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SIGMA I-66

FACT BOOK

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WASHINGTON, D.C. 20301
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SIGMA I-66 INITIAL SCENARIO

The Scenarios for SIGMA I-66 are not intended to suggest that de-escalation of the war in SEA is either desirable or likely. These are aimed at illuminating some of the problems and opportunities which may be associated with moves toward a reduced level of hostilities. They are entirely hypothetical.

INITIAL BLACK SCENARIO

THE NATIONAL LIBERATION FRONT

13 September 1967

THE VIEW FROM TAY NINH PROVINCE. There is tenuous hope today at Headquarters of the National Liberation Front (NLF) -- more than has been felt for months. Those who kept the faith may now be vindicated but there is no time to philosophize. In the early hours this morning an emissary, the brother and close confidant of the RVN Defense Minister, arrived here from Saigon. He states that he has been secretly authorized to begin negotiations for agreement aimed at ending hostilities between the Saigon regime and the NLF, creating a Popular Front Government and demanding early foreign troop withdrawals. It is the widest crack to date in South Vietnam's political structure. If it had been longer appearing it might have been too late.

Diseased, tired, and hungry -- morale among Liberation Front forces is low. Southerner and Northerner, regular and guerrilla, the troops are all weary. Recruiting has become coercion; volunteers include thirteen year olds. Desertions increase, and thousands of dispirited people seek sanctuary through Saigon's "Open Arms Program." The Americans continue massive air and ground blows -- pouring tons of bombs on suspected NLF sanctuaries, launching swift, murderous assaults on NLF forces wherever they concentrate, but Government desertions are higher than the Front's.

NLF elements fighting in South Vietnam seek to avoid American spoiling attacks, to elude enemy search and destroy forces and to concentrate on the real war -- the struggle for support of the civil population by all possible means. This has not been the policy followed by North Vietnamese (NVN) forces to their bitter cost.

BACKGROUND EVENTS. In September 1966, NLP guerrilla efforts were aimed at impeding the SVN elections. Persuasion, terror, and threats were used to frustrate Saigon's encouragement of a large turn-out. Fraudulent counting and government lies combined to pad the results but the real facts were apparent to the people. Instead of the high figure claimed by Ky in the Western press, no more than 30 percent of the electorate really support the government. However, in order

to placate world opinion, the so-called Constituent Assembly which emerged, included a wider spectrum of political representation than any previous SVN government. In the following months, the puppets dutifully devised a blueprint for parliamentary government led by a strong President -- similar to that of France. Ky and his Directorate, meanwhile, continued discharging orders of their American masters.

In October the General Assembly of the United Nations voted to seat the Chinese People's Republic. Before the issue reached the Security Council, Peking angrily rejected the proposition unless the Chiang Kai-shek faction was expelled.

In November, the American elections saw an upsurge in the number of "hard-liners" elected to Congress, the money-interests stirred public emotions "to end the war quickly."

In Australia, the Liberal Party won a limp victory but their margin over Labour was so slim as to constitute a major restraint on future Australian efforts in Vietnam.

During December, the leadership of the Liberation Front was engaged in bitter disagreement with Hanoi over strategy. The Central Office for South Vietnam (COFSVN), recommended efforts to strengthen village and regional political and military infrastructures. Their objective was to further develop the strength and capabilities of Liberation Forces in small units -- scattered and elusive -- avoiding confrontation with the Americans -- hitting only weak and exposed SVN elements -- concentrating on terror and subversion. Giap disagreed, his views prevailed and the decision was made to launch a mainforce summer offensive to cut South Vietnam across its neck south of Hue.

While inflation, logistical and administrative problems inundated Saigon and the American command, popular dissatisfaction was vented in South Vietnam through riots and demonstrations in the cities. Much was said in Saigon and Washington about "winning the hearts of the people", but the real American interest lay in military victories. Powerful search and destroy operations were launched with over half the American and Korean maneuver battalions constantly in the field. SVN forces were largely relegated to "pacification efforts" supporting a poorly administered "Revolutionary Development Program" in areas considered cleared.

At that same time, a high level Soviet mission was in Hanoi, providing improved radar and missile defenses for the capital. Little was done by either the Soviet Union or People's

Republic of China (PRC) to advance the struggle in South Vietnam. Instead of heeding COFSV advice, the high command began implementing Giap's plan.

In January and February, torrential rains swept the Red River Delta wiping out half the rice crop. The accompanying lack of visibility cut sharply into American visual reconnaissance capabilities contributing to the buildup of improved Soviet missile and radar equipment. From that point on, American air losses mounted even as NVN divisions began massing along the DMZ and infiltration into South Vietnam expanded.

The Indian five-year elections in February gave Mrs. Ghandi the narrowest of victories, demonstrating the strength of factions who had been alienated by her pro-American policies. Also, in February, the British Defense White Paper announced major cuts in British forces in Malaysia and Singapore.

In March, general elections were held in Saigon under the new constitution and Dr. Dang Van Sung, an eminent civilian, was elected President. Ky stepped down but continued to serve as Commander of South Vietnam's Air Force. Although the Government included more civilians than ever before, it was quite obvious that the military clique would continue to exercise real power. American military operations reached a new peak both in South Vietnam and in the air over North Vietnam. Americans initiated offensive operations with two divisions in Military Regions #8 and #9 in the Delta during which a battalion of the newly arrived US 9th Infantry Division was cut to pieces in the bloodiest ambush of the war. NLF satisfaction was shortlived. At month's end, the Liberation Front sustained over 2,500 dead and twice this number of wounded in American attacks at Tuy Hoa, Quang Tri and Vinh Long. These losses spurred Ho to continue his relentless demands for increased Chinese and Soviet economic and material support. The shortage of fuel for NVN motorized equipment had become one of his greatest concerns.

By April, over 500,000 American troops were operating in South Vietnam and the air offensive in the north had been expanded to include all major railroad marshalling yards except those in major urban centers. NVN infiltration into South Vietnam had kept pace, however, and the strengthening of local Liberation Front forces continued on a nation-wide basis. A major attack was conducted against the American logistics base at Cam Ranh Bay, killing 325 of the enemy, destroying masses of supplies, sinking a tanker and ammunition ship, and smashing a De Long pier.

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In May, NVN MIGs mounted an all-out effort against US air missions over the country, destroying 21 American planes in two days. This was another blunder by Hanoi and the Americans responded with saturation attacks against all NVN airfields, destroying 30 MIGs and literally wiping out North Vietnam's air capability.

Later in May, enemy naval elements attacked newly improved radar facilities along the coast of North Vietnam with gunfire. A surprise commando raid by US, Korean and SVN marines smashed or captured radar equipment on Tiger Island.

During June, while disease and sagging morale slowed Liberation Front activities, the enemy also had difficulties. Sneak attacks by Thai insurgents caused damage to the American supply installation at Korat and to the air base at Udorn. The American press blossomed with stories from American soldiers, disgusted with corruption and inefficiency in the South Vietnamese government and condemning the unequal sacrifices required of American fighting units. The American cost of living soared and criticism of the Administration became sharper every day.

As US air losses mounted, the Americans launched powerful attacks against North Vietnamese hydroelectric plants. Western European as well as communist and third-world opinion became increasingly apprehensive as the war in Asia escalated. Washington was flooded with appeals for peace.

While Western press media headlined a new black-market scandal in Saigon, the Americans pressed for negotiations through every diplomatic channel. Their President reiterated willingness to announce a withdrawal timetable for his forces if Hanoi would do the same and it was apparent that enemy desperation was growing.

In July, Buddhist monks formed for demonstrations against rising prices and corruption in Saigon and Hue even while the buildup of Marshal Giap's forces was completed. Against the advice of many -- both in South Vietnam and Hanoi -- his divisions prepared to cut the country in two.

American intelligence was better than anticipated. Bad weather, upon which Liberation Forces had depended for concealment, unexpectedly cleared up. US marine, air-mobile, air and naval forces were thrown into a giant spoiling attack while Guam based B-52s pounded NVN jump-off positions. Concurrent NLF irregular efforts were opposed by Popular Forces and ARVN units which offered unusually strong resistance. In a week of fighting, three NVN divisions -- the cream of North Vietnamese

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regular forces -- were thrown back, leaving not only dead but wounded, as well, to the enemy. NVN and NLF units withdrew toward the Laotian border in confusion as enemy air maintained a drumfire of destruction. Veterans of Dien Bien Phu were stunned at American mobility, communications and murderous ferocity of US air and artillery. The enemy claimed over 1,000 prisoners.

In Washington, announcing the military victory, the Secretary of Defense hinted strongly that the US force buildup in Vietnam had reached its peak. "From here on," he said, "it is a question of determination and perseverance." Anti-war elements were the target of his remarks for it was apparent those forces were coalescing and would become more shrill as Presidential elections approached.

American air attacks escalated in North Vietnam (in spite of mounting losses to sophisticated Soviet weapon systems), and in late June heavy US blows fell on the steel plant at Thai Nguyen and three NVN coal mines -- the first such strikes of the war. Increasingly, American press coverage cited Soviet contributions to US losses.

Throughout the summer months, the Pathet Lao intensified their build-up in the Lao Panhandle.

In Saigon, allied military victories during July were overshadowed by a governmental crisis which followed removal of a Corps commander for corruption. Rumors of coups and countercoups swept the capital and an American airborne brigade moved into the city to maintain order.

During August, as American air strikes against communications centers, industry and ports slowly mounted, US air losses from SAM and anti-aircraft artillery kept pace.

Also during August, enemy Headquarters announced deployment of Korean, Australian, New Zealand, South Vietnamese and American military units along the south side of the Demilitarized Zone as an international shield against invasion.

That month, China detonated another nuclear device. The civilian headquarters of NATO shifted from Paris to London and De Gaulle called again for neutralization of Indo-China, "before the fateful hour has passed."

After lengthy negotiations, conducted in secret, Hanoi and the Americans reached an understanding regarding a limited exchange of war prisoners. Acting through the Canadians, several

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North Vietnamese sailors, captured at sea by the US Navy, were exchanged for an equal number of seriously wounded American flyers, shot down over Vietnam. Similar discussions are believed to be underway regarding the possibility of additional prisoner exchanges.

On 3 September, orders were received at COFSVN from Hanoi requiring the exfiltration of two NVN divisions from dispersed positions in South Vietnam and Laos back to North Vietnam. It was understood that they would be given an opportunity to reorganize and refit for next year's campaign. Nevertheless, defeatist rumors began to spread. Orders have also been received from Hanoi to immediately curtail all offensive operations in South Vietnam.

In early September there were rumors of high level conferences in Hanoi, Peking and Moscow and a report that Giap has killed himself but throughout most of South Vietnam the Liberation Front, through its cadres and solidly entrenched infrastructure, holds a powerful grip on the situation. The Americans have won their battles but the people of South Vietnam still do not support the puppet regime in Saigon.

This morning a respected emissary from Saigon communicated secret proposals which should end the struggle. He indicated that there is sufficient disaffection, within the National Assembly to permit a rapprochaent between the Liberation Front and the government. This is caused by growing frustration over military attempts to dictate all aspects of Vietnamese life. The emissary is speaking for a majority group which has the power to seize control, demand American withdrawal and conduct free elections. When agreement has been reached, key elements of the ARVN are prepared to arrest their commanders, join forces with Liberation Front and announce a new Popular Peace Government in South Vietnam.

It is now 13 September 1967.

SIGMA I-66

SIGMA I-66 was prepared, organized and administered by the Cold War Division, JWGA with extensive assistance from many personnel of the participating agencies and commands.

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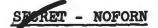
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SIGMA I-66

ISSUES, PROBLEMS, AND QUESTIONS

The following material is intended to provoke thought and to stimulate discussion. It does not represent the views of the Joint Chiefs of Staff, the Joint War Games Agency, or of any other government agency.

ISSUES

RED CHINA CONSTITUTES A MAJOR THREAT TO AMERICAN SECURITY

THE UNITED STATES MUST CONTAIN RED CHINA ALONG CURRENT LINES

RED CHINA PROVIDES THE REAL IMPETUS BEHIND THE WAR IN SOUTHEAST ASIA

THE UNITED STATES MUST DEFEAT THIS SO-CALLED "WAR OF NATIONAL LIBERATION" IN ORDER TO PREVENT OTHERS

THE SITUATION IN VIETNAM IS NEGOTIABLE

ONLY FURTHER ESCALATION OFFERS ANY PROMISE OF BRINGING HANOI TO A CONFERENCE TABLE

NEGOTIATIONS IN SOUTHEAST ASIA WILL ENTAIL SERIOUS RISKS FOR THE UNITED STATES

THE VITAL ESSENTIAL OF US POLICY IN SOUTH VIETNAM IS THE CREATION OF A STABLE GOVERNMENT SUPPORTED BY THE PEOPLE

NEGOTIATIONS SHOULD BE RESTRICTED TO RESOLVING THE CONFLICT IN VIETNAM WITHOUT REGARD TO THE PROBLEMS OF LAOS AND CAMBODIA

RED CHINA CONSTITUTES A MAJOR THREAT TO UNITED STATES SECURITY

YES

The Lin Piao Manifesto outlines Red Chinese aims and aspirations with vivid clarity. Rantings of the Red leadership underscore dynamic determination to expand the influence of militant communism and Communist China's rift with the USSR is further proof of this It is awesome to contemplate a nation so committed to domination of the world that it brands the leadership of the USSR as traitors to Marxist doctrine. The only constraint on Red Chinese movement toward world domination is China's present economic and military weakness. The threat will become more menacing as the power base expands. Even now, China is doing everything possible to export "wars of liberation" and to spread Peiping's ideals of communism among developing nations as evidenced by Communist Chinese activities in Africa, Latin America and Southeast Asia.

Chinese acquisition of even a limited nuclear capability pairs the world's largest land army with the awesome power of mass destruction weapons. The Chinese are now acquiring a nuclear blackmail capability and there can be little doubt that they can eventually create a modern nuclear force. Mao has stated that the Red Chinese will be

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In spite of official statements and propaganda, Red China's foreign policy since the Korean War has been essentially cautious. Even Korea was a basically defensive commitment. Red Chinese leaders have not acted irrationally -- there were at least dubious legal grounds for attacks into Tibet, Ladakh and India's NEFA -- and they have carefully avoided direct confrontation with US forces (e.g. in the Formosan Straits and SEA). Peiping's capability for expansion is economically and logistically limited. Serious internal problems preclude major aggression. The virulence of pronouncements coming from Red China are less alarming if the Marxist need for an "enemy" and a "struggle" to motivate the masses is understood. Red China simply doesn't have what it takes to seriously threaten US security.

US strategic power can more than offset Red Chinese nuclear capability for the foreseeable future. Mao speaks bravely of absorbing 250 million casualties but he would be most reluctant to jeopardize China's hard bought industrial base. As China's development continues, the Red leadership will be more loathe to risk a

the ultimate victors in a nuclear exchange. The loss of as many as 250 million Chinese could be absorbed without prejudice to a Red Chinese war effort. As China develops MRBMs and ICBMs, the threat mounts.

Apologists for Communist Chinese aggressions point to the fact that Red China will emerge from its xenophobic shell as soon as it achieves a maturity in its revolution in very much the same manner as the USSR. However, China has a history and tradition of assumed superiority. China is the "Middle Kingdom" or center of culture and learning and all foreigners are barbarians, a line of thought which the Red leadership has exploited well. A "mellowing" seems far less likely to occur in Peiping than in Moscow if, indeed, it has actually occurred there. "Red Guard" activities appear to be a renewed attempt to strengthen Mao's position and insure the succession of militant doctrine and leadership.

nuclear holocaust. While Chinese philosophy provides little mourning at the death of a man, it does not consider life as something to be wasted. The Red Chinese leaders are aware that the masses of China are its most valuable resource; they will not be inclined to squander this asset. Western power will deter the Chinese Communists from nuclear adventure and the time may not be far away when they will join with the United States, the Soviet Union and other nuclear nations in agreements for arms control.

Parallels between the Russian and Chinese Revolutions are striking. Communist China is now in a stage of upheaval that closely approximates the early days of Stalin's reign. The Red leaders are striving mightily to achieve an industrial base and, as a result, terrible sacrifices are required of the populace. Communist China cannot now afford cultural exchanges or detente and this is understandable. The West must await the "cooling off" which is inevitable as Red China achieves its developmental objectives. Twenty years should see Communist China led by a "new generation" which is aware of the needs of the people and the necessity for entry into the community of nations on a responsible basis.

Western exploitation of China has inculcated deep hatred and distrust in the minds of the Chinese. Virulent propaganda campaigns have further fanned the flames. The Chinese view the West as their natural enemy and will not feel secure until they have won "The War of Races". Moves by the United States to lift its embargo or to admit Red China to the United Nations only strengthen the Red Chinese position and weaken their opponents in other countries.

The Chinese cannot feed themselves and, therefore, are forced to adopt expansionist policies. classic pattern of a hungry aggressor is discernable in Communist China today and will surely eventuate in major attempts at conquest. Although the current power thrust is toward the rice bowl of Southeast Asia, Communist China has reiterated claims to portions of Siberia and Outer Mongolia.

Red China's central position on the Asian land mass, coupled with its massive resources makes it the potentially dominant country in a region containing half the world's population. Red China's relative strategic position in Asia is

Chinese distrust of the West is not without basis. Measures must, therefore, be employed to alleviate fear and suspician. If trade embargoes are lifted, the Chinese are admitted to the United Nations, aid and information programs are instituted, and the United States begins a systematic withdrawal of the military power it has deployed at China's door, the Chinese will eventually perceive the possibility of coexistence.

The Chinese are aware that they cannot feed themselves. Rather than looking toward expansion, they are discouraging early marriage, improving agricultural methods, and expanding trade with many nations of the world including some of our closest allies. Humanitarian concern for the masses of Communist China, accompanied by effective aid programs and understanding will help lift "the Bamboo Curtain" and alleviate Chinese distrust.

Powerful forces of nationalism extant in Asia today preclude long-range Chinese domination of Asia. A viable and growing economy in Japan more than offsets the threat of Chinese suzerainty. Vietnam, Korea, Thailand, the Philippines, Indonesia and Malaysia are all

far stronger than that of the USSR in Europe in terms of geography, natural resources, and population. Its leaders believe that they are naturally destined to rule all of Asia and that Asia's vulnerability to subversion is enhanced by the presence of millions of "overseas Chinese". The only thing that holds China to its borders now is the powerful US commitment in the area. As Red China grows stronger, its "interior lines" to all of the countries of Asia will become increasingly significant. For example, the Indonesian swing from the left might not have been possible but for the strong presence of the United States in Asia and the inability of the Red Chinese to offset US influence.

Although Red China is not a maritime power, it is capable of dominating Asia. One doesn't need a ship to carry an idea and the idea of communism has been made to look palatable to the masses of Asia. Red China's influence will soon reach as far as its developing nuclear weapons arsenal.

Red China is using the obvious economic disparity between the colored and white peoples and between rural and urban nations to enlist international support against the industrialized, largely white nations. This is a powerful theme for a new global conflict.

proud of their independence. They have no stomach for Chinese domination. In Indonesia, violent suppression of the PKI sounded the death knell for Chinese subversion, serving notice that a new balance of power is being struck in Asia. A US policy of helping to build up other Asian nations while adopting a more tolerant attitude toward Red China will contribute to peace and stability.

China cannot exert influence in Asia without the "bottoms" to conduct trade and project naval power.

Many of the conditions which Peiping is exploiting are being corrected or improved with American assistance and, in many cases, by American initiative. More needs to be done, however, if Red China is to be denied genuine leadership of disadvantaged peoples. This kind of

NO

international effort makes more sense than military action against Red China.

THE UNITED STATES MUST CONTAIN RED CHINA ALONG CURRENT BOUNDARIES

If the Red Chinese are not contained along current boundaries, the Free World will suffer a psychological defeat as well as the loss of a strategic area, potential markets, and economic resources which it can illafford. Communist success in Southeast Asia will so enhance Red China's power image as to advance its ultimate aim of world domination. Perhaps a direct military attack upon China would be more conclusive than containment. Such a move could, however, pre-cipitate a world war and few, if any, of the nations of the Free World are willing to run this risk.

A withdrawal from current US policy would be hailed by many of our allies. They view continued US presence in Asia as both an irritant precluding peace and an indication of an "Asia First" policy on the part of the United States.

United States' initiatives are not required to contain Red China within its current borders as there is a natural equilibrium in Asia that precludes Chinese expansion. The balance of power in Asia today is on the side of the Free World due to the vigorous Japanese economy and anti-communist advances in Indonesia. Natural forces of nationalism in Asia and recent pronouncements by the North Koreans that they intend to pursue an independent policy underscore the fact that the United States could withdraw from the Western Pacific without fearing a Chinese takeover. It would be more logical for the United States to make its stand behind the Pacific moat, using its air and naval power.

The drain on US resources, imposed by the military commitment in Asia is causing inflation. It is a roadblock to

The war in Southeast Asia today is not disrupting the US economy. American industry is working at

91 per cent capacity and stock market losses do not conceal the fact that unemployment is decreasing and the American standard of living improving. The cost to the United States of a continuing commitment in SEA is miniscule in relation to its total wealth.

Although the loss of any American life in Vietnam is tragic, the hard fact remains that the military confrontation provides a valuable laboratory for development of new doctrine, equipment, and organization. The experience thus gained will be valuable in preparing to meet future communist inspired "wars of national liberation."

A commitment to contain Red China along current lines assures a forward deployment of US forces providing for rapid reaction to an emergency in any part of Asia. Logistical difficulties encountered during the US buildup in SEA point up the necessity of deployment in forward positions.

achievement of the "Great Society." Domestic programs to reduce poverty, expand education, and provide for public welfare are blocked by the cost of the military effort in Vietnam. So long as the United States serves as "Asia's Policeman," it cannot realize domestic aims.

United States military experience in SEA is useless. It only serves to dramatize General Douglas MacArthur's admonition never to become engaged in land warfare on that continent.

A containment policy on an Asian mainland requires maintenance of forces thousands of miles from the United States, degrading the quality and responsiveness of US strategic reserves and reducing US military credibility in other areas. Current logistical requirements in SEA are likely to constrain effective United States reactions to crises in more important areas.

