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**REPORT ON
GENERAL TAYLOR'S MISSION
TO SOUTH VIETNAM**

3 NOVEMBER 1961

USAID, NSC, DOS, JCS reviews completed

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THE WHITE HOUSE

WASHINGTON

3 November 1961

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My dear Mr. President:

I am submitting herewith the report of the mission which visited South Vietnam, Thailand, and Hong Kong in the period 15 October to 3 November 1961 in compliance with your letter to me of 13 October 1961. We avoided Laos on our trip on the recommendation of Ambassador Brown who, with Brigadier General Boyle, his MAAG Chief, came to Bangkok to discuss the Laos situation with us. In addition to Dr. Rostow, the members of my party included representatives of State, ICA, Defense, JCS, and CIA.

My recommendations, already laid before you by cable, represent the emergency program which we feel our Government should implement without delay. After you have reached a decision on this program, it will be a major challenge to our governmental machinery in Washington to see that the many segments of the program which involve many departments and agencies are executed with maximum energy and proper timing. I would suggest that a formalized procedure be established and promulgated to assure effective and orderly implementation.

While we feel that the program recommended represents those measures which should be taken in our present knowledge of the situation in Southeast Asia, I would not suggest that it is the final word. Future needs beyond this program will depend upon the kind of settlement we obtain in Laos and the manner in which Hanoi decides to adjust its conduct to that settlement. If the Hanoi decision is to continue the irregular war declared on South Vietnam in 1959 with continued infiltration and covert support of guerrilla bands in the territory of our ally, we will then have to decide whether to accept as legitimate the continued guidance,

The President
The White House
Washington 25, D. C.

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training, and support of a guerrilla war across an international boundary, while the attacked react only inside their borders. Can we admit the establishment of the common law that the party attacked and his friends are denied the right to strike the source of aggression, after the fact of external aggression is clearly established? It is our view that our government should undertake with the Vietnamese the measures outlined herein, but should then consider and face the broader question beyond.

We cannot refrain from expressing, having seen the situation on the ground, our common sense of outrage at the burden which this kind of aggression imposes on a new country, only seven years old, with a difficult historical heritage to overcome, confronting the inevitable problems of political, social, and economic transition to modernization. It is easy and cheap to destroy such a country whereas it is difficult undisturbed to build a nation coming out of a complex past without carrying the burden of a guerrilla war.

We were similarly struck in Thailand with the injustice of subjecting this promising nation in transition to the heavy military burdens it faces in fulfilling its role in SEATO security planning along with the guerrilla challenge beginning to form up on its northeast frontier.

It is my judgment and that of my colleagues that the United States must decide how it will cope with Krushchev's "wars of liberation" which are really para-wars of guerrilla aggression. This is a new and dangerous Communist technique which bypasses our traditional political and military responses. While the final answer lies beyond the scope of this report, it is clear to me that the time may come in our relations to Southeast Asia when we must declare our intention to attack the source of guerrilla aggression in North Vietnam and impose on the Hanoi Government a price for participating in the current war which is commensurate with the damage being inflicted on its neighbors to the south.

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In closing, let me add that our party left Southeast Asia with the sense of having viewed a serious problem but one which is by no means hopeless. We have many assets in this part of the world which, if properly combined and appropriately supported, offer high odds for ultimate success.

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Basically the forces at work in Vietnam, Thailand, and Hong Kong are extremely positive in character. Everywhere there is new activity and momentum. In the long run there is no reason to believe that the rate of growth and the degree of modernization in non-Communist Asia as a whole will be outpaced by developments in Communist Asia. There is no need for fatalism that, somehow, Southeast Asia will inevitably fall into Communist hands. We have the means to make it otherwise.

Sincerely yours,


MAXWELL D. TAYLOR

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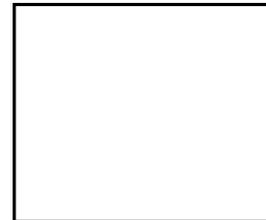


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EVALUATION AND CONCLUSIONS

COMMUNIST STRATEGY IN SOUTHEAST ASIA

At the present time, the Communists are pursuing a clear and systematic strategy in Southeast Asia. It is a strategy of extending Communist power and influence in ways which bypass U.S. nuclear strength, U.S. conventional naval, air, and ground forces, and the conventional strength of indigenous forces in the area. Their strategy is rooted in the fact that international law and practice does not yet recognize the mounting of guerrilla war across borders as aggression justifying counter-attack at the source.

The strategy is a variant on Mao's classic three-stage offensive. First, a political base for guerrilla war, subversion, and dissidence is established in each country in the area, exploiting its unique vulnerabilities via trained local or introduced cadres. Second, guerrilla war is begun. Third, a maximum effort is made to translate the Communist position achieved on the ground, plus the weakness and cross-purposes in the non-Communist camp, to induce a neutralist interim solution, blocking the U.S. military presence, as with the proposed renunciation by Laos of SEATO protection. Complete Communist take-over, by whatever means may appear feasible, is the evident ultimate objective.

Mao's third stage -- overt conventional warfare, with guerrillas in an ancillary role -- is apparently now judged too dangerous to pursue, on the grounds that it is likely to trigger U.S. (or SEATO) intervention.

This modified Mao strategy is actually underway in Laos and South Vietnam. Cambodia, with Sihanouk's anticipatory collaboration, has already adjusted to the likelihood (in his view) that the Communist strategy will succeed. The strategy is clearly foreshadowed in Thailand. The initial bases for such a program have been laid in Malaya, Indonesia, and Burma; but they will probably not be exploited to the full until the South Vietnam struggle is favorably resolved. The Communists undoubtedly believe -- and with good reason -- that if the strategy succeeds in Laos and South Vietnam the enterprise will rapidly gather momentum throughout Southeast Asia.

This is not the only possible Communist strategy in Southeast Asia. An overt use of Viet-Minh and Chicom divisions is conceivable, although the terrain and logistical structure of Southeast Asia sets a relatively

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low limit on the scale of conventional engagement in that theater. And it is in the range of possible contingencies that such a direct attack might be backed by some Soviet nuclear power. But current strategy is as described.

COMMUNIST STRATEGY IN SOUTH VIETNAM

In South Vietnam the tactical application of this general strategy is now in an advanced stage. An internally organized guerrilla war is being conducted in the South, recently expanded and strengthened with professional cadres. A second front of military pressure has been built up in the Central Plateau, with significant components of infiltration via Laos and the systematic exploitation of Montagnard and sect dissidence. In addition, a pocket of reserve strength is organized above Saigon in Zone D (perhaps 1500 troops), available for a climactic strike in the context of a political crisis. The Viet-Cong command a capability for considerable terroristic activity in and around Saigon.

The military strategy being pursued is, evidently, to pin down the ARVN on defensive missions; to create a pervasive sense of insecurity and frustration by hit-and-run raids on self-defense corps and militia units, ambushing the reserve forces if possible as they come up to defend; and to dramatize the inability of the GVN to govern or to build, by the assassination of officials and the sabotage of public works.

Meanwhile a reserve force of unknown size and capability is being created in the forests and mountains surrounding the plateau, straddling the Laos (and possibly Cambodian) border which offers a supply base, a relatively secure infiltration route, and safe haven. Depending on its size and capability, this force could be used for a series of demoralizing raids on the cities of the plateau, on the model of the raids on Phouc Thanh. It could attempt to seize and hold the Kontum-Pleiku area, declaring, as in Xieng Khouang, a new government to be recognized by Bloc states. It could by-pass the plateau cities and, by infiltration down to the sea, isolate the coastal cities much as the Mekong cities have been isolated by the Pathet-Lao.

One of the most important facts about the situation in Vietnam is that the size and capabilities of the Viet-Cong forces in the plateau are not known. Its capabilities could range from a mere capacity to continue to harrass, to a capacity, when surfaced, of producing a Dien Bien Phu.

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On current evidence we lean to a conservative assessment of this force (perhaps 4000); but it justifies a concentrated intelligence effort, and a quick-action contingency plan, as well as the specific action proposed in the appendices. (See, especially, Appendix F, Frontier Force Vietnam.)

Despite the considerable guerrilla capabilities of the Viet-Cong, Communist strategy now appears, on balance, to aim at an essentially political denouement rather than the total military capture of the country, as in the case of Mao's campaign in China. A maximum effort is under way to increase political disaffection at every level; among the sects, the minority groups, the trade unions, the students, and the intellectuals. Energetic efforts to dramatize the weaknesses of Diem's regime and to induce discouragement about U. S. policy in Laos and Southeast Asia generally are being pursued. The enemy objective seems to be to produce a political crisis by a combination of military and non-military means out of which would come a South Vietnamese Souvanna Phouma, willing to contemplate unification on terms acceptable to Hanoi, including disengagement from the U. S.

ENEMY ORDER OF BATTLE AND LEVEL OF ENGAGEMENT

On the following page is the best evaluation available of the Viet-Cong Order of Battle in South Vietnam and Casualty and Combat Rates for 1961.

The relatively modest increase in the scale of the Viet-Cong forces in 1961 in the southern region (NAMBO) was accompanied by a sharp increase in organization in which the infiltration of cadres from the north probably played a significant part. A more substantial increase occurred in 1961 in the northern region (Intersector Five). Appendix A(I) suggests an over-all expansion of Viet-Cong forces from 12,000 in July to 16,500 at the present time.

The Casualty and Combat Rate figures, which MAAG believes to be not grossly inaccurate, indicate the peak in Viet-Cong activity in connection with the April election and then the second more radical increase in Viet-Cong attacks in August and September. In September there was a doubling of Vietnamese casualties and a much less than proportionate increase in casualties inflicted on the Viet-Cong. This is a statistical reflection of the situation which helped bring on the present crisis. In October the increased casualty rate persisted.

Although the main weight of Viet-Cong attack remains in the well organized southern area (III Corps), there was a sharp rise in incidents and casualties taken in the II Corps Area (Pleiku-Kontum) in August and September.

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Estimate of Viet-Cong Strength in South Vietnam

July - October, 1961

REGULAR FORCES	July	October
Nambo Region	8,150	9,000
Interzone 5	<u>0*</u>	<u>0*</u>
Total	8,150	9,000
REGIONAL FORCES		
Nambo Region	0*	0*
Interzone 5	<u>6,200</u>	<u>7,000</u>
Total	<u>6,200</u>	<u>7,000</u>
Over-all Total	14,350	16,000

*It is assumed VC forces exist in these categories but their presence is not confirmed by hard evidence.

Casualties and Combat Rate:
Vietnam 1961

	<u>Casualties**</u>		<u>Viet-Cong Incidents</u>		
	<u>Viet-Cong</u>	<u>GVN</u>	<u>Attacks</u>	<u>Terrorism</u>	<u>Sabotage</u>
Jan	2449	615	148	180	89
Feb	1569	583	143	147	106
Mar	2429	610	241	354	118
Apr	2212	850	309	382	149
May	1397	671	124	344	86
Jun	1551	500	163	398	89
Jul	2376	746	189	479	216
Aug	1574	676	408	337	124
Sep	1877	1314	440	439	100
Oct	2004	1400	N. E.	N. E.	N. E.

*Figures supplied by MAAG Saigon from GVN data.
**Included - killed, wounded, and captured, for Viet-Cong. Same categories for GVN, regular, militia, and self-defense corps, combined.

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VIET-CONG WEAKNESSES

Although much in Saigon and South Vietnam recalls vividly the Indo-China War, the analogy is inexact. The position of the Viet-Cong (and Ho Chi Minh) is substantially different from that of the Viet Minh forces when fighting the French in the early 1950's.

-- The Communists no longer carry persuasively the banners of national independence against colonial rule.

-- Their guerrilla forces must rely primarily on terror, intimidation, and the notion that U. S. weakness makes the Viet-Cong the local wave of the future.

-- The Viet Cong cannot safely engage their forces against the GVN regulars and North Vietnam cannot engage its divisional strength for fear of U. S. action. The Viet-Cong rely primarily on southern recruits and southerners trained in the north and re-introduced.

-- The need to conceal Hanoi's directing role imposes important limitations on infiltration and supply routes and on tactics generally.

It must be remembered that the 1959 political decision in Hanoi to launch the guerrilla and political campaign of 1960-61 arose because of Diem's increasing success in stabilizing his rule and moving his country forward in the several preceding years. Meanwhile, word has spread throughout Vietnam that Hanoi's rule has led to brutality and hunger. Men may believe that Hanoi is the wave of the future and a route to unification; but the Communist performance in the North is not admired. The considerable grandeur of the Viet Minh in the early 1950's has been largely dissipated. By comparison, this is a pretty shabby offensive, both militarily and politically, although potentially lethal. The maximum estimate of voluntary, positive support for the Communists in South Vietnam is about 200,000 or 2 per cent of the population. (Appendix I.) This is a Vietnamese estimate. The official U. S. estimate is about half this level.

Finally, the Communists now not only have something to gain -- the South -- but a base to risk -- the North -- if war should come.

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THE CRISIS IN SOUTH VIETNAM

It is perfectly evident that South Vietnam is now undergoing an acute crisis of confidence, stretching from the top to the bottom of the country. The principal elements involved in this crisis are clear enough:

1. Uncertainty about the seriousness of the American commitment to defend South Vietnam induced by the Laos negotiation. Many believe that the U. S. will be prepared to settle for a Souvanna in Saigon.

2. The September successes of the Viet-Cong, indicating an enemy capability of outstripping the build-up of ARVN capabilities. (It should be recalled that the infiltration of one guerrilla imposes the burden of increasing GVN forces by, perhaps, fifteen men to stay even.) The military frustration of the past two months has, in turn, made acute, throughout the administration, a dissatisfaction with Diem's method of rule, with his lack of identification with his people, and with his strategy which has been endemic for some years.

3. The flood, imposing a heavy economic and administrative burden on an already strained government and society.

Beneath the surface of this immediate crisis are two vicious circles which have been operating for many months in South Vietnam and which the improvement in atmosphere in the months preceding September tended only superficially to conceal.

The first vicious circle is military. The lack of firm and well organized operational intelligence has helped produce a defensive disposition of forces to guard against Viet-Cong attack -- a stance perhaps inherited to some degree from the French and not effectively corrected by subsequent U. S. training. This defensive stance has drawn 80 to 85 per cent of the ARVN, including the bulk of the specially trained Ranger Force, into essentially static tasks. Thus, initiative has been conceded to the enemy.

This, in turn, has made worse a bad system of civil-military relations. The bulk of the military forces remain in control of the Province Chiefs because it is their responsibility to protect the population and installations of their areas; a defensive strategy thus automatically puts the bulk of the military in their hands. When enemy attacks take place, forces are brought up from reserve too slowly to be effective, due to a lack of effective command and control, communications, and mobility.

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A very high proportion of ARVN casualties (perhaps 90 per cent) results from ambushes which derive directly, in turn, from these operational characteristics. The consequent inability effectively to protect the people leads, in turn, to a drying up of the basic sources of intelligence and limits the government's ability to raise recruits.

Thus, poor intelligence, poor command and control arrangements, and poor mobility reinforce each other, leading to a defensive military disposition of resources and a progressive deterioration in the military position of the ARVN.

The second vicious circle, interwoven with the first, is political. As is widely understood, Diem's instinctive administrative style is that of an old fashioned Asian ruler, seeking to maintain all the strings of power in his own hands, while fragmenting power beneath him. The inability to mobilize intelligence effectively for operational purposes directly flows from this fact, as do the generally poor relations between the Province Chiefs and the military commanders, the former being Diem's reliable agents, the latter a power base he fears. The consequent frustration of Diem's military commanders -- a frustration well known to Diem and heightened by the November 1960 coup -- leads him to actions which further complicate his problem; e. g., his unwillingness to delegate military operations clearly to his generals.

Beyond the military circle, Diem's operating style and the personal political insecurity it has generated leads him to mistrust excessively many intellectuals and others of the younger generation who are badly needed to give his administration vitality and contact with the people. Many of these men and women are profoundly anti-Communist and capable of constructive use in the national effort; but, on the sidelines (or frustrated within the administration), they spend their efforts in complaints against the regime, while their country sinks towards a Communist take-over they do not want.

THE ASSETS OF SOUTH VIETNAM

Despite these interwoven military and political vicious circles, South Vietnam has considerable assets in the struggle for its independence.

1. Armed forces of 170,000 regulars, of better quality than the Viet-Cong guerrillas, if it can bring the Communists to engagement; a Civil Guard of 64,000, of whom about 20 per cent have been well retrained (but lack officers); a Self-Defense Corps of 53,000, poorly equipped and

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trained, but capable of improvement; a small but capable Air Force whose capacities are rendered ineffective by lack of target intelligence and a frustrating command structure; a somewhat woebegone Navy, whose potentialities are still to be established; a small, but excellent, Marine Corps of three battalions. In short, Vietnam has real military assets if they can be organized to engage the Viet-Cong. (Although it would almost certainly require external assistance if the North Vietnam divisions were to attack.)

2. With all his weaknesses, Diem has extraordinary ability, stubbornness, and guts.

3. Despite their acute frustration, the men of the Armed Forces and the administration respect Diem to a degree which gives their grumbling (and perhaps some plotting) a somewhat half-hearted character; and they are willing -- by and large -- to work for him, if he gives them a chance to do their jobs.

4. Within the military and non-military establishment, a new generation of younger men in their 30's is beginning to emerge with a strong will to get on with the job. Some of the new military commanders we met (in divisions, Rangers, Marines) are clearly dedicated, first-class, modern men of whom any nation could be proud. The same is true at the middle level of the bureaucracy.

5. The Vietnam economy, in both its agricultural and manufacturing sectors, has demonstrated, despite the pressures of the insurgency, an astonishing resilience.

6. Despite the intellectuals who sit on the side lines and complain; despite serious dissidence among the Montagnards, the sects, and certain old Viet Minh areas; despite the apathy and fear of the Viet-Cong in the countryside, the atmosphere in South Vietnam is, on balance, one of frustrated energy rather than passive acceptance of inevitable defeat.

It cannot be emphasized too strongly, however, that time has nearly run out for converting these assets into the bases for victory. Diem himself-- and all concerned with the fate of the country--are looking to American guidance and aid to achieve a turning point in Vietnam's affairs. From all quarters in Southeast Asia the message on Vietnam is the same: vigorous American action is needed to buy time for Vietnam to mobilize and organize its real assets; but the time for such a turn around has nearly run out. And if Vietnam goes, it will be exceedingly difficult if not impossible to hold Southeast Asia. What will be lost is not merely a crucial piece of real estate, but the faith that the U. S. has the will and the capacity to deal with the Communist offensive in that area.

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A STRATEGY FOR TURNING THE TIDE AND FOR ASSUMING THE OFFENSIVE IN VIETNAM

The elements required for buying time and assuming the offensive in Vietnam are, in the view of this mission, the following:

To CIA Readers:
This concept must be kept very secure.
CPC
D/C

1. A quick U. S. response to the present crisis which would demonstrate by deeds -- not merely words -- the American commitment seriously to help save Vietnam rather than to disengage in the most convenient manner possible. To be persuasive this commitment must include the sending to Vietnam of some U. S. military forces.

2. A shift in the American relation to the Vietnamese effort from advice to limited partnership. The present character and scale of the war in South Vietnam decree that only the Vietnamese can defeat the Viet-Cong; but at all levels Americans must, as friends and partners -- not as arms-length advisors -- show them how the job might be done -- not tell them or do it for them.

3. Through this working association at all levels, the U. S. must bring about de facto changes in Diem's method of administration and seek to bring all elements of the Vietnamese Government closer to the Vietnamese people -- thus helping break the vicious political circle.

4. By concurrent actions in the fields of intelligence, command and control, mobility, and training, the U. S. must bring about a situation where an effective reserve is mobilized and brought to bear offensively on clearly established and productive offensive targets -- thus helping break the vicious military circle.

5. In a number of fields, U. S. initiative with the Vietnamese can help immediately to launch certain limited offensive operations.

6. Certain concrete, limited research and development possibilities must be quickly geared into field operations.

7. The program of economic and military aid to Vietnam must be focused on measures which will not merely permit Vietnam to survive and to deal with the flood, but also to support the specific elements in the strategy outlined above.

8. The proposed program for dealing with the flood is an opportunity to make headway in a critical southern area, on both military and political fronts. It involves all action elements, including logistical elements of the U. S. military task force proposed elsewhere.

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Behind this concept of a strategy to turn the tide and to assume the offensive lies a general proposition: when an interacting process is yielding a degenerative situation, the wisest course of action is to create a positive thrust at as many points as are accessible. No one action -- not even the removal of Diem -- is the key to success in Vietnam. Each of the elements listed as essential to this strategy must play its part.

The balance of this summary examines individually the specific elements in the proposed general strategy.

A QUICK LIFT

It is evident that morale in Vietnam will rapidly crumble -- and in South-east Asia only slightly less quickly -- if the sequence of expectations set in motion by Vice President Johnson's visit and climaxed by General Taylor's mission are not soon followed by a hard U. S. commitment to the ground in Vietnam.

Technically, all that is involved at this stage in these proposals is that we announce that, due to Viet Minh aggression across South Vietnam's frontier, we are setting aside our dilute and conditional assent to the 1954 Geneva Accords, lifting the MAAG ceiling, and assuming full freedom of U. S. action until that aggression ceases and South Vietnam's independence is assured.

On July 21, 1954, General Smith declared that the U. S. "would view any renewal of the aggression in violation of the Agreements with grave concern and as seriously threatening international peace and security." The Jordan Report provides a clear basis for invoking this proviso. In combination, these two elements of reservation and evidence should permit us to present to the U.N. the same kind of case for our actions as was presented on August 13, 1958, by President Eisenhower, in the context of the Lebanon-Jordan crisis. (See, especially, Section I of Eisenhower's speech.)

The sequence we have in mind to implement the strategy and the proposals outlined in this report is something like the following, which we present for illustrative purposes and to supply some concreteness. There would be considerable advantage in shortening the timetable.

1. Week of November 5: Study and decision on General Taylor's recommendations. Completion of Jordan Report. Planning of United Nations track.

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2. Week of November 12: Indication to Diem that we are prepared to receive a request for aid along the lines the President may decide; consultation with Congressional leaders; indication to Allies (including SEATO) of what we plan to do; exchange of letters between Diem and President, including understandings which cannot be made public (e.g., relative to intelligence and covert operations).

3. Week of November 19: Publication of sanitized presidential letters; movement of first U.S. units to Vietnam (preferably flood task force, helicopters, Jungle Jim); publication of Jordan Report; Presidential presentation of U.S. case to U.N. (or presidential presentation to U.S. public and Stevenson presentation to the U.N.). A special session of Congress to receive a presidential message and to pass a resolution of support might be considered as one method for preparing to implement the suggested program. A quiet message to the U.S.S.R. should be dispatched indicating that we propose to help defend South Vietnam and urging Moscow to use its influence with Ho Chi Minh to call his dogs off, mind his business, and feed his people.

Included in the sequence above should be a review of contingency plans, designed to back the initial steps; a general review of plans with respect to Southeast Asia in relation to Berlin; and decision as to whether further call-up of U.S. reserves is required to provide ready forces up to the nuclear threshold for Southeast Asia as well as for Berlin.

LIMITED PARTNERSHIP

Perhaps the most striking aspect of this mission's effort is the unanimity of view -- individually arrived at by the specialists involved -- that what is now required is a shift from U.S. advice to limited partnership and working collaboration with the Vietnamese. The present war cannot be won by direct U.S. action; it must be won by the Vietnamese. But there is a general conviction among us that the Vietnamese performance in every domain can be substantially improved if Americans are prepared to work side by side with the Vietnamese on the key problems. Moreover, there is evidence that Diem is, in principle, prepared for this step, and that most -- not all -- elements in his establishment are eagerly awaiting it.

There is a second conclusion. We have attempted to answer the political and psychological question: would the more substantial involvement of Americans be counter-productive (see especially Appendix G)? Our conclusion -- based on experience and judgment in Vietnam, Laos, and

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Thailand -- is the following. If Americans come in and go to work side by side with the Vietnamese, preferably outside Saigon, the net effect will almost certainly be positive. The danger lies in excessive headquarters establishments and a failure to do palpably serious jobs. The record of U. S. -Asian relations in field tasks is excellent.

After all, the United States is not operating in Southeast Asia in order to recreate a colonial system doomed by history; it is attempting to permit new nations to find their feet and to make an independent future. Despite Communist propaganda, this is widely understood. When Americans work hard and effectively in this area, they meet friendship.

Such side by side partnership requires, of course, men of tact, strongly motivated to come and to get on with the task. They must be led at every level by Americans of first rate technical competence, imagination and human sympathy. It is our conviction that such Americans exist and can be recruited for the specific tasks listed below. On the other hand, the selection of personnel for these operations must be done with extreme care. The operation will fail if the U. S. is not willing to contribute its best men to the effort in adequate numbers and to keep them in the field for substantial periods.

Following are the specific categories where the introduction of U. S. working advisors or working military units are suggested in the appendices -- an asterisk indicating where such operations are, to some degree, under way.

-- A high level government advisor or advisors. General Lansdale has been requested by Diem; and it may be wise to envisage a limited number of Americans -- acceptable to Diem as well as to us -- in key ministries. (Appendices C and G.)

-- A Joint U. S. -Vietnamese Military Survey, down to the provincial level, in each of three corps areas, to make recommendations with respect to intelligence, command and control, more economical and effective passive defense, the build-up of a reserve for offensive purposes, military-province-chief relations, etc. (Appendix B.)

-- Joint planning of offensive operations, including Border Control Operations. *(Appendices A, F, and I.)

-- Intimate liaison with the Vietnamese Central Intelligence Organizations (C. I. O.); with each of the seven intelligence services; and with the intelligence collection process at the provincial level. (Appendix L.)

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- Jungle Jim. *(Appendix A.)
- Counter infiltration operations in Laos. *(Appendix F.)
- Increased covert offensive operations in North as well as in Laos and South Vietnam. *(Appendix I.)
- The introduction, under MAAG operational control, of three helicopter squadrons -- one for each corps area -- and the provision of more light aircraft, as the need may be established. (Appendix A.)
- A radical increase in U. S. trainers at every level from the staff colleges, where teachers are short -- to the Civil Guard and Self-Defense Corps, where a sharp expansion in competence may prove the key to mobilizing a reserve for offensive operations. (Appendices A and E.)
- The introduction of engineering and logistical elements within the proposed U. S. military task force to work in the flood area within the Vietnamese plan, on both emergency and longer term reconstruction tasks. (Appendix A.)
- A radical increase in U. S. special force teams in Vietnam: to work with the Vietnamese Ranger Force proposed for the border area (Appendix F); to assist in unit training, including training of Clandestine Action Service. (Appendices A and I.)
- Increase in MAAG support for the Vietnamese Navy. *(Appendix A.)
- Introduction of U. S. Naval and/or Coast Guard personnel to assist in coastal and river surveillance and control, until Vietnamese naval capabilities can be improved. (Appendix A.)
- Reconsideration of the role of air power, leading to more effective utilization of assets now available, including release from political control of the 14 D-6 aircraft, institution of close-support techniques, and better employment of available weapons. (Appendix A-V)

To execute this program of limited partnership requires a change in the charter, the spirit, and the organization of the MAAG in South Vietnam. It must be shifted from an advisory group to something nearer -- but not quite -- an operational headquarters in a theater of war. The

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objective of this shift is clear. The U. S. should become a limited partner in the war, avoiding formalized advice on the one hand, trying to run the war, on the other. Such a transition from advice to partnership has been made in recent months, on a smaller scale, by the MAAG in Laos.

Among the many consequences of this shift would be the rapid build-up of an intelligence capability both to identify operational targets for the Vietnamese and to assist Washington in making a sensitive and reliable assessment of the progress of the war. The basis for such a unit already exists in Saigon in the Intelligence Evaluation Center. It must be quickly expanded. (Appendix I.)

In Washington, as well, intelligence and back-up operations must be put on a quasi-wartime footing.

REFORMING DIEM'S ADMINISTRATIVE METHOD

The famous problem of Diem as an administrator and politician could be resolved in a number of ways:

-- By his removal in favor of a military dictatorship which would give dominance to the military chain of command.

-- By his removal in favor of a figure of more dilute power (e. g., Vice President Nguyen Ngoc Tho) who would delegate authority to act to both military and civil leaders.

-- By bringing about a series of de facto administrative changes via persuasion at high levels; collaboration with Diem's aides who want improved administration; and by a U. S. operating presence at many working levels, using the U. S. presence (e. g., control over the helicopter squadrons) to force the Vietnamese to get their house in order in one area after another.

We have opted for the third choice, on the basis of both merit and feasibility.

Our reasons are these: First, it would be dangerous for us to engineer a coup under present tense circumstances, since it is by no means certain that we could control its consequences and potentialities for Communist exploitation. Second, we are convinced that a part of the complaint about Diem's administrative methods conceals a lack of

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first-rate executives who can get things done. In the endless debate between Diem and his subordinates (Diem complaining of limited executive material; his subordinates, of Diem's bottleneck methods) both have hold of a piece of the truth.

The proposed strategy of limited partnership is designed both to force clear delegation of authority in key areas and to beef up Vietnamese administration until they can surface and develop the men to take over.

This is a difficult course to adopt. We can anticipate some friction and reluctance until it is proved that Americans can be helpful partners and that the techniques will not undermine Diem's political position. Shifts in U. S. attitudes and methods of administration as well as Vietnamese are required. But we are confident that it is the right way to proceed at this stage; and, as noted earlier, there is reason for confidence if the right men are sent to do the right jobs.

BRINGING DIEM'S ADMINISTRATION CLOSER TO THE VIETNAMESE PEOPLE

Although Diem's fundamental political problem is his inability to take the offensive, protect his villages and win the war, at many points his ability to win is, in turn, inhibited by the gap between his government and the people of South Vietnam. Proposals to narrow this gap appear in a number of the appendices. Programs underway are indicated with an asterisk.

-- To press forward, and improve the signal and content of the Vietnamese radio network and to distribute radio receivers throughout the country. *(Appendix D.)

-- To determine quickly whether it is feasible to create a TV network, perhaps with Japanese assistance. (Appendix D.)

-- To strengthen, with U. S. support, the scale and quality of the work of the Vietnamese Rural Reconstruction Teams. (Appendix I.)

-- To use the occasion of the U. S. flood relief effort to encourage -- by cooperation and example -- a closer relation between the Vietnamese officials and the villagers in the four affected provinces. (Appendix G.)

-- To help accelerate the civil action program for the Montagnards. (Appendix G.)

-- By increasing Diem's sense of security and by tactful persuasion attempt to bring his government closer to the trade unions, students, sects, intellectuals, and villagers. The improvement of the Province Chiefs and their guidance in new directions is an essential part of this process. (Appendix C.)

-- By using U. S. civil affairs teams in key areas, to demonstrate how more effective approaches to the villagers can be made. (Appendix G.)

-- To strengthen the ARVN Civic Action Program and improving its effectiveness. (Appendix G.)

Although these -- and other measures - should be attempted, our basic policy must be to diminish the tension arising between the government and the people stemming from the security situation. The record shows that the disintegration of the political situation in South Vietnam since 1959 is primarily due to the government's inability to protect its citizens and to conduct the war effectively.

Against this background, we turn to the specific recommendations contained in the Appendices with respect to the interlocked questions of intelligence, command and control, mobility, and training. These are the technical areas where GVN improvement must be achieved if a successful offensive is to be launched.

