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WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

10 March 1965

**INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE**

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THE WEEK IN PERSPECTIVE

Although Premier Quat is showing commendable interest in programs to increase government effectiveness in Saigon and in the provinces, he continues to be pre-occupied with the problem of political intrigues among the military and with relations among the Catholics and the Buddhists. Quat is evidently considering ways to bring the armed forces leaders, at least, under government control although such a course runs the risk of countermoves against his government.

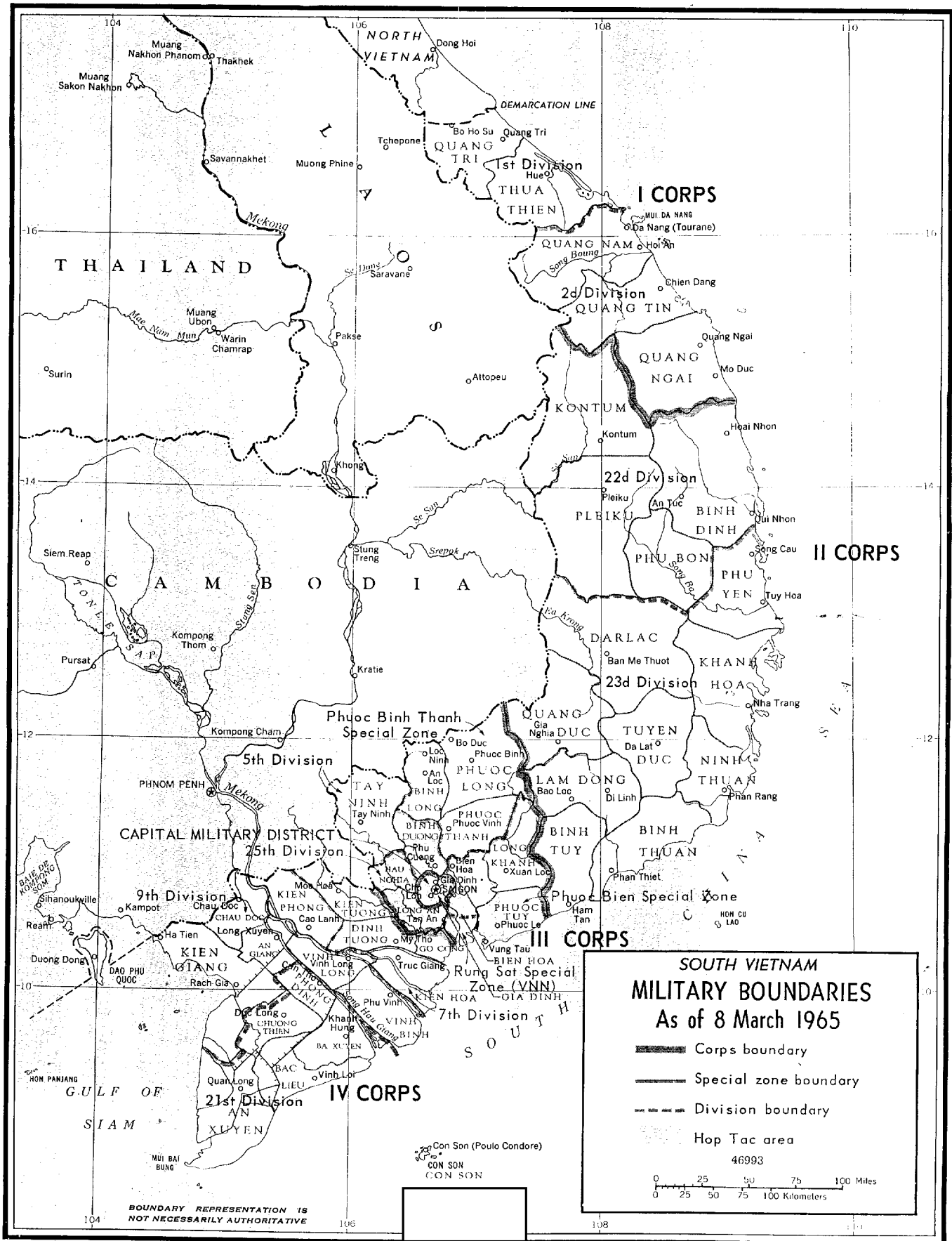
Rumors of military coup plotting during the week related primarily to underlying rivalries among the armed forces leaders, although there is still no firm evidence of an early power move by any faction.

There are indications, in a set of Buddhist requests for satisfaction on past grievances, that the Buddhists may be preparing to put the Quat government to a test. Buddhist leader Tam Chau has now publicly disavowed the peace movement headed by monk Quang Lien, although the subject of peace in Vietnam continues to receive Buddhist attention.

Government forces in rural areas north of Saigon are continuing to abandon some areas to Viet Cong and to withdraw into district and provincial capitals. The situation in I and II Corps is becoming similar to that which has long prevailed in the Mekong delta. The Viet Cong are continuing to make steady and the significant gains in the coastal areas of the northern and central provinces.

Various reports continue to indicate the presence of increased numbers of Viet Cong in the coastal provinces northeast of Saigon up to Phu Yen Province and in the central highlands, possibly foreshadowing intensified operations in these areas.

Government pacification activity has all but ceased.



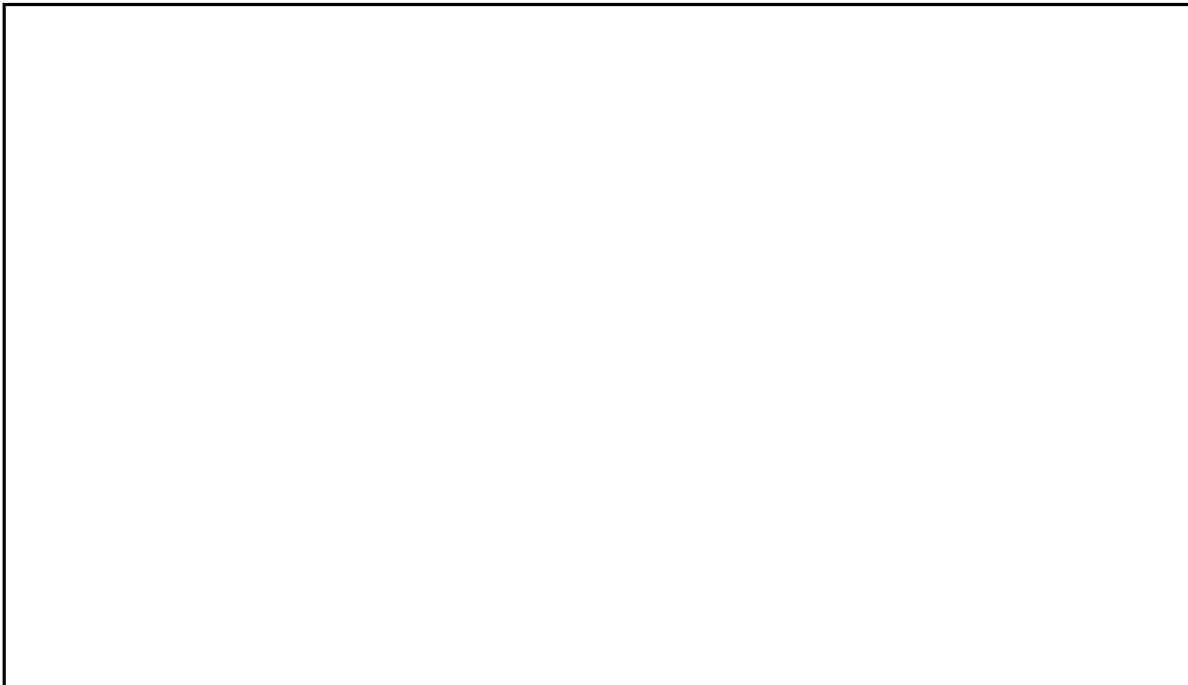
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I. SITUATION WITHIN SOUTH VIETNAMA. POLITICAL SITUATION

1. Premier Quat, although not satisfied with the performance of some ministers, is showing considerable grasp so far of his need to develop a coordinated effort in Saigon and to project a favorable government image in the provinces. He is still feeling his way, however, and government effectiveness continues to be hampered by feuding among the military as well as among civilian political and religious groups.

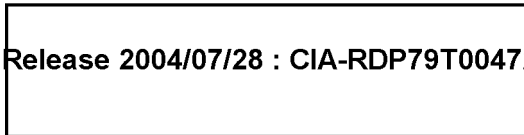
2. Quat has implied that his time and energies are being diverted by the need to keep close tabs on political maneuverings of the generals and by efforts to keep both Buddhist and Catholic leaders in line. Although Quat says he hopes soon to announce a program of short-term goals toward which concrete government progress can be demonstrated, he is still giving high priority to efforts to bring the military under government control, a course which could lead to new conflicts.

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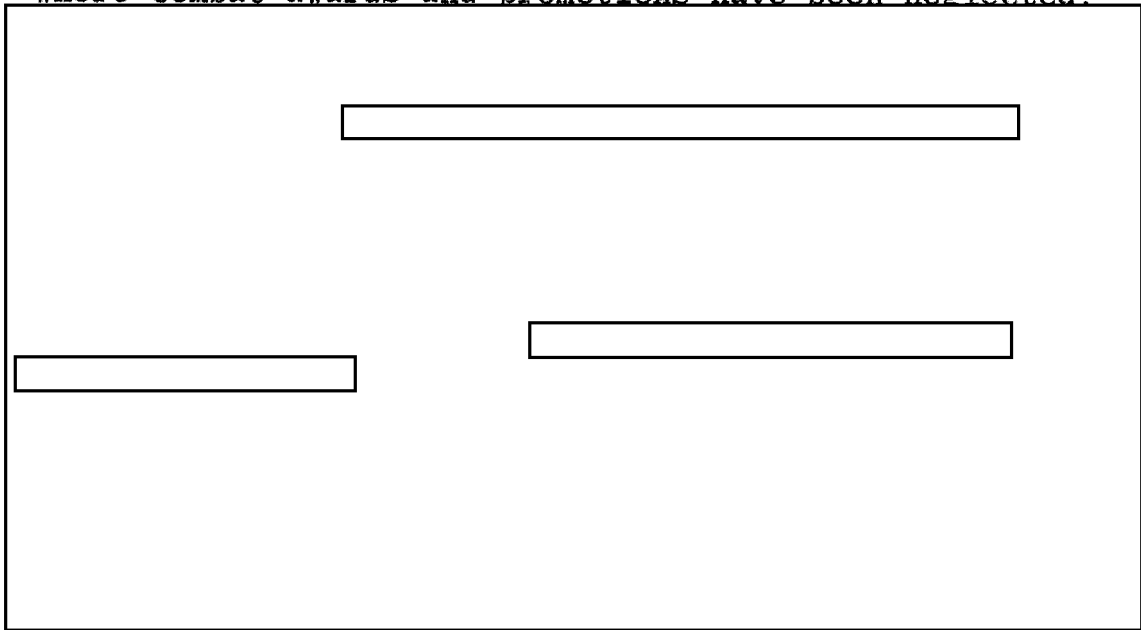
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5. A flurry of coup rumors disturbed Saigon during the past week, abetted in part by unusual deployments of police and marine security elements at the orders of General Thi and police director Colonel Lieu as well as by air force buzzing of the capital on 6 March. The various reports of coup plotting were vague and the information conflicting as to whether a move might come from Thi's supporters, General Thieu, Generals "Little" or "Big" Minh, General Khiem and Colonel Thao, or an unspecified group of middle-grade junior officers. The troop movements now appear to have been primarily precautionary. The rumors nevertheless reflect the mutual suspicions and divisions within the military following the abortive 19 February coup and the rival ambitions to fill General Khanh's vacated role of military strongman.

6. Moves appear to be afoot to convene the AFC on 15 March to remove General Minh, who is allegedly being blamed for poor troop morale in some areas where combat awards and promotions have been neglected.

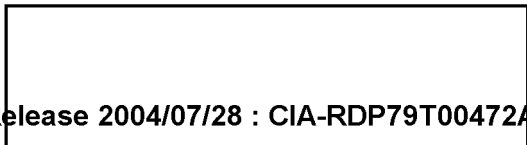


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7. The current uneasiness may have sparked a clash reported by the press to have occurred near Saigon on 7 March between Buddhist villagers and Catholic refugees being resettled from the hard-pressed northern provinces. The same day, Catholic refugee leader Father Hoang Quynh organized a rally in Saigon designed to unify various religious sects and groups behind a strong anti-Communist policy, and told the press that his group was "not opposed to the government, but there is little sympathy for it."

8. Despite his apparent promise to Buddhist leaders to cease his activities on behalf of peace which could be subjected to Communist exploitation, monk Quang Lien reiterated his proposals for ending the war at a public meeting on 8 March. Although his references to the Viet Cong were harsher and earlier criticisms of "foreign" influences were deleted, the presence of another official of the Buddhist Institute gave the meeting an aura of official Buddhist sanction. However, Tam Chau has since issued a public statement disavowing Lien's movement and indicating that the latter broke discipline.

9. Tam Chau's own earlier statements on peace were attacked during the week by the Viet Cong's clandestine Liberation radio as a "sell-out to US imperialism." However, a possibly genuine Communist document provides the first tangible indication that a now banned peace movement, organized by certain Saigon intellectuals and believed distinct from Quang Lien's movement, may be a Communist front as charged by the Quat government.

10. Vietnamese contacts of the US mission continue to voice approval of both the air strikes against North Vietnam, and US jet strikes in South Vietnam. Some have even claimed that a resultant morale boost among troops is already being translated into greater willingness to resist the Viet Cong. In general, the strikes are identified as US rather than Vietnamese actions and as indicative of a deeper US commitment. Most of the Vietnamese expressing these views have

urged continuation of the strikes in the expectation that the war will be shortened, and probably in the belief that some of the burden will shift from the Vietnamese to the US.

11. A terrorist incident in Saigon at midnight on 3/4 March may have been aimed at Americans. A device exploded on a sidewalk outside a bar and across the street from a US barracks, killing four Vietnamese, three of them children, and causing minor injuries to three US personnel and five Vietnamese. The fourth Vietnamese killed was a teenager, believed to have carried the device.

Economic Situation

12. Increased rice sales by traders caused a modest drop in the rice price during the last week. These sales were triggered by the refusal of banks to extend additional credit to the traders, who had apparently been withholding supplies in speculation of a further price rise. The price to date remains above the GVN stockpile price, and government stocks are unusually low. To counter speculation, the GVN has indicated that it will import rice from Thailand to meet its needs.

13. Deteriorating rural security has added further difficulties in the supply and distribution of rice and other goods. The situation is especially critical in Central Vietnam, a rice-deficit area, in view of the interdiction of main roads and the strain on sea and air facilities. In addition to the increasing refugee problem in Central Vietnam, a plague outbreak has been reported in Binh Dinh Province.

B. MILITARY SITUATION

1. Communist-initiated activity during the period 28 February - 6 March remained at about the same intensity of recent weeks, although a slight decline in the number of incidents was reported from the previous week. Strong Communist pressure in the northern and central provinces of South Vietnam was maintained, contributing to the deteriorating security situation, particularly in II Corps. Serious Viet Cong attacks occurred in Phuoc Thanh and Long Khanh Provinces of III Corps while activities in the remainder of South Vietnam declined. Overall railroad sabotage declined, but the Communists stepped up bridge minings north and south of Hue. The major highway in I and II Corps received heavy Viet Cong attention again this week. During the week, 14 district towns throughout the province were harassed by the Viet Cong. Increasing Viet Cong boldness in I Corps was demonstrated by the increased number of incidents against the traditional seats of government control. Singled out were district towns and particularly the province capital at Quang Tri.

Reported acts of Viet Cong terrorism continued at a steady pace averaging between 90-100 each day over the past week. A minimum of 10 per cent of this number involved the assassination or kidnaping of civil officials and other civilian noncombatants. Fifty per cent of the incidents causing civilian casualties occurred in the northern provinces of Quang Tri, Thua Thien, and Quang Nam (I Corps area). The IV Corps area accounted for the majority of the remaining incidents of this type.

The most dramatic enemy action last week was the 7 March attack on Camp Kannack, a CIDG camp in Binh Dinh Province. An estimated Viet Cong main force battalion reinforced with a heavy weapons company and a local Viet Cong company initiated the attack with a mortar barrage, gaining possession of two outposts. An assault to capture the camp was beaten back by a determined defense. The failure of the Viet Cong to take their objective was due to: (1) a break in the mortar barrage before the main attack was launched;

this permitted the defenders to man their positions; (2) good leadership by the CIDGs and extensive friendly use of mortars to provide illumination; and (3) the addition of a third protective fence only three days before the attack which confused and slowed down the Viet Cong attack. Losses by both sides were as follows: ARVN - 30 KIA, 21 WIA (including three US), four MIA and four weapons. Viet Cong losses were placed at 100 KIA by body count, 64 weapons and some grenades and ammunition.

2. Major government military operations declined slightly this past week to 71 although the 35 operations making contact with the Viet Cong represents a slight rise from last week. Small unit actions totaled 16,577 for the week, the second highest on record. The number in contact with the Viet Cong, however, totaled only 79.

A successful search-and-destroy operation was carried out in Thua Thien Province. This operation, initiated on 10 February, conducted continuous saturation patrolling which resulted in the location of the enemy on several occasions and the killing of 79 Viet Cong, so far with a minimum of government casualties. In addition, two Viet Cong 60-mm mortars plus a quantity of mines and explosives were captured. The operation is continuing.

3. Government casualties remained high, declining slightly to 1,014 (232 KIA) from 1,205 (294 KIA) the previous week. Viet Cong losses increased to 570 (498 KIA) from 452 (364 KIA). The government lost 542 weapons compared to 718 last week and the Viet Cong lost only 133 weapons as compared to 150 the previous week.

C. PACIFICATION

1. The national pacification effort remains stagnated; some areas are regressing. In the I and II Corps, pacification has all but ceased. In the rest of the country, only in a few widely scattered areas are there reports of achievement.
2. It is anticipated by the US Mission that the USOM role in the I Corps area, and probably in parts of II Corps also, will change from the pacification to refugee relief. Any pacification programs carried on in these areas will be largely confined to the environs of province capitals.
3. The flow into refugee centers in I Corps has increased markedly, and in the 2nd Division area alone totals 73,000. The most significant increase has been in Quang Nam Province, where there are now approximately 46,000 refugees. The rise in the number of refugees has been concomitant with the increase in Viet Cong activity since early February. The security situation, compounded by flood relief and are already taxing air and sea transport facilities between Saigon and the north. The inability to send supplies by land illustrates the growing isolation of the northern provinces.
4. In II Corps, the deteriorating security situation continues to occupy the free attention of the local military commanders. Little, if anything, in the way of a pacification effort seems to be under way in the Corps.
5. In Binh Tuy Province, the district of Hoai Duc has all but been abandoned to the Communists. II Corps Commander General Co has recommended that this province be dissolved so that the Viet Cong will be unable to claim that they have captured a provincial capital--in this case Ham Tan--which apparently is vulnerable. Such a rationalization to cushion losses of territory to the Viet Cong is a dangerous precedent.

6. In the III Corps zone, outside of Hop Tac, the pacification effort has shown some regression, particularly in Phuoc Long and Phuoc Tuy province, where further deterioration of the security is clearly in evidence. A Montagnard village was destroyed last week in Phuoc Long, where since 1 December 1964, 22 hamlets have either been abandoned by the government or destroyed by the Viet Cong. In Phuoc Tuy Province, most of the northernmost district of Xuyen Moc has been abandoned to the Communists.

7. In IV Corps, only two out of 15 provinces, An Giang and Bac Lieu, report that pacification efforts are proceeding satisfactorily. In An Giang, 195 of the planned 255 hamlets are reported to be "completed." Hamlets are being completed at an average rate of six per week. Also in this province the Viet Cong are reportedly collecting only about five percent of all taxes being collected whereas in surrounding provinces the Communists collect in taxes as much in taxes as the government does. Further evidence of success in the pacification effort in An Giang is the clearing of an important province communication route and the recovery of a former Viet Cong controlled village complex. This area of the province has not reported any Viet Cong incidents in a six-month period.

8. On 5 March, at a joint GVN Internal Security Council-US Mission Council meeting, Prime Minister Quat expressed a desire to intensify the Hop Tac effort. He also wishes to publicize its successes to date for the twin purposes of stiffening the morale of the people in general, and of offsetting Communist gains elsewhere in the country.

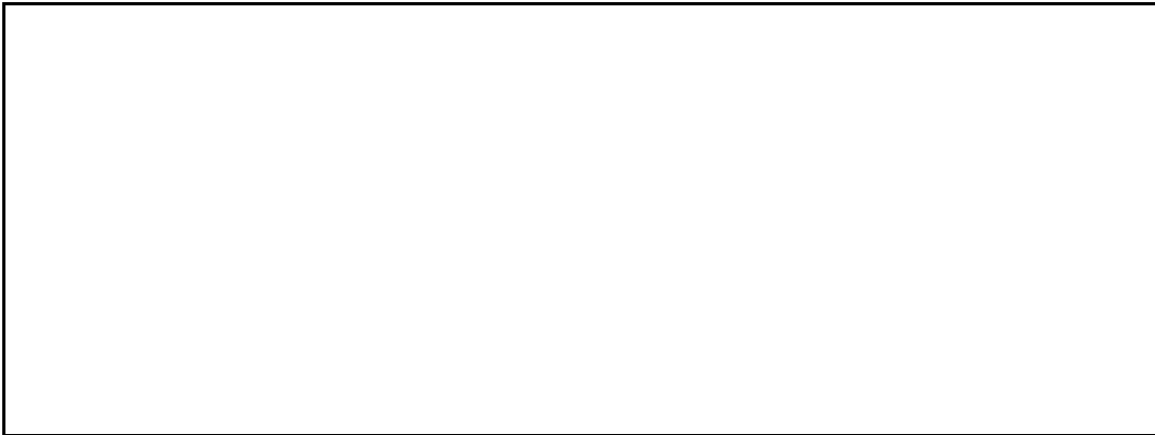
In the Hop Tac area, the anticipated slowdown in the pacification effort--the result of shifting military commanders and province and district officers--has begun. For the first time in several weeks, there were no hamlets added to the "completed" list. Civil action efforts have also slowed.

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Two battalions of the independent 43d regiment, assigned to clearing operations in Hau Nghia Province, were shifted to Phuoc Tuy Province. Their replacements, two ranger battalions, are reported to be less experienced in clearing operations and will probably require some time to learn to conduct this type of operation; further depression of the pacification effort in this province may therefore be expected. More serious was the transfer of a battalion of the independent 48th regiment from its Hop Tac zone in Phuoc Thanh Province to the III Corps general reserve without the concurrence of the Chairman of the Hop Tac Council.

II. THIRD COUNTRY DEVELOPMENTS

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B. CAMBODIA

The plenary session of the "Indochinese People's Conference," opening of which was postponed from 25 February to 1 March because of differences between Communist and neutralist elements over procedures and over organizations to be invited, closed on 9 March with the differences unresolved. Prince Sihanouk, who had hoped to use the meeting to create pressure for peace and neutralization of the Indochinese countries, was forced to accept the conference's resolution calling for the expulsion of the Americans from Vietnam. Although the conference thus became a sounding board for the Indochinese Communists instead of neutralists, Sihanouk labeled the conference a success--even though he said he did not agree with the resolutions.

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III. DEVELOPMENTS IN THE BLOC

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the conclusion that there has been no hint of a desire or willingness on the part of the North Vietnamese to enter into negotiations on terms which might be acceptable to the US. The consensus [REDACTED] was that Hanoi continues to believe that Viet Cong successes plus the political instability and war weariness in South Vietnam, are playing into Communist hands.

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3. North Vietnamese and Viet Cong public statements during the past week appear to confirm [REDACTED] that Hanoi is not now interested in negotiations. At a press conference in Peiping on 8 March reported by NCNA, the deputy chief of the NFLSV mission ruled out any negotiations "so long as there is one single shadow of US imperialism in Vietnam." Although the Vietnamese "welcome the good intentions of those seeking a peaceful settlement," the Front representative added, "we must achieve our aims."

4. Hanoi on 10 March broadcast a Liberation Front Central Committee statement reiterating the Front's determination to "drive the US out of Vietnam." The statement affirmed that the situation in South Vietnam can "stabilize" only when the US has been "driven out of Vietnam territory," a national democratic coalition government formed, and the "stooge" administration in

Saigon abolished. The Front called on the "people and Liberation Army" to "continue to deal deadly blows at the US aggressors."

5. Recent Chinese Communist broadcasts have displayed arrogant certainty of Communist victory. Peiping's statements concerning the situation in Vietnam assert that the US faces a choice between ultimate military defeat and unconditional withdrawal.

6. Moscow is continuing its efforts to fan international concern over the dangers of the Indochina situation. Pravda on 10 March called the landing of US marines in South Vietnam a "case of direct invasion." Izvestia on 8 March stated that the introduction of the marines signified that Washington has decided to widen the Indochina war.

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