RED CHINA PROVIDES THE REAL IMPETUS BEHIND THE WAR IN SOUTHEAST ASIA

It is the stated aim of the Red Chinese leadership to export "wars of national liberation." The conflict in Southeast Asia is a classic The Chinese have not stated a strong position in Vietnam. They have simply said that that they must "come to the assistance" of the North

example of this new means of disguised aggression. Ho Chi Minh has had a long association with the communist revolutionaries in China, particularly with Mao. He has been encouraged and supported by Peiping in attempts to take over South Vietnam and it is unlikely that aggression in the South would continue if Peiping decided it to be counterproductive.

The instability now apparent in Peiping may well hinge in top level difficulties over Red China's policies of expansion.

Red Chinese support to North Vietnam and the Viet Cong is apparent in the amount of armament, materiel and funds being employed. Without this aid, the North Vietnamese would lack the resources to oppose the massive allied military buildup in South Vietnam. The toll exacted to date on US aircraft over North Vietnam has been in large measure a product of anti-aircraft artillery provided by the Red Chinese.

The Chinese military presence in South China is the main deterrent to allied offensive ground action against North Vietnam.

SECRET - NOFORN

Vietnamese. Although the North Vietnamese have sought assurances from Peiping that an attack against North Vietnam would be considered an attack against Red China, such a pronouncement has not been forthcoming. Peiping is only anxious to see the war in South Vietnam pursued to a successful conclusion so long as it does not become directly involved.

Due to serious internal problems at this time Red China is unable to focus its attention on the war in South Vietnam.

Although the Chinese Communists wish to extend their influence to North Vietnam by supporting the war, they do not have the capability to do so. The most sophisticated military equipment yet received by the North Vietnamese has come from the Soviets in the form of surfaceto-air missile systems, radars, and MIG fighters. The Red Chinese, in fact, are so jealous of current Russian support that, it is alleged, they have attempted to put Chinese name plates on Russian equipment transiting China on the way to North Vietnam.

The Chinese Communists are restrained in supporting military operations in North Vietnam by extremely limited lines of communication and the great distances between NVN and major Chinese industrial centers.

The Red Chinese view the war in South Vietnam and their assistance to North Vietnam as a logical extension of world communism. They must support their comrades in Hanoi if China is to assume a position of world leadership in the communist movement.

The Chinese Communists covet the "rice bowl" of Southeast Asia.

The North Vietnamese are basically as anti-Chinese as are the South Vietnamese. They regard the war in South Vietnam as the logical extension of their own war for independence against the French and find themselves strange bed fellows with the Chinese Communists as a matter of sheer necessity.

It is doubtful if South Vietnam is capable of producing enough rice to do more than help feed North Vietnam if the two countries were united.

THE UNITED STATES MUST DEFEAT THIS SO-CALLED "WAR OF NATIONAL LIBERATION" TO PREVENT FURTHER COMMUNIST AGGRESSION

The minutes of the 22nd Party Congress of the CPSU and the Lin Piao Manifesto leave little doubt that the Red World will continue to support "wars of national liberation." As a leader of the Free World, it is clearly a United States responsibility to thwart this form of aggression. The United States has but one option. It must make the war in Vietnam stand as proof positive that it will be too costly for the communists to "export revolution."

The United States is facing a severe test of its national resolve. In view of its world-wide mutual security arrangements, even a limited defeat to the United States would cast serious doubts on its sincerity.

The Soviet Union and Red China . have developed an efficient technique for spreading communism through so-called "wars of national liberation." conflict in Vietnam exacts literally no toll on the USSR and the CPR. Even if defeated in Vietnam, the communists probably would not be dissuaded from trying again in SEA, Africa or Latin America. A defeat would be accepted philosophically as the "one step back" of Lenin's concept of "two steps forward and one step back."

Allies and enemies of the United States have no doubts as to its resolve where its clear national interests are at stake. The Cuban confrontation clearly demonstrated the depth of real US resolve to Moscow and Peiping. There is a time and a place

Withdrawal from Vietnam a year ago would have weakened the anti-communist cause throughout Asia--in Indonesia, Korea, Thailand, Burma, Cambodia and Malaysia.

The insurgency in South Vietnam is not a popular revolution. It was fomented by Hanoi and the South Vietnamese who constitute part of the hard cadre are only a small, militant minority. Their single aim is unification of the two countries under communism.

for a resolute stand and it is not Vietnam. The stakes in Southeast Asia are not vital enough to warrant the massive erfort the United States is expending there. It would be far better for the United States to husband its resources for action in more important potential crisis areas such as Europe.

The US position in South Vietnam is ethically untenable. It is one of meddling in a purely internal affair. The Viet Cong are South Vietnamese with just cause against a corrupt government. The North Vietnamese are simply supporting honest revolutionaries as the French supported the United States in 1776.

THE SITUATION IN VIETNAM IS NEGOTIABLE

Although resolution of the conflict in Vietnam presents a most complex problem, the situation is negotiable. It is probable, however, that methods of negotiation may not follow established patterns. Both sides have a genuine need to bring about a cessation of hostilities. President Johnson is feeling

The issues in SEA are simply not negotiable. Neither side has yet reached the point where the fruits of negotiation outweigh the possible advantages of continuing the conflict. Hanoi believes that a communist victory is inevitable. The United States government is determined not to lose this conflict. Although President

the increasing pressure of public opinion to "get out of Vietnam." Ho Chin Minh cannot afford to suffer the effects of continued or increased bombings. The negotiation stands taken by both sides, are not intractable. Although formal diplomatic channels do not exist between the United States and NVN, there are numerous channels between the two that can be used to initiate meaningful discussions. precedents set in the Geneva Agreement of 1954 provide an excellent starting point for resolution of current conflict. When the VC and Hanoi realize that the people of South Vietnam have decided that the Saigon government is worthy of their support, negotiations will follow. Alternatively a willingness to treat with the National Liberation Front in serious negotiations and to eventually withdraw US forces will permit a meaningful dialogue.

Johnson's "unconditional negotiation" stand was heralded as proof that the United States wants peace, meaningful negotiations are not yet feasible even on "an unconditional basis." Hanoi insists that the VC be a principal negotiator, that US forces be withdrawn, and that South Vietnamese affairs be handled according to VC pro-The United States will grams. not withdraw. The United States does not conduct formal diplomatic relations with either Peiping or Hanoi and was not a party to the Geneva Agreement of 1954. Peiping and Moscow are embroiled in a heated polemic that makes intraparty negotiations practically impossible. Further, they are not prepared to participate as partners in negotiations which might advertise their differences. Conditions for negotiations announced by the protagonists are at such cross purposes, that a satisfactory agenda for discussion appears unattainable. The United States wants South Vietnam free -- Hanoi and Peiping want it communist. seems to be no mutually acceptable middle ground. The practical alternative to negotiation is a military settlement. This is a difficult alternative which will try the patience of the Free World. The Government of South Vietnam does not recognize the Viet Cong as anything more than a bandit element and will refuse to discuss issues with them.

Although Vietnam may be more difficult than was the post-World War II Trieste problem, it might be those very negotiations that could serve as a model for discussions in The Trieste negotiations were complicated because they involved traditional enemies contesting highly emotional The Slavic Yugoissues. slavians and the Latin Italians stared at one another across a broad historic chasm, similar to the chasm separating the East and West today. side contended that the other had absolutely no basis in law for the stand it was taking on Trieste. Through a long and complicated series of bilateral, third party, and often secret negotiations, an agreement was Great Britain served forged. as mediator between the USbacked Italians and the Sovietbacked Yugoslavs. The first time the Italians and Yugoslavs sat in the same room was the moment they came to sign the actual agreement. It was said at the time that, if the Trieste problem could be negotiated without war, any issue was negotiable. It is essential negotiable. that the interested parties recognize the complexity of the issues and, in addition, realize that the issues can be negotiated to the best interests of all parties concerned.

The Trieste settlement, like the later Austrian settlement, was achieved as part of a broader pattern of understanding between the United States and the Soviet Union. There was a mutuality of US/USSR interest which does not exist in SEA. Furthermore, such a mutuality of interest in SEA would involve Red China -a highly unlikely arrangement. There is no logical basis for comparison of the Trieste settlement to the current problem in SEA.

ONLY FURTHER ESCALATION OFFERS ANY PROMISE OF BRINGING HANOI TO A CONFERENCE TABLE

YES

Actions of the United States against North Vietnam have been limited to bombing of communist infiltration routes to the south and highly restricted air defense and industrial targets to the north. When US bombings are expanded to include the entire industrial base of North Vietnam, Hanoi will have no choice but to come to the conference table or see her desperately achieved industrial base destroyed in its entirety. If the United States escalates its actions to include mining of the ports, naval gunfire attacks against coastal targets in NVN, and increased ground actions, Hanoi will see that it has more to lose than to gain by continuing the conflict. Ho Chi Minh will then have considerably more inclination to negotiate a settlement of the entire conflict in Vietnam.

NO

Escalation of the bombing of North Vietnam would be counter productive in the sense that the air attacks tend to unite the people providing them a sense of urgency in "defending against the "capitalist imperialists." Continued US bombing provides the North vietnamese people with a sense of identification with the war in the There is no presouth. cedent in military history for the conquest of a country solely through bombing. Ho Chi Minh believes that we can bomb. shell, and mine North Vietnam without pause but we will not be able to overcome the people of North Vietnam by these measures alone. North Vietnam may decide to end its aggression in the south when it becomes apparent that the people of South Vietnam oppose them and genuinely support a popular government of their own.

NEGOTIATIONS IN SOUTHEAST ASIA WILL ENTAIL SERIOUS RISKS FOR THE UNITED STATES

The beginning of peace talks will raise Western hopes that settlement is just around the corner and that there is less need to continue an energetic drive It is United States' policy, as stated by the President at Johns Hopkins University, to participate in "unconditional negotiations" in an attempt to achieve peace

against Communist forces. The morale of allied troops will sag and Viet Cong subversive activity will become unrestricted as the vigor of search and destroy operations wanes. Further, enemy forces would have an indefinite period to regroup, retrench, and rebuild, much the same as the CHICOM's had in Korea during the 1951-53 negotiating period. Propagandists will portray US willingness to negotiate as the first sign of a "sellout". Peace groups will muster forces as insurance against renewed US military initi-If a cease-fire ative. agreement accompanies negotiations it will be virtually impossible to resume active US operations against the VC, regardless of enemy violations, in the face of domestic and world opinion.

in Southeast Asia. would be all but impossible for the United States to refuse to negotiate. However, it is possible for the United States to refuse to negotiate. However, it is possible for the United States to negotiate without "selling out" in South-Talks need not east Asia. be accompanied by a ceasefire and it is entirely possible for allied troops to continue a vigorous course of search and destroy operations against the Viet Cong. Even if negotiations were accompanied by some form of cease-fire, arrangements might be provided which will help the military to strengthen the RVN socio-economic fibre. It would provide US and allied forces with an opportunity to concentrate on revolutionary development programs, improve logistical bases, train additional forces, and to provide combat troops an opportunity for rest.

A large number of influential South Vietnamese are refugees from the North who fled because they did not choose to live under communism. If they feel that negotiations preface a sellout to communism they will become extremely dissatisfied with the government. Any

The people of South Vietnam have been involved in war for more than 20 years. They are weary. They are basically an apolitical people who have little feeling about ideology. They do have deep desires for the peace and protection they need to cultivate their fields and care for their families.

negotiation which takes place prior to the establishment of a strong, stable government in Saigon will probably invite an eventual communist takeover.

The US position in Southeast Asia is based on a policy of militant protection of the independence of the nations If the United in that area. States participates in negotiations it may be interpreted, by the people of Southeast Asia, as a shift toward a position of neutrality leaving them open to aggressions from the North once US troops and influence have been withdrawn. The nations of Southeast Asia look upon continuing US presence as the only guarantee of their future freedom. A period of negotiation would, in all probability, result in internal dissension within the South Vietnamese government and attempted coups could be expected.

NO

If the United States and the Government of South Vietnam fail to seek an understanding aimed at socioeconomic improvement, as well as at peaceful settlement, the people will become more vehement in their dissatisfaction with the war.

Negotiations provide the only possible way for the United States to refute the accusations so frequently laid at its doorstep regarding imperialism or colonialism. If it is the United States' intention to provide freedom from coercion for the people of Southeast Asia, it is necessary that it participate in negotiations pointed in that direction.

THE VITAL ESSENTIAL OF US POLICY IN SOUTH VIETNAM IS THE CREATION OF A STABLE GOVERNMENT SUPPORTED BY THE PEOPLE

The war in Vietnam is a battle for the minds and hearts of the people. If this is not the bed-rock of Free World policy, the

Terrorist tactics of the Viet Cong preclude the achievement of a stable government and viable economy in South Vietnam.

combined military forces of all the allies will be insufficient to pacify South Vietnam. History has proven that governments operating from a weak social base cannot survive this kind of attack. Under Viet Cong propaganda the people visualize a brighter life through communism, particularly if government representatives at hamlet, district and province level engage in nepotism, bribery, and extortion.

Perhaps at the least, a far more significant share of resources should be applied in this area, even at the expense of military considerations. The only way to cleanup the unsatisfactory conditions, upon which the Viet Cong depend for popular support, is for the United States to take over the administration of South Vietnam.

It is impossible to create responsible administrations in the provinces when the Viet Cong assassinate leaders at will. No economy can function when the lines of communication are continually interdicted by forces determined to overthrow the government. It is admirable to think about building an honest and strong political infrastructure in South Vietnam but this is an illusive dream until military victory is secured.

The social structure of the Orient is based upon practices which appear corrupt and dishonest to Western eyes. It is a way of life which will change slowly, if ever. If the only alternative is the "purity" of communish perhaps it must be accepted.

NEGOTIATIONS SHOULD BE RESTRICTED TO RESOLVING THE CONFLICT BETWEEN NORTH AND SOUTH VIETNAM WITHOUT REGARD TO THE PROBLEMS OF LAOS AND CAMBODIA

Negotiations that restrict themselves to the resolution of the problems in Vietnam would be considerably less cumbersome. They would require fewer nations as representatives and would face a much shorter and less complicated agenda. Hence, it would be easier to achieve an agreement. Once Any settlement that does not deal with problems throughout all Indochina would be
of very limited and temporary
value. The communists would
simply shift their efforts
to Laos, Cambodia, and
Thailand, causing the United
States to make commitments
in those countries. A
settlement achieved with

YES

an agreement is forged on the conflict in Vietnam, negotiations could proceed over the problems in Laos and Cambodia using the Vietnamese settlement as a springboard.

NO

such limited objectives would be as questionable as the 1962 Geneva Accord on Laos. On the other hand, the 1954 Geneva Agreement included Laos and Cambodia. As this is considered by many to be a basis for negotiations, it would be difficult to exclude them.

PROBLEMS

How to convince Hanoi and Peiping that a settlement in Vietnam is in their best interests.

How to convince Hanoi and Peiping of the ultimate United States resolve to "see things through" in Vietnam.

How to achieve an honorable end to hostilities in SEA with adequate safeguards against renewed communist aggression.

How to avoid being forced into negotiations which are not likely to be in the best interests of the United States.

How to negotiate in Vietnam ... what forum ... who shall be included?

What procedures should be set up for the imposition of a cease-fire ... rules of engagement ... demilitarized zones ... etc.?

How to constitute a stable government in Saigon.

How to bolster popular support for the Government of South Vietnam.

How to avoid escalation of the conflict into war between the major powers.

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QUESTIONS

- 1. What conditions should the United States require before halting air attacks against North Vietnam?
- 2. What kind of control system can be established to ensure that North Vietnam has ceased infiltration of personnel and materiel into South Vietnam?
- 3. What are the advantages and disadvantages of a cessation of bombing in North Vietnam while negotiations are being conducted?
- 4. What safeguards can be developed to ensure that agreements applicable to a cease-fire are carried out and that acts of violence do not recur?
- 5. What should be the US reaction to a NVN proposal for a coalition government?
- 6. What should be the US position on free general elections?
- 7. Should the United States accept neutralization of Vietnam or Southeast Asia?
- 8. What procedures should the US require to provide adequate safeguards against violations of a negotiated agreement?
- 9. At some future date the United States may have to reintroduce forces into Vietnam. What arrangements can be made for future use of Cam Ranh Bay or other major bases or facilities?
- 10. What security arrangements should South Vietnam have with outside powers, including the United States?
- 11. What kind of an economic aid package is the United States prepared to offer Hanoi?
- 12. Should the United States try to relate a Vietnamese settlement to other issues involving Cambodia and Laos?
- 13. Should bilateral agreement be sought between North and South Vietnam bases on new procedures for carrying out the basic terms of the 1954 Geneva Agreement, without reconvening the Geneva powers to ratify the pledge implementation and enforcement of these new procedures?

- 14. Should a cessation of hostilities be a precondition to formal negotiations or only one of the results of a formal agreement arrived at through detached resolution of differences?
- 15. South Korea, Australia, New Zealand and the Philippines, by virtue of their involvement in the war, will participate in any settlement. The interests of some, if not all, of these nations may be at variance with those of the United States. What positions should the US be prepared to take on this matter?
- 16. What should be the site for the conduct of negotiations? (The site for a conference would depend on the type of negotiations involved, perhaps Geneva or other neutral ground should be selected. If the discussions were to be limited to the North and South Vietnamese, the demilitarized zone in Vietnam or a neutral third Southeast Asian country might be preferred.)
- 17. One of the key points to be discussed during any negotiations will be the future status of US forces in Vietnam. This point raises a number of significant questions:
- a. Will the US objective of political/military containment of Communist China best be served by the continued presence of American forces in South Vietnam for an extended period of time?
- b. Will the continued presence of American forces in South Vietnam, in a post-negotiation period, be required for a successful AID program in South Vietnam?
- c. What would be the economic impact of the continuation of a sizeable US military establishment in South Vietnam (flow of gold, etc.)?
- 18. Should the US work toward a "Laotion" or a "Korean" solution to Vietnam?
- 19. What are the maximum and minimum conditions under which the US would agree to a "pull-out" or reduction of US forces in South Vietnam?
- 20. What would be the consequences of a breakdown of a negotiation conference?

- 21. What would be the effect on US actions of a substantial increase in communist activity in Laos and Thailand?
- 22. What actions will the United States take if a neutralist faction obtains control of the Saigon government and demands immediate US withdrawal?
- 23. What position should the United States take if NVN agrees to negotiate and the VC refuse or vice versa?

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12 September - 4 October 1966

FACT BOOK

Prepared by

JOINT WAR GAMES AGENCY JOINT CHIEFS OF STAFF WASHINGTON, D. C. 20301

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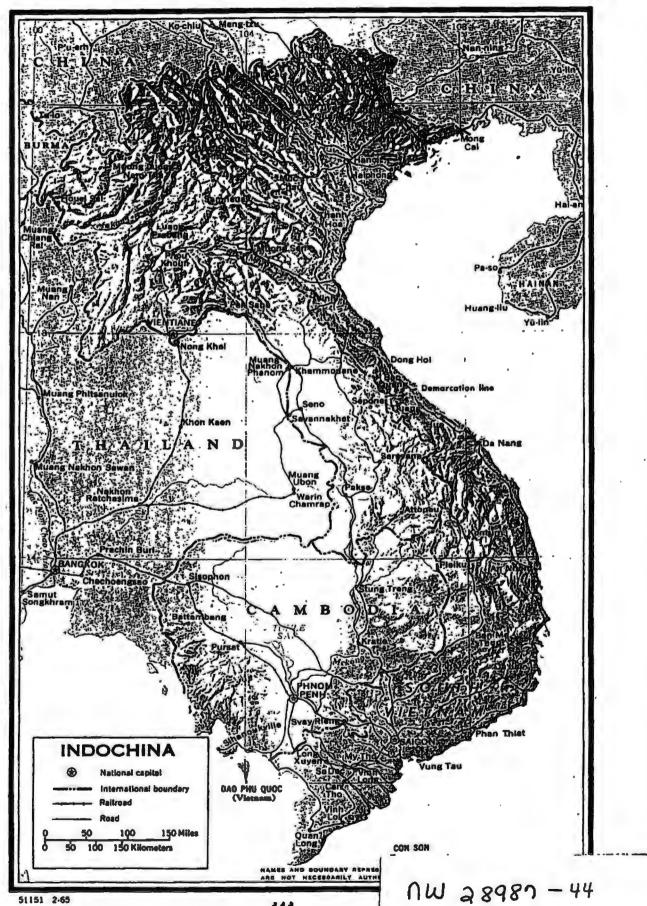
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GENERAL INFORMATION

POLITICO-MILITARY GAMES

1. General.

- a. The Joint War Games Agency, Organization of the Joint Chiefs of Staff has three major divisions (See Attachment #1). Two of these divisions are concerned with problems of limited and general war; the third, the Cold War Division, is responsible for the preparation and conduct of high level, interagency politico-military games.
- b. An annual program of games, as well as each individual game, is developed with assistance from interested agencies and departments. Responsible officials are contacted by Cold War Division project officers for ideas and suggestions in conducting research. Scenarios are then developed by interviewing knowledgeable people and identifying major issues and problems. An appropriate game organization is developed in preparing for the exercise. Efforts are made to obtain participants with detailed and expert knowledge of the subject to be examined.
- c. JWGA's politico-military games are generally conducted on an interagency basis with participants from the principal organizations involved in national security planning. The emphasis in most games is on current or potential problems associated with international affairs.
- d. Games are often conducted with high level officials participating on "senior-level" teams which review and discuss proposals developed by "action-level" teams. The exact format of each game varies according to the special requirements that may be posed, but in general, these are "desk" or "manual" type games in which teams, representing designated nations, meet and discuss a situation which has been portrayed in a game scenario. Each team develops: An estimate of the situation, objectives, strategies and specific actions (including contingency actions) to be taken in political, psychological, economic, technological or military areas, and these are included in the team's "move message". While the teams are deliberating, the game clock is stopped; time only "moves" after teams have submitted their decisions (move message) to the Control Group and it moves only to the extent determined by Control.
- e. The Control Group, representing other nations, nature, fate and other influences, examines each team's "move mes-

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sage" and determines the positions of other countries and influences. Control may advance time a week, month, or perhaps years for the next move and will prepare a scenario projection outlining the new situation which requires the opposing teams to make new decisions. This process is repeated two or three times.

