

background NOTES

(South) Viet-Nam

department of state * october 1974

OFFICIAL NAME: Republic of Viet-Nam

GEOGRAPHY

The Republic of Viet-Nam (RVN—South Viet-Nam) is a narrow strip of land curving along the southeastern tip of Asia on the South China Sea. The Khmer Republic (Cambodia) and the Kingdom of Laos lie to the west. To the north lies the Democratic

Republic of Viet-Nam (DVN—North Viet-Nam).

South Viet-Nam is divided into four main topographic regions. The lower third of the country is dominated by the estuary of the Mekong River system, which gives the country a low, flat, and frequently marshy appearance. The soil in the Mekong

Delta area is very rich, making this region the most productive agricultural area in the country, particularly in the production of rice. The provinces immediately north and east of Saigon are much more varied topographically than the Mekong Delta area; they include considerable sections of low-lying tropical rain forest, upland for-

PROFILE

Geography

AREA: 65,948 sq. mi. (slightly larger than Florida). CAPITAL: Saigon (pop. 3,500,000). OTHER CITIES: Danang (pop. 500,000), Nha Trang (pop. 200,000), Hue (pop. 200,000), Can Tho (pop. 172,000), Bien Hoa (pop. 200,000), Dalat (pop. 92,000).

People

POPULATION: 20.1 million (1974 est.). ANNUAL GROWTH RATE 2.6% (1973). DENSITY: 305 per sq. mi. ETHNIC GROUPS: Vietnamese (87.7%); Chinese (6%); Montagnard (3.2%); Khmer (2.9%); Cham (.2%). RELIGIONS: Buddhist (63%); Hoa Hao (7%); Catholic (10%); Cao Dai (5%); animist (15%). LANGUAGES: Vietnamese (official), French, Chinese, English, Khmer, Cham (Malayo-Polynesian dialect), and Montagnard tribal languages. LITERACY: 65%. LIFE EXPECTANCY: 50 yrs.

Government

TYPE: Independent republic. INDEPENDENCE: July 21, 1954. DATE OF CONSTITUTION: April 1, 1967.

BRANCHES: *Executive*—President (Head of Government and Chief of State). *Legislative*—National Assembly with 2 Houses. *Judicial*—Supreme Court with 9 Justices.

POLITICAL PARTIES: Democracy Party (fully registered); Freedom Party, Social Democratic Alliance, and Republican Party (provisional). SUFFRAGE: Universal over 18. POLITICAL SUBDIVISIONS: 44 provinces and 11 autonomous municipalities.

FLAG: Three narrow red stripes on a yellow background; stripes placed horizontally across the middle of flag.

Economy

GROSS NATIONAL PRODUCT (GNP): \$3.1 billion (1973 est.). ANNUAL GROWTH RATE: 0%. PER CAPITA INCOME: \$154. PER CAPITA GROWTH RATE: -3%.

AGRICULTURE: Land 25% arable (15% cultivated), 33% forested. Labor 67%. Products—rice, rubber, fruits and vegetables, copra, shrimp, livestock, poultry.

INDUSTRY: Labor 17%. Products—textiles, beer, cigarettes, glass, tires, sugar, paper, cement, soft drinks.

NATURAL RESOURCES: Forests,

offshore oil deposits (possible), maritime riches.

TRADE: *Exports*—\$60.6 million (1973 est.): forestry products, fishery products, rubber, tea, coffee, iron, steel, scrap. *Partners*—France, U.K., F.R.G., Japan. *Imports*—\$716 million (1973 est.): rice, sugar, petroleum and petroleum products, fertilizer, textiles. *Partners*—U.S., Singapore, Japan, Taiwan, France.

OFFICIAL EXCHANGE RATE: 640 Piasters=US\$1. (July 1974).

ECONOMIC AID RECEIVED: Total 1974—\$170 million (other than U.S. aid). U.S. only (total FY-74)—\$659 million: \$349 million, economic assistance; \$260 million, PL 480; \$50 million, development loan.

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N. observer; member of about 30 other international governmental organizations—e.g., the International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Monetary Fund (IMF), United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO); and 17 regional organizations—e.g., the Asian Parliamentary Union (APU), the Asian and Pacific Council (ASPAC), the Asian Development Bank (ADB), the Colombo Plan, and the Mekong Coordinating Committee.

est, and the rugged terrain of the southern end of the Annamite Mountain chain. Central Viet-Nam is divided into a narrow coastal strip where intensive rice farming is practiced and a broad plateau separated from the coastal lowlands by the Annamite chain.

While Saigon and the Mekong Delta to the south experience a year-round tropical climate, the central lowlands and mountainous regions are cool from about October to March, the temperature sometimes dropping to 50°–55° F. Rainfall is heavy in the delta and highlands in the summer and in the central lowlands in the winter.

PEOPLE

Approximately 75 percent of the people live in rural areas, but the urban population has increased rapidly in recent years due largely to increases in the level of fighting in the countryside. With the improvement in security conditions the trend toward urbanization has ended.

The ethnic Vietnamese, who constitute about 85 percent of the total population, have a recorded history of more than 2,000 years. Throughout this long span they have been among the most vigorous people in Asia, characterized by remarkable energy and a strong sense of national identity. In the past, these characteristics enabled them to survive as a nation despite hundreds of years of Chinese occupation.