INTELLIGENCE

The GVN has been, almost literally, fighting blind -- awaiting attack before it responded and then responding slowly, awkwardly, and ineffectively. Guerrilla operations are designed to present few and fleeting targets. The successful conduct of guerrilla war requires a highly sophisticated intelligence effort, intimately geared to operations at every level from the villages to the planners. Vietnam has been served by a primitive and fragmented intelligence system, only obliquely linked to and focused on the problem of finding and seeking targets. Aside from U. S. encadrement of the intelligence system, and the strengthening of the U. S. Evaluation Center (earlier noted), Appendix A, VII, suggests the following two broad and urgent measures:

-- Assign clear national responsibility for intelligence collection and evaluation to the Central Intelligence Organization.

-- Create a joint U. S. -RVNAF Intelligence Group.

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Further specific recommendations are contained in Appendix A, VII, and in Appendix I.

Given the acute lack of qualified U. S. personnel, the suggestions in these Appendices will require careful and urgent screening to ensure that U. S. advice and influence is applied selectively at crucial points.

COMMAND AND CONTROL

The ambiguous role of the Province Chief -- at once commander of the militia, "sector commander" nominally subject to the military, and Diem's political agent, with direct access to him, is a familiar and fundamental weakness on the Vietnam scene. The recommendation in Appendix A is: "remove Province Chiefs from the chain of command of the ARVN forces." This could prove to be the answer. But the immediate proposal of the mission, already accepted by Diem in principle, is that joint U. S. -Vietnamese teams examine command and control relations (and other aspects of the military problem) in each of the three Corps areas, province by province, beginning with those provinces where the security situation is most acute.

It may prove to be the case that arrangements will be required somewhat more complex than a clean separation of Army and militia chains of command, for the following reasons:

-- Continued intimate cooperation between the Army and the militia will be necessary for both offensive and defensive operations.

-- The Army can be progressively disengaged from static duties (and thus from the Province Chiefs) only over a period of time.

-- Continued intimate relations between the Army Commanders and the Province Chiefs will be required, since the Province Chiefs will remain a basic source of intelligence for military operations.

In short, we would anticipate that best results will be achieved by some combination of greater freedom of action for the regular forces and more effective cooperation between the civil and military at the province level. But a definitive conclusion awaits the results of the joint survey.

An essential ingredient in the command and control (as well as the intelligence) problem is that the U. S. establish a parallel communications system (as in Korea and in Laos) linking American elements

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encadred in the field with MAAG headquarters. Such a system is essential both to permit the MAAG staff to have a reliable picture of field operations and to provide the basis for timely U. S. intervention or persuasion at high Vietnam level.

MOBILITY

The requirements of quick response in defense and surprise in attack combine with the terrain, distances, and the inadequate roads of Vietnam to justify a radical increase in the availability of helicopters and light aircraft, and in work on ground mobility techniques. Although command and control problems would have to be solved if this new force were to be effectively used, we believe the best way to force the necessary changes is to introduce U. S. helicopter units, attached to each of the three corps, with U. S. officers maintaining control under MAAG. Even if desirable, there is no way of introducing this kind of force except as U. S. military units, given the shortage of pilots and maintenance personnel. (See Appendix A.)

Although the existing airlift in Vietnam is now not used with full efficiency, it is likely that an increased requirement for C-47 (or similar aircraft), as well as for lighter supply and personnel aircraft will rapidly emerge, if the recommendations in this report are adopted and yield some success. Basically, an effective operation against the Viet-Cong requires ample air supply, as well as ample troop-lift capacity. (Appendix A.)

RESERVES

As noted earlier, the reserves available for systematic offensive action in the Vietnam armed forces are shockingly low. There is one battalion in reserve in the First Corps; two each in the Second and in the Third Corps. Evidently ways must be found to increase this reserve. One major purpose of the proposed U. S. -Vietnam joint survey of the military situation is to find out, in one region after another, how this might be done. The major elements in the process of expanding the reserve are already reasonably clear:

-- To find means more economical in troops to protect the villages and the major installations;

-- To accept an increased degree of risk in the protection of installations not of first importance;

-- To induce among the militia and the troops still assigned to protective missions a more aggressive stance, and, by local attacks on the Viet-Cong, to reduce Viet-Cong capacity and freedom to mount local raids.

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-- To build up as rapidly as possible, via training and re-equipment, the Civil Guard and the Self-Defense Corps so that the army can be progressively released for offensive action. (Appendix A.)

Appendix A suggests as a target that at least 50 per cent of the regular armed force now on static posts should be released for offensive operations. If intelligence can be made to yield useful targets and mobility is provided, a force of this kind could radically reduce the Viet-Cong menace. This would constitute a force of some 70,000 men. Whether this force can be freed for RVNAF offensive operations without unacceptable risk to the population and essential installations remains to be seen.

In addition to measures taken by the Vietnamese to improve their reserve position, it is an evident requirement that the United States review quick action contingency plans to move into Vietnam, should the scale of the Vietnam offensive radically increase at a time when Vietnamese reserves are inadequate to cope with it. Such action might be designed to take over responsibility for the security of certain relatively quiet areas, if the battle remained at the guerrilla level, or to fight the Communists if open war were attempted.

TRAINING

It is our clear impression (Appendix A) that, by and large, training and equipment of the Vietnamese armed forces are still too heavily weighted toward conventional military operations. There has undoubtedly been a shift towards guerrilla and counter-guerrilla training, but it has not gone far enough. Even the Rangers are not adequately trained or equipped for sustained jungle warfare. MAAG must use its influence steadily and strongly towards increasing the component of counter-guerrilla training at all levels in the Vietnamese armed forces.

The Vietnamese require U. S. assistance in training at all levels, from the War College down. They are constantly faced with the painful choice of allocating good young soldiers either to combat units or to instruction. In both areas the need is great. Given the acuteness of the crisis, we must be prepared to ease this choice by the generous provision of U. S. instructors.

As a first priority, the training of the Civil Guards should be accelerated. About 20 per cent of this force has passed through infantry training, and the results are encouraging. However, the retrained Civil Guards will

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not be able to operate at full efficiency until the grave shortage of officers and NCO's in the Civil Guards is corrected (Appendix A). To help fill this gap as well as to encourage the Civil Guards to undertake more aggressive tactics, including night patrolling, we should consider assigning MAAAG officers and, in key areas, special forces teams to work with the Civil Guards on whose increased efficiency the possibility of generating an army reserve partially depends.

It should also be noted that the cost to the GVN in local currency of training a Civil Guard is substantially less than for a regular soldier; the annual cost to the GVN for a regular, Civil Guard, and a member of the Self-Defense Corps is 28,000 piasters, 17,500 piasters, and 10,800 piasters, respectively.

With respect to the expansion of the Vietnam regular forces beyond the present approved level of 200,000, no decision is immediately required; although we should promptly approve the increase from 170,000 to 200,000 if the GVN accepts its role in a program of the kind proposed here. (Appendix E.) To deploy effectively an expanded regular army will require progress in the inter-related measures outlined in this report. Until the basic problems of intelligence, command and control, and mobility are on their way to solution, a mere expansion in the army will be of little help. Under present circumstances, the Viet-Cong could pin down a much larger army than Saigon now commands. But to cover the transitional period, the expansion to 200,000 is necessary.

TAKING THE OFFENSIVE

The object of these proposals, as a whole, is, of course, to permit the ARVN to assume an effective offensive against the Viet-Cong. An offensive campaign in Vietnam involves a number of different elements:

-- The widespread development of an offensive initiative at the local level.

-- The development of an offensive against infiltration and infiltrators in the plateau area via the Frontier Ranger Force (Appendix F) and the Clandestine Action Service (Appendix I).

-- The liquidation of Zone D; the Viet-Cong redoubt on the boundary between I and II Corps; the training areas near the Cambodian frontier, etc.

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-- The systematic clearing of the Viet-Cong from less firmly held areas; and, above all, learning how to hold an area by a mixture of military and civil measures once it has been swept.

The assumption of the offensive will thus be a many-sided process, involving progress in all the various directions set forth in this report. When the conditions for an offensive are established, a concrete offensive plan might be put into operation, with clear-cut priorities for particular missions, designed systematically, by phases, to clear the country of the Viet-Cong. Planning to this end might well now begin. (Appendix A.)

A NOTE ON THE NAVY

As indicated in Appendix A, V, the Vietnam Navy is in poor shape, having played only a minor role in counter-insurgency operations. It suffers in extreme form from a lack of proper intelligence and command-control relations to the total effort. A substantial increase in the MAAG advisory effort will be necessary to get this force to play its proper role, as well as a concentrated intelligence enterprise to find for it effective targets.

In the meanwhile, there are urgent naval requirements to be met in coastal and river surveillance and control. Our conclusion is that U. S. Naval and/or Coast Guard forces may need to be moved in to supplement the Vietnamese Navy until it can find its feet.

RESEARCH AND DEVELOPMENT

The U. S. -Vietnam Combat Development and Test Center has been at work for some months. Its objective has been to establish whether various more or less available U. S. technology could assist the Vietnamese in fighting the Viet-Cong. The unit has worked under the usual administrative difficulties attendant upon a new venture, including poor liaison with certain elements of the Vietnamese armed forces. Nevertheless, three significant conclusions have emerged:

-- First, current and foreseeable special techniques will offer no quick magic for defeating the Viet-Cong. The basic military, political and administrative problems outlined in this report must be solved with the help of R and D, but not by R and D alone, if the Vietnamese are to win.

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-- Second, there are a range of limited concrete devices which could assist both militarily and psychologically in the war against the Viet-Cong. These deserve urgent and careful operational consideration, notably the following: the use of chemicals to attack the rice and manioc crop in carefully selected mountain areas where the Viet-Cong buildup depends on their own plantings to supplement a thin local food supply; the rapid expansion in the use of dogs for patrolling; the installation of the village alarm system; and the use of Lazy Dog for attack on certain relatively fixed Viet-Cong targets.

In addition, the possibilities of the AR-15 rifle should be explored as well as of a plastic swamp boat.

A case for their usefulness having been established, the exploitation of these devices should be pushed with great operational vigor on both the American and the Vietnamese sides. (Appendix H.)

THE ECONOMIC SUPPORT OF THE COUNTER-INSURGENCY PLAN

Given the fact that we do not yet know how much damage the flood will cause, it is impossible to form a clear view of the approximate total level of the U. S. aid to Vietnam over the coming year. Nevertheless, certain basic propositions about the Vietnamese economy and the relation of economic aid to this program can be asserted with some confidence.

The fundamental economic fact about Vietnam is that the government has exhibited a considerable capacity to execute important projects in the fields of health, education, agriculture, and public works; and the private sector has shown a surprising virility and momentum.

These have been significant stabilizing factors in an otherwise treacherous situation.

The momentum of the Vietnamese economy must be supported for a further technical reason. As pointed out in Appendix D, the conduct of war against the Viet-Cong requires an increasing supply of local currency. That currency cannot be generated merely by giving the Vietnamese dollars. It would be counter-productive if our dollars should be used for the buildup of monetary reserves or unused pipelines, for luxury imports, or for the imported commodities which compete with their rapidly growing private industrial sector. The problem is,

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therefore, to design a program of aid which will generate local currency while encouraging civil domestic enterprises which support the total GVN effort.

With respect to the private sector, the most promising way to do this is to increase the import of capital goods for industrial development. With respect to government projects, the GVN must devise measures which generate local currencies in conjunction with government projects. Appendix D suggests a series of such projects where the local currency component might be raised by public bond issues. This appears the principal new device by which the paradox could be ended in which only private sector projects supported by the United States develop local currency for the GVN budget.

In addition, it is clear that the Vietnamese must press forward with their present considerable improvements in tax collection. Further, in time, the Vietnamese must move on from the exchange rate arrangements to which they have agreed in principle but which are not yet in force -- which would yield an average of 74 piasters (including customs duties) to the dollar -- to a more straightforward exchange rate of about 80 (plus customs duties).

On the U. S. side, we must be prepared to provide whatever level of dollar aid may be necessary if we are assured that the dollar aid is being used for productive purposes which support the total effort.

Some of the concrete projects which USOM should support which are directly related to the counter-insurgency plan are the following: the feeder road program; development, if proved feasible, of a TV system around Saigon, which would link government and people more closely in a crucial region; push to completion the present plans for the Vietnamese radio system, including provision for widespread distribution of cheap battery-operated receiving sets; support for the Montagnard program; village communications. In addition it would be appropriate for USOM to join with our MAAG and the Vietnamese in considering systematically the civil action component required if areas cleared of the Viet-Cong are to be consolidated. Operations in the flood areas should give an opportunity to learn in a practical way how this might be done.

THE FLOOD

The present flood is a disaster, enveloping two provinces and substantial portions of two others; but it is, at the same time, a major opportunity for the Vietnamese and for the joint U. S. - Vietnam partnership which this report proposes.

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In general it offers to the GVN a chance to mobilize all anti-communist elements in a common constructive national effort. For the United States it offers an opportunity to introduce limited but still meaningful military forces to assist in the emergency and reconstruction effort, making available within the country for further use precisely the types of engineering forces which the logistics part of Appendix A recommends.

Although the exact contours of the job cannot be discerned until the flood waters recede, it is clear that a reconstruction effort will be required for many months. This effort offers to the Vietnamese government an opportunity to get closer to the people in the villages in an important southern area and to see if it cannot reconstruct the area with military and civil arrangements which prevent the re-entry on a large scale of the Viet-Cong. In a sense the flood is a sweep; and the problem is to consolidate after the sweep.

The presence of American military forces in the area should also give us an opportunity to work intensively with the civil guards and with other local military elements and to explore the possibility of suffusing them with an offensive spirit and tactics.

The introduction in this area of substantial American forces raises, of course, the problem of their protection. The precise nature of the risks run can only be assessed on the spot by the local U. S. commander. It is evident that a certain risk will be run of daytime sniping and ambush and of night raids. With intensive cooperation with the local military and militia and certain elementary precautions, these risks appear capable of control. The precise techniques for dealing with these risks must rest with the Task Force Commander; but he should be supplied with units and other resources required to do the job.

Although further staff work will be required to assess the size and composition of an appropriate U. S. flood reconstruction force, we would now envisage a unit of perhaps 8000 men.

CONTINGENCIES

The U. S. action proposed in this report -- involving as it does the overt lifting of the MAAG ceiling, substantial encadrement and the introduction of limited U. S. forces -- requires that the United States also prepare for contingencies that might arise from the enemy's reaction. The initiative proposed here should not be undertaken unless we are prepared

to deal with any escalation the communists might choose to impose. Specifically we must be prepared to act swiftly under these three circumstances: an attempt to seize and to hold the Pleiku-Kontum area; a political crisis in which the communists might attempt to use their forces around Saigon to capture the city in the midst of local confusion; an undertaking of overt major hostilities by North Vietnam.

As noted earlier, the present contingency plans of CINCPAC must embrace the possibility both of a resumption of the communist offensive in Laos and these Vietnamese contingency situations. Taken together, the contingencies in Southeast Asia which we would presently choose to meet without the use of nuclear weapons appear to require somewhat more balanced ground, naval, and air strength in reserve in the U. S. than we now have available, so long as we maintain the allocation of the six divisions for the Berlin crisis.

Therefore, one of the major issues raised by this report is the need to develop the reserve strength in the U. S. establishment required to cover action in Southeast Asia up to the nuclear threshold in that area, as it is now envisaged. The call up of additional support forces may be required.

In our view, nothing is more calculated to sober the enemy and to discourage escalation in the face of the limited initiatives proposed here than the knowledge that the United States has prepared itself soundly to deal with aggression in Southeast Asia at any level.

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The views expressed in the following Appendices are those of the respective authors. They have contributed substantially to the conclusions expressed in the two preceding papers and, evidently, reflect a broad concensus; but no effort was made to adjust the various perspectives represented in the several sections of the Report.

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IX SUMMARY

In summary, it is the concensus of the military committee that intervention under SEATO or U.S. plans is the best means of saving SVN and indeed, all of Southeast Asia. Should this prove impossible for non-military reasons we consider there are two general ways in which the combat effectiveness of RVNAF can be increased substantially. The first and most immediate requirement is to assure that GVN makes maximum effective use of its' current resources. Its present conduct of military operations leaves much to be desired. By taking certain corrective measures and developing more effective procedures, it is our opinion that the combat effectiveness of RVNAF could be improved by an estimated 25 to 40 percent. The second method involves determining reasonable courses of action within United States resources short of military intervention or direct combat support by air and naval combat elements which can appreciably improve both the immediate and long term fighting capabilities of the RVNAF.

We feel that rapid approval and implementation of the following recommendations will improve the combat capabilities of the RVNAF, upset the Communist timetable and prevent a rapid take-over in SVN by Communist forces:

a. Intelligence

(1) One intelligence agency be designated as a central control point for direction, collection, interpretation, collation, and dissemination of all intelligence. (Detailed recommendations are contained in Intelligence Section of military appendix.)

b. Command and Control

(1) That the U.S. Government insist that a single inviolate chain of command be established and practiced. This must include the removal of Province Chiefs from the chain of command.

(2) That the Vietnamese Joint General Staff and Organization be reworked to provide for proportionate service representation to include the seating of all service chiefs as members.

(3) That special efforts be made at the highest USG levels to compel President Diem to adhere to an effective chain of command and to cooperate more fully with the United States in the combined efforts of the two governments to forestall the communist threat to SVN.

c. National Planning

(1) An effective national plan for counter-insurgency be developed and systematically and effectively implemented.

d. Other

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(1) That the U.S. provide RVNAF with additional helicopter and fixed-wing airlift as required, consistent with the maintenance of essential U.S. military posture worldwide.

(2) That projects aimed toward increased mobility to include road and small airstrip construction, and communications for more effective response and control be undertaken.

The foregoing broad recommendations are considered of primary importance. Of only slightly less stature are those below that require early action. It is recommended that:

(1) The general welfare of the enlisted man, to include diet, pay, promotion, leave and awards, be greatly improved at once.

(2) A crash program be implemented to train officers and NCO's in adequate numbers to provide a solid base for accelerating the increase of RVNAF forces.

(3) MAAG advisors participate in all planning and operations.

(4) Resources be relocated as necessary throughout the RVNAF to provide each service the means to increase its effectiveness and morale.

(5) Much greater emphasis be placed on indoctrination of the individual Vietnamese soldier through means of political action officers assigned down to company level to conduct continuous and vigorous instruction designed to stimulate the individual soldier to fight.

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I. GENERAL STATEMENT:

The enemy continues his buildup within South Vietnam (SVN) through infiltration of up to battalion sized units while simultaneously increasing his guerrilla forces by recruitment within SVN. In addition to the ever worsening internal situation, the developments in Laos are recognized as presenting the Democratic Republic of Vietnam (DRV) or other communist oriented forces with the opportunity for greatly increased covert infiltration of personnel, supplies and equipment through southern Laos to the Viet Cong (VC) forces in SVN. They also deny the Republic of Vietnam Armed Forces (RVNAF) and the United States or SEATO the considerable period of warning time formerly expected prior to an attack by the DRV or other communist forces (Pathet Lao/Chi Com) through Laos. The enemy's estimated strength within SVN has increased from approximately 12,000 in July to an estimated 16,500 to date, and he is expected to continue to expand his forces. Incidents have increased from 960 per month prior to July to 1,300 per month in September and the scope of his unit offensives have recently increased from company to battalion sized operations. His shift of activity to the I and II Corps areas during the past month and a half gives additional cause for concern. He is expected to step up the tempo of operations, with increasing incidents and attacks in the Nam Bo and delta regions when the dry season starts around 1 November 1961.

The RVNAF, which has been increased in strength from 150,000 to nearly 170,000 since June 1961, is almost fully committed in containing the VC threat at its present scope of activities. Static security and pacification operational requirements within respective provinces and operational areas under current RVNAF missions and operational concepts make obligatory the constant employment of 80 to 85 percent of Army Republic of Vietnam (ARVN) forces. This leaves only small dispersed local reserves to meet an extensive threat or to conduct large scale operations throughout SVN under national level operational control.

The grave military situation in SVN is further complicated by the critical flood conditions existing in the rice-rich delta area. This requires diversion of RVNAF units and effort for flood relief. This disaster, if not handled by GVN in a wise, farsighted and aggressive manner, could provide the VC with powerful operational and propaganda tools.

In recognition of these conditions President Diem on 19 October 1961 declared a state of national emergency throughout SVN.

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If the current political-military hiatus in Laos continues (and it can be logically concluded that it will), thus permitting the VC the uncontested use of southern Laos as a route into the heart of SVN, the resultant threat will rapidly far exceed anything RVNAF can be expected to handle without the introduction of sizable military forces from the outside.

From the military viewpoint, the defense of Southeast Asia must be considered as one problem, not the defense of each of the several countries or areas comprising the whole. As a corollary, any concept for the defense of SE Asia which does not include Laos or substantial parts of it is militarily unsound.

We recognize that the mission of this group is to determine how best to assist SVN in her struggle against communism and not to study specifically the solution of the broader SE Asia problem. However, in this connection, we consider that there is no feasible military alternative of lesser magnitude than SEATO or U. S. intervention, which will prevent loss of SVN. We further consider that the method of saving SVN by intervention offering the greatest chance of success is to cut off the southern Laos corridor into SVN. We believe the implementation of SEATO Plan 5, or a suitable variation thereof, is the best available means of initiating this action. The bonus benefits are obvious since we believe this to be the only military way to prevent the loss of Laos, Thailand, Vietnam, and ultimately all of Southeast Asia.

In advocating such a course of action, the possibility of escalation and the effects of world opinion were not ignored, but rather, to the contrary, they were seriously considered.

However, in the light of current events and the future role of the U. S. in world affairs, we consider retention of SE Asia as a member of the western block of nations to be indispensable.

Should the implementation of SEATO Plan 5 prove to be impossible for non-military reasons, we consider that the next most desirable course of action to be the implementation of the plan involving the introduction of U. S. forces into SVN, possibly in the Ban Me Thout Pleiku-Kontum plateau area (SEATO Plan 7 or modification thereof) currently being developed by CINCPAC. It is the general consensus that such forces should be large enough to do the job, and that they should be sent in at an early date. This course of action would not contribute substantially to the over-all problem of SE Asia but would provide a degree of assistance to SVN in regaining control of its territory and free SVN forces for offensive actions against the VC.

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Based on their limited observations in the field, in general members of the military committee found the fighting capabilities of the RVNAF to be significantly less than their previous estimates which were based on reports, and that the shortcomings which degraded their former opinions on the subject can be attributed largely to the failure of the GVN to make effective use of its resources. A state of apathy seems to pervade all levels observed in the RVNAF. It appeared as though SVN forces are in a state of suspended animation except when reacting with limited effort against threats to static posts or to the civilian populace. They seem to consider the VC to be "will o' the wisps" and that efforts to find, fix and kill them are doomed to futility.

The remainder of this military appendix is devoted to a brief analysis of the RVNAF, ARVN, VNAF, VNN, intelligence and logistics with discussions of problem areas and recommendations for their solution.

RECOMMENDATIONS: It is recommended that

SEATO Plan 5, or suitable variation thereof, be implemented, or if this is impossible for non-military reasons,

The Plan for introduction of U.S. Forces into SVN, SEATO 7 or suitable variations thereof, be implemented.

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II. REPUBLIC OF VIETNAM ARMED FORCES:

Several serious deficiencies were found to exist in RVNAF which if corrected would improve their combat effectiveness substantially. The reasons and contributory factors were checked to the extent permitted by time available and it was determined that most major troubles stemmed from political-military considerations rather than from the purely military.

At the national level the major problems confronting the RVNAF fall into two categories, i. e. (1) failure to make the most effective use of resources currently available due to faulty operating procedures, improper command arrangements and lack of coordination in certain fields and (2) additional outside assistance required in the form of special equipment, construction effort, supplies, technical assistance and logistic and other type support.

Correction of the deficiencies in the first category can be accomplished only by the USG taking a firm stand with the GVN and insisting certain actions be taken to rectify the situation. This is absolutely essential since it is doubtful if unlimited assistance of the second category could appreciably improve the situation in SVN without first putting the operation on a sound footing by taking remedial action to correct shortfalls in the first category.

The following discussions will cover a few of the "in-house" deficiencies which must be corrected in the RVNAF. There is no single intelligence agency or group responsible for the collection, analysis, collation, dissemination and direction of intelligence efforts, and there is no effective combat intelligence reporting system in the RVNAF.

Intelligence channels go directly from province level to Saigon--sometimes directly to the President himself, cutting out all intermediate commands. There are numerous collecting agencies operating in SVN receiving various types of raw intelligence which considered and evaluated collectively could result in a useful product. This includes combat intelligence. To date very few hard targets have been located and operations are undertaken without precise enemy targets as objectives because very little is known of his location, numbers, equipment, plans, etc.

The existing command and control structure is faulty. Apparently the President himself exercises arbitrary control of military operations and by-passes command channels of the joint general staff, corps and

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divisions. The most classic example of this deficiency results from the dual role of the Province Chiefs who as Sector Commanders command all troops in their area, including ARVN, Civil Guards, SDC and Rangers. Though theoretically with his military hat (Sector Commander), he is under the command of the Division Commander, by putting on his Province Chief hat and going through his other (political) channel he can go over the heads of Division, Corps and Field Commanders and even CG ARVN. This happens frequently and has a most deleterious effect in planning, operations and training and other vital aspects of the conduct of military operation.

There is no effective national plan for counter-insurgency. National planning has proved to be a difficult hurdle for the GVN. The internal Security Council by virtue of its organization could, with only minor adjustment, fulfill the present void in National Planning and Policy Direction. Another existing office, that of Permanent Secretary General for National Defense, could well be expanded to become an adequate National level coordinator and executive agency to implement the council's directive. Unfortunately, despite repeated urging to the highest GVN levels, almost nothing has been done in this area. The Ambassador and MAAG have continually pressed the President as to the importance of a National Operations Plan which adequately employs the coordinated use of military-political psychological-civil and economic powers.

In the purely military field of national planning, some small progress has been made. A preliminary military counter-insurgency plan was published by Field Command in February 1961, however, it did not satisfy the requirements of the U. S. Counter-Insurgency Plan for South Vietnam. In July 1961, Field Command published planning instructions to subordinate elements and is currently engaged in the production of a countrywide military counter-insurgency plan upon which it is hoped and expected the GVN will pattern the National Counter-Insurgency Plan as a coordinated whole with the military as a part thereof.

U. S. advisors do not fully participate in planning for and conduct of operations. In order to be successful, operations against the VC require most careful planning, coordination, as well as determined, intelligent and energetic follow-through in the implementing phase. Vietnamese officers in general are not as well qualified in this area as available U. S. military advisors who, by their experience, schooling, and higher professional standings, could supply the much needed know-how, techniques, knowledge of joint and combined operations and vigor required. To have

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U. S. personnel working around the clock in the various operations centers would enable JUSMAG to know the true situation at all times and to keep abreast of any new requirements, etc. The exact opposite situation has prevailed in the past and advisors learned of operations after the fact. There has been a slight improvement in this situation in recent weeks, but no where near the desired degree of U. S. participation has yet been realized. It must become SOP for U. S. officers to plan and operate in Vietnamese operations centers on a 24-hour basis during operations.

The Vietnamese Armed Forces do not make use of Joint Operations Centers, Tactical Operations Centers, etc., for effective control of operations. Current procedures do not provide to the degree required an effective system of coordination providing for effective use of supporting units in support of ground combat. Much more timely and effective use could be made of combat support units and operations against the VC by establishing a JOC or TOC, as appropriate, with G2/G3, air, artillery, engineer and other required agencies represented. JUSMAG has pushed this idea but to date Vietnamese have accepted with lip service only.

Commanders of the Air Force and Navy are not in the Joint General Staff nor are these services commensurately represented on the Joint General Staff. The Joint General Staff in its present charter provides for representatives from all three of the services. If it were actually constituted as its authorized membership provides, there would be an element of a joint staff in it. Of the 253 officers assigned, two are from the Air Force and one from the Navy. Of the 307 enlisted men assigned, seven are from the Air Force and none from the Navy.

President Diem himself constitutes a most serious problem to effective operations. He does not choose his subordinates for their competence but rather from considerations of politics and personal loyalty. He accepts advice from the MAAG only when he likes the advice and once having acquiesced to a suggestion feels no compunction whatsoever in reversing himself.

One of the most glaring deficiencies that strikes the observer is the apparent lack of enthusiasm and dedication for their cause on the part of officers and men in the RVNAF. Based on several discussions on this subject with unit advisors and impressions received from discussion of operational matters with Vietnamese officers, there appears to be no driving determination to find, fix and kill the VC. On the other hand, it is generally conceded that the VC are completely indoctrinated in their purpose and will undergo privations, personal hardships and anything required to defeat the SVN. There is an urgent requirement, in the opinion of the military committee, for special and continuing emphasis by SVN on its troop indoctrination program, driving home the message of fanaticism and

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the objectives of the VC and the communist objective to destroy SVN as an independent nation. Admittedly, this must not be attempted by direct effort of "white faces" but must be accomplished in some way if we are to imbue the Vietnamese with a real desire to win. Perhaps use could be made of naturalized CHINATS for this purpose since there are half a million SVN citizens of Chinese extraction.

There are numerous other shortcomings and deficiencies within the RVNAF which can be corrected by "in-house" action and many of these are discussed in the remainder of this report.

In regard to the second category, i. e. actions to enhance the combat effectiveness of RVNAF by outside assistance, a few of the major ones are discussed below and others are discussed in the coverage of Army, Navy, Air Force, Intelligence and Logistic Sections of this report.

Due to the unusual nature of the terrain, method of operating, the paucity of roads and railroads, and inadequate airlift and other factors peculiar to this part of the world, operational flexibility can only be achieved through provision of a high degree of flexibility including air mobility. This means acquisition of additional airlift-helicopter and STOL aircraft, and construction of air fields, roads and other communications facilities. The VC is a fleeting and elusive enemy and remunerative targets are hard to find and short lived. Therefore, it is absolutely essential that targets be struck immediately when found by crew served weapons, artillery, air strikes and helicopter delivered troops. This type of coordination can be realized only through effective use of radio communications and smooth working FAC's, JOC's, and TOC's, etc. Just to mention a few items of equipment requiring U. S. assistance are appropriate helicopters, light fixed-wing aircraft, patrol craft escort, modern radios, radar, airstrip facilities and construction of access roads and numerous air fields strategically placed about the countryside. Other suggested items in this category calling for outside assistance are covered in appropriate inclosures to this appendix.

RECOMMENDATIONS: It is recommended that:

1. One intelligence agency be designated as a central control point for direction, collection, interpretation, collation, and dissemination of all intelligence. (See detailed recommendations in intelligence inclosure.)
2. The USG insists that a single inviolate chain of command be established and practiced. This must include the removal of Province Chiefs from the chain of command.