- f. Joint War Games Staff Officers serve as Game Staff Representatives (GSR) on each team. In addition to serving as a team member, the GSR provides administrative assistance to players. During deliberations, team requests for additional information are submitted through the GSR who determines whether or not a written message is required. Written messages are held to a minimum on administrative matters; however, queries of substance on which Control is required to make a ruling are reduced to writing.
- g. Generally, these games are followed by a review and discussion which sometimes use video-tape presentations to summarize the action. Such meetings provide opportunities for many of the highest officials, from the agencies concerned, to exchange opinions, comment on hypothetical game events and discuss related "real life" questions.
- h. Final game reports disseminated on video-tape and in written form serve as the basis for follow-on studies and actions. They are also useful for the analysis of contingency plans and often help in pointing up intelligence and other program requirements for various agencies, departments and military commands.

2. Gaming Philosophy.

- a. The intent of politico-military games is to alert, inform, educate, and to stimulate new ideas and concepts. Games have maximum impact on those who participate -- the action-level players and seniors who review and finalize team decisions. The information and education process begins when the participants begin thinking about their impending role as a "Red" or "Blue" leader. Their review of material pertinent to the game within their own agency, both factual and conceptual, is reinforced by reading the material which JWGA assembles. Generally, this includes information related to salient issues, problems and questions.
- b. This process is continued in team meetings during game play as new facts and opinions are exchanged and controversial matters are explored. There is a degree of personal involvement in a politico-military game which

transcends some of the more formal methods of consultation. The removal of restraints through the use of a hypothetical scenario projection out in time, the view provided from the "enemy" side of the conflict, the element of competition in a "game," all tend to heighten the degree of interest and participation, especially in the crisis type of game.

- c. These games are guided "brain-storming" sessions which begin uncovering ideas when the first research for the game is begun. The process continues through the game into the final review with the top officials in government, and it is still going on months afterward while film or video-tapes summarizing the game and written reports commenting on it are circulating throughout the government.
- d. Politico-military games are never intended to be predictive -- at least in the aggregate sense. For example, some games will involve overt aggression; this is not intended to suggest that such aggression is likely to occur under the conditions depicted or, if it did occur, that the particular strategies employed by the enemy or the other "countries" involved are most probable or likely. The games must have a broad context in which to be played -- in effect a set of initial assumptions which may range in probability from highly unlikely to virtually certain. The events which occur during the game result from the inter-action of team and control players who may hold disparate views on much of the material involved.
- e. The Control Group blends opposing team actions together under considerable pressure of time and is generally torn between an honest interest in evaluating the impact of opposing strategies -- acting as sort of a referee to assess the probable outcome of various confrontations in a predictive or probabilistic manner -- and posing additional problems to challenge one or more of the teams. Quite often Control puts greater pressure on Blue, reflecting an interest in forcing the US to a "maximum erfort." It is difficult, therefore, to assume that the outcome of one of these games reflects Control's umbiased and straight-forward projection of how things would have come out if actions similar to those taken by the playing teams were to be taken in real life. Actually, the Control Group in these games introduces material into the game not only for third countries, nature and other influences, but for the teams themselves. Sometimes this is done to get two conservative teams off "dead-center" and, at other times, simply to examine some thought provoking idea. The main purpose of these games is to sunface ideas, contingencies, wind-fall opportunities, hidden

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problems, and sometimes to examine controversial subjects relating to programs, objectives, weapons systems, etc.

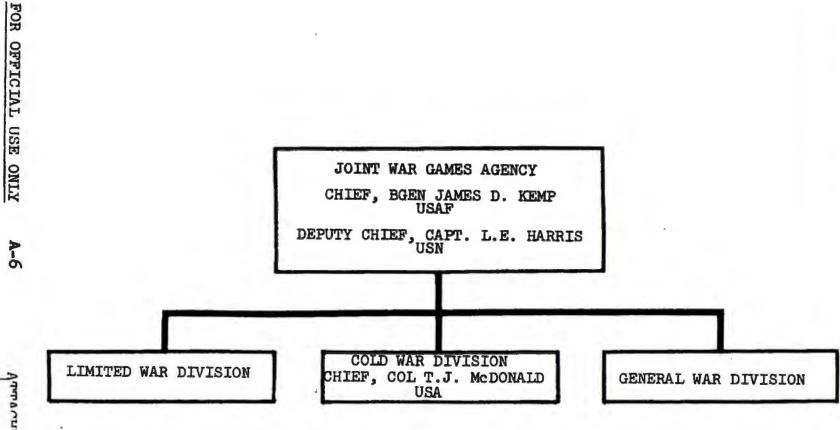
- 3. Transportation/Parking.
- a. There is a minimum of parking space available at the Pentagon. Participants from agencies outside the Pentagon are encouraged to use government or commercial transportation. Passes for use on Department of Defense buses may be obtained for civilian game participants.
- b. For those who must drive, "Visitor Parking" areas are located in South Parking, Lanes 12, 13, and 7A (3 hour limit), and around the border of South Parking (5 hour limit after 8 AM). (See Attachment #2). This area is limited and at least 30 minutes should be allowed to obtain a space. Parking limits in Visitor Parking in lanes 12 and 13 can be extended only by advising a JWGA representative of the parking lane number, license number, make, model, color and year of your car.
- c. Temporary parking passes may be obtained by advising Politico-Military Branch of requirements a week prior to game play. Spaces in temporary pass areas are not specifically assigned, and more passes are issued than available spaces; therefore, early arrival is necessary to assure a parking space.
- 4. Directions to Game Location. Game rooms are located in BC 942A, the Pentagon. BC 942A can be reached by the following routes:
 - a. From Concourse to BC 942A: Descend Stairway 93D (located along left side of the bank) to the basement. Proceed left and follow directional signs marked "Joint War Games Agency."
 - b. From River Entrance to BC 942A: Descend escalator following directional signs marked "Joint War Games Agency."
 - 5. Security.
 - a. Politico-military games are played for the most part at the SECRET - NOFORN level. Material discussed in game rooms may be TOP SECRET and all participants must be cleared for TOP SECRET information. Confirmation of clearances in writing is requested of all agencies prior to the game.
 - b. The title of the game SIGMA I-66 is unclassified when mentioned without geographic or subject reference.

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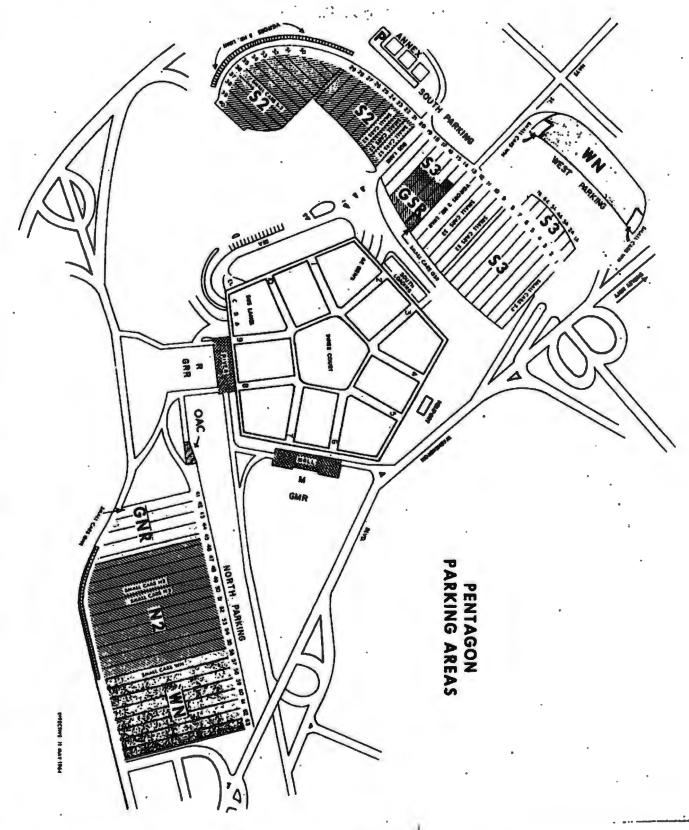
Discussion on the area/scope or content of the game is classified SECRET - NOFORN.

6. Administration.

- a. During the conduct of the game and the Review, participants may be reached by telephone at Code 11, Extension 79860 or 57683 (from civilian phones, call OX 7-9860 or OX 5-7683).
- b. A final report will be prepared for distribution to interested agencies and game players.
- c. Preparations for the game are directed by Colonel Thomas J. McDonald, USA, Chief, Cold War Division. In the event of questions, comments, or need for further assistance, call Code 11, Extension 79860 or 57683 (from civilian phones call OX 7-9860 or OX 5-7683).



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Attention - Drivers of Automobiles The Pentagon Parking Areas

INSTRUCTIONS

Perking is Pentagon parking areus is a provilege and not a right of the individual. All instructions and regulations are promutgated to protect, insofar an puzzeble, the parking privilege granted to permit holders and others. As a privilege it may be withdrawn if abused by failure to comply with instructions and regulations.

Permits may be insued to Pentagon and Annezes 1, 2, 3 occupants for specific mobiles and are not transferable, unless utilized by an authorized car pool. The permit is Government property and as such mest be returned to the parking control officer upon cancellation, lavalidation, resignation of the original permit holder, or transfer of the permit holder, from the Pentagon or Assezes 1, 2, 3. parhing permit is valid only when the control card and permit reflect the individual's current vehicle state license number and license numbers of all car pool members. Lost or stolen permits must be reported immediately, to the parking control officer. A permit holder may apply for a new permit in such cases.

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By Direction of Police Certain spaces on the Mall and River Torraces set aside for official, diplometic, and Congressional automobiles, and certain other visitors in a VIP category not to exceed 2 hours

Between 4:30 and 5:30 p. m., no right turn will be permitted from Lanes 30

Parking spaces at the Pentagon are limited and, therefore, it in impossible to vide parking space for all those who desire to park. Newly assigned and temmel, those who do not have permits and visitors who plan to nais longer than 2 to 3 hours, are encouraged to use commercial transportation.

Is order that parking spaces may be provided for as many individuals as possible, it is suggested that all efforts be made to form car pools. Permits are not transferable in car pools unless suthenticated and recorded. See your parking

ority: Memerandus for the Secretary of the Army from the Office of the Secretary of Defense, 28 October 1968, subject: "Parking Control".

REGULATIONS

GENERAL SERVICES ADMINISTRATION

Peniagon Area Traffic and Parking Regulations

The following regulations apply to the parking and operation of vehicles in the

- I. No person shall operate or park a motor vehicle in the purking areas of or on the reads efficient to the Pennagon contrary to these regulations or to the directions of police officers on duty or to the directions of posted
- The provisions of subparagraphs a. to d. of this paragraph are applicable from 7:30 s.m. to 6:00 s.m., Monday through Saturday, and 7:30 s.m. to 1:00 p.m., Sundays and Holidays except at the Holl and River Entrances where these provisions will apply 26 hours delly, Monday through Sanday. Directions by police officers on duty will apply at all times.

a. A valid parking permit is required for purking in all sections of the Pentogan parking areas, except an indicated in subparagraphs c. and d. of this paragraph and must be conspicuously displayed inside frost windshield of the vehicle behind the rear view minur. (For the purposes of the regulations in this part a valid parking permit is a permit issued by partment parking control officer to park a specific vehicle identified by license tog number in a designated puriting section of the Pentages, purbing area. The permit is not transferable except in the case of a properly registered car pool. The permit is automatically invalidated upon the resignation of the permit helder or cancellation by a parking control efficer, change in license tog number, damage or an the possit, or less or pilferage of the permit.)

b. Parking is any section other than that which corresponds to the peri

assignment is prohibited, with the following exception: A person with an authorized parking assignment is any section other than those desiganted "W-H" may park in a W-H section when space is not available in his assigned section. In such a case, the circumstances shall be reported to the department parking control officer. A person with an authorized parking assignment in a W-N section may not park is any other section

c. Notorcycles, notor bicycles, notor accoters, and all similar type notor

c. intercycles, some bicycles, noter accoders, and all similar type moter vehicles shall be parked in Lane 19 only. No parking permit is required.

No perking permit is required for parking in sections idealified by posted signs as reserved for visitors, or reserved for the exclusive sate of Congressional, diplomatic, or official representatives. A special "Press Parmit" is required for parking in sections reserved for visitors shall not exceed the limitation of the exceeding the sections reserved for visitors shall not exceed the

time limits indicated by posted signs at these locations, except by special permission of the police officer on dety.

3. Vehicles shall be parked well inside the marked parking spaces. Parking in wens other than designated parking spaces and parking is parking lanes at tree wells or in such a measur as to black or partially block such lanes. is prohibited.

4. No vehicle may be parked in excess of 18 hours in one location, valens " prior permission for such extended parking has been obtained from the Captain, U. S. Special Police, Peetagon Building.

S. No which shall be perhod or operated in bus lesses, except as follows:

a. Authorized tressit beases in Lanca A and B.

b. Anthorized efficial shuttle busses in Lane C.

Texto in Lase C.

4. Commercial and official vehicles authorized to make delivery to concessionaires and the post office while leading and unloading at specially designated platforms in Lane C.

6. No vehicle shall be parked on leterior roads except as follows:

a. Commercial vehicles, either efficial or private, while unloading and loading authorized supplies.

Official core transporting prisoners under guard.
 Other specialty authorized vehicles.

To leave specially autorized ventures.

To leave case charging a violation of these raise and regulations governing the parking of a vehicle, proof that the particular vehicle isvolved in such stated offense was parked in violation of such raise, together with proof that the party charged with the offence was the registered owner of such vehicle at the time of such parking, shall constitute, in evidence, a prime-facio presumption that such registered owner of such vehicle was the person who parted or placed such vehicle at the point where, and for the time during which, such violation occurred.

Pedestrians shall not wilk to medways in and immediately notable the bus simila, on the care alongside atsirways in ban lanes, or in other areas where such action is prohibited by posted sign

Pandalos

Wheever shall be found guilty of violating these regulations shall be fixed not more than \$50.00 or imprisoned for not more than thirty days, or both. Authority

These regulations are promulgated, pursuant to Public Law No. 566, 80th Congress, approved June 1, 1948 (40 U.S.C. 318) and the Federal Property and Administrative Services Act of 1949 (63 Stat. 377) as annualed, as a supplement to the "Rules and Regulations Governing Public Buildings and Grounds", approved by the Administrator of General Services, August 23, 1956, 44 CPR 100.1-13 (21 F. R. 6488).

Dated September 11, 1958

^{*}Only conoccepants of the Pentagon and Pentagon Assezes are recognized as bone fide visitors, except that newly assigned personnel shall be regarded as visitors on their first day of duty.

SIGMA I-66

GAME CONCEPT

- 1. (U) SIGMA I-66 will be conducted as a senior-level game in the Joint War Games Agency, Organization of the Joint Chiefs of Staff, game rooms (BC 942A) during the period 12 thru 23 September 1966 with a critique in Conference Room 5C 1042 on 27 September 1966. (See Schedule Attachment #1). This will be the first exercise of the FY 67 Program of Interagency Politico-Military Games conducted at the request of the Chairman, Joint Chiefs of Staff, by the Joint War Games Agency, Organization of the Joint Chiefs of Staff.
- 2. (SNF) The purpose of SIGMA I-66 is to examine problems in Southeast Asia in a current time frame. It is hoped that this examination will lead to:
 - a. New perspectives on Southeast Asian policy.
 - b. Insights into the economic, psychological, political, and military elements of the Southeast Asian problem.
 - c. Ideas to enhance current plans and future programs.
 - d. An array of realistic scenario material against which current and future contingency plans can be evaluated.
- 3. (SNF) Teams will represent the United States (BLUE), South Vietnam (GREEN), the Viet Cong (BLACK), North Vietnam (BROWN), Communist China (YELLOW), and the Soviet Union (RED) Each team will be further divided into senior and action-level components. A Control Group will represent third nations, treaty organizations and influencing factors. A list of participants on each team and the Control Group is shown on page D-1.
- 4. (U) The following organizations have been invited to participate in SIGMA I-66:
 - a. The White House Staff.
 - b. The Department of State.
 - c. The Department of the Treasury.
 - d. The Central Intelligence Agency.

- e. The Agency for International Development.
- f. The United States Arms Control and Disarmament Agency.
- g. The United States Information Agency.
- h. The Department of Defense:
- (1) Office of the Assistant Secretary of Defense for International Security Affairs.
 - (2) Organization of the Joint Chiefs of Staff.
 - (3) United States Army.
 - (4) United States Navy.
 - (5) United States Air Force.
 - (6) United States Marine Corps.
 - (7) Defense Intelligence Agency
 - (8) CINCPAC/MACV.
- 5. (U) Criteria for nomination of action level players and Control personnel should be direct knowledge, experience and current responsibility for Southeast Asia planning. The size of teams will be limited to reduce total time requirements and to facilitate discussion. Balance will be sought among political, military, economic (including logistics) and psychological experience in team organization. However, it is not intended that individual players should attempt to represent their agencies or to limit their comments to a particular area of expertise. Each player is expected to serve as a generalist while providing advice in those areas where he has special knowledge.
 - 6. (U) The success of the game depends largely on the ability of playing teams to devise plausible and thought-provoking strategies and actions which advance interests of the government or group represented. Control is responsible for introducing logical third country inputs and other influences and for making an honest evaluation of actions initiated by the various teams.
 - 7. (U) The starting point for SIGMA I-66 will be set in a current time frame. A scenario, setting the stage for game play, will be issued to participants prior to the game. Background information contained in this Fact Book is designed to supplement the initial game scenario. In addition, reference material, appropriate maps and other data will be available in game rooms.

- 8. (U) SIGMA I-66 is scheduled to begin with a briefing for the action-level teams at 1000 or 1400 hours Monday, 12 September 1966 in Room BC 942A, the Pentagon. Action level United States, South Vietnam and Control players are invited to attend the 1000 hour briefing. The 1400 hour briefing will be tailored to the Viet Cong, North Vietnam, Communist Chinese and Soviet action-level players.
- 9. (SNF) At 0930 hours, Tuesday, 13 September 1966 action level players on the United States, South Vietnam, Viet Cong, North Vietnam, Communist China, and Soviet Union teams will meet in the Pentagon facilities of the Joint War Games Agency, Room BC 942A. Each team will discuss its initial scenario. These discussions should lead to preparation of a draft team "move message". (The "move message" for the first day of play will include an estimate of the situation, national objectives, broad strategies and specific moves including contingencies in the military, political, psychological and economic areas. Subsequent messages need not repeat broad objectives or strategies unless these are modified.) will prepare appropriate briefings on team deliberations for presentation to the Seniors at 1400 hours. These briefings should include an analysis of the situation, major issues explored by the team, recommended courses of action and contingency moves. Action-level players will remain while the Seniors are in session. After the Seniors adjourn, Team Captains will finalize their "move messages" based on decisions of the Seniors. They will use appropriately colored forms available in the game rooms. Teams will meet again and follow similar procedures addressing new situations on 20 and 22 September.
- 10. (U) A "skeleton" Control Group consisting of Game Staff Representatives and selected Control members will meet on 13, 20 and 22 September to handle scenario questions generated by playing teams. Plenary meetings of the Control Group will be held at 0930 hours on 15 September and 1030 hours 21 and 23 September.
- 11. (U) A critique for action-level players will be conducted at 1030 hours, 27 September 1966 in Pentagon Conference Room 5C 1042. At 1400 hours on the same day all players -- Senior, action-level and Control -- will meet in the Room 5C 1042 for a senior-level game cirtique.

SIGMA I-66 SCHEDULE

SENIOR-LEVEL PLAYERS

- 1. 1400-1530 on 13, 20 and 22 September, Room BC 942A, the Pentagon, for team deliberations. Guides will be available at the Pentagon River Entrance.
- 2. 1400-1530 on 27 September, Room 5C 1042, the Pentagon, for Senior-Level Critique. Guides will be available at the Pentagon River Entrance.

ACTION-LEVEL PLAYERS

- 1. 1000 or 1400 hours on 12 September, Room BC 942A, the Pentagon, for pre-game briefings. See para 8, page B-3 for specific time.
- 2. 0930-1530 hours on 13, 20 and 22 September, Room BC 942A, the Pentagon, for team deliberations.
- 3. 1030-1200 and 1400-1530 hours on 27 September, Room 5C 1042, the Pentagon, for action and senior-level critiques.

CONTROL PLAYERS

- 1. 1000 hours on 12 September, Room BC 942A, the Pentagon, for pre-game briefings.
- 2. 0930-1600 hours on 15 September and 1030-1600 hours on 21 and 23 September, Room BC 942A, the Pentagon, for Control meetings.
- 3. 1030-1200 and 1400-1530 on 27 September, Room 5C 1042, the Pentagon, for Action and Senior-Level Critiques.

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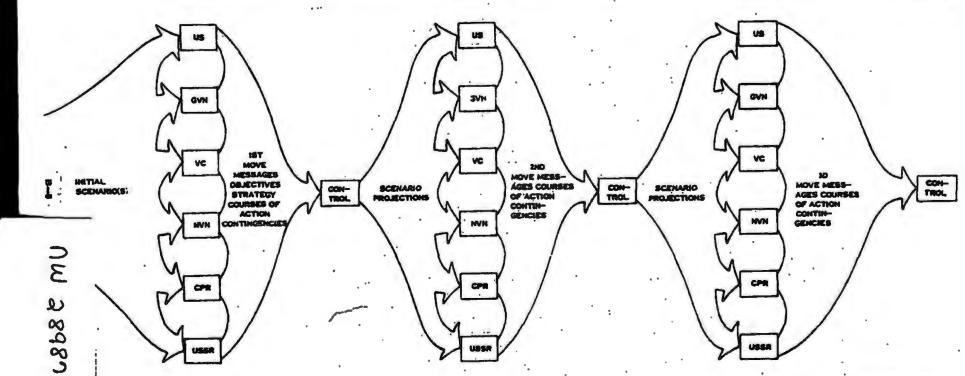
SIGMA I-66

GAME MECHANICS

IJ SEPT
MOVE I
GAME TIME STANDS
STILL WHILE TEAMS
DELIBERATE

IS SEPT TIME ADVANCES TO DATE SELECTED BY CONTROL . 20 SEPT MOVE II GAME TIME STANDS STILL WHILE TEAMS DELIBERATE 21 SEPT TIME ADVANCES TO DATE SELECTED BY CONTROL

22 SEPT MOVE III GAME TIME STANDS STILL WHILE TEAMS DELISERATE, 23 SEPT CONTROL INTERFACE OF FIMAL MESSAGES



STATE PHOPOSIS

SIGMA I-66

FUNCTIONS OF THE DIRECTORATE, CONTROL AND GAME STAFF

The main purpose of the game is to educate and inform participants, particularly the seniors as well as the many officials who have access to final game reports. This is a process of cross-fertilization, vertically as well as horizontally, with respect to both facts and opinions. A secondary goal is illumination of possible murky areas in policy programs, resource allocations, or strategy. Finally, politico-military games are useful in developing realistic scenarios against which contingency plans can be appraised.

