

LZ

357

INCOMING TELEGRAM *Department of State*

W H 17a

0002

Action CONTROL: 26820 ~~SECRET~~
 RECEIVED: JUNE 30, 1965, 6:16 A.M.
 Info FROM: SAIGON
 ACTION: SECSTATE PRIORITY 4434

Being typed for the President S

Brandy

~~SECRET~~ JUNE 30

FOR THE PRESIDENT

N O D I S

DECLASSIFIED
 Authority STATE letter NOV 7 1978
 By *is*, NARS, Date *5-17-79*

To note marked par. before cable goes to the President

WHATEVER ONE MAY THINK OF GENERAL KY, HE SEEMS TO BE SERIOUS ABOUT FULFILLING HIS CAMPAIGN PROMISES TO STIR UP THE COUNTRY AND GET IT ON A WAR FOOTING. IMPETUOUS AS SOME OF HIS ACTIONS HAVE BEEN, THEY SEEM TO HAVE THE HONEST INTENT OF ENERGIZING AN APATHETIC PEOPLE AND CREATING AN ATMOSPHERE OF URGENCY WHERE DAY-TO-DAY ROUTINE HAS BEEN THE RULE. WITH HIS HIP-SHOOTING TENDENCIES, KY IS LIKELY TO CONTINUE TO TAKE ILL-ADVISED ACTIONS FROM TIME TO TIME SUCH AS HIS BREACH OF RELATIONS WITH FRANCE BUT IT IS JUST POSSIBLE THAT HE WILL BE ABLE TO CREATE A NEW OUTLOOK FAVORABLE TO GETTING THINGS DONE.

THE UNHAPPY EVENT OF THE WEEK WAS, OF COURSE, THE EXECUTION OF SERGEANT BENNETT ON JUNE 24 AND THE BOMBING OF THE MY CANH RESTAURANT ON THE FOLLOWING DAY. IN COMBINATION, THESE TWO EVENTS CONSTITUTE THE BLOODIEST VIET CONG ATROCITY WHICH WE HAVE SUFFERED AND FORECAST A NEW TECHNIQUE OF FURTHER BRUTALITIES WITH THE PERPETRATORS SHIELDED BY THREATS OF REPRISALS AGAINST U.S. PRISONERS. IT WAS THIS PROSPECT WHICH LED THE U.S. MISSION TO RECOMMEND THAT HANOI BE HELD RESPONSIBLE AND BE MADE TO PAY A PRICE FOR THIS INCIDENT. IT SEEMED TO US THAT THE ENEMY HAD ESCALATED AND BY THE RULES OF THE GAME WE SHOULD RESPOND-- OTHERWISE WE WOULD SEEM TO ACCEPT THIS KIND OF THING AS AN INEVITABLE NEW WAY OF LIFE. I HAVE NOT YET RECEIVED AN INDICATION OF THE COUNTERVAILING REASONS WHICH LED TO THE CONTRARY DECISION IN WASHINGTON BUT HOPE TO RECEIVE THEM IN DUE COURSE.

MILITARY ACTIVITIES PICKED UP DURING THE WEEK WITH RENEWED INDICATIONS OF VIET CONG OFFENSIVE INTENTIONS IN KONTUM PROVINCE. COMMANDERS IN THAT AREA ARE BEING FACED WITH THE DIFFICULT DECISION OF ABANDONING MINOR TOWNS UNDER ATTACK OR OF SENDING RELIEF FORCES INTO AREAS FAVORING THE AMBUSHES OF THE ENEMY. WHILE THE FORMER DECISION IS MOST DISTASTEFUL TO A MILITARY COMMANDER, THERE WILL BE CASES, I AM SURE, WHEN THE SHORTAGE OF ARVN UNITS WILL ANGLE STRONGLY FOR IT.

~~SECRET~~

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~~SECRET~~

-2- 4434, JUNE 30. FROM SAIGON.

WHILE THE NUMBER AND INTENSITY OF VIET CONG INCIDENTS WERE INCREASING, VIET CONG HARASSMENT OF COMMUNICATIONS ROUTES CONTINUED TO THE POINT THAT ALL MAJOR ROUTES LEADING INTO II CORPS ARE NOW CLOSED. AS A RESULT, WE WILL BE OBLIGED TO USE AIRLIFT TO ASSURE THE DELIVERY OF ESSENTIAL MILITARY AND CIVILIAN SUPPLIES.

UP TO NOW, GENERAL KY HAS ONLY BEEN AWARE OF THE AIR WAR AND IS NOW LEARNING THE HARD FACTS OF THE GROUND CAMPAIGN. AS I REPORTED IN EMBTEL 4422. HE HAS APPEALED TO ME FOR ADDITIONAL U.S. GROUND FORCES TO TIDE OVER THE MONSOON OFFENSIVE PERIOD. I HAVE AGREED TO HAVE GENERAL WESTMORELAND ~~AND~~ AND THE VIETNAMESE HIGH COMMAND MAKE AN ESTIMATE TO DETERMINE WHERE WE WANT TO BE MILITARILY AT THE END OF THE CALENDAR YEAR AND WHAT FORCES WILL BE REQUIRED TO GET US THERE. THIS SHOULD BE A USEFUL PLANNING EXERCISE REQUIRING THE VIETNAMESE TO FACE HARD FACTS WHICH THEY HAVE SOMETIMES PREFERRED TO IGNORE.

AS SUGGESTED ABOVE, THE ECONOMIC SITUATION IS BECOMING DIFFICULT IN THE FACE OF VIET CONG INTERFERENCE WITH ROAD AND RIVER TRANSPORT. THIS SITUATION, ADDED TO THE HOARDING ACTIVITIES OF RICE MERCHANTS, HAS PRESENTED THE NEW GOVERNMENT WITH A THREAT OF A SERIOUS RICE SHORTAGE. IT APPEARS TO HAVE WON A SHORT-TERM VICTORY BY THREATENING THE PROFITEERS WITH SHOOTING AND AT THE SAME TIME OFFERING MODERATE PRICE INCREASES, A DEAL WHICH HAS OBTAINED THE PROMISE OF DELIVERY OF 50,000 TONS FOR THE GOVERNMENT STOCKPILE. THIS ACTION MEETS THE IMMEDIATE PROBLEM BUT MR. KILLEN WILL WISH TO DISCUSS THE LONGER TERM ASPECTS DURING HIS CONSULTATIONS IN WASHINGTON NEXT WEEK.

WHILE THE ECONOMIC OUTLOOK FOR THE GOVERNMENT IS FAR FROM CLEAR, WE ARE IMPRESSED BY THE COMPETENCE AND MOTIVATION OF THE ECONOMIC MEMBERS OF THE NEW CABINET. IF THEY ARE KEPT IN PLACE A FEW MONTHS, WE THINK WE CAN MAKE PROGRESS WITH THEM.

TAYLOR

~~SECRET~~

18

358

COMMING TELEGRAM Department of State

18a

WJH

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Action

SS

Info

~~TOP SECRET~~

NNNNVV MJB987JIA289
OO RUEHCR
DE RUMJIR 1684A 30/1110Z
O 301100Z ZEA
FM AMEMBASSY SAIGON
TO RUEHCR/SECSTATE WASHDC IMMEDIATE 4438
INFO RUHKA/CINCPAC IMMEDIATE 2594
STATE GRNC
BT

26889

1965 JUN 30 AM 7 23

~~TOP SECRET~~ JUNE 30

EXDIS

DECLASSIFIED

Authority STATE letter MAR 7 1979

DEPTEL 3073

By if, NARS, Date 6-28-79

008

THE CONCURRENCE OBTAINED FROM KY APPLIED ONLY TO ONE MARINE COMPANY ALTHOUGH IT WAS UNDERSTOOD THAT THE REMAINDER OF THE SLF WOULD REMAIN IN VICINITY OF QUI NHON READY TO LAND ON CALL. MEANWHILE, GEN WESTMORELAND IN A SEPARATE ACTION FOLLOWING MY MEETING WITH KY SECURED GENERAL CO'S CONCURRENCE IN HIS MND CAPACITY FOR LANDING PART OR ALL OF SLF SUBJECT ONLY TO THE SPOT COORDINATION WITH RVNAF AUTHORITIES IN QUI NHON.

PAGE 2 RUMJIR 1684A ~~TOP SECRET~~

NOTING IN REFTEL THAT CINCPAC IS NOW AUTHORIZED TO LAND SLF OR ELEMENTS THEREOF ON HIS REQUEST, GEN WESTMORELAND NOW INTENDS TO LAND THE ONE COMPANY TOMORROW, 1 JULY, AND WILL REQUEST THE LANDING OF THE REMAINDER SLF AS REQUIRED. I WILL EXPLAIN THIS MATTER IN DETAIL TO GENERAL KY AT MY NEXT MEETING WITH HIM, PROBABLY JULY 1.

PROPOSE THAT THE FOLLOWING PRESS ANNOUNCEMENT BE MADE JOINTLY BY US/GVN SPOKESMAN SAIGON AT 5:00 PM BRIEFING AFTER INITIAL LANDING COMPLETED 1 JULY:

QUOTE AT THE REQUEST OF GVN, MARINE ELEMENTS OF THE AMPHIBIOUS TASK FORCE OF THE US SEVENTH FLEET, LANDED AT QUI NHON (TODAY) TO PROVIDE SECURITY FOR THAT LOCATION, AS WELL AS FOR COMBAT SUPPORT FOR THE REPUBLIC OF VIETNAM ARMED FORCES UNDER AUTHORITY GRANTED GEN WESTMORELAND PREVIOUSLY BY PRESIDENT JOHNSON. UNQUOTE. TAYLOR.

BT

NOTE: ADVANCE DELIVERY TO S/S-O 6/30/65 AT 7:34 AM
PASSED WHITE HOUSE, DOD, AND CIA AT 7:55 AM

~~TOP SECRET~~

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19

359

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Action

~~TOP SECRET~~

002 19a

SS

Info

VV MJA242JIA291
OO RUEHCR
DE RUMJIR 1685A 30/1120Z
O 301103Z ZEA
FM AMEMBASSY SAIGON
TO RUEHCR/SECSTATE WASHDC IMMEDIATE 4439
INFO RUHKA/CINCPAC IMMEDIATE 2595
STATE GRNC
BT

26897
1965 JUN 30 AM 7 32

~~TOP SECRET~~ JUNE 30

E X D I S

DEPTEL 3079.
EMBTEL 4422.

DECLASSIFIED
Authority STATE letter MAR 7 1979
By if, NARS, Date 6-28-79

WE WELCOME THE DECISION TO DEPLOY TWO ADDITIONAL MARINE BLTS TO THE DANANG AREA. HOWEVER, WE DO NOT SEE ANY DIRECT WAY TO MAKE MILEAGE WITH THE KY GOVERNMENT AS A RESULT OF THIS DECISION. INDIRECTLY, IT WILL BE A GREAT ENCOURAGEMENT TO KY THAT WE HAVE RESPONDED SO PROMPTLY TO HIS REQUEST AND WILL, I AM SURE, THUS FACILITATE OUR RELATIONS WITH HIS GOVERNMENT IN OTHER FIELDS.

PAGE 2 RUMJIR 1685A ~~TOP SECRET~~

I WOULD PROPOSE TO INFORM HIM THAT, IN ADDITION TO THE THREE BATTALIONS OF THE FIRST DIVISION LANDING IN QUI NHON ABOUT JULY 12 AND THE THREE BATTALIONS OF THE 101ST AIRBORNE DIVISION ARRIVING ABOUT JULY 27, THE USG HAS DECIDED TO ADD THE TWO MARINE BLTS, CONSIDERING THAT AT LEAST THIS INCREASE IN US FORCES WILL BE REQUIRED TO MEET THE CURRENT MILITARY THREAT. I WOULD ADD THAT CONSIDERATION OF ANY FURTHER INCREASES MUST AWAIT THE CONCLUSION OF THE JOINT STUDY OF TROOP REQUIREMENTS WHICH GENERALS WESTMORELAND AND CO ARE UNDERTAKING.

WITH REGARD TO A PRESS RELEASE FOLLOWING INITIAL LANDING, WE RECOMMEND THE FOLLOWING:

QUOTE AT THE REQUEST OF THE GOVERNMENT OF VIET-NAM, TWO U.S. MARINE BLTS WERE DEPLOYED AT (TIME) IN THE VICINITY OF DANANG. THESE TROOPS WILL CARRY OUT MISSIONS ASSIGNED TO THEM BY GENERAL WESTMORELAND UNDER THE AUTHORITY PREVIOUSLY GRANTED TO HIM BY PRESIDENT JOHNSON. UNQUOTE

~~TOP SECRET~~

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~~TOP SECRET~~

-2-4439, June 30, from: Saigon

WE SEE NO IMMEDIATE PRESS PROBLEM SINCE THE PRESS WILL CONSIDER THAT THE MARINE BATTALION GOING TO THE QUI NHON AREA (EMBTEL 4438) AND THE TWO MARINE BATTALIONS TO DANANG ARE THREE OF THE SIX BATTALIONS ANNOUNCED BY SECRETARY MACNAMARA AND THAT THE THREE

PAGE 3 RUMJIR 1685A ~~TOP SECRET~~
ARMY BATTALIONS FOR THE QUI NHON/CAM RANH AREA ARE THE REMAINDER. SOMETIME THEREAFTER THERE WILL NEED TO BE A NEW WASHINGTON ANNOUNCEMENT PRIOR TO THE ARRIVAL OF THE THREE AIRBORNE BATTALIONS.

MEANWHILE, IT WOULD BE MOST USEFUL TO RECEIVE THE DECISION ON THE RETENTION OF THE 173D AIRBORNE BATTALION. AS YOU KNOW, GENERAL WESTMORELAND STRONGLY FAVORS THIS RETENTION AND I SUPPORT HIS VIEW. TAYLOR
BT

Note: Advance copy to S/S-0 at 7:42 a.m. 6/30/65.
Passed to White House, DOD & CIA at 8:15 a.m. 6/30/65

~~TOP SECRET~~

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INCOMING TELEGRAM *Department of State*

WH

#5

RECEIVED
MCGEORGE BUNDY'S OFFICE

~~TOP SECRET~~

Action CONTROL: 27355
RECEIVED: JUNE 30, 1965, 2:18 P.M. 1965 JUN 30 PM 5 44

20a

Info FROM: BANGKOK
ACTION: SECSTATE 2158 IMMEDIATE
SECTION ONE OF THREE

~~TOP SECRET~~ JUNE 30

FOR BUNDY

DECLASSIFIED

Authority STATE letter MAR 7 1979

NODIS

By AB, NARS, Date 6-28-79

DEPTEL 2201

I HAVE DELAYED ANSWERING YOUR LETTER UNTIL EUGENE BLACK'S VISIT BECAUSE I THOUGHT THE RESULTS MIGHT BEAR ON MY ANSWER. THEY DO, AS I WILL POINT OUT LATER ON.

I WELCOME THE OPPORTUNITY TO COMMENT ON YOUR LETTER. I MUST CONFESS THAT I AM RATHER STARTLED BY ITS EXTREME PESSIMISM, WHICH I PERSONALLY BELIEVE TO BE UNWARRANTED. BUT HAVING ONLY RECENTLY RETURNED FROM WASHINGTON, I AM ALL TOO FAMILIAR WITH THE ENORMOUS PRESSURES WITH WHICH YOU ARE CONTENDING.

I WOULD MILDLY DISAGREE THAT THE CURRENT SITUATION IS GREATLY DIFFERENT THAN THAT WHICH WAS RATHER CLEARLY IN FRONT OF US IN BAGUIO. AS I SAID LAST SEPTEMBER, IT SEEMED INEVITABLE THAT AFTER THE LONG REPRESSION OF ALL POLITICAL DISSENT UNDER DIEM, THE DEPARTURE OF HIS REGIME WOULD AUTOMATICALLY RELEASE PREVIOUSLY RESTRAINED ANTAGONISMS ON SO VAST A SCALE THAT WE WOULD UNDOUBTEDLY GO THROUGH SEVERAL INSTITUTIONAL FORMS AND DIFFERENT CASTS OF CHARACTERS BEFORE ARRIVING AT A REGIME THAT MIGHT HAVE A REASONABLE RUN.

SIMILARLY, ON THE MILITARY SIDE, IT SEEMED QUITE CLEAR THAT WITH THE COMMENCEMENT OF SUSTAINED U.S. AIR PRESSURE ON THE NORTH, HANOI WOULD MAKE A MASSIVE EFFORT IN THE MONSOON SEASON TO INFLECT SUCH SEVERE MILITARY MAULING ON ARVN AND U.S. FORCES THAT BOTH SVN AND U.S. WILL TO RESIST WOULD BE ERODED, AT LEAST TO THE POINT WHERE WE MIGHT ACCEPT A COALITION REGIME. THIS, OF COURSE, THEY KNEW WOULD BE A BRIEF PRELIMINARY TO THEIR ASSUMPTION OF COMPLETE CONTROL. IT WAS ALSO AXIOMATIC THAT ANY - REPEAT ANY-

~~TOP SECRET~~

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MILITARY COMMANDER WOULD DO HIS UTMOST TO PERSUADE HIS SUPERIORS TO MAKE AVAILABLE MORE THAN SUFFICIENT FORCE TO INSURE THAT HE COULD HANDLE THE MAXIMUM - REPEAT MAXIMUM - CAPABILITY THE ENEMY COULD BRING TO BEAR AGAINST HIM.

AS IT LOOKS FROM HERE, IT DOES NOT SEEM THAT THE SITUATION IN SVN IS GOING ALL THAT BADLY. ON THE SVN INTERNAL POLITICAL SCENE, WE HAVE LOST A GOOD MAN IN QUAT. HIS INSISTENCE ON REFUSING TO BRING APPARENTLY AVAILABLE MILITARY PRESSURE TO BEAR IN HIS DISPUTE WITH SUU SEEMS, UNDER THE CIRCUMSTANCES AND IN VIEW OF THE ONLY OTHER ALTERNATIVE, TO HAVE BEEN A RATHER QUIXOTIC APPLICATION OF A SOMEWHAT ELEMENTARY CONCEPT OF A PROPER DIVISION BETWEEN CIVIL AND MILITARY POWER. SO NOW WE HAVE KY - TOO YOUNG, TOO RASH, TOO IMPETUOUS - WHERE QUAT WAS TOO CAUTIOUS. BUT I DON'T REALLY FEEL DISCOURAGED THAT WE HAVE BEEN UNABLE TO ACHIEVE PERFECTION. AND THE ENORMOUSLY ENCOURAGING THING IS THAT THIS TRANSITION WAS NOT A COUP - IT WAS A RATHER MATURE, NEGOTIATED TRANSITION. AND WE JUST MIGHT HAVE FOUND THAT "GOVERNMENT WITH A NEW AND INDEED REVOLUTIONARY SPIRIT AND APPEARANCE." AND WE JUST MAY HAVE FOUND THE TOUGHNESS AND THE CHARISMATIC QUALITIES NEEDED TO SUBDUCE THE BUDDHIST-CATHOLIC AND THE "NORTHERNER-SOUTHERNER" DIVISIONS. THIS WE WILL FIND OUT, BUT THE FACT REMAINS THAT IT WAS A NEGOTIATED TRANSITION, AND IT IS NOT APPARENT HERE THAT IT HAS LESSENED THE WILL TO RESIST THE VC. THEREFORE WHILE IN APPLICATION OF PURELY WESTERN LOGIC, ONE MIGHT WELL CONCLUDE THAT "THERE MUST BE UNDERNEITH IT ALL A GROWING SPIRIT OF DISCOURAGEMENT AND OF SAUVE QUI PEUT..." I DO NOT THINK THIS NECESSARILY FOLLOWS IN A VIETNAMESE CONTEXT.

AGAIN ON THE MILITARY SIDE, INFORMATION AVAILABLE FROM THE CONSTANT STREAM OF VISITORS FROM SAIGON SIMPLY DOES NOT BEAR OUT THE CONCLUSIONS THAT THE VIETNAMESE MILITARY PERFORMANCE HAS BEEN AS POOR AS PORTRAYED. OBVIOUSLY, WITH AN APPLICATION OF MAXIMUM EFFORT ON THE PART OF THE VC, WHOLE BATTALIONS HAVE BEEN CHEWED UP AND WEAK COMMANDERS AND "SEVERAL INSTANCES" OF COMPLETE FAILURE OF JUNIOR OFFICERS, HAVE UNDOUBTEDLY OCCURRED. UNDER THE SAME CIRCUMSTANCES, I RECALL WE HAD A FEW TROUBLES OF THIS SORT IN KOREA, BUT IT DID NOT IRRETRIEVABLY SHATTER OUR MORALE. MY IMPRESSION IS THAT THEY HAVE IN FACT DONE SOMEWHAT BETTER THAN ONE MIGHT HAVE EXPECTED. AND THE INCONTROVERTIBLE ESSENTIAL FACT IS THAT THE ARVN IS STILL THERE AND IS STILL FIGHTING. AGAIN ON THE VC SIDE, I HAVE ASSIDUOUSLY FOLLOWED EVERY REPORT FROM EVERY AVAILABLE SOURCE ON THE QUESTION OF VC MORALE. OUR BASIC INABILITY TO GET VERY MUCH INFORMATION AT ALL WOULD LEAD ME TO BE RATHER WARY OF ASSUMING THAT SINCE WE HAVE ONLY THESE "SCATTERED SIGNS", THIS COULD JUSTIFY THE CONCLUSION THAT VC MORALE IS HIGH. ONE WOULD ASSUME VC LEADERS HAVE USED EVERY DEVICE IN THE BOOK TO INDUCE CLIMATE OF INEVITABLE VICTORY FOR THIS MAJOR SUMMER PUSH, BUT THESE REPORTS OF INCREASING SHORTAGES OF RATIONS AND MUNITIONS WOULD SEEM TO INDICATE THAT WE ARE SERIOUSLY INTERFERING WITH REPLENISHMENT OF STOCKPILES PAINFULLY BUILT UP OVER LONG PERIOD.

MARTIN

~~TOP SECRET NODIS~~

INCOMING TELEGRAM *Department of State*

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~~TOP SECRET~~

Action CONTROL: 27367
RECEIVED: JUNE 30, 1965, 2:41 P.M.

Info FROM: BANGKOK
ACTION: SECSTATE 2158 IMMEDIATE

SECTION TWO OF THREE

~~TOP SECRET~~ JUNE 30

FOR BUNDY

NODIS

DEPTEL 2201

IN COMMENTING ON YOUR POLICY POSSIBILITIES, I PERSONALLY SEE NO UTILITY AT ALL IN BROADENING AIR STRIKES NOW TO INCLUDE TARGETS IN HANOI AND HAIPHONG. THIS IS NOT BECAUSE OF POSSIBLE REPERCUSSIONS IN THE UK, JAPAN OR KOREA. PRESENCE OR ABSENCE OF UK BACKING IS REALLY NOT THAT IMPORTANT. ANY NATION WHOSE INTIMATE, CLOSE AND SPECIAL RELATIONSHIP COULD SURVIVE U.S. INTERVENTION IN THE SUEZ CRISIS WILL QUICKLY ADJUST. I WOULD BE VERY MUCH MORE CONCERNED OVER REACTION IN KOREA AND JAPAN WERE IT NOT FOR THE FACT THAT ONE HAS ONLY TO ASSESS WHAT THEIR REACTION WOULD BE IF WE PERMIT OURSELVES TO BE DRIVEN OUT OF SOUTHEAST ASIA TO CONCLUDE THEIR REACTION TO THE BOMBING OF HANOI AND HAIPHONG WOULD BE ANNOYING BUT IRRELEVANT IN COMPARISON. I JUST SEE NO NECESSITY WHATEVER FROM MILITARY, POLITICAL OR PSYCHOLOGICAL VIEWPOINTS FOR THIS NOW. WE SHOULD BE CONCENTRATING ON THE CORRIDOR WHERE WE ARE NOT EVEN BEGINNING TO ACCOMPLISH WHAT WE ARE CAPABLE OF ACCOMPLISHING.

NOR DO I SEE ANY PRACTICAL ADVANTAGE TO MINING THE HAIPHONG CHANNEL AND/OR BLOCKADING DRVN. THESE, AS ALSO WITH BOMBING HANOI AND HAIPHONG, SHOULD BE HOSTAGES FOR FUTURE. SINCE WE DO NOT KNOW THE EXACT INTENTIONS OF THE VC, IT IS DIFFICULT TO COMMENT ON THE NECESSITY FOR INCREASES IN U.S. FORCES IN SVN. IF WE CONTINUE TO HOLD, AS WELL AS WE SO FAR HAVE, I WOULD DOUBT WE NEED TO ACTUALLY DEPLOY THESE TROOPS NOW. WHAT WE DO NEED IS A FAR MORE VIGOROUS UTILIZATION OF ALL THE RESOURCES WE NOW HAVE AVAILABLE, A FAR MORE IMAGINATIVE APPRAISAL OF CONTRIBUTIONS THAT COULD BE OBTAINED IN THE AREA, AND SOMEHOW A CORRECTION OF PRESENT COURSES OF ACTION WHICH SIGNAL THAT WE WANT TO DO THE JOB OURSELVES AND NEITHER WANT NOR NEED HELP.

~~TOP SECRET~~

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I WONDER IF IN OUR PREOCCUPATIONS WITH THE DETAILS IN SVN AND WITH THE RAUCOUS DISTORTIONS OF OUR DOMESTIC AND FOREIGN CRITICS AND ADVISERS, WE SOMETIMES TEND TO OVERLOOK WHAT HAS HAPPENED IN THE REST OF THE WORLD IN THE LAST TWELVE MONTHS. DESPITE THE DETONATION OF TWO ATOMIC DEVICES, IT SEEMS THAT CHICOM INFLUENCE AND PRESTIGE IN SOUTH ASIA, AFRICA AND LATIN AMERICAN IS DEFINITELY ON THE WANE. THE INCREASING COURAGEOUS LEADERSHIP DISPLAYED BY "MODERATE" STATESMEN SEEMS TO GIVE A CHANCE OF AT LEAST CONTAINMENT OF THE MORE RADICAL STATES. THE ATTRACTIVENESS OF THE THEORY OF THE INEVITABILITY OF THE SUCCESS OF "WARS OF LIBERATION" SEEMS QUITE EVIDENTLY NO LONGER AS ALL-PERVASIVE AS A YEAR AGO. I WOULD NOT ATTEMPT TO APPLY EXACT PERCENTAGE POINTS TO PRECISE CAUSE AND EFFECT RELATIONSHIPS TO ALL ACTIONS IN SOUTH VIETNAM, BUT IT SEEMS TO ME THAT IT WOULD BE IMPOSSIBLE FOR ANY PERCEPTIVE OBSERVER TO DENY A VERY STRONG RELATIONSHIP INDEED.

I MENTIONED EUGENE BLACK'S VISIT. I WOULD ESTIMATE THAT THE CAPITAL OF THE ASIAN DEVELOPMENT BANK MAY BE OVERSUBSCRIBED BY AS MUCH AS 100 PERCENT BEFORE HE FINISHES HIS CURRENT SCHEDULE OF VISITS IN ASIA AND EUROPE. HIS ESTIMATE WOULD PROBABLY BE MORE MODEST. EVEN THE BURMESE, THE CAMBODIANS, AND THE AFGHANS CAME IN. NO ONE ANTICIPATED THAT BURMA AND CAMBODIA WOULD JOIN. AGAIN I WOULD SUGGEST THIS IS A SIGNIFICANT BIT OF EVIDENCE THAT THE GENERAL EXPECTATION IS THAT WE WILL WIN IN THE END. I THINK THE CUMULATIVE EFFECTS OF THE ENTIRE BLACK OPERATION WILL SHOW AN ASCENDING SCALE OF PARTICIPATION AND COMMITMENT WITH ALL THAT THIS IMPLIES.

I HAVE JUST NOTICED THE ARTICLE BY KIYOAKI MURATA IN THE JUNE 26 ISSUE OF THE JAPAN TIMES WEEKLY ENTITLED "THE DISSENTING VIEW." I WOULD SUGGEST THAT THIS MARKS THE BEGINNING AT LEAST OF A MORE ADEQUATE PORTRAYAL OF THE FACTS AS THEY ARE. I WOULD ALSO SUGGEST THAT THE DEPARTMENT'S ACTIVITY IN AFRO-ASIAN CAPITALS ON THE QUESTION OF SVN ADMISSION TO ALGIERS HAS ALSO BEGUN TO PAY DIVIDENDS. I ALSO BELIEVE THAT THE CONSTANT REITERATION BY THE PRESIDENT, BY YOURSELF, THE SECRETARY AND OTHERS OF THE FACTS AS THEY EXIST HAS BEGUN TO HAVE ITS EFFECT. THE TRUE STORY, FAVORABLE TO US, IS BEING PUBLISHED WITH INCREASING FREQUENCY THROUGHOUT THE WORLD.

I THINK WE ALSO TEND TO OVERLOOK OR MINIMIZE THE CUMULATIVE EFFECT OF THE DEGREE OF ACTUAL FREE WORLD PARTICIPATION WITH US IN SVN. I THINK WE TEND TO CONCENTRATE ON THE MINIMAL ASSISTANCE OTHER COUNTRIES ACTUALLY FURNISH IN COMPARISON WITH THE MAGNITUDE OF OUR OWN EFFORT AND FAIL TO RECOGNIZE THE INCREASING PSYCHOLOGICAL CHANGE THIS INVOLVEMENT WILL INEVITABLY BRING ABOUT.

MARTIN

INCOMING TELEGRAM *Department of State*

5

~~TOP SECRET~~

Action

CONTROL: 27391
RECEIVED: JUNE 30, 1965, 3:07 P.M.

Info

FROM: BANGKOK
ACTION: SECSTATE 2158 IMMEDIATE
SECTION THREE OF THREE

~~TOP SECRET~~ JUNE 30

FOR BUNDY

NODIS

DEPTEL 2201

I WOULD THEREFORE CONCLUDE THAT ON THE BROADER FRONT OUR POLICIES ARE ALREADY SHOWING THEIR EFFECT, AND THIS IN SPITE OF THE FACT THAT OUR OWN EFFORTS HAVE BEEN LARGELY THOSE OF REACTION RATHER THAN AN AGGRESSIVE, CONFIDENT ATTEMPT TO MARSHAL WORLD PUBLIC OPINION ON OUR SIDE. I PERSONALLY THINK THERE ARE GREAT IMPROVEMENTS THAT COULD BE MADE IN THIS FIELD.

IN SUMMARY, I WOULD SUGGEST THAT WITHOUT IN ANY WAY MINIMIZING THE DIFFICULTIES OF THE ACTIONS AHEAD OF US, THAT WE MIGHT BEGIN TO TURN OUR THOUGHTS TO SET UP AN "IF WE ARE SUCCESSFUL" CASE WITH ITS POSSIBLE VARIATIONS DEPENDING ON WHAT WE DO IN THE MEANTIME.

I DESCRIBED THAI REACTIONS RATHER COMPLETELY IN BANGKOK'S 294 OF 6 SEPTEMBER 1964. THEY ARE LARGELY ACCURATE TODAY WITH THE OBVIOUS DIFFERENCE EXEMPLIFIED BY THANAT'S CHANGE OF ATTITUDE AND WITH THE EXCEPTION OF THE DETERIORATION IN THE ATTITUDE OF THE MILITARY BUREAUCRACY AS OUR CONTEMPT FOR ANY ASSISTANCE THEY MIGHT GIVE US, OTHER THAN THEIR GEOGRAPHY, BECOMES INCREASINGLY EVIDENT. I CAN CATEGORICALLY REPEAT THAT, IF SVN COMES UNDER THE CONTROL OF HANOI, YOU WILL SEE A PROCESS OF GRADUAL BUT RAPID DISENGAGEMENT FROM THE THAI COMMITMENT TO THE UNITED STATES. FOR, AS I SAID IN THAT SAME MESSAGE, THE THAI ARE PERFECTLY AWARE THAT IN THE CONTEXT OF OUR ACTUAL AVAILABLE POWER, THE RETENTION OF SEA FREE FROM CHINESE DOMINATION IS A PERFECTLY FEASIBLE OPERATION FOR THE

~~TOP SECRET~~

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~~TOP SECRET~~

-2- 2158, June 30, From Bangkok

UNITED STATES AND THEY FURTHER BELIEVE THAT THIS CAN BE DONE WITH MINIMAL RISK OF ESCALATION INTO A MAJOR WAR. IF, THEREFORE, WE DO NOT DISPLAY THE WILL, THE IMAGINATION AND THE INGENUITY TO ACCOMPLISH THIS IN THE CONTEXT OF SVN, IT WOULD BE EXTRAORDINARILY DIFFICULT TO CONVINCING THEM THAT IT COULD BE DONE IN THAILAND.

WE REALLY FACED FAR GREATER RISKS IN EUROPE AND IN KOREA. WE FACED FAR GREATER CRITICISM FROM OUR FRIENDS BOTH AT HOME AND ABROAD. AS A STUDENT FOR A QUARTER CENTURY OF THE LIMITED APPLICATION OF MILITARY FORCE TO ACHIEVE FULFILLMENT OF NATIONAL POLICY, I STILL INSIST THAT ACHIEVEMENT OF OUR OBJECTIVES IN SEA IS A PERFECTLY FEASIBLE OPERATION. BUT THE APPLICATION OF MILITARY FORCE MUST BE KEPT LIMITED, AND TACTICAL MILITARY ADVANTAGES OF INCREASING THE FORCE MUST ALWAYS BE WEIGHED IN VIEW OF THE FACT THAT MILITARY FORCE HERE, WHILE VITAL AND ESSENTIAL, IS NEVERTHELESS A SMALL ELEMENT IN A MUCH MORE COMPLEX POLITICAL AND PSYCHOLOGICAL OPERATION.

IF WE FAIL TO ACHIEVE OUR OBJECTIVE IN SOUTH VIET NAM, I AM RATHER CERTAIN THAT FUTURE HISTORIANS WILL RECORD THAT IT WAS ONLY BECAUSE WE REFUSED TO USE INTELLIGENTLY THE RESOURCES AVAILABLE TO US.

MARTIN

~~TOP SECRET~~

21

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THE WHITE HOUSE
WASHINGTON

~~SECRET~~

Wednesday, June 30, 1965 - 7:15 PM

MEMORANDUM FOR THE PRESIDENT

Re: Contingency Planning on Vietnam

We have had two long meetings on the planning of the political and military alternatives that grew out of our meeting with you last week. Jack Valenti has given us time at 11:30 on Friday for a meeting with you, and your night reading for tomorrow will have the papers for Friday's discussion. Meanwhile, I have one further thought that you may wish to be turning over in your mind between now and then.

During this week I have had a review made of the economic and informational situation in Vietnam and around the world. It is extraordinarily clear that any further action turns on what we can get the Ky government to do.

In this situation, the quality and energy of our team in Saigon becomes decisive. Max Taylor is heavily preoccupied with the military situation, and the rest of his team is not geared to a full-steam operation with the new cabinet.

So I begin to wonder if it would not be wise to settle hard on the plan for a Lodge-Sullivan team, and plan to get them out there together as soon as Lodge is briefed and Sullivan's successor is chosen. I have already told my brother Bill that Sullivan is the generally preferred choice for this job, and that he should accordingly find the right man quickly for Vientiane. But the decision on the timing of the Taylor-Lodge change is obviously one which only you can make. The more I think about it, the more I think the time of Lodge's take-over should be nearer 1 August than 1 September.

m.f.B.
McG. B.

DECLASSIFIED

Authority NSC 6-18-80 letterBy JK (iq), NARS, Date 7-17-80~~SECRET~~

22

362

OUTGOING TELEGRAM Department of State

18653

INDICATE: COLLECT
 CHARGE TO

~~SECRET~~

22a

80

Origin
SS
Info

ACTION: AnEmbassy SAIGON IMMEDIATE 3091

Jun 30 9 01 PM '65

EXDIS

In connection with current ~~highland~~ study of possibility of some further deployments US forces to South Viet-Nam, would ~~appreciate~~ appreciate by ~~Washington time~~ Washington time, your quick /assessment of local reactions to US forces presently in SVN.

We ~~are~~ would like to know what you have caught reflections/~~in~~ in actions, attitudes, statements of Vietnamese population in all walks of life to presence of US forces. Presumably readings on this matter should be available in Saigon where there has been long-standing contact as well as Danang, Bien Hoa, Vung Tau, Phu Bai ~~and~~ recently /and other areas where forces have/been installed in significant numbers.

We are interested in any manifestation, whether in prices and rents and reaction to increases, satisfaction at increased volume business, and community relations competition for dates, participation in US-sponsored civic action, activities fights and shooting, general xenophobia, or whatever.

While foregoing assessment required immediately, would appreciate your also gearing up/~~broader~~ broader study which within week or ten days could give us your considered judgment, based on all possible sources, of favorable and unfavorable effects on our situation and objectives in

Drafted by: FE:LUnger;hjh 6/30/65 Telegraphic transmission and classification approved by: FE-Leonard Unger

Clearances:

S/S - Mr. Rattray

~~SECRET~~

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STATE letter NOV 7 1978.

Authority
By ij, NARS, Date 5-17-79

FORM 8-63 DS-322

Page ² of telegram to

SAIGON 3091

~~SECRET~~

~~in~~ Viet Nam of US forces ~~in South Vietnam~~ in present numbers and if substantially increased.

GP-3

END

RUSK

~~SECRET~~

23

363

OUTGOING TELEGRAM Department of State

18664

INDICATE: COLLECT
 CHARGE TO

~~TOP SECRET~~

23a

80
Origin
55
Info

ACTION: Amembassy SAIGON

FLASH 3092

JUN 30 9 52 PM '65

INFO: CINCPAC FLASH
COMUSMACV FLASH
JCS

F
S

EXDIS

JOINT STATE-DEFENSE MESSAGE

Embtel 4438 (NOTAL)

Agree to procedures for landing of remainder of SLF as required and proposal for handling press announcements except delete following portion proposed / press announcement QUOTE under authority granted Gen. Westmoreland previously by President Johnson UNQUOTE from announcement. Naturally this would be response to questions. Additional information follows.

GP-3

END

RUSK

DECLASSIFIED
STATE letter MAR 7 1979
Authority _____
By if, NARS, Date 6-28-79

Drafted by: FE:FM Cowherd:gm 6/30/65
Telegraphic transmission and classification approved by: FE - Leonard Unger

OSD/PA - Cdr. Thomas
P - Mr. Arzac

S/S - Mr. Rattray

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~~TOP SECRET~~

24

364

~~TOP SECRET~~

1

24a

July 1, 1965

VIET-NAM

DECLASSIFIED

Authority STATE letter MAR 7 1979

By if, NARS, Date 6-28-79

1. U.S. Objective

The central objective of the United States in South Viet-Nam must be to insure that North Viet-Nam not succeed in taking over or determining the future of South Viet-Nam by force. We must accomplish this objective without a general war if possible.

The "war aim" of the United States is not concerned with what the South Vietnamese would do if they were left alone. There are many problems in the country which only the South Vietnamese can solve. U.S. forces are present in South Viet-Nam only because of the aggression of Hanoi in sending men and arms into the South. If this aggression were removed, U.S. forces could be withdrawn. We would not use U.S. forces to settle issues in South Viet-Nam among the Buddhists, Catholics, the sects, the local Chinese and Cambodian communities, the Montagnards, and the genuinely "indigenous" Viet Cong. The sole basis for employing U.S. forces is the aggression from the North.

2. U.S. Commitments

There can be no serious debate about the fact that we have a commitment to assist the South Vietnamese to resist aggression from

~~TOP SECRET~~

~~TOP SECRET~~

-2-

the North. If the South Vietnamese were to ask us to withdraw our help, we would have to do so. There is no present likelihood that they will do so.

The integrity of the U.S. commitment is the principal pillar of peace throughout the world. If that commitment becomes unreliable, the communist world would draw conclusions that would lead to our ruin and almost certainly to a catastrophic war. So long as the South Vietnamese are prepared to fight for themselves, we cannot abandon them without disaster to peace and to our interests throughout the world.

3. Comment on the present situation

There is no question but that the situation in South Viet-Nam is critical. It is said that we are "losing"; this means that we are not making headway, but rather falling behind, in the effort to stop the infiltration and to pacify the country. But that does not mean that the Viet Cong are "winning"; they have the power to disrupt, but they are not capable of occupying and organizing the country or any major part of it. The Viet Cong can be denied a victory, even if complete pacification will be a long and tortuous prospect.

4. The Risks

There are obvious risks in any engagement between free and communist countries, especially where large communist countries are

~~TOP SECRET~~

~~TOP SECRET~~

-3-

contiguous to the area of conflict. But these risks are present for the communists as well. If they discover that we are less resolved than they, the prospect for the future is exceedingly dark. Moscow and Peiping do not wish a general war with us over Southeast Asia. Our problem, therefore, is to deny to Hanoi success in South Viet-Nam without taking action on our side which would force the other side to move to higher levels of conflict. If they decide to move to a larger war rather than fail to absorb South Viet-Nam, we could not shrink from that eventuality; but such a decision on their part does not appear likely. It is least likely in relation to what we do in South Viet-Nam.

5. Main Courses of Action:

a. Maximum South Vietnamese effort.

We must use the leverage of U.S. presence and assistance to insist that South Vietnamese leaders declare a moratorium on their bickering and knuckle down to the increased effort needed to defeat the Viet Cong. They must be told bluntly that they cannot take us for granted but must earn our help by their own performance.

b. A level of U.S. effort in South Viet-Nam, as a supplement to the best the South Vietnamese can do, to deny a Viet Cong success.

~~TOP SECRET~~

~~TOP SECRET~~

-4-

Even present levels of U.S. forces are not yet reflected in corresponding damage to the Viet Cong. Reinforcements now in course should open the way to a war plan to engage concentrations of Viet Cong with punishing effect.

c. Maintenance of present character of air action against North Viet-Nam, both for its practical effects and to establish that there is no sanctuary for participants in the war.

The elimination of the sanctuary is the principal brake upon direct Chinese participation. We should not, for the present, attack targets in the immediate Hanoi-Haiphong area. Priority should be given to any need for air strikes on targets in South Viet-Nam.

d. Intensify the mobilization of "other flags" in support of South Viet-Nam.

e. Pursue our readiness to seek a peaceful solution through any available channel.

f. Initiate as soon as possible the "Acheson Plan" in South Viet-Nam; if not for the entire country, perhaps in the III and IV corps, or in selected provinces around Saigon.

S:DRusk:imr

~~TOP SECRET~~

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OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

~~TOP SECRET~~

25a

Bundy

Jul 1 3 52 AM '65

3
Origin
SS
Info

ACTION: Amembassy SAIGON FLASH 1
INFO: CINCPAC FLASH
COMUSMACV FLASH
JCS

EXDIS

JOINT STATE - DEFENSE MESSAGE

Deptel 3092

Following additional information reftel. If asked whether the SLF is part of the Six battalions announced by Secretary McNamara on June 16, answer should be QUOTE No, these forces were standing off-shore and were brought in to get additional troops on the scene sooner than we would have had them otherwise UNQUOTE If queried on whether this means a total of more than the fifteen battalions already in country/~~and~~ ^{answer} should be QUOTE Not necessarily, no final decision has yet been made on that. UNQUOTE.

RUSK

GP-3

END

DECLASSIFIED
Authority STATE letter MAR 7 1979
By if, NARS, Date 6-28-79

Drafted by: FE: RMCowherd:cgj:6-30-65

Telegraphic transmission and classification approved by: FE-Leonard Unger

Clearances: OSD-Sec. McNamara

P - Mr. Arzac Inform

S/S-0: Mr. Shackleton
Mr. Sacksteder

~~TOP SECRET~~

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INCOMING TELEGRAM

Department of State

26a

~~TOP SECRET~~

Action

SS

Info

VV MJA447JIA434
*****ZZ RUEHCR RUEHJS
DE RUMJIR 58A 1821100
ZNY TTTTT
Z 011055Z ZEA
FM AMEMBASSY SAIGON
TO RUEHCR/SECSTATE WASHDC
INFO RUEHJS/DOD FLASH TWO
RUHKA/CINCPAC FLASH THREE
STATE GRNC
BT

1965 JUL 1 AM 7 00

00226

FS

FLASH

FLASH EIGHT

~~TOP SECRET~~ JULY ONE

EXDIS

EMBTEL 4438.

IN MODIFICATION OF MACV INTENT REPORTED IN REFTEL TO LAND ONE COMPANY OF MARINES AT QUI NHON TODAY, GENERAL WESTMORELAND HAS NOW DETERMINED THAT THE SITUATION REQUIRES TWO COMPANIES AT ONCE. HENCE THIS NUMBER WILL BE LANDED TODAY AND A THIRD COMPANY WITH SUPPORT UNITS TOMORROW. TAYLOR

NOTE: ADVANCE COPY TO S/S-O, 7/1/65, 7:04 AM
PASSED WHITE HOUSE, CIA, 7/1/65, 7:07 AM

DECLASSIFIED
STATE letter MAR 7 1979

Authority

By if, NARS, Date 6-28-79

~~TOP SECRET~~

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INCOMING TELEGRAM Department of State

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Action

NNNNVV MJA453JIA439

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OO RUEHCR
DE RUMJIR 59A 1821120

Info

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FM AMEMBASSY SAIGON
TO SECSTATE WASHDC IMMEDIATE NINE
STATE GRNC
BT

00271

1965 JUL 1 AM 7 52

~~SECRET~~ JULY ONE

DECLASSIFIED

STATE letter NOV 7 1978

REF: DEPTTEL 3091

Authority

By *if*

NARS, Date 5-17-79

E X D I S

THE MISSION'S QUICK ASSESSMENT FOLLOWS:

THE PRESENCE OF US FORCES HAS DRAWN A VARIETY OF LOCAL REACTIONS TENDING OVERALL TO BE MODERATE IN TONE AND MILDLY FAVORABLE IN CONTENT. MOST VIETNAMESE TO BEST OF MISSION'S KNOWLEDGE DO NOT SEEM TO HAVE FORMED STRONG OPINIONS ABOUT THE US MILITARY PRESENCE. IN PART THIS IS BECAUSE MANY HAVE BECOME ACCUSTOMED TO THE US MILITARY ADVISORY ROLE HERE, AND IN PART IT IS DUE TO SCANTY KNOWLEDGE ABOUT ARRIVAL OF US COMBAT UNITS AND RELATIVE INFREQUENCY OF PERSONAL CONTACT WITH PERSONNEL OF THESE UNITS. MOST CRITICISMS EXPRESSED SO FAR DEAL WITH SPECIFIC, LOCALIZED INCIDENTS OR SITUATIONS RATHER THAN WITH BROADER QUESTIONS OF VIETNAMESE SOVEREIGNTY OR PROSPECTS FOR PEACE.

ALMOST ALL SOURCES RECOGNIZE THAT MILITARY NECESSITIES DICTATED THE SENDING OF US FORCES TO VIET-NAM. THERE IS ALSO WIDESPREAD RESPECT FOR THE REPUTED COMBAT EFFECTIVENESS AND FORMIDABLE FIRE-POWER OF US FORCES. ON THESE GROUNDS SOME SOURCES HAVE DRAWN COMPARISONS DEPRECATING THE COMBAT CAPABILITIES OF VIETNAMESE FORCES, HAVE INDULGED IN OVEROPTIMISTIC EXPECTATIONS ABOUT EARLY VICTORY, OR BOTH. SOME PSYCHOLOGICAL LET-DOWN HAS OCCURRED IN THAT THE ACCELERATION OF WARFARE DURING THE VC SUMMER OFFENSIVE HAS EITHER DIMINISHED EARLIER HOPES THAT US FORCES WOULD QUICKLY RESOLVE THE CONFLICT, OR, TO A LESSER EXTENT, AROUSED FEARS THAT VIET-NAM WILL BECOME THE BATTLEGROUND OF AN EXTENDED EAST-WEST TEST OF STRENGTH. ON THE OTHER HAND, RESIDENTS IN THE VICINITY OF US FORCE STRENGTH SEEM GRATIFIED THAT THEIR PHYSICAL SECURITY HAS IMPROVED. IT IS ENCOURAGING THAT ONLY ISOLATED, LOW-KEY INSTANCES OF PROFESSIONAL JEALOUSY AMONG ARVN OFFICERS MAR THEIR OTHERWISE PREVALENT COOPERATION AND CORDIALITY. THERE ARE ONLY A FEW EXPRESSIONS OF GENERALIZED XENOPHOBIC REACTIONS, MOST NOTABLY

~~SECRET~~

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~~SECRET~~

-2- 9, July 1, From Saigon

AMONG CERTAIN STUDENT, BUDDHIST, AND NORTHERN CATHOLIC EMIGRE GROUPS. CONCERN OVER CONSCRIPTION OR FRUSTRATED POLITICAL ASPIRATIONS MAY BE RESPONSIBLE. ON THE OTHER HAND, SUDISTES AND MOST CATHOLICS, AMONG OTHERS, HAVE EXPRESSED GRATIFICATION ABOUT THE INCREASED US PRESENCE, AGAIN PERHAPS BECAUSE OF REGIONALIST AND SECTARIAN CONSIDERATIONS.

ASSESSING THE ECONOMIC AND SOCIAL IMPACT OF US FORCES IN SIGNIFICANT NUMBERS WITHIN SPECIFIC LOCALITIES IS DIFFICULT. ARRIVAL OF US FORCES HAS COINCIDED WITH SOME DISLOCATIONS CAUSED BY THE LOCAL AND NATIONAL SECURITY SITUATION. THUS WHILE SOME VIETNAMESE HAVE ATTRIBUTED RECENT PRICE INFLATION AND SCARCITY OF GOODS TO INCREASED LOCAL DEMAND CREATED BY THE US MILITARY PRESENCE, INFLATION AND SCARCITY HAVE OCCURRED ANYWAY IN MOST ITEMS AND PLACES BECAUSE OF VIET CONG INTERDICTION OF TRANSPORTATION. PRIORITIES GIVEN MILITARY ACTIVITIES AND PROGRAMS, COMPETING DEMANDS UPON SCARCE RESOURCES OF SKILLED LABOR AND MATERIALS, AND LOCALIZED SHORTAGES OF VARIOUS KINDS HAVE PRODUCED SOME RESENTMENT AMONG CONTRACTORS, SHIPPERS, AND SMALL BUSINESSMEN. THIS IS OFFSET TO SOME EXTENT BY AWARENESS OF THE FORTHCOMING STIMULUS TO CERTAIN SECTORS OF THE ECONOMY BY VIRTUE OF THE INCREASING AMERICAN PRESENCE. RELOCATION OF PEASANTS DISPLACED BY LAND ACQUISITION PROJECTS, SUCH AS AT CHU LAI, HAS CREATED CONSIDERABLE LOCAL DISCONTENT, AND THE MISSION IS WORKING WITH THE GVN TO TRY TO REDUCE THIS DISCONTENT BY EASING PROBLEMS OF COMPENSATION AND RESETTLEMENT.

IN SOME AREAS RESENTMENT HAS ARISEN BECAUSE AMERICAN CUSTOMERS HAVE ENJOYED PREFERENTIAL TREATMENT FROM VIETNAMESE. FOR EXAMPLE, THERE ARE COMPLAINTS IN DA NANG AND NHA TRANG THAT THE US FORCES PAY PREMIUM PRICES FOR ICE AND BEER AND SO ARE SOLD MORE THAN A FAIR SHARE OF THESE COMMODITIES. LANDLORDS IN NHA TRANG AND QUI NHON ARE ACCUSED OF RAISING RENTS OR OUTHRIGHT EVICTION IN ORDER TO MAKE SPACE AVAILABLE FOR THE EXPECTED ARRIVAL OF US FORCES. THE PREFECTURE OF SAIGON RECENTLY REQUIRED TAXI DRIVERS TO ACCEPT ANY PASSENGERS OR TO POST "NOT FOR HIRE" SIGNS WHEN OFF DUTY, SINCE SOME DRIVERS PASSED UP VIETNAMESE PASSENGERS IN ORDER TO FIND MORE GENEROUS TIPS FROM AMERICANS.

THE MOST OUTSPOKEN CASE OF CRITICISM DIRECTED AGAINST THE US FORCES APPEARED IN A SERIES OF NEWSPAPER ARTICLES IN CHINH LUAN PRESENTING AN EXPOSE OF CONDITIONS IN DA NANG (TEXTS SENT AS SAIGON'S A-3). THESE ARTICLES, LATER CONDENSED AND REPRINTED IN

~~SECRET~~

~~SECRET~~

-3- 9, July 1, From Saigon

THE ENGLISH-LANGUAGE SAIGON DAILY NEWS, COMPLAINED THAT WIDE CIRCULATION OF DOLLARS IN DA NANG HAS DEBASED THE PIASTER, BARTER OF GASOLINE FOR LOCAL PURCHASES HAS CREATED SERIOUS FIRE HAZARDS, PROSTITUTION AND BARS ARE FLOURISHING, ETC. ALL THESE CONDITIONS ARE ASCRIBED TO PRESENCE OF US PERSONNEL.

IT IS TRUE THAT INCIDENTS AND ACCIDENTS HAVE INCREASED IN AREAS WHERE US FORCES ARE PRESENT IN SIGNIFICANT NUMBERS. INEBRIATION AND TRAFFIC ACCIDENTS ARE SOME OF THE MORE FREQUENT PROBLEMS, ALTHOUGH RARE INSTANCES OF VANDALISM, BRUTALITY, DESECRATION OF SHRINES, AND CARELESSNESS WITH FIREARMS ARE MORE DISTURBING. ON BALANCE, HOWEVER, BEHAVIOR OF US PERSONNEL APPEARS CORRECT AND DISCIPLINED TO VIETNAMESE OBSERVERS. IN FACT, NUMEROUS VIETNAMESE VILLAGERS HAVE REMARKED THAT US TROOP BEHAVIOR EXCELS THAT OF THEIR OWN FORCES. THERE IS ALSO INCREASING VIETNAMESE POPULAR AWARENESS OF CIVIC ACTION PROJECTS BEGUN RECENTLY BY US COMBAT PERSONNEL, SUCH AS WELL-DIGGING, MEDCAP PROGRAMS, SUPPORT OF ORPHANAGES, ETC.

IN SUM, BASED ON THE PRELIMINARY OBSERVATIONS SUCH AS THE ABOVE, LOCAL REACTIONS TO US FORCES PRESENTLY IN SVN HAVE BEEN GENERALLY FAVORABLE. IT SEEMS SIGNIFICANT THAT INTENSIVE VIET CONG PROPAGANDA AGAINST THE US MILITARY PRESENCE HAS NOT BEEN MEASURABLY EFFECTIVE IN SECURE AREAS UNDER GVN CONTROL WHERE EXPOSURE TO AMERICAN PERSONNEL IS MOST LIKELY. THUS FAR NO INCIDENT OR SITUATION HAS COME ABOUT WHICH WOULD CONSTITUTE A SIGNIFICANT HAZARD TO US-VIETNAMESE COOPERATION OR TO EFFECTIVE PROSECUTION OF THE US FORCES' MISSIONS. THE BROADER STUDY REQUESTED BY REFTEL WILL EVALUATE BENEFICIAL AND DETRIMENTAL FACTORS OPERATIVE IN THE PRESENT SITUATION AND LIKELY TO ARISE WERE US FORCES INCREASED SUBSTANTIALLY. TAYLOR

NOTE: PASSED WHITE HOUSE, DOD, CIA 8:55 A.M., 7-1-65.
ADVANCE COPY TO S/S-0 AT 8:05 A.M., 7-1-65.

~~SECRET~~

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OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

~~TOP SECRET~~

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Origin
SS
Info:

ACTION: Amembassy SAIGON

FLASH 3

JUL 1 10 20 AM '65

INFO: CINCPAC FLASH
COMUSMACV FLASH
JCS

Bundy

EXDIS

Deptel 1.

Last sentence reftel should read: If queried on whether this means a total of more than the fifteen battalions already in country and announced coming, answer should be QUOTE Not necessarily, no final decision has yet been made on that. UNQUOTE

GP-3

END

RISK

DECLASSIFIED
Authority STATE letter MAR 7 1979
By if, NARS, Date 6-28-79

Drafted by: FE:RMCowherd:gm	7/1/65	Telegraphic transmission and classification approved by: FE - Leonard Unger
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Clearances:
OSD - Sec. McNamara
S/S - Mr. Thompson
P - Mr. Arzac (informed)

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~~TOP SECRET~~

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JOINT MESSAGEFORM		RESERVED FOR COMMUNICATION CENTER	
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TYPE MSG	BOOK	MULTI	SINGLE
		X	
PRECEDENCE			
ACTION	PRIORITY		
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		DTG 011455Z JUL 65	

29a

FROM JCS
TO CINCPAC
INFO: COMUSMACV
CINCPACFLT
DGFMPAC
COMATS
COMSTS
COMTMTS
WHITE HOUSE
STATE DEPARTMENT
AMEMB SAIGON
ANMCC
NECPA
NEACP

DECLASSIFIED
Authority E.O. 11652 SEC. 5(A) and (D)
By *ip*, NARS, Date 4-6-78

SPECIAL INSTRUCTIONS
Distribution
CJCS DIA
DJS SECDEF
SJCS ASD/ISA
J-1 ASD/PA
J-3 CSA
J-4 CNO
J-5 CSAF
J-6 CMC
SACSA

~~SECRET~~ JCS 4893 JCS send

Subj: Deployment of Marine Corps Elements (C)
Refs: a. JCS 3772/112116Z (NOTAL); b. DEF 8876/102123Z
Apr 65 (NOTAL)

1. (S) Sail Marine forces alerted by ref a to position off Da Nang prepared to land when separately directed. Entry in SVN will not be made until you are notified that necessary country clearance, being arranged by State, has been obtained.

2. (S) Request JCS be furnished revised movement

DATE	TIME
1	1050
MONTH	YEAR
JULY	1965
PAGE NO.	NO. OF PAGES
1	2

DRAFTER	TYPED NAME AND TITLE	PHONE	SIGNATURE
	LT. COL. E. F. SMITH, USAF Pacific Division, J-3	53031	<i>E. F. Smith</i>
		RELEASER	TYPED (OR STAMPED) NAME AND TITLE
			Vice Admiral, USN Director for Operations
SECURITY CLASSIFICATION SECRET		REGRADING INSTRUCTIONS GP-4	

ABBREVIATED JOINT MESSAGEFORM
AND/OR CONTINUATION SHEET

SECURITY CLASSIFICATION

~~SECRET~~

PRECEDENCE	RELEASED BY	DRAFTED BY	PHONE
ACTION			
INFO			

schedules, as developed.

3. (U) Public statements concerning deployments are governed by the policy established by ref b. Any deviation from this policy must be authorized by OASD (PA). GP-4

4893

CONTROL NO.	TOR/TOD	PAGE NO. 2	NO. OF PAGES 2	MESSAGE IDENTIFICATION	INITIALS <i>Lm</i>
REGRADEING INSTRUCTIONS GP-4				SECURITY CLASSIFICATION SECRET	

30

370

OUTGOING TELEGRAM Department of State

00650

INDICATE: COLLECT
 CHARGE TO

~~TOP SECRET~~

NISC
30a

140

JUL 1 7 30 PM '65

81
Origin
SS
Info

ACTION: AmEmbassy SAIGON ~~EMERGENCY~~ IMMEDIATE 17
LIMDIS
INFO: JCS PRIORITY
CINCPAC
COMUSMACV

DECLASSIFIED

Authority STATE letter MAR 7 1979

By ig, NARS, Date 6-28-79

JOINT STATE/DEFENSE MESSAGE

Subject: Deployment of USMC Forces

Ref: a. Joint STATE/DEFENSE 3079
b. Embtel 4439 (NOTAL)
c. MACV 070335Z

Have noted your acknowledgement decision deploy two additional Marine BLT's to Danang area. Agree your proposal for informing Ky, and will bear in mind joint study being undertaken by Westmoreland and Co. Confirmation GVN clearance for deployment two BLT's and supporting elements urgently required here

With appropriate supporting division and air elements as requested para 10 a (1) reference c, total authorization this deployment is approximately 8000 personnel. Forces deploy about 1 July prepared to land and close Danang about 4 July.

Concur in your proposed press release to follow initial landing except to delete quote Under the authority...President Johnson Unquote, for same reason outlined Deptel 3092. Assume this release will be joint US/GVN. Public statements governing deployments are governed by policy

Drafted by:

Telegraphic transmission and

Clearances:

FE:RWCowherd;hjh 7/1/65

classification approved by:

FE-Leonard Unger

CSD/ISA -Rear Adm. Blouin

CSD/PA - Mr. Goulding

Joint Staff

P - Mr. Greenfield

Vice Adm. Mustin

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~~TOP SECRET~~

FORM 8-63 DS-322

~~TOP SECRET~~

established by Def 8876 DTG 102123 Apr. Any deviation from this policy must be authorized by OASD (PA).

If asked whether the two battalions are the part of the six battalions announced by Secretary McNamara on June 16, answer should be QUOTE No, these forces were brought in to get additional troops on the scene sooner than we would have had them otherwise UNQUOTE. If queried on whether this means a total of more than the fifteen battalions already in country and announced coming, answer should be QUOTE not necessarily, no final decision has yet been made on that UNQUOTE.

With respect to retention 173rd brigade expect decision will be forthcoming soon.

GP-3

END

RUSK

~~TOP SECRET~~

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INCOMING TELEGRAM *Department of State*

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~~TOP SECRET~~

01004

Action

VV MJA540JIA491

1965 JUL 1 PM 10 13

SS

PP RUEHCR
DE RUMJIR 80A 1830145

Info

ZNY TTTT
P 020130Z ZEA
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC PRIORITY 14
INFO RUHLHQ/CINCPAC PRIORITY 8
STATE GRNC

BT

~~TOP SECRET~~ JULY 2.

DECLASSIFIED

Authority STATE letter MAR 7 1979

L I M D I S

By *if*, NARS, Date 6-28-79

EMBTEL 13.

AFTER THE BLACK PARTY LEFT, I STAYED BEHIND TO TAKE UP MISCELLANEOUS MATTERS WITH KY. I TOLD HIM ABOUT THE PLAN FOR LANDING AN ENTIRE BATTALION OF MARINES AT QUI NHON TO WHICH HE HAPPILY ACQUIESCED. I INDICATED THAT THIS WAS PROBABLY ONLY A LOAN OF THESE MARINES WHO UNDER CURRENT PLANS WOULD BE REPLACED BY AN ARMY BRIGADE ARRIVING JULY 12.

PAGE 2 RUMJIR 80A ~~TOP SECRET~~

SOME DAYS AGO AT THE TIME OF KY'S POLICY STATEMENT OF TWENTY-SIX POINTS, I HAD AGREED TO GIVE HIM U.S. MISSION COMMENTS UPON HIS PROGRAM AND TO SUGGEST PRIORITIES OF EFFORT IN MOVING TOWARD HIS OBJECTIVES. TODAY I GAVE HIM SUCH A LETTER (BEING POUCHED SEPARATELY) FOR WHICH HE EXPRESSED THANKS AND A DESIRE TO DISCUSS IT'S CONTENTS LATER.

WITH REGARD TO THE EXCHANGE RATE DISCUSSIONS GOING ON BETWEEN THE MISSION AND THE GVN (TOAID-11), KY INDICATED A GENERAL ACQUAINTANCE WITH THE PROBLEM AND EXPRESSED THE HOPE THAT WE COULD SETTLE IT BY THE END OF THE WEEK. I TOLD HIM THAT WE WERE EQUALLY ANXIOUS TO GET ON WITH THE JOB BUT WE WERE WAITING A FIRM PROPOSAL FROM HIS GOVERNMENT AFTER WHICH WE WOULD HAVE TO RECEIVE WASHINGTON GUIDANCE.

TAKING NOTE OF THE REPORTS FLOATING ABOUT SAIGON THAT KY IS ABOUT TO CLOSE THE UNIVERSITIES AND MOBILIZE THE STUDENTS, I ASKED HIM POINT BLANK WHAT WERE HIS INTENTIONS. THE ANSWER WAS A FORTHRIGHT DENIAL THAT HE HAD ANY SUCH INTENTION ALTHOUGH HE DOES FEEL THAT THE UNIVERSITIES COULD ORIENT THEIR WORK MORE SPECIFICALLY TOWARD THE REQUIREMENTS OF THE WAR.

~~TOP SECRET~~

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~~TOP SECRET~~

-2- 14, JULY 2, FROM SAIGON.

KY APPARENTLY ENJOYED HIS TRIP TO HUE AND DESCRIBED IN DETAIL HIS ENCOUNTER WITH HECKLING STUDENTS. HE APPARENTLY WAS SURPRISED BY GENERAL THIEU'S UNPOPULARITY THERE AND EXPRESSED DOUBT AS TO WHETHER THE TWO SHOULD HAVE GONE TOGETHER. WHILE THERE WOULD BE AN ADVANTAGE FOR THE TWO TO SPLIT UP AND COVER MORE TERRITORY, KY APPARENTLY FEELS THAT THE PAIR WILL SYMBOLIZE THE UNITY HE HOPES TO ACHIEVE IN THE GOVERNMENT. HE RECOGNIZES THAT UNITY AMONG THE GENERALS WOULD SET AN EXAMPLE TO THE BODY POLITIC. TAYLOR
BT

NOTE: ADVANCE COPY TO SS/O, 7/1/65, 10:25 p.m.
PASSED WHITEHOUSE, DOD & CIA, 7/1/65, 10:35 p.m.

~~TOP SECRET~~

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*Tabs to Ed
for file.*

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED

Authority NSC 6-18-80 letter
By JK (ig) NARS, Date 7-17-80

Thursday, July 1, 1965
8:20 p. m.

32a

~~TOP SECRET~~

MEMORANDUM FOR THE PRESIDENT

I attach four documents which are for consideration at the 11:00 o'clock meeting tomorrow.

At Tab 1 is Dean Rusk's four-page statement of the basic issues. [Tab 364]

At Tab 2 is George Ball's paper on a compromise solution. [Tab 349]

At Tab 3 is Bob McNamara's recommendation for expanded military action.

At Tab 4 is my brother Bill's program offering a middle course for the next two months. [Tab 325]

The positions within the government are roughly as follows: McNamara and Ball honestly believe in their own recommendations, though Bob would readily accept advice to tone down those of his recommendations which move rapidly against Hanoi by bombing and blockade.

Dean Rusk leans toward the McNamara program, adjusted downward in this same way.

The second-level men in both State and Defense are not optimistic about the future prospects in Vietnam and are therefore very reluctant to see us move to a 44 battalion force with a call-up of reserves. So they would tend to cluster around the middle course suggested by my brother. They would like to see what happens this summer before getting much deeper in.

The Joint Chiefs are strongly in favor of going in even further than McNamara. Specifically they want now to take out the SAM site, the IL-28s, and the MIGs in the Hanoi area.

My hunch is that you will want to listen hard to George Ball and then reject his proposal. Discussion could then move to the narrow choice between my brother's course and McNamara's. The decision between them should be made in about ten days, which is the point at which

~~TOP SECRET~~

~~TOP SECRET~~

-2-

McNamara would like a final go-ahead on the air mobile division. I think you may want to have pretty tight and hard analyses of some disputed questions like the following:

1. What are the chances of our getting into a white man's war with all the brown men against us or apathetic?
2. How much of the McNamara planning would be on a contingency basis with no decision until August or September?
3. What would a really full political and public relations campaign look like in both the Bundy option and the McNamara option?
4. What is the upper limit of our liability if we now go to 44 battalions?
5. Can we frame this program in such a way as to keep very clear our own determination to keep the war limited? (This is another way of stating question 4).
6. Can we get a cold, hard look at the question whether the current economic and military situation in Vietnam is so very bad that it may come apart even before this program gets into action? (I don't believe that it is that bad, but no one seems to be really sure of the facts today).

Friday's meeting is not, repeat not, for decisions, but for sharpening of the issues that you want studied.

McG. B.

McG. B.

~~TOP SECRET~~

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INCOMING TELEGRAM *Department of State*

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~~TOP SECRET~~

Action

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Info

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DE RUMJIR 112A 1830915
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O 020906Z ZEA
FM AMEMBASSY SAIGON
TO RUEHCR/SECSTATE WASHDC IMMEDIATE 16
INFO RUHKA/CINCPAC IMMEDIATE NINE
RUEHJS/DOD IMMEDIATE THREE
STATE GRNC
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1965 JUL 2 AM 5 31

~~TOP SECRET~~ JULY TWO

EXDIS

DEPTEL 17.

FOLLOWING U.S. MISSION MEETING WITH GOVERNMENT OFFICIALS THIS MORNING 2 JULY, AMBASSADOR JOHNSON, GENERAL WESTMORELAND AND I MET WITH GENERAL THIEU, KY AND CO ON THE SUBJECT OF REFTEL. GVN AGREES TO REQUEST THE INTRODUCTION OF TWO ADDITIONAL MARINE BLTS WITH APPROPRIATE SUPPORTING DIVISION AND AIR ELEMENTS TOTALLING APPROXIMATELY 8,000 PERSONNEL TO ARRIVE ABOUT 4 JULY.

GENERAL WESTMORELAND DISCUSSED HIS DEPLOYMENT PLAN FOR THE TWO BLTS AND THE RATIONALE INVOLVED. HE POINTED OUT THAT THERE WAS A DISPROPORTIONATE AMOUNT OF US COMBAT STRENGTH IN I CORPS WHEREAS THE II AND III CORPS AREAS WERE MORE CRITICAL AT THIS TIME. THIEU, KY AND CO AGREED WITH THE PLAN. WESTMORELAND IS SUBMITTING HIS RECOMMENDATION THROUGH MILITARY CHANNELS.

PRESS RELEASE WILL BE WORKED OUT WITH GVN IN ACCORDANCE WITH DEPARTMENT INSTRUCTIONS. TAYLOR

NOTE: ADVANCE COPY TO S/S-O, 5:37 A.M., JULY 2
PASSED WHITE HOUSE, DOD, CIA, 6:15 A.M., JULY 2

DECLASSIFIED

Authority STATE letter MAR 7 1979

By ip, NARS, Date 6-28-79

~~TOP SECRET~~

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D. Bundy

DECLASSIFIED

Authority E.O. 11652 SEC. 5(A) and (D)

By ip, NARS, Date 4-6-78

FM COMUSMACV
TO RUHKA/CINCPAC
INFO RUEKDA/JCS
RUEPDA/DA
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47.17-1/CG III MAF
RUMSAE/ADV PARTY 2D BDE 1ST INF DIV QUIIZHMN
RUMSAG/SA I CORPS
RUMSAE/SA II CORPS
RUMSARF/SA III CORPS
RUMSVC/CG USASCV
RUMSAL/CMDR 2D AIR DIV

~~TOP SECRET~~

~~TOP SECRET~~ 12727 FROM COMUSMACV
GENERAL WESTMORELAND SENDS
SUBJ: DEPLOYMENT OF US FORCES IN SOUTH VIETNAM
REF: A. SECSTATE 012345Z
B. CINCUSEEPAC 330419Z JUN.

1. AMBASSADOR TAYLOR HAS SECURED IN-COUNTRY CLEARANCE FOR THE LANDING OF TWO ADDITIONAL BLT'S JD SUPPORTING AND ASSOCIATED COMBAT, LOGISTIC SUPPORT, MARINE AIR AND OTHER FORCES TALLING APPROXIMATELY 8,000 PERSONNEL.
2. IT IS OUR UNDERSTANDING THAT THE TWO BLT'S WILL BE READY

~~PAGE 2 RUMSMA 2364U TOP SECRET~~
FOR LANDING ON OR ABOUT 4 JULY.

3. WE ARE NOW IN THE POSITION OF HAVING VERY STRONG FORCES IN THE I CORPS AREA WHILE THE MAIN VC THREAT IS DEVELOPING IN THE II CORPS AND THE NORTHERN PART OF III CORPS. OVER 50 PERCENT OF US COMBAT BATTALIONS WOULD BE IN I CORPS EVEN AFTER THE ARRIVAL OF THE 2D BDE, 1ST DIV AND THE 1ST BDE, 101ST ABN DIV. ONCE ALL THE DEPLOYMENTS FOR WHICH WE HAVE ASKED ARE MADE, THIS IMBALANCE IN US FORCES SHOULD BE CORRECTED. HOWEVER, DURING THE CRITICAL MONTHS OF JULY, AUGUST AND SEPTEMBER, THESE ADDITIONAL FORCES WILL GENERALLY NOT BE AVAILABLE.

4. IN ORDER TO MEET THE IMMEDIATE THREAT, I CONSIDER IT NECESSARY TO SHAKE LOOSE THE 173D AIRBORNE BRIGADE AND THE ATTACHED AUSTRALIAN BATTALION FOR OPERATIONS ANYWHERE IN THE II AND III CORPS AREA WITHOUT UNCOVERING BIEN HOA AIRBASE.

5. THEREFORE, IN ACCORDANCE WITH MY EARLIER FORECAST THAT CHANGES WOULD BE NECESSARY AS THE SITUATION DEVELOPS, I WISH TO MAKE THE FOLLOWING REDEPLOYMENTS WHICH ARE MADE POSSIBLE BY THE APPROVAL OF THE TWO ADDITIONAL MARINE BLT'S:

- A. LAND ONE BLT AT QUI NHON TO RELIEVE THE SLF SO THAT THE SLF MAY GO BACK INTO ITS PROPER ROLE AS A FIGHTING RESERVE

~~PAGE 3 RUMSMA 2364U T O P S E C R E T~~

THE BLT AT QUI NHON WOULD REMAIN UNTIL RELIEVED BY ROK TROOPS HOPEFULLY TO BECOME AVAILABLE.

B. THE 2D BRIGADE (-), 1ST INFANTRY DIVISION, WHICH IS NOW SCHEDULED TO BE LANDED AT QUI NHON WOULD BE DIVERTED THROUGH SAIGON TO BIEN HOA.

C. ONE BATTALION OF THE 2D BRIGADE, 1ST INFANTRY DIVISION REINFORCED WITH ONE ARTILLERY BATTERY (BATTALION COMBAT TEAM) WOULD BE LANDED AT CAN RANH AS SCHEDULED TO PROVIDE SECURITY FOR THIS IMPORTANT AND RAPIDLY DEVELOPING BASE.

D. THE 2D BRIGADE MINUS ONE BATTALION C.T., OF THE 1ST DIVISION WOULD ASSUME RESPONSIBILITY FOR THE SECURITY OF BIEN HOA AIR BASE AND, TO A SOMEWHAT LIMITED EXTENT, A RESERVE REACTION CAPABILITY IN THE III CORPS AREA.

E. THE 173D AIRBORNE BRIGADE WITH THE ATTACHED AUSTRALIAN BATTALION WOULD BE ASSEMBLED AT BIEN HOA AIR BASE FOR OFFENSIVE AND RESERVE REACTION OPERATIONS THROUGHOUT THE COUNTRY, AS NECESSARY, WITH PRIORITY TO II CORPS AND THE NORTHERN PART OF III CORPS.

6. RECOMMEND THAT ONE OF THE TWO BLT'S NOW APPROVED BE LANDED AT DA NANG ON 4 JULY TO BE DISPOSED AS REQUIRED BY THE COMMANDING GENERAL, III MAF, ALONG WITH THE OTHER FORCES INCLUDED

~~PAGE 4 RUMSMA 2364U T O P S E C R E T~~

IN THE 8,000 MAN PACKAGE.

7. INASMUCH AS THE SLF NOW HAS SITUATION AT QUI NHON WELL UNDER CONTROL, THE LANDING OF THE BLT AT QUI NHON CAN TAKE PLACE ANY TIME PRIOR TO 9 JULY WHICH WOULD PROVIDE FOR PORT CLEARANCE PRIOR TO THE LANDING OF LOGISTIC TROOPS SCHEDULED FOR 10 AND 11 JULY.

8. RECOGNIZE THAT DEPLOYMENT OF ONE BLT OUTSIDE PRESENT AREA OF RESPONSIBILITY OF CG, III MAF AND OUTSIDE I CORPS CAUSES SOME ADDITIONAL DIFFICULTIES IN LOGISTICS AND COMMAND AND COORDINATION. HOWEVER, IN THE LIGHT OF RESOURCES AVAILABLE TO ME, THE FACT THAT THE VC THREAT IS DEVELOPING MOST RAPIDLY IN THE AREAS IN WHICH US TROOPS ARE NOT NOW AVAILABLE AND THE FACT THAT CG, III MAF HAS EXPRESSED GRAVE RESERVATIONS ABOUT DEPLOYING US MARINES ON THE HIGH PLATEAU, I CONSIDER IT ESSENTIAL TO MAKE THE FOREGOING ADJUSTMENTS TO COVER THE EXTREMELY CRITICAL PERIOD IMMEDIATELY AHEAD. UPON THE ARRIVAL OF THE BRIGADE FROM THE 101ST AIRBORNE DIVISION IN LATE JULY, I PLAN AT THIS JUNCTURE TO ESTABLISH A BASE CAMP IN THE DON BA THIN (NEAR CAMRANH)/NHA TRANG AREA AND TO USE THIS BRIGADE AND THE 173D AS A MOBILE US FORCE THROUGHOUT SOUTH VIETNAM WITH PRIORITY TO II CORPS AND NORTHERN III CORPS.

~~PAGE 5 RUMSMA 2364U T O P S E C R E T~~

9. THERE IS A POSSIBILITY THAT THE REQUIREMENT FOR FORCES DECREASED THROUGHOUT THE YEAR AND AUGUST WIP REPRESENTED BY THESE TWO AIRBORNE BRIGADES. THEREFORE, I RECOMMEND THAT ONE BRIGADE OF THE 25TH INFANTRY DIVISION IN HAWAII BE EARMARKED AND ALERTED AS NECESSARY FOR POSSIBLE DEPLOYMENT BY AIR TO SOUTH VIETNAM TO COVER THE PERIOD PRIOR TO THE DEPLOYMENT OF LARGER US FORCES.

10. IN CONNECTION WITH REF B, USARPAC RECOMMENDS THE ADDITION OF A THIRD AIRBORNE BATTALION TO THE 173D BRIGADE. MACV HEARTILY CONCURS. THIS RECOMMENDATION WOULD STRENGTHEN FORCES IN COUNTRY AND WOULD PROVIDE AN OPTION TO ATTACH THE AUSTRALIAN BATTALION TO THE 2D BRIGADE OF THE 1ST INFANTRY DIVISION AT BIEN HOA TO REINFORCE ITS CAPABILITY FOR OFFENSIVE AND RESERVE REACTION OPERATIONS IN THAT AREA. GP-4

BT

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OUTGOING TELEGRAM Department of State

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INDICATE: COLLECT
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Origin
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Info

ACTION: Amembassy SAIGON PRIORITY

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INFO: CINCPAC

JUL 3 12 35 PM '65

EXDIS

Embtel 4402; Deptal 3056.

We fully appreciate the considerations you put forward urging a retaliatory strike against Hanoi-Haiphong area in response to execution of Sgt. Bennett and bombing of the My Canh Restaurant. High level decision not to adopt your recommendations made for the following reasons:

1. These two atrocities cannot be regarded as isolated incidents. They will undoubtedly be followed by others just as they have been preceded by others. We cannot, therefore, expect to respond to every atrocity by a dramatic raising of level of violence on our part and we should not establish pattern that will lead to this expectation.
2. We strongly doubt that bombing of targets in Hanoi-Haiphong with accompanying almost inevitable civilian casualties will have a deterrent effect on Viet Cong brutality. On the contrary, by challenging the face of the North Vietnamese it could set in train a sequence of violence and counter-violence, ~~perhaps~~ probably of mounting intensity.

DECLASSIFIED

Authority STATE letter MAR 7 1979

By ip, NARS, Date 6-28-79

Drafted by:

The Under Secretary 7/2/65

Telegraphic transmission and classification approved by:

U - The Under Secretary

Clearances:

The White House - Mr. Bundy

FE - Leonard Unger

S/S - Mr. Christensen

~~TOP SECRET~~

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~~TOP SECRET~~

3. A major escalatory step such as the bombing of Hanoi and Haiphong should be undertaken only as part of a larger strategy for winning the war. The retaliation for Fleiku was the beginning of a new stage in the total struggle-- the bombing of North Viet-Nam. An isolated attack on Hanoi-Haiphong would, in our judgment, accomplish little if not regarded as the beginning of a new phase in United States pressure. We are not prepared at this point to take the escalatory step. On the other hand even such a single attack might be regarded as escalatory by Moscow or Peking and bring an unwanted response.

4. The proposed retaliatory action would probably have an adverse effect on the opinion of our friends and allies. The brutal killing of hostages was a practice frequently followed by the Germans during the last war. The allied powers did not, however, respond by killing German hostages. In the eyes of peoples who lived under city bombing attacks during World War II, the dropping of bombs on the Hanoi-Haiphong complex under these circumstances would be widely represented as approaching the brutality of exploding bombs in restaurants in Saigon. This would likely be the case even though care were taken to minimize civilian casualties.

RUSK

END

~~TOP SECRET~~

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DECLASSIFIED

Authority OSD 9-27-78, NSC 11-16-79

By ip, NARS, Date 2-4-80

SENT
WHCA

1965 JUL 4 19 02

OO WTE10
DE WTE 19F

FROM: MCGEORGE BUNDY
TO : THE PRESIDENT
CITE: CAP65391

NODIS

EYES ONLY

~~TOP SECRET~~

~~TOP SECRET~~ NODIS EYES ONLY

JULY 4, 1965, 1:10 PM

FOLLOWING TWO TELEGRAMS, TO AND FROM MAX TAYLOR, SHOW THAT WE ARE OVER THE HUMP ON THE LODGE TRANSITION EXCEPT FOR DETAILS. TAYLOR ACCEPTS BOTH LODGE APPOINTMENT AND MCNAMARA/LODGE VISIT IN GOOD CHEER AND HIS PREFERENCE FOR A SHORT TURN-AROUND PERIOD IS IN ACCORDANCE WITH OURS. I THINK THIS MEANS THAT THE MCNAMARA TRIP SHOULD BE ANNOUNCED TUESDAY AND THE LODGE APPOINTMENT LATER IN THE WEEK. WE WILL BE SENDING DRAFT ANNOUNCEMENTS TO TAYLOR WITH THE NOTATION THAT THEY ARE SUBJECT TO YOUR REVIEW AND APPROVAL AFTER HIS COMMENT.

TO SAIGON NUMBER 39, JULY 3, 1965

~~TOP SECRET~~ NODIS EYES ONLY

DURING THIS PAST WEEK THE PRESIDENT AND HIS PRINCIPAL ADVISERS HAVE BEEN WRESTLING HARD WITH THE EXTENT TO WHICH WE SHOULD AUGMENT GROUND COMBAT FORCES BETWEEN NOW AND THE END OF THE YEAR. UNDERSTAND WESTMORELAND IS FILLING YOU IN ON HIS EXCHANGES WITH WHEELER, WHICH INDICATE THE PROGRAM UNDER CONSIDERATION. WE ARE EXPECIALLY CONCERNED WITH THE QUESTION WHETHER A 44 BATTALION FORCE WOULD MEAN TAKING OVER THE WAR TO THE EXTENT THAT WOULD DIMINISH GVN AND ARVN PERFORMANCE AND PERHAPS AT SOME POINT STIMULATE FURTHER VIETNAMESE POPULAR OPPOSITION. NO ATTEMPT WAS MADE THIS WEEK TO RESOLVE THE ISSUE AND WE WOULD WELCOME COMMENT FROM YOU AND ALEX THAT WOULD HELP US WITH OUR INKING NEXT WEEK.

IN VIEW OF FAR REACHING DECISIONS THE PRESIDENT BELIEVES THAT IT WOULD BE USEFUL TO US ALL IF MCNAMARA COULD VISIT SAIGON STARTING ABOUT JULY 15 FOR FIVE OR SIX DAYS. WHEELER AND SOMEONE FROM DEPARTMENT WOULD ACCOMPANY.

AS YOU KNOW, PRESIDENT IS DEEPLY GRATEFUL FOR YOUR WILLINGNESS TO STAY ON FOR SHORT PERIOD BEYOND YOUR ORIGINAL COMMITMENT OF LAST YEAR BUT HE ALSO FEELS A PERSONAL OBLIGATION TO THAT COMMITMENT. HE PLANS TO NAME CABOT LODGE AS YOUR SUCCESSOR D HE COULD BE IN POSITION TO REPORT FOR DUTY ABOUT AUGUST 15. PRESIDENT IS VERY EAGER THAT LODGE SHOULD ACCOMPANY MCNAMARA IN ORDER TO GET FULLY AND LOCALLY BRIEFED BEFORE MEETING SENATE COMMITTEE FOR CONFIRMATION AND TO TAKE PART IN DECISIONS WHICH HE MUST LARGELY CARRY OUT.

IF LODGE SHOULD ACCOMPANY MCNAMARA THIS AGAIN RAISES QUESTION OF WHEN PUBLIC ANNOUNCEMENT OF YOUR RETIREMENT AND HIS NOMINATION SHOULD BE MADE. IN ORDER TO AVOID SLIGHTEST SPECULATION THAT MCNAMARA VISIT LED SOMEHOW TO YOUR REPLACEMENT THERE COULD BE ADVANTAGE IN ANNOUNCING CHANGE IN AMBASSADORSHIP WHEN PARTY LEAVES WASHINGTON FOR SAIGON.

AS YOU KNOW, PRESIDENT HAS UNLIMITED REGARD FOR THE JOB YOU HAVE DONE AND THE SACRIFICES IT HAS ENTAILED ON YOUR PART. I AM QUITE SURE THAT HE WOULD WISH TO HAVE YOUR OWN REACTIONS TO THE HANDLING OF THE CHANGEOVER BEFORE PUSHING ANY BUTTONS. VIET NAM SITUATION IS SUFFICIENTLY SPECIAL TO SET ASIDE NORMAL PRACTICE IN WHICH ONE AMBASSADOR IN NO WAY APPEARS UNTIL HIS PREDECESSOR HAS DEPARTED. BUT WE ALSO REALIZE THAT HANDLING OF SOUTH VIETNAMESE SITUATION BETWEEN PUBLIC ANNOUNCEMENT AND YOUR DEPARTURE IS OF CONSIDERABLE IMPORTANCE. PLEASE LET ME HAVE YOUR COMMENTS SOONEST. RUSK

M SAIGON NR. 38, JULY 4, 1965.

~~TOP SECRET~~ NODIS EYES ONLY

PARTY MOST WELCOME JULY 15 OR SOONER SINCE TIME IS PRESSING FOR DECISIONS ON DEPLOYMENTS. PLEASE LET US HAVE DESIRES OF PARTY WITH REGARD TO PROGRAM MEMBERS WISH ARRANGED. WE WILL UPDATE US MISSION ESTIMATE OF SITUATION AND FORWARD IT PRIOR TO DEPARTURE OF PARTY.

AGREE WITH DESIRABILITY OF LODGE COMING WITH SECRETARY MCNAMARA AND OF WASHINGTON ANNOUNCEMENT OF PLAN FOR AMBASSADORIAL SUCCESSION AT TIME OF DEPARTURE FROM WASHINGTON. HOWEVER, I WOULD NOT WANT TO STAY ON FOR MONTH AS "LAME DUCK" AMBASSADOR, AND WOULD LIKE TO DEPART SAIGON SHORTLY AFTER DEPARTURE OF VISITING GROUP.

SUGGEST ANNOUNCEMENT OF MCNAMARA VISIT WITHOUT MENTION OF LODGE SOONEST SINCE PREPARATORY MEASURES FOR VISIT WILL SOON BECOME VISIBLE AND LEAK IS LIKELY. LODGE ANNOUNCEMENT WOULD THEN BE MADE ON DEPARTURE FROM WASHINGTON.

I WOULD APPRECIATE OPPORTUNITY TO COMMENT ON DRAFT TEXT OF BOTH ANNOUNCEMENTS. TAYLOR

DTG: 041830Z JULY 1965

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OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

~~TOP SECRET~~

137a

Origin ACTION: AmEmbassy SAIGON 51 IMMEDIATE

JUL 5 4 07 PM '65

Info: NODIS
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~~XXXXXXXXXX~~ EYES ONLY FOR AMBASSADOR FROM SECRETARY

REF: DEPTEL 39
EMBTTEL 38

DECLASSIFIED
Authority STATE letter MAR 7 1979

Many thanks for your message. By ip, NARS, Date 6-28-79

We are now thinking, subject to final approval probably tomorrow, of announcing the McNamara party visit about Wednesday, July 7, seeking agreement for Lodge 2 - 3 days prior to McNamara departure and announcing appointment here about one day prior departure. Lodge would then have ~~for~~ confirmation hearings soonest after return, and we believe action would be speedy enough to point to your departure in first days of August with Lodge arrival roughly week or ten days thereafter.

Recognize importance of early decisions but are still inclined to stick to 15th for McNamara departure. Next critical deployment decision and announcements, if approved as result of visit, can, we now believe, be held until 22 July or so in any case, and we feel that careful preparation essential both in Saigon and here. In this connection we note Westmoreland's plan visit CINCPAC and take some rest, but would hope he could return

Drafted by: FE: WPBundy/bmm 7/5/65

Telegraphic transmission and classification approved by: William P. Bundy

Clearances: The Secretary (in draft)

S/S - Mr. Christensen

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~~TOP SECRET~~

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July 9 9:45 am

Mr. Cooper, ✓

Mr. Bundy said you should see this.

SPACE BELOW RESERVED FOR COMMUNICATION CENTER

386
JUL 7 23 52 '65 *Bundy*

PRECEDENCE	TYPE MSG (Check)	ACCOUNTING SYMBOL	ORIG. OR REFERS TO	CLASSIFICATION OF REFERENCE
ACTION: <i>IMMEDIATE</i>	BOOK <input type="checkbox"/> MULTI <input checked="" type="checkbox"/> SINGLE <input type="checkbox"/>	OSD	INCC/NO IT(Z)	
INFO: <i>IMMEDIATE</i>				

FROM: SECDEF, WASHINGTON, D. C.

ZFF-1

NO DIS

03

TO: AMBEMB SAIGON

INFO: CINCPAC, *pass to Gen Westmoreland*
~~CONFIDENTIAL~~

DEF 5319

~~TOP SECRET~~ - NO DIS **EXCLUSIVE** FOR AMBASSADOR TAYLOR

FROM SECDEF SIGNED McNAMARA

The main purpose of our visit will be to receive from you your recommendations for the number of US combat battalions, artillery battalions, engineering battalions, helicopter companies, tactical aircraft, and total military personnel to be assigned to South Vietnam between now and the end of this year; the time schedule on which such forces are required; the results which we can expect to achieve with such force levels compared to those of alternative programs; the probable requirements for additional forces next year; and the program of political contacts which you propose as a complement to your military actions -- we will wish to discuss

DECLASSIFIED
OSD letter OCT 25 1978

Authority _____
By *ip*, NARS, Date 6-5-79

DATE 7	TIME
MONTH July	YEAR 1965

<p>SYMBOL: OSD</p> <p>TYPED NAME AND TITLE (Signature, if required): Robert S. McNamara, SecDef</p> <p>PHONE: 55261 PAGE 1 NR. OF PAGES 6</p> <p>SECURITY CLASSIFICATION: TOP SECRET NO DIS</p>	<p>SIGNATURE: <i>RM</i></p> <p>TYPED (or stamped) NAME AND TITLE:</p>
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FROM: SECDEF, WASHINGTON, D. C.

~~measures, including possible additional~~ ^{political} initiatives of our own, third party initiatives, our dealings with the Soviets, and ~~the~~ possibility of some form of contact with DRV and/or NLF. ~~for psychological warfare and other purposes.~~

The two most basic questions we will ask in relation to your recommendations for expanding US forces will be:

A. Assuming your proposals are fully accepted, what assurance do we have that with the resulting force level we can ~~in a reasonable time~~ prove to the Viet Cong they cannot win, and thereby force them to a settlement on our terms?

B. Will large increases in the number and involvement of US combat units and military personnel in South Vietnam cause the Vietnamese Government, and especially the Army, to let up; will it create adverse popular reactions to our presence in the country?

Subsidiary questions will include:

1. How did you determine the number of US and ARVN battalions required to effectively counter the current or prospective Viet Cong forces?

2. Where do you propose to station US combat units and where and how will they be used; what casualties do you expect?

3. How long do you think it will take with your recommended forces (a) to seize the initiative, (b) to prove to the Viet Cong that they cannot win, and (c) thereby to force them to a settlement on our terms?

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JOINT MESSAGEFORM-CONTINUATION SHEET

SECURITY CLASSIFICATION

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~~TOP SECRET~~

FROM:

SEC DEF , WASHINGTON, D. C.

4. How good and timely is our intelligence as to VC locations and activities in SVN and in the corridor, and how can it be improved?

4B. Would it be wise to withdraw GVN military and paramilitary forces from certain outlying or exposed positions in order to concentrate in positions of strength and to reduce the penalties of the serious shortage of Government troops?

5B. What reaction to the expansion of US and third-country forces do you expect from the VC and the DRV?

6A. Is the currently approved construction program adequate for the expanded force?

7B. Is the current MAP program adequate?

8B. What command arrangements do you propose for the expanded US force when engaged in combat?

9A. What program of military pressure (bombing, mining, etc.) against North Vietnam, in terms of the types of targets, level of effort, etc., do you propose for the next six months as a complement to your plan of action in the South?

10A. How effective has been the bombing of the Laotian infiltration routes; what Laotian bombing program do you recommend for the future in terms of specific targets and level of effort?

11A. How effective have been the B-52 strikes; assuming 800 B-52 sorties are available each month, what bombing

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PAGE NR

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NR OF PAGES

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SECURITY CLASSIFICATION

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~~TOP SECRET~~

FROM:

SEC DEF, WASHINGTON, D. C.

program do you recommend for the future in terms of specific targets and level of effort?

1413. Exclusive of B-52 sorties, how many strike sorties and how many reconnaissance sorties per month do you recommend against targets in South Vietnam during the next six months; are all of your current requirements being met; if not, why not; should we be planning on additional airfields for South Vietnam and if so, by what date are they required and where should they be placed?

1314. What has been the trend of each of the major indicators (population control, area control, desertions, weapons losses, terror incidents, price level, etc.) of the success or failure of the counterinsurgency campaign over the past year?

1415. How does the freedom of movement today over the railroads and the major highways and waterways compare with that of a year ago?

1516. What measures do we have of the success or failure of our efforts to prevent infiltration of men and equipment by sea; has the recently expanded program reduced such infiltration; if not, why not; are additional forces required?

1617. Outline and appraise the effectiveness of alternative plans (including a barrier across the 17th Parallel) for the use of US troops in Laos for the purpose of preventing infiltration of men and equipment through that country into South Vietnam.

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INITIALS

jh

FROM:

SEC DEF, WASHINGTON, D. C.

17+8. ¹⁷ Do you think it is possible militarily to cut off or very substantially cut down the infiltration of North Vietnamese personnel and materiel from the North to the South; if so, when do you believe it will begin to have an important effect on VC activities and how decisive will that effect be?

18 19. Has the Hop Tac Program succeeded; if, as it appears to us, it has not, review the program in detail to throw light on the causes of its failure?

19 20. Outline the original plan for the expansion of the GVN military, paramilitary and police forces; the progress to date against that plan; and changes, if any, which you propose for the future.

20 21. Do you concur in the conclusions of the recent RAND study of the morale of VC forces?

21 22. How important is the monsoon to military operations and to the military balance, and how should we expect military prospects to change when the monsoon ends?

22 23. Would it be possible to implement the Acheson Plan in the near future, starting in the 4th Corps; is it feasible to initiate such a plan in a particular area before it has been proven to the Viet Cong that they cannot win?

23 24. After the deployment of the recommended US forces, how would the GVN react to an extended pause (six or eight weeks) in the bombing of the DRV?

SYMBOL

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5

NR OF PAGES

6

SECURITY CLASSIFICATION

~~TOP SECRET~~
~~TOP SECRET~~ NC 15

INITIALS

Jh

FROM:

SEC DEF, WASHINGTON, D. C.

25. Should we consider the imposition of press censorship after the expansion of US forces?

26. What contacts do the South Vietnamese now have with the NLF and the DRV; what additional contacts would you recommend that they or the US have with those parties or the Soviets; how should such US contacts be initiated and with what notice to the GVN?

Assuming our party remains in Vietnam 4 or 5 days, certain members of the party, including myself, probably should visit an aircraft carrier; the major US bases at Bien Hoa, Da Nang, Phu Bai, Qui Nhon, Nha Trang, Chu Lai, and Cam Ranh Bay, the 2d Corps Headquarters in the highlands; and the Hop Tac area.

We hope it will be possible for us to avoid large ceremonial dinners. Instead, we should like to dine with small numbers of Vietnamese, US or third-country nationals in an atmosphere so informal that they will feel free to provide us their personal comments on the Vietnamese scene.

Upon our return, we expect that important policy decisions will be made. These may well require major legislative and executive action (including possibly the declaration of a national emergency, the calling up of reserve forces, large additions to the Budget, etc.) for which we wish to be fully prepared.

SYMBOL	PAGE NR	NR OF PAGES	SECURITY CLASSIFICATION	INITIALS
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39

379

~~SECRET~~

Thursday, July 8, 1965
5:45 p. m.

File

MEMORANDUM TO THE PRESIDENT

39a

SUBJECT: Agenda for your 6:15 meeting

Present will be: Acheson, Bradley, Cowles, Dean, Lovett, and McCloy.
Also Rusk, McNamara, Fowler, George Ball, and Tom Mann.

I suggest the following agenda, and I have marked a possible spokesman beside each issue:

1. The balance of payments (Joe Fowler)

This subject has been touched on marginally during the day in connection with the discussion of Europe. And after Joe has stated the U. S. position you might wish to move to item 2.

2. Europe (George Ball)

The discussion here produced an unusually clear consensus on the way we ought to go about this problem, but no precise policy guidelines -- as George will explain.

3. Latin America (Tom Mann)

I have not heard how this came out, but I believe there was the usual difference of emphasis between Tom Mann and Teddy Moscoso. John Cowles was there and can comment separately if you wish.

4. The UN and Article 19 (Dean Rusk)

The Secretary is in a position to state his own current recommendation, on which you have not yet made a formal decision. He will frame this in tentative language so as not to indicate any possible difference between his recommendation and your eventual decision.

5. India and Pakistan (Dean Rusk)

Here again the Secretary will speak in general terms, but I have found in sounding out Lovett and Acheson a considerable degree of sympathy for your basic view of these two countries.

DECLASSIFIED

Authority NSC 6-18-80 letter
By JK (ig), NARS, Date 7-17-80

6. Arms Control and Disarmament (McG. Bundy)

I will take about two minutes simply to say that you have directed a new and intensive review of this problem, and that you see it as one of great importance but also great difficulty. I will probably also say that the immediate prospect of serious negotiation is dim because of our difference with the Soviets on Vietnam.

6. Vietnam (Rusk and McNamara)

I put this last because it is the most important, and if we put it early we may not get to the other topics at all. I believe that the discussion has shown a very high degree of resolution and realism and a general readiness to face and endorse a larger level of effort if that is the decision after the McNamara/Lodge visit to Saigon.

We have been very candid with this group all day long, and they in turn have shown a very fine spirit of readiness to help the Administration. I might add that, in different ways, all of them have shown their lack of sympathy with some of the nasty stories written lately by gossip types.

McG. B.

40

380

JOINT MESSAGEFORM

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ON ~~SECRET~~

40a

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DTG: 092354Z JUL 65

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ACTION	IMMEDIATE	BOOK	MULTI	SINGLE	OSD		
INFO	IMMEDIATE			X			

FROM:

OSD WASH DC

EXCLUDED FROM AUTOMATIC
REGRADING: DOD DIR 5800.10

SPECIAL INSTRUCTIONS

TO:

AMEMB SAIGON

INFO: WHITEHOUSE/STATE

~~SECRET~~ DEF

5570

FROM SECDEF McNAMARA.

EYES ONLY FOR AMBASSADOR TAYLOR.

IMMEDIATE

Reference your 081015Z.

Tentatively plan arrival Saigon about 0800 local
16 July and departure about 2000 local 20 July; our stay
could be extended one day if necessary.

Principal members of party accompanying me will be
Ambassador Lodge, General Wheeler, Bill Bundy, John
McNaughton, Art Sylvester and General Goodpaster.

Will appreciate your suggested schedule.

Signed: Robert S. McNamara

GP-1

DECLASSIFIED
Authority OSD letter OCT 25 1978
By if, NARS, Date 6-5-79

Restrict dist to
CJCS
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MR McNAUGHTON (ISA)
STATE
WHITE HOUSE

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DATE	9	TIME	
MONTH	July	YEAR	65

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TYPED NAME AND TITLE (Signature, if required)	Col Moody, Mil Asst to SECDEF		
PHONE	55261	PAGE	1
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RM

ROBERT S. McNAMARA
SECRETARY OF DEFENSE

41

381

10
Sunday, July , 1965
10:30 a.m.

*copy of ltr to
Sec State +
Defense*

Mr. President:

The attached letter from Ros Gilpatric gives a very good brief summary of the consensus of thinking on Vietnam in the President's Panel of Consultants on Foreign Affairs, and I think it will interest you.

41a

McG.B.

Attachment

CRAVATH, SWAINE & MOORE

1 CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

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BRUCE BROMLEY
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THOMAS A. HALLERAN
ALBERT R. CONNELLY
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GEORGE B. TURNER
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RALPH L. MCAFEE
ROYALL VICTOR, JR.
ALLEN H. MERRILL
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
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CABLE ADDRESSES
CRAVATH, N.Y.
CRAVATH, PARIS

July 9, 1965

Dear Mac:

It might be useful if I put down briefly my sense of how the thinking of most of us assigned to the Vietnam panel came out during yesterday's discussions:

1. The U. S. has a commitment in South Vietnam, non-fulfillment of which would have extremely grave consequences not only in Asia but in Europe.

2. Of the courses of action open to the U.S. in order to make good on that commitment, some are either inadequate or undesirable, viz.:

(a) The role up to now played by U.S. forces, namely, training, supporting, advising and otherwise assisting the South Vietnamese, is not enough to keep South Vietnam from losing out to the Vietcong backed up by the North Vietnamese.

(b) Strikes against the Hanoi-Haiphong area would probably cause the USSR to react positively because it would otherwise be shown incapable of protecting North Vietnam.

3. Hence, in order to hold on in South Vietnam, the U. S. faces a new role, that is, taking a major part in the combat itself. This means large additional forces and probably much heavier casualties. To carry out this role with some prospect of success calls for the

application of whatever amounts of military power may be needed, perhaps as much as brought to bear in Korea fifteen years ago.

4. To prepare the American people for this changed role and larger effort, Government spokesmen from the President on down must speak out fully and frankly. To keep the measure of popular support which the Administration policy and program for Vietnam now enjoy, there must not only be acknowledgement of how the situation has worsened but why other courses of action being urged upon the Government -- by such as Lippmann, Laird and Ford, as well as by Gruening, Morse, et al. -- are not acceptable.

5. Recourse to the UN at this juncture would be premature and counter-productive. (Larson obviously disagrees on this point.) The U. S. should, of course, continue -- as it has been -- receptive to all moves by others, such as the British and U Thant, to get started negotiations looking toward political settlement, although the prospects for the latter appear dim in the near term.

Yesterday's discussions and exchanges impressed me as worthwhile. I trust that you and your colleagues had the same reaction.

As ever,



The Honorable McGeorge Bundy
The Special Assistant for National
Security Affairs
The White House
Washington, D. C.

42

382

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DIST: CJCS-1(4) DJS-3(5-7) SJCS-1(8) J1-1(9) J3-8(10-17) J4-3(18-20)
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 ASD/PA-1(38) W/HOUSE-3(39-41) STATE-1(42) CSA-2(43-44) CNO-2
 (45-46) CSAF-2(47-48) CMC-5(49-53) FILE-1(1) (53) JNF/CL
 CY#2 TO DACC - CY#3 COMEPACK ACT ASSIGNED J3-1(54)

42a

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INFO PRIORITY			X		OSD		

FROM: OSD WASH DC

SPECIAL INSTRUCTIONS

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TO: AMEMBASSY SAIGON

JCS/ZEN

INFO: CINCPAC

ADDED DIST: WHITE HOUSE-3 (57-59)
 12 JUL 65 (PER MR. DEVINE/ASD/ISA)

COMUSMACV

~~TOP SECRET DEF~~ 5582 FROM OASD/ISA

JOINT STATE/DEFENSE MESSAGE DECLASSIFIED

REFS: a. JCSM 515-65 (NOTAL) Authority E.O. 11652 SEC. 5(A) and (D)
 By ip, NARS, Date 4-6-78

b. JCS 5415 dated 8 July (NOTAL)

Coordination

- Mr. McNaughton
- ASD/ISA
- BGen Owens
- JS (J3)
- Amb. Unger
- State Dept

Decision has been made to deploy (to arrive in SVN by 15 August) approximately 10,400 logistics and other support personnel required to support US/Allied military structure at current level of commitment and to receive Airmobile Division, if deployed.

Units to be deployed include log command personnel (approximately 4,700), other logistics elements (approximately 3,000), and units to receive the Airmobile Division (approximately 2,700).

DATE	TIME
10	
MONTH	YEAR
July	1965

WRITER	SYMBOL		SIGNATURE	
	OASD/ISA/FER		<i>[Signature]</i>	
	TYPED NAME AND TITLE (Signature, if required)		TYPED (or stamped) NAME AND TITLE	
	Mr. James B. Devine/Asst. VN		F. J. BLOUIN Rear Admiral, USN Director, Far East Region	
PHONE	PAGE NR.	NR. OF PAGES	DTG: 101530Z JUL-65	
77757	1	2		
SECURITY CLASSIFICATION				

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FROM:

OSD WASH DC

MACV can provide details and unit identification but personnel involved are engineers, quartermaster, ordnance, transportation, medical, and signal. Estimate is that first of these units will arrive in SVN around 4 August.

FOR SAIGON:

Request you obtain GVN concurrence in above approved deployments.

FOR JCS:

Request you take all necessary preparatory action to implement para 1 above, on premise of GVN concurrence of which you will receive notice from US Ambassador, Saigon. Units concerned are those recommended on line 3 of Part II of the Annex to Ref a, as modified by ref b. Actual arrival in SVN contingent on GVN clearance.

Consider deployments authorized above do not require special announcement and should be given routine press handling. Such public statements concerning deployments as may be considered necessary are governed by the policy established by DEF 8876 DTG 102123Z Apr 65. Any deviation from this policy must be authorized by OASD(PA).

Grp 4.

5582

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43

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✓ Bundy
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INCOMING TELEGRAM *Department of State*

~~SECRET~~

Action CONTROL : 7238
RECD : JULY 11, 1965 12:00 PM

Info FROM : SAIGON
ACTION: SECSTATE IMMEDIATE 108 (SECTION ONE, OF NINE)

~~SECRET~~ JULY 11

DECLASSIFIED
STATE letter NOV 7 1978

N O D I S

Authority _____
By if, NARS, Date 5-17-79

AN ESTIMATE OF THE SITUATION IN SOUTH VIETNAM AS OF 11 JULY 65 FOLLOWS. IT WAS DRAFTED BY THE MISSION INTELLIGENCE COMMITTEE AND CONCURRED IN BY AMBASSADOR TAYLOR, AMBASSADOR JOHNSON, GENERAL THROCKMORTON AND OTHER MEMBERS OF THE MISSION COUNCIL. THE ESTIMATE SUCCESSIVELY TREATS THE POLITICAL, MILITARY, ECONOMIC AND PSYCHOLOGICAL ASPECTS OF THE PRESENT SITUATION; THEN PROCEEDS TO A BRIEF ASSESSMENT OF THE RURAL RECONSTRUCTION OR PACIFICATION PROGRAM PLUS A BRIEF DESCRIPTION OF VC CAPABILITIES IN URBAN AREAS; AND FINALLY DRAWS CERTAIN BROAD CONCLUSIONS. SUGGEST IT BE PASSED EYES ONLY TO SECRETARY MCNAMARA, MCGEORGE BUNDY, ADMIRAL RABORN, AND ADMIRAL SHARP, TO BE PASSED TO GENERAL WESTMORELAND.

POLITICAL SITUATION - PROSPECTS FOR THE GOVERNMENT:

AS OF JULY 11, THE KY GOVERNMENT IS A MERE THREE WEEKS OLD. HOWEVER, IN THE BRIEF TIME SINCE ITS ORGANIZATION, KY HAS PRESENTED AN AMBITIOUS PROGRAM, A YOUTHFUL CABINET, AND HAS GENERATED AND MAINTAINED IN THE SHORT RUN A CERTAIN MOMENTUM. THERE HAVE BEEN FALSE STARTS (E.G., THE SECOND THOUGHTS REGARDING THE PRESS SHUTDOWN AND THE HOURS FOR CURFEW) BUT, GENERALLY, KY AND HIS COLLABORATORS HAVE GIVEN THE IMPRESSION OF A TEAM DETERMINED TO PRESS FORWARD WITH A "REVOLUTIONARY" PROGRAM TO REGENERATE THE POPULACE AND MOBILIZE THE NATION'S RESOURCES FOR WAR. THE KY GOVERNMENT HAS ALSO DEMONSTRATED AN INTENTION TO MAINTAIN ITS SOVEREIGNTY AND TO KEEP ITS OWN COUNSEL ON MANY IMPORTANT DECISIONS.

THE KY GOVERNMENT IS BASED ON THE CONGRESS OF THE ARMED FORCES, IN WHICH ALL THE LEADING OFFICERS, RVNAF, HAVE A VOICE. ITS FUTURE DEPENDS, THEREFORE, ON THE CONTINUED UNITY OF THE ARMED FORCES. ANY DIVERGENCIES WILL WEAKEN AND MAY, IF SERIOUS, PROVE FATAL TO THE GOVERNMENT. HOWEVER, IT IS OUR JUDGMENT THAT MILITARY ARE MORE UNITED IN PURPOSE AT THIS TIME THAN AT ANY TIME DURING PAST YEAR AND THAT THE CONGRESS OF THE ARMED FORCES WILL BE USUALLY CONTENT TO LEAVE GOVERNMENTAL PROBLEMS TO THE DIRECTORY.

~~SECRET~~

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~~SECRET~~

-2- 108, July 11, From Saigon (SECTION ONE OF NINE)

THE GOVERNMENT'S STAYING POWER WILL DEPEND TO A GREAT EXTENT ON ITS EFFECTIVENESS IN PROSECUTING THE WAR, AND THE FIRST TASK WHICH IT CONFRONTS WILL BE THE CHALLENGE OF THE VC MONSOON OFFENSIVE WITH ITS POLITICAL AS WELL AS MILITARY IMPLICATIONS TO INCLUDE THE POSSIBLE ESTABLISHMENT OF A NEW POLITICAL BASE OF THE NFLSVN IN THE CENTRAL HIGHLANDS. THIS OFFENSIVE MUST BE BLUNTED AND MUST BE KEPT WITHIN MANAGEABLE PROPORTIONS.

THE SECOND MAJOR TASK WILL BE THE CHALLENGE OF VARIOUS POTENTIAL OPPOSITION GROUPS WHICH HAVE, IN THE PAST, BROUGHT DOWN THE GOVERNMENTS OF NGUYEN KHANH, TRAN VAN HOUNG, AND PHAN HUY QUAT. KY HAS SAID THAT HE INTENDS TO TAKE DICTATION FROM NO SPECIAL INTEREST GROUP, BUT, IN FACT, HE HAS ALREADY MADE CONTACT WITH THE VARIOUS RELIGIOUS LEADERS AND HAS, IN HIS FIRST FEW DAYS, ELICITED FROM THEM A WAIT-AND-SEE ATTITUDE VIS-A-VIS HIS GOVERNMENT. HE MUST NOW PRESS FORWARD WITH THE VARIOUS ELEMENTS OF HIS PROGRAM AND SATISFY THESE GROUPS AS TO THE SINCERITY OF HIS INTENTIONS. IF HE CAN DEMONSTRATE EFFECTIVENESS IN INSTILLING AN AIR OF AUSTERITY IN HIS REGIME, IF HE CAN BRING ESSENTIAL COMMODITIES INTO THE MARKET PLACE AT REASONABLE PRICES, IF HE CAN SHOW EFFECTIVE RESULTS ON THE BATTLEFIELD AGAINST THE VC, THE MINORITY PROBLEMS WILL DWINDLE IN SIZE. BUT, IF HIS GOVERNMENT STUTTERS AND MOMENTUM IS LOST, THE OLD POLITICIANS AND THE MINORITY GROUPS WILL UNDOUBTEDLY BEGIN TO SNIPE AS THEY HAVE IN THE PAST. THEN KY WILL HAVE TO PROVE HIMSELF AT THE BARRICADES.

THE POTENTIAL OPPOSITION BREAKS DOWN AS FOLLOWS:

1) THE DEVELOPMENT OF A FORMAL THICH TRI QUANG-NGUYEN CHAN-THI ALLIANCE. GENERAL THI IN I CORPS HAS, IN THE PAST, DEMONSTRATED CONSIDERABLE POLITICAL AMBITION, AND TRI QUANG APPEARS TO SEE IN HIM A LEADER WHO COULD SERVE THE INTERESTS OF HIS MILITANT WING OF THE BUDDHIST MOVEMENT. FOR THE MOMENT, THI SEEMS CONTENT TO STAY IN I CORPS AND REMAIN AS DETACHED AS POSSIBLE FROM THE GOVERNMENT, AND IT WOULD APPEAR THAT CONSENSUS IN THE DIRECTORY IS NOT IN THE LEAST UNHAPPY WITH THIS DECISION. BUT, SHOULD KY FALTER, A MOVEMENT AGAINST THE GOVERNMENT COULD DEVELOP DIRECTED BY TRI QUANG AND THI AND USING DIRECTORY CHAIRMAN NGUYEN VAN THIEU AS PRIME TARGET. TRI QUANG HAS ALREADY STAKED OUT POSITIONS (AGAINST THIEU AS "CAN LAO REMNANT" AND VARIOUS MEMBERS OF THE KY GOVERNMENT AS ALLEGED "CIA AGENTS") WHICH PROVIDE HIM WITH OPTIONS FOR FUTURE CAMPAIGNS WHICH COULD DAMAGE THE CURRENTLY FRAGILE POLITICAL EQUILIBRIUM. QUANG MAY WELL BE UNDER PRESSURE FROM MILITANTS IN THE HUE AREA, AND GENERAL THI WOULD ALSO FEEL SOMETHING OF THIS PRESSURE.

~~SECRET~~

~~SECRET~~

-3- 108, July 11, From Saigon (SECTION ONE OF NINE)

2) CATHOLIC-SUDISTE. THE CATHOLIC-SUDISTE ALLIANCE THAT HELPED BRING DOWN QUAT SEEMS, FOR THE MOMENT, CONTENT TO JUDGE THE KY GOVERNMENT ON ITS PERFORMANCE AND ON ITS ATTITUDE TOWARD THEM. AGAIN, IF THE GOVERNMENT IS ABLE TO MAINTAIN MOMENTUM AND SHOW PROGRESS AND IF IT CONTINUES TO INDICATE THAT IT DOES NOT HARBOR HOSTILE INTENTIONS--ESPECIALLY TOWARD CATHOLICS--IT PROBABLY HAS NOTHING TO FEAR FROM THIS BLOC. BUT, IF THE GVN WEAKENS AND THE THREAT OF A TRI QUANG-GENERAL THI TAKEOVER DEVELOPS, THIS GROUP CAN BE EXPECTED TO REACT.

TAYLOR

~~SECRET~~

INCOMING TELEGRAM *Department of State*

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~~SECRET~~

Action CONTROL : 7239

Info RECD : JULY 11, 1965 12:39 P.M.

FROM : SAIGON

ACTION: SECSTATE IMMEDIATE 108 (SECTION TWO OF NINE)

~~SECRET~~

N O D I S JULY 11

3) OUT-POLITICIANS. THE "OUT-POLITICIANS" ARE FOR THE MOMENT QUIESCENT, PERHAPS OUT OF FEAR THAT KY WILL MAKE GOOD ON HIS PROMISE TO SEND THEM TO WAR ZONE SHOULD THEY AGITATE. THEY ARE FOR THE MOMENT NO GREAT THREAT BUT THEY ARE CONTINUING TO TALK QUIETLY ABOUT THE INADEQUACY OF ANY MILITARY GOVERNMENT AND THE NEED FOR A CIVILIAN REGIME. A DEMONSTRATION OF PROGRESS BY KY WILL KEEP THEIR VOICES MUTED, BUT THEY CAN BE EXPECTED TO ENCOURAGE AND REINFORCE ANY SIGNIFICANT OPPOSITION THAT MIGHT DEVELOP.

4) BUSINESS COMMUNITY. IF KY PROCEEDS WITH HIS ECONOMIC REFORMS, WHICH ARE AN ESSENTIAL ELEMENT OF HIS PROGRAM, HE WILL UNDOUBTEDLY CREATE FEAR AND SOME OPPOSITION WITHIN THE BUSINESS COMMUNITY (WHICH INCLUDES THE IMPORTANT CHINESE MERCHANT GROUP). VARIOUS SECTORS OF THE COMMUNITY MAY ATTEMPT TO SABOTAGE SUCH PROGRAMS AS THE FORCED SALE OF BASIC COMMODITIES AT FIXED PRICES THEY WILL NOT OPENLY OPPOSE KY UNTIL AND UNLESS IT APPEARS THAT HIS PROGRAM IS FALTERING BADLY.

IN HIS FIRST DAYS, KY HAS DEMONSTRATED GREAT VIGOR. HE MUST HOLD TOGETHER HIS YOUNG GOVERNMENT AND THE UNOFFICIAL "BRAIN TRUST" WHICH HAS PRODUCED HIS PROGRAM OF ACTION. AND, HE MUST SUCCEED AGAINST THE VC IN THE COUNTRYSIDE WITHOUT OVER-BURDENING THE ADMINISTRATIVE STRUCTURE. THESE CHALLENGES, IN SUM, ARE FORMIDABLE. PROGNOSTICATIONS CONCERNING THE PROSPECTS OF LONG-TERM SURVIVAL FOR HIS GOVERNMENT ARE RISKY INDEED ON THE BASIS OF ONLY THREE-WEEK'S OBSERVATION. IN OUR VIEW STATEMENT OF ASSETS AND LIABILITIES SET FORTH IN EMBTEL 4312 REMAINS VALID AND PROSPECTS FOR LONG-TERM SURVIVAL CANNOT BE RATED AS GOOD. HOWEVER, THEY WILL BE STRONGLY INFLUENCED BY ACTUAL PERFORMANCE OF THE GOVERNMENT, PARTICULARLY THE TREND OF THE WAR.

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-2- 108, July 11, From Saigon, (SECTION TWO OF NINE)

FINALLY, IT SHOULD BE BORNE IN MIND THAT THE GENUINE GOVERNING BODY IN VIETNAM TODAY IS A SMALL COLLEGIUM OF GENERALS OF WHICH GENERAL KY IS A MEMBER AND WHICH HE SERVES AS EXECUTIVE AGENT. IF KY RUNS INTO DIFFICULTIES, IT IS CONCEIVABLE THAT A SHUFFLE COULD TAKE PLACE WITHIN THIS GROUP WHICH WOULD NOT NECESSARILY INVOLVE FUNDAMENTAL CHANGES IN BASIC POLITICAL STRUCTURE OR MAKE-UP OF PRESENT GOVERNMENT, ALTHOUGH IT WOULD ALMOST SURELY BE SEIZED UPON BY CIVILIAN ELEMENTS AS EVIDENCE OF MILITARY'S INABILITY TO GOVERN. IN SHORT, IF THE TOP MILITARY LEADERSHIP REMAINS UNITED (AND WHETHER IT CAN IS A QUESTION), AND THE POPULATION AS WELL AS ARVN ARE PERSUADED THAT THE DIRECTORY IN ALLIANCE WITH U.S. CAN BLUNT THE VC MONSOON OFFENSIVE AND HAS A GOOD CHANCE OF ULTIMATELY WINNING THE WAR OR THE PEACE, THERE IS A STRONG LIKELIHOOD THAT OTHER TRADITIONALLY DIVISIVE FACTORS, SUCH AS RELIGIOUS AND REGIONAL DIFFERENCES, WILL REMAIN QUIESCENT AND THE DIRECTORY CAN CONTINUE SERVING INDEFINITELY AS THE BODY OF ULTIMATE POLITICAL DECISION AND LEADERSHIP. CONVERSELY, IF THE PRESENT DISADVANTAGEOUS TREND OF THE WAR IS NOT REVERSED, A RESURGENCE OF MILITARY AND POLITICAL FACTIONALISM MUST BE ANTICIPATED ACCOMPANIED POSSIBLY BY UNCOORDINATED EFFORTS TO NEGOTIATE SETTLEMENT WITH DRV.

MILITARY SITUATION:

1. GENERAL:

SINCE 5 JUNE THE MILITARY SITUATION IN THE RVN HAS CONTINUED GRADUALLY TO WORSEN DESPITE A FEW BRIGHT SPOTS OCCASIONED BY RVNAF SUCCESSES. IN GENERAL, THE VC MAIN AND LOCAL FORCES, REINFORCED BY MILITIA AND GUERRILLAS, RETAIN THE INITIATIVE AS IN THE PAST AND HAVE LAUNCHED SEVERAL WELL-COORDINATED ATTACKS IN REGIMENTAL STRENGTH. IN DOING SO THEY HAVE DEMONSTRATED A PROFESSIONAL COMPETENCE IN THE HANDLING OF REGIMENTAL OR TASK FORCE FORMATIONS UNDER DIFFICULT CONDITIONS. DESPITE THE GENERAL SUCCESS OF THE VC IN THEIR MONSOON OFFENSIVE, RVNAF--PARTICULARLY IN IV CTZ--HAVE INFLICTED TACTICAL DEFEATS UPON IMPORTANT VC FORMATIONS AND HAVE EXACTED A SEVERE TOLL OF THE VC IN THE TERMS OF KIA. FOR MAY AND JUNE, THE GVN SUFFERED LOSSES OF 2,113 KIA BUT INFLICTED LOSSES OF 5,203 KIA ON THE VC. HOW MANY OF THE VC DEAD HAVE BEEN MEMBERS OF LOCAL MILITIA OR OF MAIN FORCE ELEMENTS IS IMPOSSIBLE TO DETERMINE. DESPITE SEVERE LOSSES, HOWEVER, THE VC STILL SEEM ABLE TO REPLACE THEM.

~~SECRET~~

~~SECRET~~

-3- 108, July 11, From Saigon, (SECTION TWO OF NINE)

IN ADDITION, TROOP SIGHTINGS, CONTACTS, AND AGENT REPORTS HAVE CONFIRMED A VC TROOP STRENGTH INCREASE IN THE HIGHLANDS. THIS INCREASE HAS BEEN ACCOMPLISHED BY THE MOVEMENT OF TROOP UNITS INTO THE AREA AND THE CREATION OF NEWFORMATIONS.

THE INCREASE IN VC STRENGTH AND THE VC INTENT TO DESTROY ARVN HAS BEEN MOST NOTICEABLE IN THE HIGHLANDS AREA, PARTICULARLY IN THE PROVINCES OF KONTUM, PLEIKU AND PHU BON. THE VC HAVE ACHIEVED SEVERAL NOTEWORTHY TACTICAL SUCCESSES, ALL OF WHICH ATTEST TO VC STRENGTH AND OF THEIR DETERMINATION TO EMPLOY IT IN ELIMINATING GVN CONTROL, OR EVEN PRESENCE, BY DESTROYING ARVN FORCES WHENEVER THEY ARE EXPOSED. SINCE 1 JUNE 1965 THE GVN HAS BEEN FORCED TO ABANDON SIX DISTRICT CAPITALS IN THE FACE OF VC STRENGTH SUPERIOR TO THAT WHICH THE GVN COULD BRING TO BEAR; ONE OF THE SIX, DAK TO, HAS SINCE BEEN RETAKEN BY THE GVN. IN ADDITION TO THE VC UNITS AND ORGANIZATIONS NORMALLY OPERATING IN THE HIGHLANDS IN II CTZ, IT IS CERTAIN THAT ONE PAVN REGIMENT, THE 101ST IS PRESENT. THIS HAS BEEN CONFIRMED BY MACV. AT THE SAME TIME THERE IS EVERY PROBABILITY THAT AT LEAST TWO BATTALIONS OF THE 18TH PAVN REGIMENT ARE IN PHU BON

TAYLOR

~~SECRET~~

INCOMING TELEGRAM *Department of State*

3

~~SECRET~~

Action CONTROL: 7261
RECEIVED: JULY 11, 1965, 3:48 PM
Info FROM: SAIGON (SECTION THREE OF NINE)
ACTION: SECSTATE 108, IMMEDIATE

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N O D I S JULY 11

AND THE REMAINDER OF THE REGIMENT IS REPORTED TO BE IN BINH DINH. IT IS LOGICAL TO ASSUME THAT THE REMAINING REGIMENT OF THE 325TH PAVN DIVISION--THE 95TH--IS ALSO SOMEWHERE IN-COUNTRY, ALTHOUGH ITS PRESENCE CANNOT YET BE PROVED. AT PRESENT IT IS DOUBTFUL THAT ARVN COULD CONTAIN DETERMINED VC THRUSTS AT PLEIKU, KONTUM, AND PHU BON. THE VC HAVE THE STRENGTH TO MAKE THE EFFORT BUT ARVN RESERVES TO MEET SUCH A CONTINGENCY ARE EXTREMELY LIMITED.

WHATEVER THE EXACT STRENGTH AND DEPLOYMENT OF VC ORGANIZATIONS, IT IS A FACT THAT THEY HAVE USED VIOLENT ATTACKS AND AMBUSHES TO REDUCE NOT ONLY THE ACTUAL GVN HOLD ON CERTAIN AREAS, BUT ALSO TO DESTROY THE CONFIDENCE OF THE PEOPLE IN THE ABILITY OF THE GVN TO COPE WITH THE PROBLEM THE FORCES RELINQUISHMENT OF TERRITORIAL HOLDINGS BY THE GVN HAS CERTAINLY LED TO A DECREASE IN CONFIDENCE IN THE AREAS WHERE IT HAS OCCURRED. INDEED, WITH THE PURPOSE OF DESTROYING PUBLIC FAITH IN THE GVN, THE VC CAMPAIGN OF TERROR WAS INCREASED AND IT IS EXPECTED TO CONTINUE TO INCREASE.

THE INCREASE IN US/GVN AIR STRIKES DIRECTED AGAINST VC TROOPS AND BASE AREAS HAS UNDOUBTEDLY HAD A DELETERIOUS EFFECT UPON THE MORALE OF THE VC, BUT THE RESPONSE OF THE VC COMMAND AND HARD CORE HAS BEEN TO DIRECT GREATER EMPHASIS ON ANTI-AIR TRAINING AND OPERATIONS IN ORDER TO ENHANCE THE VC CAPABILITY TO COUNTER AIR AND HELIBORNE ATTACKS. MORE AND BETTER WEAPONS HAVE BEEN OBSERVED AND REPORTED ON THE BATTLEFIELD. RECENTLY MORE AIRCRAFT HAVE BEEN SHOT DOWN THAN IN THE PAST. IN SEVERAL RECENT INSTANCES HELIBORNE FORCES HAVE FOUND THEIR PROJECTED LANDING ZONES UNDER VC FIRE AND HAVE SUFFERED SEVERE CASUALTIES AS A CONSEQUENCE. THIS TACTIC IS SIMPLY AN EXTENSION OF THE VC AMBUSH. IN SHORT, AS THE VC ARE FACED WITH NEW WEAPONS OR TACTICS THEY ARE QUICK TO ADAPT.

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-2- 108, JULY 11, FROM SAIGON (SECTION THREE OF NINE).

YET ANOTHER ELEMENT IN THE PICTURE IS THE ABILITY OF THE VC LOGISTICAL SYSTEM TO CONTINUE TO PROVIDE ADEQUATE--OR APPARENTLY ADEQUATE--SUPPORT IN THE FORM OF AMMO AND WEAPONS DESPITE U.S. AIR STRIKES AGAINST LAND ROUTES OF SUPPLY AND DESPITE THE EFFORTS OF THE SEVENTH FLEET TO BLOCKADE THE COAST OF THE RVN TO PREVENT GUN-RUNNING. SO FAR AS CAN BE DETERMINED, MOST, IF NOT ALL, OF THE MAIN FORCE--AND CERTAINLY SOME OF THE LOCAL FORCE--BATTALIONS HAVE BEEN EQUIPPED WITH THE NEW FAMILY OF WEAPONS, A FORMIDABLE ACCRETION OF FIREPOWER.

AT THE SAME TIME THAT THE VC ARE MAKING DETERMINED EFFORTS TO DESTROY ARVN ELEMENTS, THEY ARE CARRYING OUT A WIDE-SPREAD--AND SUCCESSFUL--PROGRAM OF INTERDICTING OR CLOSING THE MAJOR LAND ROUTES OF COMMUNICATION. IT IS ACCURATE TO SAY THAT THE VC CAN CLOSE ANY ROUTE THEY CHOOSE, EXCEPT IN THE FACE OF A CONCENTRATION OF ARVN TROOPS. THE PARTIAL SEALING OFF OF SAIGON FROM ITS SURROUNDING HINTERLAND, EVEN THOUGH INCOMPLETE, HAS HAD AND WILL CONTINUE TO HAVE DELETERIOUS ECONOMIC AND MILITARY CONSEQUENCES FOR BOTH SAIGON AND THE HINTERLAND, TO INCLUDE A REDUCTION IN THE AMOUNT OF ELECTRIC POWER NORMALLY AVAILABLE FROM DAN NHIN, A SHORTAGE OF VEGETABLES NORMALLY BROUGHT FROM DALAT, A SHORTAGE OF RICE AND OTHER COMMERCIAL COMMODITIES IN THE PROVINCIAL TOWNS NORTH OF SAIGON, AND DIFFICULTIES IN THE OVERLAND MOVEMENT OF TACTICAL UNITS AND MILITARY SUPPLIES.

THE TOTAL PATTERN OF VC ACTIVITIES HAS CONFORMED VERY CLOSELY TO THAT PREDICTED IN THE 5 JUNE ESTIMATE (EMBTEL 4074 NODIS) NAMELY, MAJOR ATTACKS AND AMBUSHES, INTENSIFIED GUERRILLA ACTIVITY WITH PARTICULAR ATTENTION BEING PAID TO INTERDICTION OF MAJOR ROUTES OF COMMUNICATIONS, AND AN INTENSIFIED POLITICAL-PSYCHOLOGICAL EFFORT TO SUBVERT THE POPULATION. SO FAR MAJOR ATTACKS HAVE BEEN MADE IN SOUTHERN I CTZ, NORTHERN AND CENTRAL II CTZ AND NORTH OF SAIGON. PRESENT DISPOSITION OF VC FORCES SUGGESTS THAT ADDITIONAL MAJOR ACTIONS CAN BE EXPECTED IN THE SAME AREAS, ALTHOUGH MAJOR ATTACKS CAN ALSO OCCUR IN OTHER AREAS SINCE THE VC CAN CONCENTRATE RAPIDLY AND SECRETLY ANYWHERE IN THE COUNTRY.

2. RAND STUDY--VC MOTIVATION AND MORALE.

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-3- 108, JULY 11, FROM SAIGON (SECTION THREE OF NINE).

RAND REPRESENTATIVES IN RVN, DRS. GOURE AND THOMSON, RECENTLY PRESENTED, IN THE FORM OF A BRIEFING, A PRELIMINARY ASSESSMENT OF THE RESULTS OF A STUDY BEING MADE BY RAND ON VC MOTIVATION AND MORALE. THE STUDY IS BASED ON THE RESULTS OF INTERVIEWS OF RALLIERS, CAPTIVES, AND REFUGEES. THE RESULTS SUGGEST THAT U.S. MILITARY PRESENCE AND WEAPONS SYSTEMS ARE INDEED HAVING AN ADVERSE EFFECT ON VC MORALE. GOURE AND THOMSON NOTED THAT INCREASING EVIDENCE OF U.S. PARTICIPATION HAS LOWERED SOMEWHAT THE VC EXPECTATION OF VICTORY. IN ADDITION SOME MEMBERS OF VC UNITS ARE SO EXHAUSTED BY CONSTANT MOVES, SHORT RATIONS, AND ILLNESS THAT THE FIGHTING CAPACITY OF THE UNITS THEMSELVES IS IMPAIRED. FURTHER, THE RESULTS SUGGEST THAT THERE MAY BE A SHIFTING IN THE TIDE OF SENTIMENT IN VC DOMINATED VILLAGES AND AREAS AS THE INABILITY OF THE VC TO PROTECT THE PEOPLE FROM AIR ATTACKS AND GROUND SWEEPS GROWS MORE APPARENT. ANOTHER FACTOR ENCOURAGING THIS SHIFT OF SENTIMENT AWAY FROM THE VC IS THE INCREASINGLY SEVERE MEASURES OF EXTORTION TAKEN BY THE VC AND THE DRAFTING OF THE VILLAGE YOUTH FOR VC BATTLE UNITS. BOTH GOURE AND THOMSON FEEL A "GUARDED OPTIMISM". HOWEVER, IT SHOULD BE NOTED THAT THE TOTAL NUMBER OF PEOPLE INTERVIEWED WAS ONLY 250 AND THESE DID NOT PROVIDE A CROSS SECTION OF THE VC

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ACTION: SECSTATE IMMEDIATE 108 (SECTION FOUR OF NINE)

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STRUCTURE. FURTHERMORE, MOST OF THOSE INTERVIEWED CAME UNDER GVN CONTROL BEFORE APRIL 1965. THE MOST RECENT MILITARY OPERATIONS LAUNCHED BY THE VC CERTAINLY DO NOT SUGGEST THAT VC MORALE AMONG HARD CORE UNITS HAS FALTERED TO ANY APPRECIABLE DEGREE. ALTHOUGH THE LIMITED BASE OF THE STUDY MUST BE ADMITTED, THE VC VULNERABILITIES EXPOSED ARE CONSIDERED WELL WORTH EXPLOITATION. ADDITIONAL INTERVIEWING AND ANALYSIS ARE NEEDED, TO CORROBORATE AND REFINE THE CONCLUSIONS DRAWN BY RAW ANALYSTS FROM THE PRESENT BASIC DATA.

3. PAVN TROOPS IN RVN.

ALREADY MENTIONED ABOVE HAS BEEN THE CONFIRMATION OF THE 101ST REGIMENT OF THE 325TH PAVN DIVISION IN RVN. THE PRESENCE OF THIS REGIMENT HAS BEEN SUSPECTED EVER SINCE MARCH WHEN ONE DEFECTOR IDENTIFIED THE 2ND BATTALION. NOW, ANOTHER MEMBER OF THE 101ST HAS RALLIED. THE EVIDENCE OF THESE TWO MEN, TAKEN IN CONJUNCTION WITH CERTAIN SPECIAL INTELLIGENCE, HAS LED J2/MACV TO CONFIRM THE PRESENCE OF THE ENTIRE 101ST REGIMENT IN KONTUM. IT IS PROBABLE THAT THE 18TH REGIMENT WILL BE CONFIRMED SHORTLY. ONE RALLIER FROM THE 9TH BATTALION OF THE 18TH REGIMENT SURRENDERED HIMSELF IN PHU BON, WHILE ANOTHER MEMBER OF THE SAME REGIMENT WAS CAPTURED NEAR DANANG. THE GEOGRAPHIC SEPARATION OF THE TWO ALLEGED MEMBERS OF THE 18TH IS EXPLAINABLE SINCE THE RALLIER STATED THAT THE REGIMENT SPLIT UPON ARRIVAL IN BINH DINH PROVINCE. TWO BATTALIONS WERE MOVED TO PHU BON PROVINCE, WHILE THE REGIMENTAL HEADQUARTERS WITH ONE BATTALION REMAINED IN BINH DINH. BASED ON OBSERVATIONS MADE BY ALL THE PAVN RALLIERS, THE REMAINING REGIMENT OF THE 325TH DIVISION, THE 95TH, IS BELIEVED TO BE IN RVN. HOWEVER, NO MEMBER OF THE 95TH HAS RALLIED OR BEEN CAPTURED TO DATE. THE ACCEPTANCE OF THE 101ST REGIMENT BRINGS THE TOTAL NUMBER OF CONFIRMED VC/PAVN BATTALIONS IN RVN TO 63. WITH THE ACCEPTANCE OF THE 101ST PAVN REGIMENT AS PRESENT IN SVN, TOTAL PAVN AND VC MAIN AND LOCAL FORCE COMBAT STRENGTH HAS INCREASED TO 43,550.

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-2- 108, July 11, From Saigon (SECTION FOUR OF NINE)

4. BATTLE-WORTHINESS OF ARVN UNITS.

CURRENTLY, ARVN BATTLE-WORTHINESS IS AT A LOW LEVEL. AS OF 10 JULY 19 INFANTRY-TYPE BATTALIONS OUT OF 137 BATTALIONS AND ONE INFANTRY REGIMENTAL HEADQUARTERS WERE CONSIDERED COMBAT INEFFECTIVE FOR VARIOUS REASONS INCLUDING INADEQUATE TRAINING, UNDERSTRENGTH, EQUIPMENT SHORTAGES, INEFFECTIVE LEADERSHIP AND POOR MORALE. IN ADDITION TO THESE UNITS, THERE WERE FOUR INFANTRY BATTALIONS, ORGANIZED AND DESIGNATED TO BECOME THE FOURTH BATTALION IN SPECIFIC REGIMENTS, WHICH HAD NOT YET COMPLETED THEIR INITIAL TRAINING. ALTHOUGH OVER-ALL ARVN ASSIGNED STRENGTH EXCEEDS THAT AUTHORIZED, A HIGH NUMBER OF INDIVIDUALS CARRIED ON THE ROLLS ARE HOSPITALIZED, IN DESERTION, ON TEMPORARY DUTY OR OTHERWISE UNAVAILABLE FOR COMBAT. AS A RESULT, THE FIGHTING STRENGTH OF INFANTRY AND RANGER BATTALIONS IN MAY AVERAGED APPROXIMATELY 54 PER CENT OF AUTHORIZED. IN VIEW OF THE HIGH BATTLE LOSSES SUFFERED BY SOME UNITS IN JUNE, THE CURRENT AVERAGE FIGHTING STRENGTH OF INFANTRY AND RANGER BATTALIONS IS, UNDOUBTEDLY, EVEN LOWER. GENERALLY, UNITS WHICH ARE UNDERSTRENGTH TEND TO BE CONSERVATION AND THEIR COMMANDERS ADOPT A DEFENSIVE ATTITUDE. A SERIOUSLY UNDERSTRENGTH UNIT LACKS THE WILL TO RESIST AND BREAKS UNDER HEAVY PRESSURE. INDICATIONS ARE THAT MANY UNITS ARE IN THIS CATEGORY, PARTICULARLY IN I AND II CORPS. HOWEVER, OTHERS, NOTABLY IN IV CORPS, CONTINUE TO DEMONSTRATE HIGH MORALE AND AGGRESSIVENESS. ALTHOUGH INDIVIDUAL ARVN UNITS HAVE CAPABILITIES VARYING FROM VERY POOR TO EXCELLENT DEPENDING UPON INTERNAL CONDITIONS AND RECENT VC PRESSURE IN THE AREA, ARVN OVER-ALL IS NOT CAPABLE OF SUCCESSFULLY RESISTING THE VC MONSOON OFFENSIVE WITHOUT MORE ACTIVE ASSISTANCE FROM MORE U.S./THIRD COUNTRY GROUND FORCES THAN THOSE THUS FAR BEEN COMMITTED.

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-3- 108, July 11, From Saigon (SECTION FOUR OF NINE)

5. PROSPECTS OF RVNAF EXPANSION IN 1965.

SERIOUS PERSONNEL SHORTAGES CONTINUE TO EXIST IN THE OPERATIONAL COMBAT BATTALIONS. IN ORDER TO BRING EXISTING COMBAT BATTALIONS UP TO AN ACCEPTABLE BATTLEFIELD STRENGTH, PERSONNEL NOW ASSIGNED TO THE ELEVEN BATTALIONS IN WAVES II AND III OF THE NEW BATTALIONS TO BE FORMED WILL, AFTER COMPLETION OF 12 WEEKS OF TRAINING, BE TRANSFERRED TO THEIR PARENT UNITS AS FILLERS. THESE ELEVEN BATTALIONS WILL BE REFILLED WITH TRAINEES AND WILL RECEIVE THEIR TRAINING AS THE LAST TWO WAVES IN THE REVISED SCHEDULE. THE COMPLETION DATE FOR THE PLANNED 31 NEW BATTALIONS WILL BE 23 APRIL 1966 INSTEAD OF 21 MARCH 1966 AS ORIGINALLY PLANNED. FOUR OF THE 31 NEW BATTALIONS WILL COMPLETE TRAINING ON 19 JULY 1965. BY 31 DECEMBER 1965, A TOTAL OF 14 OF THE 31 NEW BATTALIONS WILL HAVE COMPLETED TRAINING; THE 17 REMAINING BATTALIONS WILL COMPLETE TRAINING IN EARLY 1966. ACTIVATION AND TRAINING OF COMBAT SUPPORT AND COMBAT SERVICE UNITS AUTHORIZED IN THE BUILDUP ARE PROGRESSING AS SCHEDULED. FIVE OF THE TEN M113 TROOPS AND ONE 155MM HOWITZER BATTALION WILL BE ACTIVATED BY END CY1965. THE 10TH ARVN DIVISION IS NOW OPERATIONAL. ADDITIONALLY, RVNAF HAS PROPOSED THE ACTIVATION OF TWO NEW AIRBORNE BATTALIONS IN CY65. THESE BATTALIONS IF APPROVED WOULD PROVIDE INCREMENTS OF MUCH NEEDED COMBAT STRENGTH FOR THE GENERAL RESERVE FORCE. THESE TWO BATTALIONS CAN BE COMBAT READY FOUR MONTHS AFTER THEY ARE ACTIVATED.

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CONTROL: 7254
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FROM: SAIGON
 ACTION: SECSTATE IMMEDIATE 108 (SECTION FIVE OF NINE)

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6. AVAILABILITY OF RVNAF GENERAL RESERVE.

THE AVAILABILITY OF GENERAL RESERVE BATTALIONS VARIES DAILY DEPENDING UPON THE SITUATION. OVER THE PAST TWO WEEKS THE FORCE AVERAGED APPROXIMATELY 10 PER CENT OF ITS BATTALIONS ON STAND-BY, 10 PER CENT REGROUPING AND 80 PER CENT COMMITTED DAILY.

THE STATUS AS OF 5 JULY IS SHOWN BELOW:

UNIT	LOCATION	STATUS
1ST ABN BN	REGROUPING	BAY HIEN (CMD)
5TH ABN BN	REGROUPING	BIEN HOA
6TH ABN BN	STANDBY	HONG HOA THAM (CMD)
8TH ABN BN	STANDBY	BA ONEO (CMD)
3RD ABN BN	ATCHD II CORPS	PLEIKU
1ST MARINE BN	ATCHD I CORPS	QUANG NGAI
2ND MARINE BN	ATCHD II CORPS	KONTUM
3RD MARINE BN	ATCHD CMD	AN LAC, BINH CHANH
4TH MARINE BN	REGROUPING	VUNG TAU
5TH MARINE BN	ATCHD II CORPS	KONTUM

NOTE: AS OF 11 JULY NINE OF THE ABOVE TEN BATTALIONS COULD, IN AN EMERGENCY, BE MADE AVAILABLE WITHIN 24 HOURS. SOME OF THE NINE COULD BECOME AVAILABLE IN LESS THAN 24 HOURS.

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UNIT	STATUS	LOCATION
7TH ABN BN	REGROUPING	BIEN HOA

7. ANTICIPATED EFFECT ON THE CAMPAIGN OF THE USE OF U.S. GROUND FORCES.

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-2- 108, JULY 11, FROM SAIGON (SECTION FIVE OF NINE).

THE USE OF U.S. AND THIRD COUNTRY GROUND FORCES IN RVN IN SUFFICIENT QUANTITY COULD MAKE THE DIFFERENCE BETWEEN GVN DEFEAT OR VICTORY. CURRENT INDICATIONS ARE THAT RVNAF IS NOT CAPABLE OF CONTAINING THE VC WITHOUT OUTSIDE ASSISTANCE. INITIALLY, THE USE OF U.S./THIRD COUNTRY GROUND FORCES WILL AUGMENT RVNAF AND ASSURE RETENTION OF KEY LOGISTICAL AREAS AND POPULATION CENTERS. ACTIVITY DURING THIS INITIAL PHASE WILL CONSIST OF ESTABLISHING AND SECURING OPERATIONAL AND LOGISTIC BASES, MAINTAINING A SMALL RESERVE/REACTION FORCE, CONDUCTING NUISANCE RAIDS AND SPOILING ATTACKS, AND OPENING AND SECURING SELECTED LINES OF COMMUNICATION. AS IN-COUNTRY GROUND STRENGTH INCREASES TO A LEVEL PERMITTING EXTENDED U.S. AND THIRD COUNTRY GROUND STRENGTH INCREASES TO A LEVEL PERMITTING EXTENDED U.S. AND THIRD COUNTRY OFFENSIVE ACTION AREAS UNDER GVN CONTROL WILL BE EXPANDED.

ESTIMATE OF ECONOMIC SITUATION:

WHILE VIETNAM IS A COUNTRY RICH IN LAND, IN TALENTED AND ENERGETIC PEOPLE, AND IN A BOUNTIFUL CLIMATE, THE INCREASING INTENSITY OF THE WAR IS PLACING A SEVERE STRAIN ON THE RESOURCES AND PEOPLE OF THE COUNTRY.

THE WAR IS DISRUPTING RUBBER PRODUCTION RICE DISTRIBUTION, DALAT VEGETABLE PRODUCTION THE COASTAL FISHING INDUSTRY, CAUSING THE LOSS OF JOBS AND INCOME, THE DISPLACEMENT OF PEOPLE, AND A FREQUENT BREAKDOWN OR SUSPENSION OF VITAL MEANS OF TRANSPORTATION AND COMMUNICATION.

THE DECLINE IN RICE AND RUBBER EXPORTS, ALSO CAUSED BY THE WAR, IS SHARPLY REDUCING FOREIGN EXCHANGE EARNINGS AT A TIME WHEN DEMAND FOR IMPORTS, AND HENCE INCREASED FOREIGN EXCHANGE AVAILABILITIES, IS INCREASING.

HOWEVER, BY FAR AND AWAY THE MOST IMPORTANT AND IMMEDIATE ECONOMIC THREAT IS THE DANGER OF SEVERE INFLATION.

THE MAJOR INFLATIONARY FACTORS ARE DISCUSSED BELOW.

1. MONEY SUPPLY - EXPANSION OF THE MONEY SUPPLY IS LARGELY DUE TO GVN BORROWING FROM THE NATIONAL BANK TO DEFICIT FINANCE THEIR BUDGET. TO DATE IN CY 1965, BORROWING HAS BEEN AT THE ANNUAL RATE OF 17.2 BILLION PIASTERS. TOTAL MONEY SUPPLY STANDS AT 32,275 BILLION PIASTERS NOW AGAINST 27.363 BILLION

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-3- 108, JULY 11, FROM SAIGON (SECTION FIVE OF NINE).

PIASTERS AS OF THE FIRST OF JANUARY. WE ESTIMATE THE SVN DEFICIT FOR CY 1965 AT VNS20 BILLION AND THE END OF 1965 MONEY SUPPLY AT VNS39 BILLION.

2. INCREASE OF FOREIGN PERSONNEL - THE LARGE BUILD-UP OF FOREIGN PERSONNEL, MAINLY U.S. MILITARY, TOGETHER WITH THEIR SUPPORT REQUIREMENTS AND NECESSITATING THE CONSTRUCTION OF EXTENSIVE FACILITIES INCLUDING AIRFIELDS, HAVE CONTRIBUTED TO RISING PRICES FOR RENTS, SERVANTS, CONSTRUCTION LABOR AND MATERIALS, AND SOME LOCALLY PRODUCED CONSUMABLES. THE SUPPLY OF SOME OF THESE ITEMS CANNOT BE EXPANDED.

3. CUTTING OF DISTRIBUTION CHANNELS - SHORTAGES IN VARYING DEGREES, OF IMPORTED AND DOMESTIC GOODS, HAVE DEVELOPED THROUGHOUT THE COUNTRY DUE TO VC INTERDICTION OF HIGHWAY SUPPLY ROUTES. AIR TRANSPORT CAN ONLY PARTLY SUBSTITUTE FOR LOSS OF LAND ROUTES. SHARP PRICE RISES AND EXTREME SHORTAGES IN CERTAIN AREAS HAVE RESULTED.

4. MANPOWER SHORTAGE - THE DRAFT PLUS ADDED CIVILIAN MANPOWER REQUIREMENTS RELATED TO THE WAR EFFORT ARE MAKING SERIOUS INROADS INTO THE SUPPLY OF TRAINED MANPOWER. COMPETITION FOR SCARCE MANPOWER HAS ALREADY CAUSED WAGE INCREASES FOR SKILLED LABOR.

5. PSYCHOLOGICAL - IF THE PEOPLE BECOME CONVINCED THAT SERIOUS, SUSTAINED SHORTAGES WILL OCCUR AND START HOARDING THERE IS ENOUGH PURCHASING POWER WITHIN THE ECONOMY TO CAUSE SEVERE INFLATION IF NOT CHECKED BY STRONG GOVERNMENT ACTION AND CONTROLS.

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Action CONTROL: 7250

Info RECD: JULY 11, 1965 2:10PM

FROM: SAIGON

ACTION: SECSTATE IMMEDIATE 103 (SECTION SIX OF NINE)

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6. RICE SITUATION - RICE REQUIREMENTS FOR DEFICIT CONSUMPTION AREAS OF SOUTH VIETNAM AMOUNT TO ABOVE 45,000 METRIC TONS PER MONTH. THUS, TO MEET REQUIREMENTS THROUGH SEPTEMBER APPROXIMATELY 135,000 TONS ARE REQUIRED. WHILE THE PRESENT RICE SITUATION CONTINUES TO BE SERIOUS, THE OUTLOOK HAS RECENTLY IMPROVED AND IT APPEARS THAT MINIMUM REQUIREMENTS WILL BE MET AS FOLLOWS:

A. STRONG GVN MEASURES AGAINST SPECULATION PLUS ANNOUNCED IMPORTS OF RICE FROM THE U.S., HAVE STOPPED FOR THE MOMENT THE UPWARD MOVEMENT IN PRICES.

B. RICE MERCHANTS HAVE BECOME SUFFICIENTLY IMPRESSED BY GVN ACTIONS TO AGREE TO PROVIDE 50,000 MT OF RICE TO THE GVN STOCKPILE UNDER CONTRACT D.

C. THE SECOND SHIPMENT OF 25,000 MT'S OF PL 480 RICE WILL ARRIVE IN LATE JULY AND AUGUST.

D. THE U.S. HAS AGREED TO PROVIDE AN ADDITIONAL 50,000 MT OF PL 480 RICE. USOM IS EXPLORING MEANS OF PROVIDING RICE FROM THIRD COUNTRY SOURCES IF THIS RICE CANNOT BE DELIVERED HERE BY MID-SEPTEMBER.

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-2-, 108, July 11, From Saigon, (SECTION SIX OF NINE)

3. THE ABOVE STEPS SHOULD MAKE AVAILABLE 125,000 TONS BETWEEN NOW AND EARLY SEPTEMBER AND ASSUMING AN ADDITIONAL AMOUNT IS OBTAINED FROM LOCAL SOURCES IN AUGUST AND SEPTEMBER, THE REQUIREMENTS OF 135,000 WILL BE MET AND STOCKS CAN BE REBUILT SLIGHTLY FROM THEIR PRESENT LOW LEVELS.

OVER-ALL ASSESSMENT:

THE PRICES OF IMPORTED GOODS CAN BE KEPT RELATIVELY STABLE SO LONG AS THE COMMODITY EXCHANGE RATE OF 60 PIASTERS PER DOLLAR IS NOT CHANGED AND ADEQUATE U.S. AND GVN FINANCING IS PROVIDED TO MEET DEMAND FOR THESE TYPES OF GOODS. THE PRODUCTION OF CERTAIN LOCALLY PRODUCED GOODS SUCH AS PORK AND FISH AND TEXTILES CAN BE EXPANDED TO MEET INCREASED DEMAND. OTHER ECONOMIC GOODS SUCH AS LAND FOR U.S. FACILITIES, SKILLED LABOR, ENTREPRENEURS, HOUSING AND CERTAIN COMMODITIES CANNOT BE LOCATED OR EXPANDED EXCEPT MARGINALLY, HENCE INCREASED DEMAND WILL SHARPLY BID UP THE PRICES OF THESE GOODS AND LABOR.

TWO PARTICULAR AREAS OF CONCERN SHOULD BE NOTED:

1. DISCONTENT OVER INCREASING PRICES COULD CAUSE LABOR UNREST, ESPECIALLY IF SPURRED ON BY VC AND "OUT" POLITICIANS, TO SUCH AN EXTENT THAT WAGES WOULD BE INCREASED. THIS WOULD AGGRAVATE THE INFLATIONARY PRESSURES, BUT NOT TO A SERIOUS EXTENT SINCE INDUSTRIAL WAGE COSTS ARE NOT A MAJOR COST FACTOR IN MOST GOODS CONSUMED HERE.

2. USING LABOR UNREST, POSSIBLY COUPLED WITH CONSUMER SPECULATION AND HOARDING BASED ON FEARS OF SHORTAGES OF GOODS (SUCH AS RICE) AND ON PRICE INCREASES, VARIOUS GROUPS COULD POSSIBLY CAUSE SERIOUS AGITATION AGAINST THE GOVERNMENT.

THIS WOULD BE A DIFFICULT SITUATION FOR THE GOVERNMENT TO HANDLE, BUT IT IS IN ALL LIKELIHOOD MANAGEABLE IF KEY GOODS LIKE RICE ARE NOT ALLOWED TO INCREASE FURTHER IN PRICE AND THE GOVERNMENT ECONOMIC POLICIES ARE EFFECTIVELY AND FORCEFULLY CARRIED OUT.

PSYCHOLOGICAL SITUATION:

THE INTERPLAY OF THREE MAJOR ASPECTS OF THE PRESENT SITUATION DOMINATES THE FORMATION OF PUBLIC ATTITUDES IN VIETNAM TODAY -- THE MILITARY SITUATION, AND ESPECIALLY THE INDIVIDUAL'S SAFETY; THE IMAGE OF THE GOVERNMENT AND ITS PROSPECTS FOR PROVIDING THE COUNTRY WITH DYNAMIC AND EFFECTIVE LEADERSHIP; AND THE GROWING AMERICAN PRESENCE WITH ITS IMPLICATIONS FOR INCREASED NATIONAL SECURITY AND FOR POSSIBLE SUBORDINATION OF THE VIETNAMESE ROLE IN THE WAR.

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-3-, 108, July 11, From Saigon (SECTION SIX OF NINE)

THE WEEKS AHEAD MAY DETERMINE WHETHER SUPPORT FOR THE GOVERNMENT AND THE WAR EFFORT IS STRENGTHENED AND BECOMES A MAJOR FACTOR IN ITSELF IN TURNING THE TIDE OR DETERIORATES TO SUCH AN EXTENT THAT THE MASS OF PEOPLE BECOME SIMPLY UNWILLING SPECTATORS OF THE UNFOLDING DRAMA.

A NUMBER OF DEVELOPMENTS HAVE CONTRIBUTED TO THIS STATE OF AFFAIRS. IN THE CITIES AT LEAST--AND PROBABLY ALSO AT THE PROVINCIAL LEVEL--THE INTENSIFICATION OF THE WAR AS REFLECTED IN RECENT MAJOR MILITARY ENCOUNTERS HAS CREATED A FEELING THAT THE MILITARY ASPECT IS APPROACHING SOME CLIMACTIC STAGE. THE AURA SURROUNDING THE SUCCESS OR FAILURE OF THE VC "MONSOON OFFENSIVE" PUTS A PREMIUM ON ITS OUTCOME WITH THE PROSPECT THAT THE APPARENT VICTOR WILL GATHER THE CONFIDENCE-- AND CONCOMITANT SUPPORT FROM THE PEOPLE--ESSENTIAL TO SUCCESSFUL RESOLUTION OF THE SITUATION. FROM OUR VIEWPOINT, THE SHARP ACCELERATION IN MORALE THAT WAS PRODUCED BY THE INITIATION OF AIRSTRIKES AND THE INTRODUCTION OF AMERICAN COMBAT FORCES HAS BEEN REPLACED BY A MORE SOBER REALIZATION THAT THESE ADDED INCREMENTS OF AMERICAN POWER HAVE NOT SWIFTLY AND AUTOMATICALLY SIGNALLED THE DEMISE OF THE VC. INSTEAD, THE URBAN ELITE REALIZES NOW THAT A MILITARY TEST IS AT HAND AND THAT THE FUTURE

COURSE OF THE WAR MAY WELL BE DETERMINED DURING THIS SUMMER. IN SUM, FOR THE URBAN ELITE THIS IS A PERIOD OF WATCHFUL WAITING, A TIME TO HEDGE BETS.. TAYLOR

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Action CONTROL: 7255

RECD: JULY 11, 1965 2:56PM

Info

FROM: SAIGON

ACTION: SECSTATE IMMEDIATE 108 (SECTION SEVEN OF NINE)

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N O D I S JULY 11

THE URBAN MASS IS LESS INVOLVED BUT PROBABLY EVEN MORE PESSIMISTIC. WHILE THE NEW GOVERNMENT'S THREATS AGAINST THE WELL-TO-DO AND SPECULATORS APPEAL TO HIM, HE IS CONCERNED ABOUT THE DEGREE OF VC PENETRATION WITHIN THE CITY. IF THE GOVERNMENT CAN HALT THE SPIRALLING COST OF LIVING AND TAKE OTHER MEASURES TO IMPROVE HIS LOT, HE WILL BE GRATEFUL AND CONCEDE SOME DEGREE OF EFFECTIVENESS TO THE GOVERNMENT, BUT IT WILL TAKE MORE THAN THE SHOOTING OF A FEW BLACK MARKETEERS TO GAIN HIS ACTIVE SUPPORT. MEANWHILE, HE SEES THE VC STRIKING IN THE VERY CENTER OF THE CITY, HE READS OR HEARS ABOUT THE GRADUAL ATTRITION OF RVNAF FORCES AND HE HAS COME TO REALIZE THAT AMERICAN AIRPLANES HAVE NOT CAUSED THE VC TO MELT BACK INTO THE JUNGLE. FOR HIM, TOO, THIS IS A SUMMER OF WAITING.

IN THE HAMLETS THE CHANGES IN GOVERNMENT, THE ARRIVAL OF AMERICAN TROOPS AND PLANES AND THE INTENSIFICATION OF THE VC EFFORT HAVE HAD LITTLE EFFECT. THE PEASANT'S HORIZONS AND AMBITIONS ARE LIMITED AND THESE NATIONAL EVENTS HAVE CHANGED HIS DAY-TO-DAY EXISTENCE LITTLE. HIS CONCERN CONTINUES TO BE SECURITY-- AS IT HAS BEEN FOR YEARS. IF THE VC INCREASE HIS TAXES OR THE GOVERNMENT PUTS IN A NEW WELL, IT HAS SOME EFFECT BUT HARDLY ENOUGH TO AROUSE A COMMITMENT TO EITHER SIDE. IF HE IS AWARE OF OR SEES AMERICAN TROOPS OR PLANES, HE REACTS IN A POSITIVE MANNER--IF IT MEANS IMPROVED SECURITY TO HIS OWN HAMLET. THE PEASANT'S PSYCHOLOGICAL OUTLOOK HAS NOT CHANGED SIGNIFICANTLY. HE REMAINS RELUCTANT TO ACCEPT THE EXTENSION OF VC CONTROL OVER HIS FAMILY AND HIS VILLAGE OR HAMLET, BUT IS POWERLESS TO OPPOSE SUCH EXTENSION HIMSELF, AND EXTREMELY RELUCTANT TO ESCAPE IT BY FLEEING HIS ANCESTRAL ENVIRONMENT. THE LOT OF THE REFUGEE IS WELL-KNOWN AND NOT ENVIED. GOVERNMENT EFFORTS TO ENGAGE THE LOCAL POPULATION'S ACTIVE SUPPORT, AND THEREBY TO DENY TO THE VC THIS SAME INDISPENSABLE SUPPORT, HAVE SO FAR BEEN TOO LITTLE AND TOO LATE.

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-2-, 108, July 11, From Saigon (SECTION SEVEN OF NINE)

ASSESSMENT OF RURAL RECONSTRUCTION PROGRAM:

THE RECORD OF THE RURAL RECONSTRUCTION PROGRAM, FORMERLY KNOWN AS PACIFICATION GENERALLY REFLECTS THE LOCAL AND THE OVER-ALL BALANCE OF MILITARY POWER BETWEEN THE VC AND THE GVN. WHERE AND WHEN THE LOCAL SECURITY SITUATION HAS BEEN FAVORABLE TO THE GOVERNMENT OR, MORE ACCURATELY, THE VC HAVE NOT INTERVENED WITH LARGE MAIN FORCE ELEMENTS, SOME STEADY IF UNEVEN PROGRESS HAS BEEN MADE. THE BEST EXAMPLE IS THE IV CORPS AREA; THE NEXT BEST IS THE HOP TAC AREA IN III CORPS. FINALLY, IN A FEW SELECTED PROVINCES SUCH AS AN GIANG, NINH THUAN, AND TUYEN DUC, GAINS HAVE BEEN REGISTERED DUE IN CONSIDERABLE MEASURE TO LOCAL ETHNIC, RELIGIOUS OR GEOGRAPHIC FACTORS FAVORING THE GVN AND/OR MILITATING AGAINST THE VC.

IN THE I AND II CORPS AREAS, HOWEVER, AND ELSEWHERE IN TWO NORTHERN PROVINCES OF III CORPS WHICH ARE ADJACENT TO II CORPS (AND ARE NOT INCLUDED IN THE HOP TAC AREA), NAMELY THE PROVINCES OF PHUOC LONG AND LONG KHANH, THE RURAL RECONSTRUCTION PROGRAM HAS LOST GROUND FAST SINCE THE START OF THE VC MONSOON OFFENSIVE. FOR EXAMPLE, IN JUNE, I CORPS LOST 240 HAMLETS (OUT OF 1,599) AND 215,000 PEOPLE TO THE VC; II CORPS LOST 280 HAMLETS (OUT OF 2,061) AND 177,000 POPULATION TO THE VC. PHUOC LONG AND LONG KHANH LOST 24,000 AND 2,100 PEOPLE RESPECTIVELY IN THE SAME MONTH. THESE ADVERSE TRENDS, DUE TO THE GOVERNMENT'S MILITARY WEAKNESS AND THE ENEMY'S SUPERIOR STRENGTH AND HEAVY PRESSURE IN I AND II CORPS AREAS, ARE CONTINUING.

A MORE DETAILED REVIEW OF THE RURAL RECONSTRUCTION PROGRAM IN THE IV CORPS AREA SHOWS THAT SLOW BUT STEADY PROGRESS HAS BEEN MADE OVER THE PAST YEAR, PARTICULARLY IN THOSE HEAVILY POPULATED PROVINCES THAT FORM A BELT ACROSS THE CENTRAL PART OF THE DELTA FROM THE SEA TO THE CAMBODIAN BORDER, I.E., FROM AN GIANG DIAGONALLY ACROSS TO GO CONG. IN THE PAST MONTH, HOWEVER, THERE HAS BEEN NO PERCEPTIBLE GAIN; NEITHER HAS THERE BEEN ANY LOSS FROM THE PREVIOUS HIGH WATER MARK.

SIMILARLY, A MORE DETAILED REVIEW OF THE HOP TAC AREA INDICATES THAT WHILE ENCOURAGING PROGRESS WAS MADE IN THE FIRST SEVERAL MONTHS OF 1965, THE RATE OF PROGRESS SLOWED DOWN IN JUNE 1965, PARTLY AS A RESULT OF VC PRESSURES AND PARTLY BECAUSE OF THE POLITICAL TURMOIL IN SAIGON.

IT WOULD APPEAR FAIR, THEREFORE, TO CONCLUDE THAT GVN SUCCESS OR FAILURE IN ITS RURAL RECONSTRUCTION OR PACIFICATION PROGRAMS, WHICH ARE MAINLY CONCERNED WITH THE SECURITY AND WELFARE OF THE RURAL POPULATION IS DETERMINED PRIMARILY AT THE PRESENT TIME BY THE OVER-ALL STRATEGY AND STRENGTH OF THE VC.

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-3-, 108, July 11, From Saigon (SECTION SEVEN OF NINE)

THERE ARE TWO OTHER ASPECTS OF THE PRESENT SITUATION, PARTICULARLY IN THE I AND II CORPS AREAS, WHICH ARE CLOSELY RELATED TO THE GOALS AND EFFECTIVENESS OF THE RURAL RECONSTRUCTION PROGRAM. THE FIRST CONCERNS REFUGEES.

AS OF JUNE 10, 1965, THE THEN MINISTRY OF SOCIAL WELFARE ESTIMATED A TOTAL OF 375,000 REFUGEES IN SVN, OF WHICH 138,000 WERE IN I CORPS AND 139,000 IN II CORPS, FOR A TOTAL OF 318,500. SINCE THE ADVENT OF THE VC MONSOON OFFENSIVE, THE INFLUX OF REFUGEES HAS AGAIN INCREASED, AND AGAIN PRIMARILY IN I AND II CORPS. WHILE THE REFUGEE FLOW IS A PLUS FOR THE GOVERNMENT INSOFAR AS IT INDICATES THAT A LARGE NUMBER OF REFUGEES PREFER

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Action

CONTROL: 7260

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RECEIVED: JULY 11, 1965, 3:27 PM

FROM: SAIGON (SECTION EIGHT OF NINE)

ACTION: SECSTATE 198, IMMEDIATE

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N O D I S JULY 11

TO SEEK SHELTER WITH THE GOVERNMENT RATHER THAN WITH THE VC, IT IS ALSO DAMAGING INSOFAR AS IT ILLUSTRATES IN A VERY PUBLIC FASHION THE GOVERNMENT'S INABILITY TO PROTECT LARGE NUMBERS OF ITS OWN PEOPLE.

A SECOND ASPECT OF THE PRESENT SITUATION, WHICH AGAIN HIGHLIGHTS THE GOVERNMENT'S WEAKNESS AND THEREBY DISHEARTENS THE POPULATION, IS THE EXTENT TO WHICH THE VC HAVE RECENTLY SUCCEEDED IN DISRUPTING AND HARASSING COMMUNICATIONS ROUTES IN I AND II CORPS TO THE POINT WHERE THE LOWLAND AREAS ARE ISOLATED FROM THE HIGHLANDS, AND MUCH OF THE POPULATION IN I AND II CORPS IS ISOLATED FROM ITS NORMAL ADMINISTRATIVE CENTERS AND MARKET TOWNS.

ESTIMATE OF VC CAPABILITIES IN URBAN AREAS:

IN SAIGON AND IN MOST OTHER URBAN OR MILITARY BASE AREAS WHERE SIZEABLE CONCENTRATIONS OF U.S. CIVILIAN AND MILITARY PERSONNEL ARE TO BE FOUND, THE VC HAVE THE FOLLOWING CAPABILITIES:

1. TEMPORARY INTERRUPTION AND PARTIAL DESTRUCTION BY SABOTAGE OF ESSENTIAL UTILITIES AND SUCH OTHER FACILITIES AS AIRPORTS, HARBORS, BRIDGES, STORAGE AND REFINERY AREAS, ETC. SUCCESSFUL BLOCKING OF THE DEEP SEA CHANNEL TO SAIGON WOULD PROBABLY BE THE SINGLE MOST EFFECTIVE FEAT OF VC SABOTAGE.

THE INCREASING U.S. MILITARY INVOLVEMENT HERE, INVOLVING THE CONSTRUCTION OF A MASSIVE LOGISTICS BASE, PRESENTS THE VC WITH A GROWING RANGE OF TARGETS FROM WHICH TO CHOOSE AND AGAINST WHICH TO PLAN.

2. LIMITED HARASSMENT AND PARTIAL DEMORALIZATION OF THE POPULATION BY THE INDISCRIMINATE USE OF EXPLOSIVES AGAINST PEOPLE AS INDIVIDUALS AND IN GROUPS.

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-2- 108, JULY 11, FROM SAIGON (SECTION EIGHT OF NINE).

3. A LIMITED BUT GROWING ABILITY--COMMENSURATE WITH THE GROWTH AND THE SIZE OF THE AMERICAN PRESENCE IN SVN--TO EXACERBATE THE INEVITABLE MINOR IRRITATIONS WHICH ARISE BETWEEN VIETNAMESE AND AMERICANS. A SIGNIFICANT NEW PROPAGANDA PLOY BY BOTH THE VC AND RADIO HANOI IS SYMPTOMATIC. THE NEW LINE TAKES TWO FORMS: THE FIRST IS THAT U.S. AND ARVN INTERESTS COINCIDE BUT THE PEOPLE'S INTERESTS ARE DIFFERENT; THE SECOND IS THAT U.S. INTERESTS ARE DIFFERENT FROM THE INTERESTS OF ALL VIETNAMESE, BOTH THOSE IN THE ARMED FORCES AND CIVILIANS. THE FINAL TWIST IS THAT BECAUSE OF THIS DIFFERENCE IN INTERESTS, THE VC WILL CONDUCT TERRORIST ATTACKS AGAINST AMERICANS AND AMERICAN INSTALLATIONS AND IT THEREFORE DEMANDS ALL VIETNAMESE TO AVOID AMERICANS AND THEIR HAUNTS.

4. THE ABILITY TO EXPLOIT OR RIDE "PIGGY BACK" ON ANY AND ALL ANTI-GOVERNMENT DEMONSTRATIONS AND CAUSES, WHETHER THESE ARE GENERATED BY CATHOLIC, BUDDHIST, HOA HAO, CAO DAI, STUDENT, LABOR, OR OTHER OPPOSITION GROUPS. UNLESS THE WAR GOES VERY BADLY OVER THE NEXT 2/3 MONTHS, VC UNILATERAL ABILITY TO GENERATE EFFECTIVE UNREST AND DEMONSTRATIONS AGAINST THE GOVERNMENT DOES NOT SEEM GREAT ENOUGH TO BE A SERIOUS THREAT BY ITSELF. IF THE WAR CONTINUES TO GO BADLY, HOWEVER, THEN VC UNILATERAL CAPABILITY FOR MAKING MISCHIEF WILL GROW, AS WILL ITS ABILITY TO MARRY UP WITH OR EMPLOY OTHER DISORIENTED OR DISMORALEZED OPPOSITION GROUPS.

5. BY INTIMIDATING THE RURAL POPULATION LIVING IN THE VICINITY OF URBAN OR BASE AREAS, AND THROUGH SELECTIVE SABOTAGE OR AMBUCK OF TRANSPORTATION ROUTES OR FACILITIES LEADING FROM OUTLYING RURAL AREAS TO THE LARGER CITIES, THE VC ARE CAPABLE OF SLOWING DOWN AND OCCASIONALLY HALTING THE MOVEMENT OF FOODSTUFFS FROM THE HINTERLAND TO THE CITIES. SO FAR THIS INTERFERENCE HAS CAUSED DISTRESS AND RISING PRICES, BUT IT HAS NOT BEEN SUFFICIENT TO STARVE THE CITY POPULATIONS NOR SUFFICIENT TO CREATE SHORTAGES WHICH A COMBINATION OF EMERGENCY AIR AND SHIPPING CANNOT RESTORE.

WHILE SVN MILITARY, POLICE AND OTHER INTERNAL SECURITY FORCES ARE IMPROVING THEIR INDIVIDUAL COMPETENCE, AND ARE BEGINNING TO COORDINATE MORE EFFECTIVELY THEIR ACTIVITIES TO IDENTIFY AND THWART VC TERRORIST, SABOTAGE AND POLITICAL ACTIVITIES IN URBAN AND BASE AREAS, AND PROBABLY HAVE THE PRESENT CAPABILITY OF PREVENTING THE PERMANENT AND TOTAL DESTRUCTION OF MOST VITAL

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-3- 108, JULY 11, FROM SAIGON (SECTION EIGHT OF NINE).

FACILITIES, THEY DO NOT YET HAVE THE CAPABILITY TO PREVENT THE PARTIAL SABOTAGE OF THESE FACILITIES WHICH THE VC ARE DETERMINED AND HAVE CAREFULLY PLANNED TO DAMAGE. THESE NEW PROTECTIVE AND COUNTER-TERROR AND COUNTER-SABOTAGE RESPONSIBILITIES, FOR UTILITIES, FOR MAJOR TRANSPORTATION FACILITIES, AND FOR THE GROWING U.S. POPULATION ARE CAUSING A SEVERE STRAIN ON MILITARY AND POLICE MANPOWER AND NEED TO BE SUPPLEMENTED BY AND EVENTUALLY REDUCED BY THE EXTENSIVE USE OF MODERN PROTECTIVE DEVICES SUCH AS TAMPER-PROOF FENCING, ALARM DEVICES, ETC. THE USE OF POLICEMEN FOR THESE PURPOSES HAS REDUCED THE NUMBER THAT MIGHT OTHERWISE HAVE BEEN AVAILABLE FOR PACIFICATION AND RESOURCES CONTROL PURPOSES.

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Action

CONTROL: 7259

Info

RECEIVED: JULY 11, 1965, 3:16 PM

FROM: SAIGON (SECTION NINE OF NINE)

ACTION: SECSTATE 198, IMMEDIATE

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N O D I S JULY 11

CONCLUSIONS:

1. IF THE TOP MILITARY LEADERSHIP REMAINS UNITED, AND THE POPULATION AND RVNAF ARE PERSUADED THAT THE DIRECTORY IN ALLIANCE WITH THE U.S. CAN BLUNT THE VC MONSOON OFFENSIVE AND HAS A GOOD CHANCE OF ULTIMATELY WINNING THE WAR OR THE PEACE, THERE IS A STRONG LIKELIHOOD THAT OTHER TRADITIONALLY DIVISIVE FACTORS, SUCH AS RELIGIOUS AND REGIONAL DIFFERENCES, WILL REMAIN QUIESCENT AND THE DIRECTORY CAN CONTINUE SERVING, AT LEAST DURING THIS CALENDAR YEAR, AS THE BODY OF ULTIMATE POLITICAL DECISION AND LEADERSHIP. CONVERSELY, IF THE PRESENT DISADVANTAGEOUS TREND OF THE WAR IS NOT REVERSED, A RESURGENCE OF MILITARY AND POLITICALLY FACTIONALISM MUST THEN BE ANTICIPATED WITH RESULTING POLITICAL TURBULANCE ACCOMPANIED POSSIBLY BY UNCOORDINATED EFFORTS TO NEGOTIATE SETTLEMENT WITH THE DRV.

2. ARVN IS ALONE CLEARLY INCAPABLE OF COPING WITH GROWING VIET CONG CAPABILITIES AS ALREADY REINFORCED BY PAVN AND WE ARE FACED WITH PROSPECT OF SUCCESSIVE TACTICAL REVERSES, PIECEMEAL DESTRUCTION OF ARVN UNITS, AND GRADUAL LOSS OF KEY COMMUNICATION AND POPULATION CENTERS, PARTICULARLY IN THE HIGHLANDS. UNLESS THIS TREND IS REVERSED, THERE WILL BE A GROWING DANGER OF ATTRITION OF RVNAF WILL TO FIGHT IN MONTHS AHEAD, ACCOMPANIED BY A SIMILAR LOSS OF CIVILIAN CONFIDENCE. ONLY EARLY COMMITMENT OF U.S. THIRD COUNTRY GROUND FORCES, IN GENERAL RESERVE AND OFFENSIVE ROLES, AND IN STRENGTH GREATER THAN THAT NOW AVAILABLE IN SVN CAN BLUNT AND BLOODY THE MONSOON OFFENSIVE TO THE POINT OF CONVINCING HANOI'S LEADERS THAT THEY CANNOT WIN IN THE SOUTH.

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-2- 108, JULY 11, FROM SAIGON (SECTION NINE OF NINE).

3. EVEN THOUGH SERIOUS INFLATIONARY PRESSURES AND TRENDS WILL DEVELOP WITHIN THE VIETNAMESE ECONOMY DURING THE COMING YEAR MOST OF THEM CAN BE HELD TO A TOLERABLE LEVEL BY TIMELY AND APPROPRIATE USG/GVN ACTIONS, SO LONG AS (1) THE GVN BUDGET LEVEL IS NOT SIGNIFICANTLY FURTHER INCREASED, (2) MOBILIZATION DOES NOT CRIPPLE INDUSTRIAL PRODUCTION OF KEY COMMODITIES, (3) VC INTERDICTION DOES NOT CUT OFF SHIP ACCESS TO SAIGON VIA THE SAIGON RIVER, AND (4) NO SIGNIFICANT CHANGE IS MADE IN THE BASIC 66 PIASTERS PER DOLLAR RATE FOR IMPORTED COMMODITIES.

4. WHILE AN EFFECTIVE GOVERNMENT PERFORMANCE AND SECURITY ARE IMPORTANT TO THE MORALE OF BOTH THE URBAN AND THE RURAL POPULATIONS, THE OVERRIDING PSYCHOLOGICAL NEED AT THIS JUNCTURE IN THE WAR IS FOR SOME ASSURANCE OR EVIDENCE THAT THE COMBINATION OF RVNAF AND US/THIRD COUNTRY FORCES CAN CONTAIN THE VC/DRV MONSOON OFFENSIVE AND REOPEN COMMUNICATIONS.

5. WHILE IV CORPS AND HOP TAC AREAS CONTINUE TO SHOW SOME MODEST PROGRESS TOWARD RURAL RECONSTRUCTION OR PACIFICATION GOALS, OR AT LEAST TO HOLD THEIR OWN I AND II CORPS AREAS AND CERTAIN III CORPS PROVINCES ADJACENT TO II CORPS LOST GROUND RAPIDLY IN THE PAST SIX WEEKS AS A RESULT OF THE VC MONSOON OFFENSIVE. COMPARED WITH JUNE 1964, THEREFORE, JUNE 1965 REFLECTS 7 PER CENT LOSS OF RURAL POPULATION BY THE GVN AND A CORRESPONDING GAIN BY THE VC. MOST OF THE LOSS HAS OCCURRED IN THE PAST MONTH. WHAT BECOMES CLEAR IS THAT PROGRESS IN RURAL RECONSTRUCTION DEPENDS UPON THE OVER-ALL BALANCE OF POWER BETWEEN GVN AND THE VC, AND THAT WHENEVER AND WHEREVER THE VC HAVE THE INITIATIVE AND GREATER RELATIVE STRENGTH, PARTICULARLY IN MAIN FORCE ELEMENTS, AND ARE PREPARED TO COMMIT THEM, ANY LOCAL PROGRESS IN RURAL RECONSTRUCTION BECOMES VIRTUALLY IMPOSSIBLE.

THIS DOES NOT MEAN THAT THE RURAL RECONSTRUCTION EFFORT IS USELESS OR SHOULD BE DISCONTINUED. IN FACT, QUITE TO THE CONTRARY, AND PRECISELY BECAUSE THE STRUGGLE IN SVN IS IN SIGNIFICANT MEASURE A STRUGGLE FOR THE LOYALTY AND SUPPORT OF THE POPULATION, THE GOVERNMENT'S EFFORT TO BRING SECURITY AND SOME MODEST BUT PRACTICAL ECONOMIC AND SOCIAL IMPROVEMENTS TO THE HAMLETS AND VILLAGES, AND THE GOVERNMENT'S RECENTLY ANNOUNCED DETERMINATION TO RESTORE A SENSE OF NATIONAL PRIDE AND CIVIC CONSCIENCE, TO CHALLENGE ITS YOUTH TO GREATER AND MORE USEFUL EFFORTS, AND TO "STRENGTHEN THE REAR"--MEANING THE CIVILIAN POPULATION-- ARE ALL ABSOLUTELY ESSENTIAL TO WINNING THE WAR. WHILE THIS EFFORT HAS THE HIGHEST PRIORITY, AND NEEDS TO BE STRENGTHENED,

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-3- 108, JULY 11, FROM SAIGON (SECTION NINE OF NINE).

IT CANNOT SUCCEED UNTIL THE RVNAF HAS BEEN SUFFICIENTLY REINFORCED BY U.S. AND THIRD COUNTRY FORCES TO SEIZE THE INITIATIVE FROM THE VC AND COMMENCE A GRADUAL REDUCTION OF THE VC'S PRESENT FREEDOM TO ATTACK ALMOST AT WILL WITH MAIN FORCE ELEMENTS.

6. THE COMBINATION OF GVN/US MILITARY RESOURCES WITHIN SVN IS NOT PRESENTLY SUFFICIENT TO TURN THE TIDE AGAINST THE VC AND THUS CONVINCE THE DRV/VC LEADERSHIP THAT THERE IS NO HOPE FOR VICTORY IN SOUTH VIETNAM. SIMILARLY, THE WEIGHT AND DURATION OF OUR AIR ATTACKS IN NORTH VIETNAM HAVE BEEN INSUFFICIENT TO PRODUCE TANGIBLE EVIDENCE OF ANY WILLINGNESS ON THE PART OF HANOI TO COME TO THE CONFERENCE TABLE IN A REASONABLE MOOD. IT IS OUR OVERALL CONCLUSION THAT BEFORE WE CAN EXPECT TO HAVE AN ATMOSPHERE CONDUCTIVE TO AN ACCEPTABLE NEGOTIATED SETTLEMENT WE MUST RAISE THE LEVEL OF OUR JOINT EFFORTS BOTH AGAINST VC FORMATIONS IN SVN AND AGAINST BOMBING TARGET SYSTEMS IN NORTH VIETNAM AND MAINTAIN THIS INCREASED PRESSURE FOR AN INDETERMINATE PERIOD.

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NOTE: ALL SECTIONS PASSED CINCPAC, 7/11/65 PER S/S. (WVC)