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3. An effective national plan for counter-insurgency be developed.
4. Steps be taken at Field Command level to instruct unit commanders to allow U. S. advisors to participate in the tactical planning for and conduct of operations as an integral part of various operations centers.
5. Joint Tactical Operations Centers wherein G2/G3, air, artillery, engineer and other required agencies participate in planning and conduct of operations be established at appropriate command echelons.
6. The Vietnamese Joint General Staff charter and organization be reworked to provide for proportionate service representation to include the seating of all service chiefs as members.
7. Special efforts be made by the highest USG levels to compel President Diem to cooperate more fully with the United States in the combined efforts of the two governments to forestall communist threat to SVN.
8. A program be designed to orient and indoctrinate the Vietnamese fighting men and officers as to the nature of the threat to them and to their country.
9. The United States provide RVNAF with additional helicopter and fixed-wing airlift as required, consistent with the maintenance of essential U. S. military posture worldwide.
10. A study be made of the communications requirements and more sophisticated and higher performance equipment be made available to RVNAF as necessary and consistent with U. S. military posture elsewhere.
11. The U. S. assist Vietnam in establishing and operating a tactical air-ground system.
12. The U. S. assist Vietnam in a road and air field construction program designed to exploit air and ground mobility.

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III. ARMY REPUBLIC VIETNAM

The performance of the ARVN is disappointing and generally is characterized by a lack of aggressiveness and at most levels is devoid of a sense of urgency. The Army is short of able young trained leaders, both in the officer and NCO ranks. The basic soldier, as a result, is poorly trained, inadequately oriented, lacking in desire to close with the enemy and for the most part unaware of the serious inroads communist guerrillas are making in his country.

As indicated in the case of the RVNAF the intelligence effort of ARVN is entirely inadequate, uncoordinated and mismanaged and suffers from inertia and lack of appreciation at many levels. A special section of this military paper discusses the status of the ARVN intelligence effort in some detail. (See intelligence inclosure.)

As discussed above in the RVNAF portion of this report next in importance to the absence of an effective intelligence system, the most chronic weakness in the ARVN is the denial of clear-cut military authority to the Commander of the Field Forces. While he is charged with the responsibility for the nation's security, he does not enjoy the commensurate authority to accomplish his mission.

At the national level, President Diem remains the sole font of power and few military decisions of any stature can be made without his approval.

Currently he imposes his will through the Chief of Staff of the Joint General Staff, who has the authority to dictate military operations, organization, and command structure without regard for the recommendations of the Commanding General of the Field Command - the top military echelon of the ground forces.

Through his system of direct appointment of Province chiefs, the President can assure for himself obedience at the grass roots. These Province chiefs, some of whom are military, have direct access to and personal support of the President. They often by-pass and ignore local military commanders, very frequently to the detriment of effective operations and training.

In addition, combat commanders from Corps down are often required, over their objections, to release additional units to the control of the Province chiefs who use them at their discretion, thus further diluting combat capability.

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The Province chief usually has better communications than most military commands and often transmits urgent tactical information directly to the President or through civilian channels without referral to the local military commander most vitally concerned.

Equipment problems are few and perhaps the most immediate need is suitable aircraft at Corps and Division for daily reconnaissance and better control and for combat lift into areas inaccessible to heavy aircraft. At present the VNAF allots flying time for specific and scheduled missions. This system does not always provide the Corps and Division commander "on hand" aircraft for quick response to tactical situations.

Other minor problems in the logistic field are included in a separate logistic section of this military report.

Tactically, 80 to 85% ARVN troops are dispersed on static security and pacification operational requirements. In the III Corps, the Corps Commander has a reserve of only 2500 marginal troops out of a total of 92,000 ARVN, SDC and CG forces in his zone of responsibility. The maintenance of 1684 static posts detrimentally affects training, tactical deployment, unity of command, and drains logistic resources.

The situation in the I and II Corps is similar.

A major deficiency in ARVN which could be corrected with little effort is the failure to include MAAG personnel in the planning for and conduct of operations. Despite continuing efforts by MAAG, it has only been in recent weeks that certain MAAG advisors have begun to participate in the planning for operations. It must become SOP for U. S. advisors to participate fully in planning phases of operations and around the clock participation as members of the operations center teams in actual operations.

Artillery support during operations is often applied with unobserved artillery fire. Due to a shortage of 1:25,000 maps, 1:100,000 maps are often used. Observation aircraft are located at ARVN and Corps level and are not immediately available to Divisions.

There is a widespread tendency to halt operations at night and retire into static posts. Patrol activity is not taken seriously enough and is not of the scale or degree of vigor required.

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A recent so called "SWEEP" operation involving use of four battalions and lasting for 30 days never saw a single V.C. Its results were destruction of 16 empty huts and a small rice supply.

There are airborne and airmobile Immediate Ready Forces on 24 hour air field alert. However, they have not yet been employed promptly or regularly enough to test their real potential.

Many ARVN personnel have been on operations for one to three years without leave rotation and/or retraining. One objective of the increase in forces from 150,000 to 170,000 was to provide new units which would alleviate this situation through a system of rotating units. However, in order to meet the increased VC threat, it is planned to employ these troops on operations as they become trained rather than have them relieve operationally worn units for R&R. Retraining and re-equipping of units "on the line" is a most serious problem for which there appears to be no complete solution in the immediate future. However, the situation can be greatly improved by establishment of proper command and control procedures and more effective conduct of operations. Early increase of the RVNAF is one means of correcting this condition but accomplishment of many improvements within current resources should be accomplished first.

The ordinary soldier gets little personal attention from his superiors. His pay is woefully low, promotion opportunities few, leave is almost a myth, little if any provision is made for his dependents and the adequacy of his diet is questionable. It is small wonder that his morale is low and he finds it difficult to whip up an aggressive spirit.

Since the abortive "coup" of November 1960, only special mission training and operational exercises have been conducted within the Special Forces. Special mission, medical and communications training varies from adequate to superior. Recruit and individual training is inadequate due to lack of facilities. In the majority of cases, the Special Forces have been properly used due to American insistence. However, these forces are controlled by President Diem and he uses them for his own non-military purposes at times.

Recommendations:

(1) The combat intelligence system should be reorganized designating one agency responsible for direction and coordination of the intel-

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ligence effort (See Intelligence Section for detailed recommendations).

(2) A single inviolate chain of command should be established and practised. This must include the removal of Province chiefs from the chain of command.

(3) At least 50% of the ARVN troops on static and pacification duties which tie them to a piece of terrain should be released for combat operations. Those remaining should be augmented to the minimum essential extent by Civil Guard and/or SDC personnel.

(4) MAAG personnel should be included in planning at all levels and in operations centers during operations.

(5) Provide each division its own complement of L-19 aircraft and pilots on a permanent basis.

(6) All recruits should receive extensive training in counter-guerrilla operations and tactics and new units should be tailored to meet the actual conditions to be faced. Tactics of all units should stress surprise, deception, ambush, extensive reconnaissance and heavy combat patrolling and night operations. The unprofitable "sweep" as currently practiced, should be discontinued and effort concentrated on finding, fixing and destroying the enemy.

(7) More effective use be made of air support and the Airborne Immediate Ready Forces. Their use should be considered in every plan and used wherever feasible.

(8) Pay of the enlisted man should be increased, an honest and realistic promotion and leave policy enforced, and his lot improved in general.

(9) Complete small airstrips in strategically located areas and make maximum use of light and STOL aircraft.

(10) Trails, passes and lines of drift known to be used as LOC's by the VC should be mined.

(11) In order to speed up the increase in ARVN (and RVNAF) GVN should accelerate the action by retaining critically needed specialists in service for an indefinite period; reduce length of training courses by eliminating all "nice to know" features; improve personnel management; provide the RVNAF with sufficient qualified

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instructors to increase the officer and NCO training; send large numbers of potential officers and NCO's to off-shore training and obtain funds now to be used for increased housing and training facilities.

(12) Extensive use should be made of Technical Representatives and Mobile Training Teams to overcome initially the shortage of trained technical personnel and to imbue troops with the will to fight and to insure sound planning and effective implementation of operations against the VC.

(13) "MEO" type units should be created in the pan handle to conduct guerrilla warfare against the VC. The Montagnard Plan should be implemented.

(14) President Diem should be urged to release all special forces engaged in operations for which they were not designed for appropriate missions.

(15) More Mobile Training Teams (Special Forces) should be placed with the ARVN, especially with those units stationed in the Laos-VN border area.

(16) The importance of civic actions should be stressed in order to help the civilian populace in remote areas and to promote their support, especially in reporting information on VC hideouts, plans, etc.

NOTE: Numerous recommendations made in other sections of the military appendix apply to the ARVN also.

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IV. VIETNAMESE NAVY:

The Vietnam Navy (VNN) to date has played a relatively minor role in counter-insurgency operations. Its full capabilities have not been exploited on a national level.

The Commander of the VNN is junior to a number of his officers, does not accept advice readily and appears to suffer from a lack of urgency in having the Government utilize naval capabilities in a coordinated manner with the other services. At the same time, the Commander is close to President Diem and because of this tends to work separately rather than to coordinate his efforts with the Army and Air Force.

The Navy has only one liaison officer on the JGS. To date the Army has planned all operations and has only brought the Navy into the picture at the last moment. It is essential that the Navy be given full representation on the JGS.

The Navy has a complete lack of intelligence organization. It has neither an organization for intelligence nor is supplied with intelligence produced by the other services or intelligence organizations. It has no plan for making its own contribution to the national intelligence effort.

Logistic support for the Navy is centered around the Saigon Naval Shipyard. The shipyard does not produce to its full capabilities due principally to faulty management. The MAAG advisor continually has been frustrated in trying to increase the efficiency of the shipyard in that his advice is either ignored or, once accepted, is not acted upon. A small boat facility is being improved at Cantho to act as a boat repair base for the River Forces. MAAG has finally gotten some action in getting this base completed. At the present time all river craft must go to Saigon shipyard.

Morale within the Navy forces suffers from lack of promotion for either officers or enlisted personnel. Training is of a low level due to operations, guard duty and special missions. The Navy does not make any particular effort to look out for the families of Navy personnel.

Food and diet are below the minimum requirements. The food shortage is aggravated by very low sanitary standards in the preparation of the food. U. S. Naval officers who have gone on coastal operations with the VNN have endured a number of days without eating because of the low quality and scarcity of food provided. Their own reactions in

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this situation closely parallel the lack of energy and alertness which seems to characterize many of the naval personnel.

A combination of these factors which has resulted in low morale in the Navy has, at the same time, made penetration by the VC possible. There have been incidents where naval personnel have either left the Navy to join the VC, or have stayed in the Navy as VC spies. Within the last several weeks there has been a transfer of sea force personnel to the river force to replace such defectors.

In the planning for coastal operations, the VNN has been steadily improving. There is still no planning contact with MAAG, except in very general terms and usually just prior to implementation of the plan. There are indications, at the lower levels, that closer liaison and exchange of views with MAAG advisors would be welcome but there is still some opposition at higher VNN command level.

Coastal Operations:

A major problem of the Navy is the interdiction of Viet Cong sea traffic. There is regular inshore traffic by sea-going junks which supply the VC with agents, special material, medical supplies and other needed items. These operations appear to be controlled by the special 603rd Maritime Unit at Dong Hoi, located just above the 17th parallel, but there is very little hard intelligence as to the amount and scope of this traffic.

The information on the supporting organizations indicates there may be a "bridge-head" base at Hue, to receive or dispatch agents to and from Dong Hoi. In addition, there may be an organization at Tourane to receive personnel and material and pass it on. Further south there are probably specific landing sites. The little intelligence available indicates that the system is very flexible and that material and personnel are moved by sea and land making contact at the organization points along the coast. The sea routes apparently are not used for large-quantity infiltration but are used for transit of agents and other special individuals.

To intercept the junk traffic, the Vietnamese Navy uses a junk force supplemented by coastal patrol naval vessels. The Vietnamese plan involves contiguous junk patrols along the full length of the coast. The patrol areas laid out would require 420 sail and 80 motor junks. At the present time, there are 80 sail junks in use and 1 motor junk undergoing final trial.

The progress of the sail junk force program is highly unsatisfactory and MAAG efforts to have this program expedited have met with no success.

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The design for the motor junk has not yet been firmed and the prototype is awaiting further sea trials in rough weather in November. The motors are available.

In addition to the junk patrol the VNN maintains small ship patrols in the north and off the delta area. They use their 7 patrol craft for this duty, but not their small amphibious type vessels. To permit a continuous patrol in the designated areas, additional PCE's are required. Three PCE's are scheduled for MAP delivery between now and October 1962, along with four amphibious type vessels. The delivery of the PCE's should be given the highest priority and the delivery of the amphibious vessels delayed accordingly. Although the amphibious vessels could be utilized for coastal transport should land communications be disrupted, such coastal transport could always be maintained by US assistance, by charter or hire. The development of an improved amphibious capability within the RVNAF appears to be of second priority to the interdiction of VC sea traffic. The requirement to weigh relative priorities is due to a shortage of personnel to man new ships.

Consideration should also be given to the delivery of additional PCE in place of amphibious craft during the current year, if such PCE are available in the US reserve fleet.

Although the patrol force has made many intercepts in the past year (the Junk Force made 40 intercepts during June and July), the Navy has no information on the results of these intercepts since intercepted craft are turned over to the security force ashore. There is no coordinated Army/ Navy effort to increase the effectiveness of the patrol. Setting up a proper command to control and coordinate interdiction operations should be a matter of priority.

While it would be impossible to supplement the coastal patrol with U. S. Naval effort, such is not recommended at this time, in that the VNN has not yet utilized its full capabilities. Also, before U. S. Naval effort is utilized we must have a better intelligence estimate as to whether or not the enemy traffic warrants such diversion of U. S. forces. U. S. aerial reconnaissance is also not recommended since the dispersed pattern of junk operations and impossibility of identification in the air would make this effort futile. There is an argument however for token U. S. participation as a means of getting the VNN to conduct a more intensive, continuing patrol. With a Flood Task Force, for example, one DE or DD could be assigned to an offshore patrol station.

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The River Patrol:

The Navy has a major responsibility for assistance in the delta area in transporting marine and army troops, in patrolling the waterways against VC efforts, and in protecting rice, charcoal and pig shipments to Saigon. The Navy River Force has 114 craft (with an additional reserve of 30) for these purposes. Additional troop transport boats are required for light troop movement. The design of a shallow draft small boat has been fixed upon and measures are underway to expedite construction and delivery of 50 such craft.

MAAG has proposed the formation of 17 Civil Guard boat platoons, each to be equipped with eight personnel landing craft (LCVP). The LCVP can be made available faster than personnel can be trained to use and maintain them. This Civil Guard program should be expedited and necessary personnel trained and made available. It is most important that the Civil Guard operations be fully coordinated with those of the River Force. This would free VNN boats for direct support of Army operations. Again, command and control procedures will be a matter of importance.

The maintenance of the River Force craft will be improved when the small boat force at Cantho becomes operative. Necessary equipment should be installed at Cantho to do as much maintenance as possible on the river, to avoid river craft being sent to Saigon.

Offensive Operations:

The VNN has the capability of conducting raids against North Vietnam. A small swimmer force is now organized within the Navy. The Marine Corps capability is enhanced through the presence of many Marines originally from North Vietnam who are familiar with its geography. Initial raids would have ample chance of success due to surprise. In addition, intelligence and subversive agents could be introduced along the coastline. Ranger units could be introduced by the Navy north of the DMZ where the mission could be accomplished under cover of darkness. Units could be used for raids, ambushes, propaganda and intelligence purposes. No planning has been done for such operations. It is recommended that this be undertaken. Again, proper Naval representation in the JGS and in the joint intelligence effort, as recommended elsewhere in this appendix, would be required.

RECOMMENDATIONS:

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1. The VNN should be properly represented on the JGS.
2. The VNN must be included from the start on all military planning which involves the use of Naval or Marine forces.
3. An intelligence organization should be established in the VNN and its efforts integrated into the over-all GVN intelligence efforts, in order to utilize the intelligence capabilities of the VNN.
4. MAAG should increase its advisory assistance by:
 - a. Physically locating MAAG naval advisors at the shipyard, in the staff sections of the Navy headquarters, and in selected sea and river staffs.
 - b. Providing mobile training teams to improve electronics, ordnance, and engineering maintenance, food quality and service, and leadership.
 - c. Investigating the food situation in the Navy and determine if provided rations are being properly used and if increased aid or VNN action is required.
5. Advance the delivery of PCE's at the expense of delayed delivery of amphibious ships, and take action to increase the number of personnel available to man new ships.
6. The Operations Evaluation Center in Saigon should make a maximum effort to determine the scope, pattern, and effectiveness of VC junk traffic so that more effective counter action can be undertaken.
7. We should urge the RVNAF to allocate proper resources, human and material, to the VNN, in order to raise its effectiveness and morale.
8. U. S. Naval participation should not be considered at this time for assistance in the coastal sea patrol, except in connection with possible Flood Force operations.
9. Through increased MAAG "partnership" in the VNN command structure, as recommended above, take action to expedite the procurement of sailing junks and the building of motor junks.
10. Naval planning should be instituted for possible covert and overt military action against North Vietnam, and VNN Navy ships, on a regular basis, should steam north of the 17th parallel.
11. That River Force patrol operations in the delta area should be coordinated with the several Civil Guard boat platoons, to free the VNN

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for direct support to the Army.

12. Organize a joint command with naval, ground, and security forces to counter infiltration along the coast by all possible means.

13. Institute improved supporting procedures to hamper infiltration by sea, i. e., security zones not restricted to territorial waters, strict control of movement in and out of harbors with priority attention to those ports suspected to be part of the infiltration organization, and restriction of fishing in areas suspected to support regular VC traffic.

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V. VIETNAM AIR FORCE

During the past three months, the VNAF has received some long overdue personnel and morale attention.

The commander was promoted and a large number of promotions were made throughout the service. The VNAF was also allotted some additional personnel spaces which were sorely needed, but not enough to solve their problems. The ARVN has the mission of guarding VNAF air fields but does not fulfill it and the VNAF must use personnel trained in other specialties, including maintenance, for guard duty. This practice reduces the effectiveness of an already strained maintenance capability. The VNAF is rarely included in the high echelon planning and is subject to the sometimes questionable actions of the Chief of Staff, JGS. There is definitely a feeling of dislike and distrust between the Chief of Staff and the Commander, VNAF, a capable and hardworking officer.

The AD6 squadron at Bien Hoa does not suffer from a shortage of pilots or maintenance personnel. It has 24 combat ready pilots and 12 pilots taking a combat crew course within the squadron. The in-commission rate of the AD6 is acceptable and the 500 hours monthly flying program is easily accomplished.

Tactical Operations: The VNAF is capable, with its state of training, maintenance capability, and airplanes, of carrying out effective air-ground operations. They are not doing it, although they have complete control of the air. There appear to be a number of reasons why air is not making a significant contribution to the counter-insurgency campaign. Chief among these are:

1. Targets - Until the recent missions flown by the U.S. Navy and the U.S. Air Force, there has been very little photography, and hence great uncertainty as to target location and identification. While the very nature of a guerrilla war makes good targets hard to find, sophisticated aerial reconnaissance should find such good targets as there are. There is a real requirement for continuing reconnaissance. Because of the late hour in the war, there is not time to train the Vietnamese to do this. The missions must continue to be flown by the United States. Aircraft based in Bangkok could do the job.

2. Lack of Effective Organization - There is none of the controlling structure necessary for effective tactical operations. Everyone realizes this and the MAAG has made recommendations to correct it. It is most unlikely that a reorganization alone, however efficient on paper, will result in the quick and responsive use of air strikes the situation requires. While the organization is needed, the Field Commander must have the authority necessary to control all elements of the Field Forces. U.S. Army and Air Force personnel, trained in joint air-ground operations, must come in and

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run the JOC, AOC, and ASOC's at the various levels. They should operate these facilities, presently non-existent for all practical purposes, in conjunction with the RVNAF. However, the U.S. must run them. It would be useful if an air-ground operations school could be conducted at the same time.

Given this machinery for the control of their tactical operations and given good reconnaissance, the RVNAF should be able to exploit with profit their air supremacy.

If we cannot put in the control organization necessary to the proper use of tactical air, we should think twice about introducing either "Jungle Jim," or additional helicopters. To put it more positively, we should bring it all in together; the aircraft and the organization and communications to operate them.

The VNAF is operating its C-47's at a daily utilization rate of 1-1/2 hours, a rate fair for a troop carrier outfit, but unacceptably low for an airline. It would be a slow and painful process to increase this utilization. While it is hard to prove more airlift is needed, partly because the requirements appear tailored to the known capability, it is fair to assume that more airlift could be put to very profitable use in a war where surface transport is extremely difficult and in many places non-existent. CAS has some evidence that more airlift is badly needed on occasion.

If additional airlift is to be given SVN, it should probably be on a contract basis and it should operate under the MAAG with a proper transport control organization to assure efficient use of the generated lift.

The Delaware Corporation, through its subsidiary, Air America, is the obvious choice for such a contract. (The Delaware Corp. is a holding company owning 40% of CAT, 100% of Air America which in turn owns Air Asia. Head office is in Washington, D.C.)

Air America is currently operating in Laos. Its' assets in Laos are:

- 10 C-46's
- 5 C-47's
- 5 L-28's (Helio couriers)
- 14 H-34 Helicopters

If the situation in Laos permits it, these would be immediately available for operations in Vietnam. Without diverting anything from Laos, Air America has only limited assets (2 C-46's, 2 DC-4's, 1 C-47) which probably could be diverted from other sources for Vietnam. With authority to lease military aircraft, it would take Air America about 60 days to get an effective operation in being.

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Recommendations:

- a. U.S. reconnaissance in Vietnam should be placed on a continuing basis.
- b. The U.S. should set up, and operate, the tactical air-ground system; to make this suggestion palatable, it should be presented as a training program.
- c. The "Jungle Jim" unit to be very useful should come equipped with a liberal mission directive or, at least, one that is not too specifically restrictive.
- d. Additional airlift would certainly be useful and may even be required.
- e. Improvement of VNAF air facilities should have a high priority. (The new strip at Pleiku is badly needed.)

Helicopters: Due to the topography of SVN, the tactics of the VC and the lack of LOC's, it is imperative that adequate helicopter lift be at the disposal of the RVNAF. The present VNAF capability which is based on 10 H34's and 8 H19's is inadequate for moving sufficient troops to action spots rapidly. The squadron's operations have been reduced by a lack of special tools, a shortage of qualified pilots and maintenance personnel and the fact that administrative missions are often given precedence at top echelon over operational requirements. The helicopters are for all practical purposes controlled by President Diem.

This small unit is hindered by the fact that it is flying and maintaining two types of helicopters. Due to the shortage of pilots and crew chiefs, many personnel have to be qualified on both types. Supplies for each must be catalogued, stored and maintained, creating an additional workload for a shorthanded unit. Replacement of the eight H19's with eight H34's would eliminate the foregoing situation and increase the lift capability at the same time.

There is no doubt that additional helicopters are required but they should not be provided to the VNAF until present resources are used properly. Since the H34 is in short supply, it might prove difficult to replace the H19's. If this proves the case, it might be more advantageous to remove the H19's from the VNAF squadron and bring in what is really needed - a U.S. manned, maintained and controlled H34 squadron.

There is no possibility that Air America, or any other contractor, could take on a substantial helicopter contract. The market for pilots is just not there, according to Mr. Grundy of CAT. Any helicopter operations would have to be military, sheep-dipped, if necessary.

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In the VNAF most of the helicopter pilots trained in the past two years have been "washouts" from regular pilot training and some of them have never been able to check-out as first pilots in helicopters.

Recommendations:

- a. That all requisitions for special tools be filled at once and the tools airlifted to Tan Son Nhut.
- b. That at least three additional well-qualified U.S. maintenance advisors be sent to the helicopter squadron.
- c. That criteria for helicopter pilots in the VNAF be raised and they be sent to CONUS for training.
- d. That consistent with maintenance of essential U.S. posture elsewhere, two H34's be delivered every month to the squadron and two H19's removed at the same time until all the H19's have been replaced.
- e. That consistent with maintenance of essential U.S. posture elsewhere, a U.S. helicopter squadron, H34 or better, be moved to SVN complete with personnel and equipment and controlled by CHMAAG to provide much needed airlift.

Beyond these recommendations and reconnaissance there is, at this stage of the war at least, no other profitable missions for U.S. air units.

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VI. CIVIL GUARD AND SELF DEFENSE CORPS

(1) Civil Guard.

The Civil Guard with an organizational strength of 68,000 and actual strength of 64,000, supplements the Army. In general, units in I and II Corps areas are poorly organized, equipped, led and trained, while III Corps area have been re-equipped and the majority have been trained. Individually, Civil Guard Personnel are of fair quality, with many being ex-Army.

ChMAAG has recently approved the organization of 17 boat platoons of eight LCVP's each. These boat platoons are to be used in a like number of provinces in the delta area where transportation is often more feasible upon the waterways than on the roads. Programming action for the boats is being expedited.

The Civil Guard is under the Department of Defense. There is a commander in each Division Tactical Zone. Individual battalions and companies are under the direct control of the Province Chiefs. The Civil Guard is employed in platoon and company sized units in static guard duty throughout the country, including outposts near the frontier, although units occasionally accompany the ARVN on offensive type operations.

A study now underway by the Civil Guard will determine the feasibility of using dogs for detection and warning.

Operational deficiencies of the Civil Guard (CG) are readily apparent. They still retain the old French fort concept as a basis for mapping defense posts. They have only about one-third of required officers. Until recently, some Province Chiefs have refused authority for ARVN inspectors to check on guard posts. This was changed after a recent successful VC attack highlighted local CG deficiencies.

In that CG units remain in one province, they form a valuable contact with the people and can be a good source of basic intelligence. On the other hand, Province Chiefs are very reluctant to release units for training or for operations outside the province.

The major deficiencies of the CG are in its equipment, training and low utilization for intelligence purposes.

Equipment: Until re-equipped under the present program, CG units remain armed with old French and British weapons. Ammunition is poor. Personal equipment is limited.

Units receive new U.S. equipment as they go through training. At the present time all units in the III Corps area are equipped, with the ex-

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ception of some shortages in vehicles and radios. Equipment for complete outfitting of the CG is either in the country or will be received during the next eight months. Since it is not desirable to issue new equipment to units until they have received training in its use, major problem exists in the delivery of MAP equipment.

LCVP's for the 17 CG Boat Platoons can be made available faster than personnel can be trained to use and maintain them, and deliveries will be scheduled to match the training.

Present CG uniforms are of poor quality. ARVN is providing new uniforms, but the CG takes priority of delivery after ARVN.

Training: Training is the major problem facing the CG.

The present CG training program was undertaken about 10 months ago. Recruits were given 16 weeks individual training and established companies 24 weeks of individual and unit training. Approximately 7,000 Civil Guardsmen have been trained under this plan, with another 4,000 now in training.

Present conditions require that the CG training program be expedited.

The first step is to cut the course to 12 weeks. This has been directed.

MAAG also has proposed that training be conducted at eight additional sites throughout Vietnam. The JGS/RVNAF would not agree, on the basis that this would pull too many units out of the provinces and away from operational missions (static guard) and that eight additional training sites could not be supported with ARVN trainers. However, they did agree to start training at four additional sites and to double the input at Quang Trung - Song Mao. Training is commencing in November at three of these sites. Additional U.S. advisors are en route to assist in this training. However, it will still take two years to train the remainder of the CG. In addition, the desire of Province Chiefs to retain their security forces and not release them for training, as well as overriding operational commitments, may further prolong the program.

Thus, as a matter of necessity, the present and planned training may have to be supplemented by on-site training within the provinces. It is probable that Province Chiefs will be more willing to release CG, if only a company at a time, for such training, since their forces would remain readily available within the provinces.

Training on-site could not be undertaken since many posts are remote, security is doubtful, favorable terrain is not always available, and operational requirements of actual security duty would preclude the release of personnel for the unit training required. Therefore, on-site training

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would be feasible only at a central location within each province. In many cases, Self Defense Corps training sites could be used.

U.S. advisors being ordered for duty with the Military Sector Commanders (Province Chiefs) and at Self Defense Corps Training Centers could supervise the training. Additional MAAG advisors probably would be required. Some of these could also serve as advisors to the CG Battalion Commanders. Interpreters also would be needed. A possible source for these would be the RVNAF Language School. Equipment used for training would be the actual equipment issued to the personnel. Necessary training aids could be made available. The big obstacle remains the shortage of ARVN officers to act as actual instructors.

The conclusion reached is that the present concept for training CG at well organized training centers should be actively pursued. Since time is of the essence and the number of units that probably will be made available for this training is limited, supplementary emergency on-site training should also be conducted at the provincial level, to the extent practicable in light of available ARVN instructor personnel, available provincial sites (including SDC training areas) and available advisory and interpreter personnel.

Personnel: The CG has only 37% of officer and 55% of NCO authorized strength. This is a major weakness. Officer and NCO training has been stepped up, but the prospects are dim for remedying the situation in a relatively short time. ARVN is also understrength in officers and NCO's, and can ill spare them for the CG. The only course of action which appears feasible is to continue all possible officer training and to press ARVN to allocate to the CG its equitable share of available talent.

Advisors: To do the job that needs to be done in a short time, we need an advisor with each Battalion Commander. The most important fields to be covered by such advisors would be operations, intelligence, training and civic action. This last has been a much neglected area in the CG.

(2) Self Defense Corps (SDC)

The Director General, CG and SDC is the over-all commander. He reports to DOD on CG matters and to DOI on SDC matters. At the region, province and district levels, SDC matters are administered by CG personnel detailed to such duties. SDC operational personnel are in two echelons, the canton (group of villages) and the village. Since Province Chiefs may and do make changes to this organization, it has no real uniformity.

Authorized strength is 59,000, actual strength about 53,000, of whom only 76 are officers.

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There is no uniform training plan, training being conducted according to the desires of the individual Province Chiefs.

The CG does conduct a 5 week training program for the SDC at Tan Hiep. Other training is conducted at province level, with assistance provided by U.S. advisory detachments as local resources allow.

There are actually 38 SDC training sites throughout the country of varying capabilities. Use of these sites is irregular.

Present equipment is a collection of unreliable French rifles and ammunition, plus some old Malayan shotguns. U.S. Carbines, ammunition and communications equipment have been programmed for the entire SDC. 25,000 Carbines are now en route to Saigon. The remaining carbines, all the AN/PRC-10 radios and sound power phones are expected to be delivered during 1962.

At the present time, MAAG advisors to the CG also have SDC responsibilities. However, an additional 15 officers and 30 NCO's have been requested, to arrive in the next three months, to take over SDC duties at training sites throughout the country.

(3) Intelligence

The CG and SDC remain on duty in one area. They know, work with and stay with the people of that area. They, therefore, are in a much better position to gather grass-roots intelligence than the ARVN, whose units move about much more. This intelligence asset has not been exploited. Although a beginning is being made in getting intelligence to the Province Chiefs, it is not always passed on through the proper channels. Improved organization for intelligence, instruction in intelligence collection, and emphasis on getting information promptly to the proper intelligence authorities all need emphasis.

We should, therefore, assign to each CG Battalion Commander an intelligence specialist advisor.

(4) Civic Action

The CG has great potential for an effective civic action program on a people-to-people basis. If properly utilized, it could be of great assistance in assuring the support of the populace of Vietnam, as well as pay a real bonus in the intelligence effort. Due to its looser organization and very limited equipment, the SDC has much more limited opportunity to undertake a civic action program. As with all RVNAF units, it is imperative that the CG exploit all aspects of civic action. This will be a major task with U.S. advisors soon to be assigned to the CG.