The Game Directorate is responsible for sparking and guiding discussions of the Control Group during its plenary meetings between the playing team deliberations. The Directorate solicits inputs from those members of Control who are particularly charged with suggesting the moves of various "third" countries and influences. It seeks concensus regarding the outcome of policies, programs and strategies adopted by "governments" represented by the playing teams, and supervises deliberations of the entire Control Group with a view to airing and examining major differences of opinion. Projections by Control should be based on serious and considered group opinion on the outcome of team moves in each game.

The Game Directorate is also responsible for leading discussion at the Action-Level Review with the object of further illuminating areas of major interest. Issues, problems and questions cited in the advance material provided to participants represent typical subject matter for discussion at the Review.

The Control Group consists of special and general members, the former representing one or more interested countries or particular interests, the latter consisting of experts in special fields who assist the Directorate in portraying the action of all other "actors" and influences from public opinion to providence. All Control members are picked for their expertise in a special field, but they are encouraged to participate fully in general discussion.

Control decides how far to "move the calendar ahead" for the next period of team deliberations and prepares appropriate scenario(s) describing intervening events. Ordinarily, information is withheld from each team in a logical manner based on probable intelligence capabilities and to that extent at least, various team scenario projections will differ.

UNCLASSIFIED

The Control Group constitutes a valuable sounding board in this process, or perhaps anvil is a more useful analogy, and each member is encouraged to state his views as forcefully as he wishes. The Directorate will try to achieve consensus of the Control Group on major matters.

While teams deliberate, a skeleton Control Group will be available to respond to specific queries regarding scenario matters. The "clock is stopped" during these periods and teams are not permitted to communicate with one another.

The Game Staff consists of members of JWGA's Cold War Division as well as other individuals designated by cooperating agencies. They are full-fledged members of the teams or Control Directorate who have special responsibilities for briefing the teams on administrative and procedural matters, serving as liaison officers between teams and Control, ruling on technical points or obtaining Control guidance, and advising the Team Captain on such matters as format for team meetings, drafting and finalization of move messages. are also responsible for introducing comments when appropriate to enhance the value of team deliberations. If it becomes apparent that a major logical option or probable contingency is not receiving adequate consideration in deliberations, the Game Staff Representative (GSR) is encouraged to raise the subject. Written messages should be held to a minimum on administrative matters; however, queries of substance on which Control will be required to make a ruling will be reduced to writing. Appropriately colored message forms, arranged in packs of four copies, are available in game rooms for use in preparing messages. Typewriters are also available in each game room, however, legible hand-written messages are acceptable. Drafters should retain one copy of each message; the other three copies are passed to the Control Group through the Game Staff Representative.

GSR will assist in preparations for Control meetings and participate in Control meetings to clarify team move messages and to assure that Control is fully responsive to team messages. They are also responsible for maintaining a day-to-day summary of team deliberations for purposes of post-game analysis and inclusion in the final written and video-tape reports.

SIGMA I-66

PARTICIPANTS

The "Participants" Section of the SIGMA I-66 Fact Book will be issued to all game participants under separate cover.

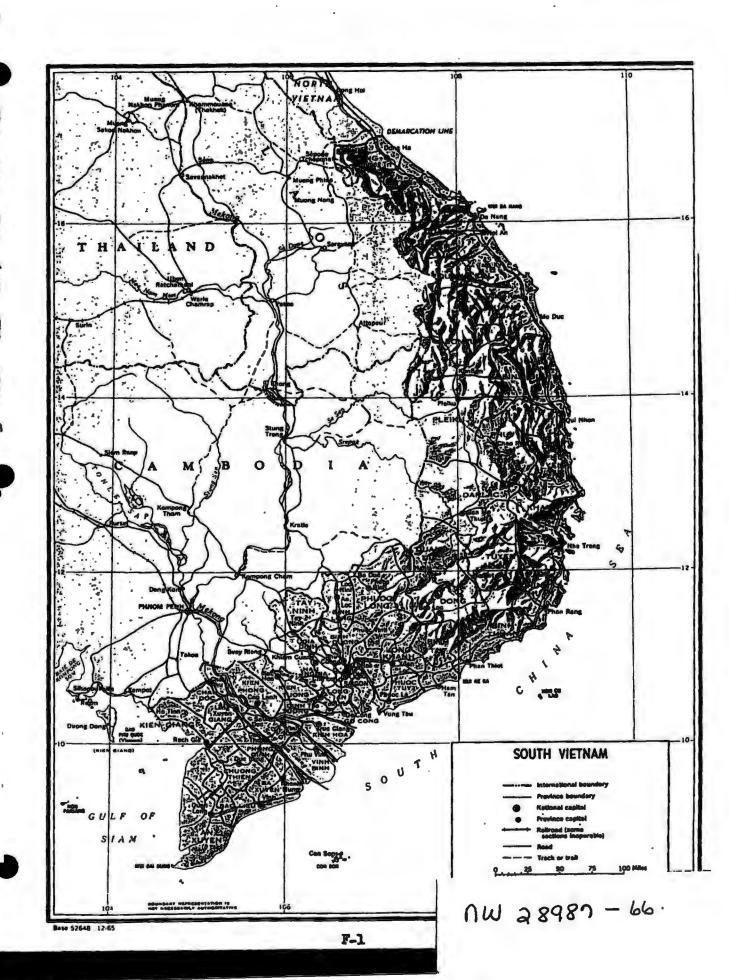
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SIGMA I-66

ISSUES, PROBLEMS AND QUESTIONS

The "Issues, Problems and Questions" Section of the SIGMA I-66 Fact Book will be issued to all game participants under seperate cover.

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SOUTH VIETNAM

GENERAL

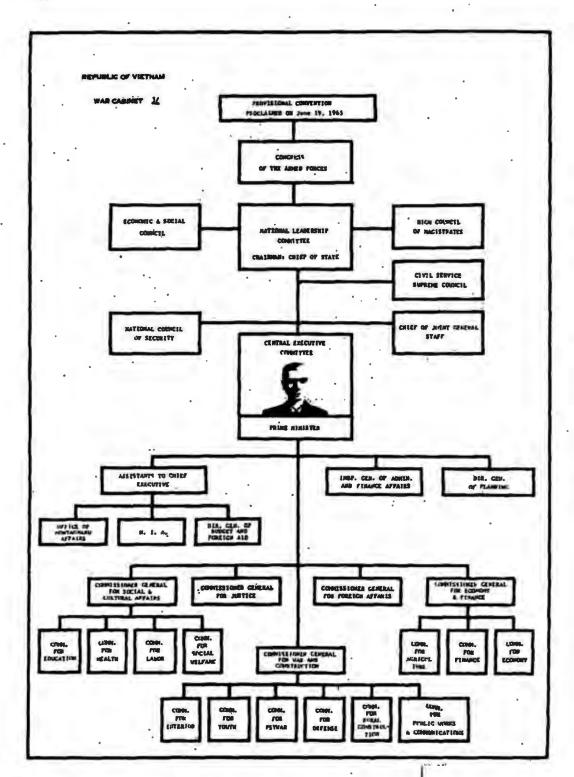
South Vietnam (SVN) is now a major battleground in the Communist struggle for control of mainland Southeast Asia. The United States (US) is heavily committed militarily, politically and economically to the support of the Government of the Republic of Vietnam (South Vietnam) in its struggle against communist inspired Viet Cong insurgency. For its part, the Government of South Vietnam (GVN) is unable to provide an adequate defense against Hanoi's campaign of subversion, terrorism and guerrilla warfare; thus it relies heavily upon the US and Free World forces to strengthen its defense capabilities, sustain its economy and sponsor its claim as the legitimate government of Vietnam in the international arena.

POLITICAL

The present Government of South Vietnam is a provisional government established 19 June 1965, under military control, following the voluntary resignations of former Chief of State Suu and Prime Minister Quat. The charter assigns all governmental authority to an Armed Forces Congress but provides for immediate delegation of most of the power to the next lower element, the Armed Forces Directorate. The Directorate provides the real direction of national affairs through the three most important positions as follows: President of the Directorate, who functions as Chief of State; Secretary General of the Directorate, who develops general policy of State; and Commissioner for the Executive Committee, who functions as Prime Minister. (See wigure F-1). The new government made a fresh start, with regard to the organization of political institutions, but faces the same basic divisions of Vietnamese society which proved the undoing of four previous governments. A review of Crisis Chronology, Tab "P", reflects the instability of previous governnology, Tab "P", reflects the instability of previous governments in SVN. The stability of the existing government depends upon military unity and loyalty to Prime Minister Nguyen Cao Ky; implementation of a political program satisfactory to the people; success in control of opposition groups; and effectiveness of the war effort.

Preparation for Elections: On September 11,1966, the people of South Vietnam will go to the polls to elect a National Assembly, as a first step toward setting up a constitutional government. Approximately 546 candidates have applied for the 108 seats to be elected by direct vote. Nine seats are reserved for delegates of the Montagnard tribesmen. These seats will be filled through selection processes which are in accord with tribal custom. All-in-all, there will by

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delegates to the National Assembly and seventeen factions will be fighting for the 117 Assembly seats.

The following information, prepared by Vietnamese and American officials in Saigon, gives a profile of the factions and an estimate of the election outcome:

FACTION	PROBABLE SEATS	WHO IS REPRESENTED
Marshal Ky's "Khaki Party" Army officers, veterans and civil servants. In some re- spects, the incumbent party:	20 to 40	Theoretically 700,000 soldiers, sailors, airmen, and civil servants.
Provincial and City Council- menLocally prominent fig- ures first elected to public office in May, 1965. Opposes military rule.	20 to 40	Scattered localities: majority unaffiliated with other factions.
The Roman Catholic Church Candidates run as individuals but with tacit church support. Opposes Ky regime.	15 to 25	1.5 million Catholics.
Hoa HaosA Buddhist sect whose founder, Huynh Phu So, was assassinated by the Viet Cong.	9 .	2 million adherents concentrated in Western Mekong Delta.
Vietnamese Kuomintang PartyOffshoot of Chiang Kai- shek's Chinese nationalists. Violently opposes militant Buddhists.	. 9	100,000 followers concentrated in three southernmost provinces of First Corps and Danang City.
The Dai Viet or Greater Viet Nam PartySplinter group of the Kuomintang who broke away to form a secret elite. Adherents have dominated upper echelons of the former Quat and present Ky governments.	?	Between 200 and 1,500 semi-secret members, mostly in cities.
Montagnard Tribals To be appointed by local chieftains.	9	500,000 mountain tribals in the Cen- tral Plateau.
United Buddhist CongregationBetter known as the Buddhist militants, led by Thich	8	400,000 followers in country's two north- ernmost provinces of

FACTION SEATS REPRESENTED Tri Quang and Thich Tam Quang Tri and Thua Chau. This group has official-Thien, also cities of ly boycotted the elections in Danang, Hue and, to Saigon, where American Emlesser extent, Saibassy estimates it has only gon. Rank-and-file 10,000 active supporters and are all Central or could not win a seat in any Northern Vietnamese. case. It is putting up can-Limited influence on didates in Central Viet Nam. 1 million other Central Vietnamese Buddhists. 6 Southern Buddhists or General 500,000 active fol-Buddhist Association -- Has no lowers, loose assbpolitical organization. ciation with an estimated 3 million practicing Buddhists in Mekong Delta. Cao Dai -- Synthethic religion 2 1 million adherents, with elements of Buddhism, with a stronghold Taoism and Catholicism, and Holy See in Tay spiritualism, prophecy by Ninh province. ouija board and worship of Victor Hugo, Sun Yat-sen and Joan of Arc. Chinese--Vietnamese citizens 4 1.5 million Chinese, since Diem's rule, mostly busimostly concentrated nessmen with loyalties divided in Saigon's twin between Peking and Taipei. city of Cholon. They stand aloof from the war. l million in border Cambodians -- For specifically region of Mekong reserved seats. Delta.

5

PROBABLE

WHO IS

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tary units.

National Liberation Front -- Di-

vided into the actual front,

South Vietnamese Communist

the Peoples Revolutionary or

Party, and the Viet Cong mili-

travelers.

700.000 scattered

throughout country

divided into 300,000 civilian "true be-

lievers" and active

supporters, plus another 190,000 southern troops and political cadres, about 50,000 North Vietnamese regular and political fellow

FACTION	PROBABLE SEATS	WHO IS REPRESENTED
ProtestantsIncluding Baptists, Menonites and Seventh Day Adventists, others. They will probably vote for Catholics.	None	500,000 adherents of all faiths.
Hindus and Moslems Includes Indians, Pakistanis and Cham tribals.	None .	500,000 adherents
Taoists.	None	500,000 concentrated in Mekong Delta.
Revolutionary Development CadreAlthough part of the government, faction is im- portant since its present cadre are heavily indoctri- nated with Marxist-Leninist techniques of political organi- zation and are unsatisfied with the Saigon government's performance.	?	25,000 peasant cadres and 600 instructors.

For the purpose of the September election, the American mission is using a total population figure of 14 million, of which 12 million are ethnic Vietnamese. Since US statistics report that at least 50 percent of all Vietnamese are under 18, this leaves a total possible electorate of 6.5 million. Of this number, 5 million voters have been registered and approximately 3 to 4 million voters are expected to go to the polls.

In August 1966, Premier Nguyen Cao Ky's regime commenced campaigning for the election to urge the people to get out and vote at any of the 5200 polling places in SVN. The Government campaign is designed to crush anti-Government groups such as the Vien Hoa Dao Buddhists (who still demand that Ky step down and let a civilian Government run the elections) and to counter Viet Cong efforts to keep voters away from the polls.

ECONOMIC

General

The United States has contributed economic assistance to Vietnam since fiscal year 1954, following the signing of the Geneva Accords. This assistance has changed in form and magnitude in response to the changing political and economic scene. The partition of Vietnam in 1954 left to the newly formed Republic of Vietnam a major task of reconstructing an economy devastated by World War II and the Indo-Chinese War. This task was further

complicated by the influx of nearly one million refugees from the North. A major feature of the US economic aid program, at that time, was a large commercial import program designed to keep the economy operating and to combat massive inflationary pressures that threatened to destroy the efforts of rehabilitation. American aid was administered through the US Overseas Mission in South Vietnam.

By the end of 1957, the major inflationary and refugee crises had ended and our economic aid program turned with some feeling of optimism toward longer range institution building-technical assistance, capital development and project aid. The major loans for development of a telecommunications system linking provincial Delta towns with Saigon, the building of a thermal electric power plant, the modernization of the railway, and the expansion of the Saigon metropolitan water system were all undertaken during the next three years. Major efforts were begun in the planning and construction of a medical center, new schools and universities. Greater assistance was tendered in areas of agricultural extension, research, and production. These efforts in South Vietnam resulted in a rise in the Gross National Product of 10.8 percent annually between 1956 and 1960.

Agency for International Development

A renewed communist offensive and the growing presence of North Vietnamese men and supplies required a change and flexibility in the form and content of US economic aid to SVN. 1962 the Agency for International Development (AID) was formed by the US government to provide assistance to underdeveloped countries throughout the world. A counterinsurgency program was inaugurated by AID and the first overall integrated efforts were made to develop a program aimed at winning and maintaining the support of the people for the Government of South Vietnam. In both funds and staff, the Vietnam AID program is the largest economic aid operation in the world. On June 30 1966, the US Mission Staff in South Vietnam totaled 877 direct hire technicians, management, administrative and other US agency personnel; 140 US contract employees; 300 third-country national employees; and about 1,800 local Vietnamese. Through the AID. program, the US had also expended about \$540 million in AID funds and nearly \$100 million worth of PL 480 agricultural commodities. About two thirds of this assistance was for general economic support to combat inflation while the remainder went toward 32 separate projects and 90 subactivities.

The US AID program in Vietnam can be broken out as follows:

Rural Construction (Revolutionary Development) and grass roots political development.

Civil security and resource control.

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Refugee relief and resettlement.

Economic and social infrastructure development.

Transportation and logistics.

General economic stability.

Rural Construction (Revolutionary Development). The purpose of the Government of Vietnam's Revolutionary Development (RD) effort is to liberate the people from VC control, restore local government, maintain public security and win the support of the people. ATD and other US agencies support a wide variety of RD programs that include:

- (1) Chieu Hoi, an amnesty program to encourage VC defections and re-integrate defectors into South Vietnamese society.
- (2) The RD Cadre, which are 59-man teams that are spearheading pacification and development in rural areas.
- (3) The hamlet and village Self-Help Program, which encourages and assists the peasants to initiate and carry out small-scale construction projects.
- (4) Rural health programs.
- (5) Agricultural development.

In order to support these programs, AID becomes involved in establishing better lines of communication and transportation, simplified administrative and financial procedures, and a host of other activities.

During the first six months of 1966, the RD program was responsible for bringing a total of 347,300 peasants under GVN control. These people live in the 531 hamlets that have been pacified this year. A total of 9015 RD Cadre replacements have been trained under the new intensive 13-week program at Vung Tau and will soon join the 35,200 Cadre members trained under previous programs.

Civil Security and Resource Control. Increased activity on the part of the local and national police is contributing greatly to the security effort. AID has helped train, equip, and organize a 52,800-man National Police Force. Original plans for expansion of the National Police to 72,000 men by the end of 1966 have been delayed because the GVN refused to allow men in the draftable (21 to 29 year) age group to join the police. This policy has been changed and National Police expansion is going forward.

The national I.D. card program has been reorganized and 7 1/2 million people are now registered.

Refugee Relief and the Resettlement. One of the more pressing problems facing the GVN is the increasing refugee population. Over 900,000 people have, for a variety of reasons, turned to the GVN for security, shelter and assistance. The position of the GVN has been "the people will neither be prevented from nor encouraged to desert their native places." The complicated machinery of the GVN aid program has failed to keep abreast of the growing refugee problem.

The refugee element constitutes about five percent of the total SVN population. The loyalty of these citizens is all too frequently eroded by the conditions under which they must exist. Under improved conditions, refugee loyalties could be maintained at a higher level while those of VC sympathizers and dependents might be swayed towards the GVN.

US assistance for refugee relief provides for facilities, clothing, food, and personnel cost. The US government has allotted \$7.9 million for refugee food for 1966 and the GVN has a budget of \$22 million for refugee relief for the same year. Refugees have been appearing at refugee centers in SVN at the rate of 40,000 a month. Every possible effort is being made to resettle these people into areas where they can be trained in skills that will be useful to the Vietnamese war effort.

Economic and Social Infrastructure Development. The US government has financed eight new industrial plants and has assisted in the expansion of 51 industrial facilities in SVN. Ninety percent of the cotton textile needs of South Vietnam are now produced in-country. During 1965 alone, the US government invested \$7 million in equipment for SVN against which South Vietnamese investors deposited counterpart funds and financed required local costs.

Transportation and Logistics. Inadequate port facilities continue to be a major problem in SVN. Port facilities have not kept pace with the rapid buildup of forces, despite maximum effort by the US government. Military cargo handled in the port of Saigon increased from 93,000 metric tons in January 1966 to 144,636 metric tons in July 1966. Commercial cargo increased from 171,000 metric tons to 194,700 metric tons in the first six months of 1966. The present commercial cargo discharged in the port of Saigon is estimated to be within 50,000 metric tons of monthly requirements and it will be another year before the new Saigon military port is completed and ready for use. AID has assisted in the development of port facilities in Saigon, Cam Ranh Bay and Danang.

A modern microwave telecommunications system has been completed, linking Saigon by phone to the principal towns of the Delta. In spite of Viet Cong sabotage, over 45 bridges and culverts have been constructed; more than 600 bridges have been repaired; 650 kilometers of secondary roads have been constructed; and 350 kilometers of major highways were rebuilt in 1965. The Vietnam National Railway system procured 48 diesel electric locomotives, 225 freight and tank cars, and shop equipment with AID loans and grants.

General Economic Stability. The pressure of overabundant money and insufficient goods has produced a seller's market in SVN. Hardest hit by the inflation are the villagers who are forced to pay Saigon's prices without Saigon's employment opportunities. The primary causes of the inflation, which raised the cost of living of the Saigon working class by 73 percent in the period June 1965 to June 1966, are:

- (1) A doubling of the money supply over the past year.
- (2) Spending by US military personnel.
- (3) Large construction costs for military bases, ports and housing.
- (4) Interdiction of commercial lines of communication and farm-to-market roads.
- (5) A mounting GVN war budget.
- (6) Drafting of economically productive Vietnamese into non-productive military duty.
- (7) Illegal taxation by the VC.
- (8) Corrupt GVN officials.

AID is trying to hold down the cost of living to an acceptable level through the Commercial Import Program and the Food for Peace program. The three basic objectives of the CIP are:

- (1) To prevent a shortage of goods in order to ease inflationary pressure.
- (2) To provide funds to the Vietnamese Government to help it meet rising military and civilian budgets.
- (3) To supply the basic commodities needed by industry.

The program provides dollar credits to pay for essential

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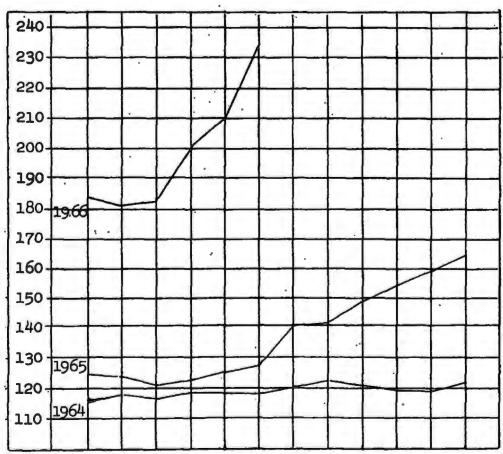
commodities. The dollars which are used to pay US exporters and producers remain in the US; Vietnamese importers pay their government for the goods in plasters.

On June 18 1966, the Vietnamese Government announced a major program of economic reforms including:

- (1) Reform of the foreign exchange rate structure.
- (2) Liberalization of government regulations applying to importation and industrialization.
- (3) Major wage/salary increases for government employees.

An initial rise of about 30 percent in Saigon retail prices followed the reforms.

