

120 ✓
~~SECRET~~

August 14, 1964

Mac -

Have you caught up with signs that India may propose a new line for Laos/Vietnam, i. e. that UN replace ICC and actually put troops on Laos and SVN borders (see attached).

Idea has many hookers, but merits too-- especially for after November. Suggest we take a good look at it if Indians ever float it. Note Bowles' remarks about hawks and doves in GOI; we want to encourage those hawks too.

RWK
RWK

Att: New Delhi 494, 8/13/64
New Delhi 503, 8/13/64

DECLASSIFIED ~~SECRET~~

Authority NLS 83-232
By ics NARS, Date 2-16-84

INCOMING TELEGRAM

Department of State

120 a

57

Action

NEA

Info

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PP RUEHCR RUEHDT RUFHDN
 DE RUSBAE 620 13/1530Z
 P R 131430Z ZEA
 FM AMEMBASSY (NEW DELHI)
 TO RUEHCR/SECSTATE WASH
 INFO RUCQHKB/CINCMEAFSA MACDILL AFB FLA
 RUEHDT/USUN NEW YORK
 RUFHDN/AMEMBASSY LONDON
 RUEKDA/DOD WASHDC
 RUHLHQ/CINCPAC
 RUMJIR/AMEMBASSY SAIGON
 RUMJFS/AMEMBASSY VIENTIANE
 RUMTBK/AMEMBASSY BANGKOK
 STATE GRNC
 BT

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 1964 AUG 13 PM 2 01

~~CONFIDENTIAL~~ ACTION PRIORITY DEPT 503 INFO SAIGON 19
 VIENTIANE 17 LONDON 172 MOSCOW 41 WARSAW NINE OTTAWA 11
 BANGKOK NINE USUN 50 DOD CINCPAC CINCMEAFSA UNN FROM DELHI
 AUGUST 13, 8:00 PM

CINCPAC AND CINCMEAFSA FOR POLAD

REF: EMBTEL 494 AND :95 (NOTAL)

FROM VARIOUS SOURCES IT HAS BECOME EVIDENT THAT THERE HAS
 BEEN SHARP CONTROVERSY WITHIN THE MEA FOR PAST WEEK OVER
POLICY TO BE CARRIED OUT IN SOUTHEAST ASIA. APPARENTLY
 CONTROVERSY WAS PRECIPITATED BY QUESTION WHETHER GOI SHOULD
 ACKNOWLEDGE ICC INVESTIGATIVE POWERS IN RECENT TONKIN GULF
 CFN: 503 19 17 172 41 9 11 9 50 494 495

PAGE TWO RUSBAE 620 ~~CONFIDENTIAL~~
 EPISODE BUT HAS NOW SPREAD TO QUESTION OF FUTURE POLICY IN
 ENTIRE EX-INDOCHINA AREA. AS A CONSEQUENCE OF THIS CONTROVERSY,
 GOI ATTITUDE ON QUESTION OF NEXT STEP IN LAOS AS WELL AS
 VIETNAM IS SOMEWHAT IN STATE OF FLUX. INITIAL EVIDENCE OF
 TREND OF THINKING IS COURSE OF ACTION NOW GAINING FAVOR REPORTED
 IN REFTELS.

SOURCES SPEAK OF CONTROVERSY AS ONE BETWEEN "DOVES" AND
 "HAWKS", IN WHICH DOVES ARE REPORTED TO BE IN FAVOR OF
 ICC INVESTIGATION TONKIN GULF INCIDENTS AND, PRESUMABLY,

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Authority RAC 00014842
 By is, NARA, Date 10-29-97

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AUG 14 1964

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-2- 503, AUGUST 13, 8 PM, FROM NEW DELHI

TO URGE SOFT LINE ON LAOS-VIETNAM. HAWKS ON OTHER HAND ADVOCATE HARD POSITION VIS-A-VIS CHICOMS IN TERMS OF INDIA'S OWN NATIONAL INTERESTS AND THEREFORE TAKE LINE THAT ICC HAS NO JURISDICTION IN TONKIN GULF INCIDENTS INASMUCH AS US NOT SIGNATORY 1954 GENEVA ACCORDS. SOURCES REFER TO COMMONWEALTH SECRETARY JHA AS SPOKESMAN FOR DOVZI AND FON MIN SWARAN SINGH ~~AND~~ HAWK. SWARAN SINGH IS REPORTED TO HAVE WON PM SHASTRI, WITH WHOM I DISCUSSED THE SITUATION AT SOME LENGTH TO HIS POINT OF VIEW, AND LINE TAKEN BY SEC GEN DESAI IN RECENT TALKS WITH ME AND DCM SEEM TO IDENTIFY HIM IN HAWK CATEGORY. SCHEME, GAINING FAVOR IN MEA, OF INTRODUCING UN INTO SOUTHEAST ASIA, REPORTED IN REFTELS, IS SAID TO BE POLICY ADVANCED BY HAWKS. CFN: 1954

PAGE THREE RUSBAE 620 ~~CONFIDENTIAL~~
IN RESPECT TO LAOS, FROM GOI POINT OF VIEW, INTRODUCING UN HAS ADVANTAGES OF TAKING U.S. OFF SPOT ON QUESTION OF PRE-CONDITIONS FOR GENEVA CONFERENCE AND OF AVOIDING AWKWARD TRIANGULAR US-USSR-COMMUNIST CHINA CONFRONTATION AT SUCH CONFERENCE. IN RESPECT TO ENTIRE INDOCHINA AREA, ACCEPTANCE OF UN ROLE WOULD REDUCE AND PRESUMABLY EVENTUALLY ELIMINATE ICC ROLE, WHICH FOR GOI, AS CHAIRMAN, HAS BECOME AN INCREASINGLY DIFFICULT ROLE TO PERFORM AND ONE THAT INHIBITS HER FROM THE MORE AFFIRMATIVE ROLE WHICH WE HAVE PRESSED HER TO TAKE.

IF GOI DOES OFFICIALLY PROPOSE SCHEME AND IT DOES NOT MATERIALIZE, GOI PROBABLY WOULD PRESS FOR EARLY CONVENING OF GENEVA CONFERENCE. AS SECOND REFTEL SUGGESTS, GOI WOULD PROBABLY BE READY TO ALLOW SUCH CONFERENCE OR SEPARATE GENEVA CONFERENCE TO UNDERTAKE TO EXAMINE VIETNAM QUESTION WITH VIEW TO REVISING 1954 ACCORDS AND PERHAPS CONSIDER QUESTION OF CAMBODIA AS WELL.

FROM DELHI, IT APPEARS THAT NEW INDIAN SCHEME, OF WHICH MAY BE TAKING SHAPE, HAS CONSIDERABLE MERIT FOR U.S. INDIAN PROPOSAL THAT UN FORCE, TO WHICH INDIA WOULD CONTRIBUTE TROOPS, ASSUME
CFN: 1954

PAGE FOUR RUSBAE 620 ~~CONFIDENTIAL~~
RESPONSIBILITY FOR CONTAINMENT OF DRV (WITHOUT DISPLACING U.S.) AND TAKE OVER PDJ WOULD COMMIT INDIA MILITARILY IN SOUTH-EAST ASIA AND NATURE OF COMMITMENT WOULD IN FACT ULTIMATELY INVOLVE INDIA ON OUR SIDE IN SITUATION THERE, WHICH HAS BEEN ONE OF OUR DIPLOMATIC GOALS FOR THE PAST TWO YEARS. WITH UN TAKING OVER INDIA COULD NO LONGER POINT TO ITS

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-3- 503, AUGUST 13, 8 PM, FROM NEW DELHI

CHAIRMANSHIP OF ICC AS REASON FOR NOT TAKING MORE FORWARD POSITION IN SEA. FURTHERMORE, UN PRESENCE IN AREA WOULD PROVIDE FORM OF INSURANCE AGAINST FURTHER DETERIORATION OF SEA SITUATION.

IMPLEMENTATION OF INDIAN PLAN WOULD PLACE OTHER ASIANS IN POSITION TO DEAL DIRECTLY WITH CHICOM SUBTERFUGE. EVEN IF CHINESE COMMUNISTS REJECT SCHEME, AS SEEMS LIKELY, IT MIGHT WELL BE ACCEPTED BY SC (ASSUMING INDIANS CORRECTLY ESTIMATE SOVIETS). IN ANY EVENT, PROJECT WOULD TEND TO FOCUS ON CHICOMS RESPONSIBILITY FOR AGGRESSION IN SOUTHEAST ASIA AND MIGHT SERVE TO AWAKEN MANY MORE ASIANS TO THIS REALITY. AT A MINIMUM, TAKING TIME TO REVIEW THIS PLAN WILL POSTPONE DECISION ON GENEVA CONFERENCE. FOR THESE REASONS, WE BELIEVE WE SHOULD LEND A CAUTIOUSLY SYMPATHETIC EAR TO THIS NEW APPROACH BEING MADE BY THE GOI, ALTHOUGH WE REALIZE THAT THERE MAY BE NEGATIVE CONSIDERATIONS, SUCH AS UN FINANCING, RVN ATTITUDE, AND OTHERS THAT MIGHT BE TAKEN INTO ACCOUNT.

GP-3.

BOWLES

BT

CFN 3

NOTE: ADVANCE COPY to S/S-O AT 3:00 PM 8/13/64
PASSED WHITE HOUSE, CIA AT 3:20 PM 8/13/64

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INCOMING TELEGRAM *Department of State*

120-b

59

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Action

Control:
Rec'd:

11063
AUGUST 13, 1964
1:50 PM

FE

Info

FROM: NEW DELHI

SS

ACTION: SECSTATE 494 PRIORITY

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INFO: LONDON 169
MOSCOW 39
OTTAWA 10
WARSAW 8
VIENTIANE 15
BANGKOK 8
USUN 49
DOD UNNUMBERED
CINCPAC UNNUMBERED
CINCMEAFSA UNNUMBERED

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Authority RAC 00014843
By isa, NARA, Date 10-29-97

DATE: AUGUST 13, NOON

~~BUNDY-SMITH~~
~~ALEXANDER~~
~~BATOR~~
~~BELK~~
~~BRUCE~~
~~CHASE~~
~~FORRESTAL~~
~~JESSUP~~
~~JOHNSON~~
~~KEENE~~
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~~KOMER~~
~~MOODY~~
~~REEDY~~
~~SAUNDERS~~
~~SAYRE~~
~~SMITH, W. H.~~

CINCPAC FOR POLAD. CINCMEAFSA FOR POLAD.

DEPTEL 294.

WE HAD BEEN GIVING THOUGHT TO PROPOSITIONS REFDEPTEL, WHEN WE RECEIVED SIGNAL FROM DR. GOPAL OF MEA THAT GOPAL IS CONSIDERING NEW PROPOSAL. IF THIS PLAN COMES TO FRUITION AND, ACCORDING TO GOPAL, IT HAS CLEARED FONMIN SWARAN SINGH AND IS NOW BEFORE PM SHASTRI IT WILL OVERTAKE SOME OF COURSES OF ACTION WE HAVE BEEN CONSIDERING. GOPAL TELLS US THAT MEA HAS SURFACED PROPOSAL TO HAVE SECURITY COUNCIL TAKE OVER VIETNAM AND LAOS CONFLICTS BUT WITHOUT DISPLACING U.S. UNDER THIS PROPOSITION UN PEACEKEEPING FORCES WOULD BE ESTABLISHED ALONG 17TH PARALLEL IN VIETNAM AND PDJ AND OTHER DISPUTED AREAS IN LAOS. PEACEKEEPING FORCE WOULD BE DRAWN FROM AFRO-ASIAN COUNTRIES INCLUDING INDIA. IN RESPONSE TO QUESTION GOPAL SAID PACKAGE AS ENVISAGED BY MEA WOULD INCLUDE INDIAN TROOPS AS IN GAZA AND FORMERLY IN CONGO. GOPAL SUGGESTED UN SECURITY

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-2- 494, AUGUST 13, NOON, FROM NEW DELHI

COUNCIL COULD BECOME SEIZED WITH PROBLEM IN RESPONSE TO APPEALS FROM SOUTH VIETNAM AND LAOS UNDER ARTICLE 35. IF SHASTRI APPROVES PROPOSITION, AND GOPAL IS CONFIDENT HE WOULD, NEXT STEP WOULD BE FOR B. K. NEHRU AND KAUF# DISCUSS IN WASHINGTON AND MOSCOW RESPECTIVELY.

GOPAL URGED U.S. TO GIVE CONCEPT CAREFUL THOUGHT. HIS THESIS WAS THAT CHICOMS WOULD OBJECT BUT THERE WAS LITTLE THAT THEY COULD DO ABOUT IT. AS FOR SOVIETS, THEY COULD GO ALONG. THEY HAD MADE CLEAR TO INDIA THAT THEY WANTED TO DIVEST THEMSELVES OF CO-CHAIRMAN RESPONSIBILITIES AND THEY ALSO WANTED TO EXTRICATE THEMSELVES FROM SICK SITUATION IN LAOS, AND ELSEWHERE, BUT NEEDED SOME FACE SAVING DEVICE. U.S. WOULD ALSO BENEFIT BECAUSE IT WOULD HAVE AN AFRO-ASIAN PRESENCE ALONG 17TH PARALLEL AND ASTRIDE COMMUNIST SUPPLY LINES IN LAOS AND IT WOULD RESULT IN STATIONING OF INDIAN TROOPS IN SEA, SOMETHING GOPAL UNDERSTOOD AS WELCOMED. CAMBODIA MIGHT CAUSE TROUBLE BUT GOPAL REFERRED TO RECENT SECURITY COUNCIL ACTION IN SENDING INSPECTION TEAM HERE AND SAID SAME FORMULA MIGHT BE ADOPTED AGAIN. GOPAL SUMMARIZED PROPOSITION BY STATING THAT WHAT INDIA WISHED TO DO WAS TO TAKE ITS EGGS OUT OF ICC AND PUT THEM IN UN BASKET. ASKED WHAT HAPPENED TO THE 14-POWER CONFERENCE ON LAOS WHICH INDIA APPEARED TO BE ENDORSING, GOPAL SAID IT WOULD BE OVERTAKEN BY NEW INDIAN SCHEME AND WOULD WITHER ON THE VINE. IN FACT, THIS WAS ANOTHER REASON TO COMMEND INDIAN PROPOSAL BOTH TO USSR AND TO U.S. AS NEITHER REALLY WANTED LAOS CONFERENCE.

PROPOSAL OBVIOUSLY APPEALS TO INDIANS AS IT CONTINUES TO ISOLATE CHINESE, GETS SOVIETS AS WELL AS INDIA OFF THE HOOK, AND PROVIDES BACK-SOIPING# TO U.S. EFFORTS IN AREA. FURTHER COMMENTS FOLLOW.

PLEASE PROTECT SOURCE EVEN WHEN PROJECT SURFACES ELSEWHERE.

GP-3.

BOWLES

AD

AS RECEIVED. WILL BE SERVICED UPON REQUEST.

OUTGOING TELEGRAM Department of State

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Info:

ACTION: AmEmbassy BANGKOK PRIORITY 24/
VIENTIANE PRIORITY 160

INFO: AmEmbassy SAIGON 442
CINCPAC

030

DECLASSIFIED

JOINT STATE/DEFENSE MESSAGE

Authority RAC 000 14844
By is, NARA, Date 10-29-97

LIMDIS

We assume that, in absence of major Communist reactions to Tonkin Gulf incident, the confidential discussions at Udon mentioned in Saigon's 312 to Dept will take place on Aug 18.

Wish raise following idea for your consideration at Aug 18 meeting without consulting Thai or Lao. Success of Project 008 in stiffening Lao defensive capabilities at Muong Soui suggests that similar support or encadrement of Lao units at other points in Laos likely to be targets for attack would provide important insurance. Objective would be to contribute to stabilization of situation in Laos by insuring, insofar as possible, that neutralist/FAR forces will be able to hold territory they now occupy. Idea reflects assumption ~~xxxxxx~~ that no later than end current rainy season we can expect Commie

Drafted by:
FE:SEA:LGPickering:ew 8/14/64

Telegraphic transmission and
classification approved by:

FE - William P. Bundy

Clearances:

SEA - Mr. Trueheart DOD - Adm. Blouin (substance)

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attacks at various points in Laos, whether in reaction to Operation Triangle, T-28's, Tonkin Gulf incident, or simple resumption familiar nibbling tactics.

Recognize that Souvanna may have reservations about such extensive use of Thai in Laos (Vientiane's 263). However, mounting evidence of their acceptability (e.g., ARMA CX-378), advantage to Souvanna of Thai training for neutralist/FAR troops, and improvement in Souvanna's position at the bargaining table which might result, suggest this might be propitious time to raise issue with him.

Recognize also Thai may have reservations, noting they currently planning withdrawal 008 in near future (Bangkok's 37 to Vientiane, rptd Dept unnumbered). Nevertheless believe they might be willing to go along if given degree of US involvement similar to 008, if Thai presence kept covert, and if extent and objectives of involvement carefully defined and controlled (Bangkok's 164).

Proposal would of course have to be presented to RTG and RLG in such a way as to avoid giving the implication to the "war horses" (both in Laos and in Thailand) that objective is to get in position to take over all of Laos (Vientiane's 219). We would have to make completely clear to both RTG and RLG that our present aim is limited

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to holding the territory presently occupied by the FAR and neutralists.

If proposal adopted, training of Thai units should begin ASAP so that they could be in place, or prepared to move in quickly in event of need, by end rainy season. Therefore, request you give us, as promptly as possible after discussions in Udon, your assessment of and comments on proposal. If you believe it has merit, would also appreciate your recommendations as to places where support of kind envisaged would be useful and Thai units or personnel that would be required (including recommended US advisory participation).

GP-1.

END

RUSK

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INCOMING TELEGRAM *Department of State*

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Komol

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~~SECRET~~ 522 AUGUST 14 8PM

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Authority RAC 00014845
By isa NARA, Date 10-29-97

EXDIS

PIERCE ARROW. DEPTTEL 266

AT SOCIAL FUNCTION EVENING 13TH, L.K. JHA TOOK ME ASIDE AND TOLD ME PRIMIN HAD ASKED HIM TO DRAFT REPLY TO PRESIDENT JOHNSON'S LETTER. PRIMIN WAS ANXIOUS THAT HIS LETTER BE PARTICULARLY FRIENDLY AND REASSURING IN REGARD TO INDIA'S ATTITUDE TOWARD US, AND IN THIS REGARD HE WOULD LIKE FRANK ADVICE FROM ME.

FOR INSTANCE, I HAD SUGGESTED TO PRIMIN THAT INDIA SHOULD DEFINE HER NONALIGNMENT POLICY MORE PRECISELY IN TERMS OF HER DIFFERING ATTITUDES TOWARD SOVIET UNION AND CHINA EMPHASIZING HER CLOSE CFN 522 266 13

PAGE TWO RUSBAE 712 ~~SECRET~~

AGREEMENT WITH US IN REGARD TO LATTER, AND PRIMIN HAD WANTED TO INCLUDE SOMETHING ALONG THESE LINES IN HIS LETTER TO PRESIDENT JOHNSON. HOWEVER, IT DID NOT REALLY FIT IN THIS LETTER SINCE SOVIET UNION WAS NOT DIRECTLY INVOLVED IN VIETNAMESE SITUATION AND WE OURSELVES HAD NOT BROUGHT CHINA IN AS A FACTOR. THEREFORE, PRIMIN WHILE AGREEING WHOLLY WITH MY POINT, FELT THIS WAS SUBJECT HE SHOULD TAKE UP AT LATER DATE, HOPEFULLY WITHIN NEXT MONTH OR SO, TO CLARIFY INDIA'S STAND.

HE FELT THAT THIS LETTER TO PRESIDENT THEREFORE SHOULD BE LIMITED TO GENERAL COMMENTS ON THE TONKIN GULF SITUATION, COUPLED WITH EXPRESSION OF APPRECIATION FOR WHAT AMERICA HAS DONE IN RECENT YEARS TO AID INDIA, PARTICULARLY IN REGARD TO PRESENT FOOD SITUATION. GP-3.

BOWLES

NOTE: ADVANCE COPY TO S/S-O AT 12:19 PM, AUGUST 14.

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AUG 14 1964

123-1

Situation Reports

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Authority STATE 6.3.75 / DOD 6.9.75 / CIA 5.9.75
By MIE, NARS, Date 7.2.75

WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

5 August 1964

INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE

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WEEKLY REPORT



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THE SITUATION IN SOUTH VIETNAM

2 August 1964

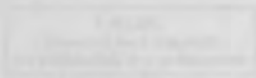
INTERLUCE AND REPORTING SUBCOMMITTEE OF THE INTELLIGENCE

VIETNAM COORDINATING COMMITTEE

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Published by the Directorate of Intelligence
Central Intelligence Agency

THE SITUATION IN SOUTH VIETNAM

(30 July - 5 August 1964)

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17

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C. LAOS

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D. UNITED NATIONS

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19

DRV sensitive to alleged incursions (p. 19); Hanoi admits 2 August but not 4 August attack on US ships (p. 19); DRV antiaircraft downs 2 US planes (p. 19).



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I. SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. General Khanh has announced his government's support for the "firm reaction of the United States" in mounting air strikes on North Vietnam in retaliation for PT boat attacks against US naval vessels on 2 and 4 August. Khanh's statement, following a long cabinet meeting, also stressed that national unity would be tightened "to meet any eventuality."

After the initial DRV naval attack, General Khanh told reporters in Saigon that the US should retaliate to avoid being branded a "paper tiger." He claimed the DRV action proved the Communist determination to dominate Southeast Asia. Earlier in the week, Khanh said his call for a "march North" implied strong measures, but did not necessarily require attacks now on North Vietnam. At the same time, Khanh repeated that the people of North Vietnam must be liberated. The Saigon press throughout the week continued to call for expansion of the war and to criticize the US for its reluctance to confront Hanoi and Peiping. Defense Minister Khiem, while touring Malaysia, referred publicly to the eventual need for US combat troops in Vietnam. (US MISSION WEEKLY)

2. The US action against North Vietnam will probably result, at least for the present, in a greater show of South Vietnamese unity behind Khanh's leadership. According to a cabinet member, during the cabinet meeting in Dalat on 25 July, Khanh had offered to turn over the premiership to a civilian and restrict himself to the title of chairman of the Military Revolutionary Council. An official of the government's National Security Council on 5 August hinted that there would, however, soon be a "more rational distribution of ministerial portfolios" for greater efficiency. (CIA TDCSDB-31500288 BUO and EMBTEL 301 BUO) The official's remarks on a pending reorganization suggests that some civilian politicians may be dropped. Khanh has at times

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hinted that he might want to give up the premiership and assume Minh's role as chief of state. He may now feel strong enough to move against Minh. He has made it clear that he considers Minh a disruptive element.

3. Col. Pham Ngoc Thao, newly named press secretary to Khanh, reportedly feels that Dai Viet Party efforts to recruit members among the armed forces pose a serious potential threat to Khanh. Thao claimed that the Dai Viets now have some high-ranking military members, but could only take over if they succeed in gaining the support of Defense Minister General Khiem. (CIA TDCS-31401139)

The Dai Viets, particularly the southern faction under Deputy Premier for Pacification Hoan, have become increasingly critical of Khanh for monopolizing the government. They have not hidden their desire for greater influence or their efforts to develop a mass following. At least two key officers, General Thieu, the chief of staff to the Joint General Staff (whose brother Nguyen Van Kieu, Commissioner for Youth and Sports, is a prominent official in Hoan's party), and 7th Division Commander Col. Ton, are known Dai Viets. The 5th Division commander north of Saigon and the 9th Division commander in the delta are also reported possible Dai Viets. General Khiem has been rumored to have Dai Viet ties and to be involved in coup plotting. In combination, these officers could control the area around Saigon and could probably succeed in overthrowing Khanh. However, there has been no confirmation that serious plotting is afoot.

4. Foreign Minister Quat, a member of the northern Dai Viet faction, reportedly said on 2 August that the situation among the military was bad. He complained that corps commanders are demanding greater authority, that morale is low among commanders of combat units who are frustrated by military disunity and lack of recognition, and that Generals Khanh and Khiem do not devote enough attention to military matters. Quat said that he advised Khanh to resolve his conflicts of authority

-2-

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with General Minh and to organize a war coordination group. (CIA TDCS-31401331) The chief of the Armored Command, Col. Bang, reportedly has complained that incompetence of some field commanders, particularly III Corps and IV Corps commanders Generals Tam and Duc, contributed in part to Viet Cong successes close to Saigon. Bang allegedly blamed the situation on General Khiem, who, while supporting these officers, neglected his own duties by "wandering about Asia." (CIA TDCSDB-31500280)

5. The Saigon government has presented US military officials the draft of a proposed reorganization of the Joint General Staff and Defense Ministry. The major innovation would be the creation of a political warfare department with the function of improving troop morale through activities such as department welfare, recreation and education, psychological warfare, counter-intelligence, and political indoctrination. USMACV has particular reservations about political indoctrination using Chinese Nationalist advisers. The new department is actually patterned after a similar Chinese Nationalist system. (EMBTEL 248) Some efforts along these lines, also with Chinese advise, was attempted under the Diem regime. General Khanh at one time headed Diem's military political indoctrination program.

6. Tran Le Quang, who was originally named counterpart to William Sullivan as the South Vietnamese executive agent for joint pacification coordination, has reported that Khanh accepted his resignation after his appointment met opposition. Quang indicated that opposition stemmed from the fact that he was not a Dai Viet member, implying objections from Hoan and Quat, and that one general had called him a "neutralist." Sullivan believes that Quang may be under government surveillance. (EMBTEL 251 BUO) Quang, who had served in the Diem and Minh cabinets, had been regarded by US officials as one of the more qualified appointees on South Vietnam's pacification council.

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7. A Ministry of Interior decree has set the dates of 4 and 11 October for elections to "people's assemblies" in the cities and provinces. According to the Saigon press, elections for Saigon's 19-member council are to be held on 4 October. (US MISSION WEEKLY) The decree is apparently intended to satisfy Khanh's earlier promises of popular elections, but fails to specify a date for the proposed national constituent assembly. The government reportedly has also announced that all cases still pending before the now defunct special Revolutionary Tribunal will be transferred to regular courts. The tribunal was created to handle charges against former Diemists.

8. The International Control Commission, acting on majority vote without Polish concurrence, investigated at South Vietnam's request alleged North Vietnamese involvement in the attack on a district capital in Dinh Tuong Province on 20 July. Their findings will be discussed this month, but appear unlikely to confirm South Vietnam's charges to the ICC that the attack involved regular North Vietnamese army units, with Chinese Communist advisers. (EMBTel 323) Officers trained in North Vietnam may have taken part in the attack, but the units involved were long-identified regular Viet Cong battalions. South Vietnam's "evidence" of Chinese Communist advisers consists of witness reports that orders were shouted in Chinese, and the discovery of graves with decapitated bodies. US officials have been unable to confirm previous South Vietnamese allegations of Chinese Communist advisers with the Viet Cong.

Security

9. Two explosions in Saigon last week were evidently specifically intended for Americans. The most serious, a large explosion in a bar near the Saigon airport on 1 August, injured seven American military personnel and 13 Vietnamese, one of whom died. Four suspects were arrested after

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the incident. Another device thrown on 31 July at a group of six US military police in Cholon injured six Vietnamese, but none of the Americans. The US Embassy has received reports that the morale of the South Vietnamese police has suffered because they allegedly had orders from higher authorities to stand unarmed at the French war memorial in Saigon and offer no resistance as the students destroyed it. The police reportedly feel that they are again being diverted, for political reasons, as at the end of the Diem regime, from their function of keeping law and order. (US MISSION WEEKLY)

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B. MILITARY SITUATION

1. Viet Cong-initiated incidents declined for the second consecutive week, but were still above the weekly average for 1964. Armed attacks, however, dropped below the average for 1964. A sharp drop in overall incidents was evident both in the northern provinces and in IV Corps in the extreme south. Viet Cong activity remained high in the provinces immediately north of Saigon, particularly in Binh Duong Province where Communist forces estimated at approximately two battalions undertook a series of ambushes, meeting engagements, harassments, and other terroristic activities. Of the four large-scale attacks reported, three occurred in the provinces north and west of Saigon, and the fourth took place in An Xuyen Province - the southernmost province in Vietnam. One of these attacks was a night attack by an estimated two companies of Viet Cong on a post only three miles from Saigon.

The Viet Cong realize they lack the strength to seize and hold an objective so close to Saigon. Nevertheless, the employment and safe withdrawal of a sizable combat unit without sustaining significant casualties amounts to a noteworthy psychological victory for them.

2. The tempo of government operations, both large and small scale, decreased in comparison with last week. IV Corps continued to lead in the number of major operations conducted, while II Corps Zone conducted the largest number of small unit operations. The most significant military operations, however, occurred in the critical province of Binh Duong in the III Corps Zone. These consisted of RVNAF reaction operations as the result of Viet Cong ambushes. Three ARVN battalions were involved at various times over a three day period and suffered fairly heavy casualties; 45 KIA (including 1 US), 59 WIA, 14 MIA, and 52 weapons (including one 50 caliber machine gun, four 30 caliber machine guns and one 60-mm mortar). Confirmed Viet

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Cong losses were two killed plus an RVNAF estimate of over 300 killed and wounded by air strikes. Analysis indicates that government intelligence in the area was neither timely nor accurate with regard to the location and strength of Viet Cong units. One ARVN battalion did not perform in a well-disciplined manner, which may have influenced the number of casualties it experienced in the engagement. Government air support, on the other hand, was both timely and effective.

The strong and persistent Viet Cong reaction to the presence of ARVN forces in the Ben Cat area of Binh Duong Province seems to indicate that the Communists place a high priority on retaining their freedom of movement in the area connecting their War Zones "C" and "D" and containing important communication routes from northeast to southwest into the heart of the Mekong Delta.

3. On 25 July Vietnamese naval elements captured a Viet Cong motorized sampan in the Co Chien River separating Kien Hoa and Vinh Binh Provinces. The sampan was loaded with 100 75-mm artillery shells, 10,500 rounds of caliber rifle ammunition and many documents. Examination of the 75-mm rounds revealed that they are US 75-mm High Explosive ammunition for pack howitzers. They appeared to be in original condition and packed in cardboard containers, two to a wooden box. While the original US markings were unchanged and lot numbers indicated that the ammunition was manufactured in 1944, the wooden boxes had Chinese markings on the outside. A check of lot numbers revealed that this ammunition had not been in ARVN supply channels.

J2, MACV comments that the discovery of this ammunition does not provide a clue as to how it was introduced into the country. He believes that the rounds, packed for bulk delivery, were most likely destined for some Viet Cong supply dump in IV Corps Tactical Zone. He further believes that this ammunition was to be fired from a howitzer, because of the presence of the complete rounds,

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rather than to be used as mines. In the latter case, the projectile alone would suffice, elaborate packaging would be unnecessary, and there would be no reason for the Viet Cong to transport the additional weight of cartridge case, fuze, containers, etc. He also commented that to date there has been no evidence that the Viet Cong have received 75-mm pack howitzers, although these weapons were used in Burma and China during World War II. Also, North Vietnam and Cambodia are believed to have some of these weapons. (The ARVN also has 18 75-mm howitzers, but all are accounted for). This has been the first discovery of 75-mm pack howitzer ammunition in the possession of the Viet Cong and may indicate that the Communists are preparing to use pack howitzers which are now, or expected to be soon, in their possession. Being a light (1,400 lbs.), easily transportable and versatile weapon, it could be used effectively by the Viet Cong and would provide them with a significant, new weapon with a maximum range of 9,620 yards.

4. Very little forward progress was recorded in the pacification program. Viet Cong activity directed against hamlets severely curtailed government sponsored efforts in a number of provinces. In other cases, deficiencies in government leadership and organization prevented any appreciable advance. In several provinces, however, strong leadership and adequate coordination of provincial programs produced favorable results.

5. Government forces casualties decreased in proportion to the lower level of operations conducted this week. Friendly casualties totalled 510 (146 KIA) compared with 837 (217 KIA) last week. Viet Cong confirmed casualties were 250 (186 KIA). This is below last week's 283 casualties (246 KIA) and does not take into account a considerable number of additional casualties probably caused by air strikes. Government weapons losses dropped sharply to 160 compared with 498 last week. Government forces captured 64 individual weapons, a slight increase over last week's total of 62 weapons.

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Conclusions

6. The tempo of both government and Viet Cong activities diminished considerably this week with neither side achieving a major success.

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SYNOPSIS OF PACIFICATION PROGRESS

TABLE I

Indications of Overall Progress in South Vietnam

<u>Positive</u>	<u>Negative</u>
"Oil spots" are being expanded slowly in some provinces; certain security operations have proven successful, reducing VC pressure in these areas.	VC are continuing to react violently and effectively in many pacification areas. Assassinations, destruction of fences, etc., having adverse effect on population and upon their cooperation with government.
Psychological warfare and civic action efforts by the government show improved responsiveness to opportunities to exploit VC atrocities.	Preoccupation with VC activities, lack of interest or enthusiasm of government workers and officials, and recruiting problems inhibiting progress in some pacification areas.
	Lack of security forces caused by insufficient troops or understrength troop units preventing growth and expansion of "oil spots" in some critical provinces.

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TABLE II

Indication of Progress in Critical Provinces

<u>Province</u>	<u>Positive</u>	<u>Negative</u>
1. Quang Tin	Economic aid projects are continuing. Pacification operations are enabling the gradual spreading of the "oil spots" in some districts.	Progress has slowed considerably on 120 KM of roads planned to permit access to hamlets under construction.
2. Quang Ngai	None reported.	VC reacting violently to pacification program; burning houses, assassinating officials, destroying defenses. Effectiveness of mobile action cadre has been unsatisfactory so far.
3. Binh Dinh	2,520 people relocated to secure areas.	VC intensifying terroristic actions against peasants, including the burning of 373 homes and assassination of 6 people.
4. Phuoc Thanh	None reported.	Provincial government unable to direct an effective pacification program; key personnel unclear as to their role and mission; cadre ineffective and unsupervised; little coordination between officials and supporting ARVN units.

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<u>Province</u>	<u>Positive</u>	<u>Negative</u>
5. Tay Ninh	Operations achieving slow, but steady, progress. Province Chief has support of populace; cadre teams well organized and effective.	Commander, 5th Div considering removal of Ranger Bn from province and abandonment of one NRL hamlet. This would be severe blow to public confidence and excellent source of propaganda for VC.
6. Binh Duong	New provincial administration implementing pacification plan and receiving support from ARVN units.	VC reacting sharply to ARVN troop movements; VC pressure strong throughout northern section of province.
7. Hau Nghia	None reported.	Increased VC activity, combined with poorly trained and motivated mobile action cadre teams has seriously curtailed pacification operations. VC ambush kills US sector adviser. Threats and intimidation efforts against cadre nullifying pacification efforts.
8. Long An	Several successful operations keeping pressure on VC, resulting in a decrease in overall VC activity.	So far, province has been unsuccessful in recruiting additional 120 cadre required.
9. Dinh Tuong	None reported.	Increased VC activity and realignment of troops temporarily stalling pacification progress.

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<u>Province</u>	<u>Positive</u>	<u>Negative</u>
10. Go Cong	None reported.	Inertia characterizes operations in province. Understrength units probably unable to expand area this year; effectiveness of mobile action cadre is marginal.
11. Kien Hoa	"Oil spots" expanded slightly. Mobile action cadre team appears properly motivated. Artillery support of hamlets particularly effective.	VC reacting with mortar fire and grenades.
12. Kien Tuong	None reported.	Pacification operations remain at a standstill. Prospects poor for recruiting paramilitary forces; number of ARVN troops available for this province also is small. Another change in troop units expected this week.
13. Chuong Thien	Some slight progress reported in a few village areas. Training and attendance of pacification cadre favorable.	VC intimidation of people increasingly effective. Many families leaving for more secure areas in adjacent province. Province Chief failing to provide energetic leadership needed.

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<u>Province</u>	<u>Positive</u>	<u>Negative</u>
14. An Xuyen	<p>Mobile action cadre active in organizing net among people to uproot VC infrastructure. New teams began operations this week.</p> <p>Cao Dai paramilitary units continuing to be trained; weapons for paramilitary on hand.</p> <p>Interest shown by provincial officials increasing.</p>	None reported.

