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WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

26 May 1965

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

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DIA review(s) completed.

State Department review completed

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THE SITUATION IN SOUTH VIETNAM

(20 May - 26 May 1965)

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THE WEEK IN PERSPECTIVE

Premier Quat's measured efforts to maintain a political balance while strengthening his own authority have been jolted by two events of the past week. On 20 May, a new coup attempt by Colonel Thao, fugitive ringleader of the abortive February coup, was reportedly thwarted by the arrest of some 40 cohorts amid a full military alert.

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[REDACTED] Whatever the actual facts, Premier Quat and his military supporters are apparently using the incident to purge some elements considered anathemas to the Buddhist hierarchy, while seeking to reassure the Catholic community by blaming the Communists for instigating the coup plot.

Quat's long-delayed cabinet reshuffle was finally announced on 25 May, but Chief of State Suu refused to approve at least two of the changes on technical grounds. Suu was evidently influenced in his stand by two incumbent ministers slated for replacement, and who allegedly threatened political repercussions if they were involuntarily removed. Regardless of Suu's ability to hold out against Quat and the military in this issue, the incident suggests that his preoccupation with constitutional legalities can be exploited by Quat's opponents to challenge the premier's authority.

The activity pattern and the slowly rising incident rate over the past few weeks indicates that the Viet Cong are now applying increasing pressure while carefully avoiding large-scale contact with government forces. While the present emphasis is in the delta and in the high ground north and northeast of Saigon, the Viet Cong could without warning, suddenly shift the emphasis of military activity to other locales, depending

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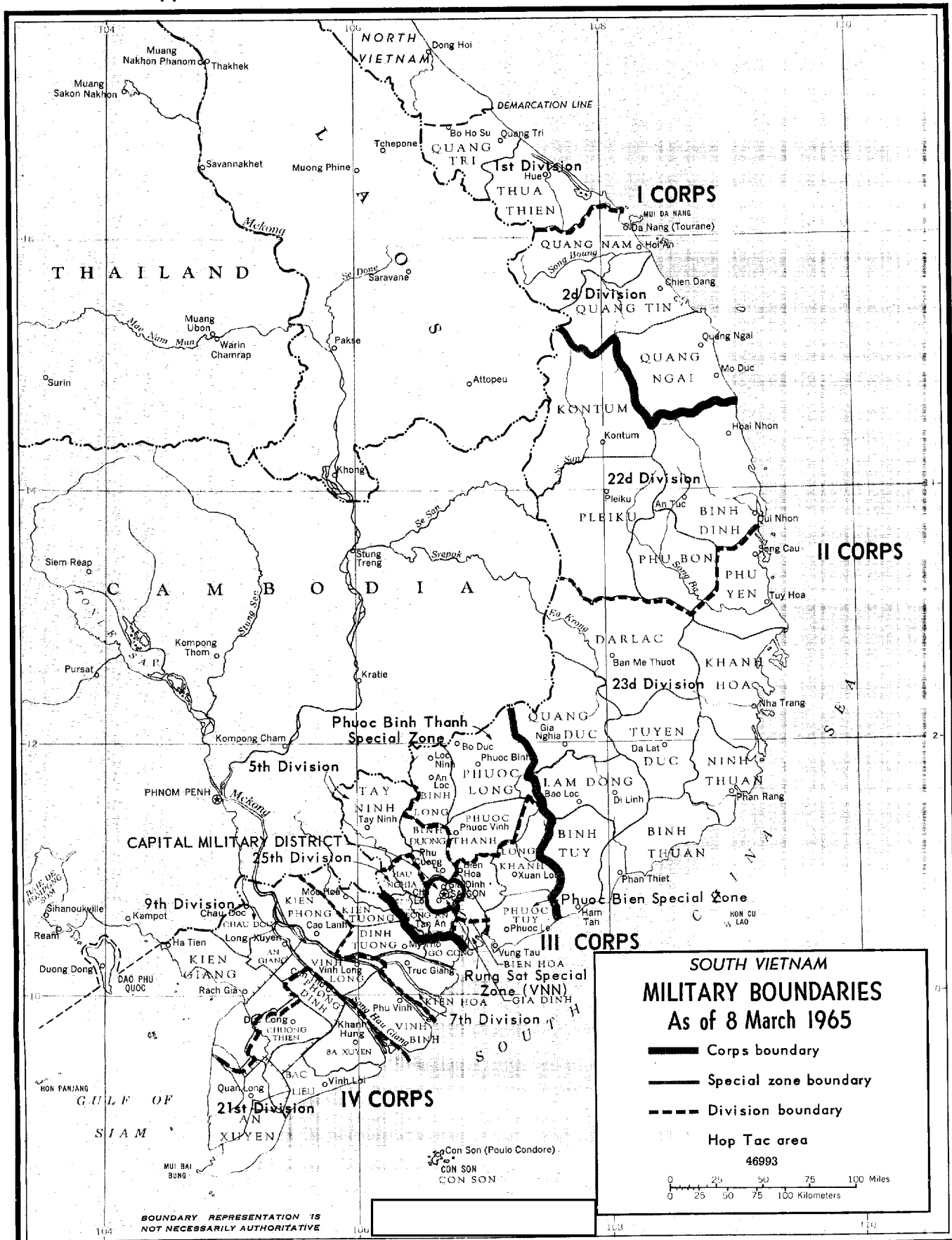
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upon tactical and strategic considerations. The highland region of I and II Corps and the periphery of the Hop Tac area may well receive increased emphasis when the summer monsoon season reaches its greatest intensity.

