

25X1

SECRET

Approved For Release 2005/04/22 : CIA-RDP79T00472A001700020003-9

OCI No. 0607/65

Copy No.

80

WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

17 February 1965

ARMY and DOS review(s) completed.

**INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE**

25X1

SECRET

Approved For Release 2005/04/22 : CIA-RDP79T00472A001700020003-9

GROUP 1
Excluded from automatic
downgrading and declassification

THIS MATERIAL CONTAINS INFORMATION AFFECT-
ING THE NATIONAL DEFENSE OF THE UNITED STATES
WITHIN THE MEANING OF THE ESPIONAGE LAWS,
TITLE 18, USC, SECTIONS 793 AND 794, THE TRANSMIS-
SION OR REVELATION OF WHICH IN ANY MANNER TO
AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

I. SOUTH VIETNAM MONTHLY SITUATION REPORT

A. POLITICAL SITUATION

1. The ouster of Prime Minister Tran Van Huong on January 27 by the bloodless coup de force, of General Nguyen Khanh and the Buddhist leadership has ended for the time being militant Buddhist-inspired agitation. The military and Buddhist leaderships, the two most powerful political forces on the Vietnamese scene today, seem to have arrived at a temporary working arrangement or at least a "marriage of convenience."

2. The ability of the new premier, Phan Huy Quat, to hold his government together will depend in part on the degree of flexibility and compromise he can maintain in the face of inevitable pressures from the Buddhists, military, and Catholics. Indeed, judging from his personal temperament, his first public statement, and his known views on the complexity of the Vietnamese political situation, Quat seems keenly aware that flexibility, compromise, and political realism are crucial to his survival. Quat also brings to his office the asset of long experience in the political and governmental affairs of his country. Finally, he is not without personal support among the military, and certainly is not anathema to the Catholics; indeed, some Catholics tend to regard him as a moderate. More importantly, however, Quat has worked quietly and carefully to mend his political fences with the Buddhist religious and lay leadership and with Buddhist-oriented politicians.

3. In the final analysis, however, the survival of Quat's government or any other government of South Vietnam will depend principally on the attitudes of the Buddhist and military leaderships. It is not certain that either the military or the Buddhists will be content to exercise merely a "watchdog" role over the government. The personal ambitions of such personalities as Thich Tri Quang and Generals Khanh, Ky, and Thi are well known and none would hesitate, at a propitious moment, to sacrifice political stability for the achievement of personal power. The specific

or nominal issues that could precipitate further eruptions in Saigon are many and varied: e.g., Quat's general effectiveness, the political orientation of any of several cabinet members, the extent of regional or religious influence in the government, the course of the fight against the Viet Cong, internal dissension within military and Buddhist ranks, etc. In any event, while no immediate political crisis seems evident, the next several weeks will likely be a period of watchful waiting on the part of the diverse array of military, political, and religious leaders in Saigon.

4. The Armed Forces Council on 17 February established its long projected 20-man military-civilian council, now designated the National Legislative Council. The Council, composed of six military officers and civilian representing various religious and political backgrounds, apparently will exercise the nominal legislative powers which previously devolved on the now defunct High National Council. Elections for a permanent national assembly are being relegated to the indefinite future, and if held, will apparently convene a constituent assembly to be charged with drafting a permanent constitution.

5. General Khanh, who is the primary architect of the present government set-up, probably expects to hold real behind-the-scenes power. Various Vietnamese circles, both military and political, continue to suspect Khanh's long-range ambitions to regain direct power, and privately question whether any government will be permitted to develop real authority while Khanh is on the scene.

B. MILITARY SITUATION

1. The Viet Cong insurgency was in relatively high gear as the month opened. The week-long Phuoc Tuy Province battle, which began with the Communist occupation of the Catholic village of Binh Gia on 28 December, concluded with a successful ambush of a government convoy on 3 January. Except for a brief period of intensification of the insurgency prior to Tet, enemy activity steadily declined during January. This reduction probably reflected Communist preparations for a brief resurgence of activity following the holidays.

