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| FORM OF DOCUMENT | CORRESPONDENTS OR TITLE | DATE | RESTRICTION |
|------------------|---|----------|-------------|
| #2 report | summary record of NSC Meeting #524 secret 8/30/62 per USC letter 10-24-60 3 p OPEN 8/30/02 per DRUS, vol. 1, # 86 | 03/17/64 | A |
| #4 report | record of Actions Secret open 1-25-91 NLJ 90-134 1 p | 03/17/64 | A |
| #6 memo | to NSC from Bromley Smith Secret 1 p | 03/16/64 | A |
| #7 report | Draft Statement secret 3 p | undated | A |
| #8 report | amendment to draft statement Secret 1 p | undated | A |
| #9 memo | to the President from Robert McNamara Secret 18 p | 03/16/64 | A |
| #11 statement | draft statement Secret 3 p | undated | A |
| #10 notes | draft meeting notes possible classified information 2 pp. | 03/17/64 | A |

FILE LOCATION

NATIONAL SECURITY FILE, National Security Council File
NSC Meetings, vol. 1, Tab 5, 3/17/64, U.S. Policy Toward Vietnam

RESTRICTION CODES

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Summary Record of the National Security Council Meeting No. 524
March 17, 1964, 12:00 Noon -- Report of Secretary McNamara's
trip to Vietnam

In response to a request from the President, Mr. McCone reported that there was nothing new out of Vietnam this morning worthy of mention. Secretary Rusk said that we had preliminary information about what might become an important new development, i. e., that Sihanouk of Cambodia is turning away from North Vietnam and is prepared to work out an understanding with South Vietnam.

Secretary Rusk presented the recommendations of pages 17 and 18 of Secretary McNamara's report on Vietnam (attached). He said that no one could guarantee that the proposed program would ensure success, but that if the situation in South Vietnam continued to deteriorate, the proposed recommendations provided for readying forces which could be used if it were decided later to take the war to North Vietnam.

Secretary McNamara said he had no additional comments to make but asked General Taylor to present the military actions discussed in the report. General Taylor began by commenting that high-level overflights of North Vietnam are now possible, but if we required low-level reconnaissance, we will have to use U.S. planes overtly. General Taylor then covered the sections of the report, including border control actions, retaliatory actions, and the graduated overt military pressure program. He said that the kinds of military actions he described would produce strong reactions in Cambodia and in North Vietnam including, as a final act, asking the Chinese Communists to come to their support. Risk of escalation would be greatest if we undertook the overt military pressure program, and before doing so, we would want to improve the readiness of U.S. naval forces in the Pacific.

General Taylor said the Chiefs support the McNamara report. They favor readying forces now which would be required if it were decided later to take further military action than that recommended in the report. The Chiefs also want to examine the possibility of reducing from 72 to 24 hours the prior notice required to undertake actions against North Vietnam.

FRUS, Vol. I, #86

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Secretary McNamara said that each Department and Agency concurs with the recommendations which fall in its area of responsibility. Ambassador Lodge agrees with all the recommendations except for his views on the need for overt reconnaissance of Cambodia. Mr. McGeorge Bundy pointed out that Ambassador Lodge's recommendation on Cambodian reconnaissance has been overtaken by events. No decision on this matter can be taken until we have further information about the conversations which are taking place between Khanh and the Cambodians.

The President said it was his understanding that Ambassador Lodge approved all the recommendations in the report except the one which has been overtaken by events and which he can be told lies in the area of unfinished business. The President then asked Secretary McNamara to summarize all twelve of his recommendations.

Secretary McNamara said as to cost, the program proposed would involve an expenditure of between \$50 million and \$60 million by the South Vietnamese, but that the actual cost to us would be approximately \$30 million. Some of the cost will be covered by PL 480 funds and the remainder will come from reallocation of funds to meet the new plans. No supplemental budget request will be necessary.

Secretary McNamara covered very briefly all twelve recommendations. He agreed that the Joint Chiefs of Staff should study the proposal to reduce the 72-hour notice proposal contained in Recommendation 12. He agreed that this time should be reduced if it is possible to do so without resulting in the maldeployment of our forces in the Pacific.

The President asked Secretary McNamara if his program would reverse the current trend in South Vietnam. Secretary McNamara replied that if we carry out energetically the proposals he has made, Khanh can stem the tide in South Vietnam, and within four to six months, improve the situation there.

The President summarized the alternatives to the recommended course of action, i.e., putting in more U.S. forces, pulling out of the area, or neutralizing the area. He said the course we are following is the only realistic alternative. It will have the maximum effectiveness with the minimum loss.

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General Taylor said the Chiefs believed the proposed program was acceptable, but it may not be sufficient to save the situation in Vietnam. He commented that the Chiefs' interest in military action against North Vietnam was based on their belief that action against North Vietnam might be necessary to make effective the program recommended by Secretary McNamara.

Secretary McNamara commented that Khanh had told him that he opposed taking the war to North Vietnam now because he felt that the South Vietnamese need a more secure base in the South before undertaking expanded military action.

The President said the McNamara proposals did not foreclose action later if the situation did not improve as we expected. He asked whether anyone present had any objections. Hearing none, he said the recommendations were approved.