While intensified overt Viet Cong military activity poses a serious threat, significant Communist gains, which are not always readily apparent, continue to be made by their own civic and political action teams which are constantly at work undermining the government's position in the countryside.

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I. THE SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. Details surrounding the coup attempt, reportedly nipped in the bud by police arrests on 20 May of some 40 persons in the Saigon area, are still obscure. The coup ringleader, Colonel Pham Ngoc Thao--already under a death sentence for organizing the abortive coup of 19 February, has again eluded capture, suggesting that he may have well-placed protectors.

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3. A government communique, issued on 23 May following a meeting between Quat and senior military officers, described the coup attempt as a Communist plot to exploit discontented elements. No evidence was cited.

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4. The government's communique, designed to display the support of the military leadership for the Quat government, also foreshadowed a further purge of elements whose activities "benefit" Communism or neutralism. Some aspects of the

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government's account of the coup plot are questionable, and it is probable that the Viet Cong role, in particular, is being stressed in order to reassure the suspicious Vietnamese Catholic community that the arrests are not directed at them. There is no doubt, however, that Thao had been engaged in clandestine plotting, and the bona fides of his conversion from the Communist movement have long been suspect in some circles. At the same time, a shakeup of certain security posts--including the Saigon military commander--on the grounds that the incumbents had failed to detect the Thao conspiracy suggests that the coup attempt may become the rationale for removing certain officials long targeted as "bad elements" by both Buddhist leaders and "Young Turk" generals.

5. On 25 May, Premier Quat, after repeated postponements since early May, announced a reshuffle of five ministers in his cabinet. Approval of at least two of the appointments, however, has been held up by Chief of State Suu on "constitutional" grounds. Suu's argument is that the previous incumbents--Interior Minister Nguyen Hoa Hiep and Economy Minister Nguyen Van Vinh--have not formally resigned, and can be removed only by a specific vote of censure or by a resignation of the entire government.

6. Suu's attitude on this issue, and his increased assertiveness in general, a direct challenge to Quat's authority over his own cabinet. While his interpretation of procedures required by the Provisional Charter is not shared by the National Legislative Council, the powers of the Council are dubious and all of its members not necessarily sympathetic to the premier. Suu's obstructionism appears due primarily to pressure from Interior Minister Hiep, who states that his decision whether or not to resign must await the return from Africa of Deputy Premier Tran Van Tuyen, a fellow member of the Nationalist (VNQDD) Party. Hiep has used his position to further the interests of the VNQDD, or at least its southern faction. Both Hiep and Vinh, a southerner and a Catholic,

