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9 November 1971

MEMORANDUM

SUBJECT: The Future of the Anti-VCI Effort in South Vietnam

1. Recent communications from MACV indicate that the US Command there is in the process of reexamining the Phung Hoang program. While this action was anticipated, the proposed phase out should precipitate a thorough review of the program's objectives and in South Vietnam, the proposed new organization and structure of the anti-VCI effort should be examined carefully so that its capabilities parallel the demands that will be placed on it.
2. The current plan prepared by MACV would transfer "national level responsibility for the full anti-VCI effort to the National Police, including Police Special Branch, on a time-phased basis...". This plan is in general agreement with the recommendations of Sir Robert Thompson; both as applies to his lengthy report on the situation and with respect to his current (October 1971) opinion on the matter.
3. If the program currently is distorted and ineffective as the MACV says it is, then there are few who would argue strongly for retention of the program as it is presently constituted. There also appear, however, to be several shortcomings in the proposed changes: (1) Not all of the purposes of the Phoenix/Phung Hoang program were made explicit in directives, and thus not totally amenable to the management

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study conducted, particularly when, (2) few currently on the staff of MACV have a tenure sufficient to recall the evolution of the program or its implicit objectives.

4. Of the implicit themes that were embodied in the Phung Hoang program, two remain significant to our objectives in South Vietnam. The first was a coordination effort--thus the name of the program's immediate predecessor, Intelligence Coordination and Exploitation (ICEX)--that was believed necessary due to the plethora of military, paramilitary, and paracivilian organizations loose in South Vietnam's countryside. Each of these organizations had more or less independent command structures and were sources of intelligence on the VCI even though more often than not they lacked any formalized intelligence structure. Coordination was necessary not only to rationalize the collection of intelligence but also to feed it into a place where some action could be taken on the basis of it. The coordination procedures that would succeed the Phung Hoang structure have not been spelled out.

5. The situation in the countryside of South Vietnam remains essentially the same in the sense that the penchant of the GVN--abetted by us to some degree--for overlaying one organization on another has not been altered. It appears that there will be a continuing need to coordinate intelligence gathering and, in some cases more importantly, to coordinate the allocation of resources so that the attack on the VCI

receives an appropriate share. It is by no means clear that the phase-out proposal treats this need in an adequate way.

6. The second theme implicit in the development of the Phoenix/Phung Hoang program dealt with the inertia problem. It was known that at the district level there was considerable reluctance to pursue the non-military elements of the insurgency with the remorseless efficiency needed to do the job. It was also known that the problem could not be cured at the district level but that pressure had to be applied from the top down. With this need in mind, an advisory effort was initiated to stimulate a national level program, with appropriate coordination at ministry levels, and a presidential-level push that would motivate some action. Ultimately this advisory effort was effective; producing at first only directives that no one paid much attention to, but subsequently a program that with all of its shortcomings at least worked. It is believed that part of the reason why the inertia that pervaded all levels of the GVN was finally overcome lies in their realization that we thought it to be important. Our parallel structure, our resources, our command emphasis combined to impress upon the GVN the importance of the anti-VCI program to a successful conclusion of the war. It is feared that abandonment of the program by the US will bring forth an equivalent action on the part of the South Vietnamese. The proposed arrangements do not provide for any continuing momentum.

7. In the purposes of discussion, we can assume that the National Police command is currently incapable of implementing, let alone managing, the program at the present time. The MACV proposal attempts to assuage this difficulty by time-phasing the changeover in responsibility; essentially transferring responsibility on a district-by-district, province-by-province basis until the tasking of the National Police is complete. This process, however, obviously only defers the problem unless there is an appropriate improvement in National Police performance in the interim period. Moreover, the very fact that responsibility is somewhat vague and ambiguous throughout the transition period may effect irrevocable damage to the momentum of the program.

