists have overrun 11 district capitals, six of them in December.

The province capital of Phuoc Binh, an isolated town 75 miles north of Saigon, fell to persistent assault by North Vietnamese troops, tanks and artillery, making it the first such capital to be lost since Quang Tri, on May 1, 1972.

Now there is a pervasive feeling that the balance of military power is tipping toward the Communists.

“At no point in I don’t know how many years have they been so very strong, so very mobile,” a well-placed South Vietnamese Army officer remarked. “The reverse is true with us. We are weaker and less mobile than before. They are in a position to attack anywhere. At no point in the history of the war has the prospect of defeat looked so real.”

Military analysts expect an intensified North Vietnamese campaign in the next few months aimed not only at grabbing strategic military positions and obliterating pockets of Government control but also at inflicting the heaviest possible casualties on Government forces.

This is regarded here as a new phase in a sophisticated psychological, military and political game designed to erode President Thieu’s power base by undermining morale in the army and calling his judgment into question. There are already reports of generals who disagree with attempts to hold such isolated military useless spots as Phuoc Binh at the price of valuable men and planes, especially in a time of dwindling American aid.

The effect of the aid cuts—to $700-million this year compared with $1.2-billion last year—is hotly debated in Saigon, with American and South Vietnamese
officials insisting that ammunition and fuel are short, while less partial diplomats and military men counter that the cuts have eliminated only the waste. The army has given up a number of outposts because they were too expensive to supply and defend. And the air force—which had been built up to one of the largest in the world—has grounded about a third of its 1,800 aircraft, including all its propeller-driven A-1 Skyraiders. The number of American civilian mechanics, mostly aircraft technicians, have dropped from 5,200 on cease-fire day to 1,500 today, according to the United States Embassy.

NUMEROUS COMBAT MISSIONS

Nevertheless, a foreign military attaché reports the air force continues to fly numerous combat missions—“they’ve got 1,200 aircraft here, the other side has none”—and the Government stockpiles can support four or five months of intense fighting on the scale of the 1972 Communist offensive.

But a soldier’s fear that there is not enough ammunition for the critical battle, his sense that he no longer has the luxury of tossing a grenade into a fishpond at his whim, damages morale as surely as real shortages, officers observe.

“They don’t fight back,” an Asian diplomat told an American. “It’s important for them to have enough hand grenades to kill fish with. It’s a waste, but this is the type of war you taught them.”

The conflict is still governed, as it has been for 20 years, by a central political fact: the unswerving devotion of the North Vietnamese and their Vietcong allies to reunification of the country.

That is why the Communists hailed the Paris agreements as a victory—not merely because they expelled the American troops, but also because they prescribed political evolution that explicitly envisioned reunification, albeit in a peaceful form, as the end product.

“The reunification of Vietnam shall be carried out step by step through peaceful means on the basis of discussions and agreements between North and South Vietnam, without coercion or annexation by either party, and without foreign interference,” reads the beginning of Chapter V, a section rarely quoted by American or South Vietnamese officials.

SCOFFING AT UNIFICATION

“Reunification?” scoffed a Cabinet minister in Saigon, “perhaps after the two Germanys and the two Koreas are reunified we can begin talking about Vietnam.”

To what degree the Communists believed Saigon would implement the Paris accords’ political provisions is unclear. Some think they were fully aware of Mr. Thieu’s objections to an open political role for the Vietcong; the South Vietnamese Constitution, after all, outlaws Communism. There is also speculation that Hanoi expected some American pressure on Saigon to observe the accords and hoped that dwindling aid would weaken and topple Mr. Thieu.

This has not happened, and the Communists appear to have turned the clock back, resuming an orchestrated campaign aimed at changing the regime in Saigon and ultimately gaining a political foothold in the Government.

“They are like pianists,” an experienced European diplomat observed of the Communists. “The military, economic and political keys are all on the same keyboard, but they must be played well to make good music. You can’t make a mistake or play one note too strongly. It is very difficult to play the right tune.”

The outcome remains unpredictable. Will President Thieu run again when his term expires in October? Will his generals remain his supporters? As standards of living continue to fall will economic hardship be translated into political dissatisfaction or military apathy? Will the fragmented, precarious non-Communist opposition gain momentum and resilience? How will Washington, Peking and Moscow respond to increased fighting?

MORE SUBTLE QUESTIONS

Beyond these neat questions of power and politics lie more subtle issues.

“Americans see it in very clear statistical terms,” a South Vietnamese official observed. “Body count, body count—if you kill enough Communists, pretty soon there won’t be any Communists left. The Vietnamese have never bought that thinking.

“The main difference between Kissinger and us is that the Americans are very pragmatic people who can say, Forget about principle as long as something works.
Go to Peking and throw out all your principles. No Vietnamese on either side could make this final jump. He hangs onto the fiction, the principle."

Speaking solemnly, almost in a whisper, the official continued: "Our goal is to gain the respect that is due us from the Communists. First they have to recognize that we are Vietnamese and just as nationalistic as they are. They have to get rid of this idea that we are puppets."

Military aid cuts will resolve nothing, he said, adding: "If we had our hands behind our backs, we would probably still be arguing with our mouths. This is a total war in every sense I can think of."

[From the Washington Star-News, Oct. 21, 1974]

GLOOM IS DEEPENING THROUGHOUT INDOCHINA

(By Henry S. Bradsher)

SAIGON.—Throughout Indochina today, the gloom is deepening.

The old threat that has loomed larger ever since the United States began withdrawing from South Vietnam has now acquired a greater sense of immediacy. Government officials, politically aware citizens and diplomats are wondering with growing concern whether this blood-soaked peninsula is moving with accelerating speed toward eventual control by North Vietnam, or by local Communists under strong influence from Hanoi.

This concern still falls considerably short of desperation, despair or a sense of inevitability. A collapse of anti-Communist morale is not in sight. But there is a distinct ebbing of confidence in long term prospects. It results from a strong apprehension that resistance to continuing Communist pressure cannot be sustained at an adequate level.

THE WAR GOES ON in South Vietnam, little affected by the American unilateral declaration of peace almost two years ago. Cambodia, too, suffers unending war, stalemated at the present level of outside aid to the two sides. The fragile cease-fire in Laos has shifted the nature of that struggle without ending it. And in Thailand, Communist insurgency continues with North Vietnamese aid.

The basic problems remain the same as they were when the Americans were here with their half-million soldiers and their willingness to pour in whatever money and material was needed to meet the threats to friendly governments.

If the Americans had never been here, those governments would not exist in their present form, but they were and they do and hence the gloom.

The problems are the same; the old solutions are either no longer available or no longer work very well.

With American support dwindling, the governments of South Vietnam and Cambodia, and non-Communists in Laos who are now in uneasy coalition with the Communist, are caught between continuing Communist pressure and their own inability to generate greater internal strength.

No one knows just where the threshold lies at which U.S. military and economic aid will be too low to keep viable the Saigon and Phnom Penh governments, and the non-Communist element in Vientiane. Computing a dollar figure for each country is complicated by unstable local factors, varying degrees of corruption and wastage, and deliberate exaggeration of need in order to provide a margin for cuts.

There is also the psychological factor of maintaining confidence in each country. The feeling is widespread in Indochina that the United States public in general and Congress in particular misjudge the threshold, or simply do not care. Congress has cut military aid to South Vietnam in the year which began July 1 to about one half in real terms what it had been the previous year, and chopped economic aid to Saigon, and refused to give special military aid to Cambodia like that which kept the Cambodian army going in the last fiscal year.

Just how real and direct is the tie between aid cuts and the ability of these governments to survive is, however, open to debate.

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A senior American official in one of the Indochinese countries said candidly the other day that "I don't know how we can spend all the money" that was left after Congress had made cuts in the now-postponed version of the foreign aid bill. A deputy premier in another of the countries said, "American aid is more than sufficient if we can use it properly"—adding that it is not used properly now. Some military officers in the third country feel that their army could and would fight better if it had less American equipment and ammunition to perpetuate the addiction to inappropriate U.S. Army tactics.
These are, though, disputed opinions. The more general attitude, as well as the official posture, among both government ministers and diplomats is that while inflation is pushing up the threshold Congress is going the opposite direction.

The psychological result is perhaps as significant as any measurement in 105mm artillery shells, 79 grenade launchers and gallons of aviation fuel. If the feeling spreads in these countries that they cannot keep going on the old basis, not only for lack of ammunition but also because inflation makes it impossible for a soldier to feed his family, then that alone can cause a crumbling.