The President, accompanied by Secretaries Rusk and McNamara, USIA Director Rowan, and Mr. McGeorge Bundy, went to his office where a draft press statement was revised and later issued.
(Copy attached)

Bromley Smith

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March 17, 1964

Office of the White House Press Secretary

THE WHITE HOUSE

Secretary McNamara and General Taylor, following their initial oral report of Friday, today reported fully to President Johnson and the members of the National Security Council. The report covered the situation in South Vietnam, the measures being taken by General Khanh and his government, and the need for United States assistance to supplement and support these measures. There was also discussion of the continuing support and direction of the Viet Cong insurgency from North Vietnam.

At the close of the meeting the President accepted the report and its principal recommendations, which had the support of the National Security Council and Ambassador Lodge.

Comparing the situation to last October, when Secretary McNamara and General Taylor last reported fully on it, there have unquestionably been setbacks. The Viet Cong have taken maximum advantage of two changes of government, and of more long-standing difficulties, including a serious weakness and over-extension which had developed in the basically sound hamlet program. The supply of arms and cadres from the north has continued; careful and sophisticated control of Viet Cong operations has been apparent; and evidence that such control is centered in Hanoi is clear and unmistakable.

To meet the situation, General Khanh and his government are acting vigorously and effectively. They have produced a sound central plan for the prosecution of the war, recognizing to a far greater degree than before the crucial role of economic and social, as well as military, action to ensure that areas cleared of the Viet Cong survive and prosper in freedom.

To carry out this plan, General Khanh requires the full enlistment of the people of South Vietnam, partly to augment the strength of his anti-guerrilla forces, but particularly to provide the administrators, health workers, teachers and others who must follow up in cleared areas. To meet this need, and to provide a more equitable and common basis of service, General Khanh has informed us that he proposes in the near future to put into effect a National Mobilization Plan that will provide conditions and terms of service in appropriate jobs for all able-bodied South Vietnamese between certain ages.

In addition, steps are required to bring up to required levels the pay and status of the paramilitary forces and to create a highly trained guerrilla force that can beat the Viet Cong on its own ground. Finally, limited but significant additional equipment is proposed for the air forces, the river navy, and the mobile forces.

In short, where the South Vietnamese Government now has the power to clear any part of its territory, General Khanh's new program is designed to clear and to hold, step by step and province by province.

This program will involve substantial increases in cost to the South Vietnamese economy, which in turn depends heavily on United States economic aid. Additional, though less substantial, military assistance funds are also needed, and increased United States training activity both on the civil and military side. The policy should continue of withdrawing United States

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personnel where their roles can be assumed by South Vietnamese and of sending additional men if they are needed. It will remain the policy of the United States to furnish assistance and support to South Vietnam for as long as it is required to bring Communist aggression and terrorism under control.

Secretary McNamara and General Taylor reported their overall conclusion that with continued vigorous leadership from General Khanh and his government, and the carrying out of these steps, the situation can be significantly improved in the coming months.

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NATIONAL SECURITY COUNCIL

RECORD OF ACTIONS

NSC
Action

2478. U. S. POLICY TOWARD VIETNAM

- a. Considered the March 16th report of the Secretary of Defense on his recent trip to South Vietnam and agreed to the twelve recommendations included in it.
- b. Noted the President's approval of all of the recommendations.

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E.O. 12356, Sec. 3.4

NLJ

By *mg* NARA, Date 1-3-91

March 17, 1964
524th NSC Meeting
NSC Action 2478

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NSC Control No. 157

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ATTENDANCE LIST FOR THE 524th NSC MEETING
HELD ON TUESDAY, MARCH 17, 1964, at 12:00 NOON
IN THE CABINET ROOM OF THE WHITE HOUSE

The President of the United States, Presiding

Speaker of the House of Representatives

AID

David E. Bell, Administrator

Rutherford Poats, Assistant Administrator, Bureau for Far East

ATTORNEY GENERAL

Robert F. Kennedy

BUREAU OF THE BUDGET

Kermit Gordon, Director

CIA

John A. McCone, Director

William Colby

DEFENSE

Robert S. McNamara, Secretary

John McNaughton, Assistant Secretary (ISA)

JCS

General Maxwell D. Taylor, Chairman

OEP

Edward A. McDermott, Director

STATE

Dean Rusk, Secretary

George W. Ball, Under Secretary

William P. Bundy, Assistant Secretary for Far Eastern Affairs

William H. Sullivan, Special Assistant to the Secretary for Vietnam

TREASURY

C. Douglas Dillon, Secretary

USIA

Carl T. Rowan, Director

WHITE HOUSE

Pierre Salinger, Press Secretary
McGeorge Bundy, Special Assistant to the President
Walter Jenkins, Special Assistant to the President
Bill Moyers, Assistant to the President
Jack Valenti, Special Assistant to the President
Maj. Gen. Chester V. Clifton, Military Aide to the President
Michael Forrestal, NSC Staff Member
Bromley Smith, Executive Secretary, National Security Council

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

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March 16, 1964

MEMORANDUM FOR THE

NATIONAL SECURITY COUNCIL

SUBJECT: Memorandum on Viet Nam, dated March 16, 1964

The enclosed memorandum to the President from the Secretary of Defense is circulated for consideration at the Council meeting to be held in the Cabinet Room of the White House at noon on March 17, 1964.

Bromley Smith
Bromley Smith
Executive Secretary

Annex A
Annex B
Annex C
Annex D } *not attached*

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ADMINISTRATIVE MARKING
BY *DAT* ON *6-24-82*

NSC Control No. 154

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DRAFT STATEMENT

Secretary McNamara and General Taylor, following their initial oral report of Friday, today reported fully to President Johnson and the members of the National Security Council. The report covered the situation in South Vietnam, the measures being taken by General Khanh and his government, and the need for U. S. assistance to supplement and support these measures. There was also discussion of the continuing support and direction of the Viet Cong insurgency from North Vietnam.

