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17 May 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing of the BOARD OF NATIONAL ESTIMATES on:  
The Political Situation in South Vietnam by,  
Mr. Philip C. Habib, Political Counsellor of the  
US Embassy in Saigon

DATE : 13 May 1966, at Headquarters

1. Background. Mr. Habib, who had returned to Washington to participate in the Washington discussions with Ambassador Lodge, gave the Board a one hour briefing on the political outlook in South Vietnam, concentrating primarily on preparations for elections, and possible developments thereafter. Mr. Habib's briefing was prior to recent developments in Danang and Hue.

2. Approximate schedule of events concerning elections in South Vietnam:

a. Preparations for elections, if things go legally and logically, will continue over the next 3 or 4 months. The actual deadline is 15 September, although Mr. Habib feels that if the elections take place a week or so either side of that date, everyone should be reasonably satisfied.

b. The elections, to be held about mid-September, will elect delegates to a Constitutional Assembly.

c. The Constitutional Assembly will probably not actually convene until about one month after the elections. Assembly deliberations to draft a constitution will probably last from 2 to 4 months or longer. Mr. Habib thinks a 3-month guess would not be far off the mark.

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d. Events thereafter. These developments should run at least into January 1967. What happens thereafter depends in considerable measure upon decisions made by the Constitutional Assembly. They may decide to perpetuate themselves as the legislature of the new government, in which case further legislative elections will not be necessary immediately. Or they may decide instead to set up procedures for a general election which would establish a national legislature. This of course, would take events into the spring or summer of 1967, before a new government was fully established.

3. Disruptive possibilities. The Buddhists and Struggle Forces could demonstrate in favor of an immediate change of government once the constitutional assembly has been elected. This is the one Buddhist demand the government has not met in its concessions to the Buddhists to date. The Buddhists could demonstrate for this now. The fact that they have not done so in the face of Ky's recent remarks and those of others in the last two weeks which indicated clearly the government intends to remain in power beyond this date, probably means that the Buddhists are reluctant to get into a tight squeeze again, possibly because they fear that such moves on their part would trigger a coup within a coup in the military by the so-called "Baby Turk" element, for example.

4. Pre-election political maneuvers.

a. A non-Buddhist "alliance" appears to be shaping up, including the VNQDD, Cao Dai, Hoa Hao, Catholics, veterans groups, etc. However, so far this alliance has been talked about more than it has been explored, and it is not a movement of any strength yet.

b. The Buddhist Institute is trying to broaden its base, from I Corps south into the II Corps area, and also in Saigon. They are succeeding to some extent in the II Corps area.

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5. What will the government do? Mr. Habib believes the government is unfortunately inadequate to handle the needs. There are now divisions in the directorate which have grown under the stresses of the past two months. Mr. Habib expects that the regular government programs now in existence will continue over the next few months, but the "intellectual" aspect of the government management will suffer, because the government will be pre-occupied with the problems created by the forthcoming elections. The military wants to stay on in the interim between the convening of the constitutional assembly and whatever government follows.

Whether they can or not depends to some extent on whether Ky can reunify the directorate and pull it off. To some extent it also depends on whether or not the constitutional assembly decides further elections are necessary, or whether they decide that they themselves will become the legislature. If they do, they could then appoint a new executive. If the decision is to go for further elections, and the directorate has behaved reasonably well between now and then, the chances are they would stay on in power until the results of the general elections brought in a new government.

6. Inflation is the number one problem in South Vietnam, according to Mr. Habib. Whereas the US now has enough troops in South Vietnam to actually deal with the Communists independently should the GVN falter somewhat, the same condition does not hold in confronting inflation. We are completely dependent on working through the GVN in dealing with the problems of the GVN economy.

The IMF team, now in Saigon, should finish their work there in a week and make their recommendations. The Embassy has been high on drastic surgery as a solution to inflation -- namely devaluation. Washington has had reservations on this, being skeptical about the GVN's ability to carry devaluation out. Mr. Habib expects the US position on this to be thrashed out during Ambassador Lodge's visit here.

The difficulty lies in rallying the disparate elements in South Vietnam to recognize and deal with the problem. Ky for example, doesn't really understand the inflation problem or how to cope with it. Because the leadership is not there for dealing with the problem, we will have to rely instead on institutions to take care of it.

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7. Politics and Power. The above remarks led to some questions on the characteristics of Vietnamese when they organize politically, and to the use of power in Vietnam.

a. Characteristics of the Vietnamese in organizing politically are regionalism, religion, social groups, traditional leadership, and the military. All of these are really divisive rather than unifying, and this is why the political scene is so splintered.

b. Mr. Habib feels that with the exception of Diem from 1955 to 1959, none of the South Vietnamese leaders has really understood the use of power they way we think of it. Ky does not understand the use of power. Thieu does, but he doesn't have any power base. Tri Quang does understand the use of power and has the base and the will to use it.

8. Buddhist aspects.

a. The Chaplains, are subject to the Buddhist Institute. They are cadre of the militant Buddhists, for the most part. They are not well organized but follow the chain of command. Thich Tam Giac, the Chief of chaplains, is a moderate. Thich Ho Giac, the deputy, is independent, but not as influential as he thinks he is.

b. The Anti-American element in demonstrations. This was a deliberate effort by Tri Quang to put pressure on the US, so that we would limit out support of Ky and the Directorate.

c. Thich Tri Quang is unable to dominate the present advisory assembly. Nevertheless his power is growing and he will probably be a continually growing force to be reckoned with. Ky is trying to cut Tri Quang down to size and has made a number of statements about him to the effect that he, Ky, will take care of Tri Quang before long. Part of this vendetta stems from the fact that Tri Quang double-crossed Ky, because Ky had obtained Buddhist assurance that they would not object to General Thi's removal before Ky actually went ahead with it.

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Tri Quang, in the end, may be a Makarios-type figure. He is a politician. He is naive towards the Communists - and also naive toward the military in that he probably doesn't understand the capacity for violence among the younger GVN military officers. Tri Quang is obviously not popular with opposing political groups, and is for example, high on the VNQDD's assassination list (they have one). Tri Quang's power is largely in lay Buddhists whereas Tam Chau's is clerical. Tam Chau has no lay following. Tri Quang is more of a political organizer than Tam Chau. For example Tri Quang began criticizing the PAT's 9 months ago. He has always been interested in their organization and use. Tri Quang's own movement is a political movement, not a protest movement. There are some signs that he has wider horizons than just South Vietnam. There is common Buddhist force potential in Southeast Asia and we should watch for any South Vietnamese Buddhist overtures to the Buddhists in Cambodia and elsewhere.

d. Buddhist objectives, are primarily, control of the Assembly. If they cannot achieve this then they want to achieve a balance of power so that they can at least block programs they don't like. In achieving their ends however, it is easier for the Buddhists to create division, particularly among the military, than it is for them to create alliances. Mr. Habib thinks perhaps their ultimate objective is to end the war -- not at any price -- but they probably think they can alter the Viet Cong to such an extent that Hanoi would not control the South. They are naive in this but one of the elements they will be able to play on if they ever begin this theme, is the increasing war-weariness among the Vietnamese people. Also, the US military shield allows the GVN -- and for that matter the South Vietnamese people -- the luxury of not being as aggressive as they should be. We must take this war weariness into account in our own plans without exaggerating it. As a balancing factor there is the often demonstrated Vietnamese resilience, which has enabled them to bounce back from adverse positions before. However, although this resiliency has enabled the South Vietnamese to survive other government changes in the past few years we should not automatically bank on this to save the present political situation, should it get worse this fall.

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