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SNIE 53-2-64
1 October 1964

SPECIAL NATIONAL INTELLIGENCE ESTIMATE
53-2-64

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THE SITUATION IN SOUTH VIETNAM

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Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

As indicated overleaf
1 October 1964

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CENTRAL INTELLIGENCE AGENCY

1 October 1964

SUBJECT: SNIE 53-2-64: THE SITUATION IN SOUTH VIETNAM

THE PROBLEM

To examine the situation as it has developed since early September, and to assess its implications for the US.

CONCLUSIONS

A. Since our estimate of 8 September 1964* the situation in South Vietnam has continued to deteriorate. A coup by disgruntled South Vietnam military figures could occur at any time. In any case, we believe that the conditions favor a further decay of GVN will and effectiveness. The likely pattern of this decay will be increasing defeatism, paralysis of leadership, friction with Americans, exploration of possible lines of political accommodation with the other side, and a general petering out of the war effort. It

* SNIE 53-64, "Chances for a Stable Government in South Vietnam," dated 8 September 1964, SECRET.

is possible that the civilian government promised for the end of October could improve GVN esprit and effectiveness, but on the basis of present indications, this is unlikely.

B. We do not believe that the Viet Cong will make any early effort to seize power by force of arms; indeed, we doubt that they have the capability for such a takeover. They will continue to exploit and encourage the trend toward anarchy, looking for the emergence of a neutralist coalition government which they can dominate.

DISCUSSION

The GVN

1. Continued Political Deterioration. Political conditions in South Vietnam have continued to deteriorate since our estimate of early September.* Despite efforts by Prime Minister Nguyen Khanh to stabilize the situation, he has been faced with an attempted coup, rioting and demonstrations in the northern provinces, a massive labor strike in Saigon, and an armed revolt by Montagnard elements among the Special Forces. Khanh's authority, already weakened by the Buddhist-student crisis in August, has been further diminished, and the degree of his support within the military establishment is increasingly

* SNIE 53-64 "Chances for a Stable Government in South Vietnam," dated 8 September 1964, SECRET.

in question. Most of the non-Communist power elements appear to be marking time, pending their assessment of the civilian government which Khanh has promised will be formed by the end of October.

2. The Picture in Saigon. South Vietnam is almost leaderless at the present time. General Khanh has retained his position by making concessions to various interest groups -- political, religious, students, military, and labor -- which have pressed their demands upon him. In turn, these groups still seem bent on pursuing self interest and factional quarrels almost to the point of anarchy. A lack of sense of purpose and an absence of direction from above have seriously affected morale and created passiveness and apathy within the civil law enforcement agencies. Government ministries in Saigon are close to a standstill, with only the most routine operations going on. Cabinet ministers, as well as second-level bureaucrats, freely express their pessimism, and even though US and GVN officials are again meeting on pacification and other joint planning, these meetings are not being followed by action from the Vietnamese side.

3. GVN Military Morale and Effectiveness. The continuing disarray of the Saigon government, power struggles within the military leadership, and the activities of self-seeking politicians and religious leaders have adversely affected morale within the military establishment. However, the

the existing level of effectiveness of combat operations does not seem to have been seriously affected as yet. Nevertheless, continuing political instability would almost certainly aggravate such longstanding deficiencies in the Vietnamese military effort as inadequate motivation, initiative, and aggressiveness. A continuing lack of firm direction, and further squabbling among senior officers in particular, could depress the morale of the troops and junior officers to the critical point. Although the GVN armed forces have long had a high rate of desertion by individuals, there have been no important unit desertions or defections. If military morale continues to decline, however, desertion and defections within both the military and paramilitary services may occur on a larger scale, perhaps even by organized units.

4. Signs of Defeatism in GVN Leadership. High-ranking ARVN officers have confessed to US officers deep discouragement at the lack of leadership and direction. The J-3 of the Joint General Staff has indicated that he feels little reason even to discuss further pacification planning; various high-ranking field commanders have expressed similar pessimism; and General Khanh himself has shown signs of being overwhelmed by his responsibilities.

5. The Situation in the Countryside. The near paralysis of government initiative in Saigon appears to be spreading rapidly to outlying areas. Although the southern areas still appear relatively unaffected by the crises of the past several weeks, governmental authority has declined seriously in the northern coastal provinces where provincial and police officials are apparently receiving little guidance from Saigon. In such urban centers as

Hue, Danang, Qui Nhon, and Nha Trang, Vietnamese commanders have repeatedly failed to intervene in civil disturbances and rioting on the grounds they lacked precise orders; in some instances, actual authority has passed by default to extremist "vigilante" groups, such as the "People's Salvation (or Revolutionary) Council" (PRC). The nature of the provincial bureaucracy is such that it can rock along for considerable time, carrying out existing programs despite political deterioration in Saigon. Nevertheless, continued confusion and inaction in Saigon, or another coup, could rapidly produce a critical deterioration in government in the countryside. A slippage in morale and in programs among provincial administrations, at least in the central provinces, has already begun.

6. The Peoples Revolutionary Council (PRC). The PRC has established local councils in many coastal cities and may seek to form a chapter in Saigon, where two PRC leaders have recently been named to the new 17-men High National Council. The aims of the PRC are not clear, but the local councils seem vulnerable to Viet Cong penetration, and the fact that they have assumed government powers in some provincial cities tends to undermine Saigon's control and to damage the morale of civil servants.