The Viet Cong perpetrated over 2,200 incidents in January, slightly below the 1964 monthly average of about 2,380. Communist activity during January reflected no significant deviations from past patterns; terrorism and harassments dominated Viet Cong actions. The enemy, however, did exhibit an increased willingness to engage regular government forces over longer periods--indicating greater Viet Cong boldness and confidence in their military potential. Acts of sabotage against the coastal railroad in January generally declined but rail traffic remained suspended in Binh Dinh and Quang Ngai provinces during the month, principally as the result of November's destructive typhoon, but also in part, because of Viet Cong sabotage and dominance of the area. The mining of three bridges in Thua Thien caused a temporary disruption of rail travel between Hue and Da Nang in January.

Communist armed attacks totalled only 63 for the entire month. There were six large-scale attacks reported, slightly less than the 1964 monthly average of eight. The small number of armed attacks reported are among the fewest reported in any single month during the entire war; only November 1964 with 60 had fewer.

Viet Cong activity in January, including armed attacks, was heaviest in the delta area of IV Corps. The northernmost I Corps was second, where evidence indicates substantial Viet Cong forces remaining in Phuoc Thuy Province east of Saigon, followed by III Corps. The heavily Viet Cong infested area of

II Corps reported the fewest number of Communist initiated activities during the month, probably because of the high degree of control they already exert over the area.

The Viet Cong held to their announced ceasefire for the Tet holidays. Almost immediately following the lull in the fighting, however, the Viet Cong initiated several punishing attacks, many of them specifically directed against US personnel and installations. The airfields at Pleiku and Soc Trang were subjected to severe mortar barrages, a US fuel dump at Phu Yen was attacked, and a US enlisted men's barracks at Qui Nhon was blown up with heavy loss of life. Concurrent with these attacks against US interests, the Viet Cong also stepped up their terrorist and military campaign against government forces. Several large and small scale attacks were reported from all areas during the period 6-13 February.

The greatest Viet Cong gains were made in Binh Dinh Province of II Corps. Following the 7 February Pleiku attack, the Viet Cong dealt the ARVN 40th Regiment a series of serious defeats in Binh Dinh Province, where they appear to be consolidating their power. The Viet Cong now dominate Binh Dinh Province and clearly have dealt the government's pacification effort there a heavy blow. Presently, government control is limited to the immediate vicinity of the district towns.

In another significant action, a Viet Cong attack on a district town in Phuoc Long Province resulted in the death and mutilation of three US advisors and another is missing. A disturbing aspect of this action is the fact that the Regional and Popular Forces abandoned the US advisors at the beginning of the action. Present indications point to a continued intensified Viet Cong military effort for the immediate future.

MACV has adjusted its Viet Cong Order of Battle holdings which represents an increase of Viet Cong main force strength. Two additional companies have been confirmed in An Giang Province, one company in Bac Lieu Province, and one company in Kien Giang

Province. The 93rd and 97th Battalions, both operating in Quang Ngai and subordinate to the 2nd Regiment have been accepted and the 800th Battalion has been confirmed in Thua Thien Province. The new MACV Order of Battle holdings are as follows:

Regimental Headquarters	5
Battalions	50
Companies	139
Platoons	29
Main Force Personnel	
Strength:	34,900

2. South Vietnamese military operations showed some improvement in January in scoring impressive victories over the Viet Cong. There were 11 significant operations during the month, eight involving battalion-sized units. In the eight larger operations, ARVN casualties were 37 killed, 122 wounded, none missing and only one weapon lost. Viet Cong casualties in these same eight engagements were 476 killed, and 155 captured, with 133 weapons lost.

The success achieved by ARVN generally resulted from the sound application of their superiority of arms, mobility, and air power. These operations also provided encouraging examples of ARVN's willingness to employ quick reaction forces aggressively and with good command and control against Viet Cong main force units.

While these few military operations have shown an encouraging sign, they are only a small percentage of the total large scale government operations conducted each week. In January, an average of 79 battalion size or larger operations were conducted each week and averaged 32 in contact with the Viet Cong. Of approximately 15,000 smaller unit actions conducted each week, an average of only 133 engaged the enemy.

Government operations increased sharply after the Tet lull and attempted to match the accelerated Viet Cong tempo of operations. There were several ARVN successes, notably in Quang Tin Province where 230 Viet Cong were killed by a superior reaction force. The few successes, however, were offset by enemy successes,

particularly in Binh Dinh Province, and by the inability to protect the railroad and major highways in the central coastal provinces which were again subjected to intense sabotage efforts by the Viet Cong last week.