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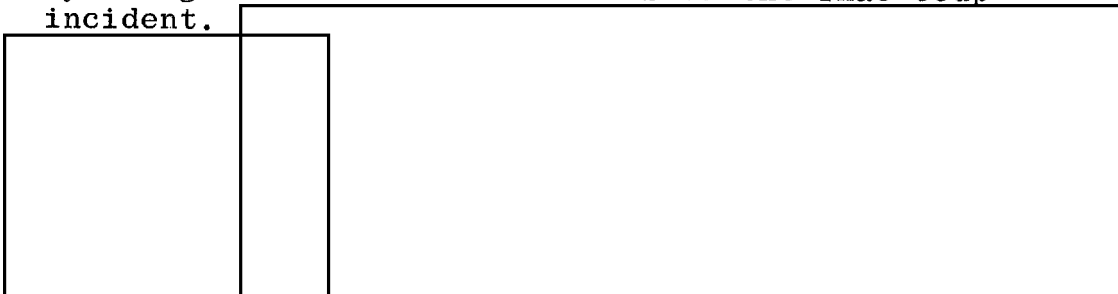
have been described by Quat as incompetent and possibly corrupt. There appears to be some danger, however, that working through Suu, they may attempt to force a major government crisis, possibly drawing on discontented Catholics and southern regionalists.

7. Quat's cabinet reshuffle was designed to appease southerners by broadening their representation in the cabinet, while at the same time improving the quality of individual civilian ministers. Most of the appointees are reported to be in their late 30s or early 40s. Tran Van Thoan, the interior minister-designate, is a judge on the Saigon tribunal, described as capable but not highly aggressive; he is a southerner and a Catholic. Newly appointed Economy Minister Nguyen Trung Trinh, also a southerner, has long served as an executive of the Shell Company, but only renounced French citizenship when tapped for the cabinet. Replacing General Linh Quang Vien, who resigned as information and psychological warfare minister, is Dinh Trinh Chinh, a northerner and a brilliant civilian lawyer who has been as part of an unofficial "braintrust" for Quat and certain of the military. Filling the labor post, vacant since the 19 February coup attempt is Tran Thanh Hiep, a lawyer who is reported to be a close friend of Premier Quat, and who is also a northerner and Buddhist. The fifth appointment, to a newly created Ministry of Agrarian Reform, is engineer Lam Van Tri, a southerner without religious ties.

8. In view of the current obstacles raised by the Chief of State, it remains uncertain whether the dissatisfied southern bloc or the militant Catholics, largely refugees from the North led by Father Hoang Quynh, will be placated by the cabinet reshuffle or by the government's reassurances on the Thao coup incident.

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25X1 9. In other efforts to appease the Catholics,  they are considering the appointment of some prominent layman from Quynh's entourage to a prominent, but sub-ministerial, post. Meanwhile, the government, after consulting with Buddhist Institute leader Tam Chau, has been attempting to prevent Buddhist monk Thich Quang Lien, sponsor of a peace movement which had disturbed Catholic circles, from returning to Saigon after a trip to Japan.

10. Within the military, the problem of top leadership appears to remain unresolved. Premier Quat has reported that he has agreed, under urging from several generals at the 23 May meeting, to the replacement of General "Little" Minh by II Corps commander General Co in the new top post of chief of the joint general staff. No announcement has been made, however, and Minh continues to be referred to by his old title of acting commander in chief. An unconfirmed press report claims that Suu may be holding up Co's appointment, although Suu has just signed another decree engineered by Co's Young Turk backers. This order retires nine generals with 25 years service, including "Big" Minh and other members of his junta.

ECONOMIC

11. The power transmission line from the Da Nhim hydroelectric dam to Saigon was cut in Bien Hoa Province on 18 May by the Viet Cong. Repair crews sent to the area have been driven off by hostile fire and the Viet Cong still hold the terrain where the sabotage occurred. Da Nhim has been supplying almost half of Saigon's electrical power needs. Generating capacity in the Saigon/Cholon area itself is not quite sufficient to provide for the city's growing power requirements, and it has been necessary to impose limited blackouts. Construction of a thermal generating plant at the Bien Hoa industrial complex, now scheduled for completion in October, is being accelerated to replace the Da Nhim power. However, security at the complex will have to be improved.

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12. Route 20, which connects Dalat and Saigon, was cut by the Viet Cong during the week. Dalat is an important vegetable growing area supplying Saigon; a shortage of vegetables and some price increases have already occurred. Late press reports indicate the road has been reopened.

13. These two actions coupled with their efforts to restrict the distribution of rice, may mark the onset of a significant Viet Cong drive to squeeze the Saigon area.

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SECRET**B. MILITARY SITUATION**

1. The level of overt Viet Cong activity remained at substantially the same level of the previous week, but several highly successful ambushes indicated the Communists' intention to continue with guerrilla warfare tactics. Incidents involving road and rail sabotage increased, continuing a trend started in late April. In general, however, the Viet Cong appeared content to maintain a fairly constant rate of terrorism against the rural populace and interdiction of land lines of communications. They continued to avoid concentrating large forces and to avoid direct contact with regular government forces, except in situations overwhelmingly in their favor.