COST OF LIVING INDEX
(For Working-Class Family in Saigon)
(1959=index of 100)



Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

SPERET - NOFORN

F-11

PSYCHOLOGICAL OPERATIONS

Joint United States Public Affairs Office (JUSPAO) is the most revolutionary development in US overseas psychological actions since the establishment of the US Information Agency in 1953. This new organization was formed to implement the responsibility for all US psychological actions in Vietnam delegated to the Director of the US Information Agency in May 1965. JUSPAO directly integrated US Information Service and the Communications Media Division of USOM Vietnam, which was providing communications equipment and technical advice to the Government of Vietnam.

JUSPAO resources include 158 American civilian and military personnel; nearly 400 Vietnamese employees; and an annual budget of \$3.5 million. JUSPAO was organized to assist the GVN increase participation of Vietnamese people with their government in the war against communist subversion and aggression and in development of social and economic progress in Vietnam.

In addition to providing assistance to the Vietnamese Ministry of Psychological Warfare (PsyWar) in its provincial and national programs, JUSPAO supports the GVN psychological offensive against the Viet Cong and North Vietnamese population. This includes extensive radio broadcasting to the Viet Cong to encourage defection as well as frequent and massive leaflet drops and airborne loudspeaker operations by USAF PsyWar aircraft.

Particular emphasis is placed on assistance to the GVN's Chieu Hoi (Open Arms Amnesty) program to encourage enemy soldiers, guerrillas, cadres and those villagers residing under VC domination to defect and return to the free Vietnamese society. The chart on page 84 of the Joint DIA/JCS Southeast Asia Fact Book, July 1966, outlines the Chieu Hoi pattern during the first half of 1966.

Recent evaluation of the Chieu Hoi program indicates a need for a great deal of improvement in some areas. Facilities are inadequate to provide for defectors, funding is mismanaged and no real support, guidance, or centralized effort has emanated from Saigon. A skilled cadre is urgently needed to manage the funding and to carry out the psychological training efforts of the program.

Evaluation of PsyWar Efforts. The evaluation of psychological operations directed at the Viet Cong is a continuing process carried out by Vietnamese and American officials. Documents taken from captured Viet Cong show that psychological operations against their organization have resulted in desertions and defections of a greater magnitude than JUSPAO had estimated in late 1965. As a result of US/GVN psychological operations, the VC has ordered an intensive effort to counter these programs. One VC directive warned its soldiers to "cover your ears and shout", when government loudspeaker aircraft appeared, and to immediately

CORET - NOFORN

destroy leaflets encouraging them to defect.

During the entire year of 1965, 11,124 Viet Cong defected to the government side. During the first seven months of 1966, 11,017 Viet Cong defectors have rallied to the GVN.

Evaluation of US and GVN rsychological operations directed at the people in North Vietnam indicates that the regime is concerned and has taken measures to counter the propaganda disseminated from the South. Hanoi has issued directives stating that there is a need in NVN for further political indoctrination among the people, the army, and the police to counter US/GVN propaganda and frequent peace offers. North Vietnamese officials have publicly admitted that propaganda leaflets and other air drops, from the south, as well as, radio broadcasts, have reached a wide audience in their country.

KEY PERSONALITIES

NGUYEN CAO KY: A week after Phan Huy Quat's decision in June 1965 to return the Vietnamese government to the military. Air Vice Marshal Nguyen Cao Ky emerged at the head of a new government under the leadership of top military leaders. His official title in the government is Chairman of the Executive Committee of the Congress of the Armed Forces, but he is usually referred to as Prime Minister. He continues to serve as Commander of the Vietnamese Air Force (VNAF); a post he has held since December 1963. One of South Vietnam's most colorful, capable, and courageous leaders, Ky has played an important part in Vietnamese governments since the overthrow of Ngo Dinh Diem. taking over as Prime Minister, he announced his determination to deal forcefully and aggressively with both Viet Cong opposition and domestic corruption and inefficiency. He has placed particular emphasis on strengthening the rural construction or pacification program and on trying to solve Vietnam's serious economic problems.

Nguyen Cao Ky was born in Son Tay, North Vietnam, on 8 September 1930. He was called into military service and attended the officers reserve course in November 1951. He was promoted to staff sergeant in the reserves on 1 April 1952 and then to second lieutenant, reserves, a month later. his transfer to the 20th Battalion on 1. June 1952, he attended the French aviation school at Marrakech in October and was then integrated into the active service with the rank of second lieutenant. He was promoted to first lieutenant in the active service on 1 February 1954. In September 1954 he was graduated. from the Advanced Flying School in Alvord, France, and he was assigned to Combat Aerienne Extreme Orient (Group Senegal) on 21 December 1954. He was made temporary captain on 20 June 1955 and was promoted to commander the following August. He served as a regular captain after November 1955 and was promoted to commander of the 3rd Air Force Support Base on 1 February 1956. In February 1957, as commander of the 1st

Transport Squadron, he was promoted to major. He held this position until the time of the November 1963 coup, with the exception of six months' training at the Command and Staff Officers Course at Maxwell Air Force Base in 1958.

Ky, then a lieutenant colonel, was arrested after the abortive November 1960 coup but was detained only briefly, and he was again detained for a short time after the February 1962 bombing of the Presidential Palace. Strongly opposed to Diem, he occasionally refused to perform official duties to which he was morally opposed. Ky was one of the supporters of the November 1963 coup which overthrew Diem and was promoted to the rank of colonel after the coup. He was originally bypassed in the appointment of the VNAF commander, but was named to that post in early December. Ky's role in General Nguyen Khanh's overthrow of the government in January 1964 is not definitely known, but he appeared to support Khanh for some time afterward. He was promoted to subbrigadier general in April 1964 and to brigadier general in July; and in August he was named Third Deputy Chairman of the Military Revolutionary Council. Ky was one of the leading figures in thwarting the attempted coup against Nguyen Khanh in September 1964. Although he stated then that the air force opposed any coup, whether justified or not, he was prominent in the virtual coup of 20 December 1964 which dissolved the High National Council. He justified the latter action by saying that it had been necessary to eliminate all elements which threatened the stability of the government.

Ky supported General Khanh on the ouster of the Tran Van Huong government, but he soon became known as one of the leaders in attempts to prevent Khanh from assuming further power. From 18 January to 16 February 1965, he served as Minister of Youth and Sports, a post he assumed reluctantly and only after he had been permitted to retain command of the air force. He apparently opposed Colonel Pham Ngoc Thao's attempted coup of 19 February, although he did agree with the decision to remove Khanh from authority. Originally preferring a military prime minister, Ky accepted the selection of Phan Huy Quat and during most of the life of the Quat government was one of its supporters. Ky's decision to participate in a new administration was apparently at least partially prompted by his belief that civilian governments had failed to provide an efficient and effective program and an end to corruption.

General Ky and his first wife, from whom he is divorced, had five children. In late 1964 he married an attractive 24 year-old former Air Vietnam stewardess, by whom he had a daughter in July 1965. Ky speaks English and French fluently. He is a Buddhist.

NGUYEN VAN THIEU: Lieutenant General Nguyen Van Thieu, who had served since 16 February 1965 as Vice Premier and Minister of Defense of the Republic of Vietnam, was chosen as Chairman of the National Directory Committee on 19 June 1965. He functions as Chief of State in the government, which Marshal Nguyen Cao Ky heads as Prime Minister. As a Catholic and a member of the southern faction of the Dai Viet Party, Thieu is not popular among Vietnamese Buddhists, who believe him to have been involved in various plots and coup attempts. was suspected of having backed the late Colonel Pham Ngoc Thao's coup attempt of February 1965, although anticipation of its failure seems to have kept him from actual participation. There is no doubt that he was satisfied with the end result of Thao's action -- the removal of General Nguyen Khanh from power. Thieu is also often charged with coup plotting in behalf of the Dai Viet Party, but he has denied these charges and claims to have severed most of his Dai Viet ties.

It is difficult to determine Thieu's motivations and the extent of his personal ambitions. Some US officials who have dealt with him regard him as an outstanding military commander who is completely loyal to his country, while others characterize him as an inveterate coup plotter whose sole aim is personal advancement. The latter view is shared by many Vietnamese military and Buddhist leaders

3.3(b)(1)

Intelligent and ambitious, he has been described as probably the most sophisticated politician on the Directorate. Thieu has spoken more frequently and consistently on the subject of negotiations to end the war than any of the other Directorate members. His statements have insisted that any settlement must include the participation and agreement of the South Vietnamese government.

NGUYEN HUU CO: Lieutenant General Nguyen Huu Co, formerly Commander of II Corps, was named Minister of Defense in the Government formed in June 1965. On 1 October he was given the additional title of Deputy Prime Minister, and he has retained these responsibilities in the cabinet reorganization announced since then. One of the best field commanders in the Vietnamese Army, Co is highly respected by US military advisers. Although he has been relatively uninvolved in political maneuverings, recent reports have hinted of at least acquiescence, if not actual involvement, in plans to overthrow Prime Minister Ky. Co has been known to be dissatisfied since his replacement in October 1965 as Chief of the Joint General Staff. He resents the loss of a major military role and has been outspoken in his criticism of Ky, particularly in regard to Ky's actions against the struggle movement in Danang in April. Although there have been reports that Co would be given an ambassadorial position to remove him from the local scene, indications are that he will retain his cabinet positions. While Co is ambitious and will exploit

any situation to increase his own position and gain political support, he probably does not have sufficient military or civilian following at his disposal to take any action against Ky if he did desire to do so.

NGUYEN LUU VIEN: Selected by the Military Directory to be Second Deputy Premier in charge of Social and Cultural Affairs on 13 July 1966, Dr. Nguyen Luu Vien thus becomes a civilian counterpart to the other Deputy Premier, Lieutenant General Nguyen Huu Co. Dr. Vien had previously been named to the enlarged National Directory Committee in an effort to increase civilian participation in the government. He once served as Vice Premier and Interior Minister and in February 1965 came close to being named Prime Minister. Politically inactive since that time, he has recently participated in the National Political Congress and the Election Law Conference. US officials in Saigon have a very high regard for Vien's ability and character. He failed to become Prime Minister a year ago for a number of reasons. He is General Nguyen Khanh's uncle, although the two were by no means close; and he was opposed by the Buddhist Institute because of both his relationship to Khanh and his association with Tran Van Huong. Vien himself, moreover, apparently had reservations about General Khanh's political ambitions and additionally objected strongly to the proposed inclusion of General Nguyen Chanh Thi as Minister of Interior because of Thi's lack of firmness in the face of Buddhist demonstrations in the I Corps area. Although he is a Buddhist himself, Vien was not favorably disposed toward the government of his old friend Tran Van Huong. After leaving the government with the advent of the Quat administration in February 1965, Vien became head of the Pasteur Institute in Saigon.

TRI QUANG: One of the most militant of South Vietnam's Buddhist bonzes and one of the most effective politicians in the country. Personally ambitious and supremely self-confident, he seems to envision himself as the dominant power both in the Buddhist movement and in Vietnamese national politics. He has habitually advocated action to exploit tensions when, as he often does, he sees a threat to Buddhism. Perhaps because of his essentially introverted personality, he prefers not to participate directly in political affairs. This precedent was broken during the most recent Buddhist attempts to bring down the Ky-Thieu government, when Tri Quang assumed leadership of the struggle forces in central Vietnam, where he has a great deal of influence, particularly among student groups. Calling for a new government and refusing to support the coming elections, Quang evidently overestimated his personal power and underestimated that of the government, for the demonstrations which brought Vietnam to the brink of civil war, ended in failure. His actions and those of his followers took on strong anti-American overtones, and Quang himself believes that he was betrayed by the Buddhist movement and indirectly by the United

States. Temporarily at least, he has lost the support of the nonmilitant Buddhist leaders and has also lost some of his power to the more moderate Thich Tam Chau. Quang, however, is still on a hunger strike, vowing to continue until the Ky government is replaced and refusing to call for Buddhist participation in the September elections.

Thich Tri Quang has been Secretary General of the High Clerical Council of the Unified Buddhist Association (UBA) since its formation in January 1964. Nominally the supreme body of the UBA, the High Clerical Council is in reality primarily symbolic. The Institute for the Propagation of the Buddhist Faith (Vien Hoa Dao; VHD), headed by Thich Tam Chau, is the executive arm of the UBA. Despite frequent announcements of his intention to retire to purely religious activities, Quang has been a key figure in Buddhist political agitation since 1963, when he emerged as the leader of Buddhist demonstrations in Hue protesting against the Diem government. Since then he has found little to approve of in any of the South Vietnamese governments. While he seems basically opposed to the idea of a military regime, he has not hesitated to criticize the civilian administrations of Tran Van Huong or Phan Huy Quat as well. Many observers have tried to pin down Quang's philosophy in terms of international political issues, but these issues are probably less important to him than the status of the Buddhist church in Vietnam. Quang has criticized all Vietnamese administrations since Diem's time for being anti-Buddhist: Bitterly anti-Catholic, he fears the return of the Catholic dominance which existed under the Diem regime through the Can Lao Party. For the past two years Quang has tried to form a lay Buddhist political party, apparently in the hope of both removing the bonzes from direct political activity and uniting laymen into an effective mechanism for supporting Buddhist interests.

Highly intelligent, often devious, and mercurial in his attitudes, Thich Tri Quang is an effective demagogue and one of South Vietnam's most capable leaders. He is a proud and egotistical man who may envision himself as the religious and political leader not only in South Vietnam, but in other Southeast Asian Buddhist countries as well. Despite his stated opposition to political activity, he is able to justify his frequent ventures into political agitation by claiming that he has acted in defense of Buddhist interest.

TAM CHAU: Since its establishment in January 1964, Thich Tam Chau has chaired the Institute for the Propagation of the Buddhist Faith (Vien Hoa Dao; VHD), commonly known as the Buddhist Institute. The Vien Hao Dao is the secular arm of the Unified Buddhist Association (UBA). Chau, who was one of the organizers of the Buddhist demonstrations

against the Nguyen Cao Ky government, relinquished leadership of the movement in April 1966, apparently in the belief that the demonstrations had gone too far. He left Vietnam for a Buddhist conference in Ceylon in early May and returned at the end of the month after stops in Thailand, Singapore, and Malaysia. On 3 June Tam Chau resigned from the VHD chairmanship, reportedly because extremists at the institute refused to follow his leadership. His resignation was not accepted, and Tam Chau agreed to continue as VHD Chairman.

The following information is available in the Joint DIA/JCS Southeast Asia Military Fact Book, July 1966:

Republic of Vietnam Armed Forces (RVNAF)

US and Free World Forces in South Vietnam

Combat Operations in South Vietnam (1 April - 30 June 1966).

Total Casualties in SVN

Viet Cong Incidents

RVN Desertions

Population Control Comparison



VIETNAM, SOUTH

LAND: (U) 66,000 sq. mi.; 35% arable (18% cultivated), 32.5% forested, 32.5% other

PEOPLE: (U)

Population: 16,5 million; males 15-49, 4,419,000; 2,155,000 fit for military service; 135,000 reach military age (20) annually

Ethnic Divisions: 85% Vietnamese, 6% Chinese, 5% tribal Indonesian, 3% Khmer (Cambodian), 1% other Religion: 50-65% nominal Buddists (including Hoa Hao),

10% active; 10% Christian, 4-5% Cao Dai, 17.5%-37.5% other (mainly animist)

Language: Vietnamese, Chinese, Khmer (Cambodian), Cham, Meo, French

Literacy: officially GVN claims 90% literacy; actual figure 50-65% Labor force: 6.4 million; 85.1% agriculture; 3.2% commerce, 3% fishing, 2.2% transport and communications, 1.9% manufacturing, 0.8% construction, 3.8%

Organized labor: 0.5% of labor force



Capital: Saigon

Regional breakdown: 4 military regions and a capital military region, divided into 43 administrative provinces and 5 autonomous municipalities

Type: a provisional military oligarchy

Branches: executive and semi-independent judiciary; all exist on sufferance of military, which exercises executive and legislative power through a Military-Civilian Directorate

Government leader: Air Vice Marshal Nguyen Cao Ky, Premier

Elections: no national elections since late 1963; advisory provincial and municipal councils were elected in May 1965; constitutional assembly elections scheduled 11 Sept. 1966

Political parties and leaders: Dai Viet party and Nationalist Party (VNQDD) are major groups, but still factionalized from previous rigid controls

Communists: 77,490 armed regulars in identified units plus 17,600 combat support troops; 103,600 irregular forces; 39,000 armed political cadres

Other political or pressure groups: National Front for the Liberation of South Vietnam (NFLSV), illegal Communist front

Member of: certain specialized U.N. agencies (IAEA, ILO, FAO, UNESCO, WHO, UPU, ITU, WMO, IMCO, ICAO), Colombo Plan

ECONOMY: (Secret - No Foreign Dissem)

GNP: US\$1,760 million (1965 est.), \$110 per capita; \$1,935 million (est.) consumption including aid received; net foreign balance \$330 million (est.); total resources available \$2,090 million (est.); \$155 million (est.) gross investment

Agriculture: main crops -- rubber, rice, peanuts, corn, sugar cane, sweet potatoes, copra; 95% self-sufficient; food shortages -- dairy products and, recently, rice and salt

Major industries: manufacturing on small scale -- mainly light manufacturing and processing of local agricultural and forest products; factories produce textiles, beer, cigarettes, glass, tires and sugar; there are also limited mining operations

Shortages: capital goods

Electric power: 182,000 kw. capacity (1964); 495 million kw.-hr. produced (1965 est.), 30 kw.-hr. per capita

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NO FOREIGN DISSEM

ECONOMY (cont'd):

Exports: US\$40 million (1965 est.); major commodities -- rubber, pigs, tea Imports: US\$370 million (1965 est.); major commodities -- electrical and nonelectrical machinery, vehicles, glassware, textile fabrics, petroleum

products...

Trade: no trade with Communist countries; main suppliers -- U.S., Japan, France, Taiwan; major markets -- France, U.K., West Germany, Japan

Aid: France -- US\$15.3 million extended (1964), U.S. -- US\$270 million obligated (FY 1965); numerous non-Communist countries providing assistance under

"many flags" program

Exchange rate: 118 plasters=US\$1 (the official rate of 80 plasters to US\$1 plus a surtax of 38 plasters per dollar) (current blackmarket rate of 185 plasters to US\$1 as of mid-June 1966)

Piscal year: 1 Jan. - 31 Dec.

COMMUNICATIONS: (Confidential)

Railroads: 842 mi.

Highways: 12,104 mi.; 3,100 mi. bituminous, 2,235 mi. gravel and crushed stone, 1,490 mi, improved earth, 5,279 mi, unimproved earth

Inland waterways: 3,685 mi, navigable

Ports: 1 principal (Saigon), 2 secondary, 19 minor Merchant marine: 15 ships totaling 11,776 GRT, 15,200 DWT; includes 15 cargo; only 1 ship is over 1,000 GRT

Civil air: 10 major transport aircraft

Airfields: 203 total, 175 usable; 28 with permanent-surface runways; 5 with runways 8,000-11,999 ft.; 29 with runways 4,000-7,999 ft.; 4 seaplane stations Telecommunications: intercity communication is primarily by radio; few operable wire lines; modern international facilities; radio broadcast service is adequate; television station planned; 19,500 telephones

DEFENSE PORCES: (Secret)

Personnel: army 272,800, navy 21,700 (6,200 marines), air force 13,000, regional force 136,900

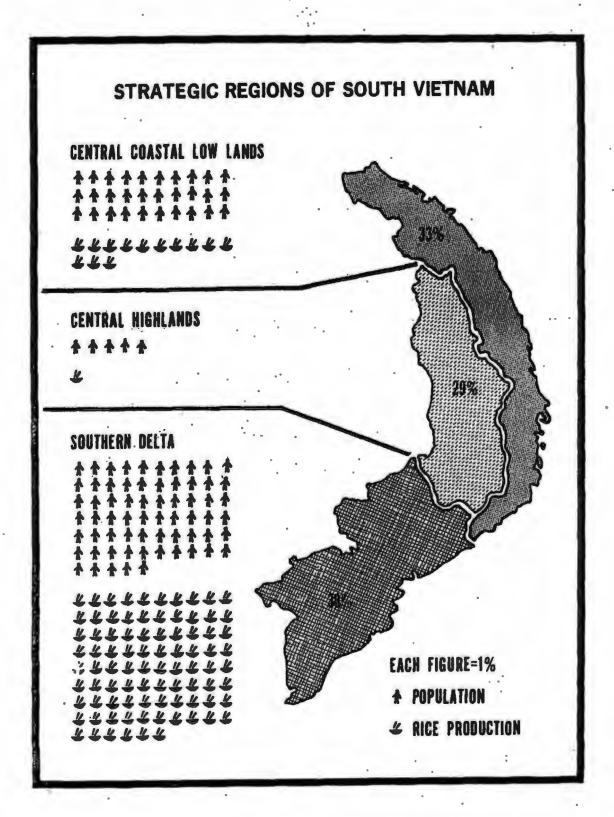
Major ground units: 10 infantry divisions, 1 airborne division (6 assigned battalions, 2 battalions being trained), 1 separate infantry regiment, 1 guard brigade, 6 armored cavalry squadrons, 10 separate artillery battalions, 4 separate infantry battalions, 20 ranger battalions, 2 special forces groups Ships: 21 patrol, 15 mine warfare, 138 amphibious ships and craft, I auxiliary,

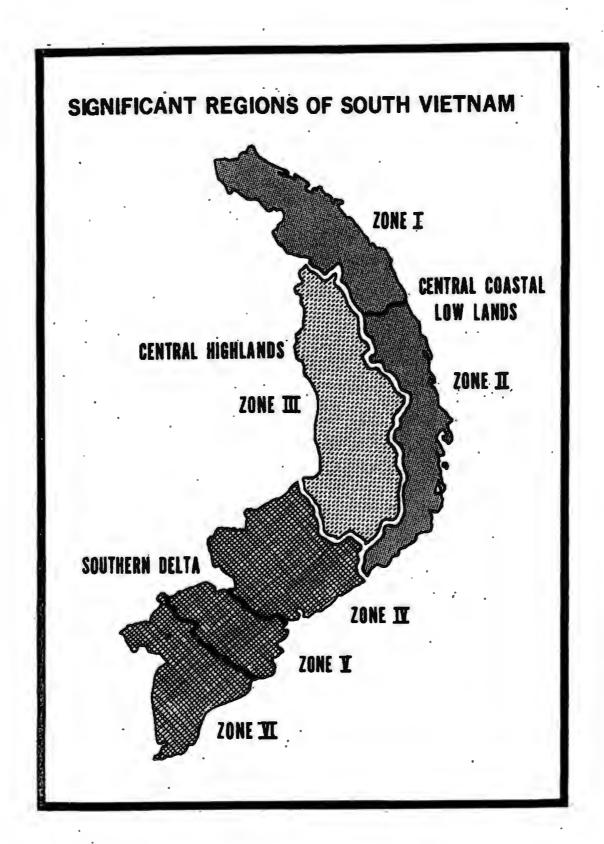
14 service craft, 488 junks, 58 assorted small river craft
Aircraft: 406 (4 jet, 328 prop, 74 helicopter), including 357 in operational units
(134 prop light bombers, 33 prop transports, 130 other prop aircraft, 60 piston helicopters)