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C. ECONOMIC SITUATION

1. The Ministry of National Economy has expressed concern at the slow rate of rice deliveries from the Delta, which are now only 50 percent of the 1963 rate. The slowdown is attributed to poor security; some provinces report that the Viet Cong have intentionally impeded commercial transport of rice. A second factor in lower deliveries may be the absence of major export contracts and the lack of sufficient incentive to induce country dealers to make larger rice shipments despite increasing Viet Cong taxes. Available information indicates that Delta towns have ample stocks. Stocks in Saigon are at the comfortable level of 171,000 tons, although 70,000 of this is of a type normally exported. (MISSION WEEKLY)

2. End of July figures indicate that releases from the Pacification Budget have moved quite well under the new expenditure procedures. About a third of the total pacification budget of 2.8 billion piasters has been released in the two months since the budget was completed. This is considerably faster than the rate of strategic hamlet releases in previous years. Expenditures from the ordinary budget have not expanded appreciably because of the ministries' reluctance to make full use of the new authority under the revised procedures. (MISSION WEEKLY)

3. There has been considerable unrest on the Saigon docks, stemming from a jurisdictional dispute between Tran Quoc Buu's CTV (Vietnamese Confederation of Labor) and the General Confederation of Free Trade Unions of Vietnam, led by Bui Luong. A temporary solution has permitted the movement of pacification commodities from the port, but the seeds of major unrest remain. (MISSION WEEKLY) After a visit to Saigon by Irving Brown of the AFL-CIO, the formation of a joint AFL-CIO/CTV committee was announced. Brown has told the embassy that the next meeting of the AFL-CIO Executive Council will adopt a

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strong resolution on Vietnam and appropriate funds for financial support of the CTV. (Saigon T-267) Buu is South Vietnam's best-known and most responsible labor leader. His CTV is by far the country's largest labor confederation. Bui Luong has a reputation of erratic, opportunistic behavior and is prone to take advantage of unsettled situations.

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THIRD COUNTRY DEVELOPMENTS

A. FRANCE

Relations with France showed no improvement. The GVN on 30 July rejected a French protest against the destruction of the Saigon monument to the French war dead by a group of students on the night of 28 July. In a conversation with French Chargé Perruche, Foreign Minister Quat said that he did not approve of the students' conduct, but that there was no legal basis for the French protest because the monument was GVN property. Quat told Perruche that the French has only themselves to thank for the bad state of relations between France and South Vietnam since De Gaulle had in effect attacked Vietnam in his press conference and the Vietnamese students had replied. Quat said that if France wanted to improve relations with Vietnam, De Gaulle or Couve would only have to make a public statement to the effect that French comments about a neutralist solution for Southeast Asia should not be interpreted as an effort to interfere in Vietnam affairs. If France were to make this gesture, normal relations could be resumed. On 1 August General Khanh stated publicly that the student's actions were a direct result of De Gaulle's press conference statement. (EMBTel 264, 296)

B. CAMBODIA

1. The GVN issued a communiqué, which was subsequently delivered to the UN Security Council, rebutting the Cambodian charge that the GVN had dropped yellow powder on several Cambodian towns, killing people, animals, and plants. The GVN pointed out that no defoliation missions, which might have given rise to the charge, were flown anywhere near the areas in question on the dates mentioned. The GVN added that, in any case, a purple liquid, not yellow powder, was used in defoliation operations and that the type of defoliant used merely "separated the leaves from the boughs" and had

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never caused the death of people, animals, or plants. The GVN asked that a "personality from the scientific world" or an "international commission of experts" be designated to investigate the facts. (FBIS)

2. It appeared from Sihanouk's speeches that he was becoming increasingly negative toward the idea of UN involvement in any aspect of GVN-RKG relations. The GVN, on the other hand, seemed relatively pleased with the UN Security Council mission's report and was prepared to be forthcoming, although there were indications that the GVN's position was predicated in part on the assumption that Sihanouk would torpedo the notion of a UN presence in the border area. (EMBTel 296)

C. LAOS

Following the return from Laos of an ARVN officer concerned with sensitive Laotian liaison, Chief of Staff of the Joint General Staff General Thieu on August 3 informed General Stillwell of developments in joint GVN-Lao military planning. Since the Lao military authorities want a much closer liaison "for future joint and/or supporting military operations," the GVN will send to Vientiane a military attaché who will head a small GVN planning coordination group. A GVN liaison team, wearing Lao uniforms but subordinate to the GVN attaché in Vientiane, would be stationed near Savannakhet. Thieu said that the arrangements had been made directly with General Kouprasith, but that Souvanna had concurred. General Stillwell told Thieu that the US considered it most important that an arrangement of this nature be concerted with the duly constituted government of Laos, but did not comment further. (EMBTel 293)

D. UNITED NATIONS

After considerable urging by the United States, the GVN has finally dispatched Nguyen Phu Duc to New York as head of the GVN's permanent observer mission to the UN. (EMBTel 296) Duc is very knowledgeable on Cambodian affairs and is regarded as an able officer.

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III. DEVELOPMENTS IN THE BLOC

A. NORTH VIETNAM

1. North Vietnamese sensitivity to incursions of its territory was reflected on 31 July in a DRV protest to the ICC over the alleged shelling of two offshore islands on its eastern coast on 30 July. On 2 August the Foreign Ministry protested to both the US and the Laotian government over the 1 August bombing of a village allegedly inside the DRV western border.

By 2 August, however, the DRV had apparently decided to underscore its protests with military action. As the US destroyer "Maddox," on patrol in the Gulf of Tonkin, approached the same islands which reportedly had been raided two days earlier, a small flotilla of North Vietnamese torpedo boats attacked the US ship at a point 29 miles from shore. The Maddox repulsed the assault, destroyed one of the enemy craft, and continued on patrol duty. On the night of 4 August, the "Maddox," travelling with the destroyer "C. Turner Joy," was attacked again, this time 60-65 miles off shore.

Hanoi has admitted the attack on 2 August, but claims the US vessels were violating North Vietnamese "territorial waters" and that the action was in self-defense. Hanoi has denied the attack on 4 August. In the retaliatory bombing of naval shore installations on 5 August, DRV antiaircraft fire downed two US planes.

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WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

13 August 1964

INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE

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THE SITUATION IN SOUTH VIETNAM

(7 - 13 August 1964)

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A. CAMBODIA

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B. INDONESIA

GVN requests that Indonesia withdraw its mission in Saigon (p. 14).

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GVN continues effort to increase diplomatic representation in Africa (p. 15).

III. DEVELOPMENTS IN THE BLOC

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Strikes apparently catch Peiping and Hanoi by surprise, but their subsequent moves suggest they had contingency plans (p. 16); no significant Soviet military reaction has been reported (p. 16); Chinese and North Vietnamese mount massive propaganda campaigns against the air attacks (p. 16).

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I. SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. On 7 August, following last week's events in the Gulf of Tonkin, Prime Minister Khanh, in his capacity as Chairman of the Military Revolutionary Council, decreed a state of emergency in South Vietnam. Under the terms of the proclamation, civil liberties are sharply curtailed. All domestic information media are now subject to prior censorship and all "harmful" publications are subject to seizure. A partial mobilization of manpower was decreed, allowing the government to requisition national resources needed to prosecute the war. Violators of public order are subject to judgment of military courts; terrorists, saboteurs, and speculators "harming the national economy" are subject to immediate death penalties. Martial law may be proclaimed in areas where the security situation dictates. (EMBTEL 344) Fear of military reprisals from the North gave Khanh the opportunity to impose this emergency status which gives him and the Military Revolutionary Council all but absolute power. Khanh has long desired this kind of authority in order to energize the country, and particularly to shock the people of Saigon out of their apathy toward the war. The manner in which provisions of the decrees are implemented, and the public reaction thereto, may materially affect the viability of the present government.

2. Khanh is reported to be planning major changes in the structure of the present government to give him greater power and stability, curtail political strife, and free him from routine administrative matters. He told a US Embassy officer that he intended within a few weeks to promulgate a provisional constitution and to create a legislative assembly. This would be composed of a two-fifths military representation (the Military Revolutionary Council apparently would be abolished), two-fifths provincial representation, and one-fifth Saigon politicians. The means of selecting this assembly were not specified, but the Embassy believes that a majority would be

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responsive to Khanh's direction. A member of Khanh's staff has also reported that Khanh plans extensive shifts in his government within the next several days, intended to remove General Minh and to downgrade the power of the Dai Viet Party. Khanh would replace Minh as chief of state, possibly while retaining the post of prime minister. Defense Minister Khiem, promoted last week to Lt. General, would become Deputy Prime Minister for Military Affairs, and Ambassador to London Vu Van Mau would reportedly become Deputy Prime Minister for Administrative Affairs. An unspecified ministry would be offered to present Deputy Prime Minister for Pacification Nguyen Ton Hoan, leader of the southern faction of the Dai Viet Party. Deputy Prime Minister for Cultural and Social Affairs General Do Mau, a trouble-maker, would be sent overseas; Deputy Prime Minister for Economy and Finance Oanh and Foreign Minister Quat might be removed from the cabinet. The commander of the 7th Division, also a Dai Viet member, and possibly some other military officers would also be removed from present commands. (EMBTel 344 and 388 BUO and CIA TDCS-31401579)

Khanh may now feel that the time is right for removing at least some of his rivals and critics. He may be able to under the new emergency decrees, but he may stimulate new intriguing against himself. The US Embassy is concerned that any reorganization may lead to new setbacks in the stability of the government. The Embassy would regret the loss of competent officials such as Oanh and Quat.

3. There have been mixed reactions in South Vietnam to the United States air attacks against North Vietnam, but there appears to be widespread approval. News of the air strikes was generally well received among the educated and articulate Vietnamese. These Vietnamese tend to believe that the action disproves the Communist characterization of the US as a "paper tiger," and that it puts the US into a position of direct confrontation with the Communists and, inferentially, in direct support of Khanh's "March North" theme. Some elements of the Saigon population, however, are apprehensive over an outbreak of general war, including air raids on Saigon. The Vietnamese military

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generally have welcomed the US action. Many officers feel that the US is now fully committed, and that more of the burden of carrying on the war will now pass to the US. (EMBTel 329 and CIA TDCS-31401346)

The widespread euphoria and imaginative speculation on future American actions involves at least one potential hazard. A realization that the 5 August action was a one-time retaliation to a specific provocation rather than a first step toward an expansion of the war could produce despair and frustrations creating new pressures on and within Khanh's government. These pressures would be augmented if, at the same time, the public began to take a negative view of the authoritarian aspects of the recent state of emergency decrees.

4. During the course of a stopover in Hue on 9 August, General Khanh was confronted by a crowd--apparently organized by the Buddhists--demanding government action on behalf of a number of Buddhists reported to have been arrested in Quang Nam Province. A potentially explosive situation was avoided when Khanh moved out among the crowd, listened to their complaints, and promised to look into the situation. The Buddhist demands concerned an incident in July in Quang Nam, where the chief of Duy Xuyen district had ordered forcible indoctrination of about 600 persons--many of them Buddhists--considered to have some Communist connections. The armed forces commander in the area, 2nd Division Commander General Ngo Dzu, later publicly exhorted Buddhists to strengthen their opposition to Communism. Local Buddhists, complaining to Saigon through the United Buddhist Association, were further aggrieved when the district chief, a Catholic, freed some Catholics found to possess Communist literature. Saigon officials now report that all but a few detainees with known Communist ties have been released. During July, another incident in Binh Dinh Province in central Vietnam, involving personal vengeance by a paramilitary commander on a largely Buddhist village under Viet Cong influence, also provoked a Buddhist complaint. General Khanh reportedly has taken action to indemnify victims of both incidents and to punish local officials responsible. The 2nd Division commander has since been replaced. (US MISSION WEEKLY and EMBTEL 378)

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SECURITY

5. An official of the US Aid Mission was kidnaped in an ambush in Phu Yen Province on 8 August, the first American civilian official reported captured by the Viet Cong. The incident may foreshadow a stepped-up terrorist campaign against American civilians, or a concerted effort by the Viet Cong to disrupt the American aid effort at the local level. On 12 August, a bomb planted in a parked bicycle, exploded in the delta city of My Tho, about 40 miles south of Saigon. The explosion, evidently targeted at Americans frequenting an outdoor restaurant, reportedly killed 3 Vietnamese and wounded 5 US servicemen and 22 Vietnamese. (MACV SITREP 222)

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B. MILITARY SITUATION

1. Viet Cong-initiated activities continued their downward trend for the third consecutive week, reaching approximately the level of the weekly average for the first seven months of 1964. Although terrorism remained the favored Viet Cong tactic, the level of terrorism this week dropped to about one-half the level of one month ago. Small-scale attacks increased slightly, but there was only one large-scale Viet Cong attack--a company-size attack on an ARVN company in Quang Tin Province on 9 August. The ARVN unit acquitted itself well, inflicting 31 casualties (KIA) and capturing 11 weapons from the Viet Cong, at a cost of 5 killed, 30 wounded, and one weapon lost.

A Viet Cong propaganda broadcast of 7 August declared that in view of the US attack on North Vietnamese shore installations, the Viet Cong felt it was their responsibility to intensify military activities in South Vietnam. So far, however, there has been no discernible step-up in the Viet Cong effort.

2. Following the military actions in the Gulf of Tonkin, the High Command, RVNAF, issued a series of orders which placed the Vietnamese armed forces in varying stages of alert. All units countrywide were ordered to make a maximum effort against the Viet Cong, particularly against Communist headquarters and base areas. The total number of major ground operations increased in comparison with last week, and the tempo of small-unit actions also increased. VNAF/USAF air operations, however, reduced in scale, partly because of adverse weather countrywide and partly to comply with a requirement to increase forces on standby alert. Combat activity by air units consisted primarily of support for ground operations in IV Corps and strikes against Viet Cong targets in War Zone "C," northwest of Saigon.

3. From a nationwide viewpoint, the pacification effort did not show any real gains. There was an increase in the number of hamlets reported as constructed in a few areas, but this was due mainly to a reinterpretation of criteria and not to an expanded

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effort on the part of provincial pacification teams. Major pacification operations increased from 10 to 11. Some increased signs of economic activity in I Corps were encouraging, but Viet Cong reaction and resulting insecurity held back the program in III Corps.

4. COMUSMACV now accepts one additional battalion in his Viet Cong order of battle holdings, based on information supplied by six prisoners and one captured document. He believes that it was activated in mid-May 1964 in the western mountainous portion of the Quang Nam - Quang Tin border area. The total personnel strength of this battalion is estimated at about 250 men, including some 30 to 40 recently infiltrated ethnic North Vietnamese draftees. The commanding officer and seven or eight other officers in the battalion also are believed to be recent infiltrators from North Vietnam. J2, MACV comments that this acceptance increases the number of Viet Cong battalions to 47. He adds that this has no significant effect on overall Viet Cong personnel strength, inasmuch as he had already accepted the subordinate companies forming the new battalion. (MAC J3 7671)

5. Despite the increase in government operational activity, RVNAF casualties decreased slightly from last week. Friendly casualties totalled 504 (126 KIA) compared with 510 (146 KIA) last week. The Viet Cong had 379 known casualties (299 KIA), an increase from last week's 250 (186 KIA). Government weapons losses increased to 255 compared with 160 last week. The Viet Cong lost 131 individual weapons, a sizable increase from last week when they lost only 55 weapons through capture.

CONCLUSIONS

The decrease in tempo of Viet Cong activity reported this week was expected. It follows intense Viet Cong military activity one month ago and it appears to conform to the cyclical pattern of past guerrilla activity. However, some form of Viet Cong retaliation for the recent US attacks on North Vietnam

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should be anticipated within the next few weeks. During this reporting period, government forces made no appreciable progress either in expanding pacification areas or in reducing Viet Cong capabilities or influence.

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SYNOPSIS OF PACIFICATION PROGRESS

TABLE I

Indications of Overall Progress in South Vietnam

Positive

The new national emergency decree will permit greater control over the population and resources of the nation and could curtail VC movements and transportation of supplies. It also should provide the government with better legal means to cope with Communist sabotage, terrorism, and propaganda.

Negative

Viet Cong reaction to government efforts has increased insecurity in some areas, thus inhibiting forward progress.

Lack of security forces in many areas is preventing expansion of pacification areas.

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TABLE II

Indications of Progress in Critical Provinces*

<u>Province</u>	<u>Positive</u>	<u>Negative</u>
1. Quang Tin	Attitude of population is excellent; economic activity on upswing. 52 hamlet self-help projects approved.	None reported.
2. Quang Ngai	Some progress in medical aid field reported.	VC incidents continued unabated; burning of homes, kidnappings, assassination of hamlet chiefs.
3. Binh Dinh	Military and paramilitary forces actively conducting campaigns; some economic projects initiated, demonstrating government interest in people's welfare.	VC activity intense in this province--well above national average.
4. Phuoc Thanh	Construction began on new hamlet to house relocated people; financial assistance provided.	Acute shortage of qualified public officials and bad security situation continue to inhibit progress.

* US Embassy in Saigon and Vietnamese Government have agreed to drop designation "critical provinces" and refer in future to nine "priority" provinces judged to be of strategic importance. These are: Quang Ngai, Tay Ninh, Binh Duong, Hau Nghia, Gia Dinh, Long An, Dinh Tuong, Go Cong, and Vinh Long provinces. This week's military report, however, still describes situation in the old 14 critical provinces.

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<u>Province</u>	<u>Positive</u>	<u>Negative</u>
5. Tay Ninh	Limited progress made by mobile action cadre; they are performing reasonably well despite inadequate training.	Removal of troops from four hamlets under construction quickly exploited by VC, who entered hamlets, destroyed fences and painted propaganda slogans on newly constructed schools.
6. Binh Duong	None reported.	Security situation remains unfavorable; ARVN strength insufficient to permit extensive pacification effort; VC pressure heavy.
7. Hau Nghia	53d Engr. Bn. executing effective civic action program.	VC continuing systematic nibbling away at isolated posts and at hamlet garrisons. Mobile action cadre only partially effective.
8. Long An	None reported.	None reported.
9. Dinh Tuong	Inertia which set in after Cai Be massacre is dissipating. Province Chief tightening security. 8,300 children now attending GVN schools in former VC territory.	Shortage of Popular Forces to man hamlet defense and relieve ARVN units remains a problem.
10. Go Cong	Sector advisor considers 10 hamlets constructed. (pacified)	Province reported only 10% of population in pacified areas, 33% in VC-dominated areas, remaining 57% living in areas undergoing pacification or in cleared areas. Dissatisfaction with Saigon furnished cadre has caused province chief to request their recall; he plans to recruit replacements locally.

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<u>Province</u>	<u>Positive</u>	<u>Negative</u>
11. Kien Hoa	Additional barbed wire has been received for hamlet defenses. Province claims 56 hamlets constructed, but this figure not confirmed by Sector advisor. This amounts to increase of four over previous reports and is more than claimed by any other province in 7th Div Zone.	None reported.
12. Kien Tuong	Pacification in area south of Moc Hoa holding its own.	Rotation of ARVN units still affecting stability of pacification effort. Re-evaluation of pacified hamlets resulted in a decrease of 10 since last month's report; province now claims 39 compared with 49 in June.
13. Chuong Thien	Training of Hoa Hao for Regional Forces continuing, although more needs to be done. Pacification program continuing in some areas.	Province's chief problem remains lack of adequate security forces.
14. An Xuyen	Pacification operations continue to progress satisfactorily. District Chief conducting classes for mobile action cadre to improve their efficiency.	None reported.

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Province

Positive

Negative

No VC countermeasures against
pacification operations noted
during week.

Weapons being issued to Cao
Dai being trained as Regional
Forces.

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C. ECONOMIC SITUATION

1. The week's events caused a rise in food prices. The price of gold and the black market rate of the dollar also increased. Prices have now begun to decline somewhat. (US MISSION WEEKLY)

2. The decree law implementing the 7 August state of emergency proclamation contained provisions for the control of foodstuffs. In addition, the Ministry of National Economy reminded merchants that a 1954 ordinance providing for the death penalty for speculation and hoarding was still on the books. (US MISSION WEEKLY) There was some concern in the Ministry of National Economy during the last two weeks of July over the reduced rate of rice deliveries from the delta to Saigon. The slowdown is attributed to increased insecurity. There is no immediate prospect of a shortage since Saigon rice stocks are substantial. (SAIGON BIWEEKLY ECONOMIC REPORT 15)

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II. THIRD COUNTRY DEVELOPMENTS

A. CAMBODIA:

1. Sihanouk's recent suggestion that he might seek border guarantees with Communist regimes in the area and his open support of the DRV in the Gulf of Tonkin controversy seems to be causing GVN patience to wear thin. At Khanh's press conference announcing the emergency decree, the Department of Defense spokesman said that Cambodia represented a danger to the GVN because Cambodia is moving closer to the Communist camp and is in collusion with the Viet Cong. He added that there are at least five important zones in Cambodia which the Viet Cong use as bases. (EMBTel 359, 391)

2. Should Sihanouk seek guarantees of his borders with South Vietnam from the Communists, the GVN can be expected to drop its public attitude of reasonableness with regard to its difficulties with the Cambodians, and might even resort to moves against them.

3. On 6 August the Council of the Kingdom and the National Assembly of Cambodia, meeting together, passed a resolution supporting the RKG in protesting the alleged dropping of poisonous yellow powder on Ratanakiri and Svay Rieng Provinces by GVN planes. The charges relating to Ratanakiri Province had already been the subject of RKG protests to the Security Council, the GVN and the US. The charges regarding incidents in Svay Rieng Province were new.

B. INDONESIA:

1. The GVN has issued a communiqué protesting the decision of the Indonesian Government to raise its representation with North Vietnam from consular to ambassadorial level. The GVN is closing its consulate in Djakarta and has requested that Indonesia withdraw its mission in Saigon as soon as possible. (EMBTel 382)

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C. AFRICA:

1. Secretary General of the Foreign Office Vinh Tho, who has been in Western Europe on an inspection tour of GVN diplomatic establishments and to solicit third country aid, was instructed to proceed to Tunis on 8 August to inspect the GVN Embassy there and to study the possibilities of the GVN making an increased diplomatic effort in Tunisia and elsewhere in Africa. (EMBTel 325)

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III. DEVELOPMENTS IN THE BLOC

A. COMMUNIST REACTION TO US AIRSTRIKE

1. The initial Communist military reaction to the US airstrike against North Vietnam indicates that Peiping and Hanoi were caught by surprise. Their subsequent moves, however, suggest that contingency plans had been prepared against the possibility of direct US military action in North Vietnam. Aerial photography of 7 August indicates that the Chinese deployed 36 jet fighter aircraft (MIG 15/17) to Phuc Yen airfield near Hanoi on 6-7 August and that at least 10 new AAA positions, including 75 light and medium guns, have been established at this airfield since the strike. There are also indications that some repositioning of Chinese ground forces in South China may be underway, although there is no confirmation yet of such moves.

2. No significant Soviet military reaction to the crisis has been reported. The USSR's verbal attacks on the US in the present crisis have been so reserved that they have aroused Chinese criticism. As early as 7 August Peiping struck out at the USSR for agreeing to a UN Security Council discussion of the US complaint. Peiping noted that the Russian delegate had failed to refute the "lie fabricated by the US" about DRV attacks on American naval ships. Soviet propaganda is, according to the US embassy in Moscow, "now down to a trickle." Soviet Foreign Minister Gromyko, in an 8 August conversation with the Canadian ambassador, openly expressed the USSR's irritation at the uncomfortable position in which it had been placed by the Tonkin Gulf crisis.

3. Chinese propaganda is the most strident in the bloc and has been accompanied by stage-managed "popular" demonstrations in all major Chinese cities designed to muster popular support for any moves Peiping may care to take. Both Chinese and North Vietnamese propaganda have rejected the competence of the UN to consider the

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problem and indicate a clear preference for the 1954 Geneva Conference machinery as a means of forcing the US to stop its "aggression." At home, North Vietnamese propaganda is minimizing the effect of the US air strike--which damaged or destroyed an estimated half of the DRV torpedo-patrol fleet and 10 percent of its total fuel storage capacity. Making a concerted effort to portray the 2-5 August incidents as great victories for North Vietnam, the domestic press has made no statement of its losses and has given extensive coverage to the shoot down of US aircraft and the capture of a US pilot. Hanoi has lumped the US strike with other recent allegations of US bombing and maritime incursions against the DRV to demonstrate that the US is engaged in a deliberate campaign of armed military action against North Vietnam.

4. North Vietnamese and Viet Cong statements, even before the crisis, tended to reveal more publicly than in the past their close connection and cooperation both tactically and strategically. An article in the July issue of the North Vietnamese party journal Hoc Top by the editor of the party daily, Nhan Dan, explicitly stated that "both parts of the country must...skillfully manipulate revolutionary strategy and tactics to eliminate the enemy." The article went on to assert flatly that "our Southern compatriots...will certainly thwart their (the US) scheme of expanding their war to the North by pinning them down in the South." Following the 5 August US air strike against North Vietnam, the Liberation Front Armed Forces issued a statement acknowledging its responsibility to step up attacks in the South to help defend the North against aggression.

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Memo's & Misc

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Authority RAC 14846
By cs NARA, Date 1-14-98

OCI No. 1290/64

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
5 August 1964

So far little foreign reaction to the US air strikes against North Vietnam has been observed.

Communist Asia: No broadcasts mentioning the air action have been monitored from either Hanoi or Peiping. On 5 August, however, Hanoi denied that its naval units had renewed their attack on the US destroyers and declared the US statements to this effect to be a "fabrication."

Earlier in the day a North Vietnamese statement admitted the torpedo boat attack of 2 August on the Maddox and asserted repeatedly that the vessel had violated Hanoi's "territorial waters." It also implied that the Maddox was connected with alleged maritime raids in the Hon Me Island area of North Vietnam on 30 July.

Finally the statement contained a vague and un-specific warning against further US "encroachments" on North Vietnamese territory. In an apparent attempt to intimidate Republic of Vietnam and Western military forces in Laos, it implied that encroachments launched from these quarters might provoke North Vietnamese retaliation.

Soviet Union: There has been no authoritative Soviet reaction to the US air strikes. TASS has sent a brief account of President Johnson's statement announcing the US action from its New York office to Moscow without commentary. The only available Soviet report of the 4 August encounter between North Vietnamese torpedo boats and the US destroyers Maddox and Turner Joy is contained in a very brief 5 August domestic broadcast quoting from a US Defense Department account of the action.

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Asia-Africa: Apart from the Saigon regime, which supported the US action, the only significant Asia-African reaction thus far has come from Japan. There, the foreign ministry's initial and unofficial reaction was "shock" at the strong tone of the President's remarks; this has since been converted to an official statement--issued by the prime minister's office--describing the US action as "inevitable and warranted under the circumstances" and "hoping" that further escalation will be avoided.

The first reaction from a SEATO power comes from Sidney, Australia, where the minister of external affairs promptly issued a statement describing the retaliatory air strikes as "completely justified." SEATO council representatives are holding an emergency meeting to discuss the situation.

Latin America: The only comment on events in North Vietnam has come from Havana. Last night on a television program the announcer drew the North Vietnam situation into the tail end of a harangue against the US and OAS for the recent decision on Cuba. Referring apparently only to the first PT boat incident and President Johnson's order to shoot back, the commentator said "we were not accustomed to seeing the US President going even further than his admirals and order measures of aggression that are so extremist and radical that they are more like Mr. Goldwater's than Mr. Johnson's." The announcer said he was mentioning all this as a sign of the type of policy that President Johnson is trying to apply to Latin America and the world.

Western Europe: No reaction reported yet.

UN: At the request of Ambassador Stevenson, a UN Security Council meeting was scheduled for this morning by Acting Council President for August, Sivert A. Nielsen of Norway. The press speculates that the Russians may ask for a recess after the meeting opens because their chief security council representative, Nikolai T. Fedorenko, is in Moscow.

Reuters quotes well informed sources in London as saying that at the Security Council meeting Britain will condemn the North Vietnamese torpedo boat attacks on American warships as a breach of the UN charter.

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Viet Nam 126

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DEPARTMENT OF STATE
THE DIRECTOR OF INTELLIGENCE AND RESEARCH

Intelligence Note
August 6, 1964
12:00 noon

To : The Secretary
Through: S/S
From : INR - Thomas L. Hughes *TH*

Subject: Peiping-Hanoi Reaction to US Strike Initially Cautious

☒ BUNDY/SMITH
☒ ALEXANDER
☒ BRUDECK
☒ CHASE
☒ DUNGAN
☒ FORRESTAL
☒ JESSUP
☒ JOHNSON
☒ KLEIN
☒ KOMER
☒ SAUNDERS
☒ COL. W.Y. SMITH

Cater
Casper
Beck

Hanoi's and Peiping's reaction to the US strike so far appears hurried and forced upon them by circumstances. It seems to be an interim response pending further consultation and reading of US intentions. One added motivation for a prompt Peiping response was to preempt Moscow with an official public commitment of undefined assistance. Hanoi has not publicly requested help, and the Chinese statement is cautiously worded to suggest that Peiping will offer "a helping hand" but that any defensive "action" will come from North Vietnam. Both parties insist, as Hanoi did before the US strike, that the second Maddox attack was a US "fabrication."

Peiping's Response. Peiping's first full comment, a People's Daily editorial, proclaims "support" for North Vietnam's protest and all its "just actions" to defend its territory. But, instead of promising assistance now, the editorial warns only that should the United States "dare to launch an invasion" against North Vietnam then the Chinese people would not fail to come to North Vietnam's "rescue." However, three hours later, a more official Chinese Communist government statement clearly, but cautiously, suggests that Peiping is prepared to lend "a helping hand." Although the statement says that aggression on North Vietnam means aggression against China, it allows only North Vietnam "the right of action to fight" against

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Authority NLS-82-220
By iw, NARS, Date 11-9-82

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Downgraded at 12 year
intervals; not
automatically declassified

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aggression while allowing all countries upholding the Geneva agreements "the right of action to assist" the North Vietnamese in their fight. The Chinese do not clarify the form of their possible help nor do they repeat their hint of July 20 that they might involve their own forces in the event of a US attack on North Vietnam.

Hanoi: Aggressors "Properly Rebuffed." North Vietnamese statements fail to suggest that they will ask for outside assistance but proclaim that they will strike back in self-defense at any new attack. Hanoi's leading newspaper declared editorially this morning that the "provocateurs have been properly rebuffed," in contrast to Peiping's more open-ended, but not immediate, threat that the "blood debt" owed to the Vietnamese must be repaid.

Hanoi's first suggestion of possible retaliation by the Viet Cong is the editorial's repetition of Hanoi's previous pledge that the Northerners will rise up with "their Southern compatriots" to defeat the aggressors. An earlier more explicit threat, however, is not repeated. Hanoi spokesmen have requested that the ICC and Geneva conference participants stop the US "aggression," but they have not asked for a new conference. The North Vietnamese press has denounced the US "plot" to use the United Nations. Although this denunciation suggests that the Soviets may not have consulted the North Vietnamese on strategy for the UN session, it does not preclude a North Vietnamese acceptance of an invitation to attend the UN meeting.

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TO : The Secretary August 6, 1964
FROM : P - James L. Greenfield
SUBJECT : American Comment on Viet-Nam,
July 30-August 6

President Johnson's rapid response to North Vietnamese provocation in the Gulf of Tonkin prompted voluminous discussion which overshadowed the continuing heavy comment on Southeast Asia. Highlights are presented here; a fuller analysis is being prepared.

- 1 - President Johnson's retaliatory action against North Viet-Nam for the second attack on U.S. destroyers on the high seas receives overwhelming support from the press, Congress, labor and veterans' organizations, as political differences are submerged and ranks close.

A partial list includes: Chicago Tribune, N.Y. Times and Herald Tribune, Balt. Sun, Wall St. Journal, Phila. Inquirer, Scripps-Howard press, N.Y. News, Harry Truman, Walter Lippmann, Gov. Rockefeller; AFL-CIO, Catholic War Veterans, Goldwater and Miller.

- 2 - The reaction to the engagements in the Gulf of Tonkin indicates virtually unanimous agreement that (a) the U.S. cannot tolerate harassment of American ships in international waters; (b) if the Communists are out to create a major incident by repeated attacks, the U.S. will have to "react more sharply."
- 3 - A few have strong reservations about the U.S. action. Sen. Morse continues to charge the U.S. is as much to blame as is North Vietnam for the current crisis, and has violated the 1954 Geneva accords. Sen. Aiken (R-Vt.) was greatly troubled by the "expanding" military involvement of the U.S., but has joined the rally behind the President.
- 4 - The planned U.S. buildup in South Viet-Nam continues to receive support from the nation's press; but some

found the prospective increase "foreboding" and doubted that additional Americans could alter the situation. A few anticipated that the next step would be commitment of combat troops.

- 5 - Premier Khanh's "precarious" political situation, and the apparent inability of the Revolutionary Council to provide a more broadly based government, remain a source of concern to observers.
- 6 - Calls for a political solution of hostilities in Vietnam continued to be rejected as premature.

P/POS:HSF:em

August 6, 1964

MEMORANDUM FOR: The President

SUBJECT: Reaction to Viet-Nam Situation

The mood of world comment currently is sober, watchful, and concerned, and hopes are strongly expressed that the conflict will not broaden. U.S. action is generally viewed as justified, and praised for "firmness and restraint." Communist motives and possible moves are being anxiously assayed, but no consensus is apparent thus far.

Still incomplete Far East non-Communist reaction to United States retaliatory action in Viet-Nam generally reflects support. However, no reaction has yet been reported from Burma or Ceylon, and Indonesian reaction is said to be "unfriendly." No details are as yet available.

The Manila Chronicle strikes the keynote of the majority of press reaction so far reported in the area when it characterizes American action as showing "firmness tempered by restraint."

Japanese comment is favorable but cautious. It emphasizes the point that United States action is limited. In a typical comment, the Tokyo Shimbun states that the United States is carrying out limited reprisals "because it wants to avoid a second Korea."

Only Taipei and Seoul appear concerned that the action may be too little and too late. A Taipei Central Daily News editorial says the United States should "take the entire area occupied by the Viet-Minh as the target of its actions." Seoul's Dongg Ilbo sees the United States move as "somewhat belated."

The North Vietnamese attacks are most often explained as "testing" the U.S. Hong Kong's Sing Tao Jih Pao predicts that Communist China will continue to prod the North Vietnamese to attack United States warships so that, once a vessel is sunk, they can scream: "The United States is a paper tiger."

Most comment takes note of the fact that President Johnson is fully aware of the risk involved in any retaliatory action, no matter how limited, but has weighed the move with great care and has decided that the circumstances justify the risk.

West European comment supported the decision to carry out an air strike against North Vietnamese installations. Most papers saw this as legitimate self-defense in response to a premeditated attack. In a few instances it was implied that the second PT boat attack might have been contrived by unspecified non-Communist governments.

While there was some concern over possible escalation, a number of papers expressed belief that there was no reason for extreme pessimism. They drew reassurance from your statement about "limited and fitting" action, and from what Le Monde of Paris described as a "mixture of firmness and prudence" on your part.

There was wide speculation about the timing and reasons for the North Vietnamese challenge. Some assumed that there were "political rather than military goals in mind." A frequently-mentioned possible motive was, as one Paris paper put it, "to prove that peaceful coexistence is utopian." Another assumed motive was to force the Soviet Union either to commit itself on the side of orthodox Communism of the Far Eastern variety, or show its "betrayal" of it for all the world to see.

The prompt U.S. action was repeatedly linked to the impending electoral campaign. One Belgian paper remarked that such action would close ranks around the President "even in the election campaign."

The future course of events was said to depend on the Soviet and Chinese positions. Some negotiated final solution--perhaps through the UN--was hoped for by many. Some pro-Gaullist French papers emphasized the need for negotiations along lines proposed by General de Gaulle.

Hope that the situation will not be aggravated is the prevailing early sentiment through most of South Asia. Sympathies lean toward the U.S., although the question is asked whether the move was necessary or merely an election stunt that has successfully silenced Goldwater.