7. The Montagnard Problem. The Rhade revolt of 20 September and the continuing possibility of further and more general uprisings by the Montagnards pose an immediate and very serious problem for the GVN. The Montagnards have

a violent dislike for and distrust of the lowland Vietnamese, and have sought autonomy for years. The Vietnamese on their part look down on the Montagnards; until recently, the GVN has usually acted in a manner which has widened rather than lessened the breach between the two. The problem has been further compounded by constant and rather intensive Viet Cong political and psychological agitation among the Montagnards, playing on their aspirations and their dislike of the ethnic Vietnamese. Resentment over the killing of some 70 Vietnamese by tribesmen during their revolt will make it extremely difficult for the GVN to offer settlement terms acceptable to the Montagnards. Thus, there will probably be continuing disorders in the Highland areas, diminishing cooperation with the GVN, and increasing Viet Cong influence.

8. Offsetting Considerations. Although the signs of deterioration are many and clear, there are offsetting considerations that reduce the likelihood of sudden collapse and afford some very slim hope that the trend can be arrested. The Vietnamese people have a long record of resilience in the face of adversity; the ability of the peasants and even of urban elements to continue normal patterns of life despite political disorder makes for some degree of basic stability. The routine functions of government still work fairly normally; business does go on; and the streets are not places of constant terror. Discouragement over the absence of leadership and the progress of the war has not yet led to calls for ending the fighting. Few if any of the many groups now seeking to enlarge their powers regard an accommodation with the Communists

as consistent with their interests. Finally, the military instrumentalities of pacification still exist and retain significant capabilities.

9. Tensions in US-GVN Relations. In the last month or so, there has been a disturbing increase in anti-American sentiment at various levels of Vietnamese society. Recent demonstrations in Hue, Da Nang, Qui Nhon, and Nha Trang have had definite anti-American overtones. These were probably attributable in part to Viet Cong agitation and incitement, but in some measure they seem also to have reflected a genuine irritation at the Americans for various reasons having no direct connection with Viet Cong activity. For its part, the Buddhist leadership, whether anti-Communist or not, is imbued with intense nationalism which has at times manifested itself in opposition to US policies and actions. Suspicion of US motives and concern over US involvement in internal policy is growing among the top echelons of the GVN, and, most importantly, on the part of Khanh himself.

10. GVN Contacts with the Communists. The principal GVN leaders have not to our knowledge been in recent contact with the Communists, but there has been at least one instance of informal contact between a lesser governmental official and members of the "National Liberation Front," which is a creation of Hanoi. Moreover, there are numerous potential channels of communication between the present GVN leadership and the DRV authorities, and these could very likely be used without US knowledge.

11. Coup Possibilities. Although no definite coup plans are known to be afoot at the moment, we believe that further coup attempts are likely, given the ambitions, discouragement, and bitterness prevalent among certain key South Vietnamese military and civilian figures -- and the comparative ease of mounting a coup attempt in the present deteriorating scene.

12. Alternatives to Present GVN Leadership. Present plans call for the establishment of a new, broadly-based, and predominantly civilian government by the end of October. Such a government might do better than the present one, but the odds are against its having the cohesion and effectiveness necessary to arrest the current decline. No visible alternative seems any more promising. Indeed, we cannot presently see any likely source of real leadership; no Magsaysay has yet appeared. None of the military personalities and factions seems capable of commanding a sufficiently broad spectrum of support. Of nonmilitary figures, the Buddhist leader Tri Quang is the strongest political personality and has demonstrated talents for leadership and organization. But he apparently desires to avoid such responsibility, and a Tri Quang government would face strong opposition from militant Catholics, some of the military, and certain other groups. Not least, it would be a difficult government for the US to work with, and some of its major policies would almost certainly not be consonant with US interests.

The Viet Cong

13. Viet Cong Policy. There are numerous signs that Viet Cong agents have played a role in helping sustain the level of civil disorder which has recently prevailed in the cities of South Vietnam; they have also affected the tone and direction taken by some recent protest demonstrations. Their hand was evident in the recent riots in the capital of Binh Dinh Province, and they may have already penetrated the PRC. Viet Cong propaganda throughout September has increasingly called upon the people to take advantage of the government's confusion by pressing on all fronts. This capitalizing on unrest is an old policy; what is new is the rich opportunity presented by the collapsing of GVN authority. The Viet Cong have apparently decided that heightened efforts on their part will reduce the country to near anarchy and the government to impotence, bringing an early victory in the form of a negotiated truce and a "neutralist" government dominated by their National Liberation Front. Although these heightened efforts may include some battalion-sized, or larger attacks, we do not believe that the Viet Cong are trying to force a military decision at this stage. Rather, they will continue stressing small-scale terrorist activity aimed at furthering the breakdown of administration and the decline of faith in the government.

14. Viet Cong Capabilities in the Cities. Viet Cong strength in the cities has almost certainly increased substantially in recent months. We

base this conclusion on our general reading of the present situation rather than on specific knowledge of current Viet Cong assets. In the closing days of the Diem regime, Vietnamese police and security agencies had a fairly good reading on the nature and extent of the Viet Cong apparatus in the capital area, and it did not constitute a serious threat at that time. Immediately following the November 1963 coup, however, Colonel Tran Ba Thanh became Deputy Director of National Police. There are strong grounds for believing that Thanh may be a Communist agent; in any event he released some key Viet Cong prisoners, destroyed Viet Cong dossiers in police archives, and placed at least one known Viet Cong agent in a key position within the police structure. Although Thanh was ousted when Khanh seized power, the Saigon police and security services have not recovered their anti-Communist capabilities. The fact that Communist agitation still remains under careful cover, however, suggests that the Viet Cong intend still to husband these assets and not risk them in a premature takeover attempt.