

MEMORANDUM FOR: **Director**

This seems to me a useful summary of what has been happening in Saigon with some analysis of the prospects. It was coordinated with OCI and George Allen has seen it but did not participate in its production.

cc: **DDCI**
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D/OCI
DDA

ABDOL SMITH
Director
National Estimates

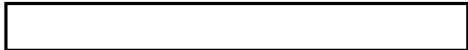
27 June 1968
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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

27 June 1968

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Political Evolution in Saigon

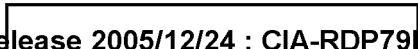
1. A significant shift in the balance of political power in Saigon has been underway for some weeks. The process is by no means complete, and an air of tension and uncertainty still prevails. But the chances of a sudden upset in the immediate future are receding, and it now appears that President Thieu has accomplished a quiet revolution at the expense of Vice President Ky and the group of northern or "senior" generals who support him. Though there are numerous potential problems, the most significant consequence ultimately may be a less intransigent GVN attitude toward a peace settlement.

Thieu and the Generals

2. The "senior generals," as they have come to be known, consist of a group of about eight officers which gradually evolved

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Excluded from automatic
downgrading and
declassification

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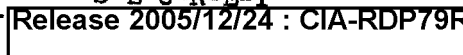
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during Nguyen Cao Ky's tenure as Prime Minister from June 1965 to November 1967. "Senior" is an adjective that aptly describes the authority they amassed during this period, rather than their ages or longevity in the armed forces. Some, though not all, were "young turks" of the immediate post Diem period. Probably most important, however, is that most of them are northerners and responsive to Vice President Ky.

3. At the outset of constitutional government last November, their collective influence was indeed strong. In addition to Ky as Vice President, the group included Generals Nguyen Van Vy, Linh Quang Vien, and Nguyen Bao Tri, Ministers of Defense, Interior, and Revolutionary Development, respectively; General Loan, National Police Director; General Cao Van Vien, Chief of the Joint General Staff; General Thang, his military assistant for Regional and Popular Forces and for RD cadres; and General Khang, III Corps commander, capital military district commander, and Marine Corps commandant. Earlier, the military had sought to insure its continuing influence by agreeing to support Thieu as the military nominee for President in return for his undertaking to consult a military council on policy and personnel changes.

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4. This compromise "arrangement" of last July was not disturbed initially, since neither Ky nor Thieu had reason or opportunity to challenge it. As the elected President, however, Thieu automatically became more powerful and thus more independent. Moreover, he appeared to have the full support of US officials. Thus, dissatisfaction, friction, and finally maneuvering eventually materialized. The Tet attacks succeeded in bringing the differences virtually into the open and lent a sense of much greater urgency to the question of ultimate authority.

5. Even though Thieu made no obvious moves against them, the northern generals concluded by early March that they were losing ground, and apparently gave serious consideration to removing Thieu. But the strong US reaction to coup rumors discouraged this course of action. Later, the opening of talks in Paris also militated against any rash political adventurism at home. Meanwhile, Thieu had begun to improve his relations with the assembly and with various political groups; even among provincial officials there were slight but perceptible shifts of allegiance from Ky and toward Thieu.

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6. Well aware of both the generals' inclinations and inhibitions, Thieu felt strong enough to take the initiative last month. He nominated Tran Van Huong, an ardent southern civilian, as Prime Minister and made little effort to consult the senior generals. Moreover, in the formation of the Huong Government three members of the northern faction were dropped: Generals Tri and Linh Quang Vien left the cabinet, and General Loan was replaced as Director of National Police. Previously, the senior generals had discussed the possibility of resigning en masse should any of them be removed. It is now clear that they have chosen this response, though the resignations have been piecemeal and, superficially at least, for different reasons. Generals Vy, Thang, and Khang have all submitted their resignations, and Ky, in a similar gesture, recently withdrew as Chairman of the People's Self Defense Force. Thus of the original eight, only General Cao Van Vien has not indicated his inclination to disengage from the government. But he is highly vulnerable to charges of corruption and hence to removal by Thieu when convenient.

7. In choosing this response, the Ky group gives up the chance to exert much day-to-day influence over the government,

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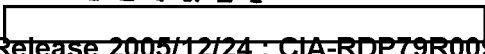
but retains a strong collective identity. Apparently they calculate that the Huong Government will falter, that Thieu can be discredited, and that their return to power can then be arranged. Indeed, they may believe that by disengaging now, they will be in a better position to "take over" and "save" the situation at some critical point during the difficult months ahead. At the same time, however, there does seem to be some pessimism among various Ky supporters over whether such a comeback can in fact be made. We think their pessimism is justified.

Thieu's prospects

8. It is not entirely clear how President Thieu will proceed. It is possible that he may want to employ "divide and rule" tactics against the generals; thus he may at least reassign some of them to positions of importance, if not retain them in their current capacities. In any case, the extensive and rapid turnover at the top creates some danger. The new cabinet and changes involving several Saigon city officials as well as those at the higher military levels have touched off widespread rumors and speculation in Saigon, and have helped create an air of political and military uncertainty. But this problem is likely to be rather

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short-lived. There is no real shortage of Vietnamese generals; moreover, the extensive US presence helps provide a cushion while Vietnamese command changes are being implemented.