Cairo, however, wonders whether the U.S. has taken the opportunity it has been looking for to extricate itself from a crisis and realize "an old American dream" to strike at North Viet-Nam. Sensationalist, left-leaning al-Gumhuriya asks: Was it North Vietnamese aggression, or was it Johnson yielding to Goldwater pressure?

Anxiety was evident in Greek press headlines. "Is Red China Aiming at World Conquest?" ran a banner head in Athens' largest evening paper, Ta Nea.

Calcutta's Statesman said neither Hanoi nor Peiping can claim to be surprised by the vigor of Washington reaction. The Communists are out to provoke, it added, and Washington heads must be cool enough to take no more than adequate retaliatory measures.

Hindu-language Nepal said it was skeptical that Hanoi would "stop its aggression" at this point.

Latin Americans see the situation in Viet-Nam as a serious threat to world peace. Extensive coverage, with continuous radio reporting in some cases, shows a high degree of preoccupation, displacing the recent extreme concern with the Cuban problem. Editorial response was more immediate than is usually the case with events outside the Hemisphere.

Editors generally place the blame squarely on the Red Chinese. They support the U.S. hard line. At the same time, they are concerned about the danger of expanded war.

Conservative Atishos, Mexico City, emphasizes that "the United States is truly determined to assume a new attitude toward communism... and although it does not wish war, it is ready to run the risk of it to defend the interests of the Free World." El Espectador, Bogota, editorializes: "Proof of Chinese Communist aid to the North Vietnamese guerrillas exposed this previously disguised civil war as a much higher-level crisis."

Soviet and East European comments are subdued and circumspect. While the official TASS statement denounced the "aggressive actions" of the U.S. in the Gulf of Tonkin and asserted that such actions can bring about a "broad armed conflict with all the ensuing dangerous consequences," neither Pravda nor any other Soviet media commented at length or implied Soviet involvement.

TASS remarked that the "aggressive actions by the U.S. military have aroused the burning indignation of all the Vietnamese people." Radio Moscow as well as several East European media tried to attribute the U.S. actions in North Viet-Nam to the forthcoming American elections. TASS stressed the fact that while the U.S. held no preliminary consultations with its NATO allies, President Johnson "did inform Senator Goldwater" in advance of the "forthcoming armed action."

Carl T. Rowan
Director

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EXECUTIVE OFFICE OF THE PRESIDENT
NATIONAL SECURITY COUNCIL
WASHINGTON 25, D.C.

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August 7, 1964

MEMORANDUM FOR MR. BUNDY

SUBJECT: Background of Saigon's 343

The Saigon news item is taken from an interview yesterday of Bill Bundy by John Scali. Portions of the interview were released on ABC News last night at 10:30 p. m. I attach a portion of the transcript that relates to the Saigon cable.

I am told that Bill's response was based on earlier discussions during the day that focused on the probability that we would be hit hard during the UN debate on Operation 34-A. The press has already carried certain items on this operation, and 34-A was treated in some detail before a large audience yesterday at the Congressional hearing on the joint resolution.

State intends to reply to Saigon by forwarding the transcript of Bill's remarks and indicating that Bill's approach will probably be the one we will continue to take in answer to future questions.

[Signature]
James C. Thomson, Jr.

Att.

NOTE: I am also attaching a McNamara transcript that touches on the same question.

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Authority NLS-82-320
By ics, NARS, Date 11-9-82

Q: Mr. Bundy, how about these Communist reports that they attacked our destroyers because our destroyers were escorting, protecting, or backing up in some way South Vietnamese war ships that attacked the North Vietnamese coast?

A: Well, the North Vietnamese assert that South Vietnamese small boats of some sort attacked two islands off the coast of North Vietnam, I think on the night of the 31st.

However, the key point here is that even if such an attack took place, our destroyers had no part whatsoever in any such action and was a very substantial distance away at the time, at least 60 miles away from the two islands in question, and steaming in another direction.

And then, in addition, of course, assuming this took place on the night of the 31st, the attack on the MADDUX, the destroyer involved, didn't come for at least 24 hours afterward.

We believe that Hanoi knew, should have known perfectly well where that destroyer was, and that it would have no connection with these attacks on those islands if they took place.

Q: So you believe that charge then to be false?

A: I am confident that it is false, and I am sure that they realize this too.

- - -

(Extract from interview of William P. Bundy by John Scali, ABC News, for release 10:30 p.m., August 6, 1964)

Transcript of the McNamara News Conference on Vietnam Situation

1296

Following is the transcript of Secretary of Defense Robert S. McNamara's news conference on the Vietnam situation yesterday, as recorded by The New York Times:

I have four brief announcements to make, after which I'll endeavor to answer your questions.

First, there have been no further enemy attacks on our vessels operating in the Gulf of Tonkin since I spoke to you last night.

Secondly, the routine patrol of our destroyers operating in that gulf in the area shown on this map in between Hainan Island and the coast of North Vietnam has been resumed.

Thirdly, the preliminary analysis of the photo-reconnaissance taken following our strikes yesterday tends to confirm the damage assessment which I reported to you yesterday morning. You recall that at that time I stated our aircraft striking the bases of the patrol boats at Hongay, Loc Chau, Phuc Loi, Quang Khe had destroyed or damaged approximately 25 of the torpedo boats.

That in addition our aircraft striking at the petroleum storage dump at Vinh in support of the patrol boats had destroyed 90 per cent of that storage dump.

Gun Installations Destroyed

At Vinh is located about 10 per cent of the petroleum storage capacity of North Vietnam. The additional information brought out by the photo-reconnaissance analyses is that in addition we destroyed approximately seven of the anti-aircraft installations at Vinh.

Now fourthly I've asked Admiral Macdonald to award the Navy Unit Citation to the men of the ships and aircraft participating in the operation both in recognition of their bravery and also in recognition of the effectiveness of their operations. Admiral Macdonald has enthusiastically agreed with that recommendation and is taking steps to put it into effect.

And now I'll be happy to try to answer your questions. Yes?

Q. Mr. Secretary, does our Government have any information from the North Vietnamese Government through diplomatic channels about the possible prisoner?

A. No, we have not received any such information, but we're taking steps to endeavor to obtain his release, if he has been captured as has been alleged by them.

Veracity Questioned

Q. Mr. Secretary, Radio Hanoi claim that North Vietnam shot down eight attacking U. S. planes and damaged three others.

A. I think this is typical of the veracity of their reports. We lost two aircraft, as I reported to you yesterday; one, an A-4, which is jet attack aircraft, naval aircraft, and the other an A-1, which is a propeller driven naval aircraft, both operating off the carrier Ticonderoga and Constellation. In addition, there was minor damage to two other aircraft, both of which have returned safely.

Q. Do you have any information over the last four days that would indicate the Chinese Communists made any military effort to assist or respond to assist the North Vietnamese to respond to our attacks?

A. No. I have no information that the Communist Chinese in any way assisted the North Vietnamese in their attacks on our vessels. I think it's probable that the Communist Chinese will introduce some combat aircraft into North Vietnam in support of them. As I told you before, North Vietnam does not possess any combat aircraft of its own.

Q. Mr. Secretary, You say—A. Yes?

Q. It's highly probable. Does that mean you already have indications—

A. No. No I have no indication of it, but I would think that that would be a likely response.

Q. Mr. Secretary, have you had any word one way or another that there has been a third incident of any kind as claimed by Radio Hanoi?

A. No. We have no indica-

tion of any third incident. There have been no attacks or hostile actions directed toward our vessels operating in the gulf. I explained to you yesterday that our routine patrol is functioning in this area, moving south. We have two carriers—the Ticonderoga and the Constellation—in approximately this position. They in turn are escorted by destroyers. There have been no attacks or reported attacks nor attempted attacks at any of the vessels operating in that area.

Q. Mr. Secretary, A. Yes?

Q. Have there been any incidents that you know involving the South Vietnamese vessels and the North Vietnamese?

A. No, none that I know of; although I think that I should mention to you the South Vietnamese naval patrol activities that are carried on to prevent in the infiltration of men and materiel from the North into the South.

In the last seven months of 1961, for example, about 1,400 men were infiltrated across the 17th Parallel from North Vietnam into South Vietnam. To prevent further infiltrations of that kind, the South Vietnamese with our assistance have set up a naval patrol which is very active in that area which continues to inspect and examine junks and their personnel.

In one eight-month period that I can recall they discovered 140 Vietcong infiltrators.

Assessment of Movements

Q. Mr. Secretary, there have been reports about considerable troop movements by U. S. aircraft in South Vietnam to the 17th Parallel. Could you give us an assessment about those?

A. We have, to the best of my knowledge, moved no South Vietnamese troops nor have we moved U. S. troops into South Vietnam. We have, as I reported to you yesterday, moved interceptor aircraft into South Vietnam to be prepared for whatever eventually develops.

We have, in addition,

moved certain fighter aircraft into South Vietnam. We've moved certain fighter aircraft in Thailand. We've made reinforcements of our advance bases in the Pacific, reinforcements moved out of the United States for that purpose. We have moved certain fleet units.

I mention the attack carrier group moving from the First Fleet, which is based in the Pacific waters off the Pacific coast out into the western Pacific.

We've also moved an anti-submarine warfare task group down into the South China Sea—this in order to provide proper protection to our carriers and destroyers operating in these waters, both in the gulf and in the waters south of Hainan Island.

Q. Mr. Secretary, A. Yes?

Request Held Likely

Q. Could you tell us why you think that it's highly probable that the Chinese would move planes into North Vietnam?

A. As they have no combat aircraft of their own, I would assume that they would make such a request and that it would be answered.

Q. Mr. Secretary, A. Yes?

Q. The Nationalist Chinese reported large troop movements in the mainland to the province of Yunnan. Is there any indication that there was a large scale Communist—

A. We have no indication that there have been any substantial movements of Communist Chinese forces either land or air.

Q. In the months preceding this—

A. I'm speaking now of the recent past, the last few days. I know of no large movements of the kind you suggest for that matter during the past several months.

Q. Mr. Secretary, it has been some 48 hours now since that first attack. In studying the situation further, have you arrived at any answer to the mystery of why this was done?

A. No, I can offer no explanation. We've considered a number of alternative explanations, but it would be

sheer speculation on my part to express them to you and I think it would be better not to do so.

Q. Mr. Secretary, you said that the South Vietnamese patrols which were inspecting junks were set up with United States assistance. Could you tell us what form that assistance took?

A. Yes. At the time we began the expanded program of assistance to South Vietnam in December of 1961, at which time we analyzed in some detail the extent of infiltration during the previous six months. It was on that basis that I reported to you the very extensive infiltration that took place then.

We concluded the best form of prevention would be the establishment of a junk patrol. To that end we provided the funds necessary to construct about 500 junks. These formed the four categories—command junks, which are motorized and carry a crew of about 10 men, are armed with automatic weapons, equipped with radios; motorized sailor junks, which are also armed which patrol the coasts; sailing junks which act as picket ships to carry out surveillance of particular areas, and motor junks without sails.

This force of some 500 junks was constructed in the shipyards of South Vietnam, equipped with engines in some cases supplied from this country and generally financed by the military assistance program of this country.

Vietnamese Operation

Q. They operate on their own?

A. They operate on their own. They are part of the South Vietnamese Navy, commanded by the South Vietnamese Navy, operating in the coastal waters inspecting suspicious incoming junks, seeking to deter and prevent the infiltration of both men and materiel from North Vietnam into South Vietnam.

Q. Mr. Secretary, Do these junks go north into North Vietnam areas?

A. They have advanced

closer and closer to the 17th Parallel and in some cases I think have moved beyond that in an effort to stop the infiltration closer to the point of origin.

Q. Do our naval vessels afford any cover for these operations?

A. Our naval vessels afford no cover whatsoever. Our naval personnel do not participate in the junk operations.

Q. Mr. Secretary, If the North Vietnamese are holding an American pilot, does it appear that it is Lieut. Everett Alvarez?

A. There is some indication that if they hold one of our pilots, it is he.

Pilot May Have Bailed Out

Q. What are the indications that you have?

A. We believe that he bailed out of his aircraft. There was an indication from the automatic beeper attached to a parachute that he did so.

Q. What sort of status does a man like this have and what steps can be taken?

A. He's a captive of war and we would seek through mutual channels to obtain his release. Whether we're successful in doing so, I don't know, but we're bringing to bear every possible pressure to that end.

I have time for one more question, gentlemen.

Q. Mr. Secretary, you said these destroyer patrols had been resumed in the Gulf of Tonkin—broken off in—

A. It was broken off during the attack upon it in the darkness of the night before last and of course during the action yesterday it was also broken off, but it has been resumed and will continue until completed some time later this week or early next.

Q. Mr. Secretary, A. Thank you. One question.

Q. Are the reinforcements semipermanent; in other words, would another additional incident in a week or two weeks, would these planes start coming—

A. The reinforcements will stay in position as long as required.

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PP RUEPW

DS RUEHCR 3428 07/1500Z

P 071415Z ZEA

FM SECSTAT WASHDC

TO RUEPW/WHITE HOUSE ATTN MR BUNDY

RUEPCR/DOD

RUEPIA/CIA

P 11230Z ZEA

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC

STATEXRC

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~~CONFIDENTIAL~~ 343 AUGUST 7, 8:35 PM

FOLLOWING HAS APPEARED ON ASIAN NEWS SERVICE UPI DATED
WASHINGTON, AUGUST 7 (UPI)

BEGIN TEXT. A HIGH STATE DEPARTMENT OFFICIAL ACKNOWLEDGED
THURSDAY NIGHT THAT JASOUTH VIETNAMESE GUNBOATS MAY HAVE ATTACKED
TWO NORTH VIETNAMESE ISLANDS A DAY OR TWO BEFORE THE FIRST
COMMUNIST ASSAULT ON THE U.S. DESTROYER MADDOX.

CFW 343 7

DECLASSIFIED

Authority NLS-82-220

By ics, NARS, Date 11-9-82

UNCLASSIFIED COPY

PAGE TWO RUMJIR 361 ~~CONFIDENTIAL~~

BUT HE SAID THE AMERICAN WARSHIP WAS AT LEAST 60 MILES AWAY
AT THE TIME AND "HAD NO PART WHATEVER IN ANY SUCH ACTION WNZ

ASSISTANT SECRETARY OF STATE WILLIAMS. BUNDY DID NOT DIRECTLY
CONFIRM THE SOUTH VIETNAMESE ATTACKS, WHICH HANOI CLAIMED TOOK
PLACE LAST FRIDAY. HE DID HOWEVER, THAT "ASSUME" THE REPORT
WAS CORRECT, THE SUBSEQUENT COMMUNIST TORPEDO BOAT ASSAULT ON
THE MADDOX DID NOT COME FOR AT LEAST 24 HOURS AFTERWARD."
END TEXT.

REQUEST GUIDANCE.

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CP-3 TAYLOR

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RADIO PROPAGANDA REPORT

THE INITIAL COMMUNIST PROPAGANDA RESPONSE
TO THE U.S. RETALIATORY AIR STRIKE ON NORTH VIETNAM TARGETS

~~SANITIZED~~

Authority RAC 14847
By ico, NARA, Date 9-27-77

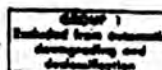
FOREIGN BROADCAST INFORMATION SERVICE

Current Developments Series

CD.248

7 August 1964

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FOREIGN BROADCAST INFORMATION SERVICE

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These reports are based on an examination of material carried by the communist radio and press. They are issued by FBIS without outside coordination.

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PROPAGANDA REPORT
7 AUGUST 1964

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THE INITIAL COMMUNIST PROPAGANDA RESPONSE
TO THE U.S. RETALIATORY AIR STRIKE ON NORTH VIETNAM TARGETS

S U M M A R Y

1. Chinese Communist propaganda has supported and embellished Hanoi's predictably strident reaction to the 5 August U.S. retaliatory air strike on North Vietnamese coastal bases. The Hanoi-Peking version of the sequence of events continues to be that the U.S. destroyer Maddox "intruded into" North Vietnam's territorial waters on 2 August, that the North Vietnamese "chased it out," and that the United States took advantage of this act of "self-defense" to conjure up a pretext for the "unprovoked, premeditated aggression" of 5 August. Hanoi and Peking continue to insist that no encounter took place on 4 August: The engagement between North Vietnam's torpedo boats and the Maddox and C. Turner Joy was a pure "invention" contrived to represent an act of war as a reprisal.
2. Despite its propagandistic ranting about the U.S. "act of war" and warnings about further "aggression," Hanoi propaganda appears to avoid suggesting that the DRV might try to use the U.S. action as a pretext for a North Vietnamese assault in the South. In claiming, for example, that DRV antiaircraft successes were "proper punishment" for the U.S. action, Hanoi appears to imply that the incident may be closed at the military level.
3. The CPR Government statement contains what could be propaganda groundwork for the introduction of Chinese military detachments into North Vietnam and/or conclusion of a formal defense alliance with the DRV. The CPR has now, in any event, publicly committed itself more firmly to some form of involvement in any future U.S.-DRV confrontation. But Peking's more ominous-sounding statements, such as the ones about the United States having gone over "the brink of war" and having moved to extend the war, seem carefully equivocal and basically propagandistic in intent. The scale and intensity of Peking's propaganda campaign is such that nationwide mass rallies might well be expected, although the propaganda does not yet reflect such a development.

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PROPAGANDA REPORT
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4. Moscow's restraint is conspicuous and has already drawn explicit censure from Peking. Unlike the Asian communists, the Soviet Union has appeared in its propaganda to recognize and accept the limited nature of the U.S. action. Moscow media have publicized Washington's as well as Hanoi's portrayal of much of the military activity that led up to the U.S. reprisal. The only official Soviet reaction outside the United Nations has been a TASS statement quoting "competent Soviet circles," as distinct from the government statements issued by Hanoi and Peking, and there has been no editorial on the subject in the Soviet central press.

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THE INITIAL COMMUNIST PROPAGANDA RESPONSE
TO THE U.S. RETALIATORY AIR STRIKE ON NORTH VIETNAM TARGETSHanoi Avoids Hint of Retaliation by North Vietnam

While DRV media have persisted since the 5 August U.S. air strike in strident denigration of the United States and have described the U.S. action as "a preplanned act of war," Hanoi propaganda does not suggest an intention to use the incident as a pretext for open introduction of North Vietnamese troops into the South. The propaganda contains elements which suggest, on the contrary, that Hanoi hopes at this juncture to treat the matter as closed militarily while making propaganda capital of the U.S. air strike and the claimed DRV antiaircraft "victories":

+ Thus the party organ NHAN DAN, in editorials on 6 and 7 August, claims that the "provocateurs" were "properly rebuffed" and that DRV antiaircraft successes were "proper punishment" for the attack.

+ An announcement of a 6 August DRV Council of Ministers meeting refers to the "great victory of our people in their struggle against the enemy's air attack." This announcement concludes with a far from militant appeal for the North Vietnamese people to overfulfill the state plan--to wage "an intense struggle for a successful and complete autumn crop" and devote efforts to "building the North as a firm base for the struggle for the peaceful reunification of the country." A joint statement by DRV youth organizations, released on the 7th, echoes this theme, calling upon the people to "turn hatred into action" by fulfilling the state plan and building up the North.

Hanoi propaganda does profess concern over the possibility that the 5 August air strike might be part of a broad plan to expand the war in Vietnam. Authoritative comment calls upon the North Vietnamese to be vigilant and prepare for such a contingency. NHAN DAN demands editorially on 6 August that the U.S. leaders "give up their plots and plans of provoking war and aggression against Vietnam." And the 6 August DRV Government statement calls it "most serious" that President Johnson "himself" ordered the 5 August attack.

The 6 August NHAN DAN editorial recalls the warning issued by the 27 June-3 July DRV National Assembly session that U.S. expansion

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of the war to the North would bring on decisive retaliation from both North and South Vietnam. But this warning is not reiterated in other propaganda, and the editorial does not go on to apply the warning directly to the U.S. action of 5 August. A warning of joint North-South retaliation is contained in a message to the DRV army high command from the Viet Cong high command, but such action is threatened only "if the U.S. imperialists fail to draw the necessary lesson from their recent defeat and foolishly continue to carry out their acts of aggression against the DRV." The message, carried by the Viet Cong's "Liberation Radio," promises to step up attacks on the enemy.

BACKGROUND: Hanoi's Version of the Sequence of Events

Hanoi's almost immediate response to the Defense Department announcement of the 4 August engagement in the Gulf of Tonkin was an "authorized statement" issued by the VIETNAMESE NEWS AGENCY denying that any such engagement took place. It was after this that Hanoi first publicly acknowledged that an encounter did take place on 2 August; DRV media had until then kept silent about the first incident involving the U.S. destroyer Maddox. Now a Vietnamese People's Army (VPA) statement, reviewing alleged U.S. "aggressive" activities against North Vietnam, claimed that the Maddox "intruded" into DRV territorial waters on 2 August and was "chased out" by DRV patrol boats acting in "self-defense." Hanoi propaganda has since repeatedly insisted on this version of the 2 August engagement. Persisting in the denial that an encounter took place on the 4th, it has repeated and embellished the story that the United States took advantage of the DRV's "defensive" actions on 2 August to conjure up the "invention" about a 4 August engagement as a pretext to attack North Vietnam.

The VPA statement, publicized by Hanoi media on 5 August, was reiterated at a VPA press conference later on the same day. A VPA spokesman announced after reading the statement that he had just received word of two U.S. air attacks on "people's boats and villages." He denounced the "extremely serious acts of provocation and sabotage by U.S. imperialism, directly infringing on the DRV's security and territory." U.S. efforts to "step up the war of aggression against the DRV," he said, belied President Johnson's statement that the United States did not wish to extend the war to the North.

At the news conference on the 5th the VPA spokesman claimed that two U.S. planes were brought down in the course of the American air strike and three others damaged. A subsequent VPA communique

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claimed that five had been shot down and three damaged, and that one pilot had been captured alive. On 6 August the VIETNAM NEWS AGENCY said the U.S. Defense Department had identified "two of the pilots on board the five American planes" that were shot down. Later on 6 August, a VPA high command communique claimed on the basis of "further reports from various units" that eight planes had been shot down and three damaged, and identified the captured airman as "an American lieutenant pilot." The text of a VPA press conference held on the 6th, transmitted by the VIETNAM NEWS AGENCY, provided details about the pilot and his aircraft. The VPA spokesman concluded that the "allegations and wicked schemes" of the United States, contrived to put the blame on the DRV for "brazen U.S. aggression," were doomed to failure.

The North Vietnam Foreign Ministry on 5 August sent a note to the cochairmen of the 1954 Geneva conference on Indochina, the countries that participated in the conference, and the member-countries of the International Supervisory and Control Commission. And the DRV Government issued a formal statement on the 6th. The statement reiterated Hanoi's denial that any naval engagement took place on 4 August. It called the U.S. action of 5 August "an extremely dangerous act of war...which violates international law and the 1954 Geneva agreements on Indochina and which further increases the danger of expanding the war in Indochina and Southeast Asia." It warned, with some equivocation, that the U.S. Government "and its lackeys" must be "held fully responsible for all the serious consequences of their bellicose acts in this region."

The Foreign Ministry note of the 5th identified the "lackeys." It concluded a review of past U.S. "aggressive" acts--including attacks on a DRV village and border post by U.S. planes flying out of Laos--with the warning that the U.S. Government, "the Royal Laotian Government, and the South Vietnam Administration" must be held responsible for consequences "resulting from their dangerous provocations."

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Strident But Equivocal Peking Propaganda Response

Peking's propaganda response to the Tonkin Gulf incidents is replete with lurid calls for reprisals against the U.S. "aggression"--notably including the warning in the 6 August CPR Government statement that the "blood debt" to the Vietnamese people must be paid.* The possibility of an expanded war is evoked in such statements as the one in the same document that "U.S. imperialism went over the 'brink of war.'" But beyond these ambiguously ominous declarations, CPR propaganda has done little more than reiterate in strident terms Peking's commitment to the defense of the DRV by unspecified means in the event of some unspecified future U.S. "aggression." Warnings of "grave consequences" are couched in terms of the eventuality of further U.S. "aggression" rather than being applied to actions already taken. And except for a reference in the 6 August PEOPLE'S DAILY editorial to retaliation in case of an "invasion" of the DRV, promises of assistance are in terms of a CPR response to undefined "aggression."

The government statement, but no other CPR propaganda to date, contains an allegation which suggests that Peking may be laying propaganda groundwork for the introduction of Chinese military detachments into North Vietnam and/or the conclusion of a formal defense alliance with the DRV. Both moves would be in contravention to the 1954 Geneva agreements which Peking has loudly professed to uphold. The statement could be taken to imply that U.S. actions may now have made adherence to the agreements no longer binding: Since the United States has "lit" the "flames of war," it asserts, the DRV has "gained the right of action to fight against aggression; and all the countries upholding the Geneva agreements have gained the right of action to assist the DRV in its fight against aggression."

THE "OBLIGATIONS" OF SOCIALIST COUNTRIES

The government statement reiterates Peking's position that "no socialist country" can "sit idly by" when North Vietnam, a member of the socialist camp, is "subjected to aggression"--one of the points excluded from TASS' brief summary of the statement. On the 7th

* The term "blood debt" has been used in the recent past by Peking in promising eventual punishment of the United States for such things as its "occupation of Taiwan." And the phrase came up in propaganda surrounding the 11 June bombing of the CPR buildings in Khan-Khay, Laos.

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Peking quickly presses an attack against Moscow's moderate response to the 5 August air strike: An NCNA report of the 6 August Security Council session portrays Soviet delegate Morozov as weakly acquiescing in Ambassador Stevenson's request for inclusion in the agenda of the U.S. complaint against the DRV. NCNA charges Morozov with "refraining from refuting" the U.S. "lies" about the attack by DRV vessels.

SUPPORT FOR HANOI'S VERSION OF EVENTS

Peking has continued to back up Hanoi's claim that the 4 August engagement in the Gulf of Tonkin was a "sheer fabrication" of the United States. The government statement notes that the weather in the area placed limitations on visibility; it insists that the United States "cannot bring forward any evidence" to substantiate its story; and it denies that the DRV had "a single war vessel on the waters where the U.S. ships were."

ISSUE OF A NEW GENEVA CONFERENCE

NCNA's commentary on the Security Council session contains Peking's only recent statement, on its own authority, suggesting the convening of a new Geneva conference on Vietnam. NCNA comments:

It is universal knowledge that the DRV is not a member of the United Nations and that the United Nations has had nothing to do with the 1954 Geneva conference on Indochina and the 1962 Geneva conference on Laos. If the United States really believes its position justifiable, it should recommend another Geneva conference, or at least should not oppose the reconvening of the conference.

A few NCNA reports on international support for the DRV also include backing for a conference: Thus on the 5th, in a report on Paris reaction, Peking recalls De Gaulle's past calls for a new conference. And a 6 August NCNA item notes that the Japanese Socialist Party "advocated the convening of a 14-nation conference in accordance with the Geneva agreements."

SCOPE OF DOMESTIC PROPAGANDA EFFORT

The extent to which the Tonkin Gulf incidents will be played up in CPR domestic propaganda is not yet fully apparent. There has been only one public demonstration in connection with these events so far--a march of Peking citizens to the DRV embassy on 7 August.

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No regional rallies have yet been reported; regional radios on the 7th were first heard to carry items on the crisis from the national media, including the 6 August PEOPLE'S DAILY editorial. The absence of a full-blown Peking rally against U.S. "aggression"--possibly reflecting some indecision on Peking's part--was made the more conspicuous by the announcement on the 7th that a rally would be held the next day to mark the first anniversary of Mao Tse-tung's statement on the "struggle of the American Negroes."

Pyongyang Stress DRV's Ties With "Socialist Camp"

Pyongyang officially responded to the 5 August U.S. retaliatory air strike in a government statement of 6 August. The statement claims that the U.S. strike was part of a plan to expand the war in Indochina and describes as a "sham pretext" the characterization of the air attack as a reprisal for DRV aggression. More than either Peking or Hanoi propaganda, the Pyongyang statement stresses the DRV's ties with the socialist camp. "The armed attacks of U.S. imperialism," it says, "are a challenge to the entire socialist camp and the world's peace-loving people." The statement asserts that

all the socialist countries can by no means look with folded arms at the robber-like aggressive acts of the U.S. imperialists. The countries of the socialist camp are under the obligation to fight resolutely against the schemes of the imperialists for war provocation and to defend peace.

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Moscow: Manifest Restraint, Publicity for Both Sides

Soviet media's restraint in reacting to the events in the Gulf of Tonkin was manifest at the outset and has become increasingly conspicuous. There is still no Soviet Government statement on the subject, and no editorial in the Soviet central press.

TASS' review of the Soviet press on 6 August gave the Southeast Asia developments rather low priority--after items on Khrushchev's meetings with farm workers and the text of the joint USSR-U.S.-U.K. statement on the nuclear test ban treaty anniversary.

TASS' review of the Soviet press for the 7th says reports on the Tonkin Gulf events were "prominently featured" that day. But TASS mentioned this only after noting frontpage coverage of Khrushchev's conversations with collective farm functionaries, reportage of Kazakh farm crops, PRAVDA's editorial urging party organizations to stress capital construction, and reports on exchanges of messages in connection with the Swiss national holiday, the fourth anniversary of the Ivory Coast Republic, and the 40th anniversary of Mexican-Soviet diplomatic relations. The press material on the Tonkin Gulf events, as summed up by TASS, included a RED STAR article blaming the United States for "the new dangerous developments"; a PRAVDA correspondent's New York report deploring the "tone" of U.S. statements as giving "the impression that the United States is ready to expand its aggressive military operations in Southeast Asia"; and a report of a protest against the "piratic" U.S. raids by the Soviet Peace Committee and Afro-Asian Solidarity Committee.

"Also published," says TASS, were the CPR and DRV Government statements and comments by "world public quarters." TASS went on to note that PRAVDA carried an interview with CPUSA Chairman Elizabeth Gurley Flynn opposing the "harmful views" and schismatic activities of "the Chinese leaders." On 5 August, Moscow was still rebroadcasting a widely distributed Viktorov commentary of the preceding day which contained indirect censure of CPR policies in Southeast Asia. Viktorov cited the remark ascribed by the Vienna DER KURIER on 1 August to an unidentified CPR official to the effect that war in Southeast Asia "would not be so bad"; this statement, he said, belied the position taken by a CPR speaker at the Tokyo ban-the-bomb conference that China opposed "war complications" in the area. A PRAVDA article on 3 August also cited the statement attributed to the Chinese official by DER KURIER.

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THE 5 AUGUST TASS STATEMENT

The "authorized" TASS statement on the U.S. air strike, the most authoritative statement yet issuing from Moscow, quotes only "competent Soviet circles" in denouncing the U.S. "aggressive actions." It warns that "further rash steps or provocations in that area could cause events capable of converting the incidents that took place there into a broad armed conflict with all the ensuing dangerous consequences. The responsibility for such consequences would, naturally, devolve on the United States of America." Yet the TASS statement describes both the 5 August strike and the alleged earlier U.S. attack on a DRV village and border post simply as instances of violations of DRV airspace.

The statement does not ascribe to the Johnson Administration a desire to expand the war to the North, nor does it claim that U.S. actions have done so. It specifies only "reactionary forces in the United States and the South Vietnamese military" as the persons who are "clamoring to extend the war" to North Vietnam.

In sharp contrast to Hanoi's and Peking's allegations that the 4 August naval encounter was a U.S. invention, the TASS statement notes as a fact that the United States sank two torpedo boats on the 4th. It states that the Defense Department identified the boats as North Vietnamese. And a Radio Moscow commentary by Vavilov in English to the United Kingdom on the 6th states without crediting the identification to the Defense Department that the United States sank two boats "belonging to the DRV." The Vavilov commentary recalls the pledge in the USSR-U.S.-U.K. statement on the test-ban treaty anniversary to settle all issues through peaceful negotiations. It asks "U.S. leaders" to "lend an ear" to the warning in the TASS statement--a warning which, it says, "was dictated exclusively" by Soviet "concern for peace."

TREATMENT OF U.S., DRV, CPR STATEMENTS

Moscow has continued to give considerable publicity to U.S. press reports as well as to the North Vietnamese statements and charges. Hanoi and Washington reports have been read successively in Soviet domestic broadcasts. A 6 August domestic service account of a dispatch by Lukyanov in PRAVDA was entitled "The Aggression in Tonkin Gulf" and duly censured the United States for its "aggressive act against a sovereign state," commenting that charges that North Vietnam was the aggressor "will be laughed at abroad." Lukyanov also noted that the U.S. announcement of the 4 August encounter was "resolutely" denied by DRV authorities and "characterized by them as

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a 'complete fabrication,'" but he offered no support for the denial on his own authority.

Lukyanov said that "on the eve of 5 August...South Vietnam ships fired on two North Vietnamese islands" while U.S. warships "patrolled in Tonkin Gulf, apparently 6 to 11 miles off the coast of North Vietnam." TASS on 7 August, reporting under a Hanoi dateline the 6 August VPA press conference, quoted the DRV army spokesman as claiming that U.S. warships "intruded into DRV territorial waters off the shores of Nghe An Province" on the night of 30 July, but did not go on to report the DRV spokesman's claim that the U.S. vessels shelled North Vietnamese islands.

In reporting the CPR Government statement TASS did not cite Peking's pledges to help the North Vietnamese oppose U.S. "aggression." TASS' account of the Chinese statement cites the phrase about U.S. imperialism stepping over the "brink of war," but not the reference to socialist countries' obligations to support North Vietnam.

TASS' account of the U.N. Security Council proceedings was predictably slanted with references to U.S. "aggression" and Washington's "version" of the events in the Gulf of Tonkin. But it duly included--in summarizing Ambassador Stevenson's presentation of the U.S. "version"--the characterization of the U.S. action as "positive and limited" as well as the fact that Stevenson "accused 'communist regimes' of exporting revolution and...alleged that the governments of the DRV and the CPR were 'arming bands' in South Vietnam." Ambassador Stevenson was also quoted as having "made assurances that peace and the preservation of the independence of friendly states" was the United States' only goal in Southeast Asia.

TASS on 6 August, in a brief report on U.N. Secretary General U Thant's official visit to Washington, stated that it was believed the "dangerous crisis" in Southeast Asia would be discussed and noted that U Thant "has repeatedly called for a new Geneva conference and openly expressed his conviction that military methods are incapable of bringing about a settlement of the area's problems."

Variations in East European Reactions

East European bloc media are sharply critical of the "aggressive, provocative" U.S. air attacks against the DRV and generally take the position that U.S. claims of DRV naval attacks in the Gulf of Tonkin were only a pretext--fabricated or otherwise--for a move to

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bolster the position of the South Vietnamese regime. Prague, Warsaw, East Berlin, Sofia, and Budapest all stress that the U.S. attack had been planned for a long time. As an East Berlin commentator put it, the move only "awaited an appropriate moment." Both East Berlin and Warsaw, which appeared to accept as fact the reports of naval conflict in the gulf, nevertheless criticize the presence of U.S. ships in those waters, asking what "business" they had patrolling "a few miles from North Vietnam."

Prague, Budapest, and Sofia express doubts over the U.S. account of the 4 August DRV attack on U.S. ships. Prague says of the attack of 2 August that "DRV torpedo boats" did not violate international law by "chasing" U.S. ships from the Tonkin Gulf. Tirana accepts the DRV claim that the U.S. report of a "second attack" was sheer "fabrication."

Budapest, Prague, Warsaw and East Berlin all imply that the decision to make the air strike was motivated by political considerations and was an attempt to undercut "extreme rightwing" critics of U.S. policy.

There are only scattered references to the danger of a large-scale East-West confrontation over the current crisis. Budapest raised the possibility that the United States might be seeking to "test the stability of the political and military alliance between the USSR and Asian socialist countries." A Prague editorial urged a "compromise" settlement as in the Cuban missile crisis since, it said, this crisis could result in "thermonuclear war." And Sofia declared that the "premeditated U.S. crime" could bring "the whole world to the brink of war." Tirana asserted that the United States dare not take further action against the DRV because the CPR, "the giant of Asia," is "standing close behind."

Rumanian media have remained completely noncommittal on the U.S.-DRV conflict and broadcasts have merely noted that Bucharest papers carry official DRV, CPR, and Soviet statements "in connection with the incident in Tonkin Bay."

Belgrade described the "terrifying" U.S. air attack as disproportionate to the nature of the provocation and as a threat to peace, but it also declared that "it should be left to the United Nations to pronounce judgment."

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American Opinion Summary

Department of State

131

FOR U.S. GOVERNMENT USE

August 6, 1964

✓ Bundy

VIET-NAM

President Johnson's rapid response to North Vietnamese provocation in the Gulf of Tonkin prompted voluminous discussion which overshadowed the continuing heavy comment on Southeast Asia. The highlights are as follows:

- 1 - President Johnson's retaliatory action against North Viet-Nam for the second attack on U.S. destroyers on the high seas receives overwhelming support from the press, Congress, labor and veterans' organizations, as political differences are submerged and ranks close.

A partial list includes: Chicago Tribune, N. Y. Times and Herald Tribune, Balt. Sun, Wall St. Journal, Phila. Inquirer, Scripps-Howard press, N.Y. News, Harry Truman, Walter Lippmann, Gov. Rockefeller; AFL-CIO, Catholic War Veterans, Goldwater and Miller.
- 2 - The reaction to the engagements in the Gulf of Tonkin indicates virtually unanimous agreement that (a) the U.S. cannot tolerate harassment of American ships in international waters; (b) if the Communists are out to create a major incident by repeated attacks, the U.S. will have to "react more sharply."
- 3 - A few have strong reservations about the U.S. action. Sen. Morse continues to charge the U.S. is as much to blame as is North Vietnam for the current crisis, and has violated the 1954 Geneva accords. Sen. Aiken (R-Vt.) was greatly troubled by the "expanding" military involvement of the U.S., but has joined the rally behind the President.
- 4 - The planned U.S. buildup in South Viet-Nam continues to receive support from the nation's press; but some found the prospective increase "foreboding" and doubted that additional Americans could alter the situation. A few anticipated that the next step would be commitment of combat troops.
- 5 - Premier Khanh's "precarious" political situation, and the apparent inability of the Revolutionary Council to provide a more broadly based government, remain a source of concern to observers.

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6 - Calls for a political solution of hostilities in Viet-Nam continued to be rejected as premature.

Gulf of Tonkin En- Congressional as well as press opinion has
gagements Supported rallied strongly in support of President Johnson's reaction to "North Vietnamese aggression" in the Gulf of Tonkin. Expressing the flavor of most Congressional comment, Sen. Russell (D-Ga.) asserted: "No nation can wage war on our flag and armed forces with impunity" (similarly, Sens. Tower, Beall, Saltonstall, Brewster, Dodd, Gore, Smathers, Lausche; Reps. Vinson, Sikes, Boland, Sibal).

The Chief Executive's Syracuse address won additional plaudits from some sources. It was "one of the finest of his long career in public service," said the Philadelphia Inquirer.

"Prompt retaliation against communist aggression is action best calculated to prevent expansion of the war in Southeast Asia," the Scripps-Howard press declared, in a representative commentary. "If the North Vietnamese and Red Chinese are testing U.S. resolution they have their answer in air strikes ordered by President Johnson against their torpedo boats and bases from which they operate."

Labor and veterans' organizations also threw the weight of their support behind the President. "The complete backing of the American labor movement in the struggle in Southeast Asia" was promised by the Executive Council of the AFL-CIO, which praised President Johnson's "magnificent message of strength to the free world." The Catholic War Veterans, opening their 29th convention in Cleveland, also commended President Johnson's action in Southeast Asia and pledged full support.

"Limited A sizable number stressed that U.S. retaliation
Response" "is accurately described as a 'limited' response"
Praised (Wash. Star). "The procedure," said the Baltimore Sun, "has been graduated correctly in line with challenge and provocation" (also, N.Y. Times, Herald Tribune and others).

The U.S. counterattack, several affirm, "smashed the 'paper tiger' myth" (Wash. Post, Rep. Sikes, D-Fla.). Also, others noted, the concept of a Communist "privileged sanctuary" has been breached—"the rules of the war have been changed" (N.Y. Times, Rep. Laird, R-Wis.).

Communist Motives All find it "hard to fathom the motives of the North Vietnamese." If the attacks "were an attempt to exploit political and racial divisions in the U.S., the American reaction has proved this is futile," the Times and others stated (e.g., Sen. Beall, R-Md.). Some hazard the guess that North Vietnam may be attempting to "shoot its way" to the conference table (James Robinson of NBC, Chicago Sun-Times). If so, Hanoi could not have been more poorly advised, the Times remarked.

Much will depend on the Chinese and Russian judgment of American intentions, it is felt, some adding: "The lesson of Korea and Cuba was that rigorous response moderates provocation. The country will pray that further rigor is not needed" (Balt. Sun).

U.S. Prepared But as a nation, "we must be prepared for any eventuality," observers stressed. "Under the threat of war, partisan differences can be set aside and the ranks quickly closed." Agreeing, Republican leadership opinion firmly endorsed the President's policy (Sen. Goldwater, Richard Nixon, Henry Cabot Lodge, Gov. Rockefeller, Gov. Scranton, Rep. Miller). But these leaders reserved the right to raise the issue of Southeast Asia during the campaign (also, Rep. Wilson, R-Cal.).

A few have discussed the relationship of the U.S. "exercise of power" in Southeast Asia to the "only alternative" -- negotiations. According to Lippmann, "the more firmly the fact is established that our presence in Southeast Asia is primarily as a sea and air power, the safer it will be to enter the negotiations which are the only alternative to an endless and indecisive jungle war." Some, however, continue to express their fear that if an international conference is held, the "desires of the Communists and some Western nations" will be carried out, with the end result: "Neutralization of Viet-Nam and the eventual loss of all Indochina to the Communists" (Chicago Sun-Times).

Several, while supporting the President, have reservations about the course the U.S. is following. Sen. Aiken (R-Vt.) noted that the President's action is predicated on the theory that by taking a firm stand now he can prevent more aggressive Communist action in the future. "I hope this theory is correct," he observed, "but things have not happened that way in the past when dealing with Asians and Chinese. We are supporting the President to a man, and those of us who felt it unwise to expand the war hope we were wrong."

The Wall St. Journal contends that "an aura of indecisiveness still clouds important questions" about the U.S. position. "If the war aim is to rid South Viet Nam of the

Communists once and for all, how is it to be accomplished? Even if we extirpate the Communists with a major undertaking, it is difficult to see how future infiltration could be prevented. It would seem to require a very large force to seal off the various and fluid borders," this paper remarked.

Openly attacking the President, Sen. Morse (D-Oreg.) announced he would vote against the Southeast Asia resolution because the U.S. is as much to blame as North Viet Nam for provoking the crisis, and has violated the Geneva accord.

U.S. on High Seas Within the limitations of international law, virtually all commenting declare, the U. S. Navy cannot and will not be deterred from sailing wherever it sees fit on the high seas. "Patrols in the Tonkin Gulf are necessary to the defense of South Viet Nam," the Baltimore Sun and others maintain.

Some suggest that "something extraordinary may be going on in the Luichow Peninsula across the gulf from North Vietnam", and that the USS Maddox may have "moved perilously close to the shore of North Vietnam because its radar scopes picked up evidence of unusual activity--a large buildup of Vietcong strength" (Richard Starnes in Wash. News, AP's William Ryan).

"It is essential that Hanoi be left in no doubt about American intention to remain in the Tonkin Gulf and to continue supporting South Viet-Nam's military effort," many stressed.

UN Role Some are skeptical of action by the UN in this crisis because of the Soviet veto; nevertheless, they feel the President "was well-advised to take the case promptly to the Security Council" (Scripps-Howard press, Wash. Post, N.Y. News).

"The UN plea forces the Soviet Union to a climactic choice between its conflicting interests in the Communist and Western world," said the Washington Post. The New York Times takes comfort from the fact that "Moscow took no direct military step to involve itself in the immediate area of tension. Denunciation of alleged American aggression in the UN was followed by nothing stronger than a Soviet resolution to have the Council ask North Vietnam to supply information and to send a representative to participate in the debate."

"It is the UN which will be on trial now to prove whether it is an organization capable or incapable of settling a major dispute," David Lawrence affirmed.

Ambassador Stevenson's "calm and lucid discussion" of the crisis before the UN has won exceptionally high praise from the Chicago Tribune. "We have felt all along that the American people will support the policy of this or any other administration as long as they know what it is and what is at stake," the Tribune declared. "Until now, the administration has created most of its difficulties in winning public confidence by its own failure to deal honestly with the people. Mr. Stevenson has put Communist piratical acts and the systematic campaign to conquer South Viet Nam and Laos in clear perspective."

"Adviser" Buildup Additional press opinion endorses the "new hike in adviser strength", though mindful that it "may mean harder fighting and more casualties" and that "we have taken a step deeper into the Southeast Asia quagmire" (Minneapolis Star, Providence Journal, Des Moines Register, Denver Post, Milwaukee Journal, Boston Globe, Los Angeles Times, New Republic, Time).

The buildup "offers some points of encouragement," said the Minneapolis Star. "One is that military officials now obviously understand the size and sharpness of the Communist challenge. Another is the renewed U.S. determination to stand firm against that serious threat. Increased American support will help establish those conditions necessary to win--an effective fighting force and a people with the will to resist."

"Unless the U.S. wants to pull out," the Des Moines Register stated, "it has to do something dramatic to bolster Khanh. Sending the additional 5,000 Americans is a try. Even if the U. S. should want to disengage, it could do so on better terms if it could improve the military situation first."

A small segment of opinion, however, takes a somewhat dim view of the prospective increase in U.S. specialists. "There is seemingly a lack of a clear military policy," the Wall St. Journal complained. "Whatever this relatively huge increase may signify, it sounds foreboding." Milburn Akers expressed doubt that the "5,000 additional American soldiers can alter the situation" (in Chicago Sun-Times).

The administration "is struggling to hold to its new policy of telling the whole truth about the war in Viet-Nam," wrote Laurence Barrett (Herald Tribune). "But it failed one of its first big candor tests last week in its handling of the news about the increase in American forces. No American official of stature has gone to the people to explain the great buildup. Despite the administration's desire for public understanding of its Vietnamese policy, little is done to explain and dramatize the need" (similarly, Chicago News).

"The next step is the commitment of combat troops, and every realist from the Mekong to the Potomac knows it," Richard Starnes (Wash. News) asserted.

There was considerable feeling that "unless the new buildup saves the day, the U.S. is quite possibly heading for a showdown with the Communists in Asia over Viet-Nam" (Time). As Keyes Beech put it, "the fuse is burning short in South Viet-Nam." Vital decisions are impending in Southeast Asia, the New York Herald Tribune affirmed. "The U.S. has limited its active military role. Whether it can continue such limitations," the Herald Tribune pointed out, "would logically depend on objective calculations of their success or failure. This is not, and should not be, a question of opposing 'win' policies to 'no-win' policies. The 'how' of winning should always be subordinate to the 'what' of winning."

Khanh's Situation Most commenting observers continue to hold that Premier Khanh's "go north campaign" is "out of order" at this time (Chicago Tribune, Milwaukee Journal, St. Louis Post-Dispatch, Louisville Courier-Journal, New Republic, Business Week). Of particular concern to the Post-Dispatch was his purported plan to attack North Viet-Nam with support from Nationalist Chinese troops. "Permitting Nationalist troops to operate with the Vietnamese would be a highly provocative act to which Red China could be expected to respond," this paper warned.

Khanh's "real task lies in making his army shape up as a fighting team and demanding better organization of his government," the Denver Post and others stress (e.g., Providence Journal, Wash. Star).

Actually, the Washington Star added, "aside from the Premier's statements, the South Vietnamese are cooperating and working sensibly on their own defense." Premier Khanh is "negotiating with political and religious leaders to avoid the kind of strife that beset former President Diem," said Business Week approvingly. Also, "morale in the armed forces has been improving" as a result of pay raises and promotions and recognitions of bravery.

Several wrote sympathetically of Khanh's "complaint that it is alright for Washington to make threatening noises about carrying the war to North Viet-Nam, but wrong when I do it" (Marguerite Higgins, Newsweek). The desire to "demolish the puppet image was responsible for his speeches and interviews emphasizing Viet-Nam's sovereign right to carry a military counter-attack to the Communist north," Miss Higgins concluded.

A sizable number of commentators are of the opinion that Khanh "is in a very precarious situation--not just with regard to the Viet Cong, but also with regard to his political enemies" (Newsweek, U. S. News & World Report, Seymour Topping in N.Y. Times). "Khanh's troubles stem mainly from the fact that Vietnamese intellectuals on whom he must depend...are as narrow, quarrelsome, selfish and inward-turning a group as can be found on this earth," Miss Higgins wrote. "They are probing to see if America will stand still for yet another coup."

According to Newsweek, "ever since Amb. Taylor and his deputy, U. Alexis Johnson, arrived in Saigon they have been seeing political leaders of every stripe, trying to line up support for Khanh. But so far there is an embarrassing lack of response."

What Khanh needs, Time magazine suggested, "is some competent administration at lower levels. Viet Nam's civil service is shot through with inefficiency, favoritism and inexperience. Khanh is also handicapped by the fact that his country lacks a sense of nationhood." Somewhat similarly, Arnold Beichman wrote from Saigon that "what is needed is the operation of a Vietnamese civic consciousness among the upper classes and the military, and the sense of sacrifice and patriotism, none of which truly exists." He gained the "over-all impression that South Viet Nam is not really mobilized for war. The streets of Saigon are crawling with able-bodied young men not in uniform. Some are permanent students at the University of Saigon" (in Herald Tribune).



Research and Reference Service

SUMMARY OF INITIAL REACTION TO VIETNAM SITUATION

(Based on material available through August 6)

R-109-64

August 7, 1964

This is a research report, not a statement of Agency policy

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SUMMARY HIGHLIGHTS

World comment on the Vietnamese situation is generally sober, watchful, and concerned. U.S. actions are predominantly seen as justified, although some uneasy undertones are heard. U.S. actions and statements are commonly described as "firm and restrained," with restraint particularly welcomed. Some critical views are expressed, but criticism prevails only in strongly neutralist countries and papers. Fear that the conflict might broaden is manifest in strongly expressed hopes that it will not, and in counsels of caution, but outright alarm appears limited.

--- U.S. military action is accepted as justified and the U.S. version of events given general credence in most comment and most areas. The idea of a "measured response" finds some recognition, and most comment sees U.S. retaliatory action as putting the next move squarely up to the Communists.

--- Unfavorable views appear to stem chiefly from feelings that U.S. actions endangered peace. There are some charges of reckless "adventurism," and too ready recourse to military solutions. Unfriendly quarters see "aggression."

--- There is some editorial attention to the idea that U.S. moves may have been influenced by domestic political considerations, and the future political impact within the U.S. draws speculation.

--- Widespread and wide-ranging speculation about Communist motives for attacking U.S. naval craft showed no immediate consensus. The attacks were generally viewed as deliberate, most often Peiping-inspired, and by some thought to indicate a Chinese Communist desire to provoke an "explosion" in the Far East that would force the USSR to decide between "peaceful coexistence" and "support of a socialist state threatened by imperialism." Some comment saw the Vietnamese attacks as designed to "test" the U.S.

--- Although future Communist moves are anxiously assayed, comment reflected no clear agreement on their probable nature, scope, or vigor, and tended to be hazy and generalized with respect to possible Communist steps.

--- In stressing the need and hopes for a peaceful resolution, recourse to the U.N. is most frequently mentioned. General reminders of the grave dangers of an escalating conflict are frequent, but specific roads to settlement are not often advocated, beyond stressing the desirability of negotiation. Relationships between recent air and naval actions, and the continuing conflict in South Vietnam, draw little specific attention.

Area reactions to Vietnam developments follow, along with a summary of Communist propaganda treatment.

WESTERN EUROPE

News of the American decision to retaliate against North Vietnamese attacks on U.S. ships in the Gulf of Tonkin was proclaimed in banner headlines in virtually all West European newspapers. President Johnson's television and radio speech to the nation Tuesday evening was widely quoted and continued coverage of all events pertaining to Far Eastern developments indicate continuing concern.

Support for U.S. Action

Most major West European newspapers expressed support for President Johnson's decision to carry out retaliatory action. London's Laborite Daily Herald typified much European response in declaring that the American action was "understandable" and that "nobody could expect America to let its warships be shot at with impunity." Britain's mass-circulation Daily Mail declared that the crisis can be surmounted if we "stand united" and the Daily Express urged "a full measure of moral and diplomatic support" for the United States. By contrast, the liberal Guardian was one of the few papers to say that "the United States cannot expect from the rest of the world a good press."

Most observers believed that the Communist attacks against the U.S. ships were unprovoked and that they clearly took place in international waters. Tribune de Geneve asserted that the two North Vietnamese attacks "legitimize both the /U.S./ defense and counter-attack." France's largest paper, France Soir, declared that while the first Communist attack might have been interpreted as an "isolated" event, the second "was without doubt the result of a deliberate policy on the part of Hanoi, probably with the agreement of Peiping." Rome's Voce Repubblicana called the American action "inevitable" in the light of the attacks.

Along with acceptance of the legitimacy of the U.S. action went evident relief that the President had ordered only a "limited response." The London Times approvingly noted that "the operation had been conducted with the principle of minimum force well in mind," and liberal Le Soir of Brussels headlined: "No extension of the theater of hostilities in Southeast Asia, but 'positive and limited' response against naval patrol boats and the Hanoi regime's naval bases." Independent-conservative Giornale d'Italia referred to the "firm U.S. reaction to . . . Communist aggression," but also stressed that the President's TV message was delivered "with calm and cautious words." Elite Le Monde of Paris described the President's speech

as a "mixture of firmness and prudence" and several dailies lauded him for "steady nerve," "level-headedness," and statesmanship.

While there was some concern over escalation into all-out war, some counseled that "the dangers must not be exaggerated." (Stockholm's liberal Expressen). The London Times said that "the next step is left to the Communists," and noted with evident approval that after carrying out the announced counter-action, the U.S. "issued no threats or ultimatums... /and/ the Communists are not forced against a wall."

Speculation on Motivations

Many observers appeared uncertain of Communist motives. The tendency was to assume that the Communist attacks were part of some larger scheme with "political rather than military goals in mind." (Rome's Voce Repubblicana).

Other initial speculation on the Communist motives suggested that the North Vietnamese torpedo boat attacks were deliberately planned by Red China to provoke an open conflict with the U.S., so that the CPR could then "pose as the only defenders of the Communist idea." (Rome's rightist Il Tempo). Swiss and Finnish papers concurred that Hanoi might be "merely acting as an agent for Peking^{which} is out to provoke an American engagement" (Swedish-language, Nya Pressen, Helsinki) and rightist L'Aurore of Paris suggested that Peking has decided to provoke a "real explosion" in the Far East "in order to prove that peaceful coexistence is utopian."

Linked closely with this speculation was the suggestion that Peking is attempting to escalate the conflict in order to force the Soviet Union into a position where it would either have to commit itself to Chinese policy in Southeast Asia or risk a further widening of the Sino-Soviet ideological dispute. "There is a clear connection between attacks on U.S. naval units and ideological differences between the USSR and China," declared Italy's Christian-Democrat Il Popolo. Independent Die Welt of Hamburg suspected that the Communists in Hanoi and Peking "intend to force the Soviets to decide between a treacherous coexistence policy and support of a socialist state threatened by imperialism." Pro-SPD Hannoversche Presse felt the Chinese are trying to "unmask" Khrushchev as a neutralist, or "a traitor in the Communist struggle against Capitalism." The conservative Scotsman of Edinburgh wrote:

"If the Russians approve of the U.S. action -- and tacit approval will suffice -- that will be another victory for Chinese

leadership in Asia. But if the Russians come out against the United States, they will by implication be supporting the risky and revolutionary policy advocated by China. It will be difficult for them to remain uncommitted."

There was considerable speculation over implications of the crisis for the American presidential election.

Some papers, notably in France and Italy, attributed the Communist naval attacks at least in part to an attempt to benefit the Goldwater camp, thus allegedly prompting a return of the cold war once the Senator had been elected President. "The Chinese almost certainly wish to create a climate that would facilitate Goldwater's election in order to disprove the Soviet concept of coexistence with capitalism and demonstrate the accuracy of Chinese-Leninist tenets," reasoned Italy's Il Popolo.

Other papers thought the crisis would redound instead to the political advantage of President Johnson. Belgium's Le Soir declared that "it is probable that the 'firmness' preached and practiced by President Johnson will rally all American opinion to him." London's conservative Daily Telegraph emphasized, however, that "to condemn President Johnson's reaction to Communist aggression as influenced by the approach of an election campaign is absurd." The paper urged that "we be thankful that American public opinion is so resolute in the defense of American interests, which are, in this crisis, those of all free peoples."

The liberal Guardian of Manchester, reflecting what appears to be a minority view, was a good deal more skeptical than most about U.S. intentions. The paper, frequently critical of U.S. policy, suggested that "many people -- and not only Communists -- will be tempted to suspect that the American air attacks and the great movement of military power into Southeast Asia had long been planned, and required only a suitable occasion to start them off."

Prospects for Peace

The bulk of this comment suggests that the West European public hopes for some negotiated solution of the great problems in the Far East. Most frequently a solution through the instrumentality of the UN was envisaged. Various papers noted with approval that the U.S. had done everything in order to work through the UN toward a peaceful solution of any potential or actual conflict in Southeast Asia.

French papers of Gaullist orientation renewed demands for negotiation along lines proposed by General de Gaulle at his last press conference. Pro-Socialist Dauphine Libere joined this chorus: "France has called for diplomatic negotiations to Asia for a long time. It is painful to realize that the race toward the White House has until now prevented this wise solution from being adopted." Elite Le Monde declared that "the Government in Washington does not support (de Gaulle's proposals) for one obvious reason: American opinion has been so conditioned on Vietnam that it would simply take negotiation for capitulation. Johnson would be risking the White House." However, the paper concluded that after the November elections and with President Johnson still in the White House "the moment for wisdom will come."

As for the current situation, most papers conclude that the next move will be up to the Communist countries, specifically the Soviet Union and Red China. Many were convinced that the USSR would wish to maintain its present relations with the U.S. German commentators noted as an encouraging indication that Khrushchev's failure to enlarge on the conflict in the Gulf of Tonkin was "a good omen for Washington," and a leading paper in Frankfurt thought that Washington and Moscow were "in contact on the situation." There was less assuredness on possible Chinese reaction.

FAR EAST

Editorial reaction to developments in Vietnam reflected strong support and acceptance of U.S. actions in normally pro-American countries including the Philippines, Taiwan, South Korea, South Vietnam, and Malaysia. In Japan and Thailand, while generally supporting U.S. actions, there was some doubt expressed as to the wisdom of the U.S. response. Most comment showed sober concern but there was no exaggerated anxiety.

Strongest criticism came from Burma, Cambodia, and Indonesia.

On the Communist side, both Hanoi and Peking have vigorously defended Hanoi's initial attack upon the USS Maddox as self-defense, accused the United States of fabricating the "second attack" to justify "aggression," and firmly stated their intention to defend themselves against U.S. "aggression." At the same time, however, the constant blustering chant about the "future" suggests they do not consider present incidents sufficient justification for enlarging the conflict at this time.

Widespread Support for U.S. Action

The Far East non-Communist reaction to the United States' retaliatory action in North Vietnam generally reflected support, based on the belief that it was inevitable.

The Manila Bulletin struck the keynote of the preponderant press reaction when it characterized the American action as showing "firmness tempered by restraint. The Bulletin contrasted this attitude with that of "some people here and abroad (who) would rather get it over with before Communist China can grow into a thermonuclear giant that can gobble up her small neighbors. Such sanguinary ideas," it concluded, "should have no place in a world divided, trying its best to get along on the basis of live and let live under a regime of international law and order supervised by the United Nations."

The same respect for restraint was shown by a Manila Chronicle editorial: "the prudent stance of President Johnson on the Tonkin Gulf incidents can be considered as good an illustration as any of the fallacy

of the 'extremism' policy enunciated by Senator Barry Goldwater..." This sentiment was similarly voiced by the Philippines Herald. "President Johnson," it declared, "makes it ... clear that the United States is not rushing pell-mell into another war, nor does it now intend to provoke one."

Japan, both officially and unofficially, supported the United States action -- though, in some cases, with a sharper note of alarm than was evident elsewhere in the Far East. The public media widely reported Chief Cabinet Secretary Suzuki's official statement on the situation: "We believe it was inevitable for the United States to have launched the limited and appropriate counteraction announced by President Johnson against two attacks."

Although the U.S. retaliation seemed "somewhat belated" to Korea's Donga Ilbo, the daily praised the government for its stand: "The recent hostile actions by the Viet-Minh against United States Navy ships on the high seas were deliberate, aggressive acts and therefore must be retaliated against. Otherwise it would be hard to expect the establishment of international peace, which all mankind craves." The editorial likewise termed the retaliation a "justifiable action in the interest of peace."

Added to Seoul's regret that American action was belated, was Taipei's fear that the United States would not go far enough. "The United States," urged the Central Daily News, "should take the entire area occupied by the Viet-Minh as the target of its actions and should aim at destroying the fighting power of the Viet-Minh regime."

Concern and Caution

Mixed with this commendation in a few countries, Japan most strikingly, was a strong element of alarm that American retaliatory action might touch off a full-scale war. For example, Tokyo's Yomiuri's editorial was a veritable sermon. Conceding that the U.S. retaliation had not been characterized as the "so-called drive to the North," the paper argued that, judged objectively, it must be regarded as tantamount to "the spread of the fighting into North Vietnam." The North Vietnamese Government and Communist China, at least, "Yomiuri contended, "are sure to interpret the United States action as an open attack." "If the aim (of the retaliatory action) is to make the United States prestige and determination known to North Vietnam," the paper concluded, "we should hold that the aim has already been

attained. Further continuation of local operations," it warned, however, "would only lead to the danger of involving the whole land of Vietnam in a quagmire war and no advantage can make up for that danger. (Moreover) if tactical nuclear weapons should be employed against North Vietnam ... the rising nations of Asia and Africa would certainly concentrate their censure on the United States' brutal procedure," nor would it be possible for the United States to avoid the criticism of its western allies, including France."

Other Japanese dailies similarly editorialized on the need for caution. Sankei's plea was typical: "we earnestly hope that the United States will act with great prudence and calmness. The problem may bring about a situation which will require prior consultations between the United States and Japan under the United States -- Japan Security Treaty ...". Asahi, Japan's largest daily, also added a note of concern.

According to AFP, Phim Thai, the largest Thai-language daily, stated that "The headlong rush into battle by American war vessels with North Vietnam is something all those who hoped for peace feared might happen." The editorial called President Johnson's moves a "violent reaction, but acknowledged that he had the support of the American public and placed the onus of provocation on the Communists.

Critical Views

The Indonesian press gave its readers an almost unanimously critical view of U.S. actions through sensational headlines, generally one-sided news coverage, and editorial comment. Criticism was most severe in the far left press, which featured the Hanoi version of the incidents. News coverage frequently was behind developments, and official comment -- often a controlling factor -- was not available to the press.

Harian Rakjat, the Communist party paper, headlined its Hanoi version of the story, "U.S. Increase Provocations Against DRV." Chinese Communist-influenced Bintang Timur blared "Insane Series American Decisions -- U.S. Has Already Attacked Vietnam." The moderate left Suluh Indonesia captioned: "American Warships Violate DRV Waters -- Does U.S. Wish to Expand War in Vietnam?" The independent, army-influenced Garuda headlined, "U.S. Attacks DRV -- U.S. Aircraft Drop Bombs and Rockets -- DRV Will Reply in Kind." Editorial comment from the name paper declared: "We Curse the

American Actions as Rash and Dirty." Moderate Duta Masjaraket carried only the U.S. version of events, but captioned the story, "Don't Just Drive Them Off But Destroy Them -- President Johnson Orders Navy."

Burmese editorial comment coming from the extreme leftist press strongly condemned U.S. "imperialism" for its "provocative activities" against the DRV. The Daily Mirror stated that "U.S. imperialism is carrying out armed attacks against the DRV under the pretext of retaliatory action against the gunboats of the DRV. But the fact is that it is U.S. imperialism which has sent its naval and air force into the territories of the DRV to attack the latter." The Leader denounced the U.S. and editorialized: "U.S. imperialism, relying on its mighty military strength, is bullying small nations like Korea, Cuba and Vietnam."

In Japan, left-wing organizations ranging from Communist and Communist-dominated groups to the Japan Socialist Party voiced strong disapproval of U.S. actions.

An earlier editorial in the Cambodian Depeche du Cambodge reportedly took a sarcastic slant charging that the "impudence and arrogance of the imperialists know no bounds."

Motives for North Vietnamese Attacks

The most commonly expressed explanation for the North Vietnamese attacks was Communist China's testing of its "paper tiger" thesis. For example, in Hong Kong, Sing Tao Jih Pao suggested that "Communist China will continue prodding the North Vietnamese Communists to attack United States warships with torpedo boats. According to the Communist line of thinking, once a United States vessel is sunk this way, they can vociferously scream: 'United States imperialism is a paper tiger.'" Similarly, Seoul Shinmun: "Traditionally, Red China has belittled the strength of the United States, calling it a 'paper tiger' and has publicized that it could not take any action in Southeast Asia before the Presidential election."

Communist Reaction

Both Hanoi's and Peking's pronouncements are defiant in tone and warn that they will defend themselves. At the moment, however, they sound more as if they were standing at bay rather than considering any enlargement of the conflict. Both maintain that the U.S. had long planned expansion of the Vietnam hostilities and that the second incident was a "fabrication" intended to justify the subsequent U.S. air attacks against North Vietnam.

NEAR EAST AND SOUTH ASIA

Despite appearance of the words "war" and "danger of war" in newspaper headlines, the tone of the limited editorial comment in the Near East and extensive comment in India has been relatively restrained. Except for a few sarcastic digs in Pakistan, Lebanon and Cyprus at the U.S. decision to use its might against "tiny North Vietnam," the situation was seen by most in terms of North Vietnamese provocation and understandable U.S. retaliation which, it was hoped, would be limited. A political rather than military solution was urged. The U.S. was charged with outright aggression only in the Syrian press and by Communist newspapers. In the Arab world, Pakistan and isolated Indian and Turkish papers President Johnson was accused of surrendering to "Goldwaterism".

Concern Expressed

Concern rather than deep anxiety characterizes South Asian reaction. Possible future actions, rather than past ones, are generally feared as potentially escalating to war.

"Shock and dismay" at U.S. retaliatory action is expressed by the Economic Times of Bombay. "If...events are left to take their inevitable course, the world might well be landed with full-scale war," it warns. Communist China's possible reaction causes Jugantar of Calcutta some concern. "If China accepts the challenge of the United States' aggressive attitude and replies to the threat," the paper says, "the dangerous game will bring the United States to the brink of war."

Radio Cairo's summary of an al-Gumhuriya article emphasizes the possibility of escalation: "The shadow of war has begun to appear on the horizon as a result of the dispute between America and North Vietnam."

In the Karachi press, more alarmist treatment is given to the events by the vernacular press than by the English-language press. The vernacular press warns of the danger of World War III.

In Lahore, Pakistan, English-language Pakistan Times says, "However limited the present U.S. action against North Vietnam may be, there is imminent danger of Chinese involvement, and once that happens the world will be faced with another Korea-type war."

Athens' largest afternoon paper Ta Nea headlined its story: "Are the U.S. and Red China Being Led into War?... Is Red China Aiming at World Conquest?" And Turkey's Milliyet, fearing the possibility of war, predicts "it will take a long time to put out the fires in Southeast Asia."

Blame

In Cairo, al-Gumhuriya sees the U.S. action as the latest in a series of steps taken by the U.S. to sabotage the Geneva Agreements on Indochina.

While in South Asia it seemed to be generally recognized that the U.S. had been provoked by North Vietnamese attacks, the Times of India is the only paper that has questioned the necessity for the presence in these waters of the 7th Fleet, which only invites retaliation. "If the torpedo boat attacks were provocative, so also were the activities of the destroyers in the vicinity of Vietnamese territory," it declared.

The Indian Express in Bombay places onus for any escalation of the war on Hanoi and "its patron and prime instigator, Peking," as does Nepal of Katmandu. "America has demonstrated that she is no paper tiger," writes the Indian Express, while "China ironically will herself be exposed as a paper tiger."

In Lahore, the Pakistan Times approves American action in taking the issue before the U.N. Security Council, but questions the wisdom of the "mounting 'retaliatory' offensive," and states that "no sane person believes that brinkmanship will ever secure 'freedom and peace in Southeast Asia' nor will it serve America's own future interests in the region."

In Karachi, both the English and vernacular press carry the DRV claim that the U.S. charge of a second torpedo boat attack is "fabrication" and that American destroyers were in DRV territorial waters during the first attack.

Commenting on this, the Pakistan Times of Lahore says: "This is not the time to concentrate on discovering who caused the first provocation in the Gulf of Tonkin because the incidents of the last few days cannot be treated in isolation from the wider conflict in South Vietnam and the rest of former French Indochina."

Motivation Ascribed

In South Asia, only consistent critics of the U.S., the Times of India and Jugantar of Calcutta, have thus far criticized U.S. motives, both attributing President Johnson's actions to the domestic political consideration of silencing opposition criticisms.

While the Times of India does not think the U.S. government has any desire to escalate the present crisis into a war, it believes Johnson is being influenced by domestic politics into actions which could result in a major crisis:

"With Goldwaterism now firmly in the American political scene, President Johnson will no doubt find it increasingly difficult to avoid at least the semblance of 'strong action' against North Vietnam. This in turn could generate irresistible pressure in favor of larger military commitments which, by inviting retaliation, could easily develop into a major crisis."

Calcutta's Jugantar termed Johnson's action a "political stunt" aimed at removing Vietnam as an issue in the political campaign.

In Cairo, al-Gumhuriya asks rhetorically: "Was it the Vietnamese boats that started aggression against the U.S. destroyers?" Its answer: "In fact, striking North Vietnam is an old U.S. dream." The paper then went on to say that President Johnson's action may have been motivated by the election campaign and Senator Goldwater's demand for action in Vietnam.

Communist Motives

Calcutta's Statesman, found it "hard to understand" what prompted North Vietnam to attack U.S. warships. "If Communist forces are out to provoke the United States into rashness--which seems the only possible explanation--there must be cool enough heads in Washington to see that measures in retaliation are effective but not allowed to get out of control," it said.

Ankara's Cumhuriyet says "Peking's goal is to damage Johnson and convince the American public that Goldwater's ideas are right /so that/ a war between America and Russia, resulting in the destruction of both, would leave Red China as the only powerful country in the world."

LATIN AMERICA

That Latin Americans see the events in Vietnam as a serious threat to world peace is indicated by the rapidity with which all media reacted to the attacks in Tonkin Gulf. Extensive press and radio coverage show a high degree of preoccupation with the affair, which has largely diverted attention from the problem of Cuban sanctions. Moreover, editorial response was more immediate than is usually the case with extra-hemisphere events. However, the only known Communist reaction was restricted to Cuba.

Latin American editors generally support the U.S. position, even though they are concerned about the danger of an expanded war. They place the blame for this possibility on the Communists, especially on the Red Chinese. The Cuban media, however, as might be expected, accused the United States of deliberately trying to expand the war.

Support for U.S. "Hard Line"

"The new hard line" of U.S. strategy, "resulting from North Vietnamese guerrilla action," is supported by an editorial in El Espectador of Bogota. The commentator further supported the U.S. position by emphasizing that "the United States will not give in to armed pressure.... It is committed to a strategy of peace and war." La Nación of Buenos Aires counselled that, faced with "the magnitude of the Chinese danger, the West should strengthen its position in Asia ... with decision and energy." This theme was also developed by Atisbos of Mexico City: "The United States is truly determined to assume a new attitude toward communism ... and, although it does not want war, it is ready to run that risk in order to defend the interests of the Free World." The editorial viewed President Johnson as being convinced that "mere protests would serve no end but to encourage the enemies of civilization." The U.S. reprisal against the North Vietnamese was characterized by Panama's Radio Mia as "a matter of defending democracy and the dignity of man." And Honduras' public media publicized Foreign Minister Fidel Duron's official telegram to Secretary Rusk, informing him of Honduras' "firm solidarity" with "U.S. actions in support of freedom and the defense of peace."

Red Chinese Guilt

The press widely attributed the North Vietnamese attack upon the USS Maddox as Peking-inspired. La Prensa of Buenos Aires, for example, declared that "the Communists of Southeast Asia follow the imperialist and racist policy of Peking" and cited the attacks upon the American destroyers as "good proof" of (what La Nación called) "the aggressive impulse of Peking." El Espectador similarly editorialized: "Proof of Chinese Communist aid to the North Vietnamese guerrillas exposed this previously disguised civil war as a much higher level crisis." The position of the Brazilian press is reflected by the headline in Diario Carioca which proclaimed: "American Vessels Suffer New Communist Aggression."

Fear of Expanded War

"This new Korea in Asia is filled with dramatic and unforeseeable consequences," speculated Bogota's El Espectador. In the opinion of Panama's Radio Mia, to defend democracy, the United States "is determined to run the risk of a war, the beginnings of which can be seen, but the end of which no one can even imagine." The commentator, making reference to "clouds of war," expressed the special concern of Panama "because of our (strategic) geographical position." Peruvian newspapers similarly emphasized the gravity of the tense situation.

Cuban Accusations

Cuban media accused the United States of engaging in "aggression" and "provocations" and seeking "a pretext" for extending the war. Following the second attack, wide publicity was given to a Foreign Office spokesman's reference to President Johnson's "warlike" policies. TV commentator Luis Gomez Wanguemert declared that the "U.S. aggression" had been planned in advance. Elaborating upon "the unjustified attack perpetrated by the U.S. armed forces," the Cuban media compared the present U.S. "provocations" with the abortive Bay of Pigs invasion in April 1961: "Washington has invented a false story, as they did before Giron Beach, to unleash war against a brother nation in Southeast Asia."

AFRICA

African comment, limited so far to Liberia, Libya and Tanganyika, is generally moderate. (Early reactions from Algeria and Ghana, which had indicated support for the North Vietnamese, have not been heard again.)

All papers have expressed a great concern for continuing world peace. The Tanganyikan ruling party daily, The Nationalist, feared that the situation might lead to a "chain reaction" if Communist China takes sides, and expressed hope that the U.N. Security Council would bring the dispute to an "immediate halt." On the other hand, the pro-government Liberian Star said that the North Vietnamese reaction would be "more important" than a U.N. attempt to lessen tension. It hoped that the North Vietnamese would realize the depth of the American commitment in South-east Asia, and refrain from taking any further action that could escalate the conflict. The European-controlled Tanganyika Standard expressed confidence that the "speed" of the American counter-stroke would "discourage" any such action.

The Liberian Star and Tarabulus al-Gharb, Libya's official daily, both expressed concern that the crisis would affect the East-West "detente." Both papers called for wider adherence to the nuclear test ban treaty-- possibly a reference to Communist China's opposition to it.

African press and radio have generally refrained from taking sides in the conflict. Tanganyika's Nationalist implied that this conflict might be part of a U.S.-South Vietnamese plan to extend the war, but held back from an accusation. The paper called the U.S. decision to attack North Vietnamese bases "disturbing."

SOVIET UNION AND EAST EUROPE

Soviet media described the U.S. action in North Vietnam as an "unprovoked aggression," but the tone of Soviet propaganda created the impression that Moscow is seeking to avoid more active immediate involvement. In its summary of the Hanoi statement on U.S. air activities over North Vietnam TASS remarked that the "aggressive actions by the U.S. military have aroused the burning indignation of all the Vietnamese people." In its report on the Security Council meeting, however, the Soviet news service quoted Adlai Stevenson as saying that "peace and the preservation of the independence of friendly states was the only thing" the U.S. sought in Southeast Asia. TASS briefly, belatedly, and without comment reported the Chinese government statement alleging that the "situation has become extremely serious." Soviet media are suggesting that U.S. actions stem from American domestic pressures. According to Radio Moscow the "air attack on North Vietnam is being accompanied by a political hullabaloo clearly connected with the forthcoming Presidential election."

No reports are as yet available from Bulgaria, Rumania or Albania. Other East European media reported the developments in the afternoon and evening of August 5, first in the version of their Washington and New York correspondents. At the same time they publicized the North Vietnamese version and added comment of their own. The gist of this reportage and comment is that the "aggression in Tonkin Bay" was prompted either by the Khanh regime's desire to extend the war to North Vietnam or -- more widely emphasized -- by an alleged Presidential wish to forestall Republican electioneering claims that the Administration is following a course of weakness in its foreign policy.



DIRECTOR

UNITED STATES INFORMATION AGENCY
WASHINGTON

133
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August 7, 1964

MEMORANDUM FOR:

The Honorable
McGeorge Bundy
The White House

As you know, we have sent to the President several reports dealing with worldwide press reaction to the action in the Tonkin Gulf.

Enclosed are several copies of a more complete study which the President or you might be interested in seeing.

Carl

Carl T. Rowan

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Current Support Brief

MONEY SUPPLY AND THE PRICE LEVEL IN SOUTH VIETNAM

DECLASSIFIED
Authority STATE 6-3-75 / DOD 6-9-75 / CIA 5-9-75 / TREASURY 6-13-75
By MIE, NARS, Date 7-2-75



CIA/RR CB 64-53

August 1964

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

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GROUP 1
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declassification

WARNING

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

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MONEY SUPPLY AND THE PRICE LEVEL
IN SOUTH VIETNAM

Although there are inflationary pressures within the economy of South Vietnam, the price level so far in 1964 has remained surprisingly stable. The money supply index (1955 = 100) rose 91 points between 1959 and May 1964, but the working-class consumer price index rose only 18 points during the same period. Government deficit financing has been the major cause of the increase in the money supply since 1960. Continuing budget deficits and net additions by the private sector are expected to result in an increase of 13.8 billion piasters* in the money supply from January 1964 to July 1965. Of this increase, approximately 4.8 billion piasters represent an inflationary gap that could produce an upward price spiral.

Continued price stability depends primarily on the level of confidence of the business community and consumers in the value of the piaster. Such confidence is sustained by higher levels of US commodity import aid designed to fill the inflationary gap.

1. Price Level

Consumer price indexes for the first quarter of 1964 were unchanged or down slightly from December and followed basically the normal seasonal patterns. 1/ The general index of consumer prices for Vietnamese working-class families in Saigon (1959 = 100) stood at 116 in March (see the chart) compared with 117 in December 1963. 2/ The component indexes show clothing, rent, and utilities up during the quarter, while food remained stable. The latest available data show that during April and May the working-class consumer price index stood at 118. 3/ In 1963 the general index rose 5 points from January to a level of 117 in December. 4/

2. Money Supply

The money supply in May was 24.6 billion piasters, or 11 percent above the beginning of the year. From 1960 through 1963 the level rose at an average annual rate of about 10 percent. 5/ The major causes of the monetary expansion during 1960-62 were increases in bank credit

* There is no one meaningful rate of exchange for the piaster. However, the rate of exchange at which the US-financed Commodity Import Program is calculated is 70 piasters to US \$1.

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to both the government and the private sector. Credit to the private sector rose during this period at an average of 1.1 billion piasters a year, and credit to the government rose at an average of 0.8 billion piasters. 6/ Additional Central Bank credit to the government during 1963 and 1964 to finance increased defense expenditures is now the primary expansionary factor affecting the money supply. Central Bank advances increased by 2.6 billion piasters between January 1963 and January 1964. 7/ An increase of 750 million piasters in foreign exchange holdings by the Central Bank 8/ during 1963 provided an additional expansionary element.

Government expenditures through the first half of 1965 are now expected to result in a budget deficit of about 9.9 billion piasters for the 18-month period beginning in January 1964. 9/ Credit expansion by the private sector is expected to be about 3.6 billion piasters during the period. A net increase of 0.3 billion piasters is expected on foreign accounts. It is estimated, therefore, that from 1 January 1964 to 1 July 1965 the net increase in the money supply will be about 13.8 billion piasters. 10/

3. Inflationary Potential

With the expansion in the money supply caused primarily by large budget deficits, pressures probably will continue in 1964 and 1965 toward higher price levels in Saigon. The absence so far of a clear correlation between the expansion of the money supply and trends in the general price index appears in part to result from the fact that larger cash hoards and transactions balances are held by the private sector as the money supply increases. It is expected that these balances held by businessmen and consumers will increase by nearly 5 billion piasters during the period and will offset a large part of bank credit additions to the money supply. 11/

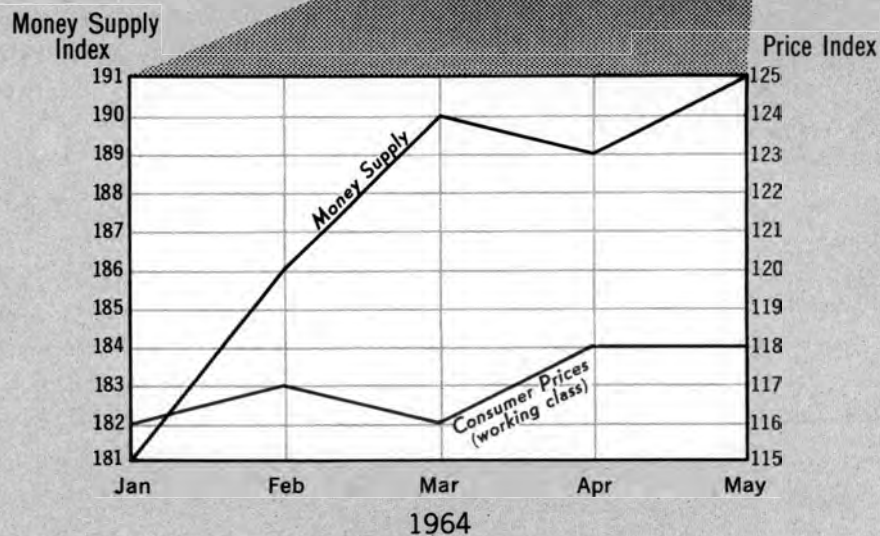
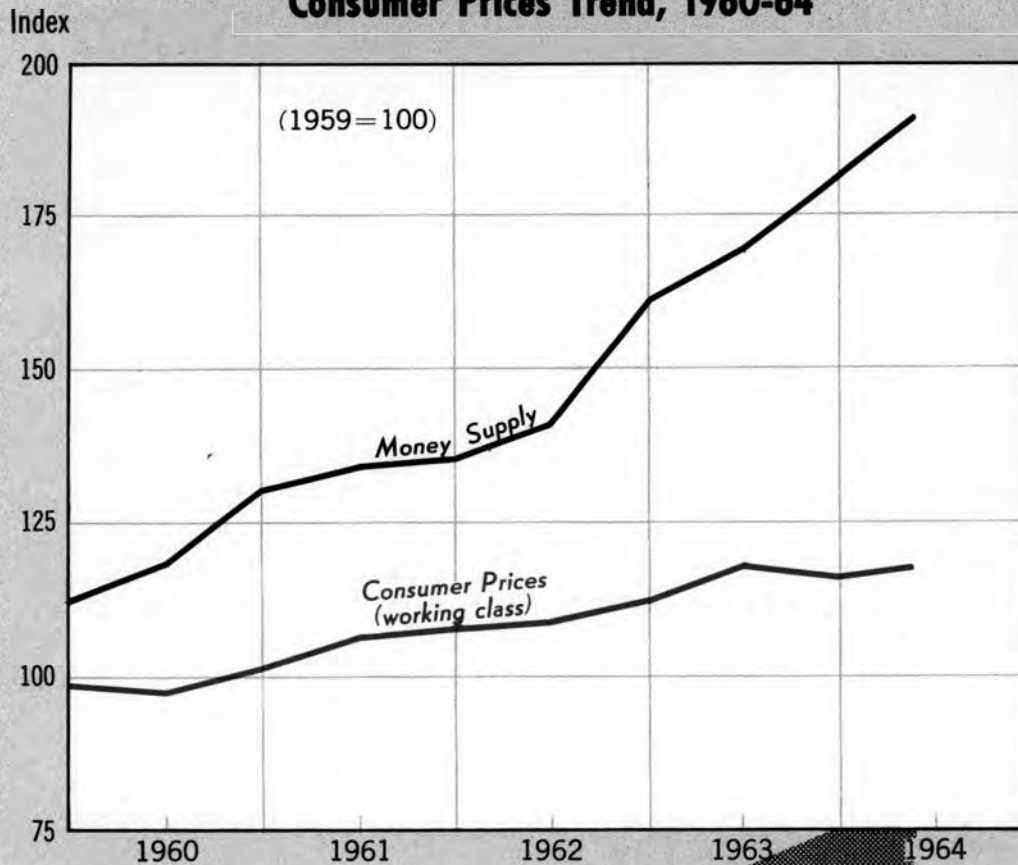
It is estimated further that an additional \$1 billion piasters will be held in the provinces as cash balances because the security situation makes purchases difficult. Purchases of consumer durables such as tools and implements provide evidence to the Viet Cong of taxable capacity among the villagers. In addition, because a considerable segment of the Vietnamese economy is not yet fully monetized, an estimated increase of 1 billion piasters will be held by persons who live predominantly outside the sphere of monetary transactions.

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SOUTH VIETNAM: Money Supply and Consumer Prices Trend, 1960-64



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AND DECLASSIFICATION

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Of the increase of 13.8 piasters in the money supply by July 1965, it is estimated that approximately 6.8 billion piasters represent inflationary potential. Increases in population and production probably will absorb at least 2 billion piasters, leaving an inflationary gap of about 4.8 billion piasters.

4. Role of US Aid

Whether the inflationary pressures can be contained in South Vietnam depends primarily on whether the confidence of consumers, and especially the Vietnamese business community, can be sustained. Even in the face of a high level of urban unemployment and declining rates of investment, businessmen in Saigon at present appear to have confidence in the continued strength of the piaster. Such confidence, however, is sustained mainly by an adequate supply of US-financed imports at stable prices. The US-financed Commodity Import Program for fiscal year 1964 is approximately US \$113 million. ^{12/} Increased US commodity and development aid in fiscal year 1965 is predicated on the necessity of eliminating dangerous inflationary pressures and of maintaining future confidence in South Vietnam's economic stability.

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2. Ibid., A-640, 7 May 64. C.
3. Ibid., A-5, 2 Jul 64. C
4. Ibid., A-2031, 17 Apr 64. U.
5. Treasury. Memorandum, Economic Situation and Prospects for Vietnam, Dec 63. C.
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8. Ibid.
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10. Ibid.
11. State, Saigon. Airgram A-2394, 29 May 64. OFF USE.
12. State (Outgoing to Saigon). T 3430, 21 May 64. S.

Analyst: Edgar McHenry

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THE WHITE HOUSE
WASHINGTON

12 August 1964

Mr. Bundy

You may find this account of the Canadian Ambassador's discussion with Gromyko re Laos and Vietnam of some interest, although it deals more with Gromyko's mood than it does with Soviet intentions.

CL
CLCooper

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This information was received from the
CANADIAN JIC representative
in Washington.

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Authority RAC 00014848
By isa, NARA, Date 10-29-97

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INFO LDN IMMEDIATE

TT PERMISNY EMBPARIS NATOPARIS WASHDC GENEVA CCOS IMMEDIATE DE LDN

TT DELHI IMMEDIATE DE OTT

TT CGS DM/DND DGPO IMMEDIATE DE CCOS

TT SAIGON VIENTIAN IMMEDIATE DE DELHI

BAG WARSAW CNBRA WLGTN HKONG PHNOMPEN DE LDN

INDOCHINA-TALK WITH GROMYKO

THIS MORNING WHEN I CALLED ON FOREIGN MINISTER ON ANOTHER MATTER I
RAISED QUESTION OF RECENT DEVELOPMENTS IN LAOS AND VIETNAM. AS I AM
FIRST WESTERN REP TO TALK TO FOREIGN MINISTER OR ANY OTHER SENIOR
OFFICIAL SINCE ATTACK ON USA NAVAL VESSELS, FOLLOWING REPORT OF
CONVERSATION MAY BE OF INTEREST.

2. VIETNAM: I SAID I WOULD LIKE TO DISCUSS DEVELOPMENTS BECAUSE OF
CDN MEMBERSHIP IN ICSC AND BECAUSE CLASH COULD INVOLVE ALL OF US. IT
HAD OCCURRED TO ME THAT PARTICULARLY DISTURBING FEATURE OF CRISIS WAS
THAT IT SEEMED POSSIBLE FOR A SMALL COUNTRY TO ACT ON ITS OWN IN SUCH
A WAY AS SERIOUSLY TO ENDANGER PEACE OF WORLD. IF NORTHVIETNAMESE PT
BOATS HAD SUNK USA DESTROYERS RESULTS MIGHT HAVE BEEN EXTREMELY
SERIOUS.

3. GROMYKO REACTED RATHER STRONGLY. HE SAID FIRST THAT I HAD CLEARLY
ACCEPTED AMERICAN VERSION OF EVENTS AND THEREFORE HE WONDERED IF IT
WAS POSSIBLE TO DISCUSS IT OBJECTIVELY. I SAID I WOULD BE HAPPY TO

EXAMINE ANY OTHER SET OF FACTS BUT ALL I HAD SEEN WAS DECLARATION OF

PAGE TWO 762

THAT ATTACK ON USA VESSELS TOOK PLACE.

4. GROMYKO AVOIDED THIS BY SAYING THAT USA VESSELS WERE ENGAGED IN HOSTILE ACTIVITIES IN BAY OF TONKIN AND HAD MADE A DIRECT AND UNCONCEALED AGGRESSION AGAINST SHIPS AND COASTAL SETTLEMENTS OF NORTH VIETNAM-MORE OR LESS ALONG LINES OF TEL HE SENT YESTERDAY TO FOREIGN MINISTER OF NORTH VIETNAM TEXT OF WHICH I PRESUME YOU HAVE SEEN. HE THEN WENT ON TO SAY THAT WE OUGHT BY NOW TO BE WARY OF USA ALLEGATIONS. HE HIMSELF HAD PRESENTED PROOFS OF U-2 INCIDENT TO AMERICAN REP SITTING IN VERY CHAIR WHERE I WAS AND LATTER HAD ABSOLUTELY DENIED THEM.

5. I RPTD THAT I WOULD BE PLEASED TO RE-EXAMINE CASE IF FURTHER FACTS WERE PRODUCED BUT ICSC EXPERIENCE WITH NORTHVIETNAM HAD NOT RPT NOT LED US TO BELIEVE IT WAS MOST RELIABLE GOVT IN WORLD. IN ANY CASE, I SAID I HAD MENTIONED QUESTION OF DANGER THAT CERTAIN COUNTRIES COULD CREATE BY ACTING ON THEIR OWN INITIATIVE. IN THIS CASE IT LOOKED AS IF NORTHVIETNAMESE MAY EVEN HAVE ACTED WITHOUT CONSULTING CHINESE. HE REPLIED QUOTE DO YOU REALLY THINK SO? UNQUOTE. WHEN I SAID IT WAS A QUESTION OF GUESSWORK HE SHRUGGED, BUT SAID IT WAS NOT RPT NOT IMPOSSIBLE TO CONTROL SUCH INCIDENTS. WHAT WAS NEEDED WAS ALSO SOME FOREBEARANCE ON PART OF AMERICANS.

6. GROMYKO THEN WENT INTO A LONG HARANGUE AGAINST ATTEMPT BY AMERICANS TO BE SOLE ARBITERS OF FATE OF INDOCHINA. IT WAS BAD ENOUGH THEIR PROPPING UP A ~~ROTTEN~~ REGIME IN SAIGON BUT IT WAS INTOLERABLE THAT THEY SHOULD TRY TO EXTEND THIS TO NORTH; AND, CDA HAD NOT RPT NOT PROVED VERY OBJECTIVE IN ITS ROLE IN ICSC IN VIETNAM EITHER. I SIMPLY REPLIED THAT THERE WERE TWO DISTINCT VERSIONS OF EVENTS IN VIETNAM.

PAGE THREE 762

AND IT SEEMED PROFITLESS TO OUTLINE THEM. NEVERTHELESS I THOUGHT WE HAD DONE OUR BEST TO BE OBJECTIVE. CERTAINLY HANOI REGIME HAD DONE EVERYTHING IN ITS POWER TO FRUSTRATE WORK OF ICSC.

7. LAOS: WE THEN BY MUTUAL CONSENT PASSED TO LAOS. I ASKED FOR HIS VIEWS ON USEFULNESS OF A TRI-PARTITE MTG IN SWITZERLAND. HE SAID THREE FACTIONS WERE FREE TO MEET IF THEY WANTED. USSR WAS NEITHER FOR NOR AGAINST ALTHOUGH THEY WERE SKEPTICAL OF SUCH A MTG MAKING POSSIBILITY OF A FULL 14-POWER CONFERENCE ANY GREATER, AND IF IT FAILED SITUATION WOULD BE EVEN WORSE THAN NOW.

8. AS REGARDS FULL CONFERENCE THEY HAD STILL NOT RPT NOT RECEIVED VIEWS OF ALL POTENTIAL PARTICIPANTS. I ASKED IF THERE WAS ANY CHANGE IN SOVIET ATTITUDE ABOUT WITHDRAWING FROM CO-CHAIRMANSHIP IF CONFERENCE DID NOT RPT NOT MEET. HE SAID NO RPT NO. THEY HAD NO RPT NO POLITICAL, ECONOMIC OR MILITARY INTERESTS IN LAOS AND THEY SAW NO RPT NO REASON WHY THEY SHOULD TAKE BLAME FOR SITUATION. THEY WERE EXPECTED BY SOME COUNTRIES TO DO THINGS WHICH WERE EITHER AGAINST SOVIET INTEREST, OR CLEARLY IMPOSSIBLE. THEY WERE NOT RPT NOT PREPARED TO LET THIS CONTINUE.

9. I SAID I THOUGHT USSR HAD INTERESTS IN EVERY PART OF GLOBE, AS A BIG POWER. AFTER ALL CDA HAD EXPENDED FAR MORE EFFORT IN LAOS RELATIVELY, AND WE CERTAINLY HAD NO RPT NO INTEREST IN THE PLACE. I WONDERED WHAT EFFECT ON ICSC WOULD BE IF USSR WITHDREW FROM CHAIRMANSHIP: QUOTE YOU TELL US UNQUOTE GROMYKO SAID. QUOTE THAT WILL BE YOUR PROBLEM UNQUOTE. I REPLIED THAT WE WERE STUDYING IT, BUT I PRESUMED HE HAD ALSO ANALYSED SITUATION. HIS ANSWER WAS SIMPLY QUOTE I DONT KNOW UNQUOTE.

10. I HAD IMPRESSION FROM TALK WITH GROMYKO THAT HE WAS SOMEWHAT EMBARRASSED BY MY IMPLICATION THAT USSR WAS UNABLE TO INFLUENCE

~~TOP SECRET~~

135
August 13, 1964

MEMORANDUM FOR THE PRESIDENT

The attached memorandum will be the main topic of discussion at the meeting scheduled for noon tomorrow, Friday. In the main, the paper speaks for itself, but you should know of a couple of important issues which it does not state directly.

The most important section of the paper begins on page 7 and deals with possible limited pressures forward in the direction you indicated in the Monday meeting. Within this section, on page 8, there is a discussion of cross-border operations into the Panhandle, and you should know that General Taylor and many others would now like to move toward U. S. air operations against the infiltration routes. Bob McNamara is strongly opposed. I think you may want to hear argument on both sides on this issue. Max Taylor's cable giving his view is attached at Tab A.

On page 9 there is a discussion of the de Soto patrol. There is difference of opinion on when this patrol should go back. Most of us here in Washington think it can wait ten days to two weeks (as the memo says on page 1). Max Taylor would like it to go almost right now, on grounds of signal to the Communists and encouragement to our friends. On this one also you may wish to hear argument.

More broadly, it occurs to me that this meeting may be a good time for you to emphasize again the priority we put on Saigon. At Tab B is a very private letter from Mike Forrestal to John McNaughton which shows that the Army is using rather routine assignment and reassignment methods there. A bit of questioning from you to Wheeler might do a lot of good on this point.

Finally, I will give you a one-sheet wrap-up on this before the noon meeting.

McG. B.

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Authority NSC 7-10-75
By IP, NARS, Date 7-25-75

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~~TOP SECRET~~

THIRD DRAFT
W. P. Bundy
August 13, 1964

DECLASSIFIED

Authority

NSC

7-10-75

By

IP

NARS, Date

7-25-75

NEXT COURSES OF ACTION IN SOUTHEAST ASIA

I. INTRODUCTION

The next ten days to two weeks should be a short holding phase in which we would avoid actions that would in any way take the onus off the Communist side for escalation.

We will not send the DESOTO patrol back, will hold up on new 34A operations (continuing only essential re-supply of air-dropped missions, plus relatively safe leaflet drops), but will continue intensive reconnaissance of the DRV and the Panhandle (PDJ if necessary). Within Laos, the attempt to secure Phou Kout would continue (napalm may be used in discretion of Ambassador Unger), as would T-28 operations and consolidation of Triangle gains, but no further military action would be done or indicated. In view of possible Communist moves in Laos, road watch and other intelligence efforts should be intensified accepting some greater risks.

We are not yet sure what the Communist side may do in this period. They have introduced aircraft into North Vietnam, and may

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well send in at least token ground forces. VC activity could step up markedly at any moment. Although the volume of Chicom propaganda and demonstrations is ominous, it does not yet clearly suggest any further moves; if they were made, we would act accordingly. This paper assumes the Communist side does not go beyond the above.

II. ESSENTIAL ELEMENTS IN THE SITUATION

A. South Vietnam is not going well. The mission's monthly report (Saigon 377) expresses hope of significant gains by the end of the year. But it also says Khanh's chances of staying in power are only 50-50, that the leadership (though not so much the people or the army) has symptoms of defeatism and hates the prospect of slugging it out within the country, that there will be mounting pressures for wider action "which, if resisted, will create frictions and irritations which could lead local politicians to serious consideration of a negotiated solution or local soldiers to a military adventure without US consent."

In other words, even if the situation in our own view does go a bit better, we have a major problem of maintaining morale. Our actions of last week lifted that morale temporarily, but also aroused

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expectations, and morale could easily sag back again if the VC have successes and we do nothing further..

B. Laos, on the other hand, has shown real military progress-- so much so that a Communist retaliatory move is a real possibility. If Phou Kout can be secured, present military areas of control are if anything better for Souvanna than the line of last April. T-28 operations have been a major factor, and really hurt PL morale. Souvanna's internal position is also stronger, though the right-wing generals and colonels could make fools of themselves again at any time.

C. Laos negotiations may start to move in the near future whatever we do. Souvanna has accepted a tripartite meeting in Paris, and suggested August 24th. With his gains in hand, he has already indicated he is likely not to insist on his previous precondition of Communist withdrawal from the PDJ before agreeing to a 14-nation conference. The USSR (at least publicly), India, and France--and the UK and Canada only slightly less so--are pressing for a conference or at least clear motion toward one. Souphanouvong's silence and other indicators suggest the Communist side may still not accept an early tripartite meeting or push for a conference, but we must

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recognize that, if they do accept a tripartite, it will be a real step toward an eventual conference. We can and will urge Souvanna to go slow, but our control will be limited.

D. Hanoi and Peiping, as of now, are certainly not persuaded that they must abandon their efforts in South Vietnam and Laos. The US response to North Vietnamese naval attacks has undoubtedly convinced the Communist side we will act strongly where US force units are directly involved--as they have previously seen in our handling of Laos reconnaissance. But in other respects the Communist side may not be so persuaded we are prepared to take stronger actions, either in response to infiltration into SVN or to VC activity. The Communists probably believe that we might counter air action in Laos quite firmly, but that we would not wish to be drawn into ground action there.

III. ESSENTIAL ELEMENTS OF US POLICY

A. South Vietnam is still the main theater. Morale and momentum there must be maintained. This means:

1. There is advantage in devising the best possible means of action that for minimum risks get maximum results in terms of

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SVN morale and pressure on DRV.

2. We must continue to oppose any Vietnam conference, and must play the prospect of a Laos conference very carefully. We must particularly avoid any impression of rushing to a Laos conference, and must show a posture of general firmness into which an eventual Laos conference might fit without serious loss.

3. We particularly need to keep our hands free for at least limited measures against the Laos infiltration areas.

B. It is in our interest to stabilize the Laos situation as between Government forces and the Communist side, and to reduce chances of a Communist escalating move on this front. (If such a move comes, we must meet it firmly, of course. We should also be stepping up Thai support to deter and prevent any Communist nibbles.) However, Souvanna should not give up his strong cards, particularly T-28 operations, without getting a full price for them. Moreover, we must seek to reduce as much as possible the inhibiting effect of any Laos talks on actions against the Panhandle.

C. Basically, a solution in both South Vietnam and Laos will require a combination of military pressure and some form of communication under which Hanoi (and Peiping) eventually accept the

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idea of getting out. Negotiation without continued military action will not achieve our objectives in the foreseeable future. But military pressure could be accompanied by attempts to communicate with Hanoi and perhaps Peiping--through third-country channels, through side conversations around Laos negotiations of any sort--provided always that we make it clear both to the Communists and to South Vietnam that military pressure will continue until we have achieved our objectives. After, but only after, we have established a clear pattern of pressure hurting the DRV and leaving no doubts in South Vietnam of our resolve, we could even accept a conference broadened to include the Vietnam issue. (The UN now looks to be out as a communication forum, though this could conceivably change.)

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IV. TIMING AND SEQUENCE OF ACTIONS

A. Limited Pressures (late August tentatively through December)

There are a number of limited actions we could take that would tend to maintain our initiative and the morale of the GVN and Khanh, but that would not involve major risks of escalation. Such actions could be such as to foreshadow stronger measures to come, though they would not in themselves go far to change Hanoi's basic actions.

1. 34 A Operations could be overtly acknowledged and justified by the GVN. Marine operations could be strongly defended on the basis of continued DRV sea infiltration, and successes could be publicized. Leaflet operations could also be admitted and defended, again on the grounds of meeting DRV efforts in the South, and their impunity (we hope) would tend to have its own morale value in both Vietnams. Air-drop operations are more doubtful; their justification is good but less clear than other operations, and successes have been few. With the others admitted, they could be left to speak for themselves -- and of course security would forbid any mention of specific operations before they succeeded.

2. Joint US/GVN planning already covers possible actions against DRV and the Panhandle. It can be used in itself to maintain

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the morale of the GVN leadership, as well as to control and inhibit any unilateral GVN moves. With 34A surfaced, it could be put right into the same planning framework. We would not ourselves publicize this planning, but it could be leaked (as it probably would anyway) with desirable effects in Hanoi and elsewhere.

3. Stepped-up training of Vietnamese on jet aircraft should now be undertaken in any event in light of the presence of MIG's in North Vietnam. The JCS are preparing a plan, and the existence of this training could be publicized both for its morale effect in the GVN and as a signal to Hanoi of possible future action.

4. Cross-border operations into the Panhandle could be conducted on a limited scale. To be successful, ground operations would have to be so large in scale as to be beyond what GVN can spare, and we should not at this time consider major US or Thai ground action from the Thai side. But for air operations there are at least a few worthwhile targets in infiltration areas, and these could be hit by GVN air. US reconnaissance missions in the Panhandle would of course continue in any event; suppressive missions might be considered at some point, but not until after the GVN has acted in this area. (Our Panhandle reconnaissance does not have the justification of a request from Souvanna, as our PDJ operations do.)

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Probably we should avoid publicity on air operations so as not to embarrass Souvanna; the Communist side might squawk, but in the past they have been silent on this area.

5. DESOTO patrols could be reintroduced at some point. Both for present purposes and to maintain the credibility of our account of the events of last week, they must be clearly dissociated from 34A operations both in fact and in physical appearance. In terms of course patterns, we should probably avoid penetrations of 11 miles or so and stay at least 20 miles off; whatever the importance of asserting our view of territorial waters, it is less than the international drawbacks of appearing to provoke attack unduly. The 20-mile distance would not appreciably change the chances of a North Vietnamese reaction, while it would deprive them of a propaganda argument (since a great many other countries also assert a 12-mile territorial waters limit.)

6. Specific tit-for-tat actions of opportunity could be undertaken for any special VC or DRV activity. As Saigon 377 points out, the VC have "unused dirty tricks" such as mining (or attacks) in the Saigon River, sabotage of major POL stocks, and terrorist attacks on US dependents. The first two, at least, would lend themselves to prompt and precise reprisal, e. g., by mining the Haiphong channel and attacking the Haiphong POL

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storage.

7. US Dependents. This has two aspects. If there were substantial terrorism against our dependents, we should consider some specific reprisal against the DRV; however, this has disadvantages in that it might appear that we were reacting only when US nationals were hit, and ignoring the regular pattern of terrorism against South Vietnamese. The second aspect, whether or not there are terrorist attacks, is the possible withdrawal of our dependents. If the situation should reach another intense point, withdrawal might be useful in itself as a signal to Hanoi that we were really getting ready for business.

8. The sequence and mix of US and GVN actions needs careful thought. At this point, we should emphasize both the GVN role in actions and rationales directly relating actions to what is being done to the GVN. Overt 34A actions should be the first moves, and the GVN would go first in air attacks against the Panhandle. But there are advantages in other respects to actions related to US forces. If we lost an aircraft in the Panhandle, we could act hard and fast, and of course similarly for any attack on the DESOTO patrols. Probably the sequence should be played somewhat by ear, with the aim of producing a slightly increased

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tempo but one that does not commit us prematurely to even stronger actions.

Summary. The above actions are in general limited and controllable. However, if we accept -- as of course we must -- the necessity of prompt retaliation especially for attacks on our own forces, they could amount to at least a pretty high noise level that might stimulate some pressures for a conference. New DRV air and AA capability may also produce incidents.

These actions are not in themselves a truly coherent program of strong enough pressure either to bring Hanoi around or to sustain a pressure posture into some kind of discussion. Hence, we should continue absolutely opposed to any conference.

B. More Serious Pressures

All the above actions would be foreshadowing systematic military action against the DRV, and we might at some point conclude such action was required either because of incidents arising from the above actions or because of deterioration in ^{the} SVN situation, particularly if there were to be clear evidence of greatly increased infiltration from the north. However, in the absence of such major new developments, we should be thinking of a contingency date for planning purposes, as suggested by Ambassador Taylor, of 1 January 1965.

Our present thinking is that systematic action against the DRV might start by progressive attacks keyed to the rationale of infiltration routes and facilities, followed by other selected military-related targets. However, the mix is now hard to foresee and would obviously depend heavily on specific incidents and desired signal strength at any one time.

C. Handling Laos Negotiations.

1. We would wish to slow down any progress toward a conference and to hold Souvanna to the firmest possible position. Unger's suggestion of tripartite administration for the PDJ is one possibility that would be both advantageous and a useful delaying gambit. Insistence on full recognition of Souvanna's position is another point on which he should insist, and there would also be play in the hand on the question of free ICC operations. As to a cease-fire, we would certainly not want this to be agreed to at the tripartite stage, since it would remove Souvanna's powerful T-28 lever. But since Souvanna has always made a cease-fire one of his preconditions, we must reckon that the other side might insist on it before a conference was convened -- which we would hope would not be for at least 2-3 months in any case.

2. If, despite our best efforts, Souvanna on his own, or in response to third-country pressures, started to move rapidly toward a conference, we would have a very difficult problem. If the timing of

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a Laos conference, in relation to the degree of pressures we had then set in motion against the DRV, was such that our attending or accepting the conference would have major morale drawbacks in South Vietnam, we might well have to refuse to attend ourselves and to accept the disadvantages of having no direct participation. In the last analysis, GVN morale would have to be the deciding factor.

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Mr. McGeorge Bundy

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TO : The Secretary
FROM : P - James L. Greenfield
SUBJECT : American Comment on Viet-Nam,
August 7 - 12

August 13, 1964

U.S. military, Congressional, and diplomatic moves after the North Vietnamese attacks in the Gulf of Tonkin have been the foci of public discussion during this period. Opinion highlights are given here; a fuller analysis is attached.

- 1 - Editorial and popular opinion remain ready to stand by U.S. commitments in Southeast Asia, whatever the cost.