8. A critical point in the proposed changes concerns the advisory role of the US, both in the motivational and the operational sense. With regard to the latter role, it is expected that the major burden of the anti-VCI effort will fall to the Police Special Branch under the assumption that they are in general more competent and in particular more familiar with the task at hand. The fact remains that the Police Special Branch is not at this time capable of taking over the problem either. This consideration is not really altered by the additional 7,000 Special Branch recruits which are to be taken into the program over the next year since they will take some time to acquire the required skills.

9. In the past, the dominant advisory role of the CIA within the Police Special Branch has been said to have been to develop the skills needed to exploit the VCI for intelligence. The study then says that there is another phase to the attack on the infrastructure; that which might be characterized as an action phase. Thus the paper sees two roles for the Special Police, but only one role for Special Police activities. This consideration inevitably raises the question of feasibility at the working level. What influence will the Special Branch intelligence advisor have, with his by the nature of things low budget, when the "name of the game" within the Special Branch will be the action phase of neutralization? Accordingly, it can be expected that the significance and effectiveness of the CIA advisory program will drop. In fact, it is very likely that the MACV proposal as it now stands will rapidly make the CIA advisory role untenable, or, at best, a useless appendage. The proposed transfer of responsibility will, then, have a serious effect not only on the motivational role that the US played but also on the advisory role, since the operation of the attack on the VCI will essentially be devoid of any effective advisory effort other than the holdover from CIA's relationship with the Police Special Branch.

10. The original concept of Phung Hoang saw no dichotomy between the VCI as an intelligence target and as an action target. VCI were to be targetted (1) for recruitment, (2) for defection, (3) for capture,

and (4) inadvertent neutralization. In practice, no precise lines could be drawn but two general types of activity did emerge. That against high level VCI intelligence targets (who were normally not vulnerable to action operations) and low level VCI action targets (who normally did not possess intelligence of value).

11. Proposals

The following proposals are premised on several observations regarding the situation in South Vietnam:

- (a) the effectiveness of the VCI has deteriorated more rapidly than its numerical strength. If, however, we decrease the pressure on the VCI, a window will open through which a renewed insurgency will emerge.
- (b) the VCI problem, at least in the short-run, appears manageable in most areas of the country. The principal exception--a crucial one--is the southern half of MRI and the northern half of MR II. The proposed withdrawal of US advisory support, therefore, would not have a deleterious effect throughout the country. It is probable that, operationally, the Vietnamese can handle the VCI structure in most of the countryside.
- (c) the areas in which the VCI still pose a significant threat are ones in which much of the anti-VCI effort maintains

nominally in the hands of the National Police, a close alliance with the various elements of the armed forces is necessary to get anything done.

- (d) the CIA advisory effort would have to be expanded substantially so that its input would cover not only the existing intelligence aspects of the Police Special Branch but also the operating aspects of the National Police as an anti-VCI action agency. This poses several problems, of which two are immediate. First, whatever size the CIA advisory might enlarge to, the CIA cannot provide an official US commitment to the program. This can be done effectively only by an overt, official part of the US government. Second, if the CIA advisory effort is expanded into the police operational field, an undue exposure will undoubtedly result. It would appear unlikely that this would do much good in the public relations sense for either the US government or the GVN.

Under these assumptions, it would appear that the current MACV proposal courts some serious risks in the area of long-run impact on the course of the war. Most of these risks, however, can readily be avoided if the following steps are taken:

- (1) a MACV anti-VCI staff of appropriate rank is retained.

- (2) US advisory support all the way to district level is retained in the southern MR1 and northern MR2 areas where the VCI remain a problem. Under the circumstances, it is likely that US military advisors would be the most appropriate.
- (3) that the Phoenix/Phung Hoang term be dropped from the US side--retained by the GVN if they so desire--and a new term for the anti-VCI/Pacification effort in the MR1-MR2 impact area be coined.
- (4) That serious consideration be given for a long-term (3-6 years) input of US military advisory personnel to the National Police. This would have the advantage of providing a continuity not generally available to USAID projections and would also permit the insertion of CIA personnel where this was deemed appropriate.