3. Despite the relatively moderate level of enemy activity in January, when compared to the 1964 monthly average, total casualties for both sides, including killed, were among the highest for any single month of the war. Government losses were 3,316 (904 KIA) compared to Viet Cong casualties of 2,768 (2,203 KIA). The trend towards higher casualties has continued into February. During the week of 6-13 February the government sustained 1,558 casualties including 290 KIA. Included in the total are some 611 MIA, most as a result of the series of Binh Dinh engagements; however, many of those previously reported missing are beginning to filter back to the government. In any event, the government's casualty list, except KIA, is the highest for any single week of the war. Similarly, Viet Cong casualties were higher during the same period although not as dramatically, and totalled 628 (505 KIA).

The weapon loss ratio in January was approximately 2.5:1 in favor of the Communists. In the first two weeks of February, the government lost a total of 1,312 weapons compared to only 279 captured from the Viet Cong.

Conclusions

The greater intensity of the war is accurately reflected in the trend towards higher casualties for both sides, truly making the current insurgency a war of personnel attrition, principally through small-scale actions. The Viet Cong continue to make significant gains, particularly in the north where the ominous buildup of their military forces continues, through significant clandestine infiltration. Viet Cong main forces in the northern provinces are the best organized and strongest in South Vietnam and, as yet, have not been committed to their full military potential. ARVN efforts to dislodge the Viet Cong from areas formerly considered as government controlled and to destroy the

Viet Cong infrastructure have thus far proved fruitless. The Viet Cong, as recently demonstrated, retain the initiative and remain capable of striking at times and places of their choosing and in strength of up to several battalions.

C. PACIFICATION

1. Nationwide, the pacification effort has barely moved ahead since 1 January; there has been serious deterioration in some areas, mainly the I and II Corps zones. The slowdown in the pace of pacification is due to several factors which include: the preoccupation of some senior commanders with Saigon politics, the Tet holiday period, and Viet Cong strength, which in some areas has forced the GVN military forces into static or defensive roles.

2. The security situation is particularly serious in I and II Corps zones, with Quang Ngai and Binh Dinh provinces being the most critical. COMUSMACV recently described the pacification effort in Binh Dinh Province as having received a severe blow and characterized the Viet Cong position there as being "dominant."

3. The government continues to claim fairly significant achievements for the high priority Hop Tac pacification effort which touches on seven provinces surrounding Saigon. Since the beginning of January, 20 hamlets have been accepted as meeting the six-point criteria for completed hamlets, bringing the total to 299. During the past week no additional hamlets were completed. A total of 1,146 hamlets are scheduled for completion in the Hop Tac zone. The government now claims that 834,000 persons live in secured areas, an increase of some 127,000 since the beginning of January.

4. Pacification throughout the III Corps zone (excluding Hop Tac) has made moderate progress, but there has been some decay in the situation in Phuoc Long and Phuoc Tuy provinces.

5. In the IV Corps zone, the pacification effort has been confined largely to planning activities. Local GVN officials have been marking time and seem to be waiting for direction from higher authority. In several areas of the zone, the Viet Cong have stepped up the pressure and caused a further decline in the security situation.

D. ECONOMIC

1. During the past month, there has been a persistent upward pressure on rice prices in Saigon which has caused an increase in the overall cost of living index. Contributing to the climb in rice prices are worsening security conditions in the Mekong River delta where, according to a US Mission assessment, 40 to 60 percent of the rice producing areas are under Viet Cong control. Other factors include increased Viet Cong taxation on rice shipments, a reported Viet Cong campaign to have the peasants withhold their rice and speculation by rice traders. The wholesale price of rice has remained above the government guarantee price before Tet, causing rice dealers to complain that they could not meet delivery contracts at the present official price levels. The government has held firm and has threatened to cancel the business licenses of dealers who do not live up to their contracts. In the meantime, the government is exploring whether sufficient stocks for Saigon can be supplied by small rural dealers, and has requested an additional 25,000 tons of P.L. 480 rice.

2. Worsening security conditions also have affected both rail and highway transport and caused a general increase in transportation costs. It is becoming increasingly difficult for Saigon firms to do business in the provinