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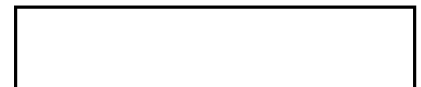


THE SITUATION IN SOUTH VIETNAM

24 March 1965

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

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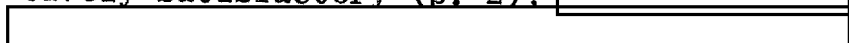
THE SITUATION IN SOUTH VIETNAM

(18 March - 24 March 1965)

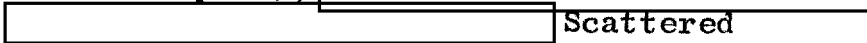
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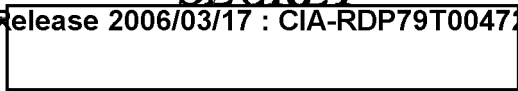
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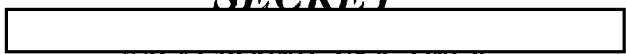
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THE WEEK IN PERSPECTIVE

The political situation remains outwardly quiet, although religious antagonisms as well as friction and rivalries among top military and civilian officials persist. Premier Quat, now on his first major provincial tour in the northern provinces, currently has the support of the Buddhists and also the cooperation of the military. There is some quiet grumbling among various generals, however, over the lack of dynamic action by the government, and Catholic circles still seem basically unenthusiastic and even hostile toward the Quat regime.

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Buddhist leaders, however, continue to give the impression that they intend to avoid any major political involvement unless their organization is threatened--a decision reportedly reached at last week's Buddhist conference. Prominent Buddhist monks reportedly have agreed to support the new military leadership, and are privately voicing a desire for stepped-up air strikes against North Vietnam and for the creation of an anti-Communist lay Buddhist organization.

Despite some encouraging signs in the central and northern provinces of improved morale and of renewed willingness to revive pacification planning, pacification efforts throughout most of the country remain stalled. Only minor and scattered gains are reported.

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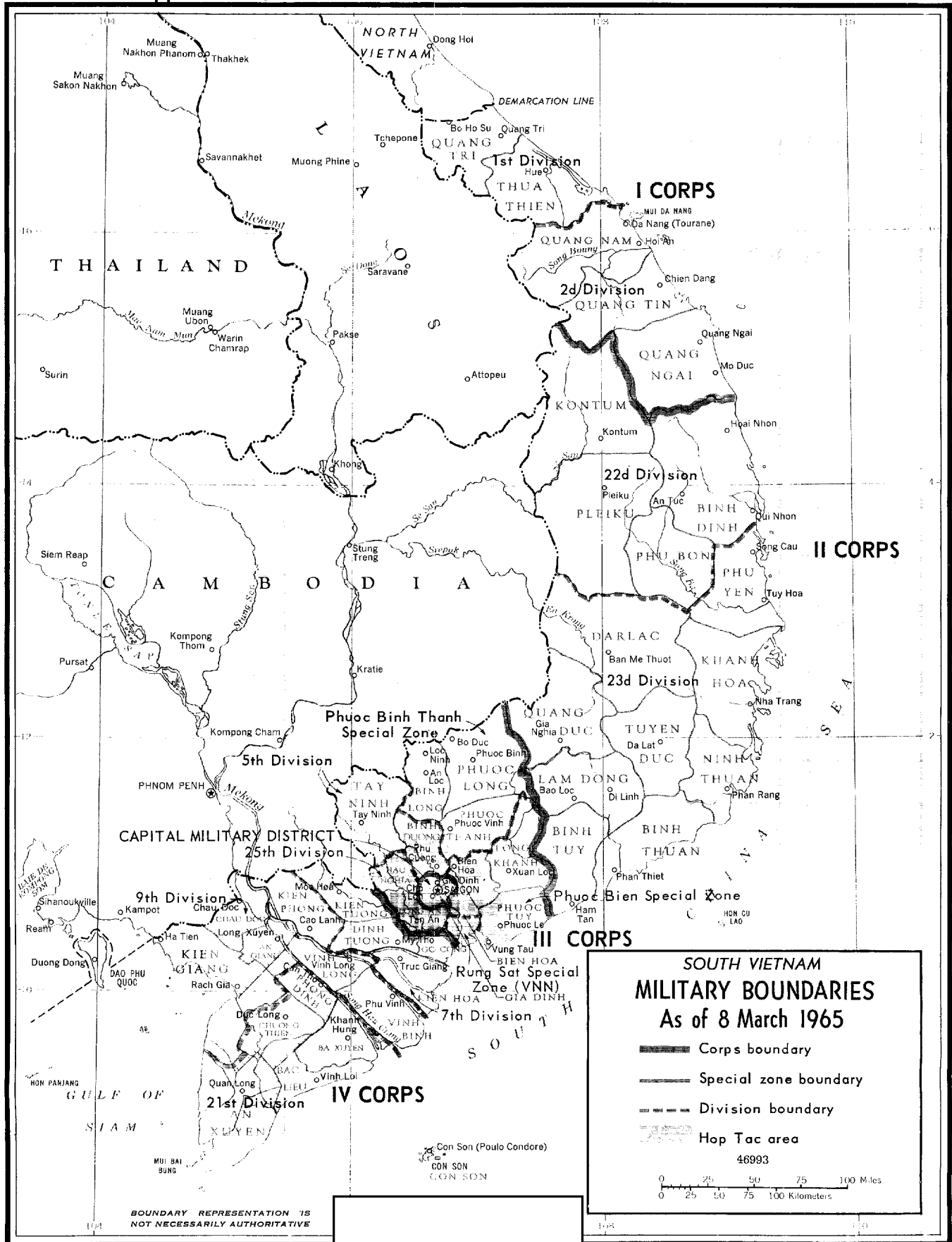
The decline in enemy activity over the past three weeks follows a period during which significant inroads were made into government-controlled areas. There is no indication, however, that the Viet Cong have withdrawn from the field; they could be holding their forces in check to consolidate recent gains, to resupply and to replace losses, and/or to assess the recently increased US/GVN air operations directed against concentrations of their forces. The current lull is reminiscent of those noted before the assaults on An Lao, Binh Gia, and Pleiku.