Some of the same top officials who talk one moment of the desirability of negotiations with the Communists—whether directly with Hanoi or with local elements whom they view as Hanoi's agents—speak the next moment of the implacability of the adversary. They remain equivocal whether their hope of a negotiated settlement is sufficient to overcome their assumption, based on long and bitter experience, that North Vietnam will never settle for less at the negotiating table than it hopes to win from protracted war.

Here in South Vietnam "our war will not be solved by military means, it must be negotiated," Hoang Duc Nha said in an interview the other day. Nha, the minister of information, has been President Nguyen Van Thieu's key adviser and was the only South Vietnamese official to sit with Thieu in all the tortuous negotiations two years ago that finally produced the Paris agreement, which was supposed to halt this war but did not.

The Cambodian regime of President Lon Nol has been seeking futilely for years to establish contact with its enemies in order to negotiate a truce but the other side appears to be divided and rejects every negotiating offer, even when the regime retreated last July to offering talks without any preconditions.

In his office at the education ministry in Phnom Penh, from which his predecessor was dragged to a mysterious death last June, acting Premier Pan Sothi said recently that "low-intensity war is the prospect." But efforts by Prince Norodom Sihanouk's exile regime to take away the Cambodian seat in the United Nations is causing grave concern.

"A doubt exists that we could go on and fight the war" if the seat is lost, Pan Sothi said, because the climate of confidence would be destroyed.

Laos has negotiated, and the result has been the reestablishment of coalition government, which has broken down twice before in the last two decades. Now members of the old Vientiane government that had been fighting the Pathet Lao are dominating the coalition. One of them, Major General Oudone Sananikone, said in his Defense Ministry office recently that "the war goes on, a political war now." He complained that the Communists had all the advantages in the coalition, getting a share of power in Vientiane without giving up any control of their own territory and supported by the neutralist premier, Prince Souvanna Phouma, in arguments with the rightists.

The deputy foreign minister of Thailand, Major General Chatichai Choonhavan, in his ministry building overlooking the fabulously spired and tinted roofs of the royal palace at Bangkok, said that if North Vietnam "wanted to bring back peace in one region it could in a few days." But Hanoi goes on supporting wars and the Communist insurgency in Thailand, he said. The opening up of democratic debate in Thailand which began a year ago with the overthrow of military rulers who committed the country to American policy in Indochina has created uncertainty over future attitudes for this situation. For now, however, American warplanes remain on standby alert in Thailand for possible resumption of bombing in Indochina.

It is only in Thailand that basic policy toward the Communist problem seems to be under active consideration.

Officials and opposition political leaders in South Vietnam, Cambodia and Laos talk gloomily of short-term prospects. There is a marked reluctance to dwell upon the ultimate result of the current gloomy trends in the economic and military situations, should they continue unchecked by some presently unforeseeable change of circumstances. Some kind of mental block seems to make it impossible to face the possibility of losing these long wars and falling under the control of the enemies, or a single enemy for those who see the local threat as only a front for Hanoi. This block exists on conversation with outsiders, anyway.

It is generally assumed among foreign observers and even among lower officials that many of the top people in these countries are looking ahead to the possibility of collapse. Although no proof is offered, many say that Swiss bank accounts and other fallback arrangements are being made with funds which originate through U.S. aid.
Diplomats are also more open in their speculation about the future than local people, being less personally involved. Many of them wonder aloud whether the three Indochinese countries are already on an inevitable slide into Communist control, and how long it will take. A few years? A decade?

It is an impossible question to answer, as everyone realizes, even though the essential importance is the pessimism of the asking. The ability of nations to survive apparently hopeless situations is often surprising, and conditions that look desperate can sometimes drag on indefinitely.

The military situations in South Vietnam and Cambodia are the primary reason for the regional gloom. Economic problems are generally seen as a result of the continued fighting, although the difficulties of paying former soldiers in Laos suggests that a ceasefire alone fails to remove economic problems. Since the Paris agreement supposedly went into effect in South Vietnam almost 21 months ago, fighting has continued at approximately the same level as it did in between major offensives of the war. Each side has been guilty of violating the ceasefire when it felt it could gain territorial or population advantages.

The Saigon government's internal propaganda has wavered between proclaiming a major Communist offensive to be underway or to be imminent, as if the Thieu regime cannot itself decide. This has been paralleled by U.S. embassy wavering that has apparently been keyed to efforts to obtain larger aid allocations from Congress.

The current intensive fighting around Hue and Da Nang along South Vietnam's northern coast, and in almost uninhabited parts of the central highlands, is more jockeying for future positions of value in any big Communist offensive than a major drive in itself.

There is no doubt that the North Vietnamese army, at a currently estimated strength of just below 200,000 soldiers in the South, is stronger than it has ever been. It has more artillery, some big enough to shell government positions from outside the range of return gunfire, more armored vehicles, more anti-aircraft cover and better mobility than when it launched the last big offensive at Easter 1972.

The development of roads and pipelines into Communist controlled areas of South Vietnam has significantly changed the prospects for any future upsurge. Hanoi can now rush reinforcements south in a few weeks instead of taking months on the old bomb-harassed Ho Chi Minh trail. The trail itself remains in use, contrary to North Vietnam's obligation to remove its troops from Laos after the ceasefire there. In Cambodia some 50,000 soldiers, labeled by the Americans "Khmer Communists" for lack of any more discriminating identification of probably still disparate opponents of Lon Nol, control most of the country. Neither side presently has the manpower or armaments to make a decisive breakthrough. The Phnom Penh government just staggers on from one dry season to the next wet season, reacting to what the enemy does.

"As long as U.S. aid stays at last year's level, this war could go on for another 10 years," one informed observer commented as Congress was cutting the aid. Unlike the Viet Cong, however, enemy propaganda in Cambodia does not talk of a long war. It emphasizes that the withdrawal of U.S. aid would bring a quick end with the collapse of Lon Nol's regime. Pathet Lao troops in Laos, who have mostly replaced in forward positions North Vietnamese units that did the actual wartime fighting for them, have been jockeying for territorial advantage, particularly around the royal capital, Luang Prabang. But a Pathet Lao spokesman in Vientiane, the government seat, serves cold drinks, talks of his side observing the ceasefire. He also insists U.S. and Thai forces must leave although independent observers agree that they are ready.


INDOCHINA SEES COMMUNISTS' GOALS AS UNCHANGED

(By Henry S. Bradsher)

SAIGON.—In the four countries that are under direct or indirect military pressure from North Vietnam, government officials are unable to see any slackening of the Communist threat since the Paris agreement was signed 21 months ago.

At most, Hanoi has varied its tactics, possibly slowing down its timetable, but its goal remains control of Indochina, these officials are convinced.

There are, however, a number of questions about this interpretation of the view from Hanoi:
Does open warfare by North Vietnamese troops or local forces armed and supplied by North Vietnam remain the primary tactic for trying to take over South Vietnam and Cambodia, as well as harass Thailand, or is Hanoi now counting on political and economic decay to undermine these countries' anti-Communist defenses?

How closely does Hanoi control the pro-Communist movements in the various countries, including the Pathet Lao which is now in a coalition government with Laos, rather than North Vietnam simply supporting local nationalist elements with some independence of their own?

What support is Hanoi now getting from other Communist countries for its continuing military pressure, and is there a split between Hanoi and Peking while Moscow is reluctant to back major warfare?

Such questions are not for officials of the target countries. They tend to work on the simple assumption that they are under attack from North Vietnam, whether because of historic Vietnamese expansionism or modern Communism makes no difference, and there is no time to waste on subtleties.

Indeed, a search through these countries for local experts on North Vietnamese affairs, men who are studying the enemy the better to understand how to fight him, turns up almost no one who bothers even to analyze the shifts in Hanoi's pronouncements. Only foreign experts, mostly American, do that. "If Hanoi would just realize that it cannot impose its will on South Vietnam, Laos and Cambodia, then the degree of conflict would be reduced," the acting premier of Cambodia, Pan Sothi, said in a recent interview in Phnom Penh.

This plaintive note is struck by officials throughout the area, but none expects any such realization. While President Nguyen Van Thieu in South Vietnam says the Communists "still harbor their scheme to conquer south," similar statements are made in the other countries.

While the Cambodian government is the closest to collapse, it is in South Vietnam that direct North Vietnamese army pressure is most obvious.