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(5) Recommendations

a. CHMAAG should maintain pressure on GVN to require Province Chiefs to continue to make CG units available for training at the five CG training sites in commission or being commissioned.

b. As ARVN instructors can be made available and additional U.S. advisors arrive, additional emergency training should be organized at the provincial level, and new equipment issued when sufficient instruction in its use has been given.

c. As soon as practicable, a military and an intelligence advisor should be assigned to each CG Battalion Commander.

d. As part of the over-all increase in intelligence effort, emphasis should be placed on making maximum use of the capabilities of the CG and SDC for obtaining and reporting basic village-level intelligence.

e. In line with an over-all civic action program, exploit the capabilities of the CG in this field.

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VII. INTELLIGENCE:

DISCUSSION:

1. General:

a. The RVNAF's military intelligence program lacks effective direction and control.

b. The ground forces intelligence effort is centralized on paper at Field Command level to provide for a flow of information from the lowest unit level. In practice, however, the system is ineffective. The front line soldier is generally unaware of his potential for collecting military information. In the rare cases when timely information is available at lower echelons, it sometimes stagnates there because of lack of knowledge or equipment to relay it to interested headquarters.

c. The Air Force reconnaissance capability is limited. Two C-45 aircraft provide the primary photo reconnaissance capability. The 32 - L-19's and 18 helicopters are allotted visual reconnaissance missions for corps and divisions. The system, however, does not provide the corps and division commanders with sufficient "on-hand" aircraft to insure timely and continuous reconnaissance operations.

d. The Navy with its River Forces, Sea Forces, and junks has sufficient equipment for a moderate volume of visual reconnaissance and has limited radar capabilities. As in the other services, the Navy weakness in the intelligence field lies in a lack of appreciation of intelligence at command level which results in a lack of basic intelligence training for the individual seaman.

e. There is no clear cut policy for passing military information from the various paramilitary and civilian organizations. Province Chiefs and other government agencies sometimes route military information through their own channels without referral to lateral military organizations.

f. Much of the clandestine effort, for example the 1st Observation Group, is under the direct control of the President and tactical intelligence is not always directly available to the military.

2. Counter-Intelligence: In the security field, the RVNAF is also weak. Currently, the counter-intelligence programs are the responsibility

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of MSS, an RVNAF unit, which is responsible to the Minister of Defense. The counter-intelligence effort for the Armed Forces has a low priority in current planning.

3. Communications:

a. There is no tactical intelligence net. Corps, Divisions, and Regimental G-2's depend on the command net for intelligence dissemination. During periods of Viet Cong activity, when the rapid flow of intelligence is imperative to sound operations, the over-loaded command net cannot always accommodate the G-2's which results in the loss of timeliness in intelligence reporting. Advisors in the field stated there is no radio communication of any kind lower than regimental level. This further hampers the ready flow of tactical intelligence.

b. To solve the latter problem ARVN companies have recently been authorized one AN/GRC 9 radio per company. These radios are in the country and available for issue.

4. Intelligence Training:

a. Intelligence training is centralized at the Joint General Staff level. An intelligence training school for NCO's and officers is in operation in Saigon. Corps and Divisions also run periodic intelligence schools but combat operations make unit commanders reluctant to release men for intelligence training. The effectiveness of this training depends on local conditions, but it is believed to be marginal at best. The failure to train adequately the individual soldier in basic intelligence is a weakness that needs priority correction.

b. A detachment (of four officers and two EM) of the U. S. 500th Military Intelligence Detachment is training Vietnamese agents for clandestine collection missions deep in enemy territory. The first group of these new agents will be operational in mid-November.

5. Intelligence Relationship Between ARVN, Civil Guard and Self Defense Corps:

a. Relationship between ARVN and the other Vietnamese security forces in the intelligence field is ill-defined, sometimes casual, often non-existent and always dependent on the status or personality of the Province (Sector) Chief. There is no set pattern and apparently the Province Chief has no requirement to establish liaison procedures

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between the military and para-military units in this area of responsibility. U. S. advisors in the I Corps area stated that in their zone there was a good flow of tactical information between the various elements in most of their provinces. This willingness to cooperate was often hampered by lack of communication facilities at low levels where security units were often dispersed over wide areas making timely physical contact impossible.

b. A corollary problem at the provincial level is the absence of any standard Village Alarm System. Village defense and warning systems appear to be left to the discretion of the individual villages. Some areas have developed barricades of pointed bamboo with para-military or civilian roving guard posts with some success. There is no national or regional program underway to encourage these villagers to contribute to their own protection nor to make use of the vast information collection potential of the local populace.

6. COMINT-ELINT:

a. The RVNAF COMINT effort is conducted by an element of Vietnamese military personnel trained in Saigon by elements of an Army Security Agency (ASA) company. The current RVNAF COMINT effort is considered adequate and is limited only by the availability of qualified personnel who can absorb the training. There is no Vietnamese ELINT effort and none is anticipated.

b. In separate communications, the Commanding Officer of the ASA unit is making specific recommendations to improve the U. S. effort in the COMINT field. If implemented, his recommendations would require an augmentation of 75 personnel and a moderate amount of new equipment.

7. MAAG Role in Intelligence Field:

a. Most of the MAAG effort in the intelligence field is directed at the Joint General Staff level and at the various intelligence schools. Currently, there are no MAAG advisors at any level of combat commands solely responsible for intelligence. In the field units, including corps, the intelligence advisory role is performed by an officer who is also responsible for advising in other fields.

b. The MAAG personnel are aware of the weaknesses of the Vietnamese intelligence effort and plans are underway to improve intelligence capabilities. Some progress has been made and more is promised.

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Additional intelligence advisors are on requisition with the aim to assign them down to battalion level eventually.

c. Accomplishment of such a comprehensive intelligence coverage would require substantial augmentation of MAAG strength. To do the same job more economically personnel wise, it has been suggested that intelligence advisors be placed at province level.

d. Since the Province Chief actually controls the Division and Corps troops released to him in his province, an intelligence advisor at this level would, in effect, be reaching all the troops with the possible exception of Corps reserve troops (which are usually only token forces). In addition, the intelligence advisor at province level could have the added responsibility to advise the commanders and staffs of other combat units in their areas who have not been released to the Province Chief.

e. An intelligence advisor at province level would also have an opportunity to advise Civil Guard and Self Defense Corps on intelligence. In some cases, the intelligence advisor may be able to exert his influence in mobilizing the villagers themselves to participate in the intelligence collection effort. These aspects alone weigh heavily on the side of assigning advisors at this low level.

f. The problems of assigning intelligence advisors to provinces are formidable and start with getting approval of the President. Language ability, communications and logistic support, and security are other aspects that present obstacles that will have to be overcome.

RECOMMENDATIONS: Attached are discussions of a proposed Joint U. S. - RVNAF Intelligence Group and a U. S. Evaluation Center recommended by General Taylor and concurred in by J-2, MAAG. These discussions are similar to those submitted to General Taylor on 24 October in Saigon, but have been somewhat refined and contain minor changes in the proposed organization.

Within the framework of these two proposed organizations most of the deficiencies of the current intelligence effort in SVN will be corrected. The following recommendations are those that require most urgent attention. In making these recommendations, it is realized that MAAG has already initiated actions that, if completed, will correct some of the weaknesses discussed.

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(1) Establish within the RVNAF an effective plan for the timely flow of Spot Intelligence Reports to include specific reporting on fleeting targets.

(2) Clarify intelligence command lines to insure that all military intelligence is provided military units at all levels.

(3) Assign intelligence advisors at province level.

(4) Organize Mobile Intelligence Training Teams to conduct intelligence training at ARVN, Self Defense Corps and Civil Guard company level.

(5) Increase the photo reconnaissance capability of the VNAF.

(6) Provide suitable aircraft at division level for daily visual reconnaissance missions.

(7) Establish an intelligence communications net down to battalion level and increase communications capability at company level.

(8) Create a separate counter-intelligence organization responsible to J-2, RVNAF.

(9) Establish a joint Photo Processing Center manned by U. S. personnel to improve the capability of the photo reconnaissance effort.

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VIII. LOGISTICS

PROBLEM: Lack of U.S. control over logistics procedures and RVNAF command supervision over logistic matters.

1. The control of RVNAF logistic operations by MAAG is considered to be adequate with certain exceptions. Although direct U.S. control is limited to preparation of the FY MAP program and MAAG approval of the RVNAF force structure and resultant TOE's, the acceptance of U.S. advisors guidance on the part of RVNAF logistics personnel generally produce effective and "working" control by MAAG over RVNAF logistics operations. It must be emphasized, however, that there is no direct control over operations, supplies and equipment after material is turned over to GVN. This sometimes results in a patient acceptance of advice and a later course of action independent of same.

2. There are two specific problems that hinder RVNAF command supervision over logistic operations. These are:

a. The RVNAF J-4 (for all intent and purpose also the ARVN G-4) exercises no direct control over the Chiefs of the ARVN Technical Services as would be the case on U.S. staffs. He does issue overall policies and directives but the Chiefs of Technical Services report direct to the C/S ARVN. As a result, the Technical Services Chiefs sometimes are not responsive to guidance from the J-4 and many staff actions by the Technical Services are unilateral in nature with little or no coordination with or through the J-4. This matter has been the subject of many conversations and much correspondence between MAAG and GVN at the highest level concerning an over-all reorganization of the GVN DOD. No concrete results on this specific problem have been forthcoming to date. The matter appears to be one of RVNAF politics rather than an understanding of command relationships. Continued pressure on GVN at the highest level should eventually overcome this problem.

b. A GVN DOD agency, Administration, Budget and Accounting Office (ABA), exercises direct and absolute control over all fiscal matters pertaining to RVNAF. This includes all functions relating to budgeting, procurement and all other financial operations. This control is exercised by ABA direct to the ARVN Technical Services, Air Force and Navy completely by-passing the RVNAF J-Staff. As a result, in logistic financial operations the J-4 has practically no influence or control and can affect little or no coordination. Perhaps the most glaring problem resulting from this ABA autonomy is the cumbersome procurement procedures ABA has imposed on the RVNAF, which have in turn discouraged Vietnamese contractors from doing business with the RVNAF. This matter has been the subject of many conversations and letters between the MAAG and the highest GVN official (Mr. Thuan, Assistant Secretary of State for Defense - corresponds to the U.S. Secretary of Defense). In this respect it should be noted that within

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the past few weeks President Diem has appointed a new Director of ABA, this may be an indication that there is to be a relaxation of the present ABA rigid control over RVNAF financial matters. MAAG indicates that this problem will be vigorously followed up.

Recommendation: (1) That MAAG continue to take positive action with respect to influencing sound logistics actions within his advisory capacity. Should this problem continue, action (political) should be taken at a higher level to effect more direct U.S. control of MAP furnished resources.

(2) That pressure be placed on GVN at a high level to put his logistics house in order by providing for proper chain of command and staff control and coordination over logistics matters.

PROBLEM: To determine improvements to facilities necessary to enhance the military capabilities of South Vietnam in order to provide a base of operation for successful operations against insurgency within SVN. To improve and establish new lines of communications, airfields, ports and communications.

1. Extensive improvements are presently programmed and funded in part in FY 62. These programs include airfield improvements, POL facilities, road improvements and construction, communications facilities, port and terminal facilities. It is emphasized that construction programs are relatively long range and will not in the immediate future provide direct support to the counter insurgency effort. CINCPAC established priorities for these projects are considered valid, but increased emphasis will be necessary to assure timely effectiveness. Two additional requirements have been recently developed, one of which is the Pleiku-Kontum-Ban Het Road including extension to Attopeu in Laos; the other being Pleiku airfield improvements which will provide C-130 aircraft capability for logistics support beyond C-47 capacity and increased AD operational capability.

2. There are some critical items which are not programmed and are as follows in order of priority:

a. Pierced steel planking and pierced aluminum planking for improvement and construction of airfields. (Request for program deviation has been sent to CINCPAC - 10,500 tons PSP and 500 tons PAP).

b. Need for numerous small (STOL) airstrips at selected strategic locations.

c. Additional electric power and water facilities for RVNAF medical facilities. (Survey of detailed requirements will be completed in the near future and request placed through CINCPAC for program deviation. Work desired accomplished in CY 62).

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d. Ammunition Storage Areas (Additional Igloos)

- (1) Bien Hoa
- (2) Phu Bai (Hue)
- (3) Duc My
- (4) Pleiku
- (5) Can Tho
- (6) Da Nang

3. Items considered necessary which will require additional funds and expedited actions in order to be accomplished in CY 62:

a. Single side band radio stations

- (1) Can Tho
- (2) Nha Trang

b. Naval Base Improvements Cam Ranh Bay
(LST Ramp and access road, water supply system, base roads, bridge, electric power system and diesel fuel storage facilities).

c. Naval Base Improvements Saigon Shipyard
(Pier and sea wall improvements).

d. Additional equipment facilities for Air Force at Tan Son Nhut Air Field for tactical air-ground operations.

e. Medical Training Center - Saigon.

f. Signal Refrigerated Warehouse - Saigon.

g. Hospital - Can Tho.

h. Water system and sanitary facilities Cuu Long (Saigon) for Marine units.

i. Emergency electric power - Vinh Long.

j. Replacement of emergency generator Saigon Shipyard.

Recommendation: That support be given at the Washington level for projects programmed with a view towards expeditious implementation commensurate with

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importance attached to the retention of SE Asia as an area allied with the Western World. Also that emphasis and support be given those unprogrammed projects with particular urgency attached to those directly identified with the counter-insurgency effort. These are considered to be road and airfield construction and improvement for needed mobility and communications for more effective response and control.

PROBLEM: Additional equipment required for RVNAF.

1. With certain exceptions additional equipment is not needed by RVNAF at this time to counter the insurgency. The priority requirement here is that the RVNAF and MAAG must make a concerted effort to see that proper training is conducted and experience gained to efficiently operate the equipment in hand now. Exceptions to this are:

a. Air mobility for tactical as well as logistical purposes is urgently needed to successfully prosecute the counter-insurgency effort. However, introduction of additional aircraft at this time must be carefully considered in regard to other command and operational factors contained throughout this report. A requirement has been established by MAAG for a helicopter battalion consisting of three transportation light helicopter companies (63 H-34s) with necessary maintenance and supply support to provide this required mobility. There are certain factors to consider:

- (1) A plan for utilization and control of helicopters.
- (2) The present critical shortage of the H-34/HUS-1 helicopter in U.S. military assets.

b. In country forces are not authorized a maintenance float but must use current austere TOE allowances to operate and accomplish repairs thereby creating shortages in using units. The establishment of a maintenance float at base and field depots would permit direct exchange of major items.

c. There is a requirement for immediate procurement of 50 Swimmers Support Boats with 40 - 50 HP outboard motors. Marine Corps units require means of getting ashore more effectively and quickly during amphibious raids and assaults. These boats would be particularly effective in the delta area and would provide capability to put two companies ashore on one lift, will nest on LSMs and are easily launched by hand. Action is being taken for program deviation and expedited delivery.

d. Nine L-28 or L-20 aircraft are required for command liaison (3 for each corps).

Recommendation: That action be taken to make the above equipment available by type and in amounts compatible with operational ability to profitably

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employ. In regard to the H-34 type helicopter, these should be phased into the area in numbers compatible with employment capability. The Army is no longer procuring the H-34, therefore if the U.S. Army provides required helicopters replacement by type is not possible. If HUS-1 type helicopters are obtained from a Navy/Marine Corps source it is recommended that immediate replacement funds be made available on a crash basis in order to allow immediate increased production for replacements in U.S. inventories.

PROBLEM: To determine construction and training projects necessary which could be accomplished by US Logistical and Engineer Units or US Contractors for construction and logistic actions.

1. There is an urgent requirement for the accomplishment of many projects in order to enhance the lines of communication, provide support in other areas and increase training of RVNAF. Security problems will exist in many areas of South Vietnam and combat support would therefore be required. Assistance could be directed in the following projects:
 - a. Building and maintenance of roads, bridges and airfields.
 - b. Assist in training of ARVN engineer units.
 - c. Establish and operate organizational and field medical evacuation service by air using helicopter units.
 - d. Establish and operate medical field hospitals.
 - e. Establish and operate signal communication systems.
 - f. Advice and assistance in stock control activities from depot to using unit.
 - g. Advice and assistance to RVNAF in maintenance activities.
 - h. Maintain US equipment required for employment indicated above.
 - i. Provide supplies and equipment for US forces in SVN.
 - j. Construct numerous small air strips for STOL aircraft, strategically located throughout SVN.
 - k. Out-of-country construction and engineer supervisory personnel (military or civilian) to perform essential naval construction projects.
1. US Naval personnel to assist in Navy Supply Center Activities and to assist in management and supervision of the Saigon Naval Shipyard.

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- m. Shore party to train VNN units in over-the-beach operations.
- n. Use of CAT contract or other acceptable contract personnel to fly Air Vietnam aircraft and release VN pilots for service with VNAF.
- o. CAT or other contractor to provide air logistic support.

2. CINCPAC has recommended to JCS that an Army Engineer Construction Bn and a Navy Construction Bn be deployed to expedite construction needed to support US combat forces when and if introduced into SVN. Priority jobs listed were: completion of Qui Nhon POL facilities, Pleiku airfield and Attopau - Ban Het road. The latter would throw a "fire break" across the Ho Chi Minh trail.

Recommendation: Regardless of introduction of US combat forces into SVN, that consideration be given to the introduction of support forces listed above to accomplish necessary tasks and to add impetus and the means to effectively combat the VC threat.

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1. Intelligence Flow Charts
2. Abbreviated Mission Statements
3. Abbreviated Organization Discussions for

JOINT U. S. - RVNAF INTELLIGENCE GROUP

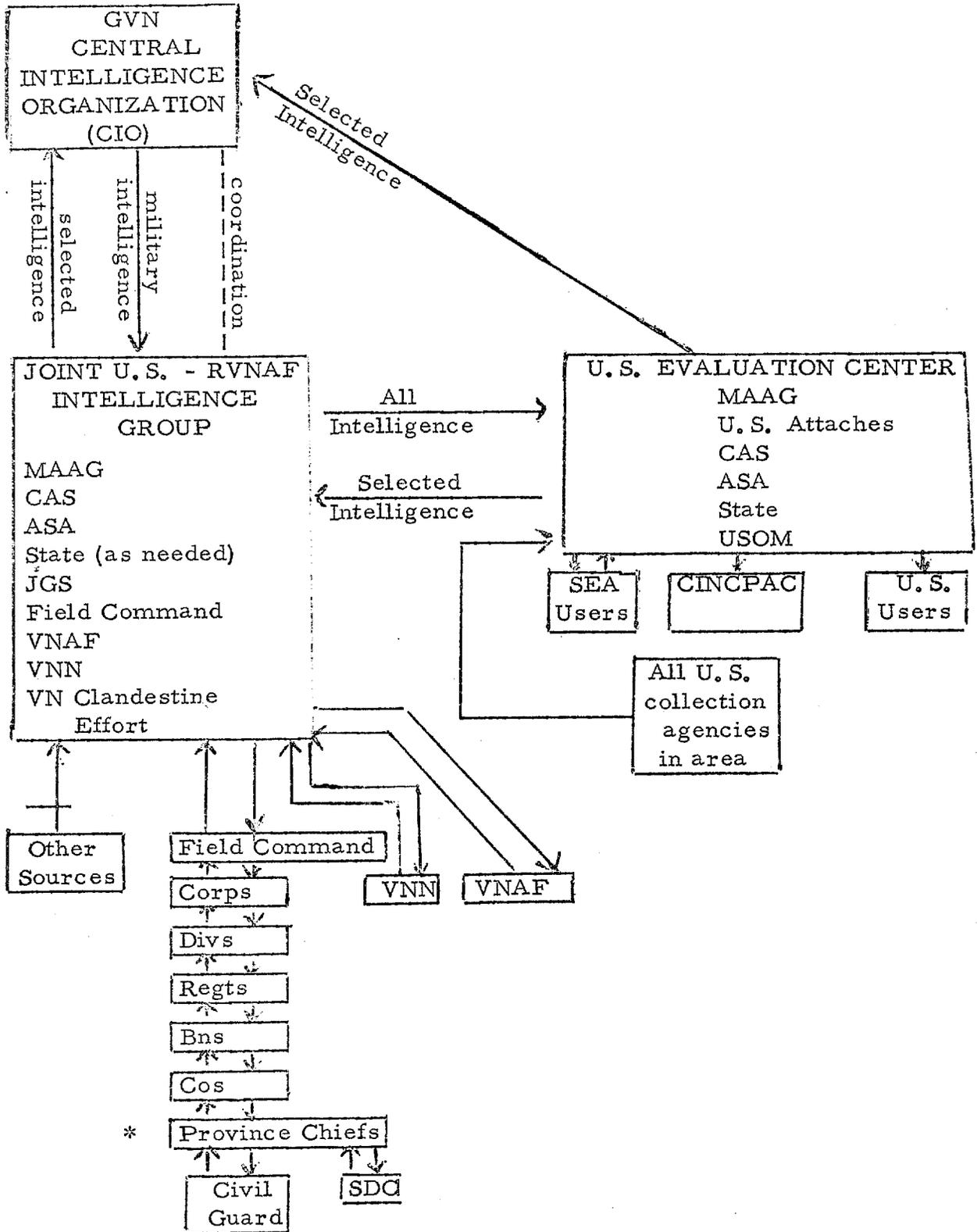
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* NOTE: The Province Chief will normally report to Division but will transmit tactical information to using military units at any level.

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RVNAF - US

JOINT INTELLIGENCE GROUP

Sits at ChMAAG's Joint General Staff Level

MISSION:

Directs the military intelligence effort.

Collects, collates, interprets, evaluates and disseminates all Vietnamese military intelligence.

Reports all military intelligence directly to RVNAF for action.

Reports all intelligence to U. S. Evaluation Center, Saigon.

AUTHORITY:

ChMAAG is responsible for the operations of the Group.

The Group has final authority for the accomplishment of a national military intelligence effort.

Has access to and has authority to process military information from all sources including that from technical sources.

RELATIONSHIP TO GVN INTELLIGENCE SERVICES:

Coordinates activities and programs with CIO.

Transmits non-military intelligence to CIO without processing.

Reports finished military intelligence to CIO for information and appropriate users for action.

PARTICIPATING AGENCIES:

MAAG, CAS, ASA, State (when needed), JGS, Field Command, VNAF, VNN.

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U. S. EVALUATION CENTER

Sits at Embassy Level

MISSION:

Collates, evaluates, interprets and disseminates all military intelligence from all U. S. and indigenous sources, including technical sources.

Processes non-military information having a direct effect on the security at Vietnam. An example of this type of intelligence is that bearing on potential anti-government coups.

PARTICIPANTS:

MAAG, CIA, ASA, State, Service Attaches.

AUTHORITY:

The U. S. Ambassador is responsible for the establishment of the Evaluation Center.

In his discretion the Ambassador will appoint a senior member of the Vietnam Task Force Saigon as Director, U. S. Evaluation Center.

Participating members of the Evaluation Center will furnish spaces and personnel designated by the Director of the Center.

The Director of the Center will disseminate selected intelligence to appropriate users, including RVNAF and CIO.

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JOINT U. S. - RVNAF INTELLIGENCE GROUP

LOCATION:

As decided by ChMAAG in consultation with RVNAF.

MISSION:

Direct the national military effort using all sources of Vietnamese intelligence.

ORGANIZATION:

ChMAAG will be responsible for the establishment and operations of the Joint U. S. - RVNAF Intelligence Group. Participating full time members will be provided by MAAG, CIA, ASA, JGS, Field Command, VNAF, VNN. State will provide support as requested by ChMAAG. U. S. Agencies and Vietnamese agencies will provide intelligence specialists in sufficient numbers as requested by ChMAAG to accomplish the mission of the Group. Initial organization will include Order of Battle specialists, Prisoner of War Interrogators, Photo Interpreters, technical intelligence personnel, area analysts, and editorial support.

Additionally, U. S. air and sea reconnaissance resources will be earmarked to support the group.

AUTHORITY:

Military intelligence from all Vietnamese sources at all levels will be transmitted to the group for processing.

The U. S. Evaluation Center will provide the Group with pertinent intelligence from U. S. resources.

ChMAAG will determine exact size and organization of the Group and requisition specialist personnel as required.

ChMAAG will follow established procedures to obtain CINCPAC approval for actions as appropriate.

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THE PROPOSED U. S. EVALUATION CENTER

LOCATION:

Most appropriate location offering security for and access to all sources of intelligence, including technical sources.

MISSION:

Center will develop tactical targets, based on Viet Cong Political/Military situation, from all available sources of information for presentation to ARVN through Chief, MAAG, and subsequent ARVN tactical action and destruction. In addition, Center will produce for local, theatre and national level consumers (1) periodic intelligence reports on current Viet Cong Political/Military developments, operations and posture, and (2) appropriate studies, estimates, Order of Battle and other comprehensive data on the Viet Cong in the frequency, form and substance determined to be necessary or of use at the local, theatre and national level.

ORGANIZATION:

The following suggested organization represents the minimum considered necessary to satisfy needs for the initial implementation of the Center using present resources of the Evaluation Center now in operation in the Embassy. It is the responsibility of the U. S. Ambassador through Task Force Saigon to recommend a revised organization as the operations center becomes solidified.

Coordination, Requirements and Direction: 1 Officer, Director of Center

1 Officer, Assistant Director

1 Admin NCO

This element will direct and coordinate the operations of the Center, coordinate the intelligence and information input with all contributing local, theatre and national agencies, coordinate all outgoing requirements and insure fulfillment action thereon.

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OPERATIONS:

File, Index and Map Posting - Drafting: 2 Intel Opns NCO's

This element will provide the center all posting and cartographic as well as drafting support.

RESEARCH AND ANALYSIS: 2 Officer Analysts (Nambo area and Saigon)
1 Officer Analyst (Intersector V)
2 Officer Analysts (Projects and Studies)

This element will provide the basic research cell of the Center and will effect exchange of information and data among themselves for properly coordinated and balanced content in reporting vehicles.

REPORTING, PUBLICATION AND DISSEMINATION: 1 Officer Analyst
2 Admin NCO's

This element will provide for the necessary editing, sanitizing and publication of target data, wrap-up and coordinated studies and estimates to include Order of Battle, the publication of these vehicles and the dissemination of these products to appropriate consumers. In addition, will effect Intelligence Control responsibilities to insure fulfillment of request and response to queries and requirements levied by outside agencies and consumers.

SECURITY:

Security for the area, the associated operations and the incoming and outgoing special intelligence materials and products, and the electrical and courier means of transmission of these products will be provided by the Army SSO.

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SUMMARY

In summary, it is the concensus of the military committee that intervention under SEATO or US plans is the best means of saving SVN and indeed, all of Southeast Asia. Should this prove impossible for non-military reasons we consider there are two general ways in which the combat effectiveness of RVNAF can be increased substantially. The first and most immediate requirement is to assure that GVN makes maximum effective use of its current resources. Its present conduct of military operations leaves much to be desired. By taking certain corrective measures and developing more effective procedures, it is our opinion that the combat effectiveness of RVNAF could be improved by an estimated 25 to 40 percent. The second method involves determining reasonable courses of action within United States resources short of military intervention or direct combat support by air and naval combat elements which can appreciably improve both the immediate and long term fighting capabilities of the RVNAF.

We feel that rapid approval and implementation of the following recommendations will improve the combat capabilities of the RVNAF, upset the Communist timetable and prevent a rapid take-over in SVN by Communist forces:

a. Intelligence

(1) One intelligence agency be designated as a central control point for direction, collection, interpretation, collation, and dissemination of all intelligence. (Detailed recommendations are contained in Intelligence Section of Military Appendix.)

b. Command and Control

(1) That the US Government insist that a single inviolate chain of command be established and practiced. This must include the removal of Province Chiefs from the chain of command.

(2) That the Vietnamese Joint General Staff and Organization be reworked to provide for proportionate service representation to include the seating of all service chiefs as members.

(3) That special efforts be made at the highest USG levels to compel President Diem to adhere to an effective chain of command and to cooperate more fully with the United States in the combined efforts of the two governments to forestall the communist threat to SVN.

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(4) At least 50% of the ARVN troops on static and pacification duties which tie them to a piece of terrain should be released for combat operations.

(5) MAAG personnel should be included in planning at all levels and in operations centers as team members on a 24-hour basis during operations.

c. National Planning

(1) An effective national plan for counter-insurgency be developed and systematically and effectively implemented.

d. Other

(1) That the US provide RVNAF with additional helicopter and fixed-wing airlift as required, consistent with the maintenance of essential US military posture worldwide.

(2) That projects aimed toward increased mobility to include road and small airstrip construction, and communications for more effective response and control be undertaken.

The foregoing broad recommendations are considered of primary importance. Of only slightly less stature are those listed below that require early action. It is recommended that:

(1) The general welfare of the enlisted man, to include diet, pay, promotion, leave and awards, be greatly improved at once.

(2) A crash program be implemented to train officers and NCO's in adequate numbers to provide a solid base for accelerating the increase of RVNAF forces.

(3) MAAG advisors participate in all planning and operations.

(4) Resources be relocated as necessary throughout the RVNAF to provide each service the means to increase its effectiveness and morale.

(5) Much greater emphasis be placed on indoctrination of the individual Vietnamese soldier through means of political action officers assigned down to company level to conduct continuous and vigorous instruction designed to stimulate the individual soldier to fight.

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*Pol. Document
to Taylor's
Report*

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27 October 1961

TPP

MEMORANDUM FOR GENERAL TAYLOR

FROM: STERLING COTTRELL

SUBJECT: VIET-NAM

*NK's Tone = more
somber than
Taylor's.*

RECOMMENDATIONS.

1. The Diem regime is not organized nor operated sufficiently well to meet the Communist threat successfully. A new response must be developed.

2. Given the virtual impossibility of changing perceptibly the basic weaknesses of Ngo Dinh Diem, and in view of our past unsuccessful efforts to reform the GVN from the top down, we should now direct our major efforts from the bottom up, and supply all effective kinds of military and economic aid.

3. Since it is an open question whether the GVN can succeed even with U. S. assistance, it would be a mistake for the U. S. to commit itself irrevocably to the defeat of the Communists in SVN.

4. Since U. S. combat troops of division size cannot be employed effectively, they should not be introduced at this stage, despite the short range favorable psychological lift it would give the GVN.

5. U. S. combat forces of CINCPAC's command should be maintained in their present state of readiness for employment in SVN if the present guerrilla war evolves into a conventional type operation.

6. The world should continue to be impressed that this situation of overt DRV aggression, below the level of conventional warfare, and must be stopped in the best interest of every free nation.

7. If the combined U. S.-GVN efforts are insufficient to reverse the trend, we should then move to the "Rostow Plan" of applying graduated punitive measures on the DRV with weapons of our choosing.

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THE IMMEDIATE THREAT.

The best intelligence we now have reveals a pattern of well organized supply points for infiltrators, much like the Civil War "underground railway", from the 17th parallel roughly through the center of Viet Nam to the South. It also reveals similar points through Laos into SVN re-routing centers. Infiltrators move with almost no opposition or detection to points of concentration, where with local recruits they are organized for attacks, mainly at this stage on poorly defended villages and farms.

The curve of Viet Cong organization, communication and combat effectiveness is apparently rising sharply in contrast to the slower rising curve of effectiveness of the GVN Armed Forces.

The conclusion is that unless this trend is reversed, the Viet Cong will ultimately destroy the GVN, moving from control of villages, to districts, provinces and finally to attack the Armed Forces.

CONSIDERATIONS AFFECTING U. S. ASSISTANCE TO THE GVN.