Vietnamese culture is strongly influenced by classical Chinese civilization. Although nearly 100 years of French rule introduced important European elements, the most pervasive cultural influence is still Chinese. In 111 B.C. the territory corresponding to what is now North Viet-Nam was incorporated as the southernmost province of the Chinese empire, and the Vietnamese remained under Chinese rule for more than a millennium. Art forms and the Vietnamese language reveal many Chinese elements. The great importance of the family and the profound respect which the Vietnamese accord to learning and age stem from the Confucian ethic. Nearly all rural people and many

urban Vietnamese continue to observe traditional rites honoring their ancestors.

There are several ethnic minorities in Viet-Nam. The Chinese are the largest, numbering about 1.2 million, two-thirds of whom live in the Cholon area of Saigon. Active in rice trading, milling, real estate, and banking, the Chinese play an important role in Viet-Nam's economy. Most Chinese have acquired Vietnamese citizenship.

The second largest minority, the Montagnards (mountain tribesmen), constitute two main ethnolinguistic groups—Malayo-Polynesian and Mon-Khmer. There are more than 30 tribes of various cultures and dialects spread over highland territory half the size of South Viet-Nam. Approximately 700,000–1,000,000 Montagnards live as slash-and-burn farmers, hunters, and gatherers. Ethnic minority legislation has been enacted to provide the Montagnards with special government assistance for education and economic development.

The third largest minority are the Khmers (Cambodians), numbering about 700,000 and concentrated in provinces near the Cambodian border and at the mouth of the Mekong River. Most are farmers. Though distinctive from the Vietnamese in language, religion, and culture, the Cambodians are very gradually assimilating with the Vietnamese.

Other minority groups include a few thousand Chams (remnants of the once mighty Kingdom of Champa, destroyed by the Vietnamese in the 16th century), Malays, Indians, Pakistanis, Arabs, and French.

The religion of most Vietnamese is a mixture of ancestor worship, Taoism, and Mahayana Buddhism (all of which derive from China), plus animistic practices, such as reverence for village guardian spirits. (The Khmer minority follow the Theravada Buddhist sect.) Most Vietnamese regard themselves as Buddhists, although only 10–20 percent of the population actively practices Buddhism in an organized sense. The Buddhist-oriented Hoa Hao sect numbers more than 1 million adherents and is concentrated in the southwest part of the Mekong Delta. The Cao

Dai, believers in an eclectic combination of Buddhism, Christianity, Confucianism, Taoism, and other faiths, include about 1.5 million faithful concentrated in an area northwest of Saigon to the Cambodian border, particularly in Tay Ninh Province. Most Montagnards are animists, although many have been converted to Christianity.

HISTORY

Historical tradition states that the Vietnamese people originated in the valley of the Yellow River in north China and were slowly driven southward by pressure from the Han Chinese. Historical records first mention the Vietnamese as a tribal people inhabiting the Red River Delta in what is now North Viet-Nam. Today the Vietnamese occupy the entire eastern coast of the Indochinese peninsula from the Chinese border in the North to the Gulf of Thailand in the South.

After gaining independence from China in 939 A.D., the Vietnamese maintained their freedom until the mid-19th century when the French established control over all of Viet-Nam, Laos, and Cambodia, which they administered as Indochina. Nationalist activity directed against French rule began early in the 20th century, inspired in part by the Japanese victory over Russia in 1905 and by the success of Sun Yat-sen and Chiang Kai-shek in China. By 1930 the Viet-Nam Nationalist Party (VNQDD) had staged the first significant armed uprising against the French, and in that same year the Indochinese Communist Party was founded by the man who later took the alias of Ho Chi Minh. The French moved quickly, however, to repress nationalists and Communists. Some of them went underground and some escaped to China. Others were imprisoned, some to emerge later to play important roles in the anticolonial movement.

World War II was a major turning point in the history of Viet-Nam. In 1940 Japanese troops moved into northern Viet-Nam as their first step in the conquest of Southeast Asia; in 1941 they moved into southern Viet-Nam and remained there until their

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surrender to the Allied Powers in 1945.

In August 1945 a Communist-led uprising broke out and the "Democratic Republic of Viet-Nam" (DRV) was proclaimed at Hanoi with Ho Chi Minh as its leader. (For more information, see *Background Notes on North Viet-Nam*, pub. 8505.) A prolonged three-way struggle ensued among the Vietnamese Communists (led by Ho Chi Minh), the French, and the Vietnamese nationalists (nominally led by Emperor Bao Dai). The Communists sought to portray their struggle as a national uprising; the French attempted to reestablish their control; while the non-Communist nationalists, many of whom chose to fight militarily with the French against the Communists, wished neither French nor Communist domination. Ho Chi

Minh's Viet Minh forces fought a highly successful guerrilla campaign and eventually controlled much of rural Viet-Nam. The French military disaster at Dien Bien Phu in May 1954 and the conference at Geneva, where France signed the Agreement on the Cessation of Hostilities in Viet-Nam on July 20, 1954, marked the end of the 8-year war and French colonial rule in Indochina.

Geneva Agreements

The conference at Geneva was attended by delegates from Cambodia, the Democratic Republic of Viet-Nam, France, Laos, the People's Republic of China, the State of Viet-Nam (led by Bao Dai and recognized by the United States and many other countries), the Soviet Union, the United States, and

the United Kingdom. The documents known collectively as the Geneva agreements were three separate cease-fire agreements covering Cambodia, Laos, and Viet-Nam (the latter signed by representatives of the French Union Forces and the DRV) and an unsigned final declaration. The cease-fire agreement on Viet-Nam provided for provisional division of the country at approximately the 17th parallel; a 300-day period for free movement of population between the two "zones" established thereby; and the establishment of an International Control Commission (ICC)—representatives of Canada, India, and Poland—to supervise its execution. The cease-fire agreement also referred to "general elections" which would "bring about the unification" of the two zones of Viet-Nam.

Among the Vietnamese provisions of the final declaration was one which called for "democratic institutions established as a result of free general elections by secret ballot" to be held in July 1956. The precise relationship between elections and unification was not made clear. All conference participants, except the United States and the State of Viet-Nam, associated themselves (by voice) with the final declaration. The United States, which had grave doubts about the fairness and workability of the vaguely outlined elections, refused to join in the final declaration; however, the U.S. delegate, Gen. W. Bedell Smith, stated that U.S. policy with regard to the Geneva agreements would be to refrain from the threat or the use of force to disturb the agreements and that the United States would view any renewal of aggression in violation of the agreements with grave concern and as seriously threatening international peace and security. The State of Viet-Nam, objecting to the territorial division of the country and the election provisions, denounced the final declaration. The State of Viet-Nam and the United States considered that elections should be held under U.N. supervision to insure their fairness.

Communist Aggression and U.S. Response

Following the partition of Viet-Nam under the terms of the Geneva agreements, South Viet-Nam experienced a period of considerable confusion. Although Bao Dai had appointed a well-known nationalist figure, Ngo Dinh Diem, as Prime Minister, Diem initially had to administer a country plagued by a ruined economy and a political life fragmented by rivalries of religious sects and political factions. He also had the problem of coping with 850,000 refugees from the North. The Communist leaders at Hanoi expected the South to collapse and come under their control. Nevertheless, during his early years in office Diem was able to consolidate his political position, eliminate the private armies of the religious sects, and, with substantial U.S. military and economic aid, build a national army and administration and make significant progress toward reconstructing the economy.

When the Communist leaders in North Viet-Nam realized that the South Vietnamese Government was making rapid progress, they began a deliberate campaign to overthrow the government by force, with the aim of reuniting the country under Communist auspices. They consolidated their power in North Viet-Nam by a ruthless and thorough-going "agrarian reform" and established a police state. In the late 1950's they reactivated the network of Communists who had stayed in the South (the Viet Cong) with hidden stocks of arms, infiltrated additional cadres of trained guerrillas into the South, and began a campaign of terror against officials and villagers who refused to support the Communist cause. In their efforts the North Vietnamese Communists also exploited grievances created by mistakes of the Diem government as well as age-old shortcomings of Vietnamese society, such as poverty and land hunger.

North Vietnamese efforts against South Viet-Nam became even more pronounced during the next few years. At the Third Congress of the Lao Dong (Communist) Party in September 1960, Hanoi openly announced its intention to involve itself directly in the struggle to "liberate South Viet-Nam." A resolution passed at this congress called upon "our people" in South Viet-Nam "to bring into being a broad national united front directed against the United States-Diem clique." Shortly thereafter, in December 1960, the so-called "National Front for the Liberation of South Viet-Nam" (called National Liberation Front, or NLF) dutifully made its appearance, although Communist propaganda portrays the NLF as an independent, spontaneously created nationalist organization. In January 1962 Hanoi announced that "Marxist-Leninists" in South Viet-Nam had joined together to form a new party known as the "People's Revolutionary Party" (PRP). Captured Communist documents later confirmed, however, that the PRP was nothing more than the southern branch of the Lao Dong Party. Meanwhile, with leaders, supplies, and reinforcements from the North, the Viet Cong stepped up their attempt to destroy the social, eco-

TRAVEL NOTES

Clothing—Clothing suitable for hot, humid weather is worn all year in Saigon. Wash-and-wear suits are recommended, as drycleaning facilities are limited.

Transportation—Saigon is served by several major airlines. Air service is available between most cities in South Viet-Nam and is generally preferred because of the security situation. However, travel on many roads is normally safe. Train travel is limited to a few areas. Local forms of public transportation—taxicabs, pedicabs, scooters, lambrettas, and buses—are inexpensive, but accident-prone.

Community Health—Compared to U.S. standards, sanitary conditions in South Viet-Nam are generally poor. All water, whether from a tap, a spring, or a well, is considered nonpotable.

Telecommunications—International telephone and telegraph service is available in Saigon. Only a few cities in South Viet-Nam are interconnected by commercial telephone.

nomie, and governmental structure of the South by atrocities, terror, and guerrilla warfare. By 1963 the North Vietnamese Communists had made significant progress in building a subversive apparatus in South Viet-Nam.

In 1964 Hanoi decided the Viet Cong cadres and their supporters were not succeeding quickly enough and ordered regular units of the North Vietnamese Army into South Viet-Nam. Infiltration of regular troops into the South has continued ever since.