In a resumed Communist offensive, actions are likely to be most intense in the II Corps zone but they could occur in any area of South Vietnam. The next Viet Cong campaign will probably have several objectives, including: the further dissipation of government reserves; the destruction of government military forces; attacks on US installations; and further encroachment into areas of government control.

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I. SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. The political scene last week remained relatively untroubled on the surface although rivalries and religious tensions persist in the background. Premier Quat, after a reportedly successful public relations performance at the conference of provincial representatives last week, set off on 23 March for a visit to major towns and trouble spots such as Binh Dinh Province in the north of the country. Since the commander in I Corps, General Thi, had earlier indicated that he would hold extensive welcoming ceremonies for Quat, the premier's visit should provide an occasion for demonstrating the government's interest in an area that frequently has been at odds with Saigon.

2. Under a personal escort from General Thi and amid considerable public and propaganda fanfare, three civilian leaders accused of sponsoring a subversive peace movement, the People's Self-Determination Movement, were expelled across the Demilitarized Zone to North Vietnam on 19 March. The three were warmly greeted by North Vietnamese guards on the other side of the bridge spanning the Ben Hai River and may eventually lend themselves to Hanoi's propaganda purposes. South Vietnamese public response to the deportation appears favorable.

According to a recent report from the US consul in Hué, the population in South Vietnam's northern provinces--where there is a strong pro-Buddhist orientation--shows little evidence of sympathy for various peace movements. A possible reason is the increasing Viet Cong pressure in the area, although morale reportedly has been boosted by evidence of a stronger US commitment through air strikes against North Vietnam, jet strikes against the Viet Cong, and the introduction of the US marine brigade at Da Nang.

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[REDACTED]

In the south, the government has further cracked down on peace movement activity with the reported arrest of some 27 Cao Dai members who have called for a neutral, unified Vietnam. Cao Dai elder statesman Le Van Hoach, who is a minister of state in the Quat cabinet, has denounced the new movement and claimed that the Cao Dai sect has excommunicated the movement's sponsors.

3. Before departing for I Corps, Premier Quat told Ambassador Taylor that he felt the peace movement issue was under control and that the government's political situation was generally satisfactory except for the opposition of a few diehard followers of former President Diem, and various Catholic extremists. Quat indicated that he had no immediate problems with the military, although he implied that he felt the generals' preoccupation with politics was diverting their attention from the war effort, and particularly from the problem of manpower needs. Quat intimated that he had some reservations about filling manpower needs with additional foreign troops.