9. Another problem is the character and attitudes of the replacements. Any new appointee with a political legacy is bound to waken old memories and stir up debate; General Khiem, the new Minister of the Interior, is a good case in point. Because of his involvement in numerous coups and attempted coups in past years, Khiem is regarded in many political and military circles as an opportunist and a perpetual schemer. Such feelings may intensify, since Thieu apparently plans to create a control apparatus including some intelligence services under Khiem.

10. President Thieu himself has a rather long political history, including past ties to the southern branch of the Dai Viet Party and to former supporters of Diem. As his power has grown, there has been increasing suspicion that he will use these ties to create a personal, semi-clandestine political apparatus. This could stimulate a reaction not only from the northern generals but from other groups such as the Buddhists. But Thieu is undoubtedly

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aware of these perils, since clannishness has been one of the most damaging charges leveled against the northern generals. And Thieu's appointment of General Nguyen Van Minh to the crucial post of Capital Military District Commander was unexceptionable, militarily and politically.

11. In short, Thieu has greatly increased his powers as President. The chances are good that in the months ahead he will not have to contend with powerful and independent opposition from within the military establishment. In this respect, the government has been strengthened.

Possible future developments

12. As he has increased his power and confidence, President Thieu has taken a more active interest in civilian political organization. He apparently has been working towards an amalgamation of Senator Tran Van Don's National Solidarity Front, Nguyen Van Huong's Democratic Freedom Force, and other smaller groups. If an agreement can be worked out, Thieu plans to support the merger publicly in the near future, and perhaps assign the new organization some responsibilities for the popular self-defense

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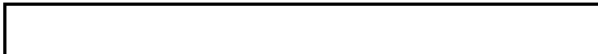
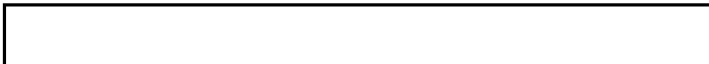
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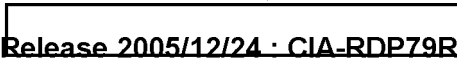
program. At the same time, he has expressed his willingness to allow for a wider "opposition" grouping which might oppose GVN policies but which nevertheless is pledged to work within the constitutional framework. Despite the many serious problems surrounding political development, a strong government effort in this direction could result in some political growth.

13. President Thieu also apparently will attempt to gain wider popular support for various government programs by describing them as efforts to "win the peace." He may feel that a positive emphasis on peace will have great appeal to war weary Vietnamese. Beyond this, however, Thieu appears to believe that the war may end in the not too distant future and that preparations to cope with a settlement are necessary. He has  25X1 some flexibility concerning contacts between the government and the National Liberation Front.  25X1

the recent removal of Dr. Phan Quang Dan from the Cabinet for advocating discussions with the Front, Thieu emphasized that he did not disagree with Dan's point of view but rather that Dan said it at the wrong time and in the wrong place. Thieu went on to say that at some future time talks between the government and representatives of the Front could be "useful" to the GVN.

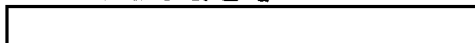
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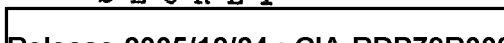


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14. But the government's ability to move in such directions very far or very quickly is likely to be limited by various unpleasant political realities. It is clear, for example, that Prime Minister Tran Van Huong's new government is not off to a very good start. He was not especially pleased with the Cabinet he was able to put together. He did not receive the benefit of a "grace period," and his Cabinet is under some fire from civilian politicians on the left and the right, as well as from the northern military faction. Even should he be able to settle in a little better, there is always the possibility of serious problems between the President -- who does not intend to surrender any of his power -- and the Prime Minister, who above all is a principled and strong-minded civilian.

15. And, of course, there is the problem of the northern generals; though they are down, they are not necessarily out. There is little question that they now harbor a considerable grudge against Thieu, and future developments might persuade them to run the various risks involved in attempting to oust him. Their temperamental and mercurial leader, Vice President Ky, remains only a "heart beat" away from the presidency. Moreover, it is clear

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that in recent months Ky has tried to "move away from the Americans," and to project himself as a strong nationalist alternative to the present government.

16. Obviously the northerners' fortunes would improve measurably if they could attack Thieu on a crucial issue, e.g., a settlement of the war. In mounting a successful effort against Thieu in the name of opposing a compromise peace much would depend upon the generals' ability to gather broader support -- for example, within the Catholic community and the army in general.

17. In the longer run, there is a reasonably good chance that the political situation in South Vietnam will develop in such a way that advocacy of a negotiated peace will become more acceptable. But short term problems remain. Cessation of bombing in the North could touch off a serious reaction, depending upon the kind of concessions made by the Communists as well as the general situation in the South. Moreover, if the talks in Paris should turn to a serious discussion of a compromise settlement giving the Communists a formal political role in Saigon, the GVN would undergo a severe crisis, no matter who was President.

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18. In sum, there is still much fluidity in the Vietnamese political scene. Much will depend on the political talents of President Thieu, the course of the war, and the timing and substance of external developments. Nevertheless, the elected, constitutional President is assuming real control over the government, has exhibited some political acumen in doing so, and appears inclined to move towards the middle of the Vietnamese political spectrum in terms of the important issues.

FOR THE BOARD OF NATIONAL ESTIMATES:



ABBOT SMITH
Chairman

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