The Viet Cong, at little cost to themselves, ambushed several convoys over the past few days, inflicting more than usually severe losses on friendly forces. In Binh Duong, a Viet Cong battalion ambushed a government patrol causing almost the entire force to become casualties. Acts of sabotage increased, resulting in many sections of major transportation routes to be closed to through traffic. Enemy interdiction efforts were especially heavy in III and IV Corps areas. Roads leading from Saigon to Binh Duong, Tay Ninh, and Hau Nghia provinces were closed and large sections of National Route 1 are closed from Quang Ngai to Binh Thuan; Route 20 between Saigon and Dalat was closed because of enemy sabotage activities in Lam Dong and Long Khanh Provinces, but late press reports indicate it is again open. The railroad is still closed from Da Nang to Phan Thiet.

The Viet Cong concentrated most of their activities in the delta last week, especially in the provinces north and northeast of Saigon. The activity in the northern provinces was relatively light in comparison; however, evidence still indicates that the Viet Cong are continuing their efforts to improve their tactical readiness in this sensitive area.

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Despite the relatively unspectacular nature of recent Viet Cong activities, the Communists are still able to extend their influence in rural areas. Viet Cong penetration into nominally government-controlled territory is facilitated by the lack of security forces, selective assassination of minor officials, and more importantly, by agent subversion of hamlets and villages which is never reflected in statistical summaries. Proselytizing and political action in the countryside remain the most effective Viet Cong tactic in expanding Communist control over territory and the rural population.

2. The government slightly increased its operational tempo during the past week; however, the number of small and large unit operations making contact with the Viet Cong declined.

There were two significant operations last week. In Darlac Province, a combined CIDG/RF force encountered and defeated two Viet Cong Montagnard companies. Combining darkness to cover their movements with a surprise dawn attack, the government force blocked the enemy's escape route. Taken by surprise, the Viet Cong lost 39 killed compared to one government soldier killed. The other major government victory occurred in Quang Nam Province where a large government force, composed of paramilitary units, encircled a Viet Cong village under cover of darkness. The Viet Cong were again caught unaware and lost 57 killed; the government force suffered no casualties.

US Navy destroyers for the first time provided naval gunfire in support of friendly positions ashore. In one instance, the USS Sommers (DD 947) was credited with killing 12 Viet Cong and aborting a planned attack against Phan Thiet.

3. Reduced losses for both sides this week reflect, to some extent, the lessened intensity of the war. Government casualties declined from 1,019 (239 KIA) to 615 (139 KIA) and Viet Cong personnel losses decreased from 626 (468 KIA) to 421 (345 KIA). Government weapon losses dropped from 381 to 294 while Viet Cong weapon losses sharply declined from 227 to 98.

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C. RURAL RECONSTRUCTION

1. The number of refugees being supported in the eight northern coastal provinces rose by 9,000 to about 214,000 during the past week. The major increase occurred in Quang Tin Province, and was attributed mainly to persons fleeing the Chu Lai area out of fear of a major clash between US marines who have recently moved into the area and the Viet Cong.

2. A second agricultural program planning and coordinating meeting was held in Hue for the agricultural officials and workers of the I Corps area. Items discussed included better coordination of programs at the province level and the necessity for program cadres to work directly with the farmers.

3. Chieu Hoi returnees totaled 1,471 during the past week. Included were 185 military and 31 political cadres. Although part of the increase was due to delayed reporting from government sources from the previous week, the upward trend in the number of ralliers continued. On the government side, there is a noteworthy improvement in the manner in which returnees are being received. Greater effort is being made to provide some form of public welcome ceremony; cash awards are granted proportional to the value of material brought in or captured subsequently as the result of information provided; and the government is following up more quickly on intelligence supplied.

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II. THIRD COUNTRY DEVELOPMENTS

A. AFRO-ASIAN CONFERENCE

1. A cabinet decision is expected this week on the composition of the GVN delegation to the Afro-Asian Conference to be held in Algiers on 29 June. Foreign Minister Tran Van Do will probably head the group although it is possible that Prime Minister Quat might attend. In preparation for the conference, the GVN representatives will contact Japan, Morocco, Iran, and other moderate African countries to enlist their support for the GVN's attendance as the legitimate government and to stop a possible drive for an invitation to Hanoi's National Front for the Liberation of South Vietnam, (NFLSVN).

2. Do has recently indicated to Ambassador Johnson the possibility that the GVN might accept "in principle" the Indian proposals for settlement of the Vietnamese crisis if it were raised at the conference. But that Saigon would reserve its final position pending further clarification regarding actual implementation. (President Radhakrishnan's proposal of 24 April provides for an Afro-Asian force to patrol the 17th parallel as well as the Cambodian and Laotian borders, the cessation of hostilities, and the maintenance of present boundaries for as long as the people concerned desire.) Do again expressed his concern to Johnson that the proposal did not call specifically for the withdrawal of Viet Cong forces.

B. AFRICA

Deputy Prime Minister Tran Van Tuyen continued on his official good-will mission to Africa with a visit to the Malagasy Republic, Kenya, and Ethiopia. He is expected to return to Saigon shortly.

C. CAMBODIA

Discussions on the holding of a conference on Cambodia appear to have stalled on the issue of representation. The next move awaits the proposals

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of the Soviet Union as co-chairman of the 1954 Indochina Conference. Meanwhile, without resolving the issue of representation, Sihanouk has suggested that individual governments should sign guarantees of Cambodia's neutrality and territorial integrity without waiting for a call for a conference. Cambodia proposes to provide the model declaration form.

D. FREE WORLD ASSISTANCE

1. Philippines.

The Philippine Congress adjourned on 22 May without the Senate taking a final decision on the administration's bill \$6.5 million to send an engineering battalion with security troops to South Vietnam. On 24 May President Macapagal told JUSMAG Chief General Tacon that he intended to recertify the bill to the congress, provided there was an assurance that it could receive thirteen votes. Since Macapagal's Liberal Party has only eight of the twenty-two senate seats (two vacancies), he will need an additional five votes from the opposition Nacionalistas and Independents to recertify the aid bill.

2. Australia.

An advance party of six Australian officers arrived in Saigon on 26 May to begin preparations for the June arrival of an Australian infantry battalion.

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III. DEVELOPMENTS IN THE BLOC

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According to North Vietnamese broadcasts, Hanoi regards the proposals as forming the "soundest basis" for a political settlement of the Vietnam question. If this "basis" is "recognized," Hanoi has asserted it might prove possible to convene an international conference on the Vietnam problem.

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However, publicly Hanoi has characterized the bombing suspension a trick and called it a "so-called suspension." In official protests to the ICC and in the party daily, Hanoi has claimed that the US continued to bomb and strafe North Vietnamese territory throughout the five day period.

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B. NEW MISSILE SITE

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Photography indicates that construction has started on a third missile site in North Vietnam, this time East-Southeast of Hanoi. Photography also reveals that the USSR is delivering not only jet fighter aircraft to North Vietnam, but also IL-28 light bombers. High altitude photography

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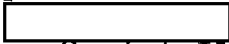
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reveals four probable aircraft packing crates along the road from Phuc Yen airfield to the terminus of a rail spur, together with seven other aircraft crates and seven fighters being assembled on the airfield. The DRV already possesses at least 55-60 MIG 15/17 jet fighters.  photography indicates that at least three Soviet IL-28 bombers have also arrived at Phuc Yen airfield.

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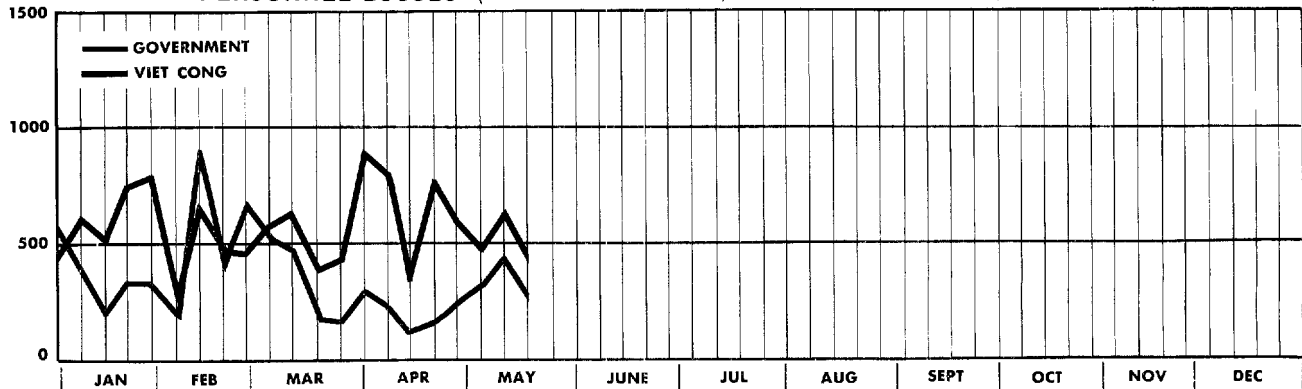
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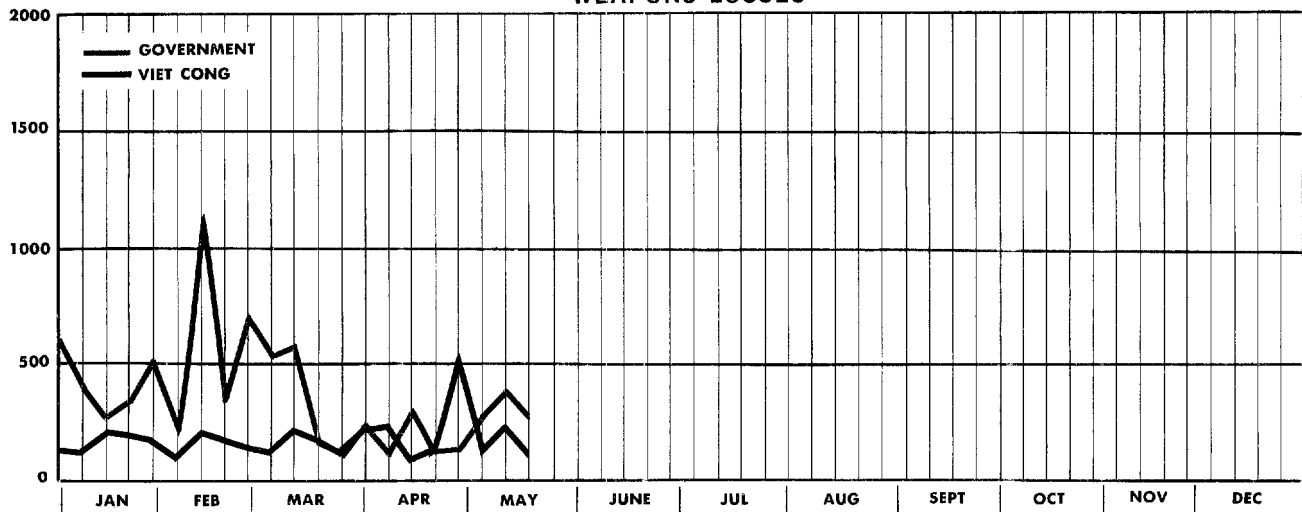
SOUTH VIETNAM BATTLE STATISTICS

WEEKLY REPORT

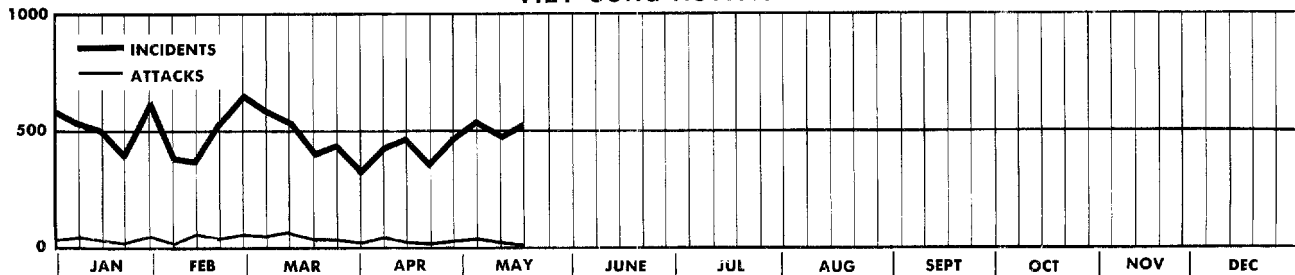
PERSONNEL LOSSES (KILLED IN ACTION, MISSING IN ACTION, CAPTURED)



WEAPONS LOSSES



VIET CONG ACTIVITIES



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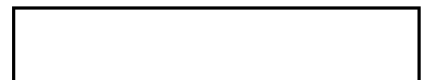
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