For the present, the government is attempting to tighten measures against draft dodgers, and to investigate ways of making military service more attractive, including combat awards and dependent housing. In addition, the defense ministry has approved a decree authorizing further development of its political warfare directorate, which is designed to improve troop motivation.

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5. Reports on the internal Buddhist conference held last week indicate that differences between the factions backing Thich Tam Chau and Thich Tri Quang were partially surfaced, but were largely smoothed over in an attempt to demonstrate Buddhist unity. The differences seem to center on the degree of Buddhist involvement in political matters and on devices to control the Buddhist association itself. A proposal to amend the Buddhist organizational charter, made by a layman close to Tri Quang, was shelved, but may arise later.

According to Tam Chau, the conference agreed that the Buddhist association would devote itself primarily to internal affairs and would avoid major involvement in politics unless directly threatened.

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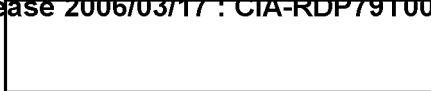
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Chau and Tri Quang still express general satisfaction with the Quat government and both privately have urged intensification of the air strikes against North Vietnam.

A clear Buddhist line toward various peace movements did not emerge from the conference, but Buddhist leaders claim that Quang Lien, leader of one such movement, has agreed to drop this activity under threat of expulsion from the Buddhist Institute.

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7. Scattered terrorist attempts against American personnel were reported in the Saigon area last week, presumably in connection with a Communist-proclaimed anti-American day on 19 March, an anniversary marked by similar terrorism in past years. A grenade, concealed in a loaf of bread, was thrown at a truck carrying US Navy seabees in Cholon on 19 March. One sailor deflected the missile, but it exploded nearby, injuring two US officers riding in a jeep behind the truck, and four Vietnamese. On 20 March, two Vietnamese on a motorscooter were stopped at a checkpoint outside Saigon and found to be carrying explosives, allegedly intended to blow up a US barracks near Tan Son Nhut airport. The same day, a bomb was found planted on a navy bus.

[REDACTED]

the Viet Cong have designated the period 19-31 March for acts of terrorism against US personnel and sabotage of US installations in the Saigon/Cholon/Gia Dinh area. Terrorist squads reportedly have been trained for this purpose, and may also seek out high-level Vietnamese military targets as well. No new terrorist incidents have occurred, however, in the capital area in the past few days.

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Economic Situation

8. Although the wholesale price of rice remained steady during the last week, the situation remains a cause for concern. The GVN is determined to maintain its current stockpile price for the remainder of the year in order to curb speculation on any further price increase. The GVN has had some recent success in forcing rice merchants to sell by reducing the availability of bank credit. The delivery situation, however, has not improved even though there appears to be enough rice in the countryside to supply domestic needs and rebuild depleted stockpiles. Military sweeps are scheduled to facilitate rice collection and remove VC blocks on roads and canals. Until the results of these measures are known, the GVN is postponing a decision on a request for additional US rice deliveries.

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B. MILITARY SITUATION

1. The intensity and number of Viet Cong actions declined to the lowest point since Tet as the Communists apparently sought to avoid contact with major government forces. There were no large-scale attacks and only two district towns were fired on last week.

While Viet Cong activities declined in all areas, particularly in II Corps, the tempo of enemy actions in I Corps remained relatively unchanged. Most transportation routes in I Corps were open last week. II Corps showed some slight improvement in the security situation, but the railroad and Route 1 in Binh Dinh Province remained closed. Route 7 in Phu Yen Province also is closed between the coastal city of Tuy Hoa and the Phu Bon Province border.

The intense Viet Cong effort against major transportation routes in Binh Dinh and Phu Yen Provinces suggests the Viet Cong may be attempting to move supplies inland from the coast. This hypothesis tends to be substantiated by the recent discovery of large caches of Communist Chinese manufactured weapons at the eastern extremity of the "corridors" on Cape Varella. These caches, uncovered on 16 February and on 16 March, have provided firm evidence of sea infiltration. Another instance of enemy maritime infiltration activity was disclosed on 14 March when the South Vietnamese navy sank a junk off the Quang Tri coast. About 75 Soviet-type weapons were subsequently recovered from the wreck.

Enemy activity in the southern areas of the nation consisted principally of terrorism, harassments and sabotage with the major emphasis focused on the provinces east of Saigon in III Corps. Several hamlet penetrations and harassments were reported, many in Long Khanh Province where reports indicate a Viet Cong buildup in progress. Route 13, which runs north of Saigon, was heavily interdicted and at the end of the week was completely closed north of Ben Cat.

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2. The government maintained a relatively high level of operations last week. The number of large and small units contacting the Viet Cong remained negligible, however.

There were three operations last week in Binh Dinh, Quang Tri and Phu Yen Provinces. The actions resulted in significant contact with Viet Cong forces, in the discovery of a large arms cache in Phu Yen Province and in the release of 37 South Vietnamese being held by the Viet Cong in Binh Dinh Province.

3. Fewer casualties and weapon losses reflect the lower tempo of the war. Government casualties declined sharply to 470 (103 KIA) from 976 (252 KIA). Reported Viet Cong casualties likewise fell to 364 (258 KIA) from 632 (558 KIA). Government weapon losses were sharply reduced to 144 from 581 last week and the Viet Cong's to 154 from 205. Discounting the recent large arms haul, this is the first time since June 1964 that government weapon losses in combat have not exceeded Viet Cong losses.

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C. PACIFICATION

1. Pacification efforts during the past week remained stalled throughout most of the country. Some progress was seen in II Corps pacification efforts.

2. In I Corps area, no positive results were noted. Refugee relief, the main concern of USOM and other GVN agencies involved in the pacification program, is currently at an impasse. Local officials are reluctant to take the initiative without orders from their superiors.

Pacification plans, based on the Hop Tac concept, for areas surrounding Hué and Da Nang were prepared and submitted to the I Corps commander by the senior US adviser to I Corps. The concept of the plan has been approved by the Corps commander.

3. In II Corps, the Binh Dinh Province chief recruited 500 men for the Regional Forces and Popular Forces from the large influx of refugees. An additional 1,000 are to be recruited for the paramilitary units. These units will be used whenever possible as local security forces for refugee centers. Future plans call for the paramilitary organizations to go back to their villages as they are reoccupied or to accompany the refugees if they are resettled elsewhere.

Also in Binh Dinh, 11 new refugee centers have been established and are being operated by GVN mobile action cadres.

The II Corps commander has ordered the commanders of the 22nd and 23rd divisions to prepare pacification plans for their respective areas. This is regarded as the first positive sign of corps-level interest in divisional support for pacification.

In Darlac Province, two hamlets were relocated into a more secure area with the assistance of Regional Force personnel. Although this type of assistance improves the image of military civic action programs, there is also a negative psychological impact on the peasants who must move.

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4. In III Corps, outside of Hop Tac, Binh Long and Tay Ninh provinces reported minor progress in pacification with the completion of four and two hamlets, respectively.

In Phuoc Long Province, a Montagnard hamlet was destroyed. In Long Khanh Province three hamlets in the northernmost district of Dinh Quang were overrun by an estimated Viet Cong battalion. The ARVN has not returned to the area and the status of the hamlets is unknown.

5. In IV Corps, no measurable progress in pacification was noted. Viet Cong activity is low throughout the area, however, and no hamlets were lost during the week. A visit by the Corps Pacification Sections to six districts of Vinh Long Province revealed poor coordination and liaison between districts as well as the virtual non-existence of a population and resources control program. Local officials feel that population and resources controls would alienate the population but the Corps Pacification Section will attempt to alter this view.

6. In the Hop Tac area, 16 hamlets were added to the list of those meeting the six-point NRLH criteria, raising the total to 356. Some 927,000 persons are now reported to be living in Hop Tac secured zones.

Hau Nghia and Gia Dinh have been without province chiefs since the 19 February coup attempt despite repeated appeals for replacements by the Hop Tac area commander. The lack of executive direction in two key provinces poses serious problems and casts a poor reflection on the entire Hop Tac concept.

7. A USOM report assessing the security situation as of the end of February, lists the provinces on the basis of the GVN's ability to carry out USOM-supported rural programs. Nine provinces are considered areas where security conditions have deteriorated to the extent that even nominal programs may no longer be effectively carried out. Provinces included in this category are: Quang Tin, Quang Nam, and Quang Tri in I Corps; Binh Dinh and Phu Yen in II Corps; and An Xuyen, Chuong Tien, and Kien Tuong in IV Corps. Selected rural programs

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can still be conducted with a reasonable measure of effectiveness in twenty-three provinces. An expansion of USOM/GVN efforts can be effected in 12 provinces. Only two provinces in the latter category (Gia Dinh and Bien Hoa) are in the high priority Hop Tac area.

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II. THIRD COUNTRY DEVELOPMENTS

A. CAMBODIA

1. [REDACTED]

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[REDACTED] leftist deputies in the Assembly have been disheartened by the lack of Soviet and Chinese Communist support for the DRV following the US-GVN strikes against North Vietnam. On the other hand, non-Communists and non-Leftists have been encouraged by the effect of the bombings. [REDACTED]

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[REDACTED] Sihanouk's confidence in an ultimate Communist victory in South Vietnam may have been shaken by the US action.

2. The RKG sent a note via the French to the GVN asking Saigon to join in requesting a Geneva Conference on Cambodia and also to adhere to the resolutions passed at the "Indochinese People's Conference" which called for respecting the neutrality and territorial integrity of Cambodia.

B. REACTIONS TO USE OF NAUSEOUS GAS IN VIETNAM

1. British Foreign Secretary Michael Stewart told a National Press Club audience in Washington on 23 March that he felt obliged to inform Secretary of State Dean Rusk of the grave concern that the nauseous gas episode had aroused in Britain and other countries.

2. Japanese Foreign Minister Shiina told the Diet that Japan would have to protest if the United States had actually used gas forbidden by the 1925 Geneva Convention but that there was no evidence that poison gas had been used.

3. Aktuellt, the official organ of the governing Danish Social Democratic Party, commented yesterday that the United States, by using gas in the Vietnam war, had passed a borderline that even Hitler did not dare cross.

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C. THIRD COUNTRY AID

1. The arrival of the main body of the 2,000-man ROK Task Force on 16 March failed to arouse any enthusiasm from South Vietnamese official or private circles in Saigon. The ROK Force is now deployed outside of Saigon near Bien Hoa.

2. On 24 March, the West German ambassador turned over thirty fully equipped German ambulances to the GVN stating that it constituted a gesture of FRG political solidarity with the GVN in its fight against Communism.

3. Guatemala became the first Latin American country to contribute to the Free World assistance program for South Vietnam with a gift of 15,000 doses of typhoid-paratyphoid vaccines.

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III. DEVELOPMENTS IN THE BLOC

1. Suggestions of Bloc military assistance and the possible use of "volunteers" in the war in Vietnam--made in several Bloc quarters, including a speech by Brezhnev on 23 March--are being echoed by the Viet Cong. Liberation Front President Nguyen Huu Tho called for foreign help in the form of weapons and other war materials on 22 March, and warned that the Front will ask for "troops and youths" from abroad if the US continues to send forces to South Vietnam. On 19 March the North Koreans announced publicly for the first time that they would provide the Vietnamese with "all types of material aid, including arms."

Although the Russians have recently assured

[redacted] that Soviet arms and equipment were on their way to the DRV (by rail), there is still no confirmation that such materiel has, in fact, arrived

2. [redacted]

[redacted] however, the presence of crates with Russian markings at a high priority construction project which has been underway since 9 March on the outskirts of Hanoi. Construction is on a 24-hour basis and hundreds of army trucks and trailers are hauling sand, gravel, crushed rock, and cement.

The purpose of the project [redacted]

[redacted] is not known. Available information does not indicate surface-to-air missile installations. An intensive search of aerial photography of this location--together with other suspect sites--is under way.

3. The North Vietnamese have continued to reiterate their opposition to negotiations this week. On 18 March the party daily newspaper bitterly denounced the Tito-Johnson exchange of notes on the possibility of a negotiated settlement and clearly stated that negotiations are impossible at the present time. The paper described Tito as a "US Stool pigeon" and said "there can be no question of negotiating with the US imperialists once they have openly declared

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a step-up of their aggressive war in South Vietnam and an extension of the war to North Vietnam." The Hanoi statement tied the solution of the Vietnamese problem to the withdrawal of US troops from South Vietnam and and end to the "aggressive war" against the North. "Without these conditions, no question can be solved," said the article. Hanoi sent a similar Foreign Ministry note to the Geneva Cochairmen on 23 March.



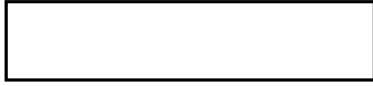
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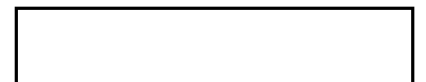
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