Certain conditions inherent in the situation must be recognized in any consideration of what kinds of U. S. assistance can be effective.

1. The Communist operation starts from the lowest social level--the villages. The battle must be joined and won at this point. If not, the Communists will ultimately control all but the relatively few areas of strong military concentrations. Foreign military forces cannot themselves win the battle at the village level. Therefore, the primary responsibility for saving the country must rest with the GVN.

2. For the above reason, the U. S. should assist the GVN. This rules out any treaty or pact which either shifts ultimate responsibility to the U. S., or engages any full U. S. commitment to eliminate the Viet Cong threat.

3. U. S. responsibility without control would be disastrous. Although control over SVN forces, as in Korea, might theoretically be possible, the Communist attack on VN is radically different from the attack on Korea. If this were a situation in which

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the chances were good that application of U. S. military force could solve the problem, then responsibility and control might be desirable. But it is not, so U. S. control should not be sought.

APPROACHES.

The ways we can assist the GVN successfully are governed by certain characteristics of the Diem regime, which must be recognized so long as the Diem remains in power.

1. Diem, like Sukarno, Rhee, and Chiang is cast in the mold of an oriental despot, and cannot be "brought around" by threats, or insistence on adoption of purely Western concepts. To be successful, the approaches must be made on the plane of advisors, not as adversaries, with emphasis on Diem's primary responsibility and control.

2. Diem, having been subject to military coups, cannot be expected to delegate concentrated authority to the military. Ways must be found to solve the military problem without insistence on full delegation, no matter how desirable or necessary delegation may be.

3. Diem is not a planner, in the Western sense. He avoids elaborate paper plans. Speculation on the reasons are many, but the fact remains. Therefore, the U. S. should not insist on national plans as a prerequisite to any assistance. Military plans might be forthcoming, albeit painfully, from military sources.

4. Diem is not a good administrator, in the Western sense. In the oriental despotic tradition, he rules everything from his own desk. Suggestions for radically changing this pattern run contrary to Diem's basic nature and can be suggested, but should not be set forth as the conditions of U. S. assistance.

5. Our history of dealing with Diem makes it quite clear that a time lag must be anticipated between Diem's acceptance of a foreign proposal, and his fulfillment, if the action depends solely upon the GVN. In the present situation, time is of the essence, and fast action is required on many fronts, but GVN action is always slow and many times incomplete.

ANSWERS TO CERTAIN POLITICAL QUESTIONS.

ANSWERS TO CERTAIN POLITICAL QUESTIONS.

1. The stability of Diem's regime is roughly proportionate to the success of the military in controlling the Viet Cong threat. Since 1955, when Diem took over from Bao Dai, his regime has survived constant threats of varied intensity from religious sects, villagers, the intellectuals, government offices and the military. At the present moment, the most serious threat is posed by military officers, who might combine at any time with government officials to depose Diem. Whether they move or not will be largely conditioned by their estimate of whether they can win against the Viet Cong under the Diem regime, or whether they believe a new regime is indispensable to victory. If successful operations are registered against the Viet Cong, the threat of a coup will recede. -

2. Bearing in mind the above limitations on corrective measures to modify the Diem regime, the political base for the counter-insurgency program could be improved if Diem would use the already created Internal Security Council. This body includes the President, Vice-President, Ministers of Interior and Information, the Assistant Secretary of State for Defense, the Chief of the ARVN Joint Staff, and other senior security officials.

The base could also be improved by an overall GVN national plan, integrating all fields of activity related to the security problem.

A comprehensive phased military plan is now in preparation, although apparently it is being done reluctantly.

It must be recognized that these administrative changes and planning will proceed slowly, if at all.

3. The internal political effects of introducing U. S. Forces should be considered. On the other hand, the danger exists that U. S. or SEATO combat forces would be equated in the minds of the villagers with the previous unfortunate French experience. This would be hammered home by the Communists. On the other hand, even opposition parties in the National Assembly have recently expressed a desire for U. S. troops, and the evidence on balance indicates that:

a. Special tailored forces for specific missions of assisting the GVN should produce no violent unfavorable reaction.

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b. Larger units of division size could probably be introduced without trouble, but U. S. combat operations against the Viet Cong could raise a host of problems with the villagers.

4. A political settlement in Laos has largely been discounted in advance. GVN officials frankly state that the U. S. has abandoned Laos. They are concerned that the U. S. may abandon SVN when the going gets rough. They are keenly aware of the effect of infiltration from Laos and are certain it cannot be stopped by any weak "neutral" Laotian government nor by an ICC, no matter how effective. At the same time, a Lao settlement will not cause the GVN to abandon their efforts.

5. A major increase in U. S. military and economic aid would be most welcome to all levels of the people and to the GVN. It would supply further reassurances and proof of U. S. backing. However, this does not mean we should supply it unless it can be used effectively. The greatest effectiveness would be achieved by accelerating the training and equipping of the Civil Guard and the Self Defense Corps if ways can be found to do this --- a very difficult problem. Increased economic aid at the village level would produce the greatest impact on the security situation.

6. The principal considerations related to a bilateral treaty were discussed above, and the conclusion drawn against this action. The GVN would naturally welcome, as Thuan said, "such a proof of U. S. real determination to stay with the GVN in its fight". On the other hand, negotiation of such a treaty would represent a direct violation of Article 19 of the Geneva Accords, and ratification by the U. S. Senate would be time consuming at best.

WHAT SHOULD BE DONE, AND HOW.

First, while not minimizing the need for coordinated, evaluated intelligence at the national level, it strikes me that the most urgent need is for development of an extensive net in the villages, feeding into the Province Chiefs. The province organization seems to me to be the lowest level at which you can expect quick local reaction--- if the SDC and the Civil Guard can be organized to react. Since Diem insists on authority being retained by the Provincial Chiefs, why don't we try to turn this necessity of dealing with them into a virtue, and help these officers do a better job? To my mind, this flows logically from a conviction expressed previously that the battle will be won or lost primarily at the village level. So let's all get down on our bellies

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to fight the problem from the bottom up rather than entire concentration from the top on down. For years we have been trying unsuccessfully to "reform" the system at the top, while virtually ignoring the "rice roots". We've been erecting various "scare crows" as deterrents to certain kinds of threats, while the gophers have had a field day building underground runways, multiplying, and gnawing away at the roots.

Second, I favor improvement of the intelligence collection and analysis at the national level, and believe the new Evaluation Center should be enlarged.

Third, I favor an attempt to insert Americans into as many of the seven GVN intelligence units as possible. This may not be easy.

Fourth, I think the MAAG "charter" should be amended to permit their resources to be fully exploited in the intelligence field.

Fifth, I think MAAG "section chiefs" should be supplied with intelligence reports pertinent to their work. For example, Captain Easterling of the Navy Section, MAAG, should have the CAS reports on DRV infiltration organizations and operations along the coast.

Sixth, I believe the USOM "charter" should be amended to exploit its natural access to information vital to the security situation. Its personnel should be instructed on the need for an intense intelligence effort and channels should be established for relaying this information to the Evaluation Center.

JOINT SURVEY OF PROVINCES.

I am strongly in favor of this, because it fits with my "village battle" concept. I think it must be done very carefully---not with the attitude of an "inspector general" listing all the faults of the Province Chief and his organization, but as a friendly, constructive listing of what each Province Chief needs to do his job better. The fact that there are some Province Chiefs who have done excellent jobs is proof that it can be done. I trust that these successful tactics and techniques can be transplanted. I would hope the survey teams could study and be briefed on these tactics before they undertake their surveys. The composition of these survey teams is, of course, something to be decided locally, but if I were doing it, I would not send large delegations. Ideally, a team should be one U. S.

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officer and one GVN. At maximum, it should be two of each in the military and intelligence fields. One team should be sent to each Corps area. Later, if the results are favorable, USOM and USIS people could visit the provinces.

After the surveys, we should "break our back" to supply what is needed. If we could get a MAAG advisor to the Civil Guard and an intelligence man assigned at each Province Chief level, I think it would greatly facilitate an effort from the bottom up. It may be a problem to find 38 French speaking officers of each type, but I think the effort should be made --- perhaps by sending present MAAG officers out to the field on these jobs and replacing them with fresh officers from CONUS.

GENERAL LANSDALE AS ADVISOR TO DIEM.

I heartily endorse this idea. Earlier in this paper I pointed out the limitations we face in "reforming" Diem. Any asset we can use to influence him should be applied. The fact that Diem has asked for his services is an ideal entree. Because of the confidence Diem has in Lansdale, some progress might be registered from the top down.

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POLITICAL

APPENDIX "B"

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INTERNAL POLITICAL SITUATION IN SOUTH VIETNAM

APPENDIX "C"

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30 October 1961

MEMORANDUM FOR GENERAL TAYLOR

FROM: William J. Jordan

SUBJECT: The Political Situation in South Viet Nam

SUMMARY

I. The Problem.

Pressures for political and administrative change in South Viet Nam have reached the explosion point. Without some badly needed reforms, it is unlikely that any program of assistance to that country can be fully effective.

II. Conclusions.

The U. S. can pursue a variety of courses ranging from giving full and unquestioning support to the present Government in Saigon, to engineering a coup against the Diem regime.

III. Recommendations.

A. We should identify ourselves with the people of Viet Nam and with their problems rather than with a man or a regime.

B. There should be an early U. S.-SVN meeting at a high level at which U. S. thoughts on the necessity of administrative changes are expressed with firmness.

C. We should encourage formation of a National Emergency Council in South Vietnam, composed of the most able and talented Vietnamese, to bear the main burden of policy making.

D. U. S. advisers of great tact and competence should be selected to work with key Vietnamese agencies, including the Presidency and the NEC.

E. The purpose of these advisers should be to guide, encourage and expedite, not to dictate.

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Any program of assistance to South Viet Nam must take into consideration that country's internal political situation and its administrative structure. This is true for two reasons: first, because the pressures now at work appear certain to erupt into demands for a change, whether by means of a coup or through some less drastic method. Second, there is good reason to think that without some badly needed reforms, any program of military or economic aid from the United States will be less than fully effective.

This confronts the United States with a choice: to give its full backing to President Diem and do what it can to frustrate any moves to alter the present system; to stay neutral and hope that the changes that come will be orderly and constructive; to encourage changes that might be acceptable to both sides, i. e., the President and his critics; to back administrative changes that would reduce sharply the role of the President and his family in the day-to-day conduct of governmental affairs; to back a coup that would remove Diem from power.

The situation provides an opportunity for the United States to stand once again for change in this part of the world, to press for measures that are both efficient and more democratic. We must identify ourselves with the people of Viet Nam and with their aspirations, not with a man or an administration. We must do what we can to help release the tremendous energy, ability and idealism that exist in Viet Nam. We must suggest, not demand; we must advise, not dictate; but we must not hesitate to stand for the things that we and the Vietnamese know to be worthwhile and just in the conduct of political affairs.

The Present Situation.

One after another, Vietnamese officials, military men and ordinary citizens spoke to me of the situation in their country as "grave" and "deteriorating". They are distressed at the evidence of growing Viet Cong successes. They have lost confidence in President Diem and in his leadership. Men who only one or two months ago would have hesitated to say anything critical of Diem, now explode in angry denunciation of the man, his family, and his methods.

There is near paralysis in some areas of administration. Small decisions that would be handled by minor officials in one of the ministries of most governments are taken to the Presidency for personal approval by Diem or one of his top advisers. Major decisions sometimes go unconsidered for days or weeks. Ministers are reduced to

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... role of expeditors and "yes men". Men with no elective or even appointive office often have more influence and power than the recognized officials.

Many men of intelligence and ability have been kept out of government or been forced to resign if their complete loyalty to the President came into doubt. The National Assembly has become a rubber stamp for the President's measures. Elections are a meaningless exercise that can only produce contempt for the democratic process.

A chance remark in a cafe can produce a jail sentence. Those who express political opposition are harassed. Men are held indefinitely without indictment or even the placing of charges. One member of the National Assembly has been in jail for almost a year without his legislative immunity from arrest having been lifted.

The role of the President's family is well-enough known to require little elaboration. Brother Nhu holds power second only to that of Diem himself. Brother Can rules the northern provinces like an oriental satrapy from his base in Hue. Archbishop Thuc, as the President's elder, is listened to respectfully by the President. Luyen, Ambassador in London, returns to Saigon regularly to "mend his fences" and check on his organization. Madame Nhu presides over the women of South Vietnam like an Empress.

The activities of the brothers are a source of deep resentment among people at every level. The Communists have used this resentment skillfully in their propaganda against the regime. Many of the allegations made against members of the Diem family are true; many are false. What matters in this context is what is believed.

Intrigue, nepotism and even corruption might be accepted, for a time, if combined with efficiency and visible progress. When they accompany administrative paralysis and steady deterioration, they become intolerable.

All of this has produced a steadily mounting demand for change. Even persons long loyal to Diem and included in his official family now believe that South Viet Nam can get out of the present morass only if there is early and drastic revision at the top. They admit that a series of dramatic political and military successes might--- just might---alter the present mood somewhat. But they see little or no chance for that kind of success unless the Government's decision-making and administrative apparatus is reorganized first.

The Vietnamese would like to see this kind of change come
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peacefully and with U. S. encouragement. There are many who believe, in fact, that it can come peacefully only if it is urged by the U. S. Government. If change does not come in an orderly way, it will almost certainly come through forceful means carried out by an alliance of political and military elements.

The Dangers

It is obvious that the present tense situation could produce violence and a period of serious internal confusion. It could divide the Army as well as the bureaucratic machine. The Communists can be expected to move swiftly in any such situation, combining military with political moves aimed at a quick takeover. At best, an attempted coup that failed would produce retaliation that would deprive Viet Nam further of some of its best brains and talents.

The United States would face a serious dilemma should violence erupt. Given the large and growing U. S. involvement in Viet Nam, we would almost certainly have to intervene directly. This would produce resentment on one side or the other, perhaps both, and would expose us to large-scale criticism in other countries.

These are dangers, too, in the continuation of the present uneasy situation. It means appalling waste in terms of energy, ability, and patriotism. The prevailing administrative stagnation means that any new program of aid will be less than fully effective. It means, too, that the U. S. becomes increasingly identified with an unpopular and ineffective regime.

The Choices

The arguments in favor of change, almost any change, are impressive. The situation in South Viet Nam is far too serious to permit that country the luxury of depriving itself of any of its available skills, intelligence, imagination, and hope. Those committed to helping the Vietnamese in this critical hour have an equal interest in seeing that everything that can contribute to victory is done.

The choices for the U. S. Government in this situation were listed earlier. My judgement of those choices follows:

1. To give unquestioned backing to Diem and to try to frustrate any pressures for change in his method of rule is to court disaster.

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2. To stay neutral and hope for the best means an open invitation to an explosion that would probably benefit the Communists more than anyone else.

3. We are obliged, I think, to encourage in a variety of ways reforms in administration, from the highest level to the villages, that will be acceptable to both the President and his critics.

4. If this kind of compromise approach fails to produce promising results, if reforms are frustrated by backsliding into old ways and attitudes, if the "back door" continues as the preferred way to influence, if criticism produces harassment, then we must consider backing changes that would reduce sharply the role of the President and would alter his status to that of figurehead and symbol.

5. Engineering or backing a coup involves large risks in both the local situation and in the broader framework of world opinion. It is not something we do well. It has little to recommend itself.

Specific Recommendations

1. As a matter of general policy, we should avoid identification of President Diem or his regime as the focus of U. S. policy. Our public concern should always be with the people of Viet Nam, with their problems, and their aspirations.

2. There should be an early meeting either between President Diem and a carefully selected personal representative of President Kennedy, or between President Kennedy and a high-ranking personal representative of President Diem, possibly his brother Nhu. This meeting should be used to outline U. S. thoughts and attitudes on the problem of administrative reform. The urgent need for delegation of authority and for inclusion of Viet Nam's best talents in public office should be stressed.

3. Using the recent declaration of a national emergency in South Viet Nam as a lever, we should press for immediate formation of a top-level National Emergency Council that would include representatives of the leading Government organizations such as Defense, Budget, Foreign Affairs, and Internal Security. This body would have the combined function of recommending actions and programs to the President and assuring that top-level decisions are carried out.

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4. In agreement with the Vietnamese Government, a group of highly qualified (by talent as well as temperament) Americans should be selected to work with key Government organs, including the Presidency and the proposed National Emergency Council. They could serve an invaluable function as friendly advisers and expeditors.

5. The purpose of these advisers would not be to impose our ways or methods or political institutions. Rather it would be to encourage the Vietnamese to find their own solutions within the broad framework of principles and ideals which we share. They should promote the idea of selection on the basis of ability and advancement on the basis of merit. They could stimulate the assumption and delegation of authority at all levels. By example and by guidance they could promote many elements in political administration that are essential to success and that now are missing in the governmental structure of South Viet Nam.

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ECONOMIC AID TO VIETNAM

APPENDIX "D"

ECONOMIC AID TO VIET NAM

SUMMARY OF
CONCLUSIONS AND RECOMMENDATIONS

The economy of Vietnam is progressing. Economic factors are probably not a very important cause of the current crisis. Nevertheless, the economic programs can and should be used to support the counter-insurgency. Specifically it is recommended that:

A. The proposed level of commercial aid of \$140 million be negotiated with the Vietnamese as soon as possible.

B. The Vietnamese be assured that the U. S. will make every effort to support all worthwhile projects which contribute to the solution of the immediate crisis.

C. Special efforts be made to expedite those projects which are particularly useful in the short run including village communications, radio broadcasting, village radio receiving sets, special action with Montagnard tribes, the telecommunications system, emergency flood relief, and to the extent desired by the GVN, Agrovilles, Agrohamlets, and feeder roads.

D. Successful projects which contribute to long range economic development be continued if they are not too expensive but in general new starts in this area be deferred for the time being.

E. Long range projects whose effectiveness is being reduced by Viet Cong activity should be reviewed for possible modification or termination.

F. Special efforts be expedited to increase the ability of private enterprise to absorb capital imports into industrial expansion.

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ECONOMIC AID TO VIETNAM

I. The Economy of Vietnam

The most surprising thing about the economy of Vietnam is its robust health. In spite of the widespread terror throughout the countryside, there are everywhere evidences of economic growth. Vietnam's economy is agricultural, depending primarily on rice and rubber. In recent years considerable diversification has taken place. Farmers increasingly now are able to supplement their income with such cash crops as pigs, ducks, kenaf, jute, and ramie. The price of rice to the farmer has seldom been better. The average farmer has a health unit where he can take his family for elementary treatment of the most common diseases and a maternity room where his wife may have their baby. His child can look forward to enough education to become literate and perhaps more. Credit, although inadequate, is available to some farmers through the National Agricultural Credit Association. An increasingly rich variety of daily essentials and some meager luxuries may be found at the village store, and he has money in his pocket with which to buy. A land reform program has been implemented which has corrected the worst of the evils of land tenure. Better seeds and methods are producing more rice than ever. In these respects, at least, the farmer of Vietnam is living better than his ancestors--better perhaps than they dreamed.

In the cities the economic picture is brighter still. Attractive store windows display everything from radios to automobiles. Attractive houses are under construction. Education and health services are widely available to the laboring classes. Hunger is rare in Vietnam. An industrial boom is in full swing. Economic infrastructure has multiplied rapidly. Bridges and canals destroyed by war and disuse are being restored. A new highway network nears completion. The railroad is restored. Airports are opening up over the entire country. Schools and public buildings are dedicated almost daily. Modern telecommunications are on the way. Power will soon be plentiful.

But there are danger signals. In the country disease is still widespread. Housing is miserable. The contrast between the bleak existence in the country and the relative opulence of the cities is not unnoticed and the Viet Cong make capital of it. Underemployment is everywhere. In the cities there is unemployment. The laboring classes live in houses without water or toilet facilities. Migration from the countryside into Saigon is said to be expanding at a rate which presses further on the city's limited facilities. The problem of economic inequality is everywhere and may one day be a major issue.

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Nevertheless, despite these discordant notes, there can be no doubt that the economy of Vietnam is strong and is improving at a rapid rate. Given reasonable security and political stability there is every reason to expect the gifted people of Vietnam to continue and accelerate this trend.

II. The Role of Economic Aid

A. The Mechanics of Economic Aid

Two kinds of economic aid are given Vietnam. The larger, consisting of about 80% of the dollar value of the total U.S. economic aid is called commercial aid. It consists of furnishing dollar foreign exchange to private importers of goods and services. Importers pay for these dollar authorizations with their piasters which go into the Counterpart Fund. This Fund, which is jointly controlled by the GVN and the U.S., is used for the most part (about four-fifths) to pay the local costs of the armed services. About one-fifth has been used to pay for the local costs of public works and the other economic projects.

Since commercial aid consists of imports purchased by private importers, it follows that both the type and magnitude of such aid are influenced very greatly by the willingness of private merchants to import. In general the private demand for essential imports has been fully financed and in fact as of June 30 last, a backlog of \$40 million of aid authorizations had not yet been taken up by private demand. On the other hand it seems apparent that if the aid program were to make available funds for less austere items including in particular consumer durables, the market would absorb more imports. Because of the favorable exchange rate under the aid program, it would also be possible to increase imports of some essential items such as coal, sugar, and textiles which are produced locally. However, this is not done because it would compete unfairly and perhaps destroy these local industries.

Commercial aid is now confined for the most part to producers goods, e.g., industrial machinery and raw materials. Chief exceptions are pharmaceuticals and U. S. farm surpluses.

The second type of U. S. aid is called "project aid". It differs from commercial aid chiefly in that it is granted to the Government of Vietnam whereas commercial aid is sold to the private sector. Included are projects in agriculture, education, health, public safety,

public administration, transportation, power, and communications, among others. Project aid has always been much the smaller kind of aid. Its size is limited chiefly by the ability of the Governments of Vietnam and the United States to conceive, develop, and administer projects. Last year, for example, ICA tentatively authorized up to \$25 million of which only \$10 million was used. A major reason for this shortfall, for example, was the Northern Bridge Program which the GVN eliminated to save piasters and security guard for construction crews. Project aid consists of commodities, contract services, technical advice and training in the U.S. or third countries.

B. The Functions of Economic Aid

Commercial aid serves U.S. objectives in two ways. First, it provides the imported resources necessary to keep the economy stable, permitting per capita consumption of imported items to remain about constant and also supplying the sinews of growing industrial strength. Second, it withdraws piasters from the private sector and places them at the disposal of the Government. This is necessary in a young government such as the GVN which has not as yet developed adequate means of obtaining piasters from the private sector.

Project aid serves U.S. objectives in both the short and long run. In the short run certain projects directly support the struggle against the communist insurgency. Included in this group are village communications, radio, telecommunications, the Montagnard project, training of provincial administrators and perhaps others. In the long run, certain projects are building the preconditions for sustained economic growth. These include education at all levels, public health, power, transportation, government statistics, agricultural research, extension, production, credit and education, industrial advisory services, police training, and many others.

III. Commercial Aid

A. Determining the Level of Commercial Aid

The outstanding difference of view on economic aid between the U.S. and the GVN has concerned the level of commercial aid. Until the summer of 1959 the dispute had not amounted to much. Then, however, the U.S. changed the method of calculating the level. Up until that time the aid level had been designed to generate the piasters needed to help the GVN balance its internal budget. Thus, for example, if a budget deficit of seven billion piasters were anticipated, the

commercial aid level could be obtained by dividing seven billion by 35 (the official exchange rate is 35 piasters equals one US dollar). The result would be a commercial aid level of \$200 million. Several major defects in this system led to its abandonment:

1. Critics of the program were quick to point out that a change in the evaluation of the piaster to 70 or lower could cut the commercial aid program in half thus exposing the arbitrary nature of the system.

2. The aid level was excessive resulting in unused aid authorizations of about \$80 million and increases in GVN foreign exchange reserves to \$220 million.

3. The system destroyed self-help incentives. By taxing more and spending less the GVN got less aid and vice versa. Consequently this system was abandoned and, instead, commercial aid was determined on the basis of the need for help in paying for essential imports. This system works as follows:

a. The total level of imports is estimated using most recent level as a basic but modifying it for known trends.

b. Total GVN exports are estimated based on detailed analysis of each major export commodity.

c. Aid from Japan and other sources is estimated.

d. The resulting deficit (item 3a minus items 3b and 3c) is the level of US aid required.

Because the level of total imports dropped as domestic production took over and because the level of exports increased, the external deficit and hence the level of commercial aid decreased in FY 1960 and 1961. This led to the difference of view between the GVN and the US over the level of aid. Elements of the GVN interpreted the decline in level of aid as a decline in US support for and confidence in the present Government. Efforts to convince the GVN that this is a wholly desirable trend merely reflecting their own growing economic independence have not been fully successful.

What is needed on the GVN side is a confidence that the US will supply whatever resources are required and that changes in levels of aid follow changes in resource requirements and do not indicate

changes in US confidence in the government. There are indications at the ministerial level and below of increasing understanding of these facts, particularly in recent weeks.

What is needed on the US side is to recognize that if the level of aid declines too rapidly the GVN has a problem which, although not a resource problem, is, nevertheless, a genuine problem. It is a problem first of a psychological nature: A hard-nosed attitude on the level of aid would add a further demoralizing blow to the hard-pressed Government. Second, it is a problem that time is required for the GVN to prepare the fiscal steps necessary to produce the piasters needed to support essential defense and other activities.

B. Using Aid to Produce Piasters Beneficially

The easy answer would be simply to lay aside economic considerations and put in the level of aid needed to meet the GVN's problem even though this level exceeded the resources required. But the answer is not this easy. There are dangers in exceeding the resource level. The danger is that if the aid takes the wrong form it can actually hurt GVN and US objectives. Three harmful effects are possible:

1. It is possible that the aid would not be used but would simply increase either the pipeline of unused US aid or would add to GVN's unused reserves. In either case, the aid would not produce piasters and would subject the program to justifiable attack by its critics.

2. Aid might be used to increase imports of non-essential items such as consumer durables. This would produce piasters but by further widening the gap in the levels of living of the poor and the urban rich, it would strengthen the hand of the Viet Cong. Moreover, by distorting the economy it would delay the pace of economic development.

3. Aid could be used to import essential items in competition with local industry. This would have obvious disadvantages both in the short and long run for US and GVN objectives.

How then can we reconcile the need to recognize the GVN's problem with these hard economic facts of life? The answer is that we must find a way to use aid to generate piasters with a beneficial effect. The one obvious thing to do is to increase the level of aid for capital imports for new or expanded industrial projects. This

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a approach suffers from none of the disadvantages cited above and has a number of advantages. It produces piasters immediately required by the Government to meet its critical expenses; it does not place any additional administrative or managerial burden on the Government; it constitutes an expanded tax base which will continue to supply the Government with critically needed piaster revenues; it creates as nothing else can create a psychology of success, of confidence in the future of free Vietnam and finally, by increasing domestic production, it hastens the day of economic independence for Vietnam, thus, in the long run actually saving the U. S. taxpayer money.

Hence the best way to use aid to meet the military costs is to help accelerate private investment. This is indeed a surprising conclusion! Instead of economic development and military outlays being in conflict as is usually the case, here we have a situation where the one reasonable way to obtain the piastres for military costs is through a process which brings economic development. Thus military strength and economic development go hand in hand reinforcing one another.

What are some of the ways in which we can stimulate further willingness on the part of private sector to use our imported goods for expansion of productive facilities?

a. ICA should proceed without delay to sign a contract with a major industrial management advisory firm which will supply to the USOM and the Government of Vietnam a broad array of industrial and technical know-how to be used in helping private entrepreneurs put together and implement sound projects.

b. The Industrial Development Center of the Government of Vietnam has recently been given a new lease on life by the appointment of a fulltime director. Both the U. S. and the GVN should give this institution all possible support in order to help it grow into a strong organization which, drawing on the services of the U. S. contract mentioned above, can supply the leadership so badly needed by the private sector in finding new opportunities for investment.

c. A proposal has been made for the creation of a consortium of private bankers which would supply urgently needed credit on medium and long-range terms to entrepreneurs who are not able to fully finance sound new projects. The commercial aid program fully supplies the dollar requirements of such new projects. This proposal would close an important gap by helping to supply on reasonable terms a minor but vital percent of the corresponding piastre requirements

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for sound new projects. The U. S. has been asked for such piaster support as we may be able to supply. The Government of Vietnam has appointed a director of this consortium, in which both government and private funds are mingled. The U. S. should move immediately to furnish piaster support to this project. Three possible sources are: (1) PL. 480 Cooley Funds; (2) Repayments of IDC loan funds; and (3) Repayments of old Mutual Security Loan Funds.

d. There is some evidence of increasing unwillingness on the part of Vietnamese entrepreneurs to order industrial machinery and equipment from the U. S. in those cases where the cost of such machinery is significantly above the cost of equivalent machinery of non-U. S. sources. We find that increasingly entrepreneurs have completed their calculations for a given project and have concluded they can make a profit only to discover that if they must pay exorbitant prices for their imported industrial equipment, their profit margin is narrowed and accordingly the project becomes unattractive to them. Until now Washington has been reluctant to grant waivers of the limited worldwide procurement policy (frequently referred to as Buy American policy). We believe that this important obstacle to industrial expansion could be significantly reduced or removed altogether if the executive agencies in Washington were to authorize the director of USOM to waive the Buy American requirement in the following cases:

1. Wherever American businesses have been circularized and have not indicated any reasonable interest in supplying the industrial machinery or equipment required for a given activity; and

2. Wherever the cost of such equipment and machinery in the U. S. exceeds the cost from non-U. S. sources by 25% or more.

e. There are a number of specific opportunities for investment which are completely ready to move and lack only Washington approval. These include, for example, expansion of two textile mills by an aggregate of 45,000 spindles plus equivalent looms and finishing and dyeing equipment. Action on such pending cases should be expedited.

C. Recommendation on Level of Commercial Aid

Washington agencies have approved a level of commercial aid of \$140 million. This can be defended on the basis of resources requirement as follows:

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1. Total Imports: The private sector took only \$214 million last year. Some decline is expected in demand for imports this year due to increased domestic production and to the depressing effects of the flood and of Viet Cong activity. Nevertheless, if maximum efforts are made both by the U. S. and the GVN to encourage private industrial development, it is believed the total commercial imports in 1962 might amount to \$220 million.

2. Exports: GVN agencies are still estimating total exports at \$70 million. We may accept this figure tentatively but the U. S. should be prepared for the possibility that exports may fall short due to the flood.

3. Other aid and adjustments in pipeline: It may be assumed that aid from other countries together with minor adjustments in the pipeline of unused aid will amount to about \$10 million.

4. Result: \$220 less \$70 less \$10 is \$140, which is the approved level of aid.

It is recommended that we negotiate the \$140 million package with the GVN. It is further recommended that the U. S. recognize a contingency requirement of up to \$25 million in the event of a short fall in GVN exports.

IV. Economic Aid to the Public Sector

A. Projects Related to the Current Crisis

Those projects directly supporting the counter insurgency effort should be strengthened and speeded up as much as is feasible. A special priority needs to be assigned both in Washington and in the field to the implementation of these projects.

1. Flood Relief. The immediate new project which must occupy our highest priority is relief for the victims of the flood. The current floods are of almost unparalleled proportions. They have completely disrupted life and destroyed property and crops for thousands of people. Immediate, imaginative, and hard-hitting action is called for, not only from a humanitarian point of view but also in order to capitalize on the opportunity presented by this challenge to meet the needs of this distraught people in a way which will favorably influence their attitudes toward the Government of Vietnam and will bring credit internationally upon the GVN. Successful action in this respect could

significantly alter the balance between the Government of Vietnam and Viet Cong influence in this important Delta region.