At the close of the meeting the President accepted the report and its principal recommendations, which had the support of the National Security Council and Ambassador Lodge.

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To meet the situation, General Khanh and his government are acting vigorously and effectively. They have produced a sound central plan for the prosecution of the war, recognizing to a far greater degree than before the crucial role of economic and social, as well as military, action to ensure that areas cleared of the Viet Cong survive and prosper in freedom.

To carry out this plan, General Khanh requires the full enlistment of the people of South Vietnam, partly to augment the strength of his anti-guerrilla forces, but particularly to provide the administrators, health workers, teachers and others who must follow up in cleared areas. To meet this need, and to provide a more equitable and common basis of service, General Khanh proposes in the near future to put into effect a National Mobilization Plan that will provide conditions and terms of service in appropriate jobs for all able-bodied South Vietnamese between certain ages.

In addition, steps are required to bring up to required levels the pay and status of the paramilitary forces and to create an offensive guerrilla force that can beat the Viet Cong at its own game. Finally, limited but significant additional equipment is proposed for the air forces, the river navy, and the mobile forces.

In short, where the South Vietnamese Government now has the power to clear any part of its territory, General Khanh's new program is designed to clear and to hold, step by step and province by province.

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This program will involve substantial increases in cost to the South Vietnamese economy, which in turn depends heavily on U. S. economic aid. Additional, though less substantial, military assistance funds are also needed, and increased U. S. training activity both on the civil and military side. [However, the total number of U. S. military personnel in South Vietnam need not be increased at present, and] the policy should continue of withdrawing U. S. personnel where it is clear that their roles can be assumed by South Vietnamese without sacrifice to combat capability.]

Secretary McNamara and General Taylor reported their overall conclusion that with continued vigorous leadership from General Khanh and his government, and the carrying out of these steps, the situation can be significantly improved in the coming months.

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possible amendment to the draft statement

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This program will involve substantial increases in cost to the South Vietnamese economy, which in turn depends heavily on U. S. economic aid. Additional, though less substantial, military assistance funds are also needed, and increased U. S. training activity both on the civil and military side. The policy should continue of withdrawing U. S. personnel where it is clear that their roles can be assumed by South Vietnamese without sacrifice to combat capability. It will remain the policy of the U. S. to furnish assistance and support to South Vietnam for as long as it is required to bring the insurgency under control.

Secretary McNamara and General Taylor reported their over-all conclusion that with continued vigorous leadership from General Khanh and his government, and the carrying out of these steps, the situation can be significantly improved in the coming months.

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BY DLH ON 11-24-62

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~~SECRET~~THE SECRETARY OF DEFENSE
WASHINGTON

16 March 1964

MEMORANDUM FOR THE PRESIDENT

SUBJECT: South Vietnam

This report addresses two questions:

1. What is the present situation in Vietnam? (What is the trend of the counterinsurgency program, how stable is the Khanh government, and what is the effectiveness of our current policy of assisting the South Vietnamese Government by economic aid, military training and logistical support?)
2. How can we improve that situation? (What are the plans and prospects of the Khanh government and what more should they be doing, and what more should the U. S. be doing under present or revised policy, in South Vietnam or against North Vietnam?)

To answer the questions, the report will review: I. U. S. Objectives in South Vietnam; II. Present U. S. Policy in South Vietnam; III. The Present Situation; IV. Alternative Present Courses of Action; V. Possible Later Actions; VI. Other Actions Considered But Rejected; and VII. Recommendations.

I. U. S. Objectives in South Vietnam

We seek an independent non-Communist South Vietnam. We do not require that it serve as a Western base or as a member of a Western Alliance. South Vietnam must be free, however, to accept outside assistance as required to maintain its security. This assistance should be able to take the form not only of economic and social measures but also police and military help to root out and control insurgent elements.

Unless we can achieve this objective in South Vietnam, almost all of Southeast Asia will probably fall under Communist dominance (all of Vietnam, Laos, and Cambodia), accommodate to Communism so as to remove effective U. S. and anti-Communist influence (Burma), or fall under the domination of forces not now explicitly Communist but likely then to become so (Indonesia taking over Malaysia). Thailand might hold for a period with our help, but would be under grave pressure.

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| DoD letter 9-10-75 | |
| By <u>Dut</u> | 11-22-82 |

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Even the Philippines would become shaky, and the threat to India to the west, Australia and New Zealand to the south, and Taiwan, Korea, and Japan to the north and east would be greatly increased.

All of these consequences would probably have been true even if the U. S. had not since 1954, and especially since 1961, become so heavily engaged in South Vietnam. However, that fact accentuates the impact of a Communist South Vietnam not only in Asia, but in the rest of the world, where the South Vietnam conflict is regarded as a test case of U. S. capacity to help a nation meet a Communist "war of liberation."

Thus, purely in terms of foreign policy, the stakes are high. They are increased by domestic factors.

II. Present U. S. Policy in South Vietnam

We are now trying to help South Vietnam defeat the Viet Cong, supported from the North, by means short of the unqualified use of U. S. combat forces. We are not acting against North Vietnam except by a very modest "covert" program operated by South Vietnamese (and a few Chinese Nationalists) - a program so limited that it is unlikely to have any significant effect. In Laos, we are still working largely within the framework of the 1962 Geneva Accords. In Cambodia we are still seeking to keep Sihanouk from abandoning whatever neutrality he may still have and fulfilling his threat of reaching an accommodation with Hanoi and Peking. As a consequence of these policies, we and the GVN have had to condone the extensive use of Cambodian and Laotian territory by the Viet Cong, both as a sanctuary and as infiltration routes.