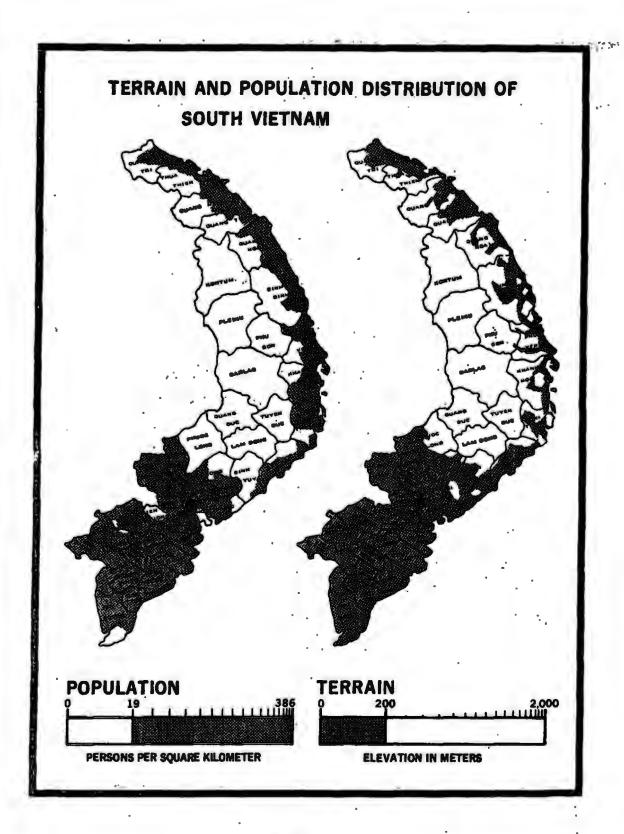
Supply: heavily dependent upon U.S. for military supplies

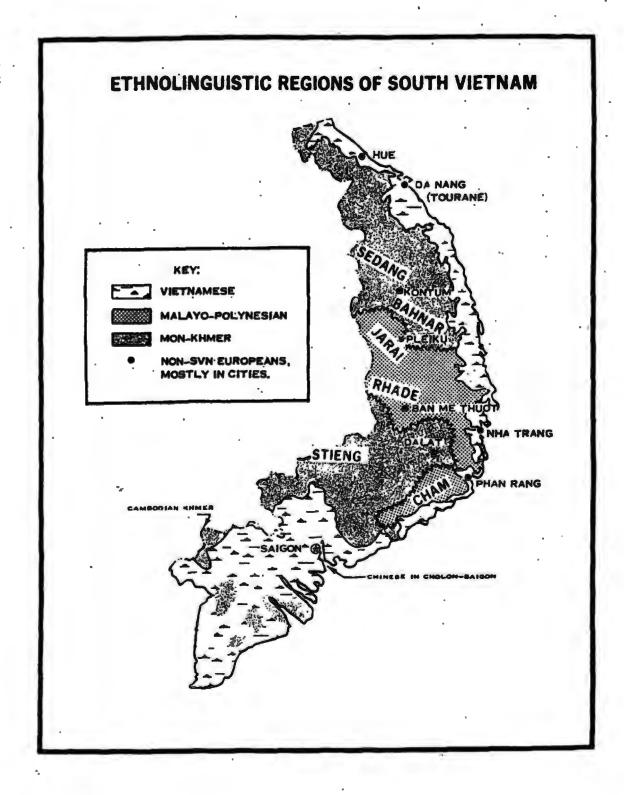
Military budget: for fiscal year ending 31 Dec. 1965, \$433,801,183; approximately one-half of proposed total budget

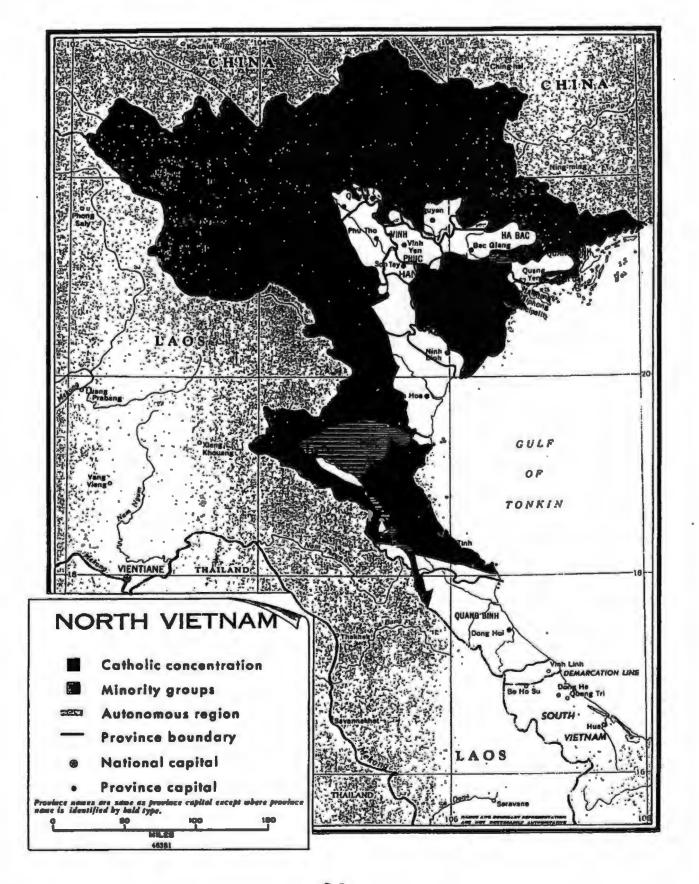
NO FOREIGN DISSEM

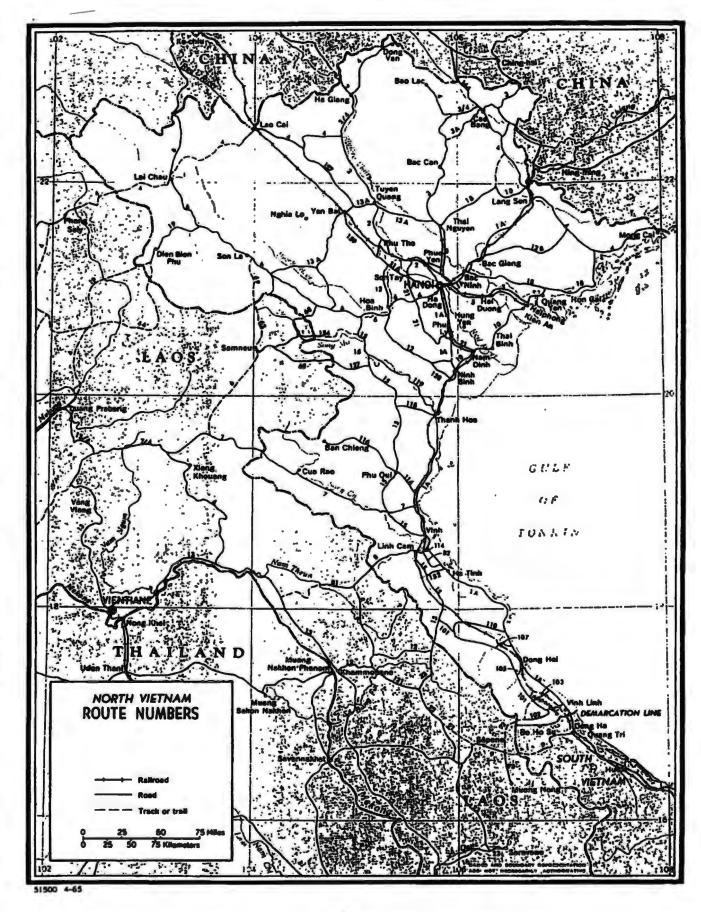












NORTH VIETNAM

GENERAL

The extension of Communist rule to all of North Vietnam in 1954 marked, in strategic terms, the establishment of a spearhead of the Sino-Soviet bloc in Southeast Asia and the creation of a friendly buffer state along part of the Communist Chinese southern border. The Government of North Vietnam (NVN) as the Communist part of a divided country (like the Communist controlled segments of Korea and Germany), serves as a political testing-ground for bloc tactics and as an occasional instrument for probing the defenses of the non-communist world.

POLITICAL

The Sino-Soviet dispute has plagued North Vietnam since it is unable to ignore China's propinquity and substantial assistance, nor to turn its back on the sizeable aid and trade from the Soviet Union. North Vietnamese leaders have attempted to avoid an open break with either China or the Soviet Union through compromise and gestures toward both sides. Although the Soviets have influence in the upper levels of the regime, Communist China's influence currently appears to be predominant.

The North Vietnamese regime dominates the population by means of classic Communist controls which are exercised by the government, the Lao Dong (Workers) Party, and party-controlled front organizations. The top leadership has displayed a high degree of stability. The regime is firmly established and controls the instruments of power, including the thoroughly indectrinated Army. A power struggle could well arise when President Ho Chi Minh dies -- he is over 70 -- but the Communist orientation will continue regardless of who is chosen from the hierarchy to be his successor. (Figure G-1 outlines the NVN Government Organization.)

ECONOMIC

North Vietnam has good potential for industrial growth. The diversity of mineral resources is probably the greatest of any area on mainland Southeast Asia. The country also has important timber resources and considerable hydroelectric potential. North Vietnam's economy is sustained by support from Communist China, the USSR and other Communist countries.

Economic development plans have been set back as a result of the war and the diversion of resources to reconstruction of facilities damaged by US/VNAF air strikes. Continuing

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NORTH VIETNAMESE GOVERNMENT ORGANIZATION NATIONAL ASSEMBLY 366 delegates elected for 4 year term. a delegates carried over from provious Ass Last election April 1964. Mosts ruice yearly. PEOPLE'S SUPREME COURT STANDING COMMITTEE PRESIDENT OF THE DEMOCRATIC REPUBLIC OF VIETNAM OF THE NATIONAL ASSEMBLY (elected by Assembly for 4 year term) PRESIDENT Phone Von Boch felected by Assembly No Chi Minh PERSONT for 4 year term) VICE PLEDDENT To Duc Thong CHAIRMAN Trueng Chink VICE CHAIRMEN Hoong Van Hoon NATIONAL DEFENSE COUNCIL SPECIAL POLITICAL CONFEDENCE Nguyan Xian PEOPLE'S SUPREME PROCLERATE (Convened when recessively by the President and presided over by him. Conference Tren Dong Khoe CHARMAN CHIEF PROCURATOR Houng Quez Viet Nguyen Thi Thus He Cal Minh consists of President, Vice President, Oreinnes of Standing Committee, Prime Chu Van Ten VICE CHARMEN Nguyen Van Huang Flore Von Dong SECRETARY-GENERAL Minister, and other concerned officials.) Ve Nguyen Glep Ton Quena Phier MEMBERS Nguyen Oil Thursh Van Tien Dung Niguyan Duy Trinh Fren Quae Huan Niguyan Van Tran -Qhu Van Tan BOARDS UNDER PREMIER'S OFFICE COUNCIL OF MINISTERS PREMIER AGRICULTURE Chairman Houng Arth Chairman Le Thork Nghi Floor Van Done NOUSTRY FINANCE & COMMERCE Chairman Fhom Hung DEPUTY PREMIER Sang Heat HOME AFFAIRS Chairman Trus Ques House Phon Hung Ve Ngyen Gies CULTURE and EDUCATION Chairman La Line Phon the Total Mgayan Day Trick Le Thurch Night COMMISSIONS AGEICULTURE FOREIGH AFFAIRS INTERIOR STATE MOCE Nguyen Duy Trink Non Hong Housey Anh Ung Van Khiese BUILDING FORBIGN TRADE NATL DEFENSE NATIONALITIES De Gary Too Ve Nguyen Glap Le Quary Bo Prior Ach MATIONAL COMMUNICATIONS HEAVY INDUSTRY PUBLIC HEALTH REUNIFICATION Phon Trang Tue Phon Mace Reach Mayer Van Tran Hayen Ven Vinh HOME TRADE PUBLIC SECURITY CULTURE Tron Quat House NATL SCIENTIFIC Heary Ques Trinh House Minh Glass STATE PARMS LABOR EDUCATION STATE CONSTE Nayon Van Too highles Xues Yes Nguyan Van Huya Trun Out Pights. LIGHT INDUSTRY WATE FINANCE CONSERVANCY STATE PLANNING Khe Ven Con Dang Vier Con Nguyon Con Ha Ke Ton

MATIONAL BANK OF VIETNAM To Queng Co

air strikes plus increased free World support to the south is likely to force more stringent controls on the distribution of food goods and other materials. Technical skills are in short supply and a high proportion of the population is illiterate. Significant economic progress is unlikely during the period of the conflict and retrogression is probable as the country receives extensive damage from bombing*.

There is no heavy or war supporting industry of consequence. Practically all military equipment, including ammunition, is furnished by Communist China and the USSR. Three significant industrial plants contributing toward the war effort are: the Thai Nguyen Steel Plant, the Haiphong Cement Plant, and the Sang Vo Rubber Plant at Hanoi. North Vietnam is heavily dependent on imports for manufactured goods of all types. In spite of its dependence on foreign economic and military aid, the regime's strategic vulnerability to economic warfare is lessened because of the basically agrarian structure of the economy.

FOREIGN SHIPPING TO NORTH VIETNAM IN JUNE 1966

Soviet ships and cargoes dominated shipping to North Vietnam in June. Free World shipping reached a new low. Recent US air-strikes against strategic targets in or near Haiphong and Cam Pha caused significant decreases in cargo movements: shipments of North Vietnam's principal export, coal, decreased sharply, as did shipments of its principal import, POL.

In June, Soviet ships equaled their previous high monthly total by making 12 of the 28 calls made at North Vietnam by foreign ships (see Figure G-2). Calls by Chinese Communist and Free World ships continued to be retarded by a lack of coal for export. Because of this lack and because of the increasing effectiveness of Free World restrictions against voyages to North Vietnam, ship arrivals from the Free World declined to the lowest number yet recorded -- five -- and only one of these was a British-flag ship. The complete distribution of foreign ship arrivals at North Vietnam in June is shown in the following tabulation:

* Refer to Joint DIA/JCS Southeast Asia Military Fact Book, July 1966 for analysis of air strikes in NVN.

SPORET - NOFORN

	May	June	Monthly Average January-June 1966
Total	25	28	<u>34</u>
Communist	19	23	<u>25</u>
USSR Eastern Europe Communist China	955	12 3 8	11 . 3 11
Free World	<u>6</u>	<u>5</u>	2
United Kingdom Other	4 2	14	6 3 .

COMPARISON OF FOREIGN SHIPPING TO NORTH VIETNAM IN THE FIRST SIX MONTHS OF 1965 AND 1966

A comparison of data for the first half of this year and the same period of 1965 reveals that a sharp drop in Free World shipping to North Vietnam was largely offset by moderate increases in the numbers and size of Communist ships and large increases in their cargoes. Thus the volume of North Vietnamese seaborne trade carried by foreign ships declined by only ten percent. All of the decrease occurred in seaborne exports, which dropped 31 percent. A sharp reduction in shipments of coal to Japan, and the absence in the first half of this year of any seaborne exports of apatite (all of which had gone to Communist countries in 1965), accounted for most of the decreases in export volume. These were partly offset by increased shipments of coal to China. Seaborne imports increased 52 percent, particularly imports of POL from the Soviet Union and imports of miscellaneous general cargoes (mostly industrial goods, construction equipment, and vehicles) from Communist countries.

The more significant changes in foreign shipping to North Vietnam in the two half-year periods are summarized in the following tabulation:

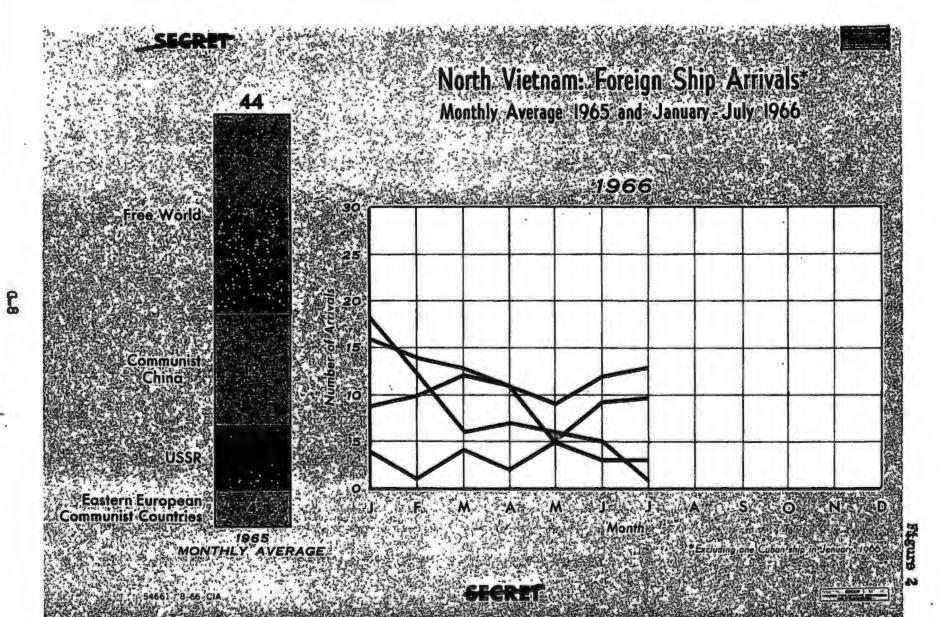
	Half-Yes	ar Periods	Change	
	1965	1966 Arrivals	Absolute	Percent
Ship arrivals				
Foreign ships Of which:	300	204	-96	-32
Free World ships	168	54	-114	-68
SECRET - NOFORN	G-	-6		

	Half-Yea	r Periods	Change	
	1965	1966 Arrivals	Absolute	Percent
•	The			
Seaborne cargo				
On foreign ships	1,250.4	1,123.9	-126:5	-10
Of which:	•			
Communist ships	426.4	743.3	316.9	+74
Imports				
On foreign ships	318.5	484.3	165.8	+52
Of which:				
Cargoes from Comm	u- 270.1	420.0	149.9	+55
Exports	٠		٠	
On foreign ships	931.9	639.6	-292.3	-31
Of which:				
Cargoes to Communist countries	510.4	365.9	-144.5	-28

PSYCHOLOGICAL OPERATIONS

The Vietnamese Communist movement has long given a high priority to propaganda as a tool for seizing and holding state power and for weakening its enemies. North Vietnamese skill in psychological operations and propaganda played an important role in their victories against French Union forces during the Indochina war. Once in power, the NVN government used propaganda extensively to create an environment favorable to the Communist "revolution" in North Vietnam.

All major components of the regime, and notably the Party, the government and the mass "people's organizations," carry out extensive propaganda functions. Party committees at the national level play a major role in deciding upon domestic



and out of country propaganda targets and themes. Party activists and units at all levels of government provide guidance and supervision of all propaganda work.

North Vietnamese domestic psychological operations have been designed primarily to encourage mass participation in the regime's programs, to arouse mass hostility against the regime's enemies at home and abroad, and to indoctrinate important elements more thoroughly as well as stimulate them to greater efforts and obedience. Extensive US bombings have caused the NVN government to increase domestic propaganda in an effort to avoid serious internal psychological pressures and crumbling of the regime.

THE ARMED FORCES OF NORTH VIETNAM

The Armed Forces of North Vietnam, modernized since the armistice in 1954, consist primarily of ground forces. The regular Army is a relatively well-organized, well-equipped and battle-tested force. The growing Air Force consists of both combat and transport units. The Navy is a small coastal defense force equipped primarily with motor gunboats and PT boats. The senior military leaders are generally important figures in the Lao Dong Party. Their dual role as policymakers and executors of policy enables them to play a major part in the affairs of state. The system of political control in the Armed Forces is highly developed and, in practice, the political delegates at all echelons exert considerable influence on final decisions. The Armed Forces suffer from the nation's primitive economy, material deficiencies, almost complete dependence on foreign logistic support, a shortage of training facilities and qualified instructors, low levels of education, a dearth of technical skills, as well as an inadequate transportation system, aggravated by US air attacks.

The following information and charts are available in the Joint DIA/JCS Southeast Asia Military Fact Book, July 1966:

Principal Cities, Lines of Communications in NVN.

Ethnic-Groups in NVN.

Armed Forces Order of Battle.

Armed Forces Mobilization Capacity.

Active AAA Sites in NVN.

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Air Operations over North Vietnam.

Percent of JCS Targets Struck by Area in NVN.

Air Attack Effort in NVN.

Destruction or Neutralization of JCS NVN Targets.

KEY PERSONALITIES

Ho Chi Minh is President of the NVN and Chairman of the Dang Lao Dong (DLD; Vietnam Workers' Party). Ho Chi Minh has been the dominant figure in North Vietnam since the formation of the NVN after World War II. His 30-year struggle against French colonialism and for Vietnamese independence has earned him an international reputation as a revolutionary nationalist. Despite his image as an Asian nationalist, however, Ho has been clearly identified with international Communism since the 1920's.

Most observers view Ho as a "moderate" in the context of the Sino-Soviet ideological dispute, although the extent to which the rivalry between the two great Communist powers has affected the North Vietnamese regime is open to question. It is generally agreed that Ho has tried to steer an independent course and to remain on the best possible terms with both the Chinese Communists and the Soviets. While he may prefer the militant posture of the Chinese, as a Vietnamese nationalist he is wary of Chinese domination and regards Soviet support both as beneficial to the NVN and as insurance against excessive Chinese influence. Ho probably views himself and the NVN as the dominant Communist force in Laos and Cambodia as well as in South Vietnam; the Communist Pathet Lao movement in Laos is generally assumed to be supported primarily by North Vietnam.

Ho served as both President and Premier of the NVN until September 1955, when he relinquished the premiership to Pham Van Dong, retaining both the presidency and the chairmanship of the DLD. He served as DLD Secretary General after Truong Chinh's removal in October 1956, yielding that post to Le Duan in 1960 and assuming the chairmanship of the DLD Central Committee. He also serves as Chairman of the National Defense Council.

Since 1954 Ho Chi Minh has made frequent trips to the USSR and Communist China; his most recently reported foreign travel was a July 1962 visit to the Soviet Union. He also visited India and Burma in 1958 and Indonesia in 1959.

A slight, mild-mannered, and courteous man whose appearance suggests an elderly scholar rather than a veteran revolutionary, Ho Chi Minh has impressed non-Communist observers with his mental acuteness, poise, and charm. He is well read in

both western and Marxist literature and is the author of a number of poems and theoretical works, although he has not been a major spokesman on Communist theory. Surrounded by an aura of calculated simplicity, he presents an image of asceticism and unpretentiousness and introduces himself as "Uncle Ho" both at home and abroad. Most reports describe him as in good health for his age, although he has from time to time been rumored to be close to death. He speaks French, Russian, and several Chinese dialects well, English fairly well, and some Japanese, German, and Portuguese. During his 1959 visit to Indonesia he was awarded an honorary doctorate of laws from Bandung Padjadjaran University. It is possible that Ho was married some time ago, but as far as is known he has no family.

Pham Van Dong is Premier and Minister of Foreign Affairs and one of the 10 leading personalities in North Vietnam. He is the man most likely to succeed Ho Chi Minh as President. His position within the Communist Party does not coincide with his position in the government and, in terms of real party power, he is probably outweighed by both Truong Chinh and Le Duan. Truong Chinh is the ranking Vice Premier of NVN, a member of the DLD Politburo, and the most brilliant of the men surrounding Ho. In addition, he is Deputy Chairman of the National Agrarian Reform Committee, Chairman of the National Scientific Research Board, and a member of the Presidium of the Vietnam Fatherland Front. He is a militant Chinese-trained Communist who has long been the theoretician of Vietnamese Communism.

Le Duan, First Secretary of the Dang Lao Dong Party, emerged in mid-1957 as a top-ranking member of the regime elite and as Truong Chinh's major rival for leadership of the NVN government. He is a little known Communist who previously served in South Vietnam as chief representative of the DLD. A member of the DLD Politburo and a Secretary within the Central Committee, Le Duan now ranks among the 10 foremost of the NVN hierarchy.

Vo Nguyen Giap is one of the four Vice Premiers, as well as Minister of National Defense, Commander-in-Chief of the NVN Armed Forces, a member of the DLD Politburo and Secretariat, and one of the top 10 members of the NVN elite. He shares, with China's Mao Tse-tung, a reputation as the world's foremost practitioner of the dark art of insurgency warfare. Giap earned his reputation with victory against the French in 1954 when he became the first modern commander to drive a white European nation out of Asia. He is a brilliant and cruel Communist, labeled by many as the "Red Napoleon".

General Giap's most recent work, entitled "People's War, People's Army", appeared in 1961. Reportedly bearing a

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distinct similarity to the principles of Mao Tse-tung, the book discusses the tactics of guerrilla warfare which served Giap so well in Vietnam. Despite his limited amount of military training, Giap has become an able organizer and a skilled and ruthless military tactician who is willing to sustain heavy losses in pursuit of victory. An articulate and brilliant man with great strength of character, he is said to be one of NVN's best orators. He speaks French and Mandarin Chinese fluently and has some knowledge of English and Russian.

Truong Chinh, who has served as Chairman of the Standing Committee of the National Assembly since July 1960 and is a member of the Central Committee and Politburo of the Dang Lao Dong (DLD; Vietnam Workers' Party), has been a leader in the Vietnamese Communist movement since before World War II. Militant and inflexible, he is known as the primary theoretician of the DLD and will probably be one of the chief contenders to succeed NVN Premier Ho Chi Minh. Truong Chinh is usually considered the leader of the pro-Chinese faction within the NVN.

Rear Admiral Ta Xuan Thu is the Commander, Naval Forces, Coastal Defense Bureau.

VIBTNAM, NORTH

LAND: (U)

63,000 sq. mi.; less than 12% cultivated, 52% forested, 36% urban and other

PEOPLE: (U)

Population: 18.1 million; males 15-49, 4,146,000; 2,110,000 fit for military service; average number currently reaching military age (18) annually about

Ethnic Divisions: 85-90% predominantly Vietnamese; ethnic minorities include Muong, Thai, Meo, and

Religions: Confucianism, Buddhism, Taoism

Languages: closely corresponds to the breakdown of ethnic groups

Literacy: claimed to be 95% (1964)
Labor force: (1965) 9.5 million; 74% agriculture, less than 10% industry



Capital: Hanoi

Regional breakdown: 2 autonomous regions, 17 provinces, 2 centrally governed municipalities, I special zone

Type: Communist dictatorship

Branches: constitution provides for a national assembly and highly centralized . executive

Party and government leader: Ho Chi Minh

Suffrage: over age 18

Elections: proforma elections held for national and local assemblies Political parties: ruled by Lao Dong Party with no organized opposition; membership estimated 700,000 -- about 3% of population

ECONOMY: (Secret)

GNP: US\$1.70 billion (1965 in 1963 prices), \$94 per capita

Agriculture: mainly subsistence; main crops -- rice, corn, sweet potatoes, manioc, sugar cane; basically self-sufficient at a subsistence level; food shortages -- rice, meat, sugar; caloric intake, 1,700 - 2,200 calories per day, per capita

Major industries: food processing, textiles, machine building, mining, cement

Shortages: petroleum, complex machinery and equipment; fertilizer
Electric power: 175,000 kw. capacity (Jan. 1965), 128,000 kw. capacity (March 1966); 600 million kw.-hr. produced gross (1965), 30 kw.-hr. per capita
Exports: agricultural and handicraft products, coal, cement, apatite, pig iron Imports: petroleum, steel products, railroad stock, vehicles, complex machinery

and equipment, chemicals, medicines, raw cotton, fertilizer
Trade: US\$267 million (1964); exports -- US\$109 million, imports -- US\$158 million; 1963 -- 83% foreign trade with Communist bloc (primarily U.S.S.R. and Communist China), 17% with non-Communist countries

Aid: total -- US\$956 million extended 1955-64; of which Communist China --US\$457 million, U.S.S.R. -- US\$369 million, European satellites -- US\$130 million; additional, but unknown amount of aid extended by U.S.S.R.; Communist China, European sattelites during 1965 and 1966

Exchange rate: 3.7 dong=US\$1 Fiscal year: 1 Jan. - 31 Dec.

COMMUNICATIONS: (Secret)

Railroads: 619 route mi., all narrow gage, government owned Highways: 6,300 mi, predominantly earth or gravel; about 700 mi, are bituminous surface-treated

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COMMUNICATIONS (cont'd):

Inland waterways: 3,370 mi.; 2,400 km. navigable by shallow-draft river steamer during high water season (May - Nov.); about 900 mi. navigable perennially Freight carried: (1963) rail -- 795 million metric ton/km, 3.5 million metric

tons; highway -- 79 million metric ton/km, 2.6 million metric tons; waterways - 84 million metric ton/km, 700,000 metric tons

Ports: 1 principal (Haiphong), 2 secondary, 11 minor
Merchant marine: 6 ships totaling 4,058 GRT, 5,776 DWT; includes 4 cargo,
2 tanker; only 1 ship over 1,000 GRT

Civil air: see Defense Forces: Aircraft

Airfields: 19 total; 9 with permanent-surface runways; 1 with runway 8,000-11,999 ft.; 10 with runways 4,000-7,999 ft.

Telecommunications: minimal open-wire networks are supplemented by pointto-point radio; international facilities are adequate; ample coverage is provided by radio and wired broadcast; no television

DEFENSE FORCES: (Secret)

Personnel: army 283,000, navy 2,500, air force 3,000-3,500, security forces

Major ground units: 7 infantry divisions (1 understrength), 1 antiaircraft artillery division, 1 artillery division, 6 infantry brigades, 10 independent infantry regiments, 1 armored regiment, 7 artillery regiments, 26 antiaircraft regiments, 3 SA-2 regiments

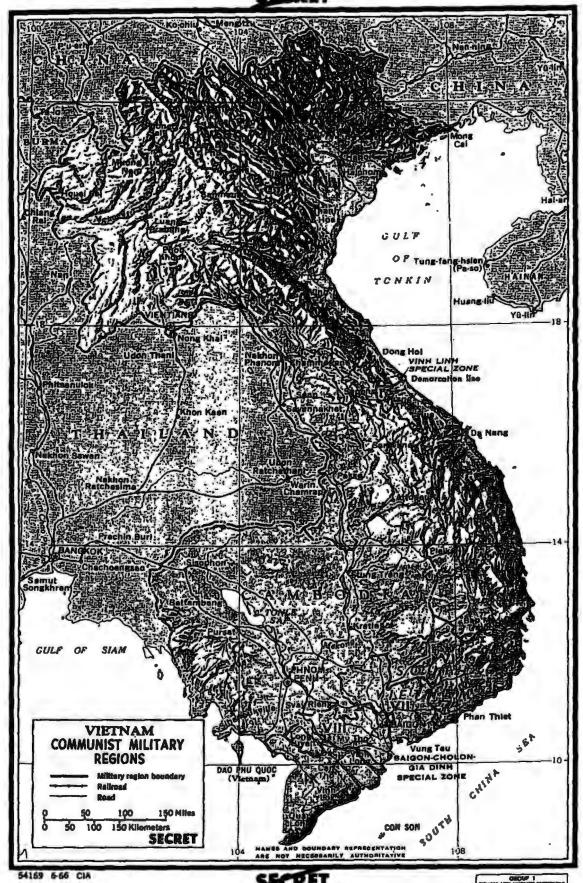
Ships: 36 patrol boats, 4 mine warfare ships and 40 service craft Aircraft: 171 (76 jet), including 70 jet fighters, 6 jet light bombers, 50 prop transports, 29 prop trainers, 4 prop other aircraft, 12 piston helicopters; number of aircraft in operational units is unknown

Missiles: 3 SA-2 regiments

Supply: dependent on Communist China or Soviet bloc for virtually all equipment Military budget: no recent data available; for fiscal year ending 31 Dec. 1962, estimated defense exenditures 382 million dongs; about one-fifth of total budget (estimated value in dollars \$103 million)

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THE VIET CONG

INTRODUCTION

Many useful facts concerning the Viet Cong are available but none answer the critical question: "Who are they?" Apparently they are overwhelmingly South Vietnamese. It is said that there is at least an element of the Viet Cong in every Vietnamese. Strength data of real significance in determining the extent of VC insurgency are not developed by order-of-battle intelligence specialists. Radiating from the individual VC are webs of kinship, responsibility and neighborhood preferences that bind together a larger proportion of the South Vietnamese citizenry than could ever be deduced via traditional intelligence methods. These interrelated webs of responsibility and preference account as much for insurgent successes as does VC resolve in battle.

THE SITUATION AND BACKGROUND

The political army of the Viet Cong, the National Liberation Front (NLF) announced the following plans for 1966 via clandestine radio:

- (1) Strive for a "neutralist" SVN by "appealing for greater union" among political parties, religious communities and others in all walks of life to combat US imperialists and their lackeys.
- (2) Return to guerrilla warfare to erode "McNamara's plan" to bring the VC into an open fight.
- (3) Start a new campaign by inciting legal demonstrations against the US presence in SVN, the draft, the high cost of living and large military operations.
- (4) Mobilize VC manpower to consolidate the countryside, the villages and the hamlets.
- (5) Strive for better relations with progressive Americans, Cambodians, the Pathet Lao, Latin Americans and Africans.

THE EXTENT OF CONTROL TODAY

Latest intelligence reports the following "control" picture with respect to the stated 14.9 million people resident in SVN: (1) VC control: 22 percent; (2) contested: 24 percent; and, (3) GVN-dominated: 54 percent. The latter two figures include the over 1.76 million people estimated as residing in SVN's five autonomous cities.

More optimistic than pessimistic, and based upon population data of questionable validity, such comparisons fail to reflect the intrinsic facts of the VC control pattern in SVN. The degree of control imposed in areas dominated by the VC is much tighter than that in GVN-held areas. Contested areas, variously labeled as "cleared" or as "undergoing pacification," are largely dominated by the VC at night; virtually all require some show of force measure to enable GVN or Free World forces movement by day. The VC form of control permits their:

- (1) Rapid movement as individuals and units.
- (2) Necessary logistical support, almost at will, on the ground.
- (3) Effective restriction of much of GVN-US movement to air travel and resupply.
- (4) Extensive control of an indeterminable (but significantly large) portion of SVN's natural and economic resources by such devices as hijacking, requisition, appropriation and taxation.
- (5) Collection of timely detailed and accurate intelligence on US-GVN movement.

THE CONTROL INFRASTRUCTURE

For all practical purposes, VC military forces are the advance guard of the North Vietnamese Army (NVA). The NLF constitutes a direct and purposive extension of the Lao Dong (Worker's) Party which was Communist-established in NVN on 4 March 1951. Politically and militarily linked from national level down through military regions, provinces, districts, villages and local hamlets, the VC structure is designed to dominate the populace of SVN.

To its opposition, VC infrastructure is highly efficient, disciplined and invisible. Attainment of increasingly close ties between the movement's political and military action arms appears to have been the main objective of VC policy shifts since 1960. Wherever the VC political component is strong and well organized, its armed running mate exhibits identical attributes. Organizational and operational secrecy is maintained as a matter of priority concern in the political side of the structure; the VC have not matched this security level within their military organizations. Guidance and orders for the political component emanate from the Lao Dong Party head-quarters in Hanoi. Party control echelons include the Central Office of South Vietnam (NLF) and the People's Revolutionary Party (PRP). An intelligence net is intertwined throughout this structure's full range.

VC installations have mushroomed in rural SVN the thorough going effectiveness of their political organization is estimated to have registered at virtually all levels of Vietnamese society. Every political echelon down to village level includes its military counterpart consisting of a section, a committee or a member. Each political headquarters exercises varying degrees of control over VC agencies, military units and other organizational forms. Conversely, every military headquarters and unit contains its political staff or member. This technique serves to subordinate the military to the political and constitutes a means of unifying the total effort in support of the overall communist mission.

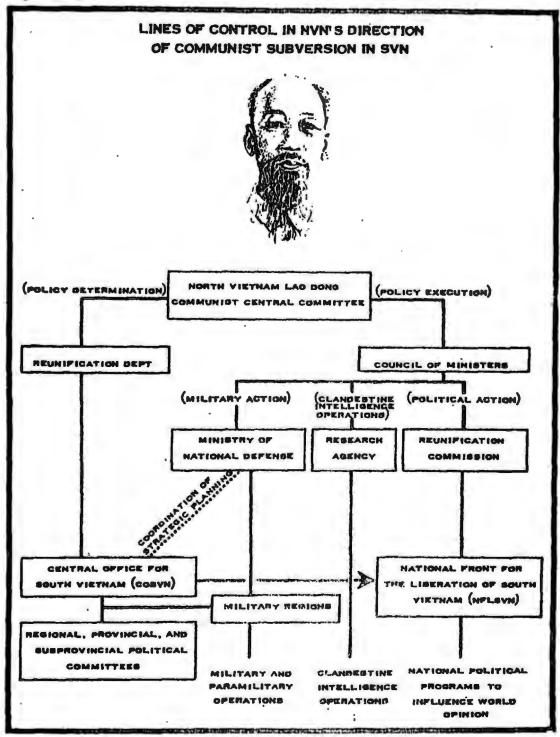
The North Vietnamese Government (NVN) is organized and directed by the Central Committee of the Lao Dong Party. political guidance is supplied to the VC through cadres of the "liberation" movement in the South. Figure H-1 depicts the subdivision, relationship and coordination of this extensive organization -- North and South. While carefully avoiding the establishment of any attributable, or otherwise direct and public, organizational ties with COSVN or NLF in the South, Hanoi has maintained control of operations in SVN via an exceptionally competent leadership chain and an effective communications net. Reportedly, all instructions to the South channel through the "National Reunification Department of the Lao Dong Party's Central Committee. Both agencies are headed by General Nguyen Van Vinh. Such an arrangement assures complete supervision, control and unity of effort along administrative, political and intelligence lines. A recent State Department cable quotes James Cameron as stating, "NVN officials have never made any effort whatsoever to hide the fact of NVN's complete control over the VC."

The highest VC executive organ physically positioned in SVN is the COSVN. It is currently reported as operational "somewhere in Tay Ninh Province" where it was first implanted early in 1961. The realities of VC combat unit effectiveness were initially manifested in Tay Ninh (25 January 1960) when an ARVN regimental headquarters was overrun and destroyed on a successful arms seizure mission.

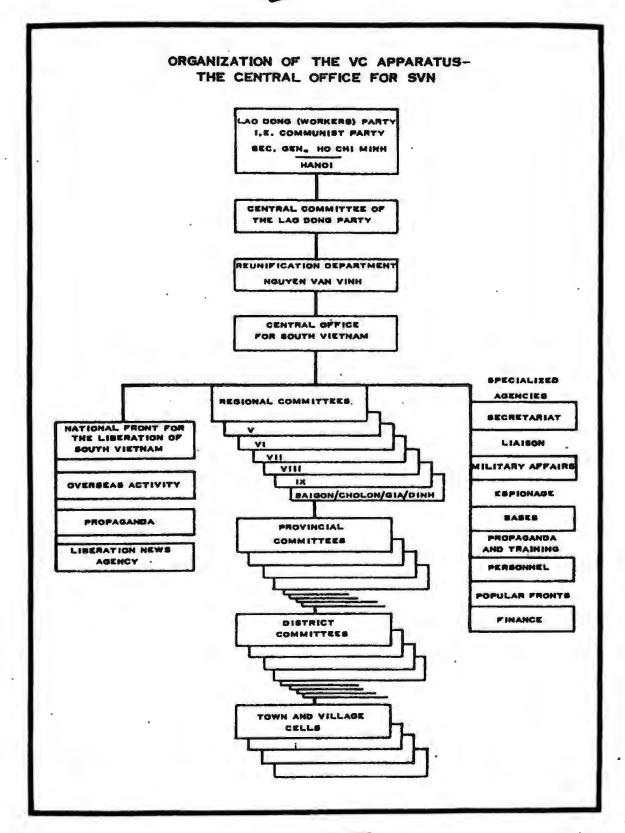
Prior to the COSVN activation date, Hanoi had divided SVN administratively into two major zones -- the "interzone of South Central Vietnam" (sometimes termed "Interzone-5" and the "Nambo Region.") This simplistic split was erased with the arrival of COSVN. Today most in-country VC affairs are managed from Tay Ninh with SVN apparently viewed as a strategic entity. Figure H-2 shows the scope of its apparatus,

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CONFIDENTIAL H-6

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as surmised. Operations are decentralized, and there are indications that COSVN staff elements remain constantly mobile rather than firmly fixed. Lao Dong policy is received and translated into concrete directives for lower echelon execution by this COSVN hub. Its components include subdivisions of both its military and political sides. This organizational pattern is duplicated in every VC "military region"* and, in varying degrees, down through province and district levels. With its leaders known only by aliases -- and, from widely dispersed, well-hidden and continuously floating bases that are linked by both radio and covert routes -- over the years COSVN has been tailored:

- (1) To ensure the complete coordination of all VC activity throughout the whole of SVN.
- (2) To maximize both the efficiency and the use of available communist cadres in support of the total effort.
- (3) To serve as the nucleus for the eventual VC government, as an extension of Hanoi rule, in SVN.

To accord such an apparatus the necessary facade as a "true organization for liberation by an oppressed people," the NLF came to life officially on 20 December 1960, almost simulteneously with COSVN which was activated at the beginning of 1961. It performs as the "publicity-exposed" complement of VC fighting forces and serves as the "legal" front adjunct for political activities of COSVN in SVN. The Front maintains quasidiplomatic representation in nine countries today. Endorsed for exposure in September of 1950 by the "Third International Congress" of the Lao Dong Party, the NLF declares its goals to be:

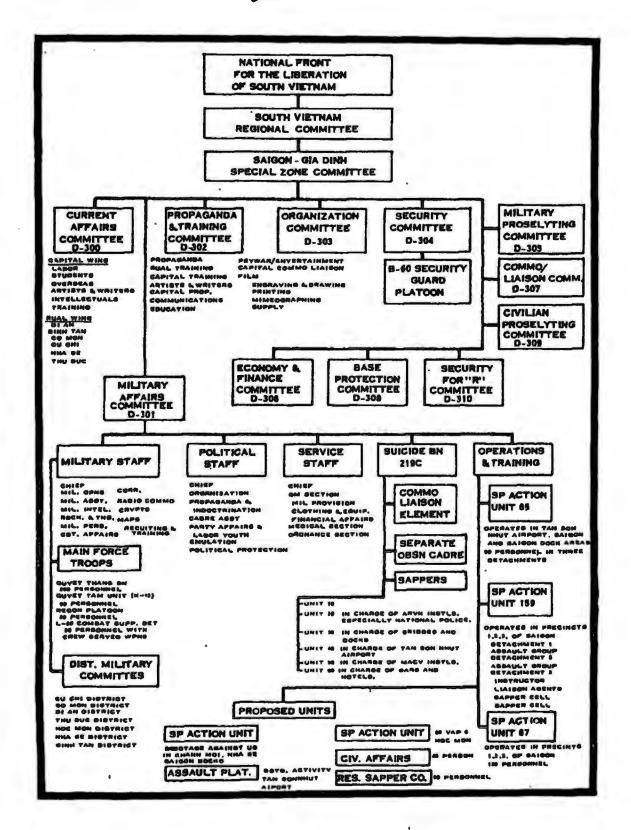
- (1) Forming a national democratic coalition government in SVN which includes all political, religious and nationality groups.
 - (2) Maintaining respect for all classes.
 - (3) Establishing a neutral foreign policy.
- (4) Normalizing relations with the North to reunify Vietnam.

*Refer to DIA/JCS Southeast Asia Military Fact Book, July 1966 "VC Mil Regions/Base Areas"

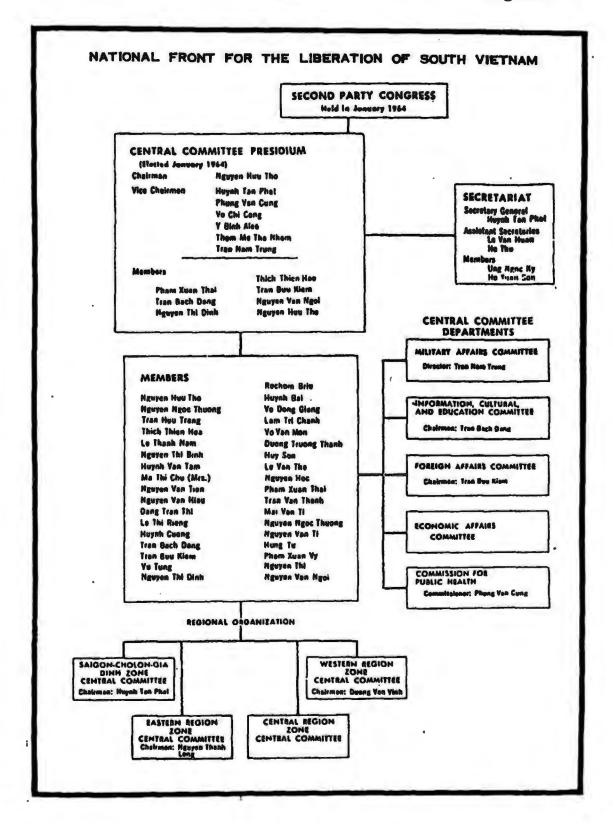
Although rumored throughout 1961-62 to be charged primarily with seating itself as a provisional government in the Kontum area, no such dramatic turn of events materialized. Honoi's early appeal for recognition of the NLF, as published in Peking and Moscow, omitted a passage alleging that the Front was both legal and representative. The Peking published version of a follow-on "Fatherland Front" greeting failed to cite its "representative" character. Figure H-3 depicts the special zone committee for Saigon-Gia Dinh and H-W. depicts the NLF structure. Although many of its offices are either leaderless or manned by COSVN Lao Dong personnel, its three political parties (Democratic, Radical, Socialist, People's Revolutionary) and its well organized propaganda organ ("Liberation News Agency") alone form a substantial base for subversion of the current GVN. There have been recent indications, however, suggesting that the VC have "failed to sell" the Front as a credible, quasi-government capable of leading a popular movement in SVN. If true, it is probable that an overt manifestation of the "People's Revolutionary Party" would assume control of the political action pattern.

MECHANISM FOR THE SOCIAL ASSAULT

The Regional Structure. The VC have divided SVN in five "military regions" plus a "special region" encompassing the Saigon, Cholon, Gia Dinh area. All, except MR V which is under direct control of Hanoi on matters pertaining to infiltration and military operations, are directly subordinate to the NLF. Each MR includes a main base area that was established and developed during Viet Minh operations against the French and reactivated (if ever actually inactivated) over the period 1958-59. Some of today's VC "war zones" circumscribe operational and support sectors that have served insurgent purposes in SVN at least as far back as 1946. Both these main installations and even the lesser facilities located in more remote and increasingly inaccessible areas, are composed of closely integrated villages or village complexes. Each is prepared for defense, shelters a politically indoctrinated populace and contains an administrative mechanism that parallels established lines of authority and control. VC military units assigned to operate in such prepared areas can be absorbed at will in the support matrix.





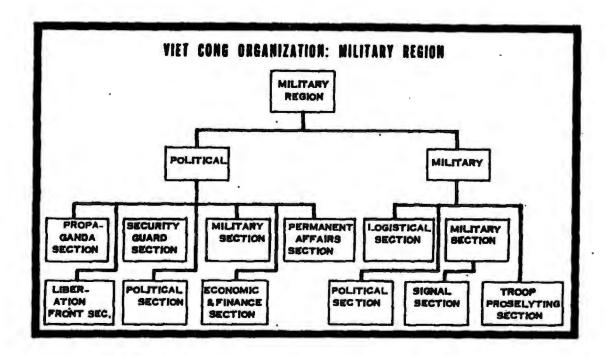


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The following chart indicates the perpetuation of communist politico-military duality is emphasized at military region level.



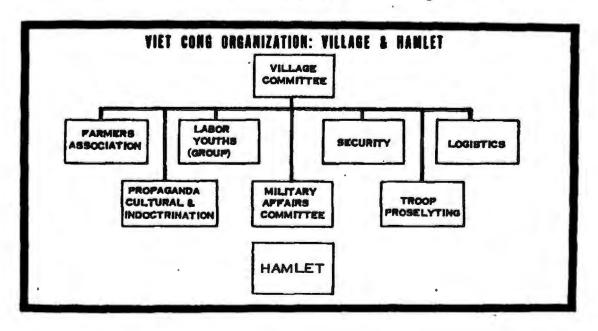
Although the MR is a tactical headquarters, COSVN directives must be enforced. The military section, integral to the political side of each VC regional organization, ensures that political orders to military units are executed consistent with COSVN policy and maintains Party line vigilance over activities of the individual VC fighting man. While MR size in SVN varies and, to some extent, the number of VC units assigned is dependent upon this variety in size, the frame on which the organization is built does not vary. In addition to its assigned subordinate units (up to regimental size), the MR may directly control other allocated forces. Local and military units thus may respond to MR orders or may be attached temporarily to a VC Main Force unit for the duration of a single operation. This chain of subordination extends down through province into hamlet level.

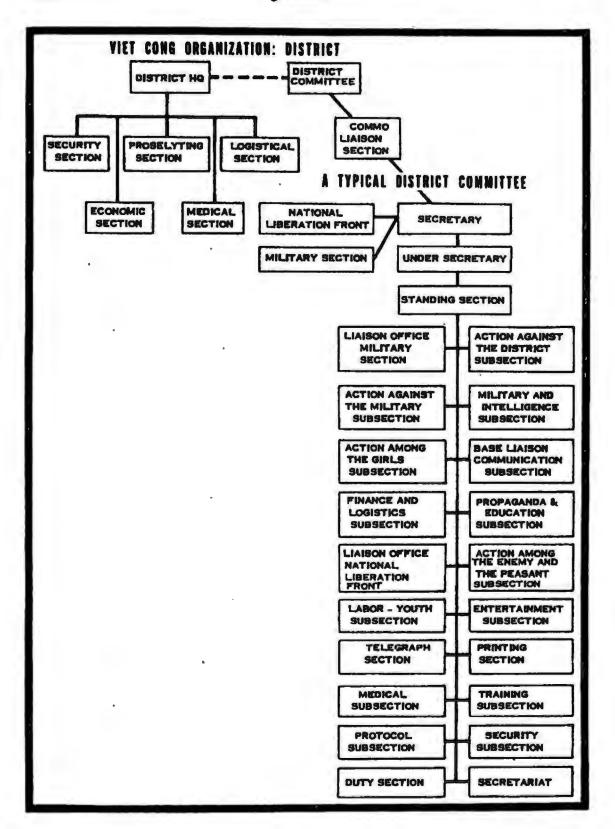
The Provincial Structure. A varying number of provinces are included in the MRs. VC province boundaries do not totally square with those of the GVN. Each VC province in SVN is governed by a provincial commissariat (committee) which is subordinate to the political component of the MR headquarters from which it receives direction. The provincial committee controls certain full-time military forces whose responsibility it is to protect the area. Such units usually conduct operations against GVN paramilitary forces.

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The District Structure. Each VC district in SVN is governed by a committee which receives its orders from the provincial committee and controls certain full-time military forces of company or platoon size. These forces are primarily responsible for executing such special missions as sabotage, assassination and kidnapping, as well as for reinforcing the impact of provincial operations against GVN forces. Figure H-5 . The district committee probably is the key level. of the total VC infrastructure configuration. It is responsible for consolidating VC gains and for introducing VC control into new territory. The prime link between the district head-quarters and the populace is maintained by "mission" or "activity" teams with a total of no more than one team normally allocated to a village. These teams ciruclate throughout controlled areas, hold meetings and explain VC policies as well as propagandize and extoll VC activities. They also collect information which is passed into the intelligence system for evaluation and processing. There is no definite pattern of team organization evident. It is at this level that the 1966 campaign plan will be pursued with maximum effort.

The Village-Hamlet Structure. The controlled villages and hamlets in SVN outlined in the following chart are governed either by a committee or an individual who is charged with raising paramilitary forces or militia. Such VC forces only operate part of the time, are partially armed and are responsible for defense of "hamlets." They conduct propaganda activities and harassment sorties and are called upon to recruit.





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THE EXTERNAL AND INTERNAL LOGISTICS

External Support*. The NLF, although posing as the rightful governing body in SVN, has no seat of government and has been unable to achieve recognition as a government. Its representation, however, has been received and recognized in the United Arab Republic, Indonesia, Algeria, Cuba, the Soviet Union and Communist China. VC supply stockage levels have been sustained by items produced in the USSR, East Germany, Czechoslovakia, France and Red China.

Internal Support. The People's Revolutionary Party is charged with providing funds for the VC war effort and for most of the essential nonmilitary goods consumed by the VC organization. A wide array of Front, Party and military elements accomplish the major tasks of production, acquisition and transportation of supplies. The Finance and Economic Section of the Party, the Rear Services of the VC military organization and the various components of the NLF play key roles. The Party Finance and Economic Section is the basic economic organization of the VC and the source of almost all supplies provided internally as well as some of those provided externally. It works closely with the Rear Services of the VC military units and with the various NLF organizations. This relationship with the Rear Services provides a channel for supplying military units with required goods and for calling upon the military for assistance in accomplishing economic tasks. The Section relies on such organizations to supply manpower for the Party's economic tasks and, in turn, attempts to meet the requirements of the civilian population by supplying the necessary goods.

Although support of VC operations in SVN is accomplished both by infiltration and from local sources, the bulk of VC manpower and supplies seems to be obtained internally. Within SVN, the VC transportation system and network of supply bases are estimated to employ 14,000 individuals on a full-time basis. Safe havens and bases are positioned in various strategic locations in each province, supply depots apparently have a capacity of from 5 to 10 tons of mixed supplies.

The VC depend on the land and sea infiltration of such materiel as heavy equipment, medical supplies, arms and ammunition. Infiltrators from NVN not only carry their own equipment and medical kits, but also carry a second load of specifically needed equipment.**

* Refer to "North Vietnam" tab for statistics on Sino-Soviet Bloc Economic Assistance to North Vietnam.

**Refer to July 1966 Joint DIA-JCS SEASIA Fact Book for sea and land infiltration route data.

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VC imposed taxation in areas under their control provides both cash and tangible goods support. Per Secretary of State Rusk, the VC are extorting some \$30 million annually from the South Vietnamese (about one-tenth of the GVN budget in 1965). The communist Viet Cong levy taxes of one form or another in every town and province in Vietnam. The farmers especially, have no option but to pay.

In the Mekong delta, the Viet Cong have mobile taxation points on roads, canals, and rivers. From time to time these can be spotted from the air where lines of trucks and buses or barges and sampans waiting to pay indicate the positions.

The Viet Cong have tax collectors in every town, living anonymously under the noses of government officials. In the countryside, tax collectors move from hamlet to hamlet by day or night, avoiding the government tax collectors.

Almost every conceivable thing is taxed. The girlie bars and restaurants in Saigon, especially where Americans eat often, are taxed each month. People and commodities that move almost anywhere in the country are taxed. Merchants are taxed on profits. Products are taxed. Farmers and manufacturers are taxed.

Vehicles belonging to commercial firms are taxed on a monthly basis, the amount depending on the size of the vehicle. The trucking companies on contract to the big American and British oil firms pay heavy taxes since the companies here know that the Viet Cong can choke off gas and oil supplies to most provincial centers at will by blowing up the vulnerable tankers.

Buses and private cars pay monthly road tolls to the Viet Cong and even employees of the United States agency for international development pay road taxes on their civilian vehicles in some insecure areas.

The rate in most provinces for a private car or small commercial vehicle is about \$4 per month. For passengers traveling on a bus or boat the travel tax varies but may be as much as 80 cents or more for a prosperous-looking traveler.

The Viet Cong house tax in most parts of the fertile Mekong delta runs \$1.60 for a thatch-roof house and \$4 for a tile roof house. The taxation on other property, such as land, is low, about 2 per cent of the designated value, which is less than the government tax.

The following information is available in the Joint DIA/ JCS Southeast Asia Military Fact Book, July 1966:

Total VC/NVA in South Vietnam.

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Comparison Chart of Free World Forces and VC/NVA Forces.

Viet Cong Military Regions/Base Areas.

Viet Cong Supply and Infiltration Routes.

NVA Infiltration Data.

VC/NVA Main and Local Force Order of Battle.

General Operating Areas of VC/NVA.

Weapons Lost.

Total Casualties.

Personnel Killed in Action.

Viet Cong Incidents.

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COMMUNIST CHINA

BACKGROUND

Communist China is regarded as a world power because of its size, military strength, strategic location in Asia, and its slowly developing but significant economic potential. China's developing nuclear and missile programs have considerably enhanced her stature as a major military power. Peking continues to assert that Mao Tse-tung is personally directing the "cultural purification" drive now sweeping the nation. Recent changes in the Chinese Communist leadership and shake-ups in the secretariat could mean that a new unity has been forged among the party's top leaders. It is estimated that China will continue her objectives toward increasing the influence of Communist China in Asia; ejecting the West, especially the United States, from Asia; diminishing US and Western influence throughout the world; and eventually replacing the USSR as the ideological leader of the world communist movement.

POLITICAL

Despite its persistent use of such words as democracy and freedom the Chinese Communist regime is essentially totalitarian. The basic characteristics of Chinese society under communism are highly reminiscent of China's autocratic past and the resemblance between the present regime and some of the earlier and more vigorous dynasties is unmistakable.

Top leadership of the Chinese Communist Political Party, as represented by its Central Committee and headed by Mao Tse-tung, wields as much power and is as autocratic in its behavior as its imperial predecessors. To his followers, Mao Tse-tung is as sacred as an emperor and his public pronouncements are treated with the same unquestioning reverence as imperial edicts. Ideologically, Marxism-Leninism-Maoism has replaced Confucianism. The power of the state is absolute. Not only does the state control every aspect of national life, it also seeks to control both the body and mind of every individual through coercion, persuasion, propaganda and terror.

Major changes have recently taken place within the Chinese Communist leadership. Three mutinies within the high command, against Communist Party orders and policies, have resulted since 1953. The mutinies or "purges" have been provoked by Mao's insistence upon his concept of the universal man and the universal armed forces. The generals have consistently argued that they wanted a modernized, conventional armed force but the Party has insisted that professional competence

among officers and men must be secondary to "revolutionary spirit". The latest political purge is believed to have been organized and developed by Mao as part of the intensification of the "cultural revolution". The principal casualties are Mayor Peng Chen, Party Chief of Peking; Lo Jui-ching, Chief of Staff of the armed forces and probable head c. the Secret Police; Lu Ting-yi, Party Secretary and Chief of the party's propaganda department; Chou Yang, Deputy Director of Propaganda; President Liu Shao-chi, wispy theoretician; and some other military officials whose status is in doubt.

Teng Hsiao-ping, as General Secretary, gains as the result of the removal of a strong rival, Peng Chen. Lin Piao, Minister of Defense, gains because of the unusual publicity associating his name with the current cultural revolution. Recent analysis of the Chinese Communist political purge indicates that Lin Piao has assumed the number two spot within the Chinese Communist leadership and is Mao's heir apparent. Tao Chu is replacing Lu Ting-yi as propaganda chief.

As a result of these purges, the long-standing stability of the Chinese leadership has been shaken. The party leadership will live under the threat of an increasingly suspicious Mao or in the tense expectation of a vicious contest for power as he fades away.

INTERNATIONAL RELATIONS

During 1964 and early 1965, significant advances have occurred in Chinese Communist foreign policy. Peking was recognized by France, new spheres of Chinese Communist influence were created in Africa and Latin America and closer links were established with Indonesia, Burma, Cambodia and Pakistan. The past year, however, has been a period of frustration and failure for Peking in foreign affairs and most of the Communist world has become disenchanted with Mao and his regime. Eastern European countries are siding with Moscow and even Albania has shown signs of improving relations with other Eastern European nations. North Korea has avoided closer ties with China and Kim, IL-sung, the "oriental weather vane", is pointing his effort toward closer relations with the USSR.

The Chinese Communists made a poor showing at the Tricontinent Conference in Havana and their attempt to hold an
Afro-Asian conference in Algiers in late 1965 was a failure.
The abortive coup in Indonesia; the Soviet success in attaining the Tashkent agreement; the calling of the Chinese Communist bluff in the Pakistan-India dispute; repeated diplomatic failures in Africa, including the Ghana coup; and
current strained relations with Cuba have all combined to
substantially reduce Peking's prestige.

SECKET - NOFORN

The Chinese Communists have traditionally applied patience to their problems. Current foreign policy difficulties will probably be considered in a like manner.

ECONOMY

Communist China has managed, during the past few years, to pull the economy back from the brink of catastrophe and has made progress in its programs to acquire modern weapons. Resource limitations, political constraints and the diversion of some of the scarcest resources to military programs add up to the prospect of slow growth, at best, for the Chinese Communist economy within the next few years. The primary causes will be lagging agricultural production and a burgeoning population. Population pressure on the food supply will increase over the next decade and the narrow food margin makes the economy highly vulnerable to bad crop conditions. As a result of the vagaries of the weather and the lack of certainty that the Chinese will continue to follow the current pragmatic policies, even a slow rate of economy growth cannot be taken for granted. China's prospects for regaining general economic momentum, in the next decade or so, depends heavily upon its success in stimulating agricultural production and in reducing the rate of population growth. In neither case is the outlook favorable.

The explosion of three nuclear devices points up a determination, on the part of Communist China's leaders, to concentrate the country's scarcest resources on the development of modern weapons at a time when the economy is experiencing profound difficulty. Communist China will be able to move forward in development of modern weapons, self-sufficiency in petroleum products and economic support of actions in Vietnam only at the expense of economic development within her own borders.

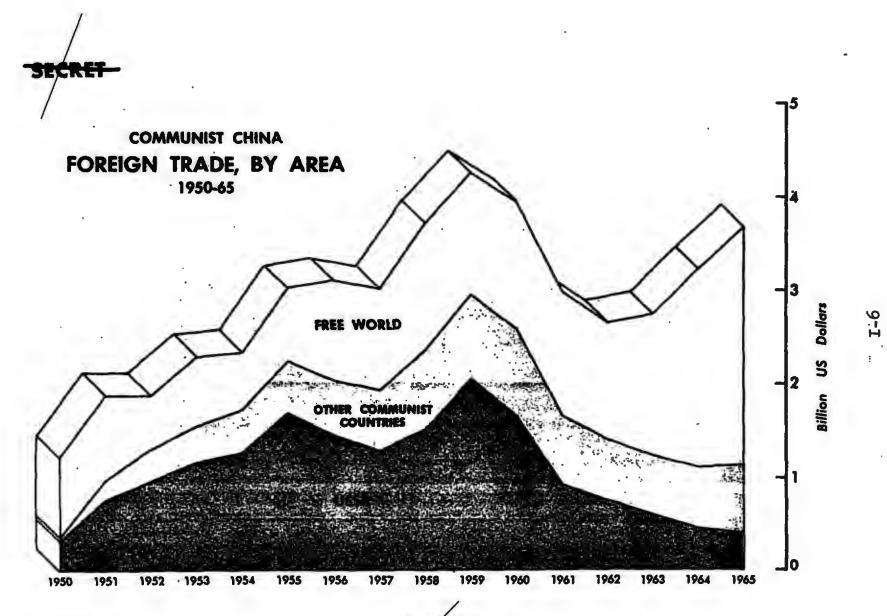
The charts on the following pages illustrate current economic trade and future prospects of Communist China.

. PSYCHOLOGICAL OPERATIONS

The propaganda activities of the Chinese Communist regime are among the principal means by which it retains control over the country. Communists demand more than an outward submission to their control. Since they believe that all men's actions are governed by their ideologies, Communist activists are required to guide, mold, and control men's minds.

HAIRAN

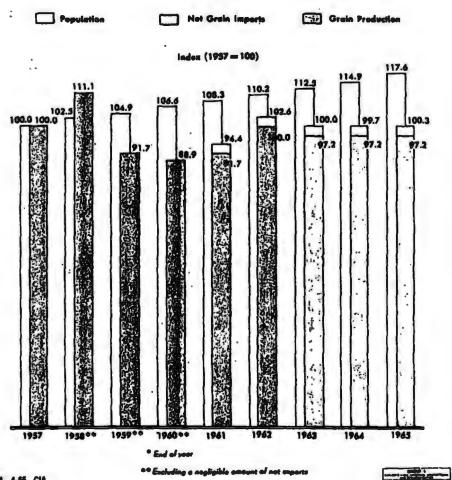
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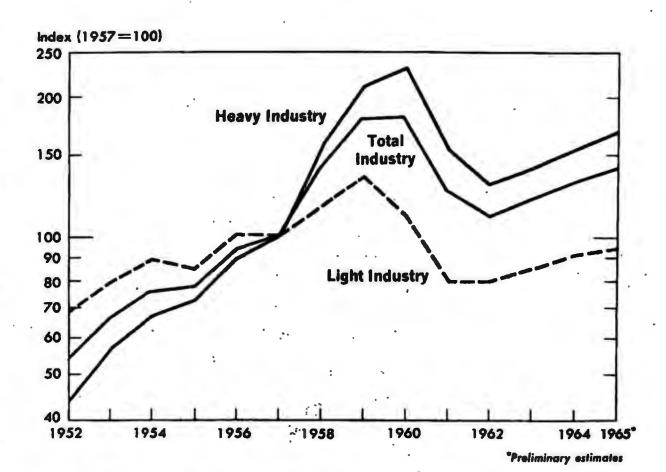
SECRET

COMMUNIST CHINA: Indexes of Population and the Production and Supply of Grain, 1957-65



SECRET

COMMUNIST CHINA INDEXES OF INDUSTRIAL PRODUCTION 1952-65



These indexes are plotted using a logarithmic vertical scale, the result being that equal slopes of the lines represent equal percentage rates of grawth. The data used in this chart, particularly for years after 1959, are fragmentary and uncertain. Thus, the index should be regarded as providing only a tentative indication of the general level and trend in production during 1960-65.

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