In December 1961 President Diem requested assistance from the United States, and U.S. military advisers were sent to South Viet-Nam to help the government deal with aggression from the North. In August 1964, in retaliation for North Vietnamese attacks on two U.S. destroyers on the high seas in the Gulf of Tonkin, the United States bombed selected naval facilities in North Viet-Nam. In February 1965, in response to the recently begun invasion of the South by North Vietnamese divisions, President Johnson ordered the bombing of supply routes and other military targets in North Viet-Nam and an extensive buildup in U.S. forces. Following the dispatch of

marine units to the Da Nang area in March 1965, the United States eventually built up to a strength of 549,500 fighting men in South Viet-Nam.

Beginning in June 1969 the United States began a troop withdrawal program concurrent with the assumption by the Armed Forces of the Republic of Viet-Nam of a larger role in the defense of their country. As part of this process of "Vietnamization," the Vietnamese forces were furnished with modern weapons and equipment and were trained in their use. While the United States had withdrawn from ground combat by 1972, it still provided air and sea support to the South Vietnamese until the signing of the cease-fire agreement.

Negotiations Leading to a Peace Agreement

To promote negotiations leading to settlement of the war, President Johnson on March 31, 1968, ordered a halt in U.S. bombing above the 19th parallel, thus in effect exempting most of North Viet-Nam from attack. U.S. and North Vietnamese negotiators met at Paris May 15 to discuss terms for a complete bombing halt and to arrange for a conference of all "interested parties" in the Viet-Nam war, including the Government of the Republic of Viet-Nam and the National Liberation Front. The President ordered all bombing stopped effective November 1, 1968, and the four parties met for their first plenary session on January 25, 1969.

The meetings in Paris, which began with so much hope, soon degenerated into a propaganda exercise. The record of the talks, private as well as public, for the first 3 years indicated clearly that the Vietnamese Communists were not yet willing to negotiate seriously. Despite repeated and major initiatives by the United States and the RVN aimed at achieving a breakthrough, the Communists persisted in the unreasonable demands they had made at the outset: a total and unconditional withdrawal of all U.S. forces and the overthrow of the constitutional government at Saigon.

In early September 1972, with dramatic suddenness, Hanoi's leaders

made the decision to negotiate in a forthright manner. In a series of private meetings with Dr. Henry Kissinger, DRV negotiator Le Duc Tho agreed to drop the earlier North Vietnamese insistence on imposing a Communist regime on South Viet-Nam and, in effect, accepted the 1971 U.S. proposal for a cease-fire-in-place. Ambiguities and technical problems that required modification and improvement, as well as the necessity to consult fully with the RVN, delayed the negotiations beyond the October 31 deadline set by the North Vietnamese for completion of the agreement. They, in turn, impeded further progress by raising previously settled issues. It was not until after a further period of intensive bombing of the DRV that the North Vietnamese agreed to resume serious negotiations. The peace agreement was concluded soon thereafter, on January 27, 1973.

The Agreement on Ending the War and Restoring Peace in Viet-Nam provided for the return of all known American prisoners of war in Indochina (588 came home), as well as the withdrawal of all American forces, which was accomplished within the prescribed 60 days. Other major provisions in addition to the cease-fire were the institution of political talks between the two South Vietnamese parties, aimed at the establishment of a National Council of National Reconciliation and Concord (NCNRC) to be followed by elections supervised by that council; return of Vietnamese civilian, as well as military, prisoners; a prohibition on the introduction of foreign troops and a limitation on the import of arms into South Viet-Nam; and U.S. assistance to North Viet-Nam for healing the wounds of war and for postwar reconstruction.

Another of the provisions, U.S. mine-sweeping operations to clear Haiphong and other DRV ports, was completed following several interruptions due to North Vietnamese failure to comply with the cease-fire. During a February 1973 visit to Hanoi by Dr. Kissinger, a U.S.-DRV Joint Economic Commission (JEC) to discuss reconstruction aid was formed. Following a series of JEC meetings in Paris, the talks were suspended in mid-1973 so

that both sides could study one another's position. Dr. Kissinger and principal North Vietnamese negotiator Le Duc Tho held a series of meetings in June 1973 in Paris, to review implementation of the cease-fire. Following these meetings they issued a joint communique covering a number of provisions which had been inadequately implemented. A second review of the situation in Viet-Nam was conducted by the two in December 1973.

Cease-fire Compliance

While Hanoi continues to proclaim its support of the peace agreement, its record of compliance with the agreement has been seriously deficient. The DRV has illegally sent into South Viet-Nam thousands of tons of materiel, including sophisticated offensive weaponry new to the South. Tens of thousands of North Vietnamese troops have infiltrated South Viet-Nam to join the 160,000 there at the time of the cease-fire. As of May 1974 there were 210,000 North Vietnamese troops in the South. These fighting men have not been idle. They have initiated numerous attacks on installations, lines of communication, economic facilities, and, occasionally, population centers of the RVN. The RVN forces have counterattacked these hostile actions, and the resultant level of fighting, while considerably lower than prior to the cease-fire, has produced significant casualties.