III. The Present Situation in South Vietnam

The key elements in the present situation are as follows:

A. The military tools and concepts of the GVN/US effort are generally sound and adequate. a/ Substantially more can be done in the effective employment of military forces and in the economic and civic action areas. These improvements may require some selective increases in the U. S. presence, but it does not appear likely that major equipment replacement and additions in U. S. personnel are indicated under current policy.

B. The U. S. policy of reducing existing personnel where South Vietnamese are in a position to assume the functions is still sound.

a/ Mr. McCone emphasizes that the GVN/US program can never be considered completely satisfactory so long as it permits the Viet Cong a sanctuary in Cambodia and a continuing uninterrupted and unmolested source of supply and reinforcement from NVN through Laos.

Its application will not lead to any major reductions in the near future, but adherence to this policy as such has a sound effect in portraying to the U. S. and the world that we continue to regard the war as a conflict the South Vietnamese must win and take ultimate responsibility for. Substantial reductions in the numbers of U. S. military training personnel should be possible before the end of 1965. However, the U. S. should continue to reiterate that it will provide all the assistance and advice required to do the job regardless of how long it takes.

C. The situation has unquestionably been growing worse, at least since September:

1. In terms of government control of the countryside, about 40% of the territory is under Viet Cong control or predominant influence. In 22 of the 43 provinces, the Viet Cong control 50% or more of the land area, including 80% of Phuoc Tuy; 90% of Binh Duong; 75% of Hau Nghia; 90% of Long An; 90% of Kien Tuong; 90% of Dinh Tuong; 90% of Kien Hoa; and 85% of An Xuyen.

2. Large groups of the population are now showing signs of apathy and indifference, and there are some signs of frustration within the U. S. contingent:

a. The ARVN and paramilitary desertion rates, and particularly the latter, are high and increasing.

b. Draft dodging is high while the Viet Cong are recruiting energetically and effectively.

c. The morale of the hamlet militia and of the Self Defense Corps, on which the security of the hamlets depends, is poor and falling.

3. In the last 90 days the weakening of the government's position has been particularly noticeable. For example:

a. In Quang Nam province, in the I Corps, the militia in 17 hamlets turned in their weapons.

b. In Binh Duong province (III Corps) the hamlet militia were disarmed because of suspected disloyalty.

c. In Binh Dinh province, in the II Corps, 75 hamlets were severely damaged by the Viet Cong (in contrast, during the twelve months ending June 30, 1963, attacks on strategic hamlets were few and none was overrun).

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d. In Quang Ngai province, at the northern edge of the II Corps, there were 413 strategic hamlets under government control a year ago. Of that number, 335 have been damaged to varying degrees or fallen into disrepair, and only 275 remain under government control.

e. Security throughout the IV Corps has deteriorated badly. The Viet Cong control virtually all facets of peasant life in the southernmost provinces and the government troops there are reduced to defending the administrative centers. Except in An Giang province (dominated by the Hoa Hao religious sect) armed escort is required for almost all movement in both the southern and northern areas of the IV Corps.

4. The political control structure extending from Saigon down into the hamlets disappeared following the November coup. Of the 41 incumbent province chiefs on November 1, 35 have been replaced (nine provinces had three province chiefs in three months; one province had four). Scores of lesser officials were replaced. Almost all major military commands have changed hands twice since the November coup. The faith of the peasants has been shaken by the disruptions in experienced leadership and the loss of physical security. In many areas, power vacuums have developed causing confusion among the people and a rising rate of rural disorders.

5. North Vietnamese support, always significant, has been increasing: ||

a. Communications between Hanoi and the Viet Cong (see classified annex).

b. Since July 1, 1963, the following items of equipment, not previously encountered in South Vietnam, have been captured from the Viet Cong:

Chicom 75 mm. recoilless rifles.

Chicom heavy machine guns.

U. S. .50 caliber heavy machine guns on Chicom mounts.

In addition, it is clear that the Viet Cong are using Chinese 90 mm rocket launchers and mortars.

c. The Viet Cong are importing large quantities of munitions and chemicals for the production of explosives: Approximately 50,000 pounds of explosive-producing chemicals destined

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for the Viet Cong have been intercepted in the 12 months ending March 1964. On December 24, five tons of ammunition, of which one and one-half tons were 75 mm recoilless rifle ammunition, was captured at the Dinh Tuong Viet Cong arsenal. Ninety percent was of Chicom manufacture.

D. The greatest weakness in the present situation is the uncertain viability of the Khanh government. Khanh himself is a very able man within his experience, but he does not yet have wide political appeal and his control of the Army itself is uncertain (he has the serious problem of the jailed generals). After two coups, as was mentioned above, there has been a sharp drop in morale and organization, and Khanh has not yet been able to build these up satisfactorily. There is a constant threat of assassination or of another coup, which would drop morale and organization nearly to zero. a/ Whether or not French nationals are actively encouraging such a coup, de Gaulle's position and the continuing pessimism and anti-Americanism of the French community in South Vietnam provide constant fuel to neutralist sentiment and the coup possibility. If a coup is set underway, the odds of our detecting and preventing it in the tactical sense are not high.