Yet deep concern is voiced about the possibility of a "massive confrontation" with Red China--or, alternatively, about being "pushed" into a wider war by the pressures of the election campaign, or of the Saigon government.

- 2 - Support for the "fight-if-we-must" Congressional resolution is accompanied by some reservations about the wide scope of authority accorded the President.
- 3 - Reservations are also registered respecting the U.S. course in attacking the "privileged sanctuaries," some suggesting that our action encouraged Turkish moves over Cyprus.

On the other hand, some Republicans--and Democrats--remain critical of the Administration's restrained strategy in prosecuting the "war in Viet-Nam."

- 4 - Hopes that UN Security Council sessions might pave the way for conciliatory discussions have been dampened by Hanoi's refusal to participate; but advocates of neutralization still hope that the forceful action by the U.S. may incline the Communists to consider a "UN guaranteed military neutralization formula."

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The majority, however, continue to endorse the aim of "implementing the Geneva agreements," rather than summoning a new conference.

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American Opinion Summary

Department of State

136a

FOR U.S. GOVERNMENT USE

August 12, 1964

VIET-NAM

Influential and popular opinion this week continued to rally in support of President Johnson's "measured response" to the North Vietnamese provocation in the Gulf of Tonkin. In the voluminous discussion of the political, military and diplomatic moves made by the U.S., the following trends were prominent:

- 1 - American opinion remains ready to stand by U.S. commitments in Southeast Asia, whatever the cost.

Yet deep concern is voiced about the possibility of a "massive confrontation" with Red China, or about being "pushed" or "dragged" into a wider war by the pressures of the election campaign or the government in Saigon (Minneapolis Tribune, Milwaukee Journal, Walter Lippmann, Max Freedman, Christian Century).

- 2 - There are continuing reservations: (a) about the deeper U.S. involvement implicit in the strikes against the "privileged sanctuaries" of the North Vietnamese; (b) about the wide scope of authority delegated to the President in his "fight if we must" resolution; and (c) about the patrolling missions of U.S. destroyers.

Also, Republicans persist in their criticism of the administration for "not doing enough to win" in Viet-Nam, and insist that "Viet-Nam is going to be discussed" in the campaign.

- 3 - Hopes that UN Security Council sessions might pave the way for conciliatory discussions have been dampened by Hanoi's refusal to participate; but advocates of neutralization still hope that the forceful action by the U.S. may incline the Communists to consider a "UN guaranteed military neutralization formula."

The majority, however, continue to endorse the aim of "implementing the Geneva agreements," rather than summoning a new conference.

Public Opinion Studies Staff • Bureau of Public Affairs

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U.S. "Measured" Response The "measured and fitting" U.S. response to the challenge in the Gulf of Tonkin continues to receive widespread press and Congressional support, as well as popular endorsement, according to public opinion polls. At the same time, there are reservations about the course we are pursuing, as some see us moving "one step closer to total U.S. involvement" in a land war in Asia.

For a sizable segment of opinion, "the whole American position in Southeast Asia has been strengthened and wholesomely clarified by our response to the attacks of the North Vietnamese Communists on our destroyers" (Christian Science Monitor, San Francisco Chronicle, U.S. News & World Report, William S. White, Leo Monsky in N.Y. Journal-American, David Lawrence).

Others applauded the response as a demonstration of "both the ability of the U.S. to retaliate with devastating effect and its fundamental dedication to maintaining peace everywhere. The cause of peace may be saved better in the long run by showing a willingness to risk war now" (Chicago Sun-Times; similarly, Phila. Bulletin, N.Y. News, Cleveland Plain Dealer, Boston Herald, Hearst and Scripps-Howard papers, Providence Journal, Los Angeles Times, Cincinnati Enquirer, Louisville Courier-Journal, Minneapolis Star, Chicago News, Time, V.F.W.).

Popular Approval The trend of popular sentiment is similarly favorable, according to a Harris poll taken after the air strike against North Vietnamese PT boat bases. The Harris Survey reported: "Fully 85% of the American people stand solidly behind President Johnson's Viet-Nam action." Some gave support because "we can't let the Communists run over us" (19%), some because "there was no other choice" (15%), others because "it will save lives, win peace" (10%), or "we should have done it long ago" (8%). And only 3% opposed it on the ground that "it will lead to atom war."

A Gallup survey just prior to the Tonkin Gulf incidents found that 52% of a cross-section of the public felt the U.S. was "handling affairs in South Viet-Nam badly", while 38% said they were being handled "as well as could be expected." The Harris Survey findings were similar, but after Tonkin satisfaction with U.S. "handling of the situation" exceeded dissatisfaction in the ratio of 72 to 28.

Popular sentiment for "putting military pressure on North Viet-Nam" rose from 31% to 50% following the Tonkin action, according to

Harris. A "survey of Senate membership" by the Hearst Headline Service reported that 65% were in favor of striking at North Viet-Nam bases "if Communist aggression is repeated" (40%), or "if our military leadership so decides" (25%).

Congressional Debate on the "fight if we must" resolution, and
Resolution press discussion afterwards, indicated virtually
 unanimous agreement that the President's hand
must be upheld, and so must the prestige of the U.S. and its
commitments.

Republicans combined their endorsement of the resolution with barbs at the Administration, hoping that "it indicates an end to our policies of vacillation and compromise." Democrats supported it because of their confidence in the President's "prudence", though sometimes adding that "the use of limited American force may be necessary again" (Fulbright).

"Party lines cease to exist on issues affecting the national security of the U.S. and the free world," said Sen. Simpson (R-Wy.). "I support this resolution in the reverent hope it indicates an end of our policies of indecision and compromise." Sen. Pell (D-R.I.) asserted: "Not only is it important to stand behind our President when unity is above partisan debate, but I have confidence in his prudence and determination to avoid any unnecessary widening or escalation of military clashes."

Editors argued along the lines of the Washington Post: "This means of reasserting the national will follows sound precedents in other crises (e.g., Formosa Straits, Middle East, Cuba). None of these emergencies led to war. Rather, the firm action that this country took interrupted Communist maneuvers that might otherwise have led to war."

Some also took Sen. Morse to task for his "ill-advised" criticism of the President's actions and his refusal to "accept the fact of prolonged Communist aggression against Laos and South Viet-Nam" (Phila. Inquirer, Wash. Post, Kansas City Times, N.Y. News).

But the debate on the resolution showed considerable Congressional and press reservations about the growing U.S. involvement. The scope of authority now delegated to the President, some feared, would allow him to decide "on his own" to send American troops to fight a land war in Asia (Sens. Brewster, D-Md., Morton, R-Ky., Nelson, D-Wis., Fulbright, D-Ark., Wash. Star). It would also permit him to defend any SEATO ally, some concluded (Sens. Javits, Cooper; James Reston). The New York Times regretted that the resolution did not incorporate more of the temperate "no rashness, no wider war" language of the accompanying message from the President.

Several were not fully convinced that our naval ships were not actually backing up South Vietnamese coastal raids (Sens. McGovern D-S.D., Ellender, D-La., Minneapolis Tribune), or that it was really necessary, in carrying out our mission to exercise freedom of the seas, to patrol 11 miles off the North Viet-Nam coast to show that we do not recognize a 12-mile limit (Sen. Nelson, Providence Journal).

Crisis and Politics It is widely expected that Republican candidate Goldwater will maintain "constant and increasing pressure on the White House" to take whatever action might be needed to push the war in Viet Nam to an early conclusion (Karmin in Wall St. Journal, Max Freedman). Republican candidates for Congress have been advised by Sen. Morton (R-Ky.) and Richard Nixon not to shy away from Viet-Nam as a campaign issue.

This suits some editors "to a T". Said the New York News: "'Why not victory?' is a good campaign slogan, and we hope Sen. Goldwater will harp on it."

Senator Goldwater has indicated he believes Pres. Johnson has not gone far enough in his retaliatory air strikes against North Viet-Nam, but was vague about what should be done. Speaking before the National Association of Counties, he said the U.S. "must prosecute the war in Viet Nam with the object of ending it....Taking strong action simply to return to the status quo is not worthy of our sacrifices. We will not let our support today silence our basic criticism that the war in Viet Nam...is being fought under policies that obscure our purposes, confuse our allies, and encourage the enemy to prolong the fighting." But the Senator added: "This doesn't mean the use of military power alone. We have vast resources of economic, political and psychological power which have not even been tapped in our Vietnamese strategy."

Other advocates of more vigorous measures are Sens. Thurmond (D-S.C.) and Dodd (D-Conn.), and the American Security Council (in its Strategy Committee report).

Sen. Thurmond said the U.S. "should go into North Viet Nam and clean communism out of there. The sooner we resolve to invade North Viet Nam, the fewer American lives will be taken" (on Radio Press International). The American Security Council supported a recommendation by Sen. Dodd (one of its members) that South Vietnamese sea raiders attack North Viet Nam along its coastal borders. The Council further maintained that the U.S. "should give concrete evidence of our willingness to extend our 'war of liberation' into the enemy camp" in Southeast Asia. "The cheapest and quickest way to win the war in South Viet Nam would be

to cut off as a base of supply and sanctuary for the Vietcong either North Viet-Nam or the Communist-held sections of Laos."

According to the Wall St. Journal, "the thinking" of the American Security Council "closely parallels that of Sen. Goldwater. Neither the Council nor the Senator is advocating a war policy. They believe that a policy of victory without war requires a willingness to take seemingly greater risks. Since we are already at war in Viet Nam they would fight to win--thus risking Communist Chinese retaliation."

Christian Century, along with several others, counseled restraint on the part of Republicans and Democrats (e.g., Wash. Post, Milwaukee Journal), and hoped that President Johnson "will think twice before he indulges in a rivalry in brinkmanship. It will be a sad day for our country...if the presidency of the United States goes to the candidate who is most reckless in his deeds and his language."

Noting Sen. Goldwater's demand that the U.S. "prosecute the war in Viet-Nam with the object of ending it," the Washington Post stated: "The total unleashing of American power in Viet-Nam is an alluring prospect, but an illusory one. The U.S. has not embarked upon a military strategy involving the destruction of North Viet-Nam or the overthrow of China. What the U.S. wants is a free South Viet-Nam secure against the assaults of its neighbors."

Enigma of Mindful of the "lurking dangers" of even deeper U. S.
Red China involvement in Southeast Asia, some observers are debating the question of what further measures we are prepared to take if the Communists launch a massive land invasion of South Viet-Nam. Some are confident we could deter or crush such an aggression by our naval and air power; others see us inevitably involved on land with U.S. combat troops, perhaps using tactical atomic weapons. Still others think Red China is too weak economically to support any kind of major military enterprise against the U.S. in Southeast Asia (Blossat in Wash. News, Roscoe Drummond, Stanley Karnow in N.Y. Herald Tribune, Hearst military editor Dan Brigham, U. S. News & World Report).

The U.S. is embarked on a course of action that could "embroil us in an Asian holocaust", many agreed.

"If North Vietnam or China were to throw their military weight into Southeast Asia," said Newsweek, "the U.S. would be faced with some hard decisions. Pentagon contingency plans envision six to eight divisions would be needed to hold the Indochinese peninsula against

all-out Red attack. And even a limited commitment of regular troops would probably force the U.S. to take on some sort of combat role in an area where most U.S. policymakers are convinced the terrain favors guerrilla warfare, and would render the American big-army technique next to useless."

"Under the present circumstances, we could do no less than meet the attack in kind," a sizable number maintained (e.g., Providence Journal, Northern Virginia Sun, etc.). "If Red China wants war, we could be drawn in against our will," the St. Louis Post-Dispatch stated. "What happens next...depends on China," the Boston Herald agreed, "and China is still an enigma to us. If, as we hope, the Reds hold off and we avoid a wider war, we will still be confronted with an unstable power balance in the East. There will still be a need to understand our enemy better and open channels of communication to probe the enigma of this closed community" (similarly, Sen. Church, D-Id.)

William Hearst Jr. is confident that "our role in the Far East as an air and naval power of staggering proportions" is sufficient to "deter or crush any aggressor if the need arises." Frank Conniff concedes "we can never 'win' a war by sticking solely to aerial attack," but he suggests "this form of pressure may prove too costly for Hanoi and Peking and may lead to negotiations conducted from strength."

Others, however, held that only U.S. combat troops could throw back a ground attack of massive proportions. "Larger American ground forces may have to be landed," the Christian Science Monitor observed. And in that event, tactical nuclear weapons would have to be used to prevent "agonizingly high casualties" (Marguerite Higgins).

UN Role: Hanoi's refusal to accept the Soviet-inspired UN
Negotiation invitation places the Soviet Union "in the unhappy position of having prepared a party, only to find that the guest of honor refuses to attend," the N. Y. Herald Tribune and others noted (Balt. Sun, N.Y. Times, Phila. Bulletin, N.Y. Post). Hanoi's action "can be of benefit only to Peking," the Philadelphia Inquirer asserted. "As further evidence of the rivalry between Moscow and Peking this latest move is illuminating, but certainly not encouraging."

For these observers, the rejection showed that Hanoi is subservient to the policies and interests of Red China, "the final evidence" being Hanoi's demand that the Tonkin crisis be considered by the nations which participated in the 1954 Geneva conference. It also suggested to the

Herald Tribune that "North Viet-Nam simply does not have a case that would stand up under the quasi-judicial scrutiny of the Council" (also, Wash. Star).

Meanwhile, additional sources have applauded the President's decision to refer the Tonkin Gulf crisis to the UN (C. S. Monitor, St. Louis Post-Dispatch, N.Y. Post, Phila. Bulletin). "The UN may be able to make some headway," the Providence Journal speculated. "Now that the U.S. is demonstrating that it will not be driven from Southeast Asia," the New York Post and others added, "the Communists may be more inclined to discuss a UN guaranteed military neutralization formula" (Frank Conniff, Phila. Bulletin).

Several skeptics, however, held that "little or nothing can be expected of the UN as an organization...It has averted its eyes for years from the flagrant violation of its charter and of the Geneva accord of 1954 by the Communists in their campaign to take over South Viet-Nam and Laos," the Chicago Tribune asserted. "It was UN interference that kept us from winning the Korean war," said the New York News. "Let us resolve that neither the Security Council nor any other UN agency ever shall get its pea-pickin' fingers into our efforts to save Southeast Asia."

Supporters of a negotiated political settlement of the problems of Indochina hope the referral of the Tonkin Gulf crisis to the UN "will pave the way" for "conciliatory discussion" between the parties involved, with the UN playing a role in seeing that the agreement reached is carried out (St. Louis Post-Dispatch, N. Y. Post). "Peace will not come by military means. It will have to come at the conference table," Senators Morse and Gruening insisted.

Several shared the view of Sen. Nelson that, "having made our firmness unmistakably clear, it would be equally fitting at this time to make it clear that we do not fear to negotiate...that if negotiation and diplomacy can achieve the objectives of peace and freedom, this Nation is more than willing to 'walk the last mile' in search of a peaceful settlement" (also, N.Y. Times, Walter Lippmann, Sen. McGovern).

"Perhaps U Thant is right in his belief that the Security Council is not the place to bring about a settlement now," the St. Louis Post-Dispatch conceded. "But discussion in the Council could lead to openings. A negotiated settlement is the only possible conclusion to the Indochina struggle, and if the war can be held within bounds a little longer, a way to accomplish that may present itself."

But some are convinced "there is little to be hoped for from negotiation, even after the sharp lesson delivered by the 7th Fleet" (N.Y. Herald Tribune). "There is the best of reasons for refusing to let Hanoi or Peking shoot their way to the conference table," Max Freedman stressed. "Any conference begun under such auspices has no chance of producing a settlement acceptable to the U.S., to South Viet Nam, and to our other friends in Asia" (similarly, Oklahoma City Oklahoman). "We cannot negotiate the wanton violation of solemn treaty agreements," the Atlanta Constitution stressed.

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Mission Report

INCOMING TELEGRAM *Department of State*

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Action

SS

Info

CONTROL: 7432
RECD: AUGUST 10, 10:07 AM

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

SECTION ONE OF FOUR

DATE: AUGUST 10, 9 PM

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E X D I S

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

THIS IS A US MISSION REPORT.

Your orders
(attached)

THE FOLLOWING SITUATION REPORT BASED ON A COMBINATION OF JUNE AND JULY DATA IS SUBMITTED IN COMPLIANCE WITH DEPTELS 108 AND 270. BECAUSE OF THE DISRUPTIVE EFFECT OF THE TWO COUPS ON THE OPERATIONS OF THE GVN AND THE INVALIDATION OF MUCH OF THE DATA BASE USED TO MEASURE PROGRESS IN THE EARLIER MONTHS (E.G., THE STATUS OF FORTIFIED HAMLET PROGRAM), IT IS VIRTUALLY IMPOSSIBLE TO MEASURE THE PRESENT SITUATION AGAINST THAT EXISTING FAR ENOUGH IN THE PAST TO PROVIDE A MEANINGFUL COMPARISON. IT IS HOPED THAT THE PRESENT REPORT WILL SERVE AS A BASELINE FROM WHICH TO MEASURE PROGRESS IN FUTURE MONTHS.

THIS IS THE FIRST SITUATION REPORT IN WHICH ESTIMATES OF SUCH FACTORS AS ARMY AND PUBLIC MORALE, COMBAT EFFECTIVENESS OF MILITARY UNITS, US ADVISOR-GVN COUNTERPART RELATIONSHIPS, AND EFFECTIVENESS OF GVN OFFICIALS HAVE BEEN BASED LARGELY ON A COUNTRY-WIDE CANVASS OF THE VIEWS OF THE RESPONSIBLE US ADVISORS AND OBSERVERS. BY REPEATING THIS PROCEDURE ON A MONTHLY SCHEDULE, WE HOPE TO DEVELOP A MORE RELIABLE BASIS FOR REPORTING ON THESE IMPORTANT FACTORS WHICH IN THE PAST HAVE HAD NO YARDSTICK FOR MEASUREMENT.

IN THIS FIRST SAMPLING OF ADVISOR OPINION, WE HAVE BEEN SURPRISED BY ITS OPTIMISM WHICH, GENERALLY *SPEAKING*, HAS EXCEEDED THAT OF MOST SENIOR US OFFICIALS IN SAIGON. IT WILL REQUIRE SOME TIME TO DETERMINE WHERE THE RIGHT LIES --IT MAY BE ONLY ANOTHER ILLUSTRATION THAT THE FRONT LINE MORALE IS USUALLY BETTER THAN THAT OF THE COMMAND POST.

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By isw, NARS, Date 11-9-82

~~SECRET~~

-2- 377, August 10, 9 P.M., From Saigon (SECTION ONE OF FOUR)

WHERE POSSIBLE, WE HAVE INDICATED WHERE WE HOPE TO BE IN OUR PROGRAMS AT YEAR END. THERE IS LITTLE SCIENTIFIC IN THESE PROJECTIONS WHICH MERELY INDICATE GOALS WHICH, IF VIGOROUSLY PURSUED IN A REASONABLY STABLE POLITICAL ENVIRONMENT, APPEAR FEASIBLE OF ATTAINMENT.

INTRODUCTION

THE COMMUNIST ~~STRATEGY~~ IN THE THEIR CONTINUING EFFORT TO TAKE OVER SOUTH VIET NAM HAS BEEN CLEARLY DEFINED BY NORTH VIETNAMESE LEADERS BOTH IN THE HANOI REGIME AND IN THE PUPPET NATIONAL LIBERATION FRONT. IT IS NOT THEIR PURPOSE TO ATTEMPT TO DEFEAT THE SUPERIOR REPUBLIC OF VIET NAM MILITARY FORCES IN THE FIELD OR TO SEIZE AND CONQUER TERRITORY BY MILITARY MEANS. INSTEAD, IT IS THEIR ANNOUNCED INTENTION TO HWRRASS, ERODE ANDW TERRORIZE THE POPULATION AND ITS LEADERSHIP INTO A STATE OF SUCH DEMORALIZATIOF THAT A POLITICAL SETTLEMENT FAVORABLE TO THE COMMUNISTS WILL ENSUE. THEY PROPOSE TO ACHIEVE THIS POLITICAL OBJECTIVE BY STAGES, PASSING FIRST THROUGH "NEUTRALISM", USING THE LIBERATION FRONT MACHINERY, AND THE TECHNIQUE OF A COALITION GOVERNMENT. IT IS AGAINST THIS GOAL ~~THAT~~ WE SHOULD MEASURE US-GVN PROGRESS.

FACED WITH THIS KIND OF CHALLENGE, THE KHANH GOVERNMENT IS CALLED UPON TO EXECUTE AN EXTREMELY COMPLEX BODY OF PROGRAMS INVOLVING NOT ONLY MILITARY ACTIONS, BUT ALSO SOCIAL, ECONOMIC, PSYCHOLOGICAL AND, ABOVE ALL, ADMINISTRATIVE MEASURES OF A HIGHLY SOPHISTICATED NATURE. THE ABILITY OF THE GVN TO RISE TO THIS LEVEL OF PERFORMANCE IS THE PRIME DETERMINANT OF THE UNFOLDING SITUATION IN SOUTH VIET NAM. FOR THIS REASON, AND IN SPITE OF THE DIFFICULTY IN DISCUSSING THE SITUATION IN NEAT CATEGORIES, WE PRESENT OUR EVALUATION IN THE FOLLOWING ORDER: POLITICAL-ECONOMIC, MILITARY, OVERALL.

GP-1

TAYLOR

NOTE: PASSED WHITE HOUSE, DOD, CIA 11:45 A.M., 8-10-64.
ADVANCED DELIVERY TO S/S-O AT 10:35 A.M., 8-10-64.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

31

Action

SS

Info

~~SECRET~~

CONTROL: 7480

RECD: AUG 10, 10:47 A.M.

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

003

DATE: AUG 10, 9 P.M. (SECTION TWO OF FOUR)

~~SECRET~~

EXDIS

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

POLITICAL EVALUATION

AS INDICATED ABOVE, THE MOST IMPORTANT AND MOST INTRACTABLE INTERNAL PROBLEM OF SOUTH VIET NAM IN MEETING THE VIET CONG THREAT IS THE POLITICAL STRUCTURE AT THE NATIONAL LEVEL. THE BEST THING THAT CAN BE SAID ABOUT THE PRESENT KHANH GOVERNMENT IS THAT IT HAS LASTED SIX MONTHS AND HAS ABOUT A 50-50 CHANCE OF LASTING OUT THE YEAR ALTHOUGH PROBABLY NOT WITHOUT SOME CHANGED FACES IN THE CABINET. ALTHOUGH OPPOSED BY MINH AND RESISTED LESS OPENLY BY DAI VIET SYMPATHIZERS AMONG THE MILITARY, PRIME MINISTER KHANH SEEMS FOR THE TIME BEING TO HAVE THE NECESSARY MILITARY SUPPORT TO REMAIN IN POWER. HOWEVER, IT IS AN INEFFECTIVE GOVERNMENT BESET BY INEXPERIENCED MINISTERS WHO ARE ALSO JEALOUS AND SUSPICIOUS OF EACH OTHER. KHANH DOES NOT HAVE CONFIDENCE OR TRUST IN MOST OF THEM AND HAS NOT BEEN ABLE TO WELD THEM INTO A GROUP WITH A COMMON LOYALTY AND PURPOSE. HOWEVER, THERE IS NO ONE IN SIGHT WHO COULD DO BETTER THAN KHANH IN THE FACE OF THE MANY DIFFICULTIES WHICH WOULD FACE ANY HEAD OF GOVERNMENT.

ON THE SIDE OF POSITIVE ACHIEVEMENT, KHANH SEEMS TO HAVE ALLAYED THE FRICTION BETWEEN BUDDHISTS AND CATHOLICS AT LEAST FOR THE MOMENT, HAS WON THE COOPERATION OF THE HOA HAO AND CAO DAI, AND HAS RESPONDED TO OUR SUGGESTIONS FOR IMPROVED RELATIONS BETWEEN THE GVN AND US MISSION.

THE ATTITUDE OF THE PEOPLE TOWARD THE KHANH GOVERNMENT, MOSTLY CONFUSED AND APATHETIC SINCE ITS INCEPTION, IS ONLY SLIGHTLY MORE FAVORABLE THAN A FEW MONTHS AGO, DESPITE CONSIDERABLE

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-2- 377, August 10, 9 P.M., (SECTION TWO OF FOUR) From Saigon

EFFORTS, KHANH HAS NOT SECCEDED IN BUILDING ANY SUBSTANTIAL BODY OF ACTIVE POPULAR SUPPORT IN SAIGON. IN THE COUNTRYSIDE, US EMBASSY PROVINCIAL REPORTERS INDICATE THAT SUPPORT EXISTS FOR THE GVN IN DIRECT PROPORTION TO THE DEGREE OF SECURITY ESTABLISHED BY GOVERNMENT FORCES. TYERE ARE GROUNDS TO CONCLUDE THAT NO SOPHISTICATED PSYCHOLOGICAL APPROACH IS REQUIRED AT THIS STAGE TO ATTRACT THE COUNTRY PEOPLE TO THE KHANH GOVERNMENT--THE ASSURANCE OF A REASONABLY SECURE LIFE IS ABOUT ALL THAT IS NECESSARY.

THE INTRIGUING INSIDE HIS GOVERNMENT AND THE ABSENCE OF DRAMATI MILITARY OR POLITICAL SUCCESSES REACT UPON KHANH WHO IS INCLINED TO BE MOODY AND OCCASIONALLY SUBJECT TO FITS OF DESPONDENCY. SEEING THE SLOW COURSE OF THE COUNTERINSURGENCY CAMPAIGN AND FRUSTRATED BY THE WEAKNESS OF HIS GOVERNMENT, KHANH HAS TURNED TO THE "MARCH NORTH" THEME TO UNIFY THE HOME FRONT AND TO OFFSET THE WAR-WEARINESS WHICH HE ASSERTS IS OPPRESSING HIS PEOPLE AND HIS ARMED FORCES. US OBSERVERS, IN ASSESSING THE SYMPTOMS OF WAR-WEARINESS AND OF THE BAD MILITARY MORALE WHICH KHANH REPORTS, ARE INCLINED TO FEEL THAT THE SYMPTOMS OF DEFEATISM ARE MORE IN THE MINDS OF THE INEXPERIENCED AND UNTRIED LEADERSHIP IN SAP ON THAN IN THE PEOPLE AND THE ARMY.

KHANH'S STATE OF MIND WILL BE AN IMPORTANT FACTOR IN THE FUTURE CONDUCT OF THE WAR AND IN HIS RELATIONS WITH THE REPRESENTATIVES OF US POLICY. HE AND MANY OF HIS COLLEAGUES ARE FINDING IT VERY DIFFICULT TO FACE UP TO THE LONG HRS OF SLOW HARD SLUGGING WHICH IS ALL THEY SEE AHEAD UNDER THE PRESENT RULE OF OPERATIONAL CONDUCT. WHILE THEY RECEIVED A DRAMATIC LIFT FROM OUR AUGUST 5 ACTION AGAINST NORTH VIET NAM, ITS VERY SUCCESS MAY WHET THEIR DESIRE FOR POSITIVE ACTION AGAINST THE NORTH PARTICULARLY IF THE SITUATION TENDS TO SUBSIDE AGAIN INTO THE DOLDRUMS OF CONTINUED VIET CONG INCIDENTS AND INDECISIVE BLOODSHED. IN THE COMING MONTHS, WE MAY EXPECT TO FACE MOUNTING PRESSURES FROM THE GVN TO WIN THE WAR BY DIRECT ATTACK ON HANOCHN WHICH, IF RESISTED, WILL CREATE FRICTIONS AND IRRITATIONS WHICH COULD LEAD LOCAL POLITICANS TO SERIOUS CONSIDERATION OF A NEGOTIATED SOLUTION OR LOCAL SOLDIERS TO A MILITARY ADVENTURE WITHOUT US CONSENT.

TAYLOR
BT

NOTE: Advance copy to S/S-0 August 10 at 12:10 p.m.
Passed White House, DOD, CIA at 12:25 p.m.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

~~SECRET~~

51
Action CONTROL: 7490
RECD: AUGUST 10, 1964, 2:42 P.M.

SS
FROM: SAIGON

Info ACTION: SECSTATE (377) PRIORITY

DATE: AUGUST 10, 9 P.M. (SECTION THREE OF FIVE)

005

~~SECRET~~

E X D I S

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

THE ECONOMIC PROBLEMS OF SVN HAVE THUS FAR APPEARED TO BE OF SECOND ORDER IMPORTANCE. PRICE ARE STABLE AND INFLATION IS UNDER CONTROL. INDUSTRIAL INVESTMENT CONTINUES TO BE INSIGNIFICANT ALTHOUGH THERE HAS BEEN SOME RECENT RISE. INDUSTRIAL PRODUCTION, THOUGH SMALL, HAS RISEN STEADILY FROM 140 PERCENT OF THE 1962 LEVEL ON APRIL 1 TO 143 PERCENT ON JULY 31 AND IS PROJECTED AT 150 PERCENT AT THE END OF THE YEAR, A 30 PERCENT RISE OVER 1963. EXPORTS ARE OFF THIS YEAR SO THAT ANY RISE IN CAPITAL GOODS IMPORTS WOULD, IF NOT COVERED BY US ASSISTANCE, LEAD TO A MAJOR BALANCE-OF-PAYMENTS PROBLEM. FOR A VARIETY OF FACTORS, ONE OF WHICH IN UNCERTAINTY AS TO THE GOVERNMENT'S ATTITUDE TOWARD THE CHINESE COMMUNITY, THE BLACK MARKET RATE OF THE PIASTER HAD DROPPED TO 135-40 TO THE DOLLAR (LEGAL RATE: 72 PIASTERS). A MORE PENETRATING SCRUTINY, HOWEVER, MAY INDICATE CERTAIN BASIC WEAKNESSES IN THE ECONOMIC POLICY AND OPERATION OF THE GVN. THE TAX STRUCTURE, IMPORT POLICY AND OPERATION OF THE GVN. THE TAX STRUCTURE, IMPORT POLICY AND THE PRESENT MULTIPLE EXCHANGE RATE SYSTEM MAY BE ACTING AS DRAGS BOTH ON THE COMPETENCE AND EFFECTIVENESS OF GOVERNMENTAL ADMINISTRATION AND THE PROPER USE OF TOTAL RESOURCES IN THE PROSECUTION OF THE WAR AGAINST COMMUNIST AGGRESSION. USOM IS EXAMINING THESE PROBLEMS IN DEPTH AND WILL SUBMIT ITS FINDINGS FOR MISSION COUNCIL CONSIDERATION.

BOTH POLITICAL AND ECONOMIC FACTORS PLAY AN IMPORTANT PART IN THE COUNTER VC PACIFICATION PROGRAM. AS THE ARMED FORCES CLEAR THE IDENTIFIED VC FORCES FROM AN AREA, IT IS ESSENTIAL TO FOLLOW UP QUICKLY WITH REPRESENTATIVES OF THE CIVILIAN MINISTRIES OF THE GOVERNMENT REPRESENTING POLICE, EDUCATION, PUBLIC WORKS, INTERIOR, INFORMATION, RURAL AFFAIRS, HEALTH AND FINANCE. IT IS THE TASK OF THE UNITED STATES OPERATIONS MISSION (USOM) AND THE UNITED STATES INFORMATION SERVICE (USIS) TO ENERGIZE THESE FORCES OF GOVERNMENT AND TO MESH THEIR CONTRIBUTION IN THE PROVINCES

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-2- 377, AUGUST 10, 9 PM, FROM SAIGON (SECTION THREE OF FIVE)

WITH THE MILITARY PACIFICATION EFFORT. THIS TASK IS PROVING TO BE A MOST DIFFICULT ONE PRIMARILY BECAUSE OF THE INEFFICIENCY OF THE MINISTRIES, THEIR INEPTITUDE IN PLANNING AND THEIR GENERAL LACK OF SPIRIT OF TEAM PLAY. TO STEP UP THE JOB, USOM HAS STRENGTHENED ITS PROVINCIAL REPRESENTATION FROM 45 IN MARCH TO 64 IN JULY BUT THE NUMBER OF AMERICANS IS STILL INSUFFICIENT. A YEAR END OBJECTIVE HAS BEEN ESTABLISHED OF TWO AMERICANS IN ALL PROVINCES, OFTEN REINFORCED WITH A THIRD PUBLIC SAFETY OFFICER. USIS HAS 16 AMERICAN PERSONNEL THE FIELD AND EXPECTS TO REMAIN AT ABOUT THAT STRENGTH.

ON THE GOVERNMENT SIDE, PROVINCIAL AND DISTRICT ADMINISTRATION IS IN THE HANDS OF INEXPERIENCED JUNIOR OFFICER OPERATING UNDER THE POLICY AND FISCAL SUPERVISION OF REMOTE, POORLY STAFFED CIVILIAN MINISTRIES IN SAIGON. IN SPITE OF THIS UNPROMISING BACKGROUND, US OBSERVERS REPORTED IN JULY THAT IN ABOUT THREE-FOURTHS OF THE PROVINCES THE GVN PROVINCIAL AND DISTRICT OFFICIALS WERE PERFORMING EFFECTIVELY; ALSO THAT IN GENERAL THEY WERE WORKING WELL WITH THEIR US COUNTERPARTS. THIS SITUATION IS INDICATIVE OF PROGRESS SINCE THE GOVERNMENTAL UPHEAVALS AT THE TIME OF THE COUP, BUT THERE IS STILL MUCH TO BE DONE TO BRING THE CIVIL CAPABILITIES OF THE GOVERNMENT ABREAST OF ITS MILITARY.

TAYLOR

ADVANCE COPY TO S/S-O 8/10/64-330PM
PASSED WHITE HOUSE, DOD, CIA 8/10/64-330PM

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INCOMING TELEGRAM *Department of State*

31

Action

SS

Info

CONTROL: 7516
RECD: AUG 10, 11:38 A.M.

~~SECRET~~

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

DATE: AUG 10, 9 P.M. (SECTION FOUR OF FIVE)

003

~~SECRET~~

E X D I S

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

AS A MAJOR VEHICLE FOR ACHIEVING THE IMPROVEMENTS WHICH WE SEEK, THE US MISSION, WORKING JOINTLY WITH THE GVN, HAS DEVELOPED A SIGNIFICANT PACIFICATION PLAN (WHICH HAS BEEN GIVEN THE NAME HOPTAC) BUILDING OUTWARD FROM THE "OILSPOT" URBAN CENTER OF SAIGON-CHOLON. NOT ONLY IS THIS AREA OF PARAMOUNT STRATEGIC IMPORTANCE BOTH POLITICALLY AND MILITARILY, BUT, IN ITS BROADEST EXTENSION, IT CONTAINS 40 PERCENT OF THE NATION'S POPULATION, ALMOST ALL OF ITS LIMITED INDUSTRY, AND ITS CENTERS OF SOCIAL AND POLITICAL POWER. IN GRAPPLING WITH TANGIBLE PROBLEMS OF THIS PLAN, WE HOPE TO INDUCE THE VIETNAMESE (A) TO WORK TOGETHER BETTER AS A FUNCTIONING GOVERNMENT, (B) TO BUILD BOTH THEIR URBAN AREAS AND THE OUTLYING RURAL AREAS TOWARDS A SOUNDER ADMINISTRATIVE, SOCIAL AND ECONOMIC REALITY, AND (C) FINALLY TO ACHIEVE SOME PRAGMATIC MILITARY SUCCESSES WHICH WILL BOLSTER THEIR MORALE, ENGAGE THE ENERGIES OF THEIR BEST QUALIFIED PEOPLE, AND DRIVE THE VIET CONG EFFECTIVELY AWAY FROM THE NATION'S HEARTLAND.

THE US MISSION HAS RECOGNIZED IN ITS INFORMATION AND PSYCHOLOGICAL PROGRAMS THE NEED TO PRESENT THE KHANH GOVERNMENT IN ITS MOST FAVORABLE LIGHT AT HOME AND ABROAD, PARTICULARLY IN THE UNITED STATES. WE OBTAINING A MORE BALANCED AND WIDER MEDIA COVERAGE BY IMPROVING FACILITIES FOR THE PRESS BY INVITING FOREIGN MEDIA REPRESENTATIVES TO VIET NAM AND BY HELPING THE KHANH GOVERNMENT TO IMPROVE ITS PRESS RELATIONS. OUR OWN EFFECTIVENESS BOTH IN THE PRESS AND PSYCHOLOGICAL FIELDS HAS BEEN INCREASED BY PLACING COORDINATION RESPONSIBILITY FOR ALL US ASSETS IN THE DIRECTOR, USIS.

WE ARE ALWAYS IMPRESSED WITH THE NEED TO IMPROVE OUR INTELLIGENCE ON THE ENEMY. THE LEVEL OF COMPETENCE AMONG

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-2- 377, AUGUST 10, 9 P.M., (SECTION FOUR OF FIVE) FROM SAIGON.

VIETNAMESE PERSONNEL, BOTH MILITARY AND CIVILIAN, LEAVES MUCH TO BE DESIRED. IN BOTH CATEGORIES, WE HAVE UNDERWAY EXTENSIVE PROGRAMS FOR IMPROVEMENT PARTICULARLY IN THE AREA OF WAR INTERROGATION WHERE WE EXPECT TO TRIPLE THE VIETNAMESE CAPABILITY BY THE END OF THE YEAR.

MILITARY EVALUATION

THE MILITARY ASPECTS OF THE COUNTERINSURGENCY CAMPAIGN IN SVN ARE SHOWING SIGNS OF SLOW IMPROVEMENT SINCE THE PERIOD OF DETERIORATION WHICH FOLLOWED THE TWO COUPS IN NOVEMBER 1963 AND JANUARY 1964. THE PERSONNEL STRENGTH OF THE ARMED FORCES OF SVN AS WELL AS OF THE PARAMILITARY FORCES (REGIONAL FORCES AND POPULAR FORCES) IS SLOWLY RISING AND BY JANUARY 1965 SHOULD REACH ABOUT 98 PERCENT OF THE TARGET YEAR AND STRENGTH OF 446,000. THE DESERTION RATE OF THE ARMY HAS CURRENTLY DROPPED TO ABOUT 5.72 PERCENT OR HALF OF THE RATE OF LAST MARCH. IN SPITE OF UNOFFICIAL REPORTS OF BAD MORALE, ONLY ONE UNIT IN THE ARMY, AND INFANTRY REGIMENT ON A STATIC SECURITY MISSION, IS CONSIDERED BY THE RESPONSIBLE US ADVISORS TO HAVE UNSATISFACTORY MORALS.

THE REEQUIPPING OF THE VNAF WITH THE A 1 H AIRCRAFT IS ON SCHEDULE SO THAT THREE SQUADRONS WILL BE COMBAT READY BY 30 SEPTEMBER 1964 AND A FOURTH BY 1 DECEMBER 1964. THE PILOT TRAINING PROGRAM DIRECTED AT ATTAINING A TWO-PILOT-TO-ONE-AIRCRAFT RATIO SHOULD REACH THAT GOAL BY YEAR END.

IN THE VIEW OF US ADVISORS, MORE THAN 90 PERCENT OF THE BATTALIONS OF THE ARMY ARE AT LEAST marginally effective. TWO OUT OF THIRTY REGIMENTS, ONE OUT OF 101 BATTALIONS (INFANTRY, MARINE, AIRBORNE),

TAYLOR

JHW/3

NOTE: THIS IS SECTION FOUR OF FIVE.

NOTE: PASSED WHITE HOUSE, DOD, CIA, 2:25 P.M., 8/10/64;
ADVANCE COPY TO S/S-O, 2:10 P.M., 8/10/64.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

31

Action

55

Info

~~SECRET~~

CONTROL: 7548

RECD: AUG 10, 11:59 A.M.

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

DATE: AUG 10, 9 P.M. (SECTION FIVE OF FIVE)

002

~~SECRET~~

EXDIS

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

THREE OUT OF TWENTY RANGER BATTALIONS AND ONE OUT OF 20 ENGINEER BATTALIONS ARE RATED AS NOT COMBAT EFFECTIVE. THE PRINCIPAL DEFECTS THROUGHOUT THE ARMY ARE LOW PRESENT-FOR-DUTY STRENGTHS AND WEAK LEADERSHIP AT THE LEVEL OF JUNIOR OFFICERS AND NCO'S.

IN GENERAL, IT IS BELIEVED THAT THE WEAKNESS IN THE MILITARY FORCE HAVE BEEN IDENTIFIED AND ARE RECEIVING CORRECTIVE TREATMENT. THE RECENTLY AUTHORIZED INCREASE IN US ADVISOR STRENGTH SHOULD ASSURE INCREASED PROGRESS THROUGHOUT THE REST OF THE YEAR IN IMPROVING THE PERFORMANCE OF THE MILITARY FORCES OF ALL CATEGORIES.

AGAINST THIS IMPROVEMENT ON THE SIDE OF THE GVN, ONE MUST TAKE INTO ACCOUNT THE ACCEPTED ESTIMATE IN MAIN AND LOCAL FORCE VC STRENGTH OF AT BETWEEN 28-34,000, IN CONTRAST WITH 23-27,000 ESTIMATED ACCEPTED PRIOR TO JULY 1964. IN TERMS OF EQUIPMENT AND TRAINING, THE VC ARE BETTER ARMED AND LED TODAY THAN EVER IN THE PAST. INFILTRATION CONTINUES BOTH FROM LAOS AND CAMBODIA AND THERE IS NO INDICATION THAT THE VC ARE HAVING DIFFICULTY IN REPLACING THEIR LOSSES IN MEN AND EQUIPMENT. HOWEVER, THERE IS NO REASON TO BELIEVE THAT IN THE COMING MONTHS THEY WILL WISH TO RISK THEIR PAST GAINS IN AN OVERT MILITARY CONFRONTATION WITH GVN FORCES ALTHOUGH THEY KEEP A SIZEABLE UNUSED FORCE IN THE CENTRAL HIGHLANDS WITH CONSIDERABLE OFFENSIVE CAPABILITY. FINALLY, THEY HAVE UNUSED DIRTY TRICKS IN THEIR BAG SUCH AS THE MINING OF THE SAIGON RIVER, SABOTAGE OF POL STOCKS AND TERROIST ATTACKS ON CIVILIAN COMMUNITIES AND US DEPENDENTS.

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-2- 377, AUGUST 10, 9 PM, FROM SAIGON (SEC FIVE OF FIVE)

OVERALL FORECAST

IN EARLY JULY, THE PERCENTAGES OF THE RURAL AND COMBINED RURAL AND URBAN POPULATIONS UNDER GOVERNMENTAL CONTROL, VC CONTROL AND CONTESTED WERE AS FOLLOWS:

RURAL		RURAL AND URBAN
GVN CONTROL	33 PERCENT	40 PERCENT
VC CONTROL	20 PERCENT	18 PERCENT
CONTESTED	47 PERCENT	42 PERCENT

BY YEAR END, ASSUMING NO FURTHER POLITICAL UPHEAVALS, THE FOLLOWING PERCENTAGES SHOULD BE ATTAINABLE:

RURAL		RURAL AND URBAN
GVN CONTROL	40 PERCENT	47 PERCENT
VC CONTROL	16 PERCENT	14 PERCENT
CONTESTED	44 PERCENT	39 PERCENT

THIS CHANGE IN PERCENTAGES, IF ACHIEVED, WILL REPRESENT MODEST PROGRESS TOWARD STABILIZING THE IN-COUNTRY SITUATION. IT WILL NOT REPRESENT A DRAMATIC ADVANCE TOWARD CUTTING DOWN THE VC TO SIZE, STOPPING INFILTRATION OR JUSTIFYING A FORECAST OF FINAL SUCCESS. IT IS NOT LIKELY TO BE ENOUGH TO INDUCE GENERAL KHANH TO GIVE UP HIS CAMPAIGN IN FAVOR OF ATTACKING NVN OR TO CONVINCE HANOI TO GIVE UP THE CONTEST IN SOUTH VIET NAM.

IN THE LIGHT OF THE FOREGOING CONSIDERATIONS, IT IS FELT THAT THE US EFFORTS SHOULD FOCUS ON THE FOLLOWING ACTIONS DURING THE COMING MONTHS:

- A. DO EVERYTHING POSSIBLE TO BOLSTER THE KHANH GOVERNMENT.
- B. IMPROVE THE IN-COUNTRY PACIFICATION CAMPAIGN AGAINST THE VC BY CONCENTRATING EFFORTS ON STRATEGICALLY IMPORTANT AREAS SUCH AS THE PROVINCES AROUND SAIGON (THE HOPTAC PLAN).
- C. UNDERTAKE "SHOW-WINDOW" SOCIAL AND ECONOMIC PROJECTS IN SECURE URBAN AND RURAL AREAS.
- D. BE PREPARED TO IMPLEMENT CONTINGENCY PLANS AGAINST NORTH VIET NAM WITH OPTIMUM READINESS BY JANUARY 1, 1965.
- E. KEEP THE US PUBLIC INFORMED OF WHAT WE ARE DOING AND WHY.

TAYLOR

GP-1

NOTE: ADVANCE DELIVERY TO S/S-O AT 2:15 PM, 8/10/64.
PASSED WHITE HOUSE, DOD, CIA AT 2:45 PM, 8/10/64.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

✓ 138

Thompson

31

Action

SS

Info

CONTROL: 7432
RECD: AUGUST 10, 10:07 AM

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

SECTION ONE OF FIVE
~~FOUR~~

DATE: AUGUST 10, 9 PM

002

~~SECRET~~

E X D I S

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

THIS IS A US MISSION REPORT.

DECLASSIFIED

Authority NLS 82-220

By ica/ip, NARA, Date 4-22-96

THE FOLLOWING SITUATION REPORT BASED ON A COMBINATION OF JUNE AND JULY DATA IS SUBMITTED IN COMPLIANCE WITH DEPTELS 108 AND 270. BECAUSE OF THE DISRUPTIVE EFFECT OF THE TWO COUPS ON THE OPERATIONS OF THE GVN AND THE INVALIDATION OF MUCH OF THE DATA BASE USED TO MEASURE PROGRESS IN THE EARLIER MONTHS (E.G., THE STATUS OF FORTIFIED HAMLET PROGRAM), IT IS VIRTUALLY IMPOSSIBLE TO MEASURE THE PRESENT SITUATION AGAINST THAT EXISTING FAR ENOUGH IN THE PAST TO PROVIDE A MEANINGFUL COMPARISON. IT IS HOPED THAT THE PRESENT REPORT WILL SERVE AS A BASELINE FROM WHICH TO MEASURE PROGRESS IN FUTURE MONTHS.

THIS IS THE FIRST SITUATION REPORT IN WHICH ESTIMATES OF SUCH FACTORS AS ARMY AND PUBLIC MORALE, COMBAT EFFECTIVENESS OF MILITARY UNITS, US ADVISOR-GVN COUNTERPART RELATIONSHIPS, AND EFFECTIVENESS OF GVN OFFICIALS HAVE BEEN BASED LARGELY ON A COUNTRY-WIDE CANVASS OF THE VIEWS OF THE RESPONSIBLE US ADVISORS AND OBSERVERS. BY REPEATING THIS PROCEDURE ON A MONTHLY SCHEDULE, WE HOPE TO DEVELOP A MORE RELIABLE BASIS FOR REPORTING ON THESE IMPORTANT FACTORS WHICH IN THE PAST HAVE HAD NO YARDSTICK FOR MEASUREMENT.

IN THIS FIRST SAMPLING OF ADVISOR OPINION, WE HAVE BEEN SURPRISED BY ITS OPTIMISM WHICH, GENERALLY *SPEAKING*, HAS EXCEEDED THAT OF MOST SENIOR US OFFICIALS IN SAIGON. IT WILL REQUIRE SOME TIME TO DETERMINE WHERE THE RIGHT LIES --IT MAY BE ONLY ANOTHER ILLUSTRATION THAT THE FRONT LINE MORALE IS USUALLY BETTER THAN THAT OF THE COMMAND POST.

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-2- 377, August 10, 9 P.M., From Saigon (SECTION ONE OF FOUR)

WHERE POSSIBLE, WE HAVE INDICATED WHERE WE HOPE TO BE IN OUR PROGRAMS AT YEAR END. THERE IS LITTLE SCIENTIFIC IN THESE PROJECTIONS WHICH MERELY INDICATE GOALS WHICH, IF VIGOROUSLY PURSUED IN A REASONABLY STABLE POLITICAL ENVIRONMENT, APPEAR FEASIBLE OF ATTAINMENT.

INTRODUCTION

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GP-1

TAYLOR

NOTE: PASSED WHITE HOUSE, DOD, CIA 11:45 A.M., 8-10-64.
ADVANCED DELIVERY TO S/S-O AT 10:35 A.M., 8-10-64.

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INCOMING TELEGRAM *Department of State*

31

Action

SS

Info

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CONTROL: 7480

RECD: AUG 10, 10:47 A.M.

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

DATE: AUG 10, 9 P.M. (SECTION TWO OF FOUR)

002

~~SECRET~~

EXDIS

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

POLITICAL EVALUATION

AS INDICATED ABOVE, THE MOST IMPORTANT AND MOST INTRACTABLE INTERNAL PROBLEM OF SOUTH VIET NAM IN MEETING THE VIET CONG THREAT IS THE POLITICAL STRUCTURE AT THE NATIONAL LEVEL. THE BEST THING THAT CAN BE SAID ABOUT THE PRESENT KHANH GOVERNMENT IS THAT IT HAS LASTED SIX MONTHS AND HAS ABOUT A 50-50 CHANCE OF LASTING OUT THE YEAR ALTHOUGH PROBABLY NOT WITHOUT SOME CHANGED FACES IN THE CABINET. ALTHOUGH OPPOSED BY MINH AND RESISTED LESS OPENLY BY DAI VIET SYMPATHIZERS AMONG THE MILITARY, PRIME MINISTER KHANH SEEMS FOR THE TIME BEING TO HAVE THE NECESSARY MILITARY SUPPORT TO REMAIN IN POWER. HOWEVER, IT IS AN INEFFECTIVE GOVERNMENT BESET BY INEXPERIENCED MINISTERS WHO ARE ALSO JEALOUS AND SUSPICIOUS OF EACH OTHER. KHANH DOES NOT HAVE CONFIDENCE OR TRUST IN MOST OF THEM AND HAS NOT BEEN ABLE TO WELD THEM INTO A GROUP WITH A COMMON LOYALTY AND PURPOSE. HOWEVER, THERE IS NO ONE IN SIGHT WHO COULD DO BETTER THAN KHANH IN THE FACE OF THE MANY DIFFICULTIES WHICH WOULD FACE ANY HEAD OF GOVERNMENT.

ON THE SIDE OF POSITIVE ACHIEVEMENT, KHANH SEEMS TO HAVE ALLAYED THE FRICTION BETWEEN BUDDHISTS AND CATHOLICS AT LEAST FOR THE MOMENT, HAS WON THE COOPERATION OF THE HOA HAO AND CAO DAI, AND HAS RESPONDED TO OUR SUGGESTIONS FOR IMPROVED RELATIONS BETWEEN THE GVN AND US MISSION.

THE ATTITUDE OF THE PEOPLE TOWARD THE KHANH GOVERNMENT, MOSTLY CONFUSED AND APATHETIC SINCE ITS INCEPTION, IS ONLY SLIGHTLY MORE FAVORABLE THAN A FEW MONTHS AGO, DESPITE CONSIDERABLE

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-2- 377, August 10, 9 P.M., (SECTION TWO OF FOUR) From Saigon

EFFORTS, KHANH HAS NOT SECCEDED IN BUILDING ANY SUBSTANTIAL BODY OF ACTIVE POPULAR SUPPORT IN SAIGON. IN THE COUNTRYSIDE, US EMBASSY PROVINCIAL REPORTERS INDICATE THAT SUPPORT EXISTS FOR THE GVN IN DIRECT PROPORTION TO THE DEGREE OF SECURITY ESTABLISHED BY GOVERNMENT FORCES. TYERE ARE GROUNDS TO CONCLUDE THAT NO SOPHISTICATED PSYCHOLOGICAL APPROACH IS REQUIRED AT THIS STAGE TO ATTRACT THE COUNTRY PEOPLE TO THE KHANH GOVERNMENT--THE ASSURANCE OF A REASONABLY SECURE LIFE IS ABOUT ALL THAT IS NECESSARY.

THE INTRIGUING INSIDE HIS GOVERNMENT AND THE ABSENCE OF DRAMATI MILITARY OR POLITICAL SUCCESSES REACT UPON KHANH WHO IS INCLINED TO BE MOODY AND OCCASIONALLY SUBJECT TO FITS OF DESPONDENCY. SEEING THE SLOW COURSE OF THE COUNTERINSURGENCY CAMPAIGN AND FRUSTRATED BY THE WEAKNESS OF HIS GOVERNMENT, KHANH HAS TURNED TO THE "MARCH NORTH" THEME TO UNIFY THE HOME FRONT AND TO OFFSET THE WAR-WEARINESS WHICH HE ASSERTS IS OPPRESSING HIS PEOPLE AND HIS ARMED FORCES. US OBSERVERS, IN ASSESSING THE SYMPTOMS OF WAR-WEARINESS AND OF THE BAD MILITARY MORALE WHICH KHANH REPORTS, ARE INCLINED TO FEEL THAT THE SYMPTOMS OF DEFEATISM ARE MORE IN THE MINDS OF THE INEXPERIENCED AND UNTRIED LEADERSHIP IN SAP ON THAN IN THE PEOPLE AND THE ARMY.

KHANH'S STATE OF MIND WILL BE AN IMPORTANT FACTOR IN THE FUTURE CONDUCT OF THE WAR AND IN HIS RELATIONS WITH THE REPRESENTATIVES OF US POLICY. HE AND MANY OF HIS COLLEAGUES ARE FINDING IT VERY DIFFICULT TO FACE UP TO THE LONG HRS OF SLOW HARD SLUGGING WHICH IS ALL THEY SEE AHEAD UNDER THE PRESENT RULE OF OPERATIONAL CONDUCT. WHILE THEY RECEIVED A DRAMATIC LIFT FROM OUR AUGUST 5 ACTION AGAINST NORTH VIET NAM, ITS VERY SUCCESS MAY WHET THEIR DESIRE FOR POSITIVE ACTION AGAINST THE NORTH PARTICULARLY IF THE SITUATION TENDS TO SUBSIDE AGAIN INTO THE DOLDRUMS OF CONTINUED VIET CONG INCIDENTS AND INDECISIVE BLOODSHED. IN THE COMING MONTHS, WE MAY EXPECT TO FACE MOUNTING PRESSURES FROM THE GVN TO WIN THE WAR BY DIRECT ATTACK ON HANOCHN WHICH, IF RESISTED, WILL CREATE FRICTIONS AND IRRITATIONS WHICH COULD LEAD LOCAL POLITICANS TO SERIOUS CONSIDERATION OF A NEGOTIATED SOLUTION OR LOCAL SOLDIERS TO A MILITARY ADVENTURE WITHOUT US CONSENT.

TAYLOR
BT

NOTE: Advance copy to S/S-0 August 10 at 12:10 p.m.
Passed White House, DOD, CIA at 12:25 p.m.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

51

Action CONTROL: 7490
RECD: AUGUST 10, 1964, 2:42 P.M.

SS

FROM: SAIGON

Info

ACTION: SECSTATE (377) PRIORITY

DATE: AUGUST 10, 9 P.M. (SECTION THREE OF FIVE)

~~SECRET~~

004

E X D I S

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

THE ECONOMIC PROBLEMS OF SVN HAVE THUS FAR APPEARED TO BE OF SECOND ORDER IMPORTANCE. PRICE ARE STABLE AND INFLATION IS UNDER CONTROL. INDUSTRIAL INVESTMENT CONTINUES TO BE INSIGNIFICANT ALTHOUGH THERE HAS BEEN SOME RECENT RISE. INDUSTRIAL PRODUCTION, THOUGH SMALL, HAS RISEN STEADILY FROM 140 PERCENT OF THE 1962 LEVEL ON APRIL 1 TO 143 PERCENT ON JULY 31 AND IS PROJECTED AT 150 PERCENT AT THE END OF THE YEAR, A 30 PERCENT RISE OVER 1963. EXPORTS ARE OFF THIS YEAR SO THAT ANY RISE IN CAPITAL GOODS IMPORTS WOULD, IF NOT COVERED BY US ASSISTANCE, LEAD TO A MAJOR BALANCE-OF-PAYMENTS PROBLEM. FOR A VARIETY OF FACTORS, ONE OF WHICH IN UNCERTAINTY AS TO THE GOVERNMENT'S ATTITUDE TOWARD THE CHINESE COMMUNITY, THE BLACK MARKET RATE OF THE PIASTER HAD DROPPED TO 135-40 TO THE DOLLAR (LEGAL RATE: 72 PIASTERS). A MORE PENETRATING SCRUTINY, HOWEVER, MAY INDICATE CERTAIN BASIC WEAKNESSES IN THE ECONOMIC POLICY AND OPERATION OF THE GVN. THE TAX STRUCTURE, IMPORT POLICY AND OPERATION OF THE GVN. THE TAX STRUCTURE, IMPORT POLICY AND THE PRESENT MULTIPLE EXCHANGE RATE SYSTEM MAY BE ACTING AS DRAGS BOTH ON THE COMPETENCE AND EFFECTIVENESS OF GOVERNMENTAL ADMINISTRATION AND THE PROPER USE OF TOTAL RESOURCES IN THE PROSECUTION OF THE WAR AGAINST COMMUNIST AGGRESSION. USOM IS EXAMINING THESE PROBLEMS IN DEPTH AND WILL SUBMIT ITS FINDINGS FOR MISSION COUNCIL CONSIDERATION.

BOTH POLITICAL AND ECONOMIC FACTORS PLAY AN IMPORTANT PART IN THE COUNTER VC PACIFICATION PROGRAM. AS THE ARMED FORCES CLEAR THE IDENTIFIED VC FORCES FROM AN AREA, IT IS ESSENTIAL TO FOLLOW UP QUICKLY WITH REPRESENTATIVES OF THE CIVILIAN MINISTRIES OF THE GOVERNMENT REPRESENTING POLICE, EDUCATION, PUBLIC WORKS, INTERIOR, INFORMATION, RURAL AFFAIRS, HEALTH AND FINANCE. IT IS THE TASK OF THE UNITED STATES OPERATIONS MISSION (USOM) AND THE UNITED STATES INFORMATION SERVICE (USIS) TO ENERGIZE THESE FORCES OF GOVERNMENT AND TO MESH THEIR CONTRIBUTION IN THE PROVINCES

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-2- 377, AUGUST 10, 9 PM, FROM SAIGON (SECTION THREE OF FIVE)

WITH THE MILITARY PACIFICATION EFFORT. THIS TASK IS PROVING TO BE A MOST DIFFICULT ONE PRIMARILY BECAUSE OF THE INEFFICIENCY OF THE MINISTRIES, THEIR INEPTITUDE IN PLANNING AND THEIR GENERAL LACK OF SPIRIT OF TEAM PLAY. TO STEP UP THE JOB, USOM HAS STRENGTHENED ITS PROVINCIAL REPRESENTATION FROM 45 IN MARCH TO 64 IN JULY BUT THE NUMBER OF AMERICANS IS STILL INSUFFICIENT. A YEAR END OBJECTIVE HAS BEEN ESTABLISHED OF TWO AMERICANS IN ALL PROVINCES, OFTEN REINFORCED WITH A THIRD PUBLIC SAFETY OFFICER. USIS HAS 16 AMERICAN PERSONNEL THE FIELD AND EXPECTS TO REMAIN AT ABOUT THAT STRENGTH.

ON THE GOVERNMENT SIDE, PROVINCIAL AND DISTRICT ADMINISTRATION IS IN THE HANDS OF INEXPERIENCED JUNIOR OFFICER OPERATING UNDER THE POLICY AND FISCAL SUPERVISION OF REMOTE, POORLY STAFFED CIVILIAN MINISTRIES IN SAIGON. IN SPITE OF THIS UNPROMISING BACKGROUND, US OBSERVERS REPORTED IN JULY THAT IN ABOUT THREE-FOURTHS OF THE PROVINCES THE GVN PROVINCIAL AND DISTRICT OFFICIALS WERE PERFORMING EFFECTIVELY; ALSO THAT IN GENERAL THEY WERE WORKING WELL WITH THEIR US COUNTERPARTS. THIS SITUATION IS INDICATIVE OF PROGRESS SINCE THE GOVERNMENTAL UPHEAVALS AT THE TIME OF THE COUP, BUT THERE IS STILL MUCH TO BE DONE TO BRING THE CIVIL CAPABILITIES OF THE GOVERNMENT ABREAST OF ITS MILITARY.

TAYLOR

ADVANCE COPY TO S/S-O 8/10/64-330PM
PASSED WHITE HOUSE, DOD, CIA 8/10/64-330PM

~~SECRET~~

INCOMING TELEGRAM *Department of State*

31
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CONTROL: 7516
RECD: AUG 10, 11:38 A.M.

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FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

DATE: AUG 10, 9 P.M. (SECTION FOUR OF FIVE)

002

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FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

AS A MAJOR VEHICLE FOR ACHIEVING THE IMPROVEMENTS WHICH WE SEEK, THE US MISSION, WORKING JOINTLY WITH THE GVN, HAS DEVELOPED A SIGNIFICANT PACIFICATION PLAN (WHICH HAS BEEN GIVEN THE NAME HOPTAC) BUILDING OUTWARD FROM THE "OILSPOT" URBAN CENTER OF SAIGON-CHOLON. NOT ONLY IS THIS AREA OF PARAMOUNT STRATEGIC IMPORTANCE BOTH POLITICALLY AND MILITARILY, BUT, IN ITS BROADEST EXTENSION, IT CONTAINS 40 PERCENT OF THE NATION'S POPULATION, ALMOST ALL OF ITS LIMITED INDUSTRY, AND ITS CENTERS OF SOCIAL AND POLITICAL POWER. IN GRAPPLING WITH TANGIBLE PROBLEMS OF THIS PLAN, WE HOPE TO INDUCE THE VIETNAMESE (A) TO WORK TOGETHER BETTER AS A FUNCTIONING GOVERNMENT, (B) TO BUILD BOTH THEIR URBAN AREAS AND THE OUTLYING RURAL AREAS TOWARDS A SOUNDER ADMINISTRATIVE, SOCIAL AND ECONOMIC REALITY, AND (C) FINALLY TO ACHIEVE SOME PRAGMATIC MILITARY SUCCESSES WHICH WILL BOLSTER THEIR MORALE, ENGAGE THE ENERGIES OF THEIR BEST QUALIFIED PEOPLE, AND DRIVE THE VIET CONG EFFECTIVELY AWAY FROM THE NATION'S HEARTLAND.

THE US MISSION HAS RECOGNIZED IN ITS INFORMATION AND PSYCHOLOGICAL PROGRAMS THE NEED TO PRESENT THE KHANH GOVERNMENT IN ITS MOST FAVORABLE LIGHT AT HOME AND ABROAD, PARTICULARLY IN THE UNITED STATES. WE OBTAINING A MORE BALANCED AND WIDER MEDIA COVERAGE BY IMPROVING FACILITIES FOR THE PRESS BY INVITING FOREIGN MEDIA REPRESENTATIVES TO VIET NAM AND BY HELPING THE KHANH GOVERNMENT TO IMPROVE ITS PRESS RELATIONS. OUR OWN EFFECTIVENESS BOTH IN THE PRESS AND PSYCHOLOGICAL FIELDS HAS BEEN INCREASED BY PLACING COORDINATION RESPONSIBILITY FOR ALL US ASSETS IN THE DIRECTOR, USIS.

WE ARE ALWAYS IMPRESSED WITH THE NEED TO IMPROVE OUR INTELLIGENCE ON THE ENEMY. THE LEVEL OF COMPETENCE AMONG

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-2- 377, AUGUST 10, 9 P.M., (SECTION FOUR OF FIVE) FROM SAIGON.

VIETNAMESE PERSONNEL, BOTH MILITARY AND CIVILIAN, LEAVES MUCH TO BE DESIRED. IN BOTH CATEGORIES, WE HAVE UNDERWAY EXTENSIVE PROGRAMS FOR IMPROVEMENT PARTICULARLY IN THE AREA OF WAR INTERROGATION WHERE WE EXPECT TO TRIPLE THE VIETNAMESE CAPABILITY BY THE END OF THE YEAR.

MILITARY EVALUATION

THE MILITARY ASPECTS OF THE COUNTERINSURGENCY CAMPAIGN IN SVN ARE SHOWING SIGNS OF SLOW IMPROVEMENT SINCE THE PERIOD OF DETERIORATION WHICH FOLLOWED THE TWO COUPS IN NOVEMBER 1963 AND JANUARY 1964. THE PERSONNEL STRENGTH OF THE ARMED FORCES OF SVN AS WELL AS OF THE PARAMILITARY FORCES (REGIONAL FORCES AND POPULAR FORCES) IS SLOWLY RISING AND BY JANUARY 1965 SHOULD REACH ABOUT 98 PERCENT OF THE TARGET YEAR AND STRENGTH OF 446,000. THE DESERTION RATE OF THE ARMY HAS CURRENTLY DROPPED TO ABOUT 5.72 PERCENT OR HALF OF THE RATE OF LAST MARCH. IN SPITE OF UNOFFICIAL REPORTS OF BAD MORALE, ONLY ONE UNIT IN THE ARMY, AND INFANTRY REGIMENT ON A STATIC SECURITY MISSION, IS CONSIDERED BY THE RESPONSIBLE US ADVISORS TO HAVE UNSATISFACTORY MORALS.

THE REEQUIPPING OF THE VNAF WITH THE A 1 H AIRCRAFT IS ON SCHEDULE SO THAT THREE SQUADRONS WILL BE COMBAT READY BY 30 SEPTEMBER 1964 AND A FOURTH BY 1 DECEMBER 1964. THE PILOT TRAINING PROGRAM DIRECTED AT ATTAINING A TWO-PILOT-TO-ONE-AIRCRAFT RATIO SHOULD REACH THAT GOAL BY YEAR END.

IN THE VIEW OF US ADVISORS, MORE THAN 90 PERCENT OF THE BATTALIONS OF THE ARMY ARE AT LEAST marginally effective. TWO OUT OF THIRTY REGIMENTS, ONE OUT OF 101 BATTALIONS (INFANTRY, MARINE, AIRBORNE),

TAYLOR

JHW/3

NOTE: THIS IS SECTION FOUR OF FIVE.

NOTE: PASSED WHITE HOUSE, DOD, CIA, 2:25 P.M., 8/10/64;
ADVANCE COPY TO S/S-O, 2:10 P.M., 8/10/64.

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INCOMING TELEGRAM *Department of State*

31
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CONTROL: 7548
RECD: AUG 10, 11:59 A.M.

FROM: SAIGON

ACTION: SECSTATE 377 PRIORITY

DATE: AUG 10, 9 P.M. (SECTION FIVE OF FIVE)

003

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E X D I S

FOR THE PRESIDENT

FOR THE SECRETARY OF STATE

THREE OUT OF TWENTY RANGER BATTALIONS AND ONE OUT OF 20 ENGINEER BATTALIONS ARE RATED AS NOT COMBAT EFFECTIVE. THE PRINCIPAL DEFECTS THROUGHOUT THE ARMY ARE LOW PRESENT-FOR-DUTY STRENGTHS AND WEAK LEADERSHIP AT THE LEVEL OF JUNIOR OFFICERS AND NCO'S.

IN GENERAL, IT IS BELIEVED THAT THE WEAKNESS IN THE MILITARY FORCE HAVE BEEN IDENTIFIED AND ARE RECEIVING CORRECTIVE TREATMENT. THE RECENTLY AUTHORIZED INCREASE IN US ADVISOR STRENGTH SHOULD ASSURE INCREASED PROGRESS THROUGHOUT THE REST OF THE YEAR IN IMPROVING THE PERFORMANCE OF THE MILITARY FORCES OF ALL CATEGORIES.

AGAINST THIS IMPROVEMENT ON THE SIDE OF THE GVN, ONE MUST TAKE INTO ACCOUNT THE ACCEPTED ESTIMATE IN MAIN AND LOCAL FORCE VC STRENGTH OF AT BETWEEN 28-34,000, IN CONTRAST WITH 23-27,000 ESTIMATED ACCEPTED PRIOR TO JULY 1964. IN TERMS OF EQUIPMENT AND TRAINING, THE VC ARE BETTER ARMED AND LED TODAY THAN EVER IN THE PAST. INFILTRATION CONTINUES BOTH FROM LAOS AND CAMBODIA AND THERE IS NO INDICATION THAT THE VC ARE HAVING DIFFICULTY IN REPLACING THEIR LOSSES IN MEN AND EQUIPMENT. HOWEVER, THERE IS NO REASON TO BELIEVE THAT IN THE COMING MONTHS THEY WILL WISH TO RISK THEIR PAST GAINS IN AN OVERT MILITARY CONFRONTATION WITH GVN FORCES ALTHOUGH THEY KEEP A SIZEABLE UNUSED FORCE IN THE CENTRAL HIGHLANDS WITH CONSIDERABLE OFFENSIVE CAPABILITY. FINALLY, THEY HAVE UNUSED DIRTY TRICKS IN THEIR BAG SUCH AS THE MINING OF THE SAIGON RIVER, SABOTAGE OF POL STOCKS AND TERROIST ATTACKS ON CIVILIAN COMMUNITIES AND US DEPENDENTS.

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-2- 377, AUGUST 10, 9 PM, FROM SAIGON (SEC FIVE OF FIVE)

OVERALL FORECAST

IN EARLY JULY, THE PERCENTAGES OF THE RURAL AND COMBINED RURAL AND URBAN POPULATIONS UNDER GOVERNMENTAL CONTROL, VC CONTROL AND CONTESTED WERE AS FOLLOWS:

RURAL		RURAL AND URBAN
GVN CONTROL	33 PERCENT	40 PERCENT
VC CONTROL	20 PERCENT	18 PERCENT
CONTESTED	47 PERCENT	42 PERCENT

BY YEAR END, ASSUMING NO FURTHER POLITICAL UPHEAVALS, THE FOLLOWING PERCENTAGES SHOULD BE ATTAINABLE:

RURAL		RURAL AND URBAN
GVN CONTROL	40 PERCENT	47 PERCENT
VC CONTROL	16 PERCENT	14 PERCENT
CONTESTED	44 PERCENT	39 PERCENT

THIS CHANGE IN PERCENTAGES, IF ACHIEVED, WILL REPRESENT MODEST PROGRESS TOWARD STABILIZING THE IN-COUNTRY SITUATION. IT WILL NOT REPRESENT A DRAMATIC ADVANCE TOWARD CUTTING DOWN THE VC TO SIZE, STOPPING INFILTRATION OR JUSTIFYING A FORECAST OF FINAL SUCCESS. IT IS NOT LIKELY TO BE ENOUGH TO INDUCE GENERAL KHANH TO GIVE UP HIS CAMPAIGN IN FAVOR OF ATTACKING NVN OR TO CONVINCE HANOI TO GIVE UP THE CONTEST IN SOUTH VIET NAM.

IN THE LIGHT OF THE FOREGOING CONSIDERATIONS, IT IS FELT THAT THE US EFFORTS SHOULD FOCUS ON THE FOLLOWING ACTIONS DURING THE COMING MONTHS:

- A. DO EVERYTHING POSSIBLE TO BOLSTER THE KHANH GOVERNMENT.
- B. IMPROVE THE IN-COUNTRY PACIFICATION CAMPAIGN AGAINST THE VC BY CONCENTRATING EFFORTS ON STRATEGICALLY IMPORTANT AREAS SUCH AS THE PROVINCES AROUND SAIGON (THE HOPTAC PLAN).
- C. UNDERTAKE "SHOW-WINDOW" SOCIAL AND ECONOMIC PROJECTS IN SECURE URBAN AND RURAL AREAS.
- D. BE PREPARED TO IMPLEMENT CONTINGENCY PLANS AGAINST NORTH VIET NAM WITH OPTIMUM READINESS BY JANUARY 1, 1965.
- E. KEEP THE US PUBLIC INFORMED OF WHAT WE ARE DOING AND WHY.