In areas other than military the DRV has shown little inclination to adhere to the provisions of the agreement. The political talks between the two South Vietnamese parties in Paris, aimed at formation of an NCNRC and then elections, have been fruitless, primarily because of the refusal of the self-styled provisional revolutionary government (PRG-Viet Cong) delegates to negotiate constructively. Hanoi has also stymied progress in implementing that provision of the agreement calling on the parties to assist one another in accounting for those missing-in-action and recovering remains of the dead. As a result, over 1,100 Americans are still listed as missing and another 1,200 declared dead, whose bodies have not been recovered.

In addition, the Vietnamese Communists have failed to cooperate with the truce supervisory bodies. The Two-Party Joint Military Commission has the task of policing military problems related to the two South Vietnamese parties, but the Communists have refused to deploy to the sites at which the Commission's duties are to be carried out. They have also refused to give adequate guarantees so that the International Commission of Control and Supervision (ICCS—currently comprised of representatives of Hungary, Indonesia, Iran, and Poland) might carry out its investigative duties. They have refused to pay their legitimate share of ICCS expenses, and, perhaps reflective of their attitude toward such an outside investigatory mechanism, Communist gunners have frequently shot at ICCS aircraft and vehicles, causing a number of deaths, injuries, and substantial property damage.

Despite these serious problems, the Paris agreement has already brought substantial benefits and continues to provide a workable framework for peace. After more than a quarter century of fighting it would have been unrealistic to expect that the agreement would bring an instant and complete end to the conflict. What it has done, however, is to reduce the level of violence significantly and provide mechanisms for discussion. The Vietnamese parties are achieving some results—the completion of the initial phase of exchange of Vietnamese prisoners in March 1974, for example—even if these results are much less than the United States would like to see.

GOVERNMENT

The Constitution of April 1967 provides for a modified presidential system. It also contains extensive civil rights and welfare provisions and provides for election of local, as well as national, officials.

Constitutional amendments passed in January 1974 change the length of the President's and Vice President's terms in office from 4 to 5 years; allow both the President and Vice President to be reelected twice, instead of just once; and postpone the province chief and mayoral elections until after the 1975 presidential elections.

The length of the present terms of President Nguyen Van Thieu and Vice President Tran Van Huong were not affected by these amendments; the next elections for President and Vice President are still scheduled for fall 1975.

The President designates a prime minister and cabinet to manage governmental business.

A bicameral National Assembly exercises legislative powers. The 60 Senators of the Upper House are elected to 6-year terms, with half elected every 3 years. Of the 159 Lower House seats, six are reserved for ethnic Cambodians, six for Montagnards native to South Viet-Nam, two for refugee Montagnards from North Viet-Nam, and two for Chams. Deputies are elected to 4-year terms.

The President has no veto power over legislation, but may propose amendments to specific articles of legislation on a one-time basis. The National Assembly can override presidential amendments by an absolute majority of the total membership of both houses. In addition to its legislative authority, the National Assembly can cause the removal of any or all Cabinet Ministers, including the Prime Minister, by a two-thirds majority (three-fourths if the President disagrees).

The judiciary is headed by a Supreme Court of nine members. These judges are selected by the National Assembly and appointed by the President from a list established by the Supreme Court and the Ministry of Justice. The judges are appointed for 6-year terms with one-third of the court being appointed every 2 years.

For local levels of government the Constitution recognized and perpetuated the existing system of 44 provinces (subdivided administratively into a total of 240 districts) and villages (subdivided administratively into hamlets). The provinces, as well as South Viet-Nam's 11 autonomous cities, have had elected advisory councils since 1965. There are no elected deliberative bodies or officials at the district level. Provinces and districts correspond to military sectors and sub-sectors, respectively, and in most cases are currently administered by military officers.

Principal Government Officials

President—Nguyen Van Thieu
 Vice President—Tran Van Huong
 Prime Minister and Minister of National Defense—Tran Thien Khiem
 Deputy Prime Ministers—Dr. Nguyen Luu Vien; LTG (ret.) Tran Van Don; Dr. Phan Quang Dan
 Minister of Foreign Affairs—Vuong Van Bac
 Minister of Trade and Industry—Nguyen Duc Cuong
 Minister of Information—Hoang Duc Nha
 Ambassador to the U.S.—Tran Kim Phuong

The Republic of Viet-Nam maintains an Embassy in the United States at 2251 R Street, NW., Washington, D.C. 20008. There are also Consulates General at San Francisco and New York.

POLITICAL CONDITIONS

South Viet-Nam has been a Republic since 1955, when the people chose the republican form of government in a national referendum. From 1956 to 1963 the country was governed under a constitution which provided for a strong executive, a unicameral legislature, and a judicial system with safeguards for the individual.

The Diem government came under severe pressure from opposition elements following religious unrest which broke out in central Viet-Nam in May 1963. On November 1, 1963, the government was overthrown by a military uprising, in the course of which President Diem and his brother were killed. The new provisional government was headed by Maj. Gen. Duong Van Minh as Chief of State and Nguyen Ngoc Tho as Prime Minister. They replaced the constitution with Provisional Charter No. 1, which provided that South Viet-Nam remain a republic and that legislative and executive powers be centralized in the Military Revolutionary Council, pending adoption of a new constitution. No constitution was written at this time, however, or during the period of governmental instability that followed.