E. On the positive side, we have found many reasons for encouragement in the performance of the Khanh government to date. Although its top layer is thin, it is highly responsive to U. S. advice, and with a good grasp of the basic elements of rooting out the Viet Cong. Opposition groups are fragmentary, and Khanh has brought in at least token representation from many key groups hitherto left out. He is keenly aware of the danger of assassination or coup and is taking resourceful steps to minimize these risks. All told, these evidences of energy, comprehension, and decision add up to a sufficiently strong chance of Khanh's really taking hold in the next few months for us to devote all possible energy and resources to his support.

IV. Alternative Present Courses of Action

A. Negotiate on the Basis of "Neutralization"

While de Gaulle has not been clear on what he means by this -- and is probably deliberately keeping it vague as he did in working toward an Algerian settlement -- he clearly means not only a South Vietnam that would not be a Western base or part of an alliance structure (both of which we could accept) but also withdrawal of all external military assistance and specifically total U. S. withdrawal. To negotiate on this

a/ Mr. McCone does not believe the dangers of another coup (except as a result of a possible assassination) at this time are as serious as he believes this paragraph implies.

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basis -- indeed without specifically rejecting it -- would simply mean a Communist take-over in South Vietnam. Only the U. S. presence after 1954 held the South together under far more favorable circumstances, and enabled Diem to refuse to go through with the 1954 provision calling for nationwide "free" elections in 1956. Even talking about a U. S. withdrawal would undermine any chance of keeping a non-Communist government in South Vietnam, and the rug would probably be pulled before the negotiations had gone far.

B. Initiate GVN and U. S. Military Actions Against North Vietnam

We have given serious thought to all the implications and ways of carrying out direct military action against North Vietnam in order to supplement the counterinsurgency program in South Vietnam. (The analysis of overt U. S. action is attached as Annex A.) In summary, the actions break down into three categories:

1. Border Control Actions. For example:

- ✓ a. An expansion of current authority for Laotian over-flights to permit low-level reconnaissance by aircraft when such flights are required to supplement the currently approved U-2 flights.
- ✓ b. Vietnamese cross-border ground penetrations into Laos, without the presence of U. S. advisors or re-supply by U.S. aircraft.
- ✓ c. Expansion of the patrols into Laos to include use of U. S. advisors and re-supply by U. S. aircraft.
- ✓ d. Hot pursuit of VC forces moving across the Cambodian border and destruction of VC bases on the Vietnam/Cambodian line.
- ✓ e. Air and ground strikes against selected targets in Laos by South Vietnamese forces.

2. Retaliatory Actions. For example:

- ✓ a. Overt high and/or low level reconnaissance flights by U. S. or Farmgate aircraft over North Vietnam to assist in locating and identifying the sources of external aid to the Viet Cong.

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✓ b. Retaliatory bombing strikes and commando raids on a tit-for-tat basis by the GVN against NVN targets (communication centers, training camps, infiltration routes, etc.).

✓ c. Aerial mining by the GVN aircraft (possibly with U. S. assistance) of the major NVN ports.

3. Graduated Overt Military Pressure by GVN and U. S. Forces.

This program would go beyond reacting on a tit-for-tat basis. It would include air attacks against military and possibly industrial targets. The program would utilize the combined resources of the GVN Air Force and the U. S. Farmgate Squadron, with the latter reinforced by three squadrons of B-57's presently in Japan. Before this program could be implemented it would be necessary to provide some additional air defense for South Vietnam and to ready U. S. forces in the Pacific for possible escalation.

The analysis of the more serious of these military actions (from 2(b) upward) revealed the extremely delicate nature of such operations, both from the military and political standpoints. There would be the problem of marshalling the case to justify such action, the problem of communist escalation, and the problem of dealing with the pressures for premature or "stacked" negotiations. We would have to calculate the effect of such military actions against a specified political objective. That objective, while being cast in terms of eliminating North Vietnamese control and direction of the insurgency, would in practical terms be directed toward collapsing the morale and the self-assurance of the Viet Cong cadres now operating in South Vietnam and bolstering the morale of the Khanh regime. We could not, of course, be sure that our objective could be achieved by any means within the practical range of our options. Moreover, and perhaps most importantly, unless and until the Khanh government has established its position and preferably is making significant progress in the South, an overt extension of operations into the North carries the risk of being mounted from an extremely weak base which might at any moment collapse and leave the posture of political confrontation worsened rather than improved.

The other side of the argument is that the young Khanh government needs the reinforcement of some significant success against the North and without them the in-country program, even with the expansion discussed in Section C below, may not be sufficient to stem the tide.

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On balance, except to the extent suggested in Section V below, I recommend against initiation at this time of overt GVN and/or U. S. military actions against North Vietnam.

C. Initiate Measures to Improve the Situation in South Vietnam.

There were and are sound reasons for the limits imposed by present policy -- the South Vietnamese must win their own fight; U. S. intervention on a larger scale, and/or GVN actions against the North, would disturb key allies and other nations; etc. In any case, it is vital that we continue to take every reasonable measure to assure success in South Vietnam. The policy choice is not an "either/or" between this course of action and possible pressures against the North; the former is essential without regard to our decision with respect to the latter. The latter can, at best, only reinforce the former.

The following are the actions we believe can be taken in order to improve the situation both in the immediate future and over a longer term period. To emphasize that a new phase has begun, the measures to be taken by the Khanh government should be described by some term such as "South Vietnam's Program for National Mobilization."