Since the so-called ceasefire in January 1973, some 150,000 northern soldiers have entered the South, almost as many have left in a rotation of troops, and the Communist "main force" strength is now estimated at nearly 200,000. More importantly, the improvement of communications now makes it possible to reinforce this army very quickly, reducing Saigon's old logistical edge.

But while Hanoi has the capability of a massive offensive in the South, with enough ammunition and fuel stockpiled for one or two years' all out combat, the launching of one seems unlikely to foreign experts, despite Thieu's continual alerts to his people to prepare for an imminent assault.

Intelligence reports indicate that several top-ranking Hanoi officials visited the South last October to study the situation in Communist-controlled areas. They reportedly found local support weak. Time was needed to try to develop it and, hopefully, to let Thieu's regime sink into worse economic problems that would weaken it.

Early this year North Vietnam publicly committed itself to economic construction at home as the first priority, war in the South second. After further debate, this was reaffirmed last month. The allocation of resources to a new five-year economic development plan is reducing the flexibility to turn back to all-out war, while an absence of stepped-up conscription or military training indicates no major offensive soon.

Careful analysis of North Vietnamese statements and other reports indicates that Hanoi is concerned with grave domestic economic problems, some just realized as a result of recent property and population surveys. "They're in even worse economic shape than the South," one expert said, but some others doubt this.

Thieu's main adviser during the cease-fire negotiations, Hoang Duc Nha, disagrees with the analysts that Hanoi now puts homefront construction first. "We in South Vietnam know the North Vietnamese very well," he says. "When they make a lot of speeches, they don't do anything. They're bluffing" to cover war preparations.

There is little doubt in the minds of both South Vietnamese officials and foreign experts that the Viet Cong's "provisional revolutionary government" is essentially a front for Hanoi's control. It's avowed goal of eventual unification of all Vietnam would seem to confirm its lack of any independent basis.

But in Cambodia the situation is much more complicated.

For one thing, Hanoi seems to have only about 2,500 liaison officers and advisers with the forces fighting Marshal Lon Nol's Phnom Penh regime, which
number perhaps 50,000. More importantly, Hanoi has failed to supply these forces with anti-aircraft weapons or large enough guns to halt the Mekong River convoys that keep Phnom Penh alive. This causes speculation that North Vietnam does not really want the capital to fall.

There are signs of division within the Communist camp between Cambodian nationalists and those Cambodians who were trained in and are working for North Vietnam in its desire to have one unified Communist Indochina. A recent toughening of Communist policy, using brutality to control the countryside instead of trying to win popular support, might be attributed to a greater influence for the nationalist element which lacks political experience.

The Pathet Lao members of the coalition in Vientiane clearly are getting their instructions from Viengsay, the new Communist headquarters near the old wartime caves of Sam Neua. The leaders of the pro-Communist movement who came down from the hills after a cease-fire went into effect last April are not the top-rank Pathet Lao officials. The key people stayed in Viengsay, and coalition members commute there.

Western analysts have long assumed that those key people get their instructions from, or are so closely attuned that they automatically work in the interests of, North Vietnam.

But there are some signs that the titular leader of the Pathet Lao, Prince Souphanouvong, who heads the National Coalition Political Council based at Luang Prabang, and some others are susceptible to Chinese influence. This could create tensions within the Lao Communist movement.

Contrary to the Laos' cease-fire agreement, North Vietnam has kept troops in Laos. There are about 13,000, half combat soldier and half support, in the northern part of the country. Estimates of those in the panhandle are about 40,000 support troops mainly engaged in supplying Communist forces in South Vietnam and Cambodia and 14,000 combat soldiers.

The support troops are continuing to channel supplies across Laos to the Thai insurgency of some 8,000 guerrilla fighters, according to officials in Bangkok. While Hanoi provided the main outside influence on those insurgents, there has in the past been a Chinese element as well as essentially indigenous guerrilla warfare.

Many analysts think China is competing with North Vietnam for influence throughout Indochina and Thailand. The reasoning is that China would rather see a Balkanized area where it can exercise separate influence with each country than have to face on its southern border the kind of major power that North Vietnam might become if it were able to weld the region together under its control.


INDOCHINA IN AGONY—ECONOMIC WOES INTENSIFY

(By Henry S. Bradsher)

SAIGON.—Duch Sule sat on a wooden bed in the garden outside his weather-beaten house near Phenom Penh, talking with the quiet air of an educated man, but worried.

"I tried to get a job as a taxi 'bus driver, but I couldn't. Some of the other teachers have part-time jobs, but even then it's hard."

Before war came to Cambodia, Duch Sule earned 78,000 riel a month at his school. It cost about 8 percent of that to buy the basic staple, rice, for his family.

Now he earns 30,000 riel and rice takes up half of it. Other food expenses take the remainder. His wife is able to earn only 400 riel a day in the marketplace—not enough for all the other things the family needs.

On the outskirts of Saigon, Nguyen Van Than, who was called away from teaching to fight in the army, is now back teaching 55 pupils all subjects in five elementary grades after losing his right eye in combat.

When he started teaching in 1960, Than paid one-seventh of his salary of 5,500 plasters to feed his family. Now it costs two-thirds of his current salary, 34,000 plasters. He and his wife sew mosquito nets at home to try to make ends meet.

While hundreds of thousands, perhaps 2 million, persons are unemployed and unable to pay for enough rice, even people on fixed government salaries in Indochina like teachers are hard-pressed these days to survive. Both South Vietnamese and Cambodian soldiers, whose monthly pay has been whittled down by inflation to only enough to feed their families for about 10 days, are resorting to looting and petty extortion from the people they are supposed to be protecting from Communism.
It was just such military abuse of the civilian population in Vietnam more than a decade ago that alienated popular support and enabled the Viet Cong to build up its strength. The massive American involvement in Vietnam reduced this problem for some years. But now the combination of reduced U.S. aid and roaring inflation has brought it back to South Vietnam, posed additional problems for Cambodia and led to rioting by soldiers in Laos.

These three Indochinese countries have for years existed on American money. The United States provides approximately two-thirds of the combined civilian and military financial needs of South Vietnam. As the Cambodian government’s territorial control and tax base have contracted, the U.S. contribution to the national budget has risen from about a quarter two years ago to two-thirds now—and if military supplies are added, the American share comes close to 90 percent of total expenses. Laos would scarcely have a monetized economy without U.S. aid.

All three countries are worried how they might survive in the future. Their economies have been adapted to the modernization that war has brought, and it is no easier to send an unemployed Saigon dock-worker or former U.S. army camp laborer back to the rice paddy than it is to get a laid-off Detroit factory hand to return to a Kentucky farm—harder, even, when the farm is now occupied by the enemy.

Officials in Vietnam and Cambodia are even more urgently concerned with the possibility that reductions of military aid will leave their soldiers without adequate ammunition to withstand Communist attacks. Some outposts have been abandoned as no longer feasible to maintain with less firepower available, enabling the enemy to expand his control.

Despite the arguments being made for continuing American aid at more or less same levels, there is widespread skepticism among observers in Indochina that even the full amounts would do much more than keep the governments grinding into seemingly endless wars, rather than solving basic problems. It is even uncertain that the same levels would remain adequate as inflation, both the imported worldwide variety and that spurred by deficit financing in these countries, eats into resources.

Nor is there any certainty that aid cuts will have the theoretically ideal effect of forcing clearer thinking about priorities and sensible economies in spending. The Indochinese governments look even less capable of that than most.

In none of these countries is there any serious long-term consideration of economic problems. They all have planning ministries but planning is impossible under the strained circumstances.

In fact, Vietnam and Cambodia are concerned with the immediate problems of survival, and things are little better in Laos.

This makes the Nixon and Ford administrations’ requests to Congress for “postwar reconstruction assistance” a sad joke. There is nothing past about the wars in Vietnam and Cambodia, nothing is being reconstructed while the destruction goes on and fighting deters any meaningful productive investment, and rather than assistance the U.S. aid is primary sustenance.

Nonetheless, the administration has contended that a five-year program of declining aid for South Vietnam would enable this country to take off into economic self-reliance. This was an early salespoint on this year’s foreign aid program.

It was not thought up by U.S. economic experts in Saigon. When pressed on the idea that South Vietnam can become self-sufficient within any foreseeable future, they agree with the foreign observer who commented that the idea depended upon half a dozen or more favorable assumptions all coming true, but none of them looked very likely.