This disaster may offer President Diem an opportunity to work constructively with a number of non-communist elements in the country who have heretofore either refused to be associated with the Government or on the other hand have been considered dissident elements by the Government of Vietnam. The President might seek the support and advice of intellectuals within the country. He might use this as an occasion for a rapprochement with the Cao Dai and Hoa Hao and other groups. If the President could take the leadership in pulling these groups together, it not only would support the relief program but might offer an occasion for the beginning of an era of good feeling between the President and these currently uncooperative groups.

Immediately the President should appoint a full term domestic director of relief activities who should be a man of highest energy and ability.

The U. S. for its part should be prepared to support with every means at its command this relief operation. We should make available appropriate equipment and supplies currently on hand and we should press hard to bring additional relief items from the U. S. under such programs as Public Law 480, voluntary contributions, surplus stocks, and to the extent necessary, purchases with aid funds.

2. Radio. This project is now moving forward with all stations of the new network in operation except for the 10 kilowatt station at Quang Ngai. The 50,000 watt transmitter for Saigon remains to be installed, pending action by the Presidency to make a new site available for the expansion of Radio Vietnam's facility at Thu Duc. While it has been suggested that the power of the Saigon Station might be increased, the U. S. should continue with plans to install this 50 kw station in Saigon. If expert opinion so indicates, it will always be possible later to increase the power of this station. Any change at this time could only mean delay.

3. Radio Receiving Sets. With a strong radio signal soon to blanket the country it will be necessary to assure that there are radio sets throughout the country to receive these signals. USOM has fortunately been aware of this problem and has been preparing to meet it. After considerable exploration it seems to be agreed that the best way of assuring distribution of the sets is by fully supplying the

market with a set which costs less than 1,000 piasters so that it can be bought by increasing numbers of people throughout the country. Two possibilities are being pursued. One is the importation of parts to be assembled by several existing private companies in Vietnam. The other is the importation of a cheap but adequate radio now being produced in Japan. USOM is working out the details of these approaches. Washington agencies should be prepared to quickly support those solutions to the problem which are technically best.

4. Montagnards. The estimated 300,000 Montagnards in the highland plateau area reflect a problem of long-standing that requires prompt solution in the interest of immediate regional security. Long neglected and discriminated against, their loyalty and support to the government is rapidly vanishing. Recognizing the decisive role of the Montagnards in the security of the highlands, a special task force encompassing all official U. S. agencies has prepared a proposed program of direct assistance for presentation by Ambassador Nolting to President Diem. The proposed program is designed to re-establish and strengthen Montagnard loyalties and active support of government through specialized aid involving physical security, socio-economic development assistance, psychological warfare measures and information-propaganda techniques.

The plan proposes that primary responsibility on the GVN side be assigned to Secretary of State for Civic Action who would have basic responsibility for organization, implementation, and coordination for all national level aspects. At the provincial level teams composed primarily of Montagnards with perhaps one or two carefully selected Vietnamese would be organized, trained and equipped and operate under the direction and supervision of the Chief of Province. Civic Action Teams would be composed of ten or fifteen such persons who would be given special training at appropriately selected places within the relevant province in the rudiments of agriculture improvement, simple rural health sanitation and first aid, information, and propaganda, etc. Additional functions of the teams would be in the field of psychological warfare and intelligence. If at all possible, the teams should be armed and equipped with two-way communication facilities. After initial training, indoctrination and orientation, the teams would be assigned to a particular area within the province; would be provided with limited quantities (personally transportable) of such items as seeds, medical and first aid supplies, information materials, etc., and started on a circuit of designated villages within their assigned area. Each team would be expected to spend a week or 10 days in each village, carrying on the activities

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indicated above and in addition seeking to determine most pressing physical needs for subsequent supplies. After a week or ten days in the village the list of most urgently required materials would be dispatched back to provincial headquarters and the team would in turn proceed to the next scheduled village. In this fashion each team would visit all of the villages within the area assigned to the team and as they proceeded from one village to another, provincial authorities would both replenish team supplies and forward to each particular village concerned the additional supplies indicated by the team survey.

The security of the team is to be solved partially by the arming of individual team members and their training in the use of arms. The reason for such arming is based upon the belief that ARVN and Civil Guard units are fully engaged in other activities and would not be available for guard duty. Two-way communications recommendations are based upon the belief that the teams would need to be in constant two-way communications with provincial headquarters in order to transmit intelligence and other information as collected.

One of the important functions of the Ministry of Civic Action would be to maintain liaison with other appropriate ministries of the GVN to insure participation in training of Montagnards Civic Action Teams in furnishing of necessary supporting materials and equipment and in alerting the particular ministry to needs beyond the scope of team action.

Present plans of the Ministry of Civic Action are to initiate such a program in each of the ten highland plateau provinces. At the beginning, an average of 17 teams of ten-man each are proposed for each province. These teams would include seven selected Montagnards and three Vietnamese who would serve as leaders. It is asserted that the Ministry of Civic Action could recruit immediately at least 700 Montagnards and that an additional number up to perhaps 2,000 or more could be included without special difficulty. The operation would be somewhat similar except in ethnic composition, to the large number of Civic Action Teams now operating in all provinces but on an unarmed, much restricted basis.

Both U. S. dollars and local currency funds should be made available to support an intensive effort in the highland plateau area commencing almost immediately. In addition we should offer technical advice and supplies from USOM's resources in agriculture, health, education, and communications media. USOM is gearing up to meet these challenges.

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5. Village Communications. This all important project to provide two-way radio communication to villages is being pressed forward at top speed. It must continue to receive highest priority. The status of the project is as follows:

a. Delivery schedule for the sets is described below:

50 sets in 120 days FAS (20 Feb 1962) by Air
100 sets in 150 days FAS (20 March 1962) by Air
200 sets in 180 days FAS (20 April 1962) by Air
200 sets in 240 days FAS (20 May 1962) by Surface
250 sets in 270 days FAS (20 June 1962) by Surface

b. Installation schedule:

It is anticipated that installation of the Village Sets will be phased to the delivery schedule. That is, the sets delivered in any 30-day period will be installed during the following 30-day period.

The GVN is in the process of transferring appropriate personnel to the Department of Information (DOI) Combined Telecommunication Service (CTS) who will be trained for installation and maintenance in several groups over the next eight (8) months. Each group will receive from 2 to 6 months training depending upon the level of maintenance to which they will be assigned, i.e., senior technician, technician and technician's helper.

A speedup in delivery could result in a backlog of installation because sufficient trained personnel will not be available. Increased rate of training would require larger classes (not desirable) or more instructors (not available).

c. Operational Use of Village:

The Village sets located in the Villages will be operated as a radio-phone unit by the Village Chief, his assistant or the Self Defense Corps in the Villages.

The Village Set located in the District Headquarters (the other end of the Village net) will be operated by radio operators or technicians of the CTS or District Government officials.

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6. Television:

No recommendation is made herein with respect to the proposed television system pending further exploration of the costs of such a system in money, in further burdening the GVN with security guard requirements, in maintenance, and the potential benefits in relation to those costs. It may be found that to go all out for the television would place an unacceptable strain on the limited energy and talent of the GVN without reasonable prospects for success within a reasonable time span. To reach the village and town levels such a system would confront formidable obstacles such as the absence of electricity to name only one. Accordingly, it is urged that this proposal be fully and soberly considered before commitments of scarce talents and resources are firmly made.

7. Telecommunications:

The engineering has been essentially completed on a telecommunications network linking Saigon to the cities in the south. Technical and security problems must be solved in designing the system from Saigon to the north. Once these problems are solved, the actual construction of the project should be expedited since it will make a contribution to military communications.

8. Other Projects:

Other projects such as feeder roads, agrovilles, youth corps economic projects have been proposed. In each case these projects consist mostly of local costs and the contribution which the U. S. can make is limited to minor equipment imports plus technical advice. In each case action is pending in the GVN. The cumulative effect upon the GVN of taking on the burden of all of these enormous projects is so difficult to assess that I recommend the U. S. be diffident about attempting to push the GVN to take action. The Government already suffers from having bitten off more than it can chew. These projects may make sense but this is a decision which can best be made by the GVN. The U. S. should make clear its willingness to be as helpful as possible on any of these projects which may be decided upon. We should not thoughtlessly push the GVN into attempting at once every new idea which may be proposed.

B. Projects Related to Long-Term Economic Development

Because Vietnam needs to focus its energies for the critical immediate future upon those activities of a short run nature it is not

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recommended that any new long-range activities be commenced unless they require little top level attention and few piasters.

On the other hand, it would be defeatist and unwarranted to begin to dismantle those going activities which are designed for economic development. It could start a highly adverse psychology of panic. Given an assumption of ultimate victory the sensible thing to do is continue those economic development activities which are successful and not too expensive.

The GVN now has these projects under systematic and critical review. The U. S. should encourage them to make this review and we should take their conclusions seriously. In addition USOM has under review the malaria eradication project to determine whether the activities of the Viet Cong have reduced its effectiveness to the point where it should be abandoned. In addition it is recommended the U. S. explore with the GVN whether Viet Cong actions against the railroad suggest that orders for rolling stock about to be placed under a DLF loan should be postponed or modified.

V. Actions by the GVN

Fundamentally the most important economic actions required are those which can only be taken by the GVN. These are discussed below:

A. Exchange Reform

To distribute the burden of security expenditures equitably among the Vietnamese people, to obtain readily the local resources necessary to finance essential security, economic and social measures, and to make best use of the resources available from Vietnam's friends abroad, prompt measures are required to reform the foreign exchange and customs duties of Vietnam. This has long been recognized by financial experts, not only in the United States and in the IMF, but also by Vietnamese economists. Following the Staley Commission report, the decision was made by the Government of Vietnam to study the revisions in the customs duties that might be advisable following the imposition of foreign exchange premium tax of 25 piasters per dollar's worth of foreign exchange. It was the intention of the Government to increase the average yield of the American aid dollar from 54 to 74 piasters. Adoption of such a measure would increase the governmental revenues by approximately 10 million piasters daily, say three billion piasters annually. It would appear that this was the minimum level to put the GVN's financial house in order to get on with the war. The best financial advice to us would call for still more

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drastic measures, and the suggestion made by Dr. John Loftus, presented in detail by his thoughtful analysis dated October 5th, is that a foreign exchange rate of 80 piasters to the dollar is advisable. Not only is it economically advisable, but, in the opinion of Dr. John Loftus, such a measure would go very far indeed in solving financial problems that otherwise appear insuperable to Vietnamese officials. However, in order not to add still another item in the long list of changes the U. S. is pressing on the GVN, no recommendation is made to press the GVN to do more than they have already agreed to, i. e., effective devaluation to 74 to 1.

We should make it clear that the amount of aid that we will make available for the commercial program will be the same no matter at what level this rate is set. The amount of project aid, however, which can be made available to the Government of Vietnam is in part a function of the availability of piasters which can be married with dollar grants from project aid to pay the local costs of a project. It is therefore clear that the volume of project aid can attain a considerably higher level if the Government is adequately equipped with piaster funds. For example, we could justify the supply of more tractors and more road-building materials if it were clear that the highway department were adequately funded to pay the salaries and wages of the Vietnamese who are going to drive the tractors and apply the asphalt.

B. Taxes

Vietnam is progressing in its attempt to improve its assessment and collection of domestic taxes, which is essential to pay for the increasing costs of security. We should encourage the GVN to give high priority to this program and fullest support to the taxing authorities.

C. Bonds

The Government should be encouraged to proceed with the proposed bond issue suggested by the Staley Group. In addition it should endeavor to capitalize on its other important projects by issuing a series of project bonds to the public, rather than absorbing all these expenditures in the current national budget. The Da Nhim power development, for example, is obviously the type of project which might be financed in part by bonds sold to the public.

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In a less underdeveloped society, this would appear standard operating procedure. The Saigon water supply system now under construction is another possible example. The PTT, which is expanding its telephone and telegraph facilities, might also consider this possibility.

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TOP SECRET

MAAG AND MILITARY AID

APPENDIX

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MAAG AND MILITARY AID

CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

1. On the whole, the Military Assistance Program has been providing military aid to South Vietnam at about the optimum rate of absorption by the RVNAF. Deficiencies in RVNAF command and control procedures have resulted in less than optimum usage of MAP equipment, particularly aircraft.
2. The present emergency requires an urgent further increase in the RVNAF. This buildup cannot await the development of a GVN national geographically phased strategic plan for counter-insurgency, although the preparation of such a plan should be pursued vigorously by the GVN.
3. MAAG advisory effort needs to be extended further into the core of the RVNAF, with advisors being provided to smaller units. Intelligence specialist advisors are badly needed. In order to provide the numbers of US personnel required, as well as those with the desired qualifications, special efforts will be required.
4. Additional Military Assistance funds will be required to undertake critical improvements in facilities to support the increased effort required, and to take advantage of technological developments.

Major Recommendations:

1. Waive our previous stipulation that a national geographically phased counter-insurgency plan be prepared before we would support a force increase to 200,000 in order to sustain the present impetus of RVNAF force buildup.
2. Give highest priority to providing MAAG advisory personnel, both in increased numbers and with required qualifications, increasing training of US personnel as necessary.
3. Make available additional military assistance funds to undertake critical improvements in operational and supporting facilities, particularly road, air field and communications facilities, and to take immediate advantage of technological developments.

MAAG AND MILITARY AID

I. GENERAL STATEMENT

In that the MAAG is the means of transmitting vital US military assistance to the GVN, it is most important that its organization, personnel, and operations be the best that we can provide. Our advisory effort must not only be professionally competent, and readily adjustable to the needs of the RVNAF, but it also must be done in such a manner as to achieve the greatest degree of acceptance of advisors by their VN counterparts. When there is full acceptance, RVNAF officers rely a great deal on their advisors. It is, therefore, incumbent on the US to give the same priority of treatment to number, types, and qualifications of MAAG personnel as is given to the provision of material assistance.

The quality of individual personnel assigned is excellent. We must keep it so. Problem areas exist in qualifications in certain areas and in getting personnel on board as augmentations or changes are approved.

The special situation obtaining in Vietnam requires MAAG personnel to get into RVNAF operational planning and to participate in the intelligence field. ChMAAG also must exercise varying degrees of control over other US units ordered into the country. The terms of reference of Chief MAAG need revision to insure that no hindrance is being placed on the actions of MAAG personnel and to ensure that MAAG resources are fully exploited in the intelligence field.

Military aid generally has been provided to Vietnam at about the optimum rate of absorption by the RVNAF with certain specific exceptions. The present program is generally adequate in light of existent circumstances; the terrain, and the kind of war being fought limit the types of equipment needed. The war will have to be won with basic weapons, supplemented in individual cases with more sophisticated equipment, of which the best example is the helicopter. Top priority is being given to the filling of Vietnam requirements and MAP material generally is arriving as required. However, once material is turned over to the RVNAF, MAAG no longer has any direct control over it, and faulty RVNAF logistic procedures frequently hamper optimum distribution of equipment. MAP equipment is not being used most advantageously, in all cases, particularly aircraft. Operational command and control procedures are deficient and cumbersome, helicopters are pre-empted for administrative missions, and strikes are not made expeditiously on known targets. Defects in command relationships, planning and maintenance procedures also inhibit full realization of the capabilities of naval equipment provided.

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Additional funds will be needed for the current military assistance program as requirements develop. However, dollars alone will not win the war. We have to insure that the RVNAF knows how to use the equipment provided, that they make optimum use of this equipment in training and operations, and that they have the will to use what they have to the fullest extent.

II. PROBLEM AREAS

a. Increase in RVNAF Force Level from 170,000 to 200,000

At the time that the US informed the GVN we would support a force increase from 170,000 to 200,000, it was also stipulated that the US and GVN should satisfy themselves, before the level of 200,000 was reached, that:

1. There exists a mutually agreed upon geographically phased strategic plan for bringing VC subversion under control
2. An understanding exists on the use of the 30,000 additional men.
3. The rate of increase from 170,000 to 200,000 will be regulated to permit the most efficient absorption of personnel.

Despite efforts of the US mission, the GVN has not yet developed a national geographically phased strategic plan for counter-insurgency. The Field Command is developing a counter-insurgency plan, upon which the three Corps Commanders are basing their plans. The GVN increasingly is becoming aware of the need to pull together its efforts to counter the insurgency and to proceed on a logical, planned basis at the national level.

The strength of the insurgency effort is increasing faster than the ability of the GVN to muster its efforts to combat it. Additional military forces are clearly needed, and raising these forces cannot be delayed while an over-all phased counter-insurgency plan is being developed and refined.

ChMAAG and the JGS/RVNAF have now agreed on all but one unit in the composition of the proposed 30,000 increase. Basically, two new infantry divisions will be formed, logistic support units added, and the Navy, Marine Corps, and Air Force given appropriate increases.

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The force increase from 150,000 to 170,000 has been accomplished faster than originally expected. There is every reason to believe that the additional 30,000 increase will be accomplished efficiently and rapidly.

A clear requirement exists now for additional forces to combat the accelerated insurgency. The 20,000 force buildup has gone well and we need to maintain and even expedite the impetus of this progress. While we should continue to take all possible measures to induce the GVN to accomplish the necessary counter-insurgency planning at the national level, we should not stand upon our previous stipulation that a national geographically phased plan be prepared before we will support the buildup to 200,000.

b. MAAG Advisory Personnel

1. Level to which assigned

Present advisory effort stops at the regimental level for combat units, with a single advisor provided for each regiment. The war is being fought by battalions and companies. The best units are those who have an advisor present full time. With battalions spread throughout the country on counter-insurgency commitments, regimental and higher level advisors have restricted opportunity to work with the troops. To get optimum results, we need advisors at battalion level for combat units. Due to the language problem, our lack of combat experienced and competent advisors at the company level and the operational difficulties involved, placing advisors at the company level for combat units would not be productive. However, we could use some advisors at the company level for selected logistic units where technical advice could often be accomplished by experienced NCO's.

Battalion advisors (one for operations and training and one for intelligence) also should be provided for the Civil Guard, where added effort is greatly needed in training, intelligence and promotion of civic action.

2. Counter-Guerrilla and Special Forces Training

All ARVN combat unit advisors should be proficient in counter-guerrilla and jungle warfare, either through schooling or experience, if they are to be fully effective. At present there are only

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43 MAAG officers who have had counter-guerrilla or special warfare training. Ideally, this number should be increased to a total of over 500 by June 1962. Despite other world-wide requirements, including those of US Forces, it is apparent that a major effort must be made to accelerate the outflow of such officers, and priority must be given to their assignment to Vietnam.

3. Language Training

While advisors at the higher levels usually have counterparts who speak English, as we expand our advisory effort to lower levels, and to training sites in the provinces, there will be an increasing need for officers who have a knowledge of either Vietnamese or French. The effectiveness of advisory effort is diminished whenever interpreters have to be used. In addition, it is doubtful if sufficient interpreters would be provided for the expanded effort being undertaken. While personnel due to arrive by March 1962 should not be delayed for language training, it is possible, by starting now, to provide language trained personnel among later arrivals. The Department of the Army can give such training in accelerated 5 week French and 10 week Vietnamese courses. Selected personnel, as requested by MAAG, should be scheduled now for such training.

4. Intelligence Advisors (Also see Intelligence Section of Military Appendix)

The intelligence effort of the RVNAF is highly unsatisfactory in every phase. Intelligence organization, training and operations all need immediate improvement. In addition to establishing a Joint Intelligence Group, intelligence specialists must be provided for assignment down to combat unit regimental level, and to each Military Sector Commander (Province Chief). Only through such coverage will we be able to get the needed training started and the proper organization established and operating. Some intelligence specialists are included in the MAAG augmentation now approved. These should be ordered as soon as possible.

5. Augmentation of MAAG Personnel

An augmentation of 318 MAAG personnel has been approved. These personnel are required by 31 December. CINCPAC has recently recommended a second augmentation of 406, for personnel to be on station by 31 March 1962. This second augmentation needs approval earliest, so that necessary action may be taken to get the people in country by the required time.

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In the past, approved MAAG augmentations have been slow in arriving due to the many factors that inhibit personnel changes. We cannot afford this now. Fast action, appropriate priority and continued follow-up by personnel administrative echelons are required to get the people in-country where they are badly needed.

c. MAAG Terms of Reference and Control of US Effort

The present terms of reference of ChMAAG adequately cover only routine MAAG responsibilities in the advisory field. They make no provision for MAAG direct participation in a joint intelligence effort and as an active partner in RVNAF operational planning. ChMAAG role in the event of the introduction of US forces into SVN has not been delineated.

At this time it appears that ChMAAG would be the logical choice to command all US military effort, both advisory and operational, in the country, but it is recognized that some considerations may dictate otherwise.

In order to clarify ChMAAG's authority and responsibilities in light of the various contingencies that may arise, and to permit MAAG resources to be fully exploited in the intelligence field, it is recommended that the JCS take immediate action to:

(1) Change ChMAAG terms of reference to allow MAAG direct participation in RVNAF and joint military planning and intelligence functions.

(2) Delineate ChMAAG authority and responsibility in the event of the introduction of US forces into SVN.

It is not intended that these changes to the ChMAAG terms of reference would alter his present position as a member of the country team in SVN.

d. Expedited Delivery of Selected MAP Items

In general, sufficient priority has been assigned to delivery of MAP material, and items are arriving as needed. However, as noted in other sections of the report, expedited delivery is required for the following:

1. Special tools for H-34 maintenance. Helo operations have been hampered by a lack of these tools.

2. Heavy equipment for pioneer battalions. These battalions will be working on the vitally needed road program.
3. Pierced steel planking for improvement and construction of airfields.
4. Individual combat equipment for the Marine Corps. This requirement is particularly urgent in that the Marine Corps can recruit and train its expanded force faster than the present schedule of material deliveries will support.
5. Communication equipment.
6. Two of the three patrol vessels scheduled for delivery in 1962.
7. The ten additional patrol vessels funded in the 1962 M. A. Program.
8. Additional L-19 and H-34 aircraft contained in the 1962 M. A. Program.

As an aid in resolutions of problems concerned with CONUS support and expedition of supplies and equipment, it would be helpful if each US military service would designate a single office which would monitor the CONUS support actions in Vietnam.

e. Additional Military Assistance Requirements

The 1961 and 1962 Military Assistance Programs have provided equipment for the increased force levels, the Civil Guard and Self Defense Corps, and for increased capabilities throughout the RVNAF. In general, assistance is being provided at the rate at which it can be absorbed. However, a review of the program in light of the situation existing now reveals additional requirements which must be met in order to bring the best effort to bear upon the insurgency.

1. Aircraft

Additional liaison and reconnaissance aircraft are required in order to carry out recommendations contained in other sections of this report for improved reconnaissance at the Corps and Division levels. Firm requirements are being developed by MAAG and will be submitted shortly.

Perhaps the most important single requirement is increased helicopter capability. The nature of the guerrilla war and of the terrain

make these aircraft indispensable for both troop lift and support. At the same time the helicopters presently in Vietnam are not being used properly, with administrative missions being given priority over combat requirements. Until the unsatisfactory usage and control of helicopters presently in Vietnam is remedied, it appears that only additional helicopters under US control could be used advantageously enough to justify divesting US forces of helicopters in order to provide them to the RVNAF.

2. New Developments

The work of the Combat Development and Test Center is now reaching the point where we may expect the military value of certain projects to be clearly shown. Two examples are the use of dogs and of defoliants. At such time as the decision is made to place new developments into continued operational use, military assistance must be prepared to provide the funds. These may be considerable.

3. Improvements to Facilities

Extensive improvements are presently programmed and underway. However, to match the increased effort in other fields and to increase the efficiency of all operations, there are some critical items, not now programmed, which will have immediate effectiveness and which need to be undertaken. They include airfield improvement, roads, additional equipment for medical facilities, increased ammunition storage, radio stations and other individual items for improved support to naval and air activities. A detailed listing of these items is set forth in the Logistics Section of the Military Appendix. Detailed justification and firm requirements are being established for forwarding through military channels.

Additional military assistance funds will have to be made available to meet these critical requirements.

III. RECOMMENDATIONS

a. Continue the present impetus of RVNAF force buildup, to a level of 200,000, waiving our previous stipulation that a national geographically phased counter-insurgency plan be prepared before we would support a force increase from 170,000 to 200,000.

b. Provide advisors to all combat battalions, civil guard battalions, and some selected logistic companies.

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- c. Take necessary steps to provide a greater proportion of advisors with counter-guerrilla or special forces background or training.
- d. Give selected advisors accelerated French or Vietnamese language training prior arrival in Vietnam.
- e. Provide intelligence specialist advisors for Corps, Divisions, Regiments, Civil Guard Battalions, Province Chiefs, and Navy and Air Force Headquarters.
- f. Expedite implementation of recently approved MAAG augmentation of 318 to ensure arrival by 31 December 1961. Approve second augmentation of 406, and take necessary action to have people in-country by 31 March 1962.
- g. Modify MAAG terms of reference to allow full participation in joint US-GVN intelligence activities and full assistance to GVN in operational planning. Delineate ChMAAG authority and responsibility in the event of the introduction of US forces into SVN.
- h. Expedite delivery of selected programmed items, including liaison aircraft, patrol vessels, Marine Corps equipment and road construction equipment.
- i. Provide additional military assistance funds to undertake critical improvements in operational and supporting facilities, particularly airfield, road and communications facilities.

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FRONTIER FORCE, VIETNAM

APPENDIX "F"

FRONTIER FORCE, VIETNAM

The Problem: To establish a force in Vietnam which will deny the northwest frontier bordering Laos to Communist infiltration and which will have the capability of penetrating Communist dominated areas outside South Vietnam to disrupt Communist lines of communication.

Considerations:

a. The strength, disposition, and intention of the Communist enemy in the frontier area are not known precisely. Reports indicate the 325th North Vietnam (NVN) Division is just north of the 17th Parallel Demarcation Line and the 304th and 324th NVN Divisions are in the vicinity of Route 9, having crossed the border from the Tchepone Area. The VNA at Kontum believes there are three NVN regiments west of Kontum, towards the border. Since top Vietnamese officials, including President Diem, believe the northwest frontier is a Communist pipeline to the south and east, and there is some confirmation of this belief, it is not known how much of the estimated 8400 Communists in their Interzone V are in the northwest frontier, whether they are in transit elsewhere or are disposed in the area for quick assembly to mount an attack on Kontum.

b. It is known that Communist forces cross the Laos-Vietnam border. Four such routes are known, including Routes 9 and 12. It is possible that other routes could be identified, since they are known to the inhabitants, given better intelligence collection methods in Montagnard tribal areas. One MAAG plan indicated 103 miles of border as "hot," where crossings are most likely; the figure included areas in the south.

c. Without the willing help of the Montagnards, initially in intelligence and later in securing their own areas, any practical denial of the northwest frontier to Communist infiltration becomes almost impossible. There are serious problems to be overcome in gaining Montagnard help. The Communists got to them first, years ago. Communist hard-core political cadres have been living as tribal members in Montagnard villages, at least since 1954. It is estimated that 1700 Montagnards in the II Corps area alone have been recruited by the Viet Cong. The Vietnamese have looked upon the Montagnards

as something almost sub-human, and this is known to the Montagnards. On the other hand, the Viet Cong need for food and services apparently has led to increased Communist use of terrorism to get these quickly from the Montagnards. The Montagnards are now seeking weapons for self-protection. Americans serving in the High Plateau and French missionaries long resident there believe the Montagnards should be armed for village self-defense and can be used far more extensively for intelligence collection. CIA is currently planning to arm and train up to 1000 Djarai in the Central and South II Corps area for this purpose. In addition to intelligence collection, these men will be available as scouts for any force in the II Corps area, and will have a potential to assist any Special Force operations along the border. In that these men will not act in organized units, they will best be controlled through CIA and II Corps ARVN liaison.

d. General McGarr has expressed concern at the further depletion of Vietnamese divisions to obtain manpower for special units, such as ranger companies. Since special units are manned by volunteers, the drain is in the best manpower, of quality as well as quantity. Divisions which have personnel most familiar with the border terrain are presently stationed in the High Plateau, have the mission of border area defense now, and would be needed to back up any frontier force which would operate as rangers on extended patrols.

e. The present ranger companies have a strength of 132. MAAG officers consider that this should be upped to 142, with the additional strength being used for communications and a mortar section. General "Big" Minh is currently developing a plan to combine two ranger companies into a Mobile Forest Groupement which would create a base area, with a landing strip or cleared area for air drops; extensive patrols would be undertaken from the base area.

f. There is now a total of 86 ranger companies in the ARVN. Of these, 26 have completed unit training. An additional 11 will complete unit training by January 1962. The remainder of the 49 ranger companies, all formed early in 1960 and committed to operations with little or no formal ranger training, will have completed unit training by the end of 1962. There are no current plans to form additional ranger companies.

g. There are four Vietnamese provinces bordering Laos: Quang Tri, Thua Thien, Quang Nam, and Kontum. The first three are in

the I Corps military area, and Kontum in the II Corps area. In the MAAG concept of border control, apart from the zone for the 17th Parallel, there are five border patrol zones suggested.

Concept:

a. The command will be known as the Northwest Frontier Force. It will be a component of II Corps, but will operate in both I and II Corps areas, as a special force, with its own distinctive insignia. It will be a force of jungle rangers, teamed with air elements and a special civil section. There will be US encadrement, under a US military chief, with US personnel acting as advisors-collaborators (similar to Army Special Forces operations in Laos). The US encadrement will include both military and civilian personnel, and will have its own communication net.

b. The mission of the Force will be to secure the frontier zone by pacification of the territory on the Vietnamese side of the border and by disrupting the enemy's lines of communication outside the border, through long-range combat patrols. Pacification will employ techniques of attracting the support of the inhabitants in a limited area, as employed successfully before in Vietnam. Pacification includes security screening, establishment of intelligence collection, initiating governmental services and control, then training and arming the villages for self-defense. When an area is secure, the Force will move into the next area for pacification operations, and continue doing so until all Vietnamese territory in the Frontier zone is secure.

c. Each sector of Vietnam in the Frontier zone will be divided into defined areas for pacification, depending upon terrain and inhabitants. Two ranger companies will move into the pacification area, while the third company moves into the next area beyond, as a security screen. As the two companies establish physical security, a civic action civilian unit will move in behind them, establishing working relations with the village council, a dispensary, a school, an information center with a radio receiver, and the unit will then be under the self-help public projects (the first being the construction of a landing strip for eight aircraft, and then feeder roads as required). Public welfare, such as salt and blankets, will be distributed. As the support of the population is won over, they will be readied for self-defense, for intelligence reporting, and enlisted as scouts for patrols.

d. Patrols will enter an area to win over the tribal inhabitants, obtain information of the location of enemy elements in the area, and then seek out the enemy to destroy him. Initial contact with the enemy will be to gain information about him, which will be promptly reported by radio. The patrol commander will make the decision on whether to attack, using hunter-killer tactics, to call up an air strike and follow it by attack, or to call up additional forces for the attack.

e. The Northwest Frontier Force operation calls for close military-civilian teamwork, to enlist the support of the overwhelming majority of the Montagnards and to make the entire frontier zone a hostile area to Communist incursions. This will require a definite change in Vietnamese attitude towards and relations with the Montagnards. The Civic Action civilian unit will have a Vietnamese cadre, but be composed of two-thirds Montagnards as rapidly as they can be screened and trained.

f. In Kontum province, operations will be assisted by the Djarai (Montagnard) scouts now being recruited. This will be accomplished by the II Corps Commander.

