

Vietnam Outlook: Still a Tunnel, Still a Light

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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 with only 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 precisely 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

Mrs. Marcos in Peking; Visits Chou in Hospital

MANILA, Sept. 20 (AP)—Imelda Marcos, wife of President Ferdinand E. Marcos, flew to Peking today to open a new era in relations with China. The President, meanwhile, stressed the need for a continued United States military presence in Asia.

Mrs. Marcos is making an eight-day visit preparatory to official discussion of diplomatic ties. One of her first acts was to visit Premier Chou En-lai at a Peking hospital, at his request.

The Philippines maintains diplomatic relations with the Chinese Nationalists on Taiwan. President Marcos said prior to his wife's departure that he did not think her visit would affect relations with the Nationalists, but "this is a matter which should be left to later events."

In a televised news conference, he said that Asian security required American bases in the Philippines.

"In Asia today there seems to be a deficiency in the security of small and medium and developing countries, and such a deficiency can best be filled by the United States," he said on the eve of the second anniversary of his martial-law Government.

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 Distrustful 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 Embas-

sy 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. Economists 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 per cent, 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."