Only the glimmer of offshore oil holds much encouragement, and the Communists are trying their best to discourage foreign exploration for it off South Vietnam. Cambodia is involved in disputes over delineation of its offshore waters with Vietnam and Thailand, which between them want to reduce Phnom Penh’s share to almost nothing, while Laos is left out in oil like almost everything else of economic value.

For years this correspondent has been hearing in these countries moans from U.S. officials about congressional cuts in aid appropriations. Each year there would be explanations how goods in the pipeline or some fortuitous circumstance had allowed the client government to survive the previous year’s cuts, but this year the full amount was really needed if economic stability and the war effort was to be maintained.
The repetition of the year after year suggested considerable watering of aid requests to assure that the reduced appropriation would still be enough. But if there was water, officials contend, it has evaporated and Congress is now cutting into essentials that help these countries stay fed and armed. The contention is hard to evaluate, but the visible problems of declining living standards tend to support it.

"An economy with less resiliency than ours would have collapsed by now," the minister of trade and industry, Nguyen Duc Cuong, said in a recent interview.

Cuong said the country faces a dilemma whether to put primary emphasis on fighting inflation, "only 50 percent this year if we are lucky," or on trying to spend out of the recession caused by U.S. troop withdrawals, imported inflation, the war and other problems. "We can not expect the economy to do any better if U.S. aid is cut," Cuong said, "we can only hope to manage so the situation won't be too explosive."

President Nguyen Van Thieu vows that South Vietnam "will certainly be ready to fight until the last drop of blood, the last bullet and the last grain of rice," if the United States fails to provide enough aid. In a rather gloomy speech recently, one in which he only vaguely defended himself against corruption charges, Thieu said the U.S. government had promised him adequate aid at the time of the so-called cease-fire. Americans are now "encountering economic and financial difficulties," Thieu said. "Nevertheless, they cannot swallow their promises and shirk their obligation to one of their allies."

When the Paris agreement was signed 21 months ago to let the Americans out of the war, the U.S. government also promised, Thieu said, that it "would react vigorously to Communist violations of the cease-fire, their continued infiltration into the South and their lack of respect for the Paris agreement."

"What have we seen so far?" Thieu asked. "There has been no U.S. reaction to the Communist infiltration into the South and their grave violations of the cease-fire. This is because of the U.S. internal situation."

In an interview, Tran Van Lam, who as foreign minister signed the Paris agreement for South Vietnam, said that Henry A. Kissinger had given him assurances during the negotiations which have failed to work out. Now it does not make sense for the United States to cut its aid, Lam protested.

While such protests are heard from the government, old political opponents of Thieu have been reinvigorated by the signs of fading American backing for his regime.

Thieu has come to represent American interests in Vietnam in the eyes of many people here, fairly or unfairly. He has been able to deliver aid. Now if he can no longer deliver, his usefulness is more likely to be questioned.

Prince Norodom Sihanouk, the ousted leader of Cambodia who now from Peking fronts for Communist effort to take over his country, said the other day that the territory controlled by the Lon Nol regime is "nothing but an economic corpse-a non-state which has no economy of its own and is surviving with great difficulty on the constant and massive aid injections from its U.S. masters."

Early this year the U.S. embassy in Phnom Penh was saying that it had a virtual blank check from the Nixon administration to provide whatever military and economic aid was needed to sustain "the finest example of the Nixon Doctrine in action," as the former president once called it. Now the mood has changed.

Congress has been closing loopholes which made it possible to find extra money for Cambodia. At the same time the Communists have shut off the flow of rubber from their zone, bartered against U.S. aid goods, which provided the Phnom Penh regime with its only significant foreign exchange earnings.

Corruption is a problem in all three Indochinese countries but in none is it more of a drain on the war effort and homefront economic stability than in Cambodia.

"We copy the French in so many things" in this former French colonial area, one official in Phnom Penh commented, "it's a shame we don't use their system of taxing visible wealth instead of official income." The visible wealth of generals and some civilian officials since U.S. aid began flowing into Cambodia has increased enormously while salaries have remained low.

But Marshal Lon Nol ignores the obvious corruption of top military and civilian officials, making it impossible to clean up a malignant situation. When the U.S. embassy insisted last spring that repayment be made for some stolen aviation gasoline provided by American aid, it was paid—but the payment originated ultimately from other U.S. funds.

The economic situation in Cambodia, where inflation is now running some 250 percent a year in the Phnom Penh enclave, is a major factor in political unrest.
Subsidization of rice at such a low level that much was smuggled abroad while the United States shipped more in has now been reduced. But that overdue measure of raising rice prices touched off demonstrations against the government.

In Laos U.S. aid is now supporting a government in which the Communist Pathet Lao holds half the places and has more than half the influence. A Pathet Lao spokesman explained that his side did not mind the continued aid so long as American intentions were good, meaning money but no influence.

In fact, the Communists apparently hope the United States will continue to help foot the bill for that primitive country with some expensive modern tastes which Americans helped develop. Aid promises have recently been collected from North Vietnam, North Korea, China and other Communist countries, but some Western nations have been put off by rather pre-emptory demands for free plane tickets and hotels for a Cambodian aid mission to beg from them. Thailand has an independent economy, troubled like most others in today's world but standing without massive American backing. But while U.S. Air Force continues to use Thai bases, American aid has been slashed and troop spending is off, raising questions in Bangkok of whether there should be some direct tie between bases and aid.

[From the New York Times, Sept. 21, 1974]

VIETNAM OUTLOOK: STILL A TUNNEL, STILL A LIGHT

(By David K. Shipler)

SAIGON, SOUTH VIETNAM.—There is a new version of the old light at the end of the tunnel in Vietnam.

The wishful thought used to be that the North Vietnamese, pounded by American firepower would finally find the price too high and give up. Now there is a belief that the South Vietnamese Government can defend itself militarily, "take off" economically and prove to be such a going concern that the North, frustrated, will abandon its aggressive designs.

Another new version comes from the left end of the political spectrum: No longer is it the expectation that with the withdrawal of American troops and planes, peace will come, but rather that further cuts in American aid—against which President Ford made a strong appeal yesterday—will force President Nguyen Van Thieu into a political settlement with the Communists that will end the war.

Central to these theories is a decade-old assumption about the power of Washington to determine the outcome of the struggle by adding or subtracting assistance.

For this fiscal year the White House has sought $1.45-billion in military aid and $750-million in economic aid, compared with $1.23-billion and $349-million respectively last year. The Administration maintains that the funds will prevent military deterioration and propel South Vietnam close to economic self-sufficiency in two or three years.

CUTS VOTED IN CONGRESS

In contrast, the Senate and the House of Representatives have cut the military aid to $700-million and the Senate Foreign Relations Committee has voted $420-million in economic aid. The cuts have been advocated by legislators who maintain that President Thieu, seeing American support flagging, will have no alternative but to follow the mandate for a political settlement set forth in the Paris cease-fire agreement.

Saigon is full of officials and analysts—Vietnamese, Europeans and even some Americans—who are not entirely comfortable with the arguments of either the Administration or Congress. They are convinced that Hanoi is determined to reunify Vietnam—if not politically, as the Paris agreement prescribes, then militarily. They note that it has been proved conclusively by the United States Army, Marines, Air Force and Navy that the North Vietnamese cannot be dislodged from the South.

Saigon, then, is left only with one realistic military goal: a continued stalemate in which the Government clings to highways, population centers and rice lands. This makes the economy highly vulnerable to disruption by the Communists, who can cut major roads, destroy bridges and sabotage factories erected with badly needed foreign capital.

In fact, the key to what Americans call South Vietnam's ability to take off economically, and the centerpiece of Government economists' plans, is pre-
cisely the weakest link in the military chain: the rural countryside, where, it is hoped, enough food and timber can be produced to form the basis of substantial export industries that, in turn, can generate employment and enough foreign exchange to redress a severe payments deficit.

WHERE THE CONFLICT IS

The trouble is that the countryside is where the war is being fought. South Vietnam has not been able to export rice since 1964, the last year before the beginning of the American build-up that helped make much of the country unsafe for farming. Last year 6.6 million tons of rice were grown in Government-held parts of South Vietnam and 300,000 tons had to be imported.

Only the fledgling shrimp and fish industry remains relatively immune to military attack, and shore-based processing plants could still be targets if they became too lucrative.

Students of Hanoi policy believe that the North Vietnamese will do everything they can to prevent South Vietnam's economic development, for, it is thought, the Communist scenario for victory runs something like this: The economy worsens, governmental corruption increases, soldiers and civil servants cannot feed their families and at last, perhaps with a military push, the revolution inundates the crumbling Saigon regime.