Force:

a. Vietnamese Military

Headquarters/Operations Center at Kontum.

Reserve strike force, of five ranger companies, strengthened to 142, at Kontum.

Air force composite squadron at Kontum, under Frontier Force Operational control.

Special Weapons Unit, for field use of CDTC equipment, at Kontum.

Three long-range patrol ranger companies, based at Kontum.

Five Sector Headquarters/Operations Centers, one for each pacification sector.

Fifteen ranger companies, strengthened to 142, for pacification of the Vietnamese side of the Frontier zone (divided into five sectors, with three companies per sector).

The 23 ranger companies will be withdrawn from the 59 companies now assigned to the III Corps area. Other military personnel will be provided from throughout the RVNAF, to be replaced as the 30,000 force increase is implemented.

b. Vietnamese Civilian (Civic Action)

Headquarters/Operations Center at Kontum, with the Chief of the Civic Action Unit being Deputy to the Frontier Force Commander.

Five Civic Action units, one for each pacification sector, consisting of public health, welfare, information (radio, motion pictures), education, and public works (an engineer element for helping build air strips).

Four small Civic Action Units, one stationed with each province chief, for coordination of all civil operations.

c. U. S. Personnel

At Kontum, Chief of the U. S. element, who also will act as collaborator-advisor to the Commander of the Frontier Force. He will have a team of specialists who will act as collaborator-advisors to the Vietnamese in running the intelligence/operations center, in logistical support, and for training of Montagnards in self-defense. A small U. S. element for administrative support of U. S. operations in the Frontier Zone will be under his command, since base facilities will be needed to support temporarily assigned specialists from the CDTIC, MAAG, CAS, USOM, and USIS.

Small U. S. liaison elements, for advice and collaboration on Frontier Force operations, will be established at II Corps and Field Command.

One "cell" of the 4400th CCTS will be stationed with the Vietnamese Air Force squadron in the Kontum area.

One split FA team (six men, USA Special Forces) will be stationed with each ranger company. One FB team will be stationed with each pacification sector and with the long-range patrol unit.

One U. S. Foreign Service Officer will be the Political Deputy to the Chief, U. S. Element, at Kontum, to run the civilian portion of the U. S. team, and to act as advisor-collaborator with the Regional delegate and the four Province Chiefs. He will have a small staff of CAS, USIS, and USOM personnel who will be field workers, visiting their Vietnamese opposite numbers in the pacification sectors and in the provincial capitals, where they will act as advisors-collaborators with the Vietnamese. Chief MAAG will have over-all responsibility for direction of the U. S. effort.

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APPENDIX

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MEMORANDUM FOR GENERAL TAYLOR

From: Brig General Lansdale

Subject: Summary of Recommendations

Declaration of Sub-Limited War. In order to meet the Communist threat adequately, the U. S. needs a way of action short of war but more dynamic than merely the bolstering of peacetime measures. The situation in Vietnam cries for something better than what we have been doing. So, my recommendation was that the U. S. find the way to declare and support a sub-limited war in Vietnam. This can be done by Presidential proclamation, a Congressional supporting act, and a new streamlined organization within the Executive, headed by a Presidential Assistant to upgrade its authority and decisiveness.

U. S. collaborators-Advisors. The heavy bureaucratic machinery of the Vietnamese government is not working effectively. [redacted]

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[redacted] There should be a U. S. political-psychological-military-economic encadrement in Vietnam. The concept is of a U. S. team with its own chief and its own radio communications to all U. S. elements in Vietnam. Individual Americans would act as advisor-collaborators at the key decision points in the top of the Vietnamese government. Military-civilian teams would work with Vietnamese organizations at critical trouble spots in the field. When one trouble spot is cleared up, the field team can be moved to the next trouble area. The work in a trouble spot would be what the Vietnamese call pacification; this means that the military establishes physical security, with civic action (health, welfare, information, education, etc) teams following on the heels of the troops. Self-defense is organized and activated. When the area is secure, (able to defend itself against all but large enemy units) the U. S. team moves out. Vietnamese forces encadred can either be transferred to the next trouble zone or be released for other duties.

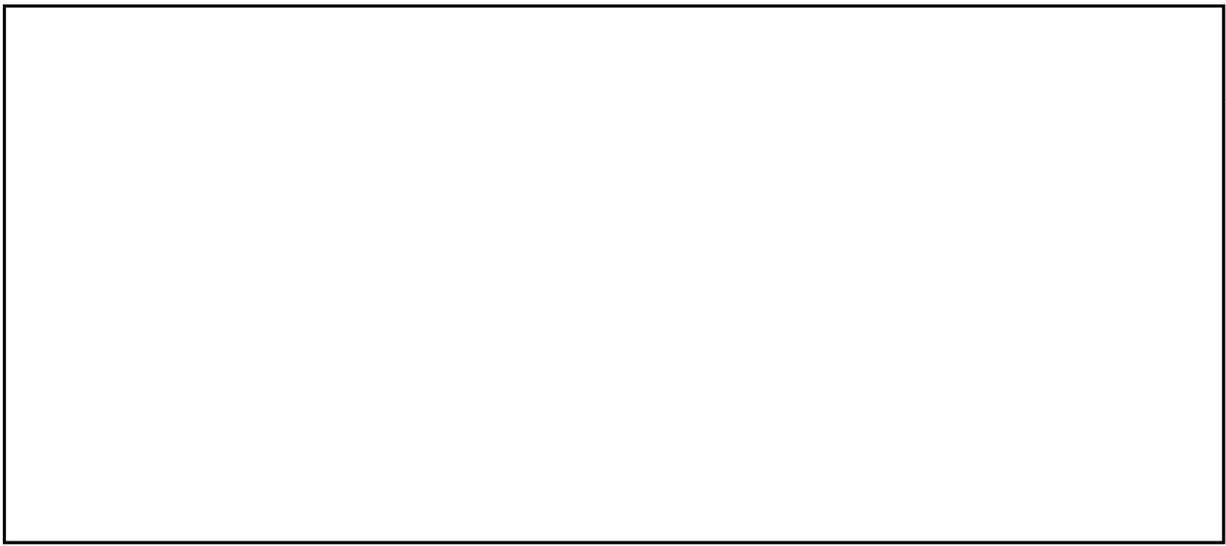
Northwest Frontier Force. The border zone of Laos is now an area of Viet-Cong infiltration into Vietnam from the Laos panhandle. To meet this, a Northwest Frontier Force (a ranger force supported by air and civic action teams) should be created. It will have a long-range patrol element to strike the Viet-Cong lines of communication in Laos and a pacification (military-civilian) team for the frontier zone inside Vietnam. Pacification areas will be designed to fit

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inhabitants and terrain. Ranger teams, with prompt civic action follow-up, will attract the support of Montagnard tribes and establish a capability for self-defense. The teams will then move to the next pacification area, and so continue until the whole frontier zone is capable of resisting Viet-Cong infiltration and is keeping the Vietnamese promptly informed of all Viet-Cong activities in the area. U.S. encadrement will include Special Forces (down to company level), Jungle Jim (to ensure effective air support), a Foreign Service officer (deputy to the military commander to run the civilian side and to collaborate with regional delegates and province chiefs), and CIA, USOM, and USIS personnel to collaborate with Vietnamese civic action/intelligence operations.

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MEMORANDUM FOR GENERAL TAYLOR

From: Brig General Lansdale

Subject: Vietnam

General

Vietnam is dangerously far down the road to a Communist takeover, against the will of its people. Since my visit last January, the situation appears to have grown more critical, despite generous U.S. help. President Diem believes that the key moment which will determine the future is between now and Christmas.

As in any society under great stress, some cracks have appeared. The most apparent one during our visit was the very human one of looking for somebody else to blame for the situation. Big Minh's rather desperate comments to you were an example. This same type of comment was prevalent in many other quarters, including some in which Big Minh was the target. Mistrust, jealousy, and the shock of Communist savagery have contributed to making a none-too-certain government bureaucracy even more unsure of itself. Pride and self-protection still cover this unsureness, but the cover is wearing thin.

Yet, what is happening is against the will of the people. Communist terrorism has brought compliance; Communist assurance of victory has induced hopelessness. This can be changed. Given the means to fight back and some hope in the future of a Free Vietnam, the people will start responding. With popular support, and with an infusion of new spirit in the government and the armed forces, a turn can still be made against what now looks like an inevitable Communist takeover.

It is time that we in the free world got angry about what is happening in Vietnam and about what is happening elsewhere in Southeast Asia. With our anger, there should come a deep commitment to stop the Communists in their tracks and hit back hard. Frankly, there are a lot of Americans who are angry and are willing to be committed to victory in this struggle. But, there is no place and no means by which they can join up to strike a blow for liberty. Certainly there are dedicated Americans in Vietnam now who would like nothing better than to give the Communists a licking. They are prevented from doing so by our self-imposed restrictions of a peace time governmental

machinery, made clumsy by its complexity, which has been jury-rigged to meet a critical situation when it really needed to be revamped to meet a new kind of war.

A new infusion of spirit is needed in Vietnam. With new spirit, the way will be opened to defeat the Communists, even though the way probably will be long and hard. This spirit will come only through dedicated action. Both the Vietnamese and the Americans need to be freed to undertake such dedicated action.

The U.S. Role

A humanitarian task force of U.S. military to help in the flood areas of Vietnam probably will result in enough psychological effect and enough physical security in its zone of operation to delay the Communist time-table. The Communists will be forced to change their strategy and this takes time. Thus, it would be wise for us to recognize that such a task force effort is a way of buying some badly needed time. We then should determine how best to use the time purchased at such great effort.

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Thus, in Vietnam, with the time bought by a humanitarian U.S. military task force in the flood area, and by the continuing work of the present U.S. organizations in Vietnam, we should phase in a Vietnamese-American partnership for action against the Communists, by a special and temporary encadrement. It will take Americans who are willing to stake all on the outcome, who know their tasks, and who can act with great understanding in collaboration with the Vietnamese.

This U. S. role requires acceptance by the Vietnamese, starting with President Diem, and a new resolution of problems by the United States. Both can be done, if we determine to do so. Applied effectively in Vietnam, we will have found the means of meeting similar Communist threats elsewhere. With proper psychological preparation, including our firm intention of pulling out again as soon as the threat has been overcome, this fuller U. S. role in helping free nations remain free will give a new spark to freedom throughout the world.

The U. S. Structure

The U. S. needs to declare a "sub-limited" war on the Communists in Vietnam and then to wage it successfully. Since such an action is not envisioned by our Constitution, a way of so doing must be found which is consistent with our heritage. The most natural declaration would be a proclamation by the President, which would state U. S. objectives and clearly outline the principles of human liberty involved. The U. S. Congress would vote support of these objectives and principles. Implementing actions would then be carried out by Executive Order.

The executive agency to carry out the President's desires needs realistic consideration. The agency must be able to devote all of its time and energies to the task. It must be elevated high enough to demand and get effective contributions from all U. S. entities, including State and Defense, and be quickly responsive to the Executive will. The present Task Forces have neither the stature nor the permanent personnel required. It would be preferable to have a small task force headed by a Presidential Assistant, with members from each U. S. department and agency assigned to it full-time, with its own channel of communication to the field, with complete control of the budget to counter the emergency in the country involved, and with a clear statement of its priorities in drawing on the men, money, and materiel needed.

For Vietnam, after consideration of the needs elsewhere, such as Berlin, a new Presidential Task Force would be created. It would need small, streamlined counterparts, particularly in State and Defense. It would need an active liaison unit at CINCPAC. In Vietnam, it should act with Presidential authority under the general guidance of the Ambassador, but with its own responsible chief. It would need a small staff in Saigon to see that the U. S. effort is coordinated, to provide an adequate war room for current knowledge of the situation, and to ensure administrative and logistic support. The field group

should be looked upon as going into a new type of combat and be so supported, including duty status, discipline, and recognition. In Vietnam, it would be the operations task force.

Paper work between Washington and Saigon should be cut to a minimum. An aircraft should be assigned at the Washington end, for quick trips to Vietnam to get first-hand information and to cut down the need for time in the field which would have to be devoted to reporting and administration.

The operations task force field personnel would operate on two levels. One is at the executive level; the other is at the local trouble spot, such as the northwest frontier.

At the executive level, there should be an American collaborator at each key position in the Vietnamese government where decisive executive action is required. The American would give the firm guidance of a friend to the Vietnamese official in that position, with the American remaining very much in the background and encouraging Vietnamese initiative.

Local trouble spots should be selected for special U.S. effort. The most obvious ones today are the northwest frontier, the sea frontier, and Zone D. There are others, along the Cambodian border, in the Long Hai area, in the center, and so on. Each requires unique treatment, with its own local U.S. task force directed from the U.S. task force in Saigon, with its own communications net, and with its own task goal which would determine its term of deployment. If need be, priorities can be assigned to trouble spots so that they can be cleaned up one by one with the most effective U.S. team possible to concentrate on an area.

While each trouble spot is somewhat different, the local task force is conceived as having a local U.S. director. Under him would be a military team, having an advisor-collaborator with the Vietnamese division commander, a Special Forces team with each battalion, and a Jungle Jim cell to guide Vietnamese air support to the division's operations. U.S. military intelligence, psychological warfare, and civic action personnel would work at division level, to guide the Vietnamese effort. A junior Foreign Service officer would be the advisor-collaborator with each Vietnamese province chief in the trouble area, and would be part of the U.S. communications net. In each province, there would be a CIA officer to establish the collection of intelligence, a USIS information officer to guide the Vietnamese

psychological operation and to direct the USIS information center if this is required to bolster the Vietnamese effort, and USOM officers as needed to guide public health, public works, education, and self-help programs.

There is a great deal already in existence in these trouble spots. The local U. S. task force would mostly give it some dynamic spark and direction. In the northwest frontier, this would include a different attitude towards and use of the Montagnard tribes.

In Laos, Special Forces teams are relieved after six months duty in the jungle. General Boyle is in full agreement with this policy, although he believes that the teams in some of the more settled areas could remain longer without relief. In Vietnam, the problems are quite different. A special rest and rehabilitation center could be established in Saigon or Nha Trang, where teams could rest up. In an area such as the northwest frontier, personnel could be rotated for duty with the reserve at Kontum after an extended jungle patrol. It would be smart to establish a similar system for Vietnamese combat forces.

The concept noted above would place American talents and spirit directly into position to be most effective in Vietnam. It would commit them to the action, since Americans would share the hazards of the struggle. A U. S. communications net would bring American "can do" into the Vietnamese scene in a way which could be decisive. Much of the present Vietnamese bickering and hesitancy would disappear as a new sense of direction is given them.

Other Comments

a. U. S. presence. It is believed that the Vietnamese would accept the presence of Americans favorably, if this is done correctly. Included in "doing it correctly" would be an expression of President Diem's desire for such U. S. help, the individual Americans earning their way by friendly devotion to unselfish duty, with exemplary behavior, and a firm understanding of U. S. withdrawal to let the Vietnamese run their own affairs once the emergency is over. U. S. actions would speak louder than words in countering Communist propaganda.

b. Prisoners. The handling of Communist prisoners needs improvement. The present system has dangerous aspects which weaken the

psychological effort among the people and against the enemy. Use of Puolo Condore, with its connotation of the worst of French colonialism, is an example. The decision role of the province chiefs is another example. After the rehabilitation period, of 6-12 months, the province chief is asked if there are any other charges against the prisoner, or can he be released? All too often, the province chief, hearing that there is secret Communist organization and training going on among the prisoners, simply replies that the prisoner is too dangerous to be returned home. The prisoner then settles down to a life where he doesn't have to work and where he is better fed than the soldiers. Secretary Thuan states that there are about 10,000 such Viet Cong prisoners held by the Vietnamese. The Philippines' experience with Huk prisoners and EDCOR rehabilitation indicates that much more can be done with Viet Cong prisoners.

c. The Vietnamese Will to Resist. Viet Cong terrorist methods have alienated the people deeply, although they are too scared to show it unless given at least the hope of security. So far, they haven't been given such a hope by the Vietnamese government and armed forces, except spottily. Too many villagers are treated with equal suspicion by both sides in this struggle; the Communists cut off heads, while the Army keeps people for days of interrogation away from supporting their families, once information is given about Viet Cong activity. Improved relations with the people, (such as a return to the "ten commandments" formerly obeyed by the Vietnamese armed forces), and improved military patrolling backed by more responsive government work, should release the expression of popular will. It would be actively anti-Communist.

Indicators of this popular will are many. The people of Phan Thiet fed the marines five meals a day, voluntarily, during recent operations when the marines undertook aggressive patrolling, and offered to support them if they would stay. Catholic priests from three different areas of the south became excitedly enthusiastic when I asked them if there were youths in their villages who would volunteer to fight the Communists; in their enthusiasm, they promised to raise 20,000 volunteers quickly, if they could become "fighters" and not "soldiers." Americans working in the High Plateau assured me that many of the Montagnards are desperately angry at the Viet Cong and are ready to help in the fight if treated as men and not as sub-human; President Diem noted a similar feeling of Montagnard hatred of the Viet Cong from recent talks he has had with French missionaries, (although he wants to regroup the Montagnards into large settlements in the Malaya pattern).

The Viet Cong have broken the rules laid down by Mao Tse Tung for success. This mistake needs to be exploited hard.

d. Secretary Thuan. If the U.S. is to go into a fuller effort for victory in Vietnam, one of the key people we will have to bet a blue chip on is Secretary Thuan. As his stature and executive control have grown, so have grown the suspicions that he is self-serving. Some of the top officers in the armed forces, along with other government officials, view him with distinct antipathy. Several are quite active in "character assassination" of Thuan. Perhaps having an American collaborator working closely with Thuan will tend to quiet the talk about him.

Thuan always has been the man "to get things done." He has risen to his present position largely on his own merit as an executive, with some help from Nhu and against considerable opposition from Hue. His real ambition is not known to me. When I have questioned him about his future hopes, he has laughed and said that what he enjoys most is to travel and hopes to earn the right to have leisure for so doing. However, he has questioned me at times about Magsaysay, (who moved from Secretary of Defense to the Presidency); such questioning always has been on how Magsaysay acted as the civilian executive in military affairs, and not on how he achieved political ends.

Thuan is plainly over-burdened with tasks. His health, (he suffered a heart attack some months ago), has improved, but he is complaining of back trouble. President Diem has expressed concern about Thuan's back, explaining that he is suffering from "minor fractures of the back-bone" and is under medical care. Continuing U.S. medical assistance for Thuan is indicated.

Some relief from his multiple duties also is indicated for Thuan. He is already acting to overcome this problem, by pushing for the creation of an Executive Council for National Security and by appointing more competent assistants. The latter action is complicated by the political connections of some less-competent assistants, but Thuan is moving decisively to weed them out and to appoint officials to whom he can entrust further responsibilities.

Thuan's continuing worry is about the competence of the military commanders. This is an area of concern where an American collaborator could do much constructive work, in clearing up misunderstandings and in working intimately with MAAG to strengthen the

command structure into real effectiveness. When asked about military leadership, Thuan rattled off a fast comment about many individuals; the following are his personal views:

Colonel Nguyen Duc Thang - the coming military leader, he fights and also knows how to run things; a future chief of staff. Good background in science and math. Very dedicated man. Marches on foot when he leads his troops. A moral man who doesn't worship money or playing around.

General Ty - a figurehead.

General "Big" Minh - always complaining, and doesn't take action when he has the opportunity; his plans never seem to be complete; he does such things as send airborne troops into combat by truck when air envelopment would be more effective.

General "Little" Minh - intelligent, very smart, but hard to understand.

Joint General Staff - very good, as playboys.

General Don - an excellent staff officer who is misplaced in a combat command.

General Ding - zero, no good.

General Kim - good staff officer.

Neum, III Corps - gets his old division, has a few tricks, don't like him.

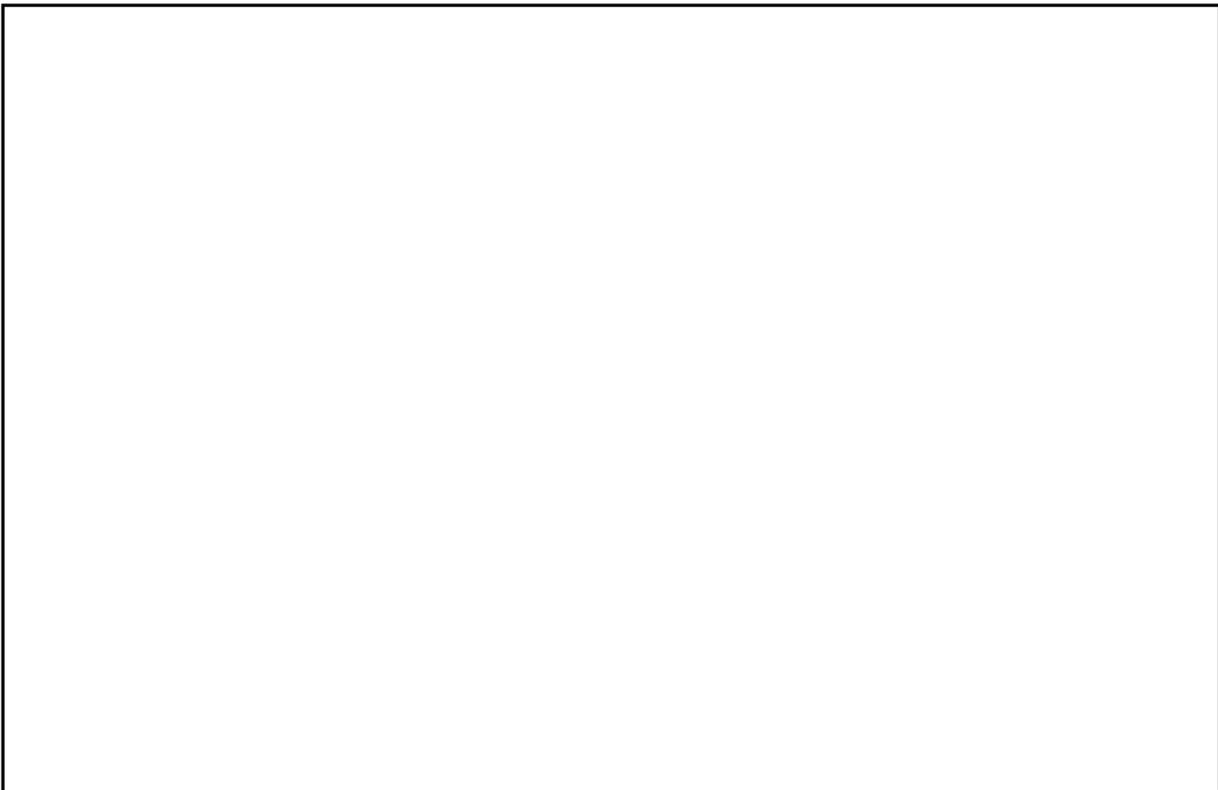
Colonel Khiem, CO 21st Division - good, but a little lazy; he is not truly a partisan of the offense, because he likes fortifications.

The three coming men are the Airborne Commander, the Marines Commander, and Colonel Thang.

25X1



25X1



f. Psychological Operations. Despite good organizations and some dedicated Vietnamese and Americans in psychological operations, it seems that the Communists still have the psychological edge in the struggle in Vietnam. This is expressed in terms of deep belief in inevitable victory, which is catching and effective even among staunch anti-Communists. On the other hand, given a real U.S. stiffening in Vietnam, a hope of victory, and better yet, the hope of lifting the yoke of Communism from their brothers in North Vietnam, the Vietnamese would catch fire, as would many others in Asia and elsewhere in the world.

An immediate improvement can be made by closer U.S. collaboration with the Vietnamese to get some joint mutual themes and then to exploit them thoroughly, with U.S. help. This feeling was expressed informally in a meeting with the U.S. Psychological Subcommittee of the Task Force, with general agreement of those present--all of whom would like to see more follow-through and better means of operating. Vietnamese government actions often need much more thorough planning and exploitation, which present joint efforts do not satisfy.

In day-to-day work, there is a continuing theme of Viet Cong excesses in behavior which can be exploited to damage Communist political claims. At the same time, there are many constructive actions by the Vietnamese which need much fuller exploitation, including recognition of individuals and organizations. However, there are equipment and use needs which require expedited action.

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R. D. T. & E. ANNEX

SECRET

CONCLUSIONS AND RECOMMENDATIONS RESPECTING R. D. T. & E.
ACTIVITIES IN VIETNAM AND SOUTH EAST ASIA.

It is concluded that:

1. The Combat Development and Test Center activity in Vietnam, and also that in Thailand, should be continued and expanded as planned with surveillance to ensure their continued effectiveness and to determine the desirability of continuing or modifying the present effort.
2. Procedures must be worked out for expedited acquisition of operational quantities of materiel and equipment; using procurement rather than RDT&E channels, once test quantities have demonstrated their value for operations.
3. Effective action must be taken to integrate the MAAG and RVNAF staff work in areas other than R. D. T. & E. in a manner similar to that being done at the Combat Development and Test Center.

It is recommended that:

1. A test model program of border surveillance and control developed by the Combat Development and Test Center in Vietnam be instituted as soon as it receives the approval of President Diem and Chief, MAAG.
2. Consideration be given to using anti-personnel chemical warfare agents in selected areas where the population is essentially 100% Viet Cong.
3. The proposed introduction of an element of the 4400th "Jungle Jim" Squadron into Vietnam be implemented immediately, that it serve both as a training and operational Development Unit, and that it operate in cooperation with the Combat Development and Test Center, Viet Nam.
4. That operational quantities of Lazy Dog munition be introduced to Vietnam concurrently with the introduction of 4400th Wing personnel or whenever trained instructors in its use are provided Vietnam; and that policy consideration be given to the desirability of introducing special fragmentation weapons either for U. S. use or otherwise.

5. That the previously approved Civic Action Armed Forces "Flying Doctor" pilot model program be executed without further delay; to achieve greater rapport between the military and civilian populace; to provide a means of improved intelligence gathering; and to provide a base for medical research and assistance in disease conditions that will be of great trouble to U. S. forces operating in the field.

6. The following items be made available for immediate use in Vietnam:

- a. 20,000 gallons of defoliant (butyl 2, 4, 5 T) and four H-34 spray equipped helicopters by airlift within 10 days for use against rice crops. If available, 10,000 lbs of cacodylic acid should be airlifted at the same time.
- b. Two C-119 spray equipped aircraft should be sent for experimental defoliation of selected strips through Zone D.
- c. 80,000 gallons of defoliant should be sent by sea lift.
- d. Up to 800 trained patrol dogs should be shipped to Vietnam in increments of 80 per month until current training and kennel facilities can be expanded, at such time monthly shipments may be accelerated. Dogs in this quantity must be procured in England, Germany and possibly Honk Kong since U. S. Capacity is insufficient.
- e. Village alarm coded pulse type signal transmitter compatible with standard AN/6RC9 military receivers. These should be air shipped as they become available; the total requirement is estimated by GVN to be 675. Development work will have to be continued concurrently with procurement to extend the effective range.
- f. Outboard motors for and materials forms and instructor personnel for, the construction in South Vietnam of 250 swimmer type support boats capable of transporting 6 - 8 personnel. Both conventional outboard motors and long shaft types should be subjected to evaluation.

THE CONTRIBUTION OF RESEARCH, DEVELOPMENT TEST AND
EVALUATION TO COMBAT OPERATIONS IN SOUTH-EAST ASIA

I. INTRODUCTION:

RDT&E activities in Vietnam are conducted through a joint Vietnamese/United States Combat Development and Test Center. This Center, the first of its kind in Asia has been in existence since June 1961. Despite the fact that the Center is only three months old, and the fact that much of its activity has been devoted to the collection of staff, the development of an inventory and the establishment of working relations, the Center has already introduced test quantities of new equipment and materiel which offer promise of making a significant actual and psychological contribution to operations against the Viet Cong.

The fact is that conventional forces, conventionally organized with conventional equipment can be successful against insurgencies only at excessive cost in terms of time, men and money. Should the techniques popularly ascribed to the British in Malaya be the only solution to combat operations against insurgencies then the free world is in difficult position indeed. In Malaya more than 150,000 troops required seven years and on the order of six billion dollars to reduce a wholly self-contained insurgency the personnel strength of which at its peak did not exceed eight thousand armed rebels. The Communists have utilized the same tactics in Laos. A similar situation seems to be developing in Vietnam and is potentially present in Thailand. It requires little analysis to determine that Communist Bloc activity of this nature in only a limited number of additional countries would, if alternative techniques are not derived, result in further very serious losses to the free world. It is therefore, the primary objective of the Combat Development and Test Center in Vietnam and in another similar but somewhat more broadly based Center in Thailand to give substance to the Presidential injunction that the United States and its allies develop alternative responses than those presently available with respect to the threat posed by such Communist activities.

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After intensive study of "On-the-Shelf" hardware as well as Research and Development items and projects within DOD and industry, we are convinced that non sure-fire, absolute, and very few "secret weapons" are on the immediate horizon. There are a number of promising ideas in the field of limited war, but the Pipe-line of projects with even a meagre degree of development is very spotty. The most promising ideas will, even under accelerated priorities take up to a year or more to develop.

On the other hand, the mere fact that the U.S. has been willing to enter into the first truly joint effort in Vietnam in the field of RDT&E; the fact that a very limited number of projects have already proved their usefulness; and the fact that an imaginative group has begun consideration of the discrete problems confronting the Vietnamese Armed Forces has already made a contribution to morale and has provided a psychological boost at all levels of the government including President Diem, the senior military officers and, indeed that limited number of ordinary soldiers who have been involved in the Center's test activities.

II. The Organization of RDT&E Activities in Vietnam and South East Asia.

Organizationally, RDT&E in South East Asia is based upon two joint combat and development test Centers. The first of these Centers in Vietnam presently comprises approximately 10 U.S. military and civilian personnel on permanent duty, and about 15 VN professional personnel together with administrative and clerical support. The Center, unlike any other military activity in the country is wholly integrated into the armed forces of Vietnam. It is currently housed in Joint Command Headquarters. However, at the request of the President, it will be moved into a secure area devoted exclusively to RDT&E. Effective 1 November, the Center will assume responsibility on the Vietnamese side for all of the ordnance, chemical and quartermaster research that had been previously established in the country.

The Center develops projects by consultation with the armed forces, and submits its proposed study areas for approval to the government of Vietnam, MAAG and to OSD. Upon approval of

a given project, a preliminary survey of the technical nature of the problem is undertaken. Equipment, tactics, and technicians that might be suited to the problem are identified and a supplementary shopping list for non-existent material prepared. Thereafter, test items are requested and a test program initiated. As a result of such test, recommendations are made for the introduction of operational quantities through regular channels.

The Center in Thailand is similar to that in Vietnam; however, by agreement between the U.S. and Thailand, this facility will commence 1 January 1962 concern itself with combat problems on a selective basis throughout Asia as well as in-country. It is now concerned with certain problems originated by U.S. Embassy and Chief MAAG, Laos. The facility in Thailand will ultimately become the parent office to that in Viet Nam. It will contain a significantly larger staff and will involve more facilities. The two facilities can be expected to be complementary. That in Thailand will have a longer term orientation; that in Viet Nam will be more concerned with evaluation of equipment that is, or can quickly be made, immediately available. Also, of course, many tests can better be performed in areas where one does not need to worry about security of test personnel during operations (Thailand); other evaluation can be made only in actual combat situations. (Viet Nam)

III. Fundamental Problems of Warfare in South East Asia: the mid term Potential of RDT&E Activities toward their Solution:

It is inherent in RDT&E activities that their contribution is somewhat longer range in character than is the case for example with military assistance.

