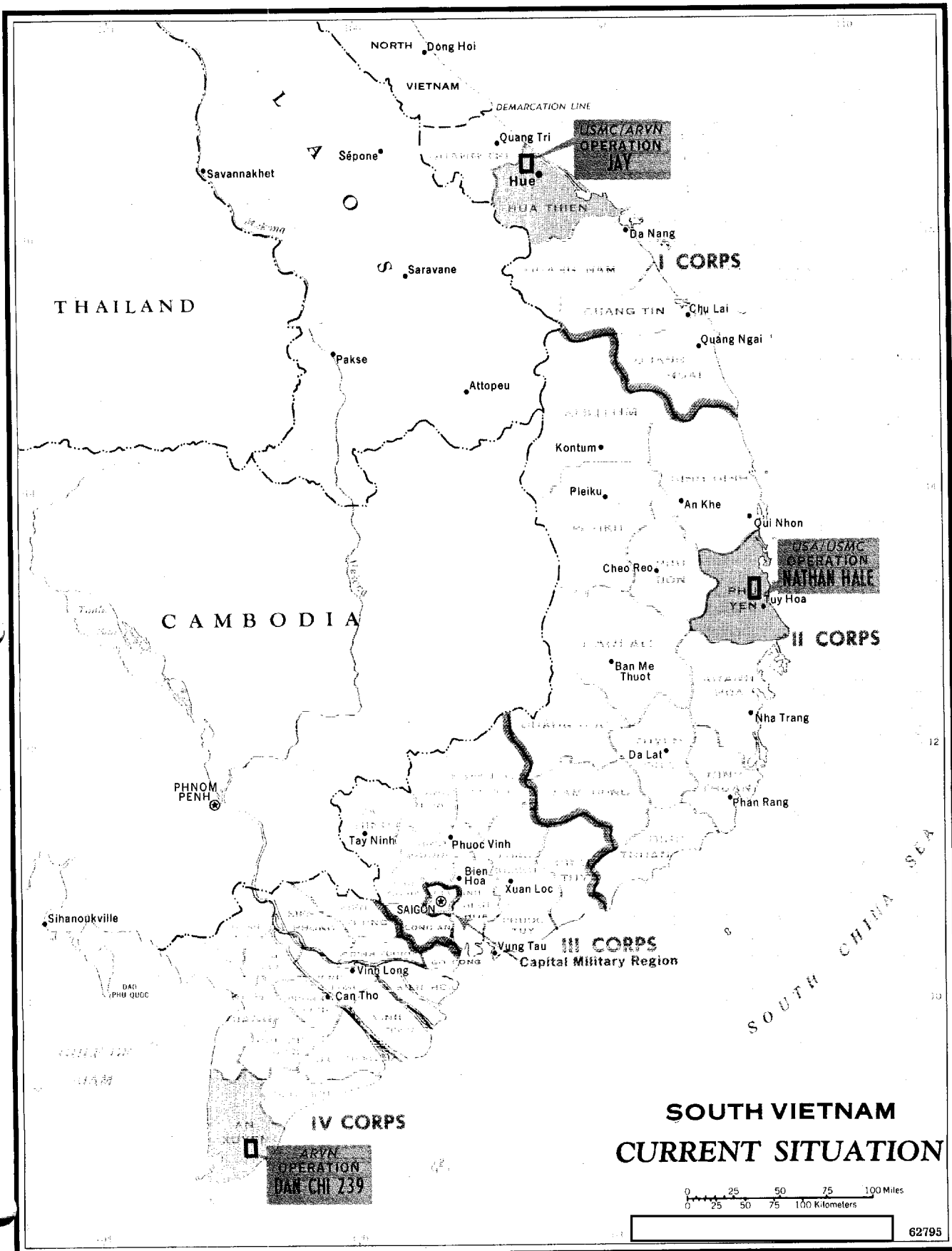


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V. Communist Political Developments: There is nothing of significance to report.

28 June 1966

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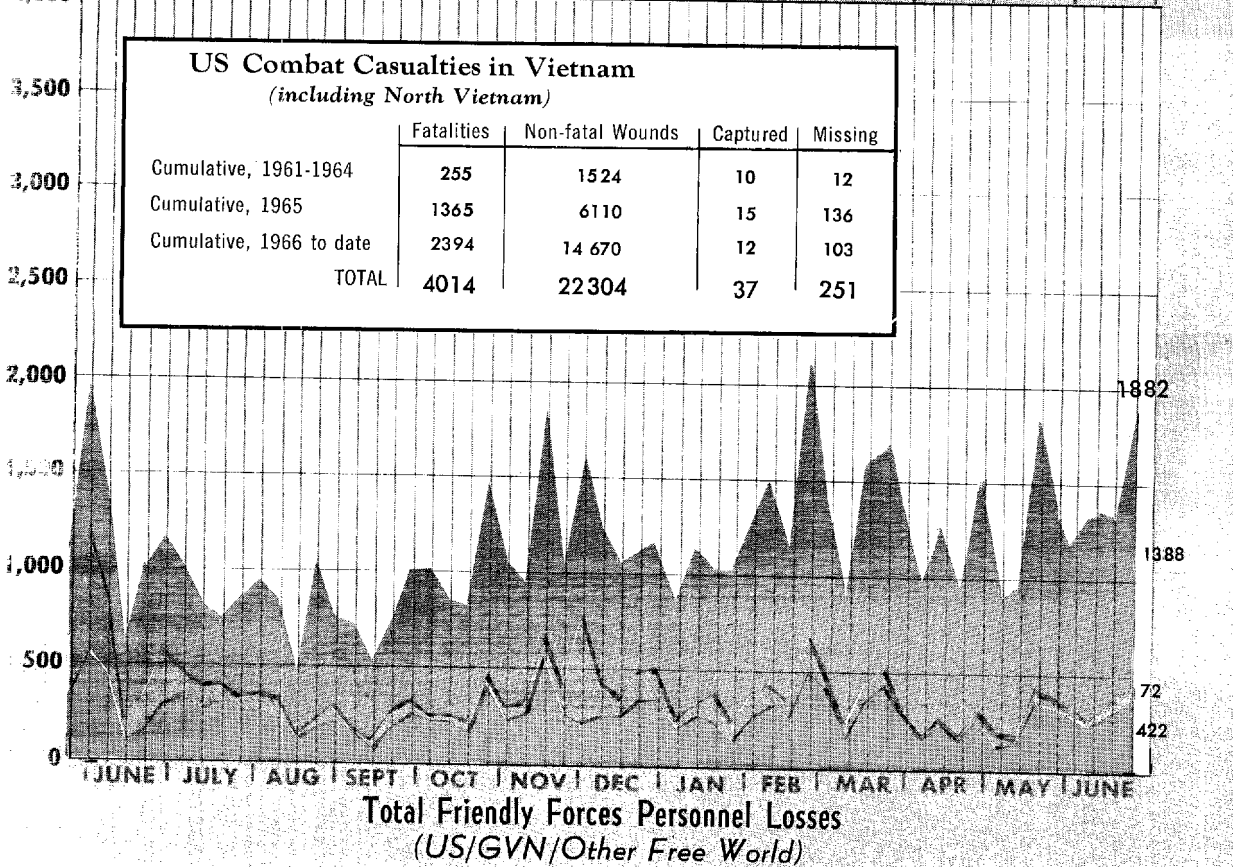
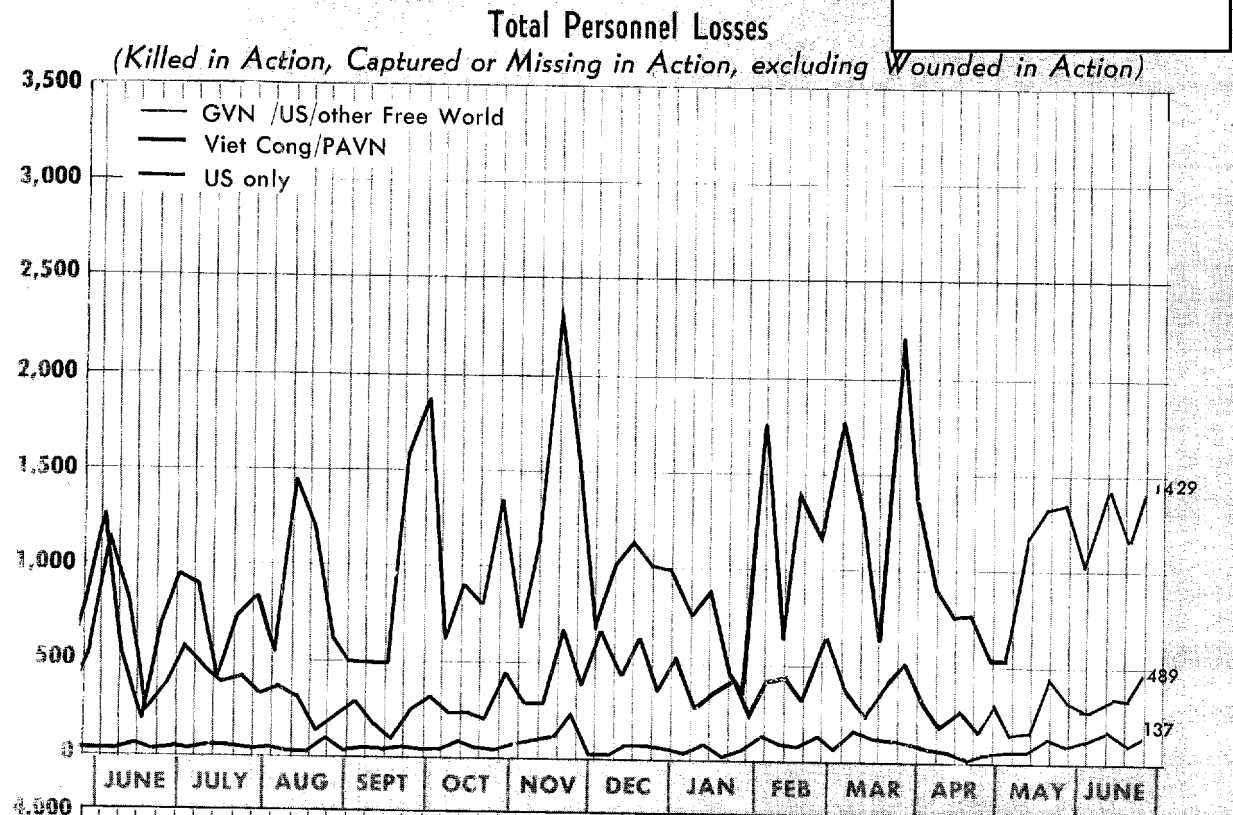
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SOUTH VIETNAM BATTLE STATISTICS

WEEKLY REPORT 13 - 25 JUNE 1966

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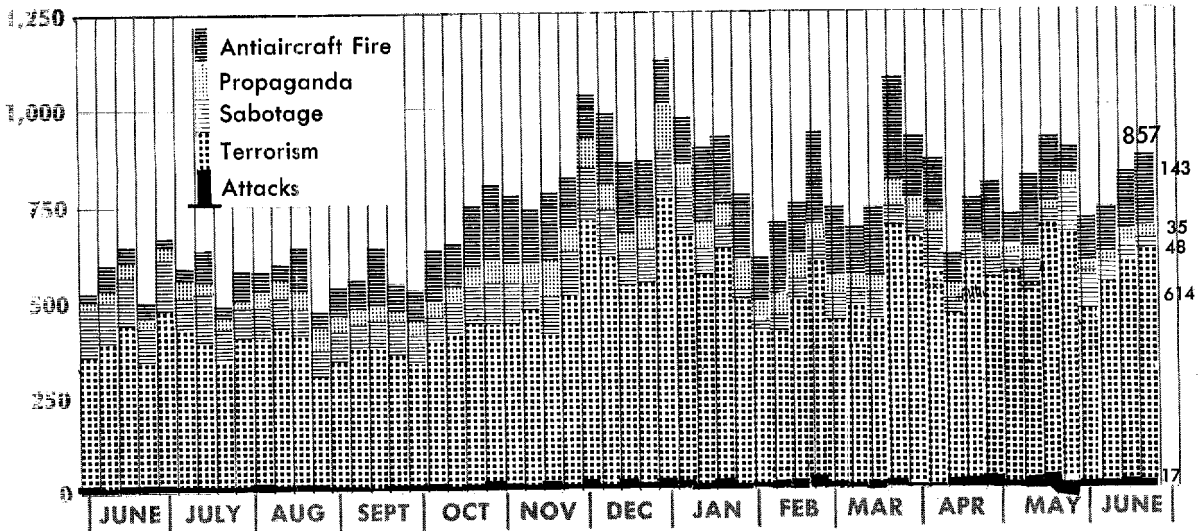


SOUTH VIETNAM BATTLE STATISTICS

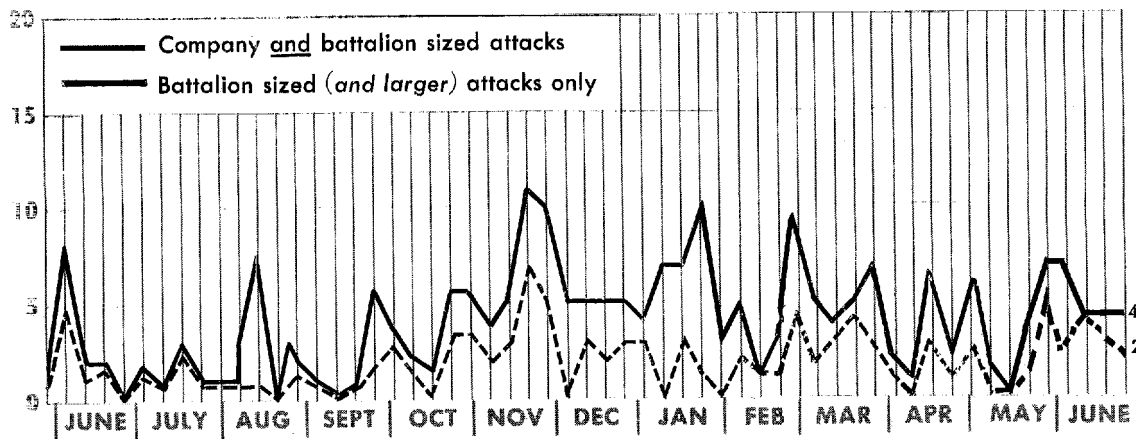
WEEKLY REPORT 18-25 JUNE 1966

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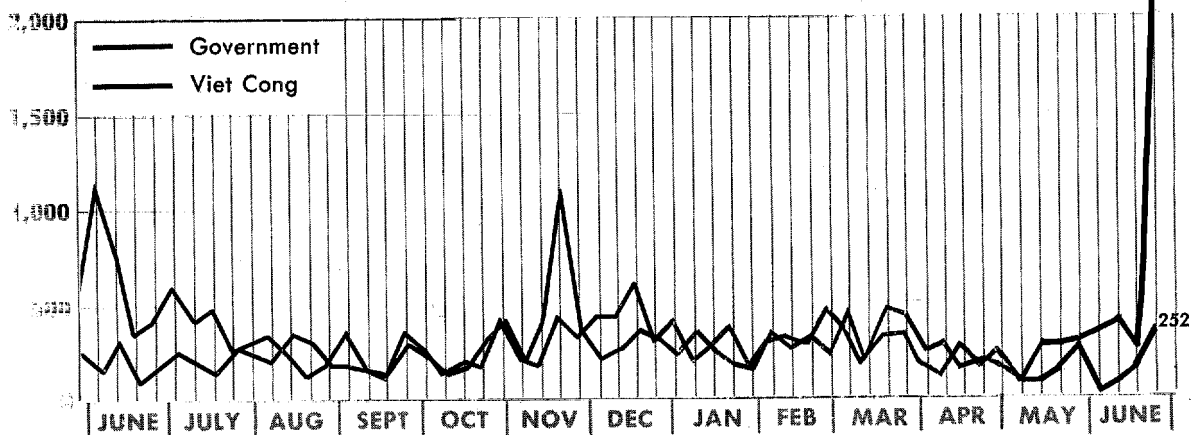
Viet Cong Incidents



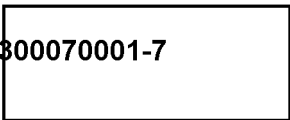
Viet Cong Attacks



Weapons Losses



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INTELLIGENCE REPORT

THE SITUATION IN SOUTH VIETNAM

USAID, State review(s)
completed.

DIRECTORATE OF INTELLIGENCE



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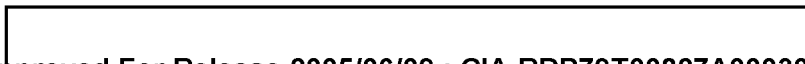
CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence

THE SITUATION IN SOUTH VIETNAM

(16 June - 26 June 1966)

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I. POLITICAL SITUATION

The Buddhist capability for street agitation was nearly eliminated last week as the Ky government completed its sweep of Hue and other northern towns, moved dissident leaders to Saigon, and cleared the Buddhist Institute in the capital. Scattered Buddhist protests continue, however, despite both a major reduction in Buddhist political assets in central Vietnam and a serious policy split within the Buddhist leadership in Saigon. Government leaders, while celebrating their first anniversary in office, are playing down their difficulties with the Buddhists and turning their attention to other matters.

Developments in I Corps

1. Most overt manifestations of the "struggle" movement have now been eliminated in Hue. However, following a government "reoccupation" of the city which began on 16 June, US observers have reported that many political, psychological, and administrative actions need to be taken there before government authority can be consolidated. Among other things, the government is planning to keep police field forces in the city for several months while local police are reorganized. Several persons under arrest may be tried and sentenced to death for their antigovernment activities. Some of the government's regional offices now in Hue may be shifted to Da Nang in the near future.

2. Militant bonze Tri Quang was transported from Hue to Saigon during the week by government police. He was installed in a clinic where he was reportedly continuing his hunger strike as of 26 June. Police maintained that Quang was not under arrest, but did screen his visitors. After conferring with several institute monks including Tam Chau, Quang reportedly announced that he would maintain his opposition to the government. However, the courses of action immediately available to him appear rather limited.

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3. In a roundup of military dissidents, generals Dinh and Nhuan were moved from Hue to Saigon by the government. Former I Corps commander General Thi was also expected to arrive voluntarily in the capital soon. Although the futures of these and possibly two other generals--Chuan and Cao--are not yet clear, a high-ranking Vietnamese officer maintained that they will either be retired or more severely punished.

4. In addition to the arrests and transfers of civilian and military officials involved in the "struggle" movement, the government further reduced Buddhist political assets in central Vietnam by moving forces into the capitals of Quang Tri and Binh Dinh provinces last week to quell antigovernment elements. Nevertheless, sporadic hunger strikes, demonstrations, and one additional suicide occurred in various towns throughout I and II Corps.

Saigon Buddhist Institutes Raided

5. After the suspected killer of a policeman took refuge in the Buddhist Institute on 18 June, police blockaded the premises, and finally on 23 June raided the institute. Most of the 500 persons taken into custody were released later in the day after identification checks; some youths were held for induction into the armed forces or for later trials for antigovernment activities. The suspect was apprehended and reportedly confessed to the killing.

6. Although the government had apparently planned to return control of the institute to chairman Tam Chau after its clearing operation was completed, Chau in a public communique condemned the government raid. He suggested that the sanctity of the pagoda had been destroyed and that the government would henceforth be held responsible for maintaining the buildings and the grounds of the institute.

7. On 26 June, a second Buddhist pagoda was raided by government police and ARVN rangers, and one weapon was captured and 15 draft-age youths were arrested. No monks were reported to have been mistreated and no reaction has been forthcoming from Buddhist leaders.

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Policy Differences Within Buddhist Leadership

8. Tam Chau's strong criticism followed several days during which he had been attempting to end once and for all the confrontation between the Buddhists and the government by securing an amnesty pledge from the government for all those involved in Buddhist agitation. His criticism, however, may only be a move designed to strengthen his support among other monks in the institute. Chau had lost control over institute policy to the militant wing during the previous week, and he does not appear to have regained it.

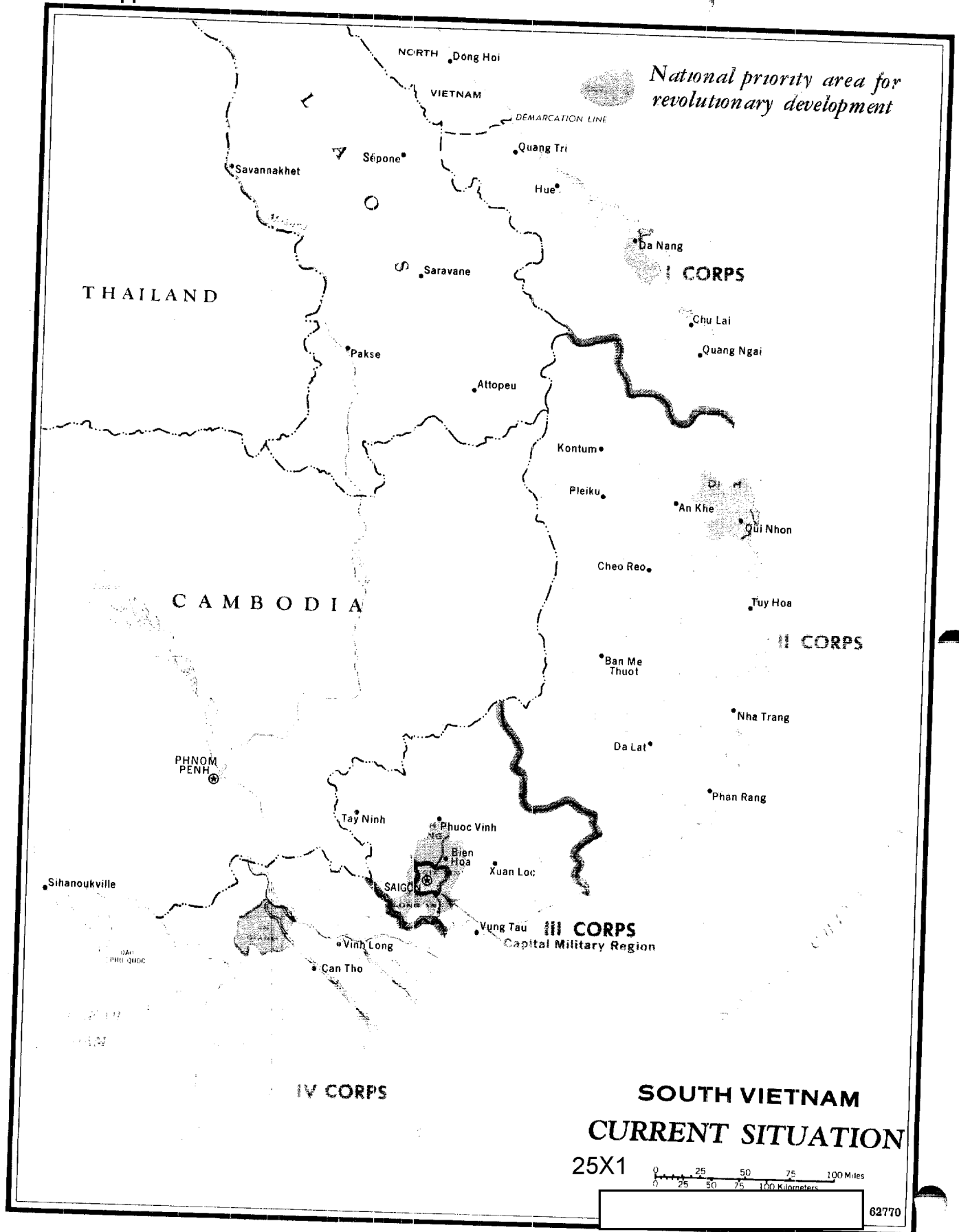
9. Despite the current policy split among Buddhist leaders and the quelling of the "struggle" movement, it is rather doubtful that Buddhist political influence will remain at its current low level as long as leaders of the caliber of Tri Quang, Tam Chau, and Thien Minh remain active. In addition, lingering resentment of the Ky government in the northern towns and a general lack of positive support for the Saigon government may provide opportunities for future Buddhist maneuvering.

Ky Government Buoyed by Success

10. Generally declaring that the antigovernment problem had been "solved," Premier Ky and other government leaders turned their attentions to a celebration of the government's first anniversary on 19 June. Buoyed by its success in overcoming the "struggle" movement, the government appears relatively unified at present, even though the impetus for its forceful move against the dissidents came from a relatively small hard-line faction within the armed forces. A relaxation over a continuing period of time, however, could reopen splits between previously well-defined military cliques.

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II. REVOLUTIONARY DEVELOPMENT

The second cadre group training class began on 13 June for approximately 5,200 personnel. Progress during the month of May in the four National Priority Areas ranged from a complete standstill in I Corps to projects ahead of schedule in An Giang Province. The defector rate, which is slowly rising, should receive a boost in response to increased military contacts and a largely resolved political situation.

Cadres

1. The second training class for revolutionary development cadre groups began on 13 June at the Vung Tau National Cadre Training Center. Approximately 5,200 trainees will participate in the 13-week course. This class is heavily weighted toward the training of the census-grievance, civil affairs, and new life hamlet specialist groups to augment the numerous Peoples Action Teams (PAT) already in the provinces. Nearly half of the new trainees were drawn from pacification cadres who were working under the old GVN provincial programs. The remainder of the trainees are new recruits.

2. One of the improvised revolutionary development teams working in a hamlet in Bien Hoa Province in early May utilized an interesting ploy to confuse a Viet Cong platoon that was attempting to enter the hamlet at night. The team members, dressed similar to and living among the hamlet inhabitants, could not be identified as a group by the Viet Cong. When the team members directed harassing fire at the enemy unit, it became confused and withdrew. The Viet Cong later attempted to obtain the names and locations of the cadre members living in the hamlet, but the hamlet inhabitants refused to provide the information. By repulsing the enemy and living in the hamlet, the pacification cadre had gained the confidence of the people who, in turn, rejected attempted Viet Cong overtures.

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Status of National Priority Areas During May

3. National Priority Area I. The pacification effort in the National Priority Area (NPA) around Da Nang in Quang Nam Province unfortunately paralleled the general lack of progress in the rest of I Corps. Morale in a five-village special project area was reported at an all-time low because of the removal of US and ARVN units that had been providing security for the villagers. Consequently, the Viet Cong were able to terrorize and proselytize among the villagers, reminding them that the government had promised to defend the community against enemy infiltration and terrorism. The over-all program in NPA I is considered to be at least five months behind schedule.

4. National Priority Area II. Revolutionary development projects in the NPA in Binh Dinh Province are on schedule, and it appears at this juncture that the 1966 goals may be accomplished. During May, 14 hamlets were considered to have met the criteria for being "secured," and the cadre teams that had been working in them were deployed to 14 new hamlets within the NPA. In addition to the regular government military forces now in the area, three Regional Force companies and ten Popular Force platoons have been undergoing training to enable them to provide continuing village and hamlet security. The prospect for the recruitment of additional security forces is considered good.

5. In the meantime, ARVN, US, and Korean troops are conducting clearing operations with the aim of providing adequate security for the various groups carrying out the specialized functions of pacification. Adequate supplies and movement of consumer goods in the NPA are indicative of an excellent over-all economic situation in the II Corps NPA.

6. National Priority Area III. In general, revolutionary development programs in the Saigon and Gia Dinh Province area as well as in portions of four surrounding provinces progressed satisfactorily except for the construction and consolidation of hamlets. Three of the five provinces in the NPA reported improvements in the morale and effectiveness

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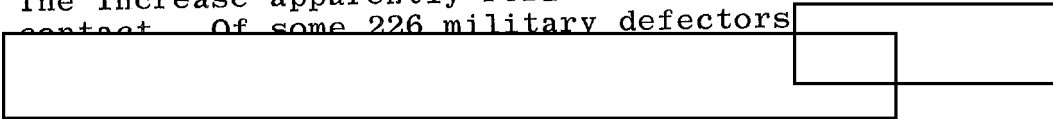


of the Regional and Popular Force security units. Security for pacification cadres was also improved through an increase in GVN and free world military operations. The number and intensity of Viet Cong incidents reportedly decreased.

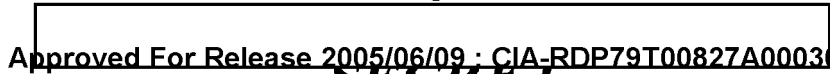
7. National Priority Area IV. Pacification projects in An Giang Province continued on or ahead of schedule. Two Regional Force companies, drawn from the Hoa Hao religious sect that predominates in the province, were formed. The initial goals for school construction and selfhelp projects were met or, in some cases, exceeded. Assistance to An Giang's ambitious agricultural program was augmented by the arrival of seven Chinese technicians. The prospect at the end of May for the achievement of the province's 1966 revolutionary development goals continued to be excellent.

Viet Cong Defectors (Chieu Hoi)

8. The Communist defector total for the week ending 17 June was up slightly to 373, with I Corps reporting its totals for the second straight week. The increase apparently reflected heavier military contact. Of some 226 military defectors



9. According to US Mission officials, the overall reduction in the rate of Viet Cong defections to the GVN since mid-April of this year is due to several factors. The primary cause is probably the unstable political situation, especially in I Corps. However, with the reassertion of GVN control in Hue during the weekend of 18-19 June, this problem seems to be largely resolved for the time being. Another major influence on the defection rate is the number and intensity of military contacts between Viet Cong and friendly forces. Such contacts declined during the period from mid-January through mid-April. It appears that numerous and intensive military engagements not only provide potential ralliers with opportunities to defect, but also intensify the fears that often motivate defections. It has also been determined through debriefings that potential ralliers tend to avoid committing themselves until they feel assured the government will fulfill its promises of safety and good treatment.



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10. During the period of diminished military contacts and political turbulence, the Viet Cong political cadre were themselves attempting to cut down their losses from defections. Captured documents and rallier debriefings have revealed that the penalties for an unsuccessful defection attempt, and even for reading air-dropped Chieu Hoi leaflets, are now more severe than in the past. Surveillance of Viet Cong troops by politically reliable cadres has also apparently been increased.

11. A more subtle factor influencing the Chieu Hoi program, according to the US Mission, has been the attitude of the minister of information and Chieu Hoi, Dinh Trinh Chinh. A conflict between Chinh and his assistant for Chieu Hoi affairs has apparently had a deleterious effect on lower-level working cadres in the districts. Chinh's performance has also been affected by persistent reports that he may be removed from office. He is apparently now marked for early replacement by Premier Ky in a general cabinet reshuffle.

12. To cope with the problems affecting the defector rate, government planners are instituting several measures. An additional 45 advisory positions to be filled by third-country personnel have been allocated, primarily for work in the provinces. An intensified information campaign is being planned for the week preceding the anniversary of the Geneva accords on 20 July. Psychological exploitation of the Chieu Hoi program will be the subject of increasing attention from GVN and US agencies. Finally, planners are forging ahead with the construction of a regional Chieu Hoi center in each of the four corps areas.

13. If the political situation continues to stabilize, and if military engagements remain at the intensified level of the past week, the number of defectors should continue to rise.



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III. THE ECONOMIC SITUATION

The week was highlighted by the announcement on 18 June of a 50-percent devaluation of the piaster, an increase in government salaries, stabilization of rice prices, liberalization of economic regulations, and the free sale of gold. These major economic reforms were recommended by the International Monetary Fund to combat the inflationary spiral. Following the announcement, the price of gold and dollars declined, but the prices of both domestic and imported commodities rose.

It is reported that the decline in deliveries of rice from the delta to Saigon stems from a decrease in production, VC taxation of and interference with rice movements, hoarding by merchants and peasants, and illegal shipments to Cambodia. The movement of cargo through transit warehouses at the port of Saigon accelerated during the first half of June.

GVN Economic Reforms

1. On 18 June, Minister of Economy Thanh announced a 50-percent devaluation of the piaster, an increase in government salaries, stabilization of rice prices, the free sale of gold, and liberalization of economic regulations. These major economic reforms were recommended by the International Monetary Fund in order to combat the inflationary spiral in South Vietnam. Thanh noted that without such measures, prices would continue to rise to a point where the piaster would become worthless.

2. The Exchange Rate. Effective 18 June, the exchange rate was raised from 60 to 118 piasters to US \$1, and the former multiple rate system was abolished. The new exchange consists of a basic rate of 80 piasters plus a surtax of 38 piasters. Imports for which license applications were issued by the National Bank prior to 18 June, but which have not yet been cleared through customs, will be

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subject to an exchange rate equalization tax of 58 piasters to US \$1 to be added to the former rate of 60 piasters to US \$1. In order to get importers to clear their goods through customs rapidly, the goods withdrawn from customs by 4 July will be subject to an exchange rate equalization tax of only 30 piasters to US \$1, i.e., these goods will receive a 23-percent discount. Customs duties still will be calculated at the old rate of 35 piasters to US \$1, but the tariff schedule will be revised to maintain present collection levels. Transfers for students abroad will be exempt from the surtax, permitting a rate for such transactions of 80 piasters to US \$1.

3. Pay Raises. All government employees--both military and civilian--will receive wage increases ranging from 20 to 30 percent to be effective from 1 June. These increases are 30 percent for those earning less than 5,000 piasters monthly, 25 percent for those earning 5,000 to 10,000 piasters monthly, and 20 percent for those earning more than 10,000 piasters monthly. These pay raises are intended to restore to a more equitable income position the country's fixed salary employees who have suffered most from the inflation.

4. Rice. The GVN will subsidize rice imports to assure a stable low price for this basic commodity. Thanh also noted that the prices of beer, soft drinks, and gasoline would be affected only slightly by the devaluation, and that a "stabilization fund" would be established to permit intervention in the market in cases of sharp price increases for basic commodities. Details on this particular aspect of the economic reform are not yet available. The GVN, however, evidently did agree at the last minute to exempt all PL 480 commodities from the surtax of 38 piasters in order to hold down price increases for these commodities.

5. Gold. The GVN will now sell gold through commercial banks to South Vietnam's 763 authorized jewelers, 281 of whom are in Saigon. Any jeweler may go to any commercial bank and buy three gold bars (of 12 to 13 kilograms each) at a time. Upon presentation of sales documents for the jewelry, they will be able to replenish their stock. The price will be fixed each

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day. The free sale of gold is expected to absorb excess piasters for the GVN and lower the price of gold. The GVN has assured the US that these sales will be made from the GVN's own gold holdings.

6. Liberalization of Regulations. In order to promote competition, the GVN announced the liberalization of many economic regulations that had obstructed economic activity. The prohibition on increasing the number of commercial importers, which had discouraged competition, has been removed and the GVN has now decided to authorize new import firms if they are able to meet certain requirements. In addition, the allocation of foreign exchange by quota points has been ended. Controls in the industrial sector will be relaxed by simplifying administrative regulations and by giving early authorization to industrial project applications. Imports of machinery and raw materials will be facilitated, and the Ministry of Economy will shortly approve ten new industrial projects. The Ministry of Economy and the National Bank will advance a 400 million piaster credit for medium term loans to industry through the Industrial Development Center, a government agency established in 1957 to provide technical and financial assistance to Vietnamese industry.

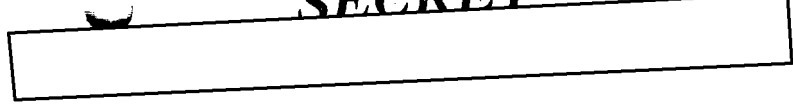
Rationale For The Reforms

7. Since January 1965, Saigon prices have risen more than 50 percent, and the money supply has expanded by roughly 90 percent. In spite of large-scale US financing of imports, the amount of goods could not keep pace with the money chasing these goods. The immediate effect of the new economic reforms will be to double the amount of piasters and take them out of circulation, resulting in a decline in the money supply. While retail prices of all goods will rise in the short run, these price rises will be partially alleviated by government subsidization of rice and the use of a stabilization fund for other basic commodities.

8. It would appear that the group to be most affected by the new economic measures is the urban middle class, which constitutes the principle market for imported goods. The rural peasant, who buys few imported goods, probably will be least affected. It is hoped that after a period of adjustment of perhaps three months duration, prices will stabilize at a higher level. The

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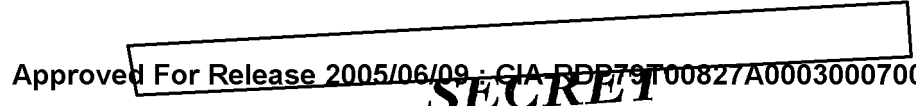
US will provide full support to the GVN during the implementation of these new economic measures through a continued program of large-scale commercial import financing.

Prices

9. Retail prices in Saigon rose significantly in the week ending 13 June. The prices of almost all foodstuffs except vegetables increased, as did the prices of imported commodities. Although the reason for the rise in prices of domestically produced goods was unclear, the increase in prices of imported commodities apparently stemmed from a depletion of inventories. In view of the rumors of devaluation, it also is possible that importers were withholding goods from the market in anticipation of higher prices. Over-all, the USAID retail price index was nine percent above a month ago. (A table of retail prices in Saigon is included in the annex.)

10. Following the announcement of the new economic reforms, prices of both domestic and imported commodities rose. On 21 June, the median increase in the price of US-financed imports was 20 percent above the previous week. The imposition of a higher rate of customs assessment on 4 July reportedly is causing importers to clear their goods through customs rapidly, but they appear to be holding off sales until after 4 July in the hope of realizing higher prices.

11. Exchange rates on the Saigon free market rose sharply just before devaluation was announced, after having declined slightly the previous week. On 13 June, the price per dollar of \$10 dollar bills was 191 piasters, up five piasters from the previous week. The price of \$10 MPC (scrip) rose one piaster to 124 piasters per dollar. Gold jumped to 308 piasters per dollar compared with 289 the previous week. By 16 June, however, the prices of \$10 bills, \$10 MPC, and gold had skyrocketed to 260, 150, and 450 piasters per dollar, respectively. This sharp increase reportedly was triggered by an announcement of the introduction on 27 June of a new 500-piaster note. The announcement gave rise to fears that the present 500-piaster note, many of which are said to be held abroad, would be canceled. In addition, gold supplies apparently were limited by stricter controls.



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The mounting inflation, rumors of devaluation, and continuing political uncertainties undoubtedly also contributed to the sharp increases.

12. Following the announcement of the economic reforms, the price of gold and dollars declined. On 21 June, the prices per dollar of \$10 bills, gold, and MPC were 210, 332, and 121 piasters, respectively.

13. As previously reported, rice deliveries from the delta to Saigon during the first four months of 1966 have been lower than during the comparable period of any previous year. The US Mission recently estimated that total deliveries for the year would amount to only 265,000 tons compared with 425,000 tons in 1965 and 505,000 tons in 1964. At the end of April, Saigon and delta rice stocks totaled 154,100 tons, well below April levels of the past few years. Moreover, three fourths of the Saigon stock at the end of April consisted of imported rice. The stock in the delta, which accounted for two fifths of combined delta and Saigon stocks, consists of Vietnamese rice. (Graphics on rice deliveries and rice stocks are included in the annex.)

14. On 12 June, the Ministry of Economy began selling stocks of US rice in Saigon in an effort to stabilize rice prices. This rice is being sold both to retailers and directly to the public from trucks in various districts of the city. The results of the first few days' operation were gratifying from the point of view of both sales and public impact. During the course of the week, rice prices on the open market were stable or declined slightly, depending on the grade. The US Mission reports that, given the present economic atmosphere with the alarming leaps in black market currency and gold rates, the stability of rice prices was encouraging.

15. Two US Mission officers recently visited several provinces in the delta to re-examine the rice situation. In spite of continued low shipments to Saigon, they found substantial amounts of paddy in the provincial mills. Based on extensive interviews and personal observation, the reporting officers concluded that the decline in deliveries to Saigon stems from five major factors: a decline in production, VC taxation and

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interference with rice movements, hoarding by merchants, hoarding by peasants, and illegal shipments to Cambodia. As an additional factor, they cited the difficulty and expense involved in transporting the rice to Saigon, but concluded that this was of less importance.

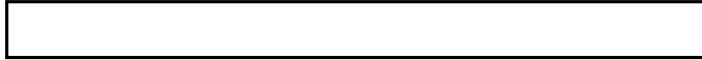
16. The decline in production during the 1965/66 crop year was caused mainly by the lateness of last summer's rains and a lower level of flooding on the Mekong. VC activity to push up prices and frustrate the movement of rice, while not entirely new, appears to be more significant than it was last year. Moreover, illegal shipments to Cambodia apparently are higher than in previous years.

17. Although most of these factors apply generally throughout the delta, it was observed that their relative importance varied from place to place. The decline in shipments from Chau Doc and An Giang provinces still is attributed officially to a decline in production. However, merchants in Long Xuyen, capital of An Giang Province, mentioned shipments to Cambodia and the rising cost of transportation of the rice to Saigon. In Kien Giang Province, it appears that outsiders are buying rice at high prices, possibly for sale to Cambodia. Merchants and officials in the province also complained about rising transportation costs and VC activities, especially VC taxation. Impediments to deliveries of rice to Saigon from Ba Xuyen Province include hoarding in anticipation of higher prices, VC harassment, and transportation problems. As in Kien Giang Province, bankers and merchants complained of outside buyers purchasing rice at prices well above the market rate.

Port Operations

18. During the period 8-14 June, 24 deep-draft ships, 14 of which were military, completed discharge and departed from Saigon. Commercial importers are making a greater effort to claim imports and, as a result, the movement of cargo through transit warehouses has accelerated. During the first half of June, an average of 1,293 metric tons of cargo per day passed through the port's transit warehouses, compared with only 931 metric tons daily during the last half of May.

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SECRETANNEXWeekly Retail Prices in Saigon a/
(In Piasters)

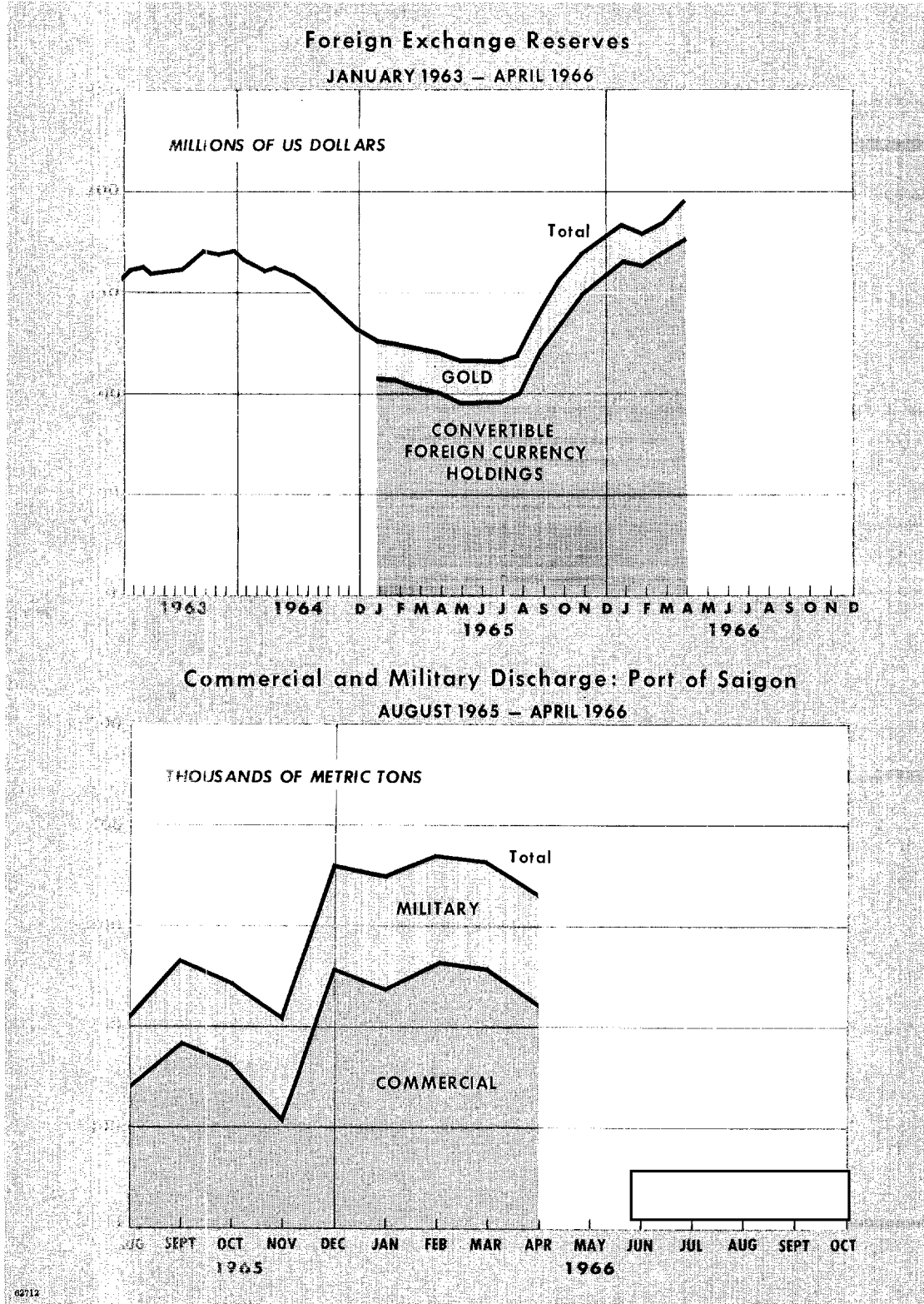
	3 Jan 1966	16 May 1966	23 May 1966	31 May 1966	6 June 1966	Percent Change from Mo. Ago	Percent Change from Yr. Ago
Index for All Items b/	<u>160</u>	<u>158</u>	<u>161</u>	<u>164</u>	<u>162</u>	+ 4	+ 46
Index for Food Items b/	<u>169</u>	<u>166</u>	<u>171</u>	<u>174</u>	<u>171</u>	+ 4	+ 55
Of which:							
Rice/Soc Nau (100 kg.)	800	1,100	1,150	1,150	1,120	+ 2	+ 18
Pork Bellies (1 kg.)	70	70	70	70	70	0	+ 40
Fish/Ca Tre (1 kg.)	110	110	105	110	115	+ 5	+130
Nuoc Mam (jar)	50	70	70	70	70	+ 8	+ 56
Index for Non-Food Items b/	<u>124</u>	<u>126</u>	<u>126</u>	<u>129</u>	<u>130</u>	+ 4	+ 46
Of which:							
Charcoal (60 kg.)	440	450	450	480	490	+ 9	+ 9
Cigarettes (pack)	10	10	10	10	10	0	+ 25
White Calico (meter)	27	27	26	26	26	- 4	+ 5
Laundry Soap (1 kg.)	30	32	32	32	33	+ 3	+ 25

a/ Data are from USAID sources.

b/ For all indexes, 1 January 1965 = 100.

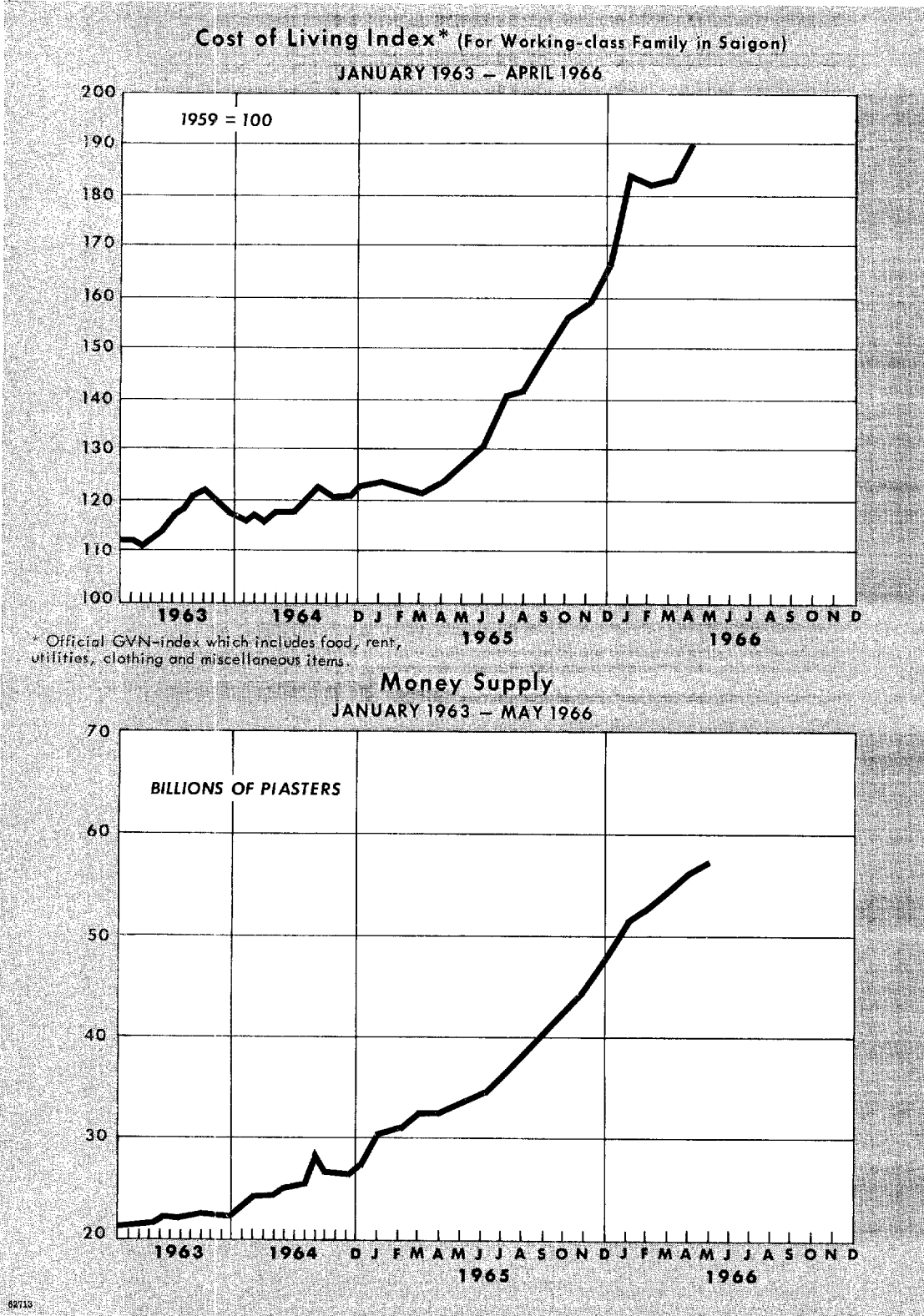
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SOUTH VIETNAM ECONOMIC INDICATORS

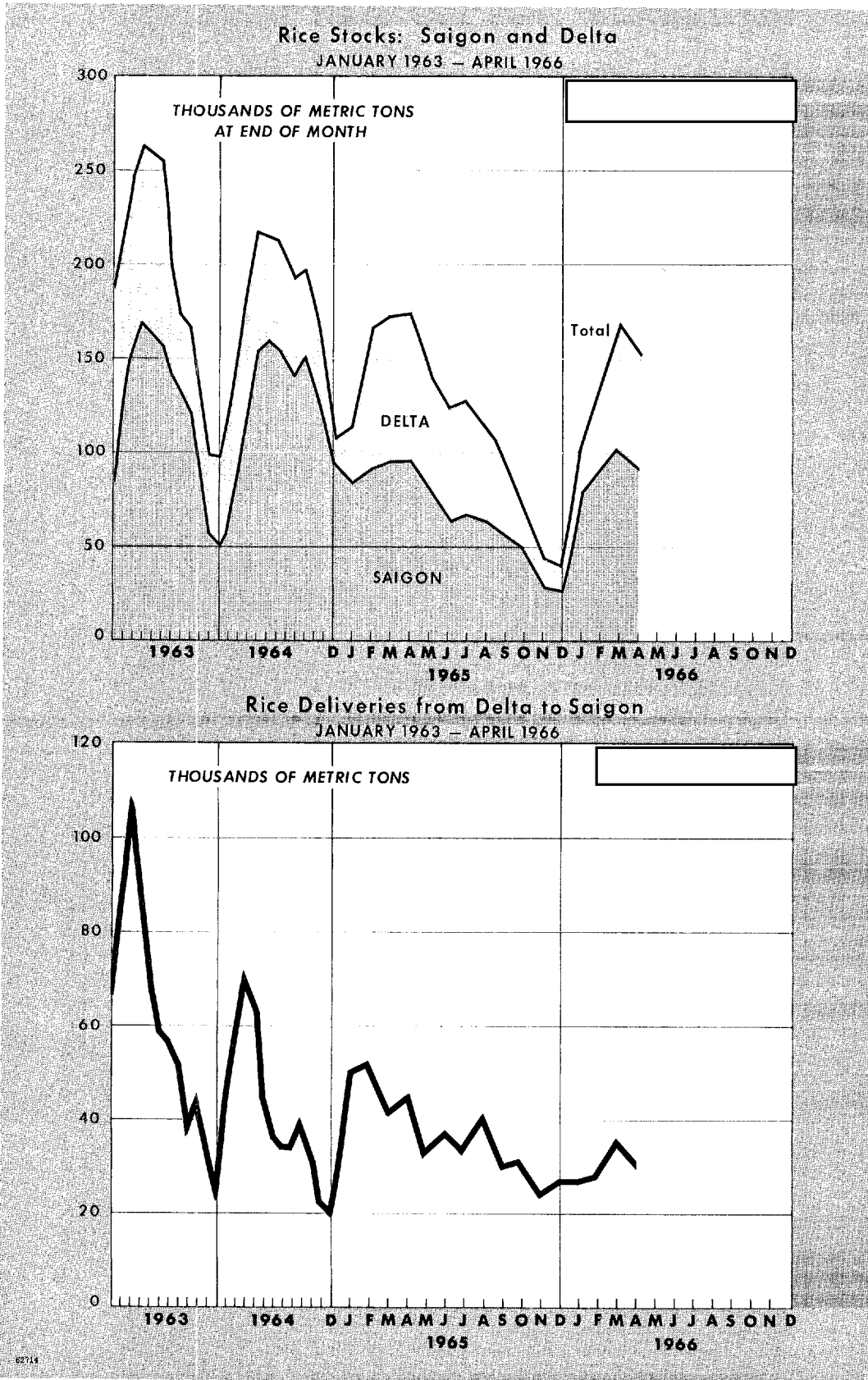


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SOUTH VIETNAM ECONOMIC INDICATORS



SOUTH VIETNAM ECONOMIC INDICATORS



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South Vietnamese and Viet Cong Casualties and
Weapons Losses: 1962 - 31 May 1966

1. General Statistical Data:

Time Period	Viet Cong Incidents	Killed in Action		Wounded in Action		Captured or Missing		Total Casualties		Weapons Losses		
		GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC	
Jan	1962	1825	299	1294	475	212	116	390	890	1896	-	-
	1963	927	453	1754	908	318	102	379	1463	2451	457	683
	1964	1770	343	1223	913	-	555	240	1811	1463	917	532
	1965	2206	904	2203	1938	-	471	565	3313	2768	1700	711
	1966	3914	747	2648	1557	-	450	588	2754	3236	935	979
Feb	1962	1460	244	1205	300	316	124	353	668	1874	-	-
	1963	788	379	1082	656	303	82	292	1117	1677	253	399
	1964	2078	374	1055	916	-	303	289	1593	1344	708	471
	1965	1982	880	1564	1840	-	1394	309	4114	1873	2454	620
	1966	3100	1015	4727	2095	-	477	508	3587	5235	1076	1219
Mar	1962	1961	523	1456	737	551	140	523	1400	2530	-	-
	1963	1282	410	1443	851	368	66	222	1327	2033	467	367
	1964	2160	439	1456	1249	-	345	531	2033	1987	814	532
	1965	2056	751	2022	1633	-	720	394	3104	2416	1442	698
	1966	3670	938	5685	1961	-	466	604	3365	6289	1393	1632
Apr	1962	1933	387	1596	532	292	151	415	1070	2303	-	-
	1963	1331	506	1660	878	256	96	388	1440	2304	797	468
	1964	2284	594	1671	1584	-	398	245	2576	1916	990	424
	1965	1860	591	1909	1650	-	232	529	2473	2438	757	973
	1966	3235	573	2818	1522	-	121	483	2216	3301	594	829
May	1962	1825	390	1756	509	352	94	524	993	2632	-	-
	1963	1208	435	1895	889	295	94	695	1418	2885	463	564
	1964	2143	458	1135	987	-	202	242	1647	1377	723	281
	1965	2263	1049	1975	2143	-	873	548	4065	2523	1701	831
	1966	3566	661	4239	1454	-	196	652	2311	4891	493	1087
Jun	1962	1477	325	1666	613	413	77	441	1015	2520	-	-
	1963	1311	389	1863	772	310	90	437	1251	2609	580	394
	1964	2062	494	1005	1145	-	313	230	1952	1235	718	387
	1965	2597	1211	2208	1920	-	1260	189	4391	2397	2387	793
Jul	1962	1564	384	1544	686	424	212	542	1282	2510	-	-
	1963	1368	529	1918	1071	372	306	387	1906	2677	663	374
	1964	3045	900	1427	1812	-	510	219	3222	1646	1889	447
	1965	2520	1160	2980	1591	-	540	580	3425	3560	1375	882

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Time Period	Viet Cong Incidents	Killed in Action		Wounded in Action		Captured or Missing		Total Casualties		Weapons Losses		
		GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC	
Aug	1962	1642	377	2271	626	367	63	669	1066	3307	-	-
	1963	1349	411	1685	804	237	352	482	1567	2404	637	428
	1964	2580	721	1449	1612	-	478	282	2811	1731	1106	619
	1965	2498	808	3624	1945	-	287	606	3040	4230	705	1074
Sep	1962	1375	419	2218	646	365	59	446	1124	3029	-	-
	1963	1763	672	1982	1155	234	566	347	2393	2563	878	389
	1964	3091	819	1187	1759	-	737	230	3315	1417	1465	525
	1965	2473	655	3485	1724	-	266	838	2645	4323	778	838
Oct	1962	1357	365	1967	619	286	64	373	1048	2626	-	-
	1963	1422	428	1520	989	244	398	236	1815	2000	753	330
	1964	2827	739	1617	1583	-	693	576	3015	2193	1510	482
	1965	3330	961	3874	2416	-	225	660	3602	4534	762	1013
Nov	1962	1311	410	1982	834	368	92	561	1336	2911	-	-
	1963	3182	664	2333	1554	373	665	252	2883	2958	1595	455
	1964	1982	574	1747	1404	-	410	570	2388	2317	1104	515
	1965	3638	1034	5516	2056	-	520	592	3610	6108	1126	2164
Dec	1962	1346	294	2203	618	289	78	463	990	2955	-	-
	1963	1921	389	1440	961	191	320	190	1670	1821	724	546
	1964	2504	1002	1813	2053	-	1092	503	4147	2316	2111	666
	1965	4106	1239	4076	2262	-	926	516	4427	4592	1728	1158

Composite Annual Totals

Time Period	VC Incidents	KIA		WIA		Captured or Missing		Total Casualties		Weapons Losses	
		GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
1962	19076	4417	21158	7195	4235	1270	5700	12882	31093	5195	4049*
1963	17852	5665	20575	11488	3501	3137	4307	20290	28383	8267	5397
1964	28526	7457	16785	17017	-	6036	4157	30510	20942	14055	5881
1965	31529	11243	35436	23118	-	7848	6326	42209	41762	16915	11755
**1966	17485	3934	20117	8589	-	1710	2835	14233	22952	4491	5746

*Monthly data unavailable for 1962 Weapons Losses.
 **Through 31 May 1966



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2. Viet Cong Incidents: 1962 - 31 May 1966

Time Period	Viet Cong Incidents	Small-Scale	A T T A C K S			Terrorism	Sabotage	Propa-ganda	Anti-Aircraft
			Co. Size	BN. Size	Total				
1962	1825	528	21	0	549	839	180	257	-
Jan 1963	927	242	8	2	252	447	49	179	-
1964	1770	218	2	3	223	1244	129	174	-
1965	2206	57	5	1	63	1489	272	170	212
1966	3914	42	23	5	70	2490	312	299	743
1962	1460	480	20	0	500	613	137	210	-
Feb 1963	788	181	13	1	195	433	69	91	-
1964	2078	211	3	3	217	1389	210	271	-
1965	1982	73	6	3	82	1411	267	91	131
1966	3100	50	10	9	69	1829	201	172	829
1962	1961	561	27	0	588	660	290	423	-
Mar 1963	1282	333	11	0	344	653	131	154	-
1964	2160	198	4	1	203	1632	158	167	-
1965	2056	80	3	3	86	1476	240	90	164
1966	3670	32	10	10	52	2332	212	154	920
1962	1933	470	27	0	497	1024	220	192	-
Apr 1963	1331	371	9	3	383	688	105	155	-
1964	2284	211	6	3	220	1738	169	157	-
1965	1860	38	1	4	43	1407	149	96	165
1966	3235	61	7	9	77	2238	252	110	513
1962	1825	490	28	0	528	892	154	251	-
May 1963	1208	344	13	0	357	608	93	150	-
1964	2143	170	3	2	175	418	217	140	193
1965	2263	40	7	11	58	1558	365	115	170
*1966	3566	37	9	7	53	2552	295	106	560
1962	1477	339	23	0	362	736	157	222	-
Jun 1963	1311	398	11	1	410	652	107	142	-
1964	2062	128	10	2	140	1390	176	162	194
1965	2597	62	1	6	69	1784	469	103	172

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Time Period	Viet Cong Incidents	A T T A C K S				Terrorism	Sabotage	Propa- ganda	Anti- Aircraft
		Small- Scale	Co. Size	BN. Size	Total				
1962	1564	437	10	1	448	735	158	223	-
Jul 1963	1368	398	8	1	407	698	80	183	-
1964	3045	166	12	7	185	2132	286	224	218
1965	2520	42	0	6	48	1706	400	154	212
1962	1642	368	10	0	378	885	146	233	-
Aug 1963	1349	356	11	1	368	647	113	221	-
1964	2580	107	3	3	113	1775	315	173	204
1965	2498	38	9	5	52	1597	349	200	300
1962	1375	382	9	0	391	624	178	182	-
Sep 1963	1763	483	17	3	503	889	164	207	-
1964	3091	110	4	4	118	1938	482	178	375
1965	2473	19	7	5	31	1530	278	185	449
1962	1357	406	12	1	419	583	189	166	-
Oct 1963	1422	359	6	0	365	802	105	150	-
1964	2827	75	2	6	83	1790	480	197	277
1965	3330	24	8	12	44	1969	415	198	704
1962	1311	411	7	3	421	614	144	132	-
Nov 1963	3182	631	11	3	645	1990	269	278	-
1964	1982	57	2	1	60	1391	247	109	175
1965	3638	26	16	10	52	2234	486	255	611
1962	1346	375	8	1	384	670	107	185	-
Dec 1963	1921	258	3	0	261	1298	111	251	-
1964	2504	81	9	6	96	1719	318	128	243
1965	4106	32	18	7	57	2572	442	317	718

Composite Annual Totals

1962	19076	5247	6	212	5465	8875	2060	2676	No Data
1963	17852	4354	15	121	4490	9805	1396	2161	No Data
1964	28526	1732	41	60	1833	19556	3178	2080	1879
1965	31529	531	73	81	685	20730	4132	1974	4008
*1966	17485	222	59	40	321	11486	1272	841	3565

*Through 31 May 1966

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CASUALTIES (KIA)			
Year	VC	GVN	US
1961	--	--	
1962	21,158	4,417	255
1963	20,575	5,665	
1964	16,785	7,457	1,365
1965	35,436	11,243	(Thru 4 June)
1966	(Thru 31 May) 20,117	(Thru 31 May) 3,934	2,042
TOTAL	114,071	32,716	3,662

CASUALTY-COMBAT OPERATIONS (Weekly Averages)				
	1964	1965	Last Half 1965	1966
Enemy Combat Deaths	322	680	906	(Thru 31 May) 958
RVN Combat Deaths	143	216	221	(Thru 31 May) 187
US Combat Deaths	3	26	44	(Thru 4 June) 93

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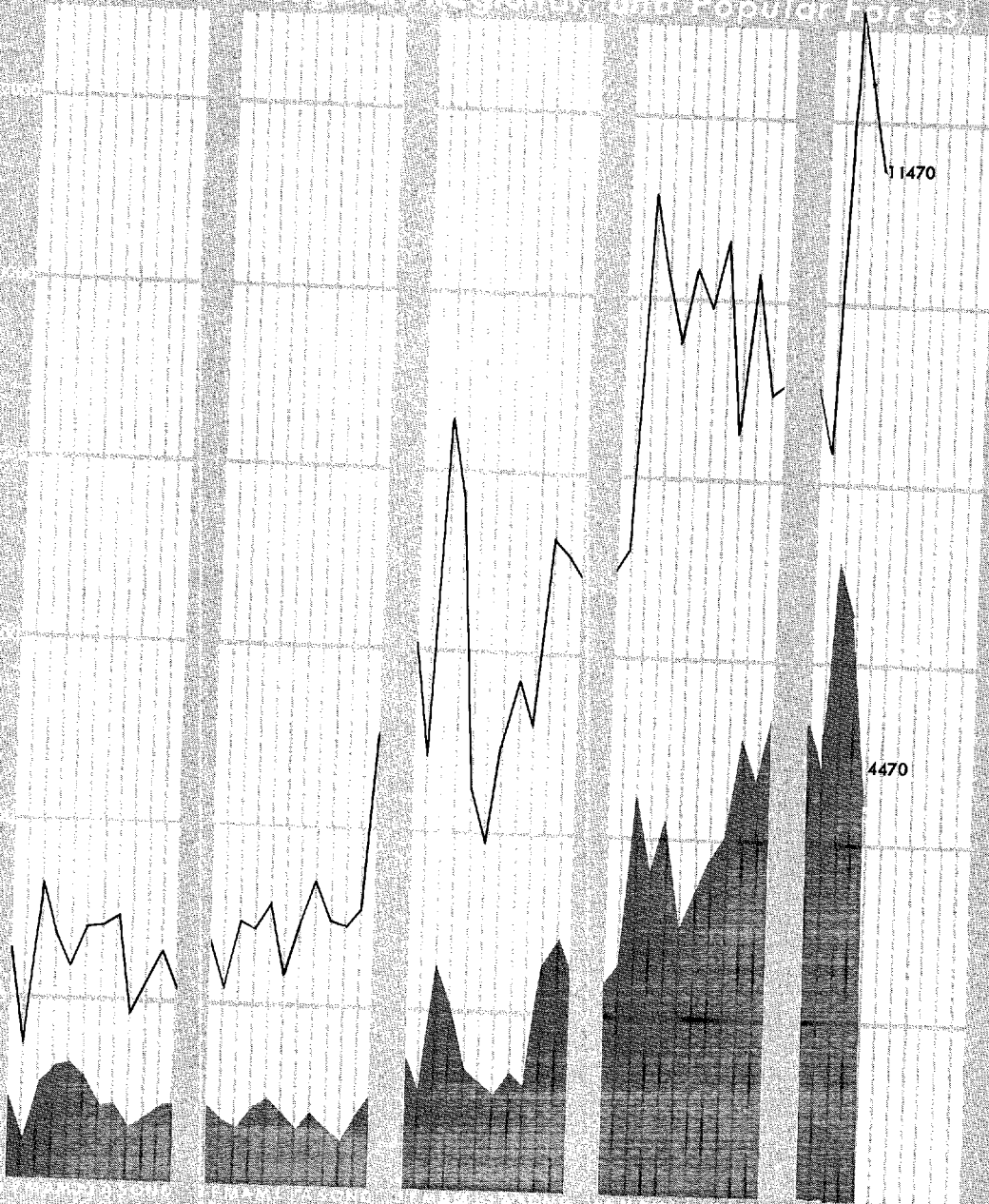
SOUTH VIETNAM - BATTLE STATISTICS

MONTHLY REPORT

APRIL 1966

DESERTIONS

Includes Regular, Regional, and Popular Forces



	Regular Forces	Totals
1962	11,203	29,924
1963	9,666	36,441
1964	21,441	73,010
1965	47,297	113,168
1966	23,133	45,500

62876

THRU 30 APRIL

GVN statistics do not differentiate between deserters who eventually return or enlist in the regular forces, remain AWOL, or defect to the VC. The 1966 statistics are based on the regular force desertions are among draftees who comprise 13% of the regular force strength.

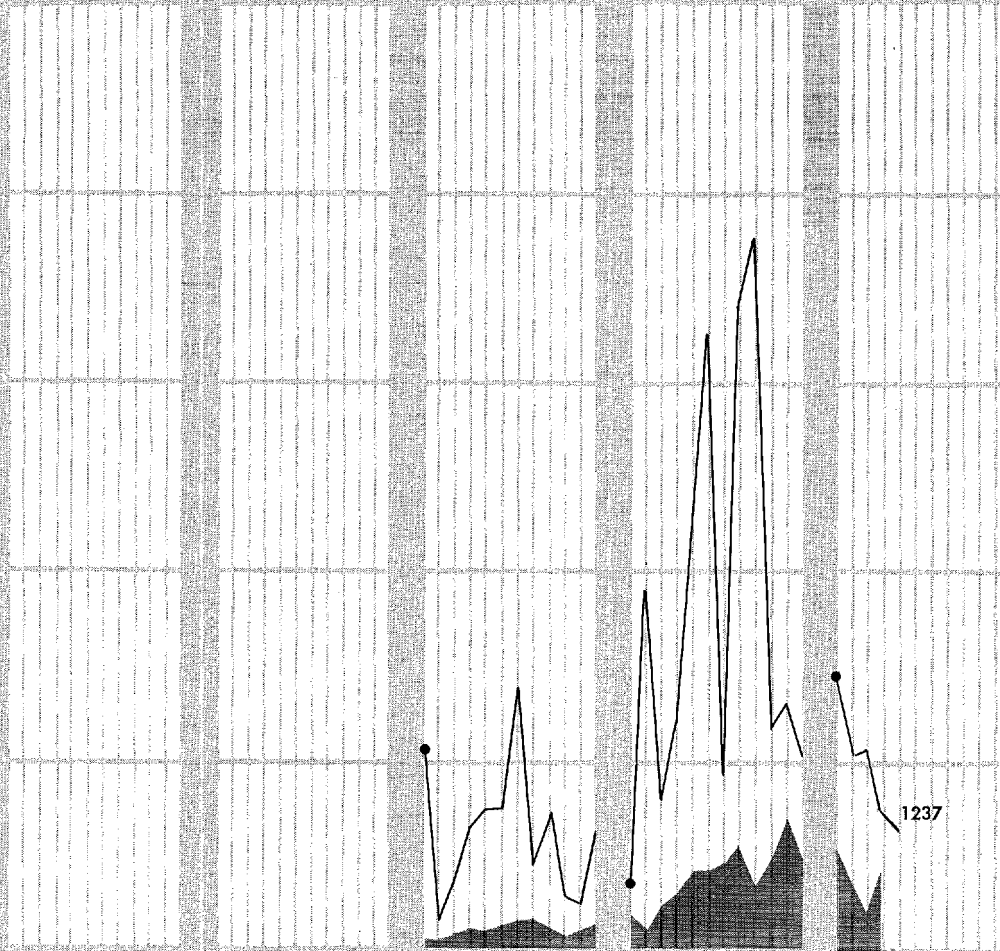
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SOUTH VIETNAM BATTLE STATISTICS

MONTHLY REPORT

MAY 1966

CHIEU HOI RETURNEES



Annual Totals

	Military	Totals
1964	1,903	14,465
1965	9,472	42,552
1966*	4,691	8,766

*Military only thru 30 April
Totals thru 31 May

— Monthly Totals
 Military

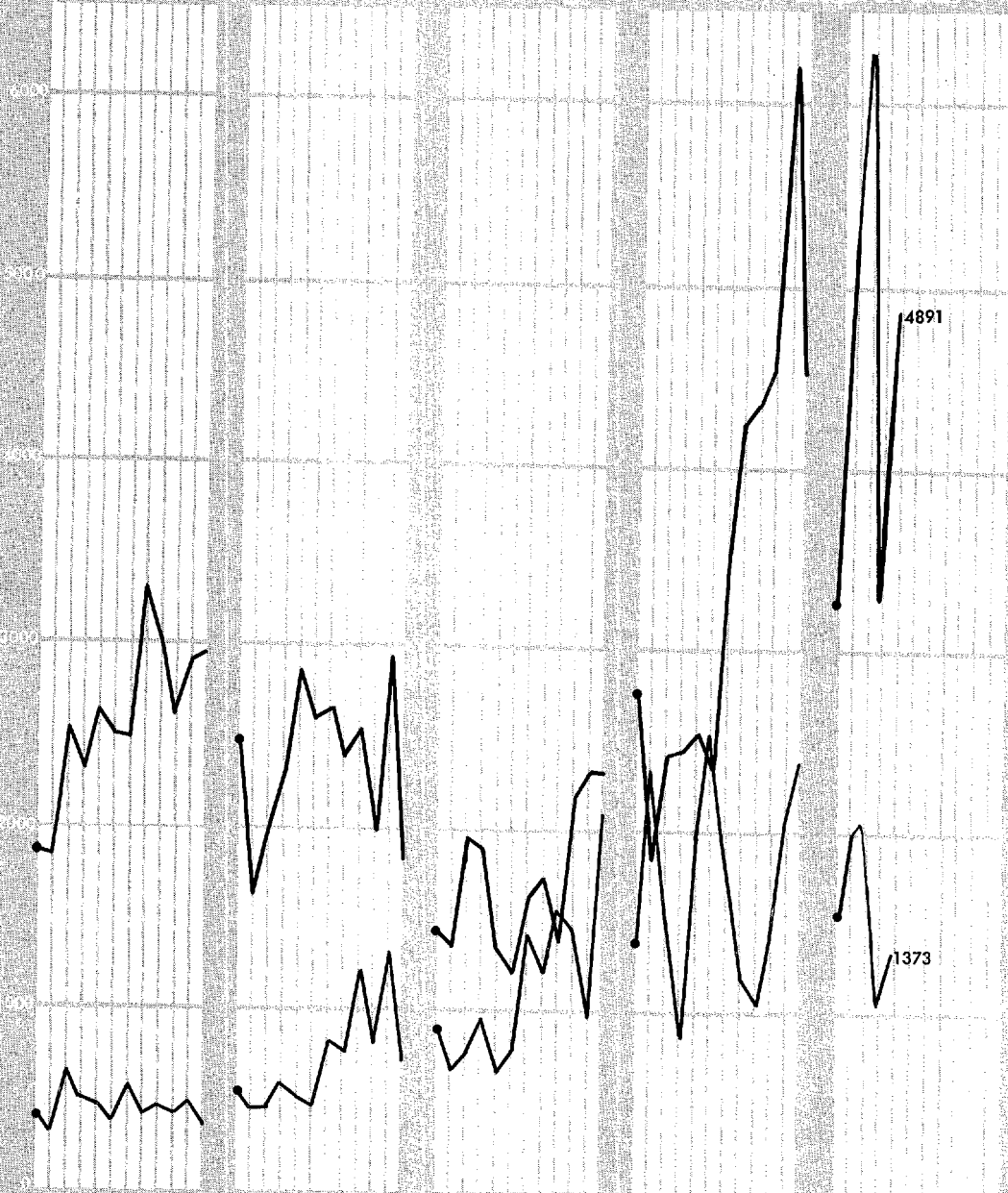


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SOUTH VIETNAM - BATTLE STATISTICS MONTHLY REPORT

MAY 1966

PERSONNEL LOSSES Killed in Action, Missing in Action, Captured



1742

—

US ARMY

—

US NAVY



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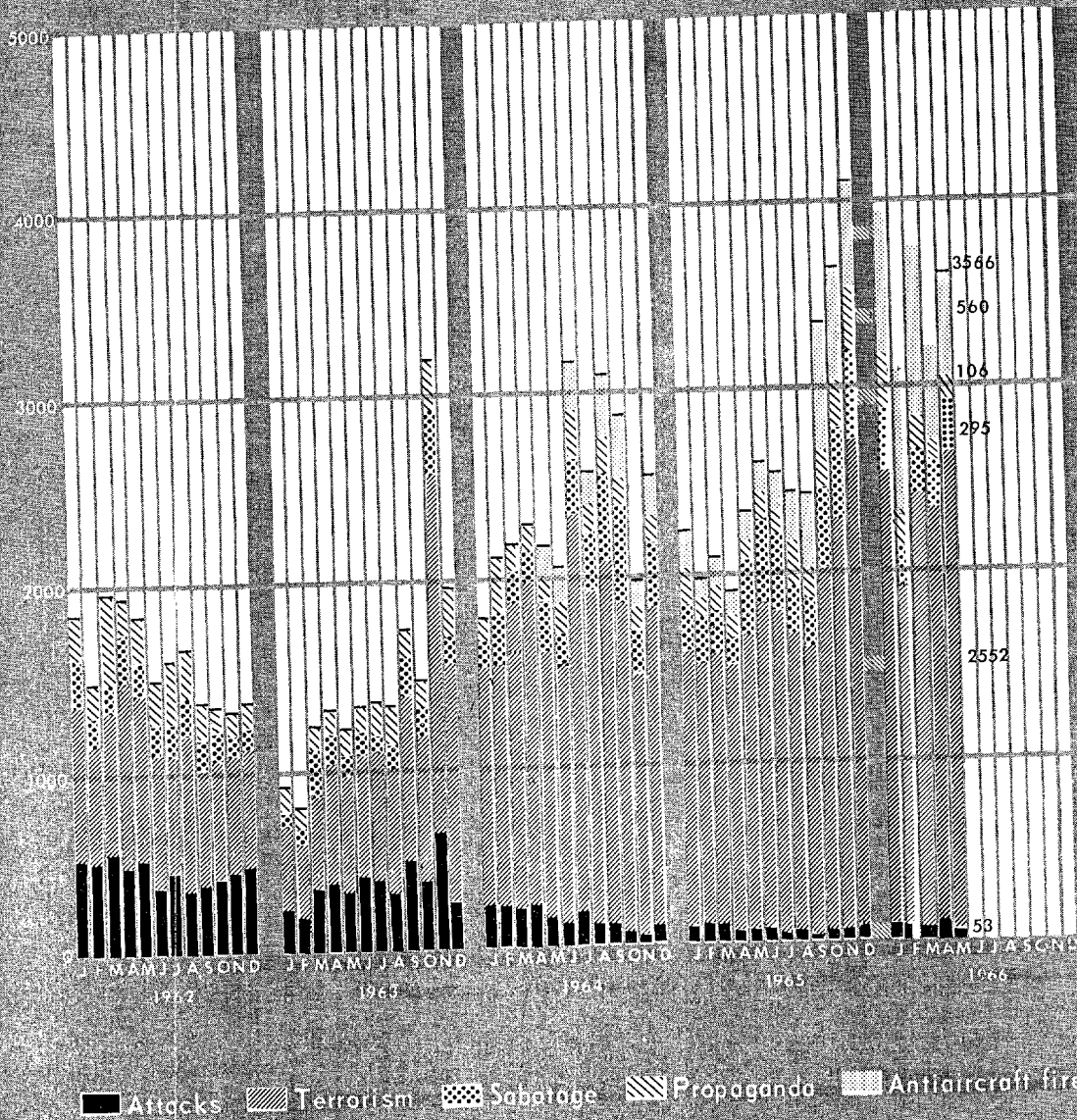
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SOUTH VIETNAM: BATTLE STATISTICS

MONTHLY REPORT

MAY 1966

VIET CONG INCIDENTS



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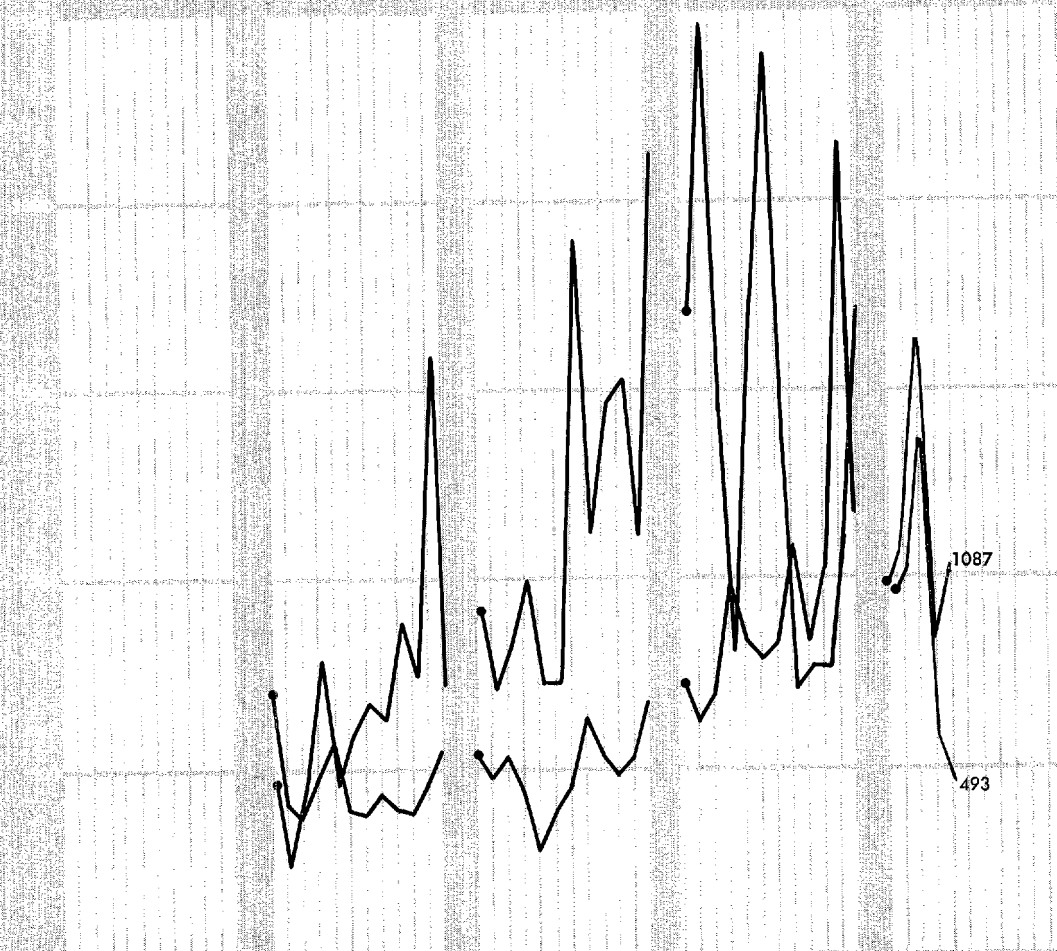
SOUTH VIETNAM BATTLE STATISTICS

MONTHLY REPORT

MAY 1966

WEAPONS LOSSES

South Vietnamese and Viet Cong

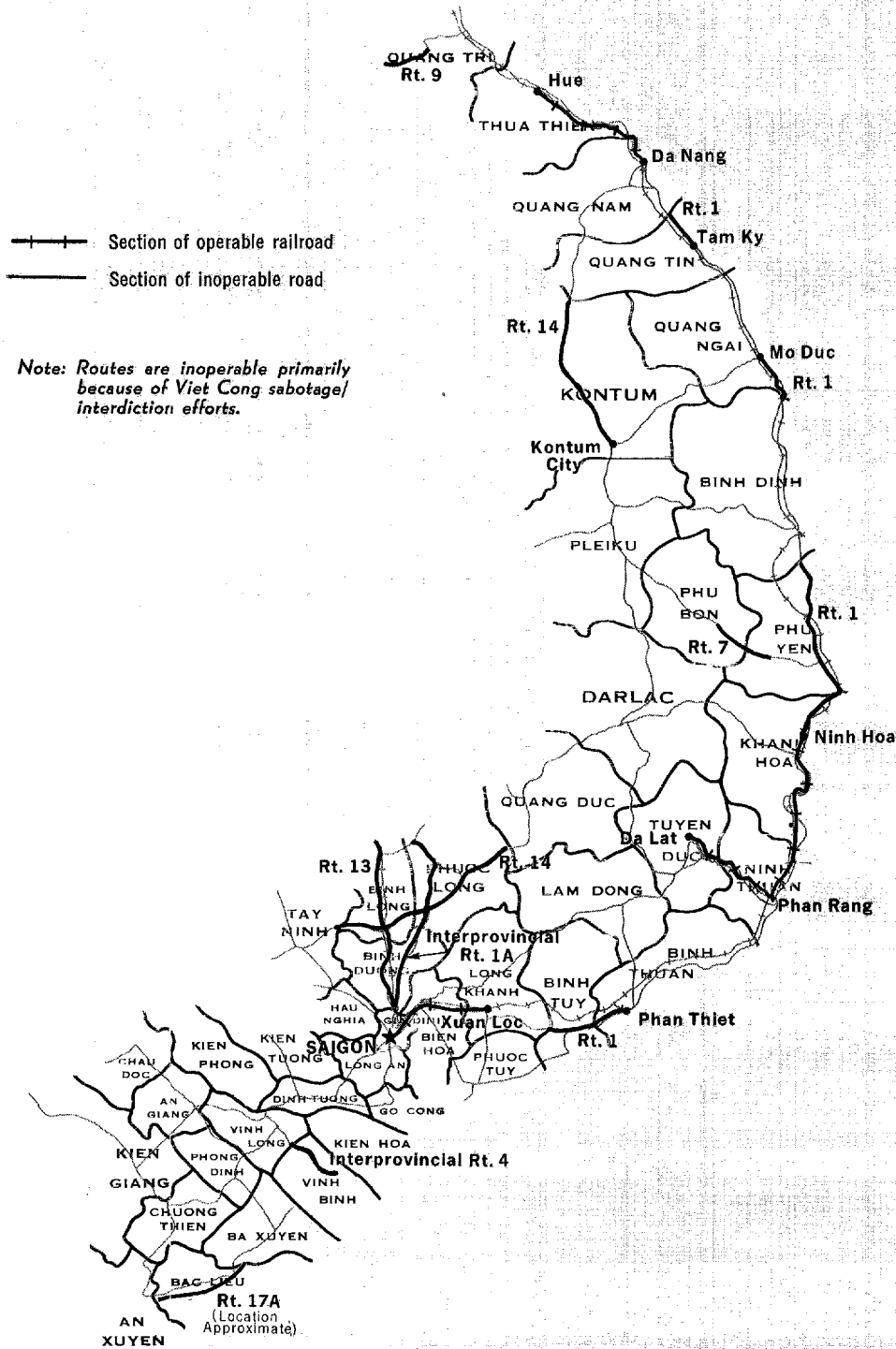


— South Vietnamese - - - Viet Cong

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CURRENT OPERATIONAL STATUS OF MAJOR TRANSPORTATION ROUTES AND COASTAL RAILROAD



62681

CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600
28 June 1966

PREPARED FOR THE NATIONAL SECURITY COUNCIL
FURTHER DISSEMINATION OF INFORMATION
CONTAINED HEREIN IS **NOT** AUTHORIZED

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28 June 1966

HIGHLIGHTS

The Ky government reportedly hopes to announce cabinet changes and the membership of its new civilian-military advisory council by 1 July. In addition, the government is planning to brief local officials in the near future on the September elections.

I. The Military Situation in South Vietnam:
Only light contact was reported today between US and Communist forces (Paras. 1-2). Three South Vietnamese Army battalions, participating in a one-day search-and-destroy operation, reported killing 80 Viet Cong in An Xuyen Province (Para. 3).

II. Political Developments in South Vietnam:
The government hopes to announce cabinet changes and the membership of its new civilian-military advisory council by 1 July (Paras. 1-2). The government is planning to brief local officials in the near future on the September election law (Para. 3). Some political groups have begun organizing for the elections (Para. 4). Vietnamese construction workers who have been on strike in the Saigon area for the past week reportedly agreed to return to work tomorrow while wage negotiations continue (Para. 5). The unofficial piaster prices of gold and US dollars rose today, with no satisfactory explanation yet available (Para. 6). Buddhist Institute leaders apparently have not yet settled their differences (Para. 7). Premier Ky appears to be trying to conciliate Institute Chairman Tam Chau following the government's raid on the Institute last week (Para. 8).

III. Military Developments in North Vietnam:
There is nothing of significance to report.

IV. Other Communist Military Developments:
There is nothing of significance to report.

I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. In northern Thua Thien Province, US Marine patrols encountered light sniper fire today while searching the marshy flatlands between Route 1 and the coast 12 miles north of Hue in Operation JAY. Dog teams were used by the marines in an effort to track down the enemy, many of whom are reported to have moved underground into a vast network of tunnels. Communist casualties currently stand at 88 killed. US casualties remain unchanged at 23 killed and 58 wounded.

2. Operation NATHAN HALE, the large search-and-destroy operation being conducted in the jungled coastal hills of Phu Yen Province, continued today with only light contact reported. A total of 60 Americans have been killed and 232 wounded in this operation which began on 18 June. Communist losses stand at 411 killed and 20 captured, with over 150 weapons seized.

3. Three South Vietnamese Army battalions, participating in a one-day search-and-destroy operation DAN CHI 239 in southernmost An Xuyen Province, established contact with an estimated company-size enemy force today. In the ensuing engagement, three South Vietnamese were killed and 11 wounded. A total of 80 Viet Cong were reported killed, many weapons, including several machine guns and 70 field packs, were seized.

28 June 1966

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

GVN Hopes to Announce New Cabinet and Military-Civilian Council on 1 July

1. According to civilian Directorate member Nguyen Luu Vien, the government will probably announce its new cabinet on 1 July. Vien told a US Embassy official that Premier Ky had asked him to become a deputy premier in charge of health, education, welfare, and labor, and that he had tentatively accepted Ky's proposal. Within his new area of responsibility, Vien stated that the ministers for labor and education would be replaced. The present minister of education, Tran Ngoc Ninh, has been noted for his ties with the Buddhist Institute. Other major cabinet changes mentioned by Vien include the elevation of General Thang to a "super minister" for revolutionary development, and new ministers for justice, interior, and information/Chieu Hoi.

2. Meanwhile, the government is also attempting to line up members for its military-civilian advisory council. The selection of council members originally to consist of 60 civilians in a total of 80 members, has apparently run into some difficulties during the past week, and may only amount to some 40 in all.

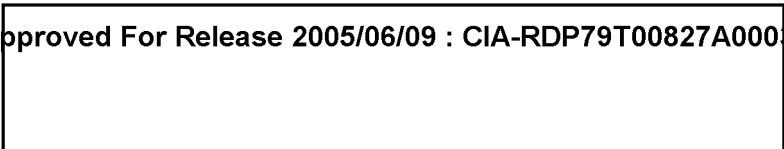
25X1 [redacted] Directorate secretary general Chieu has been given the responsibility for the selection of the civilian members, but has balked at carrying out this duty without receiving some sort of approval from Premier Ky prior to announcing the new members. One tentative list of members was leaked to the press earlier, but at least one whose name appeared on the list declared that he had not been formally invited by the government. Thus far, provincial councilmen who were members of the election law drafting committee have been invited to become members of the new advisory council, but are apparently planning to withhold their acceptances unless the government allows them to hold their provincial council seats as well.

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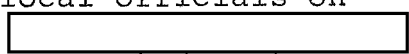
28 June 1966

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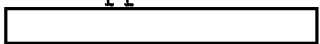


Election Progress

3. The government is planning to send teams consisting of former election law committee members into the provinces in the near future to brief local officials on the application of the electoral law. 

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 government leaders at present do not expect the Buddhist Institute and some Catholic groups to participate in the elections, but do believe that other Buddhist, Catholic, and minority groups will take part.

4. Thus far, the Catholic archbishop of Saigon reportedly has designated the leadership of the Catholic Citizens Bloc--which staged an impressive Catholic parade in Saigon in early June--to organize Catholic participation in the September elections. Dr. Pham Quang Dan, a well-known independent politician in the Saigon area, is also attempting to unite provincial council chairmen throughout the country to run for the constituent assembly under a common symbol. One small Hoa Hao faction also recently announced its intention to participate in any September elections.

Vietnamese Construction Workers Reportedly to Resume Work

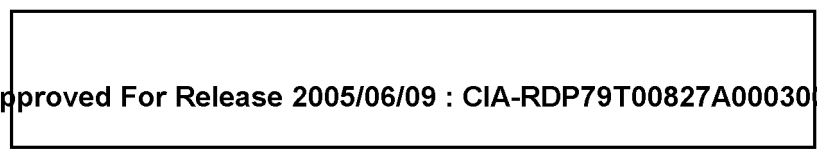
5. According to the press, labor representatives today agreed to call a temporary halt to a strike by some 12,000 construction workers in the general Saigon area. Workers reportedly will return to work tomorrow while wage negotiations continue, with the apparent stipulation that a settlement be reached by 15 July.

Disturbing Rise in Gold and Dollar Exchange Rates

6. The US Embassy reported today that the unofficial piaster prices of gold and US dollars are now rising, with no satisfactory explanation yet available for this trend. The exchange rates had generally been dropping since the government announced its devaluation and other economic reform measures on 18 June. The embassy also noted that among domestic products pork is presently unobtainable in Saigon markets, while the most serious price rise among imported commodities is that of wheat flour, which has risen some 57 percent since 14 June.

28 June 1966

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Buddhist Institute Troubles Remain Unresolved

7. Press reports today stated that members of the Buddhist Institute Council met yesterday at Tri Quang's bedside, but that no decisions were announced. A spokesman for Tri Quang reportedly announced that Quang was still "considering" a letter from patriarch Tinh Khiet ordering him to end his hunger strike. Khiet's communique' from Hue, which was made public yesterday, also ordered Tam Chau to take charge of efforts to reach an accord with the government. Khiet, who is over 80 and rarely takes part in secular affairs, evidently signed the communique', although it is not yet clear who drafted the document.

8. Meanwhile, Premier Ky is apparently attempting to conciliate moderate Institute Chairman Tam Chau after Chau's criticism of the government raid on the Institute on 23 June. According to a partial translation of Vietnamese language newspaper in Saigon today, Premier Ky expressed regret to Tam Chau for the government's action, and personally ordered a halt in the search of the Institute after learning of the raid. Ky also offered reparations for any damage that might have been inflicted by the government and ordered the release of any genuine members of the Buddhist clergy.

28 June 1966

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

28 June 1966

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

28 June 1966

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. There is nothing of significance to report.

28 June 1966

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