This description of Hanoi's strategy, widely accepted now, has led an American diplomat who dissents from the official line to postulate more North Vietnamese military action if American aid is increased and South Vietnam makes economic progress. Conversely, he thinks that less aid would fit Hanoi's prognosis of continuing decline, thereby inducing deferment of an all-out offensive.

"If heavy injections of aid really do bring the country to the take-off point," he said, "that guarantees a military solution." And Saigon cannot win militarily, he observed, adding that the only chance of preserving a non-Communist government is through the political mechanism of the Paris agreement—democratic liberties and open general elections.

A DISTRACTFUL GOVERNMENT

"You have a government in Saigon so distrustful that it cannot possibly see itself implementing the Paris accords," the diplomat said. "If another regime would take over, willing to take the political risk, there's a real hope of keeping the place out of Communist control. I don't see any hope on the military side."

No one who knows President Thieu thinks he will be forced by aid cuts to open the political process to the Vietcong. Some believe the opposite: that if he is weakened he will be even less inclined to enter the political arena. "I think Thieu will be stubborn as hell," a Western diplomat remarked. "He'll have to be physically ejected before there can be a political settlement."

There are two basic views of the reasons for the lack of political progress since the Paris agreement.

One holds that the President simply wants to retain the power he has carefully accrued and that he has no motive to invite the Vietcong to try to take it from him. He is said to have been angered by the Paris agreement's political aspects when they were presented to him.

The other view—it is generally held by American officials—is that the Communists are blocking a political settlement because they know they could not win a truly free election.

"The Vietcong have no political ward heelers, no grassroots structure," said an expert on Communist affairs. "It is the opposite of the 1954-56 period, when the Vietminh had the structure in the country and Ngo Dinh Diem had nothing."

Furthermore, there is a fundamental fear in the Government and the American Embassy that if the Vietcong were given the democratic freedom guaranteed by the Paris agreement, they would resort to terrorism. "Democratic freedoms?" an American official scoffed. "This is a pretext. You can't let thousands of armed people run around with mortars and machine guns."

MILITARY ACTION REDUCED

What, then, do aid cuts effect? The reduction in military aid has already prompted Government forces to retreat from some isolated outposts that would have been defended vigorously a few months ago. The army has stopped firing most of the artillery shells it used to lob randomly into Communist-held areas.
This week the Saigon military command announced the curtailment of air force flights to conserve fuel and ammunition. Finally, the Pentagon was reported to be planning to postpone or cancel delivery of many of the F-5E jet fighters that South Vietnam has been promised.

According to military men, however, the cuts are not deep enough to cause Saigon's quick defeat.

Economic aid may still end up at a higher level than last year, but with oil and fertilizer prices soaring, the real benefit may be smaller. Economics prefer to cut projects aimed at building industry—agricultural and industrial credit banks, fertilizer plants, fish farms and the like—before curtailing the program that provides foreign exchange to permit the Government to import badly needed goods.

There is widespread agreement that standards of living will continue to decline, especially for the jobless in the urban areas, many of whom once worked for the American military establishment. Unemployment runs about 15 percent, according to the best estimates. How this will translate into political discontent is anyone's guess.

"They're such a resilient people," a Western diplomat commented. "It seems to me they've got a long way to go before the mobs come out on the street."

[From the Wall Street Journal, Sept. 14, 1974]

AS VIETNAMESE KEEP LOSING LIVES, U.S. LOSES ONLY MONEY—AND U.S. AID IS DECLINING; INSTEAD OF WINDING DOWN, WAR IS SPIRALING UPWARD—a DISMAL ECONOMIC PICTURE

(BY Peter R. Kann)

SAIGON.—"Just a few years ago we were the 'bastion of freedom' in Asia. You had a half-million soldiers. Fifty thousand of them died. And now? Now no one wants to know that we exist."

So says an influential Vietnamese economist, less in bitterness than in resignation.

Remember Vietnam? It's that little sliver of Southeast Asia in which America once saw its vital national interests to be at stake and in which America fought the longest war of its history. But that was before Watergate. Before the Middle East war. Before the energy crisis. Before Cyprus. Before streaking.

The Vietnam war, of course, is still continuing, even if America and the rest of the world have turned to other concerns and other crises. The Paris peace agreement of January 1973 came nowhere near to bringing peace to Vietnam; it simply got America out of Vietnam. These days (as in the days before America discovered a national interest here), there are only Vietnamese killing Vietnamese, which may be a vaguely comforting thought—unless you happen to be Vietnamese.

These days Vietnam is costing America nothing but money—and less and less even of that. An administration request for $750 million in economic aid to try to stem the deterioration of South Vietnam's economy apparently will be slashed to about $400 million in Congress. And recently Congress tentatively trimmed 1974-75 military aid to Vietnam to $700 million. (The Ford administration still hopes to get both figures raised.) U.S. military men here originally had sought $1.6 billion, though this request was pruned by the Pentagon even before it reached Congress. "Not even the Pentagon is sympathetic any more," a senior U.S. military man here says. "They (the Pentagon) want more money for the National Guard. What war is the National Guard fighting?"

ABOVE A "TOLERABLE LEVEL"

In the past several weeks, the level of fighting in Vietnam has increased to the highest since the Paris agreement was signed and a cease-fire supposedly went into effect. The current fighting remains well below a "general offensive," but with divisional fronts, regimental attacks, heavy artillery barrages and air strikes, the level certainly is well above that "tolerable level of violence" that the peace accords were supposed to produce. The war, rather than "winding down" as many had predicted, instead seems to be spiraling upward.

Some observers see a ray of hope in this. They think that the mounting violence may force Vietnam back onto the world's conscience, that it may prompt President Ford to take some new initiatives, that it may lead Secretary of State Henry Kissinger to reopen talks with the North Vietnamese, that it may even
cause the contending Vietnamese leaderships to begin talking seriously about compromises.

But compromise and peace aren’t the sort of propositions that most Vietnamese would bet much money on. Vietnamese frequently say that “something has to change” or that “it cannot go on like this forever.” But such phrases are mouthed as ritualistically as an American might say: “Inflation has to stop sometime.” For the Vietnamese, the war has been going on for a quarter-century; whole generations have been born into it. And based on the record, there is little reason to believe that the war cannot—or will not—go on and on.

**THE LOSS OF VIETNAMESE LIVES**

Perhaps it will go on at a level that will permit America largely to ignore it and at a level that won’t interfere with various great-power deals and detentes. Yet, even at that level of benign neglect, the war has cost some 80,000 Vietnamese lives over the past 18 months.

There are some analysts who believe that Vietnam will be impossible to ignore. They see the Communists launching another general offensive that could present President Ford and Congress with the choice of intervening militarily or watching much of South Vietnam fall to the North Vietnamese. Few analysts predict such an offensive the rest of this year. Even fewer, however, predict any movement toward real peace.

The fact is that neither side has made the sort of major military gains during the past 18 months that would substantially alter the military balance of power and that thus might lead to compromising of rigid political positions. Saigon forces have been taking a beating in increased fighting these past few weeks, but they are far from losing the war.

**THE DYING CONTINUES**

Despite dire predictions, the army of South Vietnam hasn’t deserted in droves or panicked and run without American air support. South Vietnamese soldiers continue to fight and to die, just like North Vietnamese soldiers and the Vietcong.

Both sides can claim some victories, and both have had to swallow some defeats. Some small banks of territory have changed hands. But, as one longtime American official says, “Neither side has gained anything that comes close to justifying the bloodshed, the awfulness.”

It’s probably fair to say that each side is winning its own war. South Vietnamese main-force units generally have done well in major engagements, including offensives into traditional Communist base areas. The Communists, meanwhile, have made gains at smaller-unit warfare—overrunning militia outposts in the Mekong Delta or ranger camps in the Central Highlands. In recent weeks, they also have made gains with larger-unit actions near the central coast city of Da Nang. Still, no one truly can be said to be winning the war.

If there has been any marked change in the past year or so, it is the extent to which both sides now are openly, indeed flagrantly, violating the supposed cease-fire. Even U.S. embassy officials, who last year stiffly maintained that the Saigon government was abiding by the terms of the cease-fire, these days are almost boasting about the South Vietnamese army’s “aggressiveness,” its offensives into Communist base area, its success in expunging Vietcong “leopard spots” from the map, its “pacification pushes.” All qualify as violations of a supposed cease-fire in place. (It is questionable whether Washington policymakers are as pleased about Saigon’s aggressiveness as U.S. officials in Saigon are. “The U.S. embassy is a kind of leopard spot on U.S. policy,” one official here says.)

The Vietcong certainly have been no less blatant about their cease-fire violations. In the past few weeks, they have assaulted and occupied, at least temporarily, two government district capitals on the central coast. Trying to quantify and apportion blame for cease-fire violations, however, is an unproductive exercise. The definition of “contested” can be stretched to cover much of rural Vietnam (though not to cover district capitals or traditional base areas). Almost any combat can be called “reactive,” relating to prior fighting in the same place or to offensive action somewhere else.

And since the war never really ceased in much of Vietnam, it is almost academic to ask who started it in some particular place. It is worth noting that a number of European military attaches here believe that the Saigon government has been a bit more aggressive than the Communists since early 1973, but they too shy away from quantifying blame.
The basic prerequisite for an effective cease-fire—agreeing on who controls what (the Paris agreement talks of determining “the areas controlled by each party”)—has proved difficult. For one thing, basic political issues are involved. From Saigon’s point of view, recognizing Communist zones amounts to recognizing the Vietcong’s Provisional Revolutionary Government, and this Saigon refuses to do. “Thieu (President Nguyen Van Thieu) just won’t admit the Vietcong control anything,” a senior U.S. official says.

Meanwhile, the elaborate cease-fire control apparatus, including the four-party International Commission for Control and Supervision, remains moribund because it cannot function unless the contending Vietnamese want to do so.

A real political solution remains even more distant than a real cease-fire. No one here ever has assumed that “free elections” would do anything more than ratify the degree of control over the population that each side exercises.

At present, the Vietcong, even by generous diplomatic estimates, fully control no more than 10% of South Vietnam’s roughly 20 million people. And U.S. officials put the figure at less than 5%. In either case, it is far from enough to entice the Communists into an electoral contest. (If elections were held after dark, the Communists undoubtedly would fare far better.) President Thieu, for his part, refuses to consider any sort of coalition structure or to see any future role for a “third force.”

**THE GREAT-POWER THEORY**

Many Vietnamese devoutly believe that there can’t be any Vietnamese solution to the war, that everything depends on great-power politics and pressures. But that doesn’t quite conform to reality, neither Vietnam having proved notably easy to push around. Hanoi has proved highly adept at playing its Soviet and Chinese allies off against each other while charting its own course. And Saigon, despite what the Communist say and may even believe, isn’t simply Washington’s puppet. (If President Thieu is a puppet, he is one who has outlasted two U.S. presidential puppeteers, and there isn’t any reason to think he is about to dance to the tune of a new one.)

It is true that both Saigon and Hanoi are dependent on great-power allies for military and economic assistance. Thus, when Washington reduces aid to Saigon, some Vietnamese view it as part of a sophisticated great-power plan to scale down the war by pinching off supplies. One problem with this theory is that there isn’t any public evidence to indicate that Moscow and Peking are pursuing the same policy. Hanoi, moreover, already has massive stockpiles of military equipment inside South Vietnam. U.S. analysts say these stockpiles are adequate to sustain the current level of combat for three years or to sustain a full year of fighting at the level of the 1972 spring offensive. (The Communists’ logistics system has been much improved since the U.S. stopped bombing in Indochina. New all-weather roads and pipelines now give the Communists a logistics capability they never had in the history of the war.)

South Vietnamese and U.S. officials here naturally are very distressed at the reduced level of aid that will be forthcoming from Washington. The aid cuts are all the more severe because of price inflation. The price of fuel has almost doubled in the past year, and the price of ammunition has risen by at least 20%. U.S. officials here say. Saigon, of course, always has been far less frugal than the Communists in its use of military supplies (although far more frugal than the U.S. Army, which used to drop more bombs in one month here than the Vietnamese air force has dropped in the last 18). The military-aid cut thus might force the South Vietnamese to become more frugal and more cautious. On the other hand, it may simply cause the South Vietnamese to fight less effectively and to take higher casualties in doing so.

In any case, there is little sign that the great powers, any more than the Vietnamese themselves, have a “game plan” for ending this war.

Some economists believe that economic accommodation may be the last best hope for Vietnam. The Vietnamese economy is in deep trouble. There are many reasons for this though almost all relate in some way to the war. The war’s effect is partly indirect or historic. The 1972 spring offensive caused a physical and psychological disruption that is still being felt. The pullout of U.S. troops cost Vietnam considerable income and cost at least 300,000 Vietnamese their jobs. World inflation has hit Vietnam as hard as any other nation because the war has turned it into a thoroughly import-reliant country. And the cost of maintaining a million-man army is a crushing economic burden.
BUTTER AND GUNS

But the war also has more direct economic effects. Many of South Vietnam’s basic and valuable natural resources—the timber and minerals in the highlands, the rubber plantations near the Cambodian border, even the cinnamon orchards south of Da Nang—are in contested or Communist-controlled areas. The Viet-cong cannot make use of these resources, and the Saigon government cannot get at them. Economists thus suggest that an economic detente, permitting free economic movement, would serve everyone’s interest. Economic accommodations, they suggest, logically could lead to some localized military deescalation, to some constructive political contact and perhaps even to de facto recognition of certain zones of control. But even this appears unlikely.

The larger hopes of economists and others that both North and South Vietnam would sharply reduce military investment and operations in order to concentrate national energies on economic reconstruction and development have proved largely illusory. Both societies have made some efforts at reconstruction and have some plans for development, but neither society has been willing or able to make better a higher priority than guns. And neither society is rich enough to have both.

“We desperately need a reduced level of violence, one that will permit economic recovery so that the ultimate political settlement, whenever it comes, will be between two going societies, not two ghost societies,” a Vietnamese economist says. But he doesn’t say it expectantly.

North Vietnam’s economic problems remain mostly shrouded from Western view. South Vietnam’s are glaringly obvious. Prices in this country have risen about 70% in the past 12 months, and this inflation naturally has struck hardest at fixed wage earners, such as soldiers, and at the unemployed. World inflation is part of the problem because Vietnam is having to pay vastly higher prices for petroleum, fertilizer and other basic imports. The government has tried to preserve dwindling foreign-exchange reserves by restricting less vital imports. This, however, causes shortages and further price inflation.

Domestic production, meanwhile, is contracting, with most factories operating far below capacity and some simply closing. This, in turn, means further unemployment, less purchasing power, less production.

Real per-capita income has dropped about 20% in the past two years, “a really, shocking decline,” in the words of Willard Sharpe, the top U.S. economic official here. “Economic conditions are worse now than they have ever been before,” says Pham Kim Ngoc, until recently the minister of commerce and industry. His successor, Nguyen Duc Cuong, recites a long litany of economic troubles and then adds: “I’m surprised that the people aren’t out in the streets demonstrating against me. I really am.”

THE BASIC FACT

Despite import restrictions, Vietnam continues to suffer a payments deficit of about $750 million. Foreign investment remains largely a pipe dream. There is still a war on in Vietnam, and no model investment laws and incentives can come close to offsetting the single basic fact. “In other Asian countries, foreign businessmen are crying all the way to the bank,” an American businessman here says. “In Vietnam, they’re crying all the way to the airport.”

How do you find doing business in Vietnam? another businessman is asked. “Like making love to a corpse,” he replies.

Tourism was another bright hope of the period immediately after the peace agreement. Government officials for a time even were promoting battlefield tours. “That was a mistake,” says Pham Luong Quang, commissioner general for tourism. “Foreigners aren’t yet ready for Vietnam nostalgia. It takes 20 years to become a Normandy. Our battlefields still seem to be pretty active.” There is a trickle of tourists visiting Saigon and nearby beaches, but much of Vietnam’s beauty remains a bit risky to reach. All of this means that the only present—and foreseeable—economic life ring for Vietnam is American aid.

RICE AND OIL

There are two bright spots in this otherwise-dismal economic vista. One is rice production, which has been increasing pretty steadily since the late 1960s.

The other is oil. A dozen foreign oil companies, including some international giants, have paid bonuses totaling $9 million for offshore oil-exploration rights. The first well has been drilled. It showed some indications of oil but was aban-
doned. If major deposits are found, it could make an enormous difference here, turning Vietnam from a pauper nation into a self-supporting one. For the moment, however, oil is a dream rather than a reality.