On January 30, 1964, this government was replaced by one led by Maj.

Gen. Nguyen Khanh. The next major quasi-constitutional document was a new Provisional Charter, issued on October 20, 1964, by a military triumvirate (Generals Khanh, Duong Van Minh, and Tran Thien Khiem). It was under this charter that a civilian, Phan Khac Suu, served as Chief of State in 1964-65, and two other elder statesmen, Tran Van Huong and Dr. Phan Huy Quat, served in succession as Prime Minister. The civilian government dissolved itself on June 11, 1965, when an impasse developed over a constitutional dispute as to the meaning of the Provisional Charter. The civilians asked the armed forces to assume power so that the constitutional problem could be resolved and there would be no delay in the prosecution of the war. On June 19 an announcement was made of the formation of the Congress of the Armed Forces composed of the general officers of the Vietnamese Armed Forces. On that day the congress issued a convention which abolished the Provisional Charter of October 20, 1964, and other laws contrary to it.

Subordinate to the Congress of the Armed Forces was the National Leadership Committee, or Directorate—composed of 10 generals, with 10 civilians subsequently added—which was entrusted with the exercise of power and the direction of the affairs of the government. The Chairman of the Directorate, Gen. Nguyen Van Thieu, was in effect the Chief of State, while the Commissioner for the Executive, Nguyen Cao Ky, acted as Prime Minister.

On April 14, 1966, the South Vietnamese Government announced that constituent assembly elections would be held in the summer or fall. Despite the Communists' all-out boycott of the elections and threats and violence against the voters, about 80 percent of those who had registered went to the polls. On September 27 the Constituent Assembly convened and began drafting a constitution. This Constitution, finally approved on March 18, 1967, took effect on April 1, 1967.

Under the terms of the Constitution, some 4.8 million South Vietnamese—nearly 60 percent of the entire voting-age population and 83

percent of the registered electorate—cast ballots on September 3, 1967, to elect a President, Vice President, and Upper House of the National Assembly. The Lower House was elected on October 22, 1967, by a large vote that almost equaled the number of ballots cast in the September elections.

On October 31, 1967, successful candidates Nguyen Van Thieu and Nguyen Cao Ky were inaugurated as President and Vice President. The Upper House and Lower House convened in October and November of that year.

Viet-Nam has experienced 7 years of government under the April 1967 Constitution. An entire cycle of national-level elections called for in the Constitution has been held. In August 1970 one-half of the 60-member Upper House was elected. Elections for the second half of the Upper House were held, as scheduled, in August 1973. There are currently 41 members considered to be pro-administration and 19 considered to be oppositionist.

On August 29, 1971, a new Lower House was elected to replace the body elected originally in 1967. One hundred and fifty-nine seats, apportioned among the constituencies on the basis of one for every 50,000 voters, were at stake. Approximately 53 percent of the present Deputies might be considered pro-government, 37 percent oppositionist, and 10 percent independent. Estimates of the political tendencies in the Lower House must be regarded as tentative, inasmuch as Viet-Nam does not have a two-party system and political parties played a relatively small role in the election.

A presidential election was conducted on October 3, 1971. President Nguyen Van Thieu was reelected for a second 4-year term. Prime Minister Tran Van Huong (southern civilian and twice Prime Minister) became Vice President. Thieu and Huong ran unopposed following the withdrawal from candidacy of retired Gen. Duong Van Minh and former Vice President Nguyen Cao Ky, who charged that the election would not be fairly conducted. Thieu's decision to proceed with the uncontested election aroused

controversy. His opponents demanded postponement and reorganization of the election, although some Vietnamese political observers agreed that postponement would only prolong the political uncertainty to the benefit of the Communists. Voters were given the right to indicate disapproval of President Thieu's performance of his presidential duties. Opposition efforts to disrupt the election were unsuccessful. The election was conducted without major incident, and the political situation rapidly calmed.

A program of elections for village officials has been underway since early 1967; as of May 1974, 2,113 of the 2,159 villages controlled by the RVN had elected their own village councils, and the councils had elected village chiefs from among their members. In 1973 the RVN initiated the "Administrative Revolution." This is a program designed to improve the quality and efficiency of hamlet, village, district, province, and city governments through training of officials and reorganization of the government structure.

The Republic of Viet-Nam faces all the problems of a developing country and many special ones resulting from Communist aggression. Among the latter problems, for example, are those involving the relief and resettlement of refugees who have fled Communist control in remote South Vietnamese rural areas or who have been displaced by military action. At the height of the 1972 Communist offensive, 758,000 refugees were in temporary resettlement sites in South Viet-Nam. By June 1974 this number had been reduced to about 60,000 in one of the largest and most successful refugee relocation projects any country has ever attempted.

Another government program which has been a clear success is the sweeping land reform program initiated in 1970. Under the March 26, 1970, "Land to the Tiller" law, passed by the National Assembly, the government is distributing free of charge to the tenants who have been working the land virtually all privately owned riceland that is not cultivated by the owner. The government is compensating the former landowners. Over a

4-year period the program has transferred ownership of more than 2.5 million acres of riceland to 750,000 farm families, comprising almost 5 million people.