For this reason, the Combat Development and Test Centers in Vietnam, and particularly in Thailand, should be viewed as a long term investment intended not only to improve the capability of the indigenous forces to resist the immediate threat to the security of the several countries of South-East Asia, but also to provide a mechanism through which the special talents of the U. S. Scientific laboratories and industry may be brought into physical contact with the problems of South East Asia on a continuing basis. By this means it may be anticipated that significant new technical developments directly relevant to the character of combat in this area may someday be brought into being.

Although the precise character of such new developments cannot be predicted with accuracy, some more intensive work is clearly indicated.

Basic studies in radio propagation have never been undertaken for South East Asia; despite the fact that the inability of standard U. S. military radios to provide adequate communications in the jungle has been well known for 20 years. Without such a basic building block the prognosis for the achievement of an effective air ground/ground to ground command control system is dim indeed.

There have been many better "mousetraps" proposed as a solution to the problem of off-road mobility, and some of these have had certain application. On the other hand, substantially no work has been done in fundamental soil mechanics within the peculiar environment of South-East Asia. The result has been and is that vehicles reasonably suited for a different environment are provided to forces in South East Asia where they will work at submarginal efficiency and in many cases not at all.

In terms of cost to the U. S alone even the simplest operations analysis backed up by scientific examination of terrain mobility considerations, offers promise of extensive savings through the cancellation of deliveries of unsuitable motor transport, and the introduction of better simpler vehicles suited to the environment.

Similar pilot model operations analysis in tactics and organization as well as equipment are required in other areas.

Until the establishment of CDTC activities in Asia, it is fair to say that no organized U. S. RDT&E effort has ever been devoted to the needs and peculiarities of the Asian soldier as distinguished from the American, nor since World War II to the problems of Asia as distinguished from Europe. It is not clear that a single item of MAP equipment has ever been issued in response to an analyzed Asian combat requirement; only rarely has a local "inventor" sought to improve the equipment for the troops he is advising by cutting off stocks of rifles etc.

At its worst, the MAP Program has been, insofar as the South East Asian area is concerned, a device to give away obsolete U.S. gear in order that a demand can be established for newer models for U.S. forces. At its best, MAP has sought to remake the supported armies of Asia over into the U.S. image, "well and truly" equipped with heavy artillery, tanks, elaborate but non-functional communications gear, high performance aircraft and 10,000 foot runways, and picket boats, none particularly suited to the operational problem.

And yet there are fundamental differences in Asian combat operations, the physical characteristics of the people, the nature of the terrain, the climate, the weather, the means of communication, and perhaps most critically of all the energy and technology available for warfare, and their effect on U.S. as well as native forces.

An American or European combat soldier is assumed to weigh 175 lbs. He can carry a 90 lb pack in a reasonably cool environment; a 90 lb Vietnamese is surely less effective in a high humidity, high disease environment with the same 90 lbs.

It is current practice to provide the bulk of South East Asia MAP supported personnel with a "standard" U.S. Army field hat- which fails to keep off the rain and causes the South East Asian soldier to expose his neck to the sun, a serious morale factor in a race that prides itself on being light rather than sun-tanned.

The U.S. still provides standard U.S. model leather boots for many of its South East Asian allies despite the fact that the U.S. last is entirely different from that required for South East Asian feet; despite the fact that leather is almost totally unsuitable for South East Asia operations; and despite the fact that locally made rubber and canvas jungle boots can be substantially less expensive.

The U.S. provides World War II landing craft designed for a totally different purpose, to river forces in South East Asia, simply because the U.S. has done nothing about river and lake boats since the Civil War.

One of the most pressing longer term problems in which a great deal of work must be done lies in the Social Science field. Leadership, and basic knowledge or techniques in motivation and persuasion, both as to psychological warfare, and, indeed as to

US personnel on duty in Vietnam or in South East Asia generally exist almost by accident where they exist at all.

The list of such items can be extended almost indefinitely; the case for detailed examination of the problems of those we expect to fight for, and with us, in South East Asia is unassailable.

The case for involving the technical capability of the US Scientific industrial and military community is equally strong. The problem has been to create an awareness that a problem exists and to expose the US technicians thereto on a systematic basis.

This has now been started with the CD&TC activity on the Indo-Chinese Peninsula.

IV. Specific RDT&E Projects Recommended for Immediate Action:

1. Manioc and Rice Plant Dessicant:

a. The original requirement under this task was for a manioc (tapioca) plant killer deliverable by aircraft. The requirement was later expanded to include the spraying of rice and sweet potatoes. This is necessary since abandoned or wild manioc groves are used by the Viet Cong as a major source of food. In addition, rice and sweet potatoes, either planted by the VC or in areas under their control will provide a major share of food for future VC operations if harvested.

b. Chemicals used in this operation are commercially produced in the U. S. in large quantity and widely employed there for selective weed control and similar commercial uses. A request was submitted to OSD/ARPA on 3 October for airshipment of 20,000 gallons (220,000) pounds) of this chemical and 4 H-34 helicopters equipped for spray operation. An additional request was made to OSD on 13 October for 10,000 pounds of cacodylic acid for use against rice crops, specifically. Being a relatively new product the commercial supply is not known. Inquiries are being made by Fort Detrick.

c. Most of the rice grown in the mountain regions and on high plateau will be ready for harvest by about mid-November. For this reason it is necessary that the operation be conducted as soon as possible, if the VC are to be denied this source of food. Consideration is being given to using napalm bombs as a means of burning these rice crops that become ready for harvesting prior to arrival of chemicals and spray equipment.

b. An area of this size is equivalent to 64,000 acres. At one gallon of chemical per acre, 64,000 gallons would be required. One gallon of a 50-50 mix of 2 unformulated pure liquid chemicals weighs about 11 pounds and 64,000 gallons would weight about 705,000 pounds. At a price of about \$1.25 per pound, the cost of chemical would be of the order of \$900,000 to one million dollars. Recent information from the U. S. indicates an adequate commercial supply of this chemical is on hand.

c. The above poundage (estimates at 775,000 pounds when the weight of the empty drums is included) airlifted from the U. S. at a cost of \$1 per pound would be \$775,000. Thus the total cost to obtain the supply of chemical and transport it to Vietnam is estimated at \$1,775,000.

d. This proposal is consistent with a RVNAF and MAAG proposal of strip clearing in D Zone and the related border. It is not yet clear how effective such chemical will be in clearing strips through undergrowth. It may be that burning (using Napalm probably) will be required. It is not known how quickly this could be done after spraying nor what the quantitative requirements for Napalm would be. It is, of course, obvious that defoliant alone will be of no value, at best it can open up strips or areas so that friendly forces may move through them more quickly with reduced possibility of ambush.

e. Summary of estimates:

Area:	About 100 square miles.
Gallons of chemical:	64,000
Pounds per gallon:	11
Chemical (Pounds):	705,000
Total Weight:	775,000 (To be shipped in drums using 50 pounds of container weight per 50 gallons of chemical
Cost of Chemical:	@ \$1.25/lb - \$900,00 to 1 million
Cost of airlift:	@ \$1.00/lb - \$775,000
Estimated cost of chemical plus airlift:	\$1,775,000 (U. S.)

f. To expedite this program the quantities of chemical indicated will perhaps exceed the current supply of a single U. S. company. If purchase of the chemicals can be accomplished without having to resort to "low bids", much valuable time can be saved. Informal estimates of costs have or are being obtained by Fort Detrick. It has been indicated that chemicals and equipment is considered essential.

Six C-119 or C-123 aircraft with MC-1 Spray Units installed have been requested with crews, maintenance and support.

d. An additional 80,000 gallons of chemical have been requested for surface lift to be used to kill manioc and other VC food crops while operations against rice fields are being conducted.

e. Summary of estimates:

	<u>Chemicals</u>	<u>Gallons</u>	<u>Pounds</u>	<u>Dollars</u>
a.	Butyl 2, 4, 5 -T Airlift @ \$1/lb	20,000	220,000	275,000 220,000
b.	Cacodylic Acid (If available) Airlift @ \$1 /lb		10,000	15,000 10,000
c.	(See a. above) Surface lift	80,000	880,000	1,100,000 (?)
			TOTAL (Plus 10%)	\$1,780,000

f. To expedite this program directed procurement of chemicals instead of the "low bid" procedure will save valuable time. It is doubtful that a sole source can provide the quantities required. Fort Detrick has already made informal inquiries of chemical suppliers and is prepared to conduct negotiations. Four H-34 aircraft equipped for spray operations are needed for this effort in addition to numerous pieces of minor support gear.

2. Defoliants and Dispensing Gear:

VN intelligence indicates that a hard core of VC is based in D Zone. Their strength varies from time to time and depending upon the situation, approaches 60 to 70 percent of VC regular and guerilla troops currently in South Vietnam. The VC are indicated as conducting a relatively massive build-up in the D Zone to gain control of key provinces in the vicinity of, and, if possible, the seat of the free government, at Saigon.

a. An estimate of the D Zone area to be sprayed, including the adjacent border area, is about 100 square miles, if swaths of 200 meters (about 650 feet) wide are considered. Estimates below are based on this swath width and a single spray. If other widths, or a second spray in the densest forest are required, direct proportional adjustment of these estimates is necessary.

rifle under controlled test conditions, that it offers unqualified advantages as a lethal, light-weight, ground combat individual weapon.

(3) Enlisted men of the Airborne Brigade who have fired the rifle are exceptionally enthusiastic in their praise and desire to use this weapon against the Viet Cong.

d. Approximately 5,000 Armalite AR-15 rifles, with spare parts, ammunition, and follow-on spares and ammunition have been requested.

4. Border Surveillance and Control:

a. There are some 850 miles of largely undefined and unmapped border separating Vietnam from Laos and Cambodia. This border area varies geographically from mountains, high plateau to the delta region now almost completely under water.

b. There is no single device or tactic that will be wholly successful in sealing off this area from Viet Cong or Vietminh infiltration. On the other hand a series of integrated and mutually supporting measures can seriously impair this region as a source of infiltration, logistics supply and command and control.

It should be noted that no actual survey of the border area exists. Neither Viet Nam, nor its neighbors can determine whether a given action takes place in Viet Nam or outside its national territory. This permits the "adjustment" of the border to take advantage of terrain in large sectors of the country. It should also be noted that the area is not homogeneous in character. Perhaps 1/3 of the border is relatively open grass land. Other sectors are rather well populated with "Beau Geste" forts manned with both regular Army and Civil Guard some of which can only be resupplied by air. There are at least 2 fair sized agrovilles and in the II Corps area at least significant military deployment. Along the Cambodian Border there is an excessive deployment of Ranger forces, a portion of which are essentially immobilized by the absence of water transport rather than by assignment to static defense roles.

c. Under this condition it is suggested that an integrated approach entailing the use of a series of RDT&E and standard items plus aggressive tactics will be required to effect a reasonably effective seal. For these purposes, the following concept is proposed:

(1) Obtain from U.S. Photography a reasonably detailed strip map of the entire border area 20-50 miles wide. At a minimum this photography should be annotated to indicate all existing VN and any identifiable VC or Laos installations. (about 5 airfields; training centers, 1 or more; communications sites, etc.) It should identify heavy jungle, open swampy areas,

3. Individual Weapons:

In response to an urgent RVNAF request a development task was addressed to the problem of a suitable individual weapon for the ARVN soldier. This task was approved for inclusion in the precept which established the CDTC. The basic and very obvious problem in the small arms area is one of providing the ARVN soldier with a weapon compatible with his smaller stature and body configuration, and the environment in which he must fight.

a/ Ten AR-15 rifles with accessories and ammunition were furnished the CDTC for functional and operational suitability tests to be conducted by the airborne Brigade. Criteria for selection of this unit were based on the additional hazard imposed on parachutists by jumping with the M-1 rifle and the B. A. R., and the outstanding combat record of this elite fighting unit.

b. Results of functional suitability tests indicate that:

(1) The Armalite AR-15 rifle, with its light weight, short barrel and low recoil force is an ideal weapons for the Vietnamese parachutist.

(2) In all the CDTC tests the Armalite AR-15 equalled or exceeded performance tests of the M-1 rifle up to 400 yards. Tests included firing at silhouette target, obscured by light to heavy brush and bamboo typical of the region, coconuts, and other targets similar in substance to the human anatomy.

(3) It is deemed desirable to conduct a full scale combat test and it was recommended that the Airborne Brigade be fully equipped with the AR-15 rifle.

c. Compelling psychological and political reasons exist to support the above request. High ranking MAAG, RVNAF, and CVN officials believe that the Armalite AR-15 rifle will provide an exceptional psychological stimulus to a group of dedicated soldiers. In this connection, US. Advisors report:

(1) President Diem stated: "I am familiar with the characteristics of the Armalite. All I want to know is when will we get them for the Airborne Brigade?"

(2) It has been the unanimous opinion of all senior Infantry officers of MAAG, Vietnam, who have fired and observed the performance of this

(2) A detailed plan should be developed jointly with the ARVN to:

(a) Construct a number of observation towers designed especially for border surveillance using laminated Doron or similar material for roof and sides, these towers to be located at strategic points within the selected area to be guarded.

(b) Ensure active dog guarded patrol between border forts in open areas.

(c) Ensure air attack against major visible enemy installations Napalm and Butterfly bombs against airfields. Napalm and Lazy Dog against manned installations.

(d) Mine with air droppable Butterfly bombs all open areas and with other mines where permanent closure is acceptable, such areas to be backed up with mobile forces. This should be supplemented with hand sown mines (M-14) and/or Leeson-Moos fuzed moulded plastic mines along trails leading from or to principle lines of communication within Vietnam. These mines can be sanitized, recharged and reused as required.

(e) Build-up defensive capability of border villages and agrovilles through adoption of the "Israeli Kibutz" techniques employing mines and mobile forces with dogs, defoliating as necessary to create adequate fields of fire and trails between installations.

(f) Enforce through use of dogs and defoliants, plus aggressive advisor training, "all night" patrols by Civil Guard and ARVN forces along border between outposts.

(g) Provide through booby traps, trip wires, and sentry dogs an alert warning system to augment village alarm communication between selected border points and mobile forces. These forces should be deployed outside of forts and should be cited for all round defense. Regular forces in 2 company size should spend 2 weeks in the field and 2 in barracks along the border.

(h) In the Southern Delta area employ a combination of new equipment and modified tactics such as "boat-borne cavalry." Mobile Reserves should be mounted on "Body Armor Boats" and should be provided with individual man-portable materiel floats for off-boat operation in attack situations.

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d. To expedite such a program the following actions will be required:

- (1) Careful planning by a special US/VN Joint Team.
- (2) Overflight photography and effective PI.
- (3) 2-5 million pounds of defoliant @ 3-6 million dollars.
- (4) 150-300 village alarm transmitters with perhaps 50 receiving sets compatible with PRC-10 and equivalent military receivers \$400,000.
- (5) 300-500 dogs with mixed sentry and attack training. \$2,000,000.
- (6) Delivery of quantities of available M-14 and M-18A1 mines, expanded procurement of available Napalm stocks and delivery of Lazy Dog.
- (7) Physical participation of U. S. Advisors in Border Patrol operations.
- (8) Procurement and development of armored "Shower Curtain Boats" and simple floating platforms for 10-15 companies of Rangers about 2 million.

e. In order to prove the effectiveness of such a program, it is recommended that ARVN and CDTC augmented by selected personnel from MAAG identify one or more critical areas- perhaps between Zone D and the Cambodian Border, and another West of Kontum - (and 1 Agroville) to build up a pilot project upon which the complete Border Surveillance and Control System may be based.

5. Patrol Dogs:

a. Experience by the U. S. throughout the world and by the British in Honk Kong and Malaya indicated that properly trained sentry dogs would be a real asset to RVNAF operations. The implementation of this task began with the receipt of two German Shepherd dogs and one dog handler/instructor from the U. S. The training of two ARVN dog handlers with these dogs was followed by a request for 6 additional dogs from the U. S. for a comparative evaluation with a like number of dogs procured locally. This training program is now about 50% completed. Because of the urgency of the situation and the immediate requirement for a larger quantity of trained dogs and handlers, a request was submitted

to OSD/ARPA for airshipment of 60 trained dogs and six dog handler/instructors from the U.S. Sentry Dog Training School. A message received from Headquarters, USAF on 18 October stated that the first shipment of these dogs would arrive by 1 November and that the final shipment would arrive about mid-November. Upon receipt of these dogs, training will commence with RVNAF handlers selected from combat units having a requirement for sentry or patrol dogs. Upon completion of a four to five week program, the trained dog handlers, along with their dogs will be returned to their parent units for combat duty.

b. By using this approach RVNAF units will be supplied with trained sentry and patrol dogs much sooner than was originally planned in the MAP Program. The dogs to be procured under the MAP Program will be used to provide replacements for dogs lost in combat and to provide additional dogs to combat units. Consideration is now being given to changing the approved TO/E for the ARVN Dog Company to a Replacement Training Center, and to provide at least 200 to 1,000 dogs during the next few months, instead of the 60 originally programmed. Funds for the purchase of these additional dogs would be requested from OSD under the emergency provision of recent State-Defense message 337, at a cost estimated to be approximately \$250,000 plus air transport. Animals in this quantity are not available in the U.S. Procurement is required in Europe - particularly France, England and Germany.

c. To expedite this program the following actions are required:

(1) Wholehearted support by the RVNAF to provide qualified, volunteer personnel for dog handlers; and to complete the training of handlers with dogs now being purchased from CONUS.

(2) Immediate procurement action as requested to include foreign acquisition of up to 800 dogs to permit a continued flow of animals into training center at a rate of 80 per month.

6. Village Alarm System:

The initial concept of providing a clandestine radio transmitter for use by agents or loyal Vietnamese to warn mobile quick reaction forces of Viet Cong attack has been broadened in scope to include:

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a. A miniaturized radio transmitter capable of transmitting a coded pulse-type signal over a range of 15 kilometers. This fire-alarm type radio with power source and antenna must be of such configuration as to permit it to be completely hidden in an accessible location. It must be capable of transmitting by a simple on-off switch or button. Two signals must be available, one for indicating a minor attack, one for a major attack. Operation must be silent and the power source must possess long shelf life. In order to facilitate introduction of such a transmitter in an unfriendly or passive village, it has been suggested that the ultimate design configuration should resemble a flashlight, with flashlight configured power packs probably fitted with prongs to plug into transmitter. The antenna should be capable of being inserted in the typical bamboo-thatch type dwellings of South Vietnam. The RVNAF estimates that approximately 675 clandestine transmitters will be required.

(1) The WESLARM, Model 2 prototype on loan from the Wesmont Manufacturing Company is currently under concept test. Results to date indicate that the concept is sound and the technical approach satisfactory, although the desired range has not been achieved with this prototype. To be very useful the range must be extended either by increasing transmitter output or receiver sensitivity. This set utilizes the standard AN/GRC-9 radio as a companion receiver, and transmits on 4.10 megacycles.

b. A two-way voice radio Semi-clandestine CW transmitter suitable for use in friendly, semi-secure villages. Set should be fabricated in a sealed box to meet environmental conditions and should be capable of operation when partially buried in the ground. Companion receiver should have a coded automatic alarm device and should be capable of distinguishing between several hundred transmitters with relative security against spoofing. RVNAF estimates that a total of 2,550 transmitters will be required.

(1) General Electric Company has furnished on loan 6 each coded two-way radios and one console receiver. Due to rupture of a water pipe in the storage room, this system was water-soaked. The RVNAF Signal Depot has been requested to check out and/or repair the system.

c. System will include the use of flares, air-ground signal panels, etc. where feasible and appropriate.

d. Conclusions:

(1) The requirement is valid for a clandestine radio transmitter to be used to alert a quick reaction force, as part of a village alarm system. The concept is feasible but will require a moderate degree of development.

(2) The requirement for a two-way voice radio, CW transmitter to be used in semi-secure villages is valid, but can be met by use of the USOM Village Communication System.

e. Recommendations:

(1) The Village Alarm System be fully implemented under the emergency assistance program by the development and procurement of 675 flashlight configured clandestine type radio transmitters. (Approximate cost \$1 million)

(2) Consideration be given to the use of a two-way voice radio /CW transmitter after further test by CDTC.

7. Delta Mobility:

a. Military movement in the delta region is very difficult, especially during and shortly after the rainy season each year. There are broad areas throughout the delta covered with mud of a consistency too thick for boat operation but too thin to operate tracked vehicles, at least conventional ones. The road network is meager and is easily cut in a few hours to the extent that vehicular traffic is denied. There is however, an intricate system of rivers, creeks and canals throughout the delta. A military force which could move across the country without dependence on roads would possess a tremendous advantage. Short of that, even boats, if suitable ones existed in quantity, would provide a very great improvement in mobility to the VN in the southern Delta.

b. There is a pressing need for extensive research and development in delta mobility. Very little qualitative work has been done in this field, either in the U.S. or elsewhere. For example, rivers and canals are often clogged by weeds and plants, yet only a few of the types are familiar to U.S. botanists. Without knowledge about these plants, it is difficult to formulate plans to clear them or chemically control their growth without harming animal life. More information must be developed concerning design and operation of propulsion systems for boats. Design and test of a vehicle or boat capable of cross-country operation in the delta could have far-reaching military significance in Southeast Asia.

c. To deal with the problem of delta mobility, the CDTC has initiated a three-phase program. One part is the long range RDT&E effort which will include work of the type described above. Another share of the effort is being addressed to the immediate problem, that is, achievement of significant improvements in delta mobility in the immediate future.

d. Several boats have been undergoing functional test by MAAG with varying degrees of success. Of these, the Swimmer Support boat (unsinkable, carries 6 to 8 troops, powered by commercial out-board motor) appears particularly promising. However, only two have been built so far, and about 30 would be required for a satisfactory operational evaluation. This number would permit test of the boats in actual operations, where test of only two would be inconclusive.

e. Thirty boats could easily be manufactured locally, provided the materials were procured from the U.S. and a person who is familiar with the manufacture of styrofoam/fiberglass boats brought to VN to show the VN how to use the materials. Manufacture of this test quantity would require establishment of a small production line. After the test quantity were completed, the VN would not only have the test boats in hand, but also they would have the capability to build locally other types of fiberglass boats for test. In addition, this RDT&E production capability could easily be expanded into a full scale production line of fiberglass boats if the situation requires.

f. the third field of endeavor is development of a concept of operation for "Boat Cavalry" units in the delta. Hopefully, these units might bring a new degree of mobility to RVNAF operations in the delta.

g. In Summary: CDTC is conducting a three phase program in delta mobility. Part is directed toward long range problems; the remainder is being applied to short range problems. For partial solution of short range problem, there is a need for materials, tools, motors and an expert advisor for styrofoam/fiberglass construction of 30 boats. Estimated cost of this program for test purposes is less than \$100,000. Operational quantities required will involve several hundred boats @\$500 each.

h. To expedite the program, procurement should be initiated, or required by Chief MAAG, of materials and equipment required for the local manufacture of up to 250 Swimmer-Support boats with the first 30 utilized by CD&TC for further test modification, and Tactics Development.

8. 4400th Jungle Jim Special Squadron:

a. Although the requirement for significantly more effective use of airpower in guerilla operation against the Viet Cong is apparent, it has been largely overlooked in Vietnamese planning and operations. MAAG personnel and much of the equipment provided for them to work with are in many respects unsuited to the task. Despite a relatively high number of sorties per month, it is unlikely that many Viet Cong have been killed.

b. Chief of Staff, USAF, has created recently a specially organized, trained, and equipped unit called Jungle Jim. He has requested DOD to permit the introduction of an element of this force into Vietnam. Such introduction is intended to be largely directed toward RDT&E into the nature of problems involved in the use of airpower in operations of this character; but also to provide a significant training and operational augmentation for combat operation. The 4400th Units are trained and organized for both overt and covert combat operations.

c. CDTC and representatives of the 4400th Wing have reached agreement that 8 B-26's , 4 C-47's , and 6-8 T-28 nomads should be stationed in Vietnam for training. Chief MAAG and GVN have agreed. It has also been agreed that certain newer weapons and equipment such as Lazy Dog and a new hi-performance machine gun pod should be procured by CDTC and made available for test with Vietnamese Air Force and 4400th personnel.

d. It is recommended that this proposal be approved and expedited to insure the early arrival of these units in Viet Nam.

9. Lazy Dog and Special Weapons:

a. There are two weapons that fall into a somewhat special category. The first of these is the so-called Lazy Dog ; an air droppable flechette.

b. Recent tests in the U.S. have again demonstrated that this weapon can be effectively applied with either strafing or dive bombing methods. The AD-6 aircraft now stationed in Viet Nam can utilize Lazy Dog without further modification.

c. This weapon was belatedly used at Eien Bin Phu and has been tested with good results against junk traffic off of Quemoy. Recent test results demonstrate an 85% probability of kill or incapacitation against troops in exposed areas. Even in reasonable jungle cover, there is a hit probability of 18% in a single "bomb" over an area 240 feet by 720 feet. The weapon exists in operational quantities in the Pacific Theater. CINCPAC has under consideration a decision to recommend its utilization.

d. In addition to Lazy Dog, the use of special fragmentation weapons should be considered as a matter of policy. These weapons are under special security restrictions and no decision has been taken to permit their use. While they should perhaps not be employed, by indigenous pilots, their use should certainly be considered if US aircraft including the 4400th Wing are deployed for combat operations in Viet Nam.

10. Anti-Personnel Chemical Warfare Agents:

In selected areas (perhaps part of Zone D) the population may be essentially 100% Viet Cong. If such areas can be identified, consideration should probably be given to using chemical warfare agents.

Two things are immediately required:

- (1) A technical analysis to estimate requirements for coverage of

various types of terrain with different agents, and the feasibility of dispensing them through jungle over-growth.

(2) A determination as to the political acceptability of using such measures. It is important in this connection to recognize that the usual objections may not apply since this proposed application would be in one's own country; for example, a part of Zone D might be used as a proving ground with perhaps advance notice being given by broadcast from aircraft or with leaflets.

From the point of view of political acceptability, incapacitating agents are probably to be preferred to lethal agents, but on the basis of technical feasibility, only the latter may be possible. This remains to be determined.

11. "Flying Doctor" Military Medical Support Program:

a. CDTC has with the support of GVN developed a plan to utilize the existing Military Medical and Sub Doctoral personnel in outlying regions to provide civilian outpatient service on a time available basis; and to provide medical evacuation for cases too serious to be treated in Battalion Level Aid Stations.

b. This effort called the "Flying Doctor" program will be initiated on a pilot model basis with a flight of 3 helio couriers, jeep, ambulances and boats together with significantly improved communications as rapidly as the Materiel can be delivered.

c. Since the program has very great psychological and intelligence as well as medical potential, and since it can also serve as a base for medical support of U.S. personnel for whom disease problems in outlying areas of Vietnam will range from Severe to Critical; it is recommended that plans for the operational expansion of the pilot model program be expedited.

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2. The sympathy of the populace among which the communist guerrillas exist must be denied to the communists and won to the side of free forces. This involves a whole variety of programs in the political, psychological, economic realm, basic to which is the friendliest possible relationship between the free forces and the civilian populace.

3. To the maximum extent feasible and possible, the fight must be taken to the enemy. The enemy must be given cause for concern for his own home area and thus restricted in his capability to provide for the needs of his guerrilla movement in another area.

There have been many suggestions made in the Counter-Insurgency Plan For Vietnam, in the reports and the recommendations of the Vietnam Task Force, and in individual recommendations by Ambassadors Durbrow and Nolting, which are well-designed to implement programs constructed in conformance with the objectives listed above. By and large these plans and recommendations have not been implemented because of blockage in the Vietnamese Government. The first task, therefore, is to get the Vietnamese Government working again. General Lansdale has discussed with me his idea for the establishment of a group of dedicated and experienced Americans within the various high levels of the Vietnamese Government to act as expeditors and to speed up the processes of decision and action. It is my understanding also that the commitment of helicopters in fairly substantial number and under American control is now contemplated to aid the mobility and striking capability of the Vietnamese army. While we would support these measures, they are outside the competence of this paper. One additional suggestion not directly related to covert activities is also offered.

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This suggestion is that members of the National Assembly be put to work at the province level as counterparts to American advisory teams in the provinces to aid in securing the decision and action of the Vietnamese Government. A state of National Emergency has been proclaimed. The National Assembly delegates, therefore, are not required in Saigon, except on an occasional basis, as most matters are handled by presidential decree. It is suggested that if President Diem could be persuaded to request the services of these National Assembly Delegates, during the period of the emergency, as Presidential agents in their respective provinces, these delegates could add substantially to lubricating the machinery of government without usurping the prerogatives of province chiefs or military commanders. They could work side by side with American teams and province officials to advise and counsel and where necessary to plead with the President for programs needing urgent action. To initiate their designation as Presidential agents it might also be well to construct a joint Vietnamese-American training course of three or four weeks' duration during which time the new Presidential agents would form an acquaintanceship with their American counterparts, be given some understanding of their mission and informed concerning varieties and channels of available aid. Hopefully also the delegates could be persuaded to stump their provinces in behalf of the government and thereby impart a better understanding of the communist threat. The Assembly Delegates have some natural advantages for this task since they are elected, have some understanding of the function of government, and have a personal stake in preventing further communist inroads.

The important point is that the government must begin to function effectively again. The only alternatives are to ride roughshod over the organs of

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The most important covert operational effort now needed is the observation and harassment of Viet Cong transiting South Laos into Vietnam. Operations presently directed against this target, while qualitatively well conceived are quantitatively too small in numbers of personnel and striking force available to accomplish more than a small part of the job to be done. Operations against North Vietnam are also still small quantitatively, and their expansion can only be obtained by extensive and costly efforts.

A subject eminently related to the improvement of Vietnamese intelligence collection and covert action operations is the availability of trained and experienced personnel.

This deficiency can be overcome in part by training of Vietnamese. Available trained and experienced personnel can also be augmented by the use of third country nationals. Some of these are:

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RECOMMENDATIONS:

It is recommended that:

1. Discussions be undertaken with President Diem concerning the validity of present Vietnamese intelligence and recommendations be made to President Diem as follows:

a. The CIO be specifically empowered to receive and collate intelligence from all Vietnamese intelligence services, to evaluate any intelligence operation or source and to levy requirements on the intelligence services.

b. That General La of NPSS be replaced by a more professionally qualified intelligence officer.

c. Concurrently with the replacement of General La, an expansion of the NPSS Special Police be undertaken to provide critical counter subversive information.

2. The U.S. expand efforts to secure better intelligence by the use of its technical advantage through:

a. Continuing the current Radio Direction Finding effort.

b. Establishing a USAF photo collection and interpretation activity in Vietnam as proposed by 13th A.F.

c. Augmenting the evaluation center in Saigon by the assignment of additional U.S. intelligence personnel with the specific responsibility of providing collated studies of all source information.

3. Representations be made to the Vietnamese Government:

a. To adopt the plan for establishment of the Clandestine Action Service as proposed by CIA.

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