If Vietnam lacks both peace and prosperity, it does, at least, have politics. But its politics are of the palace variety, consisting of infighting and intrigues, or rumors thereof, among a handful of men closest to President Thieu. The political infighting makes for good gossip in the tea shops of Saigon's Tu Do Street, but it is a meaningless kind of politics to the man in the street or the man in the paddy. "Our politics give the illusion of activity in the absence of direction," an influential Vietnamese says. Certainly nothing in Vietnam is heading in the direction of peace and prosperity, which are what the Vietnamese people desperately want and need.

[From the Washington Post, Jan. 29, 1975]

THIEU: "WON'T GIVE UP"

(By Philip A. McCombs)

SAIGON.—At the war raged on past the second anniversary of the Paris cease-fire agreement, President Nguyen Van Thieu said firmly, "I won't give up," and appealed to the new U.S. Congress for $300 million in emergency military aid. Thieu said that the sum he requested was "the minimum" South Vietnam must have to avert a "very disastrous situation."

In an interview with "The Washington Post yesterday, Thieu said he wanted to impress on the American people and the American Congress that we badly need their support...to resist Communist aggression and the takeover of South Vietnam."

"I won't give up! We won't give up! Not President Thieu! The South Vietnamese people won't give up," he declared.

Thieu is a short, vigorous man with silvery gray hair. He spoke in English—competently but with a slightly French cast—during the hour-long interview. It was the first major interview he has granted to the Western print media since Italian journalist Oriana Fallaci saw him in January 1973, but it appears to mark a new policy toward the press. Last week he saw a French television interviewer, and tonight he was taped for an American Broadcasting Company program.

Thieu said he was "still confident that the U.S. will never abandon an ally in wartime," but later in the interview he remarked with emotion. "And if the American people abandon them, what will the South Vietnamese people do? They will fight to the last cartridge they have on hand!"

Thieu came on as courageous and firm during the interview conducted in his third-floor office in a corner of the large, modern Independence Palace, whose sprawling green grounds somewhat resemble the White House grounds, only larger.

The president often sat on the edge of his chair and gesticulated to emphasize his points. He laughed from time to time, and consulted aides seated nearby for the right word in English. The blank impenetrability of his eyes is said to be a mark of his leadership. He wore a business suit.

He appeared sure of himself as he diplomatically skirted some touchy points—like his relations with the Americans—but directly answered other questions.

On balance, he seemed to hold out little hope for peace in South Vietnam, if only because of his own grim assessment of Communist intentions, an assessment shared by most other analysts here.

For his own part, Thieu said that he wants to see democratic elections carried out under the terms of the Paris agreement and that he is unconditionally ready to return to the negotiating table to bring this about. He suggested, however, that he is prepared to make no further concessions to the Communists other than those provided for in the agreement itself.

The cease-fire agreement went into effect here at 8 a.m., two years ago. Since then, 149,000 Vietnamese have died and 1.4 million have been made homeless by the war. During the last quarter of 1974, an average of 344 South Vietnamese soldiers died each week.

On this anniversary, both the Communists and Thieu's internal political opposition here have called for him to resign.

North Vietnam's foreign minister, Nguyen Duy Trinh, reiterated the Communist demand for Thieu's overthrow as a precondition for resuming political
talks—a demand that Thieu cited as part the Communist “betrayal” of the agreement.

In Saigon, opposition groups including Buddhists and Catholics issued a statement calling for Thieu’s resignation as a prelude to peace.

I began the interview by asking Thieu about charges that he is as intransigent as the Communists and that the U.S. aid cutbacks have curbed him.

He responded with a short diplomatic history leading to the signing of the agreement, and suggested that he signed it, even though not entirely happy with it, because it offered “a basis for peace.”

This shows, he said, that his government was not stubborn or demanding. Further, he said, his government had advanced concrete schedules for bringing about elections under the terms of the agreement, but these, he charged, were rejected by the Communists.

“What they want is to buy time to send more troops from North Vietnam, to rebuild airfields, to build highways, a pipeline, to have more storage for their artillery, rockets and (other) logistics from Russia and China,” he said.

Thieu said the Communist armies have launched a “general offensive” that accounts for the widespread fighting now. He used the phrase many times. Analysts differ on how “general” the offensive is. Most say it is limited, at least so far.

Communist documents released recently by the U.S. embassy here give this strategy for 1975:

“Main forces are to attack and destroy the enemy while concentrating efforts on expanding and consolidating liberated areas (and) base areas. . . In addition, they are to make preparations for future large-scale offensives.”

Thieu: “How can the people in the world and the United States say that I am the man who obstructs the peace?”

Under the Paris agreement, political talks to set up a National Council of Reconciliation and Concord, which in turn would arrange for elections, were established at La Celle St. Cloud near Paris, but these talks ceased April 16, 1974.

Thieu said he is ready to resume these talks without any preconditions. Asked if he is prepared to make concessions to the Communists now to bring about peace, he said:

“We have no concessions, no more concessions to give to the Communists. We only think we would like the Paris accords to be carried out.” Thieu said his aim in signing the accords was to bring about self-determination for the Vietnamese people.

The Communist aim, he charged, was to “send the American troops away and [be able] to attack a South Vietnamese army weaker and without any American support.”

I asked him if he felt betrayed by the Americans.

“Not yet,” he said, and then launched into his appeal to the U.S. Congress. “I am very confident that the U.S., which has never lost any war, which has never failed to help any people who would like to preserve their independence,” will support the Saigon government. He noted that 50,000 Americans died here.

I asked Thieu what assurance he could give the American people that the war would eventually end and they wouldn’t have to continue giving forever.

He first said the American people must never believe that he is asking for “open-ended aid.” He said that “substantial” economic aid would lead to economic takeoff so that such aid could decline to $100 million by 1980 or 1981.

This view roughly echoes that of U.S. Ambassador Graham Martin. But the $449 million allocated to South Vietnam this year is only roughly half what Martin thought necessary this year.

Thieu said that the possibility of finding commercially salable oil in the South China Sea off South Vietnam’s coast tended to brighten the long-range economic picture here.

Military, however, Thieu could not offer much assurance. He mentioned the general offensive again, and said, “If there’s no war, if the North Vietnamese respect the agreement, we don’t need any more military aid.”

He pointed out that American budgetary requirements have not permitted the full one-for-one replacement of military equipment and ammunition permitted under the Paris agreement.

He said the halving of military aid to $700 million this year reduced the “combat efficiency” of his forces by 60 per cent.

“We have lost many outposts, we have lost many districts and even a province city because we lack of mobility, we lack of support, we lack of everything,” Thieu said.
He said the $300 million emergency military aid is the minimum needed now in the face of the Communist threat, but the most assurance that he appeared to offer the American taxpayer was this: "Nobody can predict, but I think when we have the means, as soon as possible, to cope with the situation, the situation will become less serious."

Warming to the subject, smiling and chuckling, Thieu compared South Vietnam's situation to that of a sick man: "You are the doctor. [If] you treat him on time, give him enough pills, it's much easier for you to treat him in the long run. But let the sickness become too serious, and it will be too late. Sometimes I am afraid that the additional aid of the United States will arrive after we are overrun by the Communists."

Asked about a coalition government for South Vietnam, and about hints in his speeches last year that the Americans might be edging him in that direction, Thieu responded that if the Communists fail to take over the country by force, they would try to do so by imposing a coalition government that they could take over.

"This Paris agreement never mentions coalition," Thieu noted.

Thieu said there was only one way a valid coalition could be arrived at: "Any government elected by the South Vietnamese people through the general elections, whether it be Communist, non-Communist, coalition—we don't care—[would be valid]. The main thing is that it's elected and chosen democratically and freely by the whole South Vietnamese people as is [provided for] in the Paris agreement."

Thieu said the Americans never pushed him toward a coalition, that it wouldn't make any sense, I noted that at one point, while the Paris agreement was being negotiated, Thieu and Henry Kissinger had reportedly disagreed seriously over sections of it that might be interpreted as tending toward a coalition.

All that was in the past, laughed Thieu. "Now, since that time, no more problem with Dr. Kissinger and me!"

Thieu was asked if he had decided to run in the October 1975 presidential elections in South Vietnam, and who else might run.

"I have not yet made any decision," he said. "Because last year I predicted that this year we (would) have a very difficult economic situation, a general offensive of the Communists. Let me see what I can do on three points: to beat the Communist offensive, to deal with the economic situation, and to perform on my administrative reform. I will judge myself if I deserve to be a candidate again."

He said "many" others would run for president—"maybe, some that you have known and maybe some new political leaders from the opposition." He declined to name names.

"How do you deal with opposition charges that you have limited political freedom?" I asked.

"What do you think of that?" he exclaimed in response. "Never, ah, you may never see so much freedom, so much democracy in a country in the midst of war and where the enemy is not too far from the capital . . . and they (the political opposition) insult me in the Congress, in the Senate, they insult me in the church, in the temple, Buddhist temple . . . ."

Then Thieu said forcefully: "No! Nobody, not one single politician has been put in jail since 10 years I have been in the government. No one. I can tell you no one. No one!"

Does that mean there are no political prisoners?

"No political prisoners."

Thieu noted that laws providing for press censorship and a limitation on the number of political parties are being liberalized by the legislature.

I asked Thieu about the allegations of corruption against him, including the one that he was paid $7 million by the United States to sign the cease-fire agreement.

He replied that he has been fighting corruption for years, that he has proclaimed it "a national danger, a national shame." He said that all developing countries can expect to have corruption problems.

"I recognize there's corruption," he said, "but the most important thing is that I am determined to fight corruption. Now, last year and this year, I have put on retirement many generals, many officers, many cadres of administration, even without trial, despite their status.

"I have changed all province chiefs and almost all the district chiefs, two or three times, sometimes because of speculation of corruption."
Thieu charged that the Communists use the corruption issue to charge government officials falsely, this leaving a stain.

Smiling, bouncing somewhat in his chair, Thieu talked about how they charge everyone with corruption but themselves: "So, only the Communists are the best men, only the Communists are the most proper men! ... I am the most proper man! I am the most honest man, everyone else is a dirty man, corrupted man!" he said, imitating the Communists.

Turning more serious, Thieu said corruption must be fought, but not taken as a "pretext to spoil our society, to discredit the government."

"Oh, yes, about the [seven] million dollars," Thieu said after an aide reminded him. "I think the U.S. government is not so naive to give me that amount of dollars without a [receipt]." He also said, with a big smile, that if he had taken such a payoff he would have resigned and gone off to enjoy it.

Asked how he felt about operations of the U.S. Central Intelligence Agency in Vietnam, he said he knows that the agency operates here but that it doesn’t interfere "with the internal political situation in Vietnam."

I asked him if he foresaw any possibilities for peace in Indochina as a whole now, and also whether reports are correct that his warplanes had flown into Cambodia to assist the latest convoy up the Mekong to Phnom Penh.

Thieu denied that his warplanes had done so.

"First you must remember that as long as this leadership remains in power in Hanoi, they will continue to pursue the goal of domination of the whole of Indochina by force," he said. "They are all there in Hanoi, the old doctrinaires, the old revolutionary men, that never abandon their goal of 50 years ago or 30 years ago. They are not politicians. Sometimes I say that they are more Communist than [those in] Moscow and Peking . . . ."

Thieu charged that there are still 50,000 North Vietnamese troops in Laos despite the Laotian coalition government and a ban on them there. In Cambodia, he said, "I think there's a solution between Khmers and Khmers" without North Vietnamese influence.

And in South Vietnam, Thieu said, the withdrawal of half a million North Vietnamese troops would allow him to "have a political solution with the front. (the Vietcong). "It is written down in the Paris agreement. So the main obstacle to peace in Indochina is the presence of North Vietnamese troops everywhere."

Thieu's estimate of half a million North Vietnamese troops in the South is about 300,000 more than the best Western intelligence estimates show.

I asked Thieu at this point if he means that North Vietnamese troops must go home before there can be an election under the terms of the agreement—in other words, was he setting that precondition?

His answer was that his government had proposed at the now-disrupted follow-up discussions in Paris that the withdrawal of North Vietnamese troops from the South go on simultaneously with the development of a political solution in the South.

He also pointed out his reasoning in wanting to get rid of these troops: "It's against the principle of self-determination when you have [foreign troops] inside."

Should elections take place under the Paris accords in a short period of time?

"Oh yes, the shorter the better because we need peace . . . We have proposed a period of six months for that . . . ."

Asked if he foresees any chance of the Paris discussions re-opening soon, Thieu was pessimistic. He said that until six months ago he still hoped that the talks could resume, but that now one no longer merely has violations of the cease-fire, but "real war, and more than that a general offensive."

He said the Communists interrupted the talks in Paris and also military talks here in Saigon that, under the agreement, were supposed to help implement the agreement.

"We have proposed to resume the talks without preconditions, even when they are attacking our province and district cities," said Thieu. "They reject this."

Thieu was asked why his forces lost Phuocbinh, the capital of Phuoclong Province, early in January without being able to reinforce it.

"If we had enough tactical air support," said Thieu, "if we had enough helicopters to transport the troops, certainly we [could have] reinforced Phuoclong on time."

Thieu went on talking about what his forces lack, so I asked him why government forces are still firing 10 times as many artillery shells as the Communists, according to reliable figures?
He explained: "Imagine that when the Americans were here we had B-52s, tactical air support, heavy artillery, more mobility of troops, more helicopter gunships. Now... we have nothing. So we have to use our artillery to compensate" for the lost firepower.

Thieu reported that when he visits field military units the soldiers constantly complain about lack of ammunition. They have to move on foot now instead of using helicopters, and Thieu said, by way of summarizing these circumstances, "They [have] come back to the Vietnamese way of fighting."

Asked if there are any secret peace talks going on, he said no, that it was quite unlikely with the Communists on the offensive.

"And finally," I asked, "what will happen if Congress does not grant you the $300 million in additional military aid?"

"It would be a very disastrous situation," he answered immediately. He added, "Sometimes the feeling that the United States has abandoned South Vietnam encourages the Communists (in their attempts) to take over South Vietnam."

"To give enough aid for South Vietnam to defend itself doesn't mean to encourage South Vietnam to wage war," he said. "Sometimes that's a wrong belief in the United States."

When I asked him, "You won't give up?" He answered with the series of exclamations with which this article begins.

"What kind of peace did the American people expend more than $200 billion and 50,000 American lives to buy?" he went on. "Your blood, your sacrifices, your ideals, your prestige went to buy a peace (in which you abandon your ally), I don't believe so."

Later he said, "If the South Vietnamese people like the Communists there [would have been] no war for 20 years... Every family has some dead!... If they continue to suffer that way it's because they're determined to resist the Communists and to save their sons and grandsons.

"If they don't like President Thieu and President Thieu is a warmonger, it's very easy to overthrow President Thieu and to walk with the Communists. Now, if they continue to fight, that means they do it themselves, not because of President Thieu, and if the American people abandon them, what will the South Vietnamese people do? They will fight to the last cartridge they have on hand."

Even if the $300 million isn't granted you'll hold firm?

"Certainly," he said. "We have to fight with what we have... We take sides. We would like to be on the side of freedom. How can the free world abandon us?"

[From the New Yorker magazine, Jan. 6, 1975]

LETTER FROM SAIGON

Political unrest in South Vietnam is once more erupting into the streets, as it has so often before, but lately there have been some signs of non-Communist nationalistic strength that could be a new political factor—specifically, in helping to produce a more truly representative government, able to buy time in negotiations with the Communists before a final showdown. This movement faces a number of familiar handicaps, including the endless rivalry among South Vietnamese political and religious leaders and the usual rigidity of the regime of President Nguyen Van Thieu—now in its eighth year—toward non-Communist opponents. Beyond that, the Communists remain as determined as ever to use their organized military and political power to achieve their unaltered aim of conquering the South one way or another. Nevertheless, the South Vietnamese nationalists, because they are no longer beset by phobias about a vast American presence, feel that they face a new and challenging opportunity. It is soon likely to be tested—and so is the Thieu government itself—in a fresh round of peace talks in Paris and in Vietnam.

Now that Vietnam has ceased to be the paramount and all-consuming issue it once was in the United States and much of the rest of the world—though in the almost two years since the ineffective Vietnam ceasefire was proclaimed more lives have been lost in combat here than anywhere else on earth—its fate and fortunes are basically back in the hands of the North and the South Vietnamese themselves rather than in those of outside forces. Of course, it would be a mistake to assume that the United States, the Soviet Union, and China are no longer concerned about what happens in Vietnam or that they are no longer supporting the opposing sides. The issue of continuing American aid is at the moment regarded as particularly vital in Saigon, and Hanoi is similarly de-