TAYLOR

GP-1

NOTE: ADVANCE DELIVERY TO S/S-O AT 2:15 PM, 8/10/64.
PASSED WHITE HOUSE, DOD, CIA AT 2:45 PM, 8/10/64.

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INCOMING TELEGRAM *Department of State*

139

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Authority RAC 00014849
By iso NARA, Date 10-29-97

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1964 AUG 7 PM 12 04

RR RUEHCR
DE RUMJMA 30A 0POQPZ
R 070855Z ZEA
FM AMEMBASSY MANILA
TO RUMJIR/AMEMBASSY SAIGON
RUEHCR/SECSTATE WASHDC
INFO RUEKDA/DOD
RUMALC/13TH AF
RUHLHQ/CINCPAC
RUHLKM/PACAF
STATE GRNC
BT

~~CONFIDENTIAL~~ ACTION SAIGON 37 DEPT 256
INFO CINCPAC FOR POLAD 27 DOD 13TH AF CINCPAC PACAF
UNN FROM MANILA AUG 7, 5PM

DEPT PASS AID

REF: A) EMBTEL 25 TO SAIGON, B) SAIGON'S USAID 17,
C) DEPT'S 198 TO MANILA, D) CINCPAC UNN 060012Z

PHIL AID TO VIETNAM

EMBASSY HAS BEEN ADVISED DEFSEC PERALTA'S TWO "OFFICIAL
REPRESENTATIVES" (REFTTEL A) HAVE DECIDED PROCEED SAIGON
VIA COMMERCIAL AIR, "WITHIN DAY OR TWO", DEPENDING UPON
THEIR ASSESSMENT VN SITUATION. EMBASSY WILL ATTEMPT
CFN 37 256 27 7 5PM 25 17 198 060012Z

PAGE TWO RUMJMA 030A ~~CONFIDENTIAL~~

ASCERTAIN ETA. BELIEVE USOM MEETING-GREETING (REFTTEL B)
WOULD BE APPRECIATED.

PERALTA TOLD EMBOFF YESTERDAY HE NOW HOPES SEND MEDICAL TEAMS
(TWO, FIVE MF EACH) ABOUT AUG 15, VIA USAF AIRCRAFT.
EMBASSY WILL CONTINUE DISCUSSION RE TRANSPORT WITH
13TH AF.

NOTEWORTHY THAT IN COMMENTS TO PRESS RELATIVE TONKIN
GULF SITUATION PRESIDENT MACAPAGAL, PERALTA, AFP
CHIEF-STAFF SANTOS HAVE ALL STRESSED GOP INTENTION GET
PHIL AID VN MOVING SOONEST, IMPLICITLY UNDERSCORING GOP
SUPPORT OF GVN AND US POLICIES.

GP-3.

BLAIR
BT
CFN 15 AFP GP-3

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PARIS
PARIS FOR USRO

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Authority E.O. 11652 SEC. 5(A) and (D)
By JB, NAARS, Date 8-27-76

Following is status report on responses received as of August 12 from various countries asked to provide assistance to Viet Nam.

SUMMARY AND GENERAL COMMENT:

Despite fact that GVN sent letters to 34 countries requesting ^{great} aid there has been no/progress since last status report. Ambassador Lodge's forthcoming trip to Europe may increase number and amount of contributions from EUR countries.

ARGENTINA

GVN has issued invitation for 2 Argentine military observers

Drafted by:

S/VN:GBRoberts:pp 8/13/64

Clearances:

Telegraphic transmission and

classification approved by:

S/VN - Michael V. Forrestal

McManaway

DOD/ISA - Lt. Col. Miller AID/FE/VN - Mr. Link
EUR - Mr. ~~Quarles~~ ARA - Mr. Boster NEA - Mr. Williams
Jaeger

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to visit Viet Nam.

AUSTRIA

Secretary General of GVN FonOff, Vinh Tho, visited Vienna and received promises of aid in form of tents, blankets, ^{and} medical supplies. Austrians also discussed possibility of scholarships for Vietnamese students, cultural exchanges and loans for purchase of Austrian goods.

AUSTRALIA

No change since last report (Depcirtel 79).

BELGIUM

No change since last report.

CANADA

Canadian Govt. has decided to give GVN additional aid bringing cost of total Canadian program over one million dollars.

CHINA

GRC has approved extensive aid program totalling approximately \$1,500,000 including agricultural and electrical technicians, prefabricated houses, agricultural equipment, electrical sub-stations and text books.

DENMARK

Danes are currently occupied with forthcoming general elections and FonOff working level is concerned over lack of public support for aid to Viet Nam. However, possibility still exists that Danish Govt. ^{might} ~~will~~ supply economic and technical assistance.

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GERMANY

FRG has committed itself to extend development aid credit and technical assistance to GVN. FRG is considering further credit, project aid (abattoir and tire factory) and medical aid to University of Hue.

GREECE

Greeks are contemplating sending medical equipment but no decision made as yet.

INDIA

Indians are ~~considering~~ considering responding to GVN aid request and are thinking of assistance in technical, educational and social fields.

IRAN

Iran has decided to contribute one thousand tons POL and is considering Vietnamese QTE: shopping list UNQTE for additional aid possibilities. GVN has advised GOI that veterinarians and animal serums are no longer needed.

IRELAND

Irish have received GVN aid request but apparently do not intend to give it serious thought.

ISRAEL

GVN has sent aid request to Israelis but we have no information as to response.

ITALY

Italians intend to send medical team to Viet Nam in near future and are studying Vietnamese requests for further aid.

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JAPAN

Japanese have decided to contribute 1.5 million dollars in aid to GVN in form of medical teams, ~~commodity~~ commodities (including radio receivers) and technical assistance.

KOREA

Final arrangements are being made for the arrival in Viet Nam of ROK field hospital and ten karate instructors.

NETHERLANDS

No change in negative attitude described in last report.

NEW ZEALAND

No change since last report.

MALAYA

GVN DefMin recently visited Kuala Lumpur and received Malayan commitment to continue present training assistance and to increase publicity for Malayan aid efforts.

MEXICO

Informal approaches have been made by ^{Mexican officials} GOM/re sending military observers to Viet Nam.

NORWAY

No change since last report.

PAKISTAN

No change since last report.

PHILIPPINES

Final arrangements are being made for sending ~~two~~ medical teams

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and civic action specialists to Viet Nam.

SPAIN

No change since last report.

SWEDEN

Seems likely Swedish neutrality policy will preclude any assistance to GVN.

SWITZERLAND

Despite Swiss policy of neutrality FonOff has stated it would carefully study GVN aid request with view to possibility of rendering assistance at later date.

THAILAND

GVN DefMin visited Bangkok and requested military aid. RTG has approved extending commodity aid in form of galvanized iron sheets and cement. RTG is considering question of military assistance.

TUNISIA

Tunisians have agreed in principle to extend symbolic aid (exact form to be determined) and have expressed interest in technical and cultural cooperation and increased trade. Favorable Tunisian response represents heartening GVN ~~diplomatic~~ diplomatic success.

TURKEY

Turks are preoccupied with Cyprus and own economic development problems.

UNITED KINGDOM

British have decided to send road building equipment, fishing

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boats and additional police training advisors.

NOTE:

to Dent's knowledge

Following countries have publicized their intention to assist GVN:
Australia, China, Germany, Japan, Korea, New Zealand, Malaya, Philippines,
Thailand, and United ~~Kingdom~~ Kingdom. Addressees are requested to make
no public mention of other countries' plans mentioned in above report.

GP-4

RUSK

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Cross Border Ops.

INCOMING TELEGRAM *Department of State*

141
Viet Nam

30-51

~~TOP SECRET~~

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REFS: A. CINCPAC DTG 270617Z, JULY; B. DEF 975517, DTG 272141Z JUNE; C. JCS 7209, DTG 021635Z, JULY; D. STATE 256 TO SAIGON, 25 JULY, 6 PM.

1. REVISED CONCEPT FOR CROSS-BORDER OPERATIONS PROPOSED BY REFERENCE A IS IN ACCORD WITH POLICY ESTABLISHED BY REF. B. AND APPROVED AS BASIS FOR CONTINUED JOINT PLANNING AND TRAINING WITH THE GVN. AUTHORITY TO CONDUCT SUCH OPERATIONS IS NOT REPEAT NOT GRANTED AT THIS TIME.

2. AS PLANNING PROGRESSES REQUEST RECOMMENDATION AS TO CONTINUED APPLICABILITY OF REFERENCES C AND D.

GP-1

BT

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Authority NLS 82-218

By iss, NARS, Date 12-27-82

~~TOP SECRET~~

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142-1

Senator Humphrey's
Speech_____

J. W. FULBRIGHT, ARK., CHAIRMAN
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CARL MARCY, CHIEF OF STAFF
DARRELL ST. CLAIRE, CLERK

*Will May
file*
142 ✓
United States Senate
COMMITTEE ON FOREIGN RELATIONS

August 10, 1964

Mr. McGeorge Bundy
Special Assistant to the President
The White House
Washington, D.C.

Dear Mr. Bundy:

Now that the end of foreign aid is approaching, we
are getting back to Viet-Nam.

Enclosed is a rough draft of a speech which Senator
Humphrey plans to deliver in Los Angeles on Sunday, August
16. We would appreciate your comments.

Sincerely,

John E. Rielly
John E. Rielly
Foreign Policy Assistant to
Senator Hubert H. Humphrey

1 x 13
Enclosure

THE U.S. COMMITMENT IN SOUTHEAST ASIA

During the past two weeks the United States has once again been challenged to match deeds with words in opposing aggression and defending freedom around the world. While protecting the security of an embattled ally in Southeast Asia, American ships were the object of an unprovoked attack on North Vietnamese P-T boats in the Bay of Tonkin. President Johnson's prompt and decisive response to this ^K naked aggression demonstrates to our friends that our power remains pre-eminent and our devotion to freedom firm, and to our foes that the United States is no "paper tiger". The measured response to this attack proves that we are prepared to meet aggression in whatever form, that we shall not be forced to choose between humiliation and holocaust, that the firmness ^{of} ~~of~~ our response in no way diminishes our devotion to peace.

Our action in the Bay of Tonkin is a part of "the long twilight struggle year in and year out" which, as President Kennedy stated, the American people must be prepared to pay if we are to preserve free civilization as we know it and resist the expansion of Communist power. It is further indication that the break-up of the bipolar world which

has characterized the international relations of the past two decades and the easing of tensions between East and West following the nuclear test-ban may have changed the pattern of U.S. involvement in world affairs, but it has not diminished it. We retain the role of leader of the free world that we inherited at the end of World War II, and in that role our responsibilities remain world-wide. *In that role*

Our responsibility extends to distant Asia as well as to countries on our doorstep.

In the light of recent events in the Bay of Tonkin, I would like to review the background and the nature of our commitment in Southeast Asia. Through this examination I would hope to indicate why we are willing to devote our manpower and our treasure to the defense of *that area.*
~~Southeast Asia.~~

What are the basic issues in the crisis in Viet-Nam which has brought tragedy to hundreds of thousands of Asians and today holds daily danger for thousands of Americans who are serving their country on a distant frontier? I believe the basic issues are four: 1) Why are we there? 2) How did we get there? 3) What should our policy

be in this area? 4) How do we carry out this policy?

Once these questions are answered, we can understand why President Johnson acted resolutely to repel aggression in Southeast Asia. We will then also be better prepared to preserve and strengthen the broad bipartisan consensus that has existed over the past decade on this issue, and make certain that our nation's objectives and intentions are clearly understood by friend and foe alike.

I. Why are we in Southeast Asia? In simplest terms we are there to prevent the Communists from imposing their power on the people of South Viet-Nam and Laos and Thailand -- indeed the whole peninsula. We are in South Viet-Nam to assist the South Vietnamese people to prevent local Communist forces, directed and controlled from North Viet-Nam, backed by the support of Communist China, from taking over the country. The present crisis would not confront us today if the Hanoi and Peiping regimes had abided by the letter and spirit of the Geneva agreements of 1954 on Indo-China and of 1962 on Laos and this crisis could be solved tomorrow if Hanoi and Peiping decide to respect

those agreements, to honor both the spirit and the letter of those agreements.

The 1954 Geneva agreements established a truce line dividing North and South Viet-Nam at the 17th parallel. The Communists were to withdraw to the North, and the non-Communists to the South. Neither country was to be used as a military base for the resumption of fighting or to carry out an aggressive policy. The language of the agreements was clearly intended to guarantee the independence of each zone from intrusion or interference by the other. Each part of the divided country would be left alone to solve its own domestic problems in peace.

From the start the Communists failed to live up to the letter or spirit of the agreements. They placed thousands of hidden caches of weapons and ammunition scattered through the South. Large numbers of Communist Viet Cong military personnel were instructed to remain in the South, to go underground until orders were given to resume military activity. Initially the Hanoi regime looked on these

precautions as a form of insurance, in case the South, lacking leadership, torn by warfare, devoid of many of the economic resources, did not quickly collapse and come under Hanoi's domination.

Though not a party to the Geneva agreements of 1954, the Administration of President Eisenhower declared that the United States would respect them and would view any renewal of aggression in violation of the Accords "with grave concern and as a serious threat to peace." This declaration was followed by a pledge of support from the United States government to the fledgling South Vietnamese government, committing us to assist the new government at Saigon in resisting subversion or aggression.

From 1954 to 1959, the two Vietnams developed along separate paths. The anticipated decline of South Viet-Nam as a functioning independent nation did not occur. By 1959 it was clearly apparent to the North Viet-Nam government, which had failed to solve the problem of feeding its own people, that South Viet-Nam was not about to fall like a ripe apple into the Communist orbit.

To all but North Viet-Nam, China, and the Soviet Union, the developments in South Viet-Nam appeared encouraging. The country was not a threat to anyone; as of 1959, no foreign nation, including the United States, had bases or fighting forces in South Viet-Nam. The country was not a member of any alliance system. It constituted no "threat" to the North -- except in the sense that its economy far outshone that in North Viet-Nam.

Disturbed by the progress of its neighbor to the South, Hanoi began in 1957 to reactivate the subversive network it had left south of the Seventeenth Parallel after Geneva. It began the attempt to bring about the collapse of the South through selective, low-level terrorism and sabotage.

In 1959 North Viet-Nam through the Viet Cong embarked on a large-scale program of terrorism and subversion aimed at overthrowing the government of South Viet-Nam by undermining the morale and loyalty of the civilian population. Besides activating the cadres that had been left behind, Hanoi began to infiltrate trained men and supplied in a concerted effort to conquer South Viet-Nam.

The extent of this effort could hardly be concealed, though Hanoi pursued its propaganda theme of "national liberation." It was by then evident that this was no war of "liberation" but a war of subjugation. By 1962 the International Control Commission for Viet-Nam had found the Hanoi Government guilty of violating the 1954 agreements. Today it is well established that the Viet Cong and their political arm, the "National Liberation Front," is directed and aided from Hanoi.

Why are we in Viet-Nam today? The answer to the question is evident: We are there to help guarantee the survival of a free nation increasingly menaced by an enemy -- Communist subversion and terrorism.

Some might ask: Why is it so important to preserve the freedom and independence of Viet-Nam? I would answer that the position of the United States in Asia and throughout the world will be greatly affected by the nature of our response to the crisis in Viet-Nam. Our word is either good or it is not. Our commitment is either kept or it is not. If we demonstrate our determination to stick

by one friendly government, another such government may never be assaulted. If, on the other hand, we pull out of South Viet-Nam, we can expect more of the same somewhere else. Ultimately it is our own security that is weakened.

I do not argue that in every case we should play the role of global gendarme. But those nations can rightly expect our support which have demonstrated a reasonable prospect for survival, when their people have shown the will to fight for their own freedom, and when we have pledged ourselves to come to their assistance.

II. How did we get there? This leads to the second basic question which I listed at the outset: How did we get where we are today in Southeast Asia?

In regard to Viet-Nam the record is clear. We are defending freedom in Viet-Nam today because three American administrations, Republican and Democratic, committed us to do so. Our commitment today reflects a line of policy we have followed consistently and firmly for ten years. A brief review of the statements/ of both parties confirms this.

Our present policy toward Viet-Nam was initiated by President Eisenhower in 1954. In a letter which he wrote to the President of Viet-Nam in October 1954, he stated: "We have been exploring ways and means to permit our aid to Viet-Nam to be more effective and to make a greater contribution to the welfare and stability of the Government of Viet-Nam . . .

"The purpose of this offer is to assist the Government of Viet-Nam in developing and maintaining a strong, viable state, capable of resisting attempted subversion or aggression through military means. The Government of the United States expects that this aid will be met by performance on the part of the Government of Viet-Nam in undertaking needed reforms. It hopes that such aid, combined with your own continuing efforts, will contribute effectively toward an independent Viet-Nam endowed with a strong government . . ."

Early in 1959, President Eisenhower reaffirmed the U.S. commitment to Viet-Nam:

"Unassisted, Viet-Nam cannot at this time produce and support the military formations essential to it, or, equally important, the morale - the hope, the confidence, the price - necessary to meet the dual threat of aggression from without and subversion within its borders . . .

"Strategically, South Viet-Nam's capture by the Communists would bring their power several hundred miles into a hitherto free region. The remaining countries in Southeast Asia would be menaced by a great flanking movement . . . The loss of South Viet-Nam would set in motion a crumbling process that could, as it progressed, have grave consequences for us and for freedom."

In 1959, 1960 and 1961, Communist subversion and terror steadily increased in Viet-Nam, and the need for American assistance increased. In 1961, President Kennedy sent Vice President Johnson and the Chairman of the Joint Chiefs of Staff General Taylor, to examine the situation. On their return a new and stronger program of assistance was organized. Here is what President Kennedy said about it at that time:

"As you know, during the last two years that war has increased. The Vice President visited there last spring. The war became more intense every month -- in fact every week. The attack on the Government by the Communist forces with assistance from the north became of greater and greater concern to the Government of Viet-Nam and the Government of the United States ...

"We have discussed this matter -- we discussed it with the leadership of the Republicans and Democrats when we met in early January and informed them of what we were doing in Viet-Nam . . .

"... As the war has increased in scope our assistance has increased as a result of the requests of the Government."

President Kennedy continued, "As it's a matter of great importance, a matter of great sensitivity -- my view has always been that the headquarters of both of our parties should really attempt to leave these matters to be discussed by responsible leaders on both sides." He concluded: "We have had a very strong bipartisan consensus up till now and I'm hopeful it will continue in regard to the actions that we're taking."

The policy which President Eisenhower began and President Kennedy continued has been carried forward by President Johnson and has had the energetic support of such outstanding Americans as Ambassador Lodge and now Ambassador Taylor. It is not a matter of Republicans and Democrats. It is not a matter of partisan difference. This was demonstrated once again last week when the ^{majority} ~~overwhelming support~~ ^{backed} of both parties in the Congress supported the joint resolution in support of the President's action.

It should be clear then that we are in Viet-Nam today because three Administrations have considered the defense of this area to be essential to American vital interests.

III. What Should Our Policy Be? Having examined the question of why we are in Southeast Asia and how we got there, I now turn to the most fundamental question: What should our policy be?

First of all we must stay in Viet-Nam -- until the South Vietnamese people have established their own security. We will not be driven out. There is such a thing as the sanctity of a given pledge. We have pledged our support to the people of Viet-Nam --

and President Johnson has shown that we intend to keep it. He has let the world know -- friend and foe alike -- that we do not abandon our allies, that we have the will and determination to persevere in the "long twilight struggle" to defend a brave people desiring to preserve their freedom and independence. The Congress of the United States has recently shown that it supports the President. Public opinion polls indicate that the American people support the President.

Second, we must never lose sight of the fact that the present struggle in Viet-Nam is one which essentially must be won by the Vietnamese themselves. Although our contribution may be substantial, the primary responsibility for preserving independence and achieving peace in Viet-Nam remains with the Vietnamese people and their government. We should not attempt to "take over" the war from the Vietnamese. Our aid, our guidance and our friendship are essential. But the basic decisions must remain Vietnamese. We must never forget that this is a war for independence -- and no lasting independence can be imposed by foreign armies.

Third, we must keep in mind that the struggle in Viet-Nam is as much a political and social struggle as a military one. What has been needed in Viet-Nam is a cause for which to fight, a program for which the people of Viet-Nam will sacrifice and die. What has been needed in Viet-Nam is a government that can inspire hope, embodying the aspirations of both the educated elite in the cities and the peasant masses in the countryside. What has been needed is a government in which the people of Viet-Nam have a stake. For the peasant who has known only the sacrifices and ravages of war and never the benefits of modern civilization, government is no longer a burden to be patiently borne, but an oppressor to be cast off. What has been needed is not just guns and tanks, but schools and hospitals, pig production, clean water, land reform and administrative reform. What has been needed is a government that is deeply concerned about the welfare of the peasants and that holds a high regard for their lives and fortunes.

Too often concentration on military objectives has led Viet-Nam's governments to disregard the immediate needs of the people -- in some cases even to ignore their right to life. Too often civilians, the vast majority of whom desire only to be left to themselves, have been treated as an unfortunate nuisance, as an obstacle in the way of the military.

Any government that would hold the allegiance of the people, must treat civilians as human beings. The army of such a government must be taught to consider its primary mission as protecting the people and its secondary mission as helping them.

Govt in helping the people
The task of ~~these~~ leaders/is enormous. It is not confined to the military and economic fields. These are important -- but only a part of the total picture. It is not just a question of directing efficient armies or increasing economic production and improving the material lot of the masses. What is equally important is the problem of inspiring hope, of commanding the intellectual and emotional allegiance of those who will shape the society -- which includes both the elite groups and the peasant leaders. The hopes and expectations that might be aroused

cannot all be satisfied in the immediate future -- nor need they be. What can be accomplished in a short period of time will always fall short of expectations. This should not discourage anyone. What is important to the success of a government in Vietnam is to give some evidence that progress is being made, that material betterment is on the way, that there is sound reason for believing that the unmet material problems of society will be solved in the future. If the Vietnamese peasant in the country believes this and acts upon it, a government in Saigon stands a good chance of success.

To achieve this goal, a government must have short-range socially oriented programs to give visible evidence of immediate progress and long-range economic development projects which are essential to developing a strong economy and a stable society. The struggle in Vietnam therefore must be fought as much with land reform as with knives and rifles, with rural development programs as well as with helicopters. Where effective rural development programs are being carried out -- as they are in a number of cases with the aid of United States rural development advisors -- the peasants do respond. Americans

engaged in these programs -- who are often the highly motivated men willing to serve long tours of duty in difficult circumstances because they believe in the importance of their mission report that the peasants do react favorably. If these programs are pushed and the allegiance of the peasants won, the Viet Cong guerrilla can no longer rely on an anti-government populace for support and protection. As Ambassador Lodge has said, "If the people were to deny the Viet Cong, they would thus have no base; they would be through."

The struggle for the allegiance of the peasant will not be won in Saigon, but in the countryside. Nor will it be won by centralized government action alone -- however necessary that might be. The participation of the people in the struggle to preserve their freedom from Communist domination must begin on the lowest level of society -- in the village. A prime objective must be the development of self-governing local organizations, associations and cooperatives. Through participation in these organizations, the peasant and the laborer will become conscious of the fact that he has a personal stake in defending

the existing society. The Government of South Viet-Nam should declare its intention of fostering free elections at an early date with the widest possible participation of the people. Wartime conditions may temporarily require extraordinary measures, but in the long run only a government with a popular mandate can survive.

If I have emphasized here the importance of economic and social programs in winning the struggle in Viet-Nam, it is not because I judge military programs to be unimportant.

They are highly important and essential to the success of the other programs I have described. It is impossible to bring the fruits of tangible economic progress to a village when the Viet Cong can assassinate the skilled, highly motivated local administrator responsible for the program, undoing the patient work of months in a single act of random terror. Safety and security in the countryside are an obvious pre-requisite for any program of social, economic, and political reform.

As I noted earlier in these remarks, the Viet Cong attack began when it became clear that South Viet-Nam was making real progress in

the years after the Geneva Accords. Not only had the new Republic not collapsed -- contrary to the Communists' fond expectations -- it had achieved striking advances in such fields as land reform, education, health, agriculture and industry. This was a period of transition from French colonial administration -- and I submit that progress in some areas was uneven -- but overall South Viet-Nam with U.S. assistance made great strides towards achieving a better life for all its people.

Faced with this dismaying fact, and shaken by failure to make similar progress in the territory under their control, the Communists launched their campaign of insurgency against South Viet-Nam.

Much more effective than propaganda was the program of systematic terror aimed at destroying key links in the chain of social and economic progress: teachers, medical workers, local administrators, agricultural experts, and other skilled personnel. The Viet Cong weapons⁴ was murder. Thousands of individuals like these were killed. Their schools, offices, and tools were bombed or burned. It was a campaign deliberately

calculated to damage South Viet-Nam in the area where its success contrasted most vividly with the situation in North Viet-Nam, the task of providing a good life for its people. And the sad fact is that to a great extent, in many areas, it worked. Security in the countryside was undermined, and without safety and protection from reprisals further development was impossible.

The situation today remains very similar. The Viet Cong continue to concentrate their attack on the civilian population, especially on key individuals who represent the effort of the central government with U.S. assistance to bring a better life to the countryside. The military effort of the government forces is aimed primarily at establishing security, so that development programs can go forward in peace -- the condition of life without which neither development nor economic reform are possible.

The events of the past two weeks, do not alter the ^{basic} fact that the war will be won or lost in South Viet-Nam. This remains the principal battlefield and this will be the scene of victory or defeat. This does not mean -- as our action in the Bay of Tonkin indicated --

- 21 -

that North Viet-Nam will remain a privileged sanctuary regardless of provocation. Further attacks will be met with equal firmness. We dare not ignore such aggression for as President Johnson has reminded us "aggression unchecked is aggression unleashed." But this should not lead us -- as some impatient and impulsive spokesmen have urged -- into the illusion that bombing cities in North Viet-Nam will defeat the Viet Cong in South Viet-Nam. The independence and security of South Viet-Nam will be achieved only in a hard costly complex struggle -- which will be waged chiefly in South Viet-Nam. One would hope that discussions here at home during an electoral campaign would not lead to misunderstandings abroad. It would be a tragedy if rash words here at home were to inspire rash actions in Southeast Asia. The Vietnamese people -- who have tirelessly and courageously borne the "long twilight struggle" for so long -- must know well that there is no quick or easy victory to be won.

IV. How Do We Implement Our Policy? We implement our policy by standing firm^{ly} behind our friends, by being prepared to meet any contingency. As the President has stated, "We see no wider war".

We are therefore prepared to consider negotiations or an enlarged role for the United Nations where these would be effective.

Throughout the present crisis in Southeast Asia the United States has adhered firmly to its view that the peace of the region can be assured through a return to the international agreements that underlie the independence of Laos and South Viet-Nam. We have never ruled out the possibility of negotiations at some stage. And we should never rule it out in the future.

But as President Johnson said on April 21, "No negotiated settlement in Viet-Nam is possible as long as the Communists hope to achieve victory by force". But, "Once war seems hopeless, then peace may be possible. The door is always open to any settlement which assures the independence of South Viet-Nam, and its freedom to seek help for its protection."

Our task in Viet-Nam is clearly to make aggression seem hopeless. Out of that new realization can come new grounds for a negotiated settlement that safeguards South Viet-Nam's independence. Negotiations

must take place at the proper time however. Premature negotiations can do little more than to ratify the present achievements of the aggressors.

As for the possible role of the United Nations in bringing about a Southeast Asian settlement, Secretary General Thant has correctly noted the UN's inadequacy on issues of a significant Great Power involvement. In Washington last week, he voiced his belief that the UN could not effectively contribute to an immediate solution in Southeast Asia. And yet the United States immediately presented its case before the United Nations General Assembly following the recent attacks in the Bay of Tonkin. I am hopeful that some day a strong UN peacekeeping force will exist to step into situations like this one. The recent Soviet announcement on the peacekeeping force suggests that some progress along this line might be possible in the coming years. At the present however, the UN is not equipped to deal with the war in South Viet-Nam. As the Chairman of the Senate Foreign Relations Committee stated last month, it is not a question of ruling out UN action, but of deciding on the appropriate timing for UN involvement. I agree with Senator Fulbright that "it is

necessary that we lend our assistance to South Viet-Nam in order to stabilize the situation. If at a later time it could be stabilized and the aggression of the North Vietnamese stopped, a situation might develop in which the UN could be effective."

Although the UN cannot solve the present crisis in South Viet-Nam, it might be effective in dealing with certain specific problems that have arisen. One such problem is that of the continuing border dispute between Cambodia and South Viet-Nam. I support the suggestion of my colleague Senator Church that there is a possibility for a UN role in the border area between Cambodia and South Viet-Nam which need not interfere with the continuing American presence in Viet-Nam.

As one who has long been a strong supporter of the UN, who has long regarded the UN as "the eyes and ears of peace", I welcome any enlargement of its role in Southeast Asia where this would effectively advance the goals of preserving the freedom and independence, as well as the peace of Viet-Nam. But I must admit that the limitations under which the UN continues to operate prevents it from solving some of these

major problems.

On the basis of the policy for Southeast Asia described here, our objectives can be achieved. To be sure, it will take a great deal of time and effort and patience and determination -- and the cost will be heavy in money, in lives, and, for some, in heartbreak. But in Asia as elsewhere for the leader of the free world, there is no comfort or security in evasion, no solution in abdication, no relief in irresponsibility. The victory to be won will not be that illusory "total victory" for which some yearn -- the overthrow of the Communist regimes in Hanoi and Peking through a general conflagration.

~~But~~ Our stakes in Southeast Asia are too high for the recklessness either of withdrawal or of conflagration. We need not choose between inglorious retreat or unlimited retaliation. The stakes can be secured through a wise multiple strategy if we but sustain our national determination to see the job through to success.

Our task in Southeast Asia today and in the months ahead is not an enviable one.

Yet I believe that it is one which commands the understanding

and support of the American people as they consider our obligations to our security and to the security of the free world.

For I deeply believe that the American people do indeed have the maturity, the sense of perspective, and the determination to see the present crisis through to an outcome that will strengthen the cause of peace everywhere. And our objective in Asia and throughout the world is progress toward that peaceful -- if distant day -- when no man rattles a saber and no one drags a chain.

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INCOMING TELEGRAM *Department of State*

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SECRET

Action

Control: 874

Rec'd: AUGUST 3, 1964
10:46 AM

SS

FROM: SAIGON

Info

ACTION: SECSTATE 286 PRIORITY

INFO: CINCPAC 133
WHITE HOUSE 18
JCS 13
SEC DEFENSE 20

DECLASSIFIED

Authority FRUS 64-68, vol. 1, #263

By jc NARA Date 1-20-12

*Cy#3 dest
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DATE: AUGUST 3, 5 PM

EXDIS

AS A PART OF HIS SWING THROUGH FOUR PROVINCES JULY 31-AUGUST 1, KHANH ASKED ME TO ACCOMPANY HIM ON THE LATTER DAY. IN THE MORNING WE VISITED BINH TUY, A RELATIVELY SMALL PROVINCE OF ABOUT 60,000 SITUATED ON THE COAST-EAST OF SAIGON. THERE IS ESSENTIALLY NO PACIFICATION PROBLEM THERE BUT THE PROVINCE ILLUSTRATES THE NEEDS OF AN ECONOMICALLY BACKWARD AREA AFTER ELIMINATION OF VC.

KHANH RECEIVED A THOROUGH BRIEFING ON THE LOCAL SITUATION FROM AN INTELLIGENT-LOOKING PROVINCE CHIEF, THEN VISITED A NEARBY FISHING VILLAGE WHICH TURNED OUT IN FORCE TO GREET US. KHANH ADDRESSED THE VILLAGERS WITH APPARENTLY GOOD EFFECT, THEN MADE A TOKEN PRESENTATION OF GIFTS TO A FEW CHOSEN ELDERS, TAKEN FROM A LARGE PILE OF GIFT PACKAGES PAID OUT IN THE SQUARE, CONSISTING IN THE MAIN OF FRYING GEAR, POTS AND PANS.

KHANH AND HIS PARTY THEN HELICOPTERED FROM BINH TUY TO CAPE ST. JACQUES WHERE THEY GAVE A BARBECUE FOR THE FOREIGN PRESS AT THE END OF THE DAY. I JOINED HIM AN HOUR IN ADVANCE OF THE RECEPTION TO TALK BUSINESS. FIRST, I REPORTED TO HIM MATTER CONTAINED IN EMBTEL 240. HE TOOK THE NEWS CALMLY AND SAID THAT IF ALLEGATION AGAINST HOACH WERE TRUE HE WOULD BE "ELIMINATED".

SECRET

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~~SECRET~~

-2- 286, AUGUST 3, 5 PM, FROM SAIGON

IN COURSE OF SUBSEQUENT CONVERSATION KHANH ASKED ME (FOR AT LEAST THE THIRD TIME SINCE MY ARRIVAL) WHETHER US WAS SOLIDLY BEHIND HIM. I ASSURED HIM SUCH WAS THE CASE AND INTIMATED SOME SURPRISE AT NEED FOR REPEATING ASSURANCE. HIS REPLY INDICATED THAT HE IS CONSIDERING SOME MOVE AGAINST MINH AND WANTED TO DETERMINE HOW USG WOULD REACT. I TOOK THIS OPPORTUNITY TO FOLLOW GUIDANCE CONTAINED IN DEPTTEL 245, SAYING THAT WE AMERICANS HAD BEEN HAPPY TO SEE MINH BROUGHT INTO GOVERNMENT AND HAD HOPED THAT HIS PRESENCE WOULD CONTRIBUTE TO CREATING THE NATIONAL UNITY SO BADLY NEEDED. IT WAS NOT MINH THE INDIVIDUAL WHO ATTRACTED US BUT MINH THE POPULAR SYMBOL WITH POSSIBLE UTILITY IN THE UNSTABLE POLITICAL SITUATION. IF, AS KHANH INSISTED, MUCH WAS NOT A HELP BUT A HINDERANCE TO UNITY, WE HAD NO FURTHER INTEREST IN HIM. HOWEVER, I ASKED KHANH WHETHER IN FACT HE HAD EVER ASKED MINH TO DO SPECIFIC THINGS WHICH THE LATTER HAD DECLINED TO DO.

KHANH SAID INDEED HE HAD. HE CITED FAILURE TO RESPOND TO INVITATION TO CABINET MEETINGS. ALSO, AS HEAD OF STATE MINH HAS CERTAIN DUTIES WHICH GO BACK TO TIME OF BAO DAI AND INCLUDE SIGNING OF STATE PAPERS. IN THIS MINH HAD BEEN TARDY PARTICULARLY IN THE RECENT SUBMISSION OF PAPERS TO UN BEARING ON DESIGNATION OF OFFICIAL GVN SPOKESMAN. KHANH IS PLAINLY FED UP AND MAY BE EXPECTED TO TAKE SOME ACTION AGAINST MINH SHORTLY.

I ASKED KHANH WHETHER HE HAD GIVEN FURTHER THOUGHT TO THE JOINT PLANNING EXERCISE DISCUSSED IN EMSTEL 219. HE SAID HE HAD BUT THEN INDICATED THAT HE HAD MORE IN MIND THE DECLARATION OF A "STATE OF URGENCY" (CONDITION D'URGENCE) THAN MILITARY PLANNING RELATED TO NVN. WHEN I MENTIONED LATTER HE REPLIED THAT WE COULD TALK ABOUT IT LATER IN SAIGON BUT SHOWED NO INTEREST IN PURSUING SUBJECT. IN COURSE OF ENTIRE DAY, HE DID NOT MENTION "MARCH NORTH" ISSUE OR ANY RELATED MATTER.

PRESS RECEPTION AND BARBECUE WAS WELL ATTENDED BY FOREIGN

~~SECRET~~

~~SECRET~~

-3- 286, AUGUST 3, 5 PM, FROM SAIGON

CORRESPONDENTS. PURPOSE WAS PURELY SOCIAL - KHANH MADE NO
STATEMENT TO PRESS.

TAYLOR

BAP

NOTE: ADVANCE COPY DELIVERED TO S/S-O AT 11:45 AM AUGUST 3RD
PASSED CIA AT NOON AUGUST 3RD

~~SECRET~~