Basic U. S. Posture

1. The U. S. at all levels must continue to make it emphatically clear that we are prepared to furnish assistance and support for as long as it takes to bring the insurgency under control.
2. The U. S. at all levels should continue to make it clear that we fully support the Khanh government and are totally opposed to any further coups. The ambassador should instruct all elements, including the military advisors, to report intelligence information of possible coups promptly, with the decision to be made by the ambassador whether to report such information to Khanh. However, we must recognize that our chances would not be great of detecting and preventing a coup that had major military backing.
3. We should support fully the Pacification Plan now announced by Khanh (described in Annex B), and particularly the basic theory -- now fully accepted both on the Vietnamese and U. S. sides -- of concentrating on the more secure areas and

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working out from these through military operations to provide security, followed by necessary civil and economic actions to make the presence of the government felt and to provide economic improvements. This so-called "oil spot" theory is excellent, and its acceptance is a major step forward. However, it is necessary to push hard to get specific instructions out to the provinces, so that there is real unity of effort at all levels. A related matter is to stabilize the assignment of province chiefs and senior commanders and clarify their responsibilities and relationships.

Many of the actions described in succeeding paragraphs fit right into the framework of the Plan as announced by Khanh. Wherever possible, we should tie our urging of such actions to Khanh's own formulation of them, so that he will be carrying out a Vietnamese plan and not one imposed by the U. S.

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Civil and Military Mobilization

4. To put the whole nation on a war footing -- to obtain the manpower for these efforts described below and to remedy present inequities and inadequacies in the use of manpower -- a new National Mobilization Plan (to include a National Service Law) should be urgently developed by the Country Team in collaboration with the Khanh Government. The present structure of decrees, dating from the Diem Government, is haphazard and produces substantial injustices. The new Program for National Mobilization would both greatly increase the effectiveness of the war effort and be a strong visible sign of the Government's determination and will. Full attention should be given to the way it is presented so that it appears as a remedy for past injustices and not as a repressive or totalitarian act.

5. The strength of the Armed Forces (regular plus paramilitary) must be increased by at least 50,000 men. About 15,000 of these are required to fill the regular Armed Forces (ARVN) to their present authorized strength. Another 5,000 would fill the existing paramilitary forces to authorized strengths. The balance of 30,000 men is required to increase the strength of the paramilitary forces, in whatever form these may be organized (see paragraph 7 below). (All of the foregoing strength figures are illustrative and subject to review, which review I have directed General Harkins to make in consultation with General Khanh.)

6. A Civil Administrative Corps is urgently required to work in the provincial capitals, the district towns, the villages, and the hamlets. "Hamlet civic action teams" of five men each are now beginning to be trained, on a small scale, to go into hamlets after they have been cleared, start the rehabilitation process, and train hamlet leaders to carry on. School teachers and health technicians are now assigned in some hamlets, many more are needed, and those on the job need to be retrained to higher competence. Many other types of technicians (e.g., agricultural workers) are needed, in varying numbers. Taking into account the fact that many hamlets are not now secure, and that adequate training is required, the initial goal during 1964 should be at least

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7,500 additional persons; the ultimate target, at least 40,000 men for the 8,000 hamlets, in 2500 villages and 43 provinces. The administrators would come largely from the areas in which they serve and would be paid by the national government. The U. S. should work with the GVN urgently to devise the necessary recruiting plans, training facilities, financing methods, and organizational arrangements, and should furnish training personnel at once, under the auspices of the AID Mission. Further, maximum effort should be made to make use of the available trained personnel by assignment to provincial and village administration where needed.

Improved Military Forces

7. The paramilitary forces are now understrength and lacking in effectiveness. They must be improved and re-organized.

Specifically:

a. What remains of the present hamlet militia (and related forces of a part-time nature for hamlet defense) should be consolidated with the Self Defense Corps into a single force compensated by the national government,

b. Pay and collateral benefits must be substantially improved at once. A reasonable course of action would be to raise the pay scale of the Civil Guard approximately to that of the regular Armed Forces, and to raise the pay scale of a reorganized Self Defense Corps approximately to the present level of the Civil Guard. In addition, measures should be taken to improve the housing and allowances of the families of both forces, so that they can live decently in areas near where the forces are operating.

c. Strength should be maintained and expanded by conscription, effectively enforced, and by more centrally directed recruitment policies.

d. Additional U. S. personnel should be assigned to the training of all these paramilitary forces.

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e. The National Police require special consideration. Their strength in the provinces should be substantially increased and consideration should be given to including them as part of an overall "Popular Defense Force". In expanding and improving the police, the AID Mission should make special arrangements to draw on the advice of the present British training mission under Brigadier Thompson because of its experience in Malaya. (Mr. Bell has instructed Mr. Brent, the USOM Chief, to accomplish this.)

8. An offensive Guerrilla force should be created to operate along the border and in areas where VC control is dominant. Such a force could be organized around present Ranger Companies and ARVN Special Forces and provided with special training and advice by U. S. Special Forces. The force should carry the fight to the VC on their own basis in advance of clear-and-hold operations on the conventional pattern.

Additional Military Equipment for the GVN

9. The Vietnamese Air Force should be strengthened at once by the substitution of 25 A-1H aircraft for the present 25 T-28s. The A-1H aircraft has a much greater bomb load and slightly better speed. a/

10. Although there are no major equipment deficiencies in other forces, we should act at once to replace the present M-114 armored personnel carriers by 63 M-113s and to provide additional river boats. Additional lesser deficiencies should also be met at an estimated cost of approximately \$10 million.

