

28 July 1964

MEMORANDUM FOR THE DIRECTOR

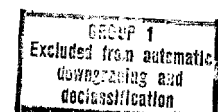
SUBJECT: Viability of the Present Regime
in South Vietnam

1. General Khanh's regime is faced with two urgent and related problems: Khanh's present state of mind constitutes one; the other is the growing dissatisfaction on the part of certain important associates with the effectiveness of his leadership and even the main lines of his policies. Neither difficulty presently has an "inevitable" outcome. The course of both will be significantly influenced, perhaps determined, by US actions and behavior.

2. General Khanh evidently feels that after two decades of constant war, South Vietnam and its people cannot much longer endure the grinding campaign which exclusive reliance on the present US-sponsored internal pacification effort entails. For the past two months, in private conversations with US officials Khanh has repeatedly urged the need for at least some form of attack on North Vietnam; in recent days this theme has been publicly surfaced by the GVN, and Khanh has openly associated himself with it. Khanh's views and actions derive from many sources, including honestly held military

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judgments, an activist's desire for quick results, personal frustration at the slow pace of governmental programs and at the bickering within his regime, a buffeting from the claims of contending military and civilian colleagues and rivals, an awareness of restiveness among junior officers over the lack of progress in the war, and manpower stringencies. The themes of reunification and attacking the North have political and psychological appeal to a number of influential groups in South Vietnam. Also Khanh has doubts about US support for him and ultimate US intentions. In any event, it seems evident that Khanh is becoming convinced that the present US/GVN strategy involves unacceptable hardship for South Vietnam, with little hope of victory within a reasonable time. If Khanh's mood continues to deteriorate, he might either undertake some desperate action or simply withdraw from office.

3. Many signs, including the recent frequency of Dalat meetings, suggest that the present regime may be considerably more of a military collegium than we have perhaps appreciated. Khanh relies heavily on Defense Minister Khiem; General Minh still seems to have a voice (usually directed against Khanh); and even the formerly arrested quartet of generals whom Khanh deposed apparently still have some say. There are indications that the generals may be polarizing into a hard-line group

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around Khiem, advocating a move against the North, and another group under Minh, opposed to Northern adventures and possibly giving serious consideration to negotiation. Either might be able to develop the capability of deposing Khanh, particularly if joined by a sufficient number of junior officers. Khanh appears presently to be very much in the middle, pulled from both sides.

4. There are some grounds for thinking Khanh himself may be examining negotiation as a way out of what he terms South Vietnam's "agony." A GVN official (General Lam) may be currently engaged on some exploratory mission in this vein, perhaps through French mediation. Should this be true, Khanh might simply be playing politics, touching all bases to keep all of his colleagues in line. Or he himself may not yet have decided what to do. Or, and this cannot be ruled out, he may be preparing to cover himself by urging the US to take escalating action he knows the US will not agree to take, intending to claim -- when his requests are denied -- that since the US will not permit him to fight effectively, nor take the risks of using its own power directly, he has no option but to negotiate.

5. In the labyrinth of Vietnamese politics, US actions are minutely studied and often misread. What Washington regards as necessary coordination can be seen -- or made to appear --

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in Saigon as a sign of "puppet" status. Moves to enhance the prestige of South Vietnam's Chief of State can be, and have been, read as signs of US dissatisfaction with Khanh and desire to boost Minh at his expense. Despite all assurances to the contrary, Khanh and his principal colleagues cannot shake off the suspicion that after the forthcoming elections, the US may seek to disengage from Vietnam by a negotiated settlement with Hanoi. By some, this is used as an argument that the South Vietnamese government should itself initiate negotiations with the DRV. The present GVN leadership may be seeking to take advantage of pressures which it believes will build up in the US during the presidential campaign, or may be seeking to force the US into a situation of active conflict with Hanoi, and possibly Communist China, from which Washington could not disengage after November.

6. At the moment, it is impossible to give anything but conditional estimates of the viability of the present GVN. On balance, we believe Khanh still has a better than even chance of keeping the leadership united under his aegis. With respect to the war effort as a whole, the chances that Khanh and his government will sustain it much longer are better than even if -- and only if -- Khanh can be brought out of his present discouraged mood, convinced of US determination to support him

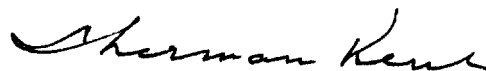
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and the war effort, and induced to hope that the future contains something for South Vietnam other than more of the same. Khanh presently seems to think such hope can only be found in operations beyond South Vietnam's borders. Militarily and in the context of international politics, such operations may not be required or even desirable. But some form of new look is probably necessary to cope with the internal political and psychological stresses that Khanh faces within South Vietnam.

FOR THE BOARD OF NATIONAL ESTIMATES:



SHERMAN KENT
Chairman

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