Political Parties

Overt political party activity is a relatively recent development in South Viet-Nam. Under colonial rule such activity was outlawed and thus was conducted clandestinely. This colonial experience left two distinctive marks on Vietnamese political life: diversity of parties, with many small parties and groups competing for members (as a consequence of the clandestine period when survival depended on limiting the number of party activists to a small group of trusted intimates) and opposition to the government in power as an accepted, and almost preferred, nationalist political stance. Under colonialism the most acceptable position for a nationalist politician was one of staunch opposition to the colonial government, although there were also many nationalist politicians who fought on the side of the French against the Viet Minh, whom they regarded as the greater evil.

Since the promulgation of the 1967 Constitution, overt political activity has expanded considerably. However, the conspiratorial tradition and the tendency to organize in cliques with personalities rather than programs have, on the other hand, hampered cooperation among opposition elements.

The Constitution states that political parties may be organized and may operate freely, and it recognizes the formalizing of political opposition. In recognition of the diversity of political groups in South Viet-Nam, however, the Constitution also includes a call for "progress toward a two-party system."

Decree Law 060, issued in December 1972, specifies stringent procedures all parties must follow in order to be registered and operate legally. This was intended to hasten the coalescence of the 29 parties registered under the previous law into larger groups. To date, only the Democracy Party is fully registered under the terms of this decree. Three others, the

Freedom Party, the Republican Party, and the Social Democratic Alliance, have been granted provisional status. This gives them 24 months in order to become fully qualified under the decree. The Social Democratic Alliance, a coalition of the Worker-Farmer Party, the Progressive Nationalist Movement, and other parties, is given the best chance of qualifying.

Other political forces now operating in South Viet-Nam are the An Quang Buddhists (instrumental in the overthrow of President Diem and now in opposition to President Thieu), the Revolutionary Dai Viet Party and other groups currently working for the return of former Emperor Bao Dai, and various small splinter groups, some radically leftist.

ECONOMY

Aside from the continued Communist military depredations, the most persistent problem area for the Republic of Viet-Nam is economic. The economy is now experiencing substantial difficulties. The symptoms are a decline of foreign currency reserves to the lowest level since 1965, an inflation rate of 65 percent in 1973, stagnant production, declining real incomes, and growing unemployment.

The basic causes are a combination of factors, including an enormous decline in foreign-financed resources, disruptions associated with changing from an economy geared to the presence of large numbers of U.S. military and civilian personnel, continued disruptions caused by the Communist forces, war damage, and the economic strains associated with the maintenance of an armed force structure numbering 1.1 million men.

The RVN has taken strong measures to stabilize the economy, including an extensive reform program carried out over the last 2 years. This has involved monetary policy, customs reform, a complete system of new tax laws, a foreign investment law, and a host of business and commercial regulations. Economic control by administrative regulation was abandoned in favor of reliance on the adjustment process implicit in a free-market mechanism. The basic development strategy

encompasses an extensive effort to increase agricultural production in which Viet-Nam has a comparative advantage, attract foreign finance for the few major capital projects required, and promote domestic industries which produce goods substitutable for imports.

The South Vietnamese economy is primarily agricultural. The fertile areas of the Mekong Delta and contiguous areas are capable of producing a food supply sufficient for internal needs as well as a surplus for export. The urban population engages in trade, government services, and light manufacturing.

Viet-Nam's main foreign exchange earners in earlier years were rubber and rice. Floods and Communist activities disrupted production and marketing of rice throughout the 1960's. Rubber production declined severely during the war years but is increasing again, and 1973 exports rose to \$10 million. War damage and lack of planting to replace old trees has reduced the productive capacity of the industry.

Rice production declined to such an extent during the years of intense fighting that South Viet-Nam, historically a rice exporter, has been a net importer since 1964. The decline was largely due to a reduction in the amount of land in rice production. The 1974-75 crop is expected to be sufficient to obviate the need for imports. Recent production increases are attributable to the use of improved strains of rice, greater use of fertilizer and pesticides, as well as the return of acreage to cultivation. Given the continuation of these factors, steady production increases can be expected.

Exports increased from \$23 million in 1972 to \$60.6 million in 1973 and may reach \$80 to \$90 million in 1974. This is due in large part to increased sales by the forestry and fishing (particularly shrimp) industries. Each had exports of over \$12 million in 1973. An increasing number of exported products provides a base for continued increases in the quantity and value of exports.

A potentially important development for South Viet-Nam is the recent initiation of offshore petroleum exploration. To date, the Republic of Viet-

Nam has conducted two rounds of competitive bidding for offshore concession blocks. Successful bidders include Canadian, American, Australian, British, and Japanese firms. It is too soon to know if commercially exploitable reserves will be found as drilling of the first wells is scheduled for late 1974.

Before Viet-Nam was divided, almost all of its industry was in the North. Industrial development in the South has been hampered by the lack of mineral resources and the war, but has made steady progress. Due to the economic situation in South Viet-Nam, the government recognizes that substantial capital investment from outside the country is needed. It has taken several steps to improve the investment climate for the foreign businessman, and we expect substantial progress as the security situation improves.

U.S. policy for nearly a decade has focused our assistance on stabilization programs designed to help the economy support the war effort. In May 1974 the administration forwarded to Congress a request for assistance appropriations designed to provide the capital needed for rapid development, initiate a significant movement towards economic self-sufficiency, and a sharp reduction in economic assistance costs to the United States by the end of 5 years.

FOREIGN RELATIONS

The foreign policy of the Republic of Viet-Nam has, in recent years, been concerned chiefly with supporting the national effort to defeat Hanoi's attempt to impose its rule over South Viet-Nam and has been directed toward winning the support and recognition of other nations in its struggle to defend itself. Its foreign relations have been preoccupied with obtaining military and economic assistance from non-Communist countries. Viet-Nam has received extensive aid of both types from the United States, and the continuation of good bilateral relations and substantial U.S. aid remains paramount in the conduct of its diplomacy. Following the cease-fire, South Viet-Nam hopes to turn to reconstruction and development, but concedes

that external assistance will continue to be necessary for a number of years until self-sufficiency is reached.

Historically, relations with the other Indochinese countries have been most important. North Viet-Nam's use of routes through Laotian and Cambodian territory to attack South Viet-Nam made developments in these countries a matter of keen interest to the government. Since the establishment of the Khmer Republic in 1970, Viet-Nam has become a strong supporter of its neighbor in defending its independence, despite traditional animosities between the two peoples.

Viet-Nam's relations with France, which had been cooling since independence, have improved considerably since the peace agreement. Diplomatic relations at the ambassadorial level have been restored, while commercial and cultural ties between the two countries seem once again to be on the mend. The South Vietnamese have been gratified by what they view as a more evenhanded French approach to Viet-Nam, compared with what the RVN had earlier felt was a tilt toward Hanoi and the Viet Cong. French refusal to allow the Viet Cong to open an Embassy in Paris has been the most heartening sign of French desire to repair relations with the RVN. The French have also instituted a substantial post-cess-fire aid program for the RVN.

One of the potentially most significant relationships which has developed is with Japan. Grants and loans from that country in 1974 are estimated at over \$50 million. Moreover, Japan is one of the Republic of Viet-Nam's leading trade partners.

The Republic of Viet-Nam is currently involved in territorial disputes over two groups of offshore islands, the Paracels and the Spratlys. It also has conflicting claims with Indonesia over control of seabeds in the South China Sea; with Cambodia over ownership of Phu Quoc Island (now held by the RVN); and with Thailand over fishing rights and control of seabeds in the Gulf of Thailand. In January 1974 the People's Republic of China seized control of the Paracels after an armed conflict with forces of the Republic of Viet-Nam, which had been occupying the islands. The Paracels are also

claimed by the Republic of China. The Spratly Islands are claimed by the Republic of Viet-Nam, the Philippines, the Republic of China, and the People's Republic of China. The Republic of Viet-Nam is now in possession of most of these islands.

Eighty-six countries recognize *de jure* the Government of the Republic of Viet-Nam, and six recognize it *de facto*. South Viet-Nam does maintain relations with nations that recognize North Viet-Nam but probably will break relations with those that recognize the PRG, which is the South Vietnamese Communist Hanoi-created rival to the Government of the Republic of Viet-Nam. (The formation of the Provisional Revolutionary Government was announced by the National Liberation Front's Liberation Radio in June 1969. The PRG has been recognized by Communist nations as the "government" of South Viet-Nam.)

South Viet-Nam maintains diplomatic or consular representation in all non-Communist countries of East Asia except Indonesia, where it has a special trade mission. Its ambassadors are resident in or accredited to a majority of the countries in Western Europe and North America, and some of the countries of South America and Africa.

U.S.—REPUBLIC OF VIET-NAM RELATIONS

With the signing on January 27, 1973, of the Agreement on Ending the War and Restoring Peace in Viet-Nam, the United States ended its direct military role in that country. At the same time, both President Nixon and Dr. Kissinger reaffirmed that the United States recognizes the Government of the Republic of Viet-Nam as the sole legitimate government of South Viet-Nam.

The U.S. objective in Viet-Nam continues to be to help strengthen the conditions which made possible the Paris agreement. By maintaining a balance of forces through providing the Vietnamese Government the necessary means to defend itself and to develop a viable economy, the U.S. believes that the government in Hanoi will be forced to conclude that political solutions are much preferable to

renewed use of major military force. U.S. military assistance to South Viet-Nam in FY 1974 was approximately \$1 billion. All economic assistance, as well as all U.S. activities in South Viet-Nam, are in complete accord with the Paris agreement.

Principal U.S. Officials

Ambassador—Graham A. Martin
Deputy Chief of Mission—Wolfgang J. Lehmann

Minister-Counselor for Political Affairs—Josiah W. Bennett
Director, U.S. A.I.D. Mission—John P. Robinson
Director, USIS—Allen Carter
Defense Attache—Major General John E. Murray
Counselor for Administrative Affairs—Lannon Walker
Consul General, Embassy—Walter S. Burke

Consul General, Da Nang—Paul M. Popple
Consul General, Nha Trang—Moncrieff J. Spear
Consul General, Bien Hoa—Richard B. Peters
Consul General, Can Tho—Vacant

The U.S. Embassy in the Republic of Viet-Nam is located at 4 Thong Nhut Blvd., Saigon.

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