Economic Actions

11. The approved, but unannounced, Fertilizer Program should be particularly stressed and expanded and publicly announced. Its target of 85,000 tons for the present planting season (April - June) should probably be doubled for the next season and trebled the following season both to provide immediate

a/ Concurrently, the effectiveness of the USAF's Farmgate operation will be increased by assignment of A-1E aircraft in replacement of B-26s and T-28s. Furthermore, in another important area, we are strengthening the U. S. intelligence and reporting system.

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and direct benefits to peasants in secure areas and to improve the rice crops and export earnings. Estimates are that an additional ton of fertilizer costing around \$70 can, if properly applied, produce additional yield of an equivalent two tons of rice, which might be sold for \$110 per ton. Thus, the potential export improvement alone could be on the order of \$20 million from this year's 85,000 ton input.

US and GVN Costs of the Above Actions

The above actions will involve a limited increase in U. S. personnel and in direct Defense Department costs. More significantly, they involve significant increase in Military Assistance Program costs and in the budget of the GVN itself, with the latter requiring additional US economic aid. The estimates of additional annual costs are as follows:

| <u>Action</u> | <u>GVN Budget Costs</u> | <u>Cost to U. S.</u> |
|---|---------------------------------|-------------------------------|
| a. Raise military and paramilitary numbers and pay scales | 5-6 billion piastres | \$30-40 million ^{a/} |
| b. Enlarge civil administrative cadre | 250 million piastres (1st year) | \$1,500,000 (first year) |
| c. Furnish additional military equipment | | \$20 million (one time) |

^{a/} Increases in GVN budget expenditures do not automatically require equal increases in U. S. economic aid. As a rough approximation, subject to later refinement, an increase of 5-6 billion piastres of GVN budget expenditures might require an increase of \$30-40 million worth of imports financed through U. S. economic aid. Some of the imports undoubtedly could be obtained under P. L. 480.

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Conclusion

If the Khanh Government can stay in power and the above actions can be carried out rapidly, it is my judgment that the situation in South Vietnam can be significantly improved in the next four to six months. The present deterioration may continue for a part of this period, but I believe it can be levelled out and some improvement will become visible during the period. I therefore believe that this course of action should be urgently pursued while we prepare such additional actions as may be necessary for success.

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V. Possible Later Actions

If the Khanh government takes hold vigorously -- inspiring confidence, whether or not noteworthy progress has been made -- or if we get hard information of significantly stepped-up VC arms supply from the North, we may wish to mount new and significant pressures against North Vietnam. We should start preparations for such a capability now. (See Annex C for an analysis of the situation in North Vietnam and Communist China.) Specifically, we should develop a capability to initiate within 72 hours the "Border Control" ^{a/} and "Retaliatory Actions" referred to on pages 5 and 6, and we should achieve a capability to initiate with 30 days' notice the program of "Graduated Overt Military Pressure." The reasoning behind this program of preparations for initiating action against North Vietnam is rooted in the fact that, even with progress in the pacification plan, the Vietnamese Government and the population in the South will still have to face the prospect of a very lengthy campaign based on a war-weary nation and operating against Viet Cong cadres who retain a great measure of motivation and assurance.

In this connection, General Khanh stated that his primary concern is to establish a firm base in the South. He favors continuation of covert activities against North Vietnam, but until such time as "rear-area security" has been established, he does not wish to engage in overt operations against the North.

In order to accelerate the realization of pacification and particularly in order to denigrate the morale of the Viet Cong forces, it may be necessary at some time in the future to put demonstrable retaliatory pressure on the North. Such a course of action might proceed according to the scenario outlined in Annex D.

a/ Authority should be granted immediately for covert Vietnamese operations into Laos, for the purposes of border control and "hot pursuit" into Laos. Decision on "hot pursuit" into Cambodia should await further study of our relations with that country.

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VI. Other Actions Considered But Rejected

We have considered the following actions, but rejected them for the time being except to the extent indicated below:

1. Return of Dependents. We recommend that the present policy be continued of permitting dependents to return home on a voluntary basis, but not ordering them to do so. The security situation in Saigon appears to have improved significantly, and ordering dependents home would now, in the universal judgment of our senior people in Saigon, have a serious impact on South Vietnamese morale. It would also raise a serious question whether tours of duty for AID personnel would not have to be shortened. Thus, unless there are further serious incidents, or unless we were taking more drastic measures generally, we believe compulsory return should not be undertaken.

2. Furnishing a U.S. Combat Unit to Secure the Saigon Area. It is the universal judgment of our senior people in Saigon, with which we concur, that this action would now have serious adverse psychological consequences and should not be undertaken.

3. U.S. Taking Over Command. It has been suggested that the U.S. move from its present advisory role to a role that would amount in practice to effective command. Again, the judgment of all senior people in Saigon, with which we concur, is that the possible military advantages of such action would be far outweighed by its adverse psychological impact. It would cut across the whole basic picture of the Vietnamese winning their own war and lay us wide open to hostile propaganda both within South Vietnam and outside. Moreover, the present responsiveness of the GVN to our advice -- although it has not yet reduced military reaction time -- makes it less urgent. At the same time, MACV is steadily taking actions to bring U. S. and GVN operating staffs closer together at all levels, including joint operating rooms at key command levels.

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VII. Recommendations

I recommend that you instruct the appropriate agencies of the U.S. Government:

1. To make it clear that we are prepared to furnish assistance and support to South Vietnam for as long as it takes to bring the insurgency under control.
2. To make it clear that we fully support the Khanh government and are opposed to any further coups.
3. To support a Program for National Mobilization (including a national service law) to put South Vietnam on a war footing.
4. To assist the Vietnamese to increase the armed forces (regular plus paramilitary) by at least 50,000 men.
5. To assist the Vietnamese to create a greatly enlarged Civil Administrative Corps for work at province, district and hamlet levels.
6. To assist the Vietnamese to improve and reorganize the paramilitary forces and to increase their compensation.
7. To assist the Vietnamese to create an offensive guerrilla force.
8. To provide the Vietnamese Air Force 25 A-1H aircraft in exchange for the present T-28s.
9. To provide the Vietnamese Army additional M-113 armored personnel carriers (withdrawing the M-114s there), additional river boats, and approximately \$5-10 million of other additional material.
10. To announce publicly the Fertilizer Program and to expand it with a view within two years to trebling the amount of fertilizer made available.

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11. To authorize continued high-level U.S. overflights of South Vietnam's borders and to authorize "hot pursuit" and South Vietnamese ground operations over the Laotian line for the purpose of border control. More ambitious operations into Laos involving units beyond battalion size should be authorized only with the approval of Souvanna Phouma. Operations across the Cambodian border should depend on the state of relations with Cambodia.

12. To prepare immediately to be in a position on 72 hours' notice to initiate the full range of Laotian and Cambodian "Border Control" actions (beyond those authorized in paragraph 11 above) and the "Retaliatory Actions" against North Vietnam, and to be in a position on 30 days' notice to initiate the program of "Graduated Overt Military Pressure" against North Vietnam.

Robert S. McNamara

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DRAFT STATEMENT

Secretary McNamara and General Taylor, following their initial oral report of Friday, today reported fully to President Johnson and the National Security Council. The report covered the situation in South Vietnam, the measures being taken by General Khanh and his government, and the need for U.S. assistance to supplement and support these measures. There was also discussion of new and unmistakable evidence that the Viet Cong assaults are being directed and supported from North Vietnam, with substantial support from Communist China.

At the close of the meeting the President accepted the report and its principal recommendations, which had the support of the National Security Council and Ambassador Lodge. Among the points unanimously agreed to were:

1. The U.S. will furnish assistance and support to South Vietnam for as long as it takes to bring the Communist aggression and terrorism under control.
2. The U.S. will give complete support to General Khanh and his government.

Comparing the situation to last October, when Secretary McNamara and General Taylor last reported fully on it, the two said there have been substantial setbacks for the SVN government. The Viet Cong have taken maximum advantage of two changes of government, and of more long-standing difficulties, including a serious weakness and over-extension which had developed in the basically sound hamlet program, they reported. The supply of arms and cadres from the north has continued; careful and sophisticated control of Viet Cong operations has been apparent; and evidence that such control is centered in Hanoi is clear and unmistakable, the team added.

Other points made by Secretary McNamara and General Taylor:

To meet the situation, General Khanh and his government are acting vigorously and effectively. They have produced a sound central plan for the prosecution of the war, recognizing to a far greater degree than before the crucial role of economic and social, as well as military, action to ensure that areas cleared of the Viet Cong survive and prosper in freedom.

To carry out this plan, General Khanh requires the full enlistment of the people of South Vietnam, partly to augment the strength of his anti-guerrilla forces, but particularly to provide the administrators, health workers, teachers and others who must follow up in cleared areas. General Khanh indicated that he will soon take steps designed to achieve these objectives.

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In addition, steps are required to bring up to required levels the pay and status of the paramilitary forces and to create an offensive guerrilla force that can beat the Viet Cong at its own game. Finally, significant additional equipment is proposed for the air forces, the river navy, and the mobile forces.

In short, where the South Vietnamese Government now has the power to clear any part of its territory, General Khanh's new program is designed to clear and to hold, step by step and province by province.

The program will involve substantial increases in cost to the South Vietnamese economy, which in turn depends heavily on U. S. economic aid. Additional, though less substantial, military assistance funds are also needed, and increased U. S. training activity both on the civil and military side. However, the total number of U. S. military personnel in South Vietnam need not be increased at present.

Secretary McNamara and General Taylor reported their over-all conclusion that with continued vigorous leadership from General Khanh and his government, and the carrying out of these steps, the situation can be significantly improved in the coming months.

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possible amendment to the draft statement

-21-

This program will involve substantial increases in cost to the South Vietnamese economy, which in turn depends heavily on U. S. economic aid. Additional, though less substantial, military assistance funds are also needed, and increased U. S. training activity both on the civil and military side. The policy should continue of withdrawing U. S. personnel where it is clear that their roles can be assumed by South Vietnamese without sacrifice to combat capability. It will remain the policy of the U. S. to furnish assistance and support to South Vietnam for as long as it is required to bring the insurgency under control.

Secretary McNamara and General Taylor reported their over-all conclusion that with continued vigorous leadership from General Khanh and his government, and the carrying out of these steps, the situation can be significantly improved in the coming months.

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ADMINISTRATIVE
BY DLH ON 11-29-72

AGENDA

NSC meeting

12:00 noon, March 17

1. Additional comments on the present situation: Mr. McCone
2. Comment on the report: Secretary McNamara, followed by
General Taylor and Secretary Rusk
3. Review of draft statement: Secretary Rusk and Secretary McNamara
4. In a smaller meeting, review of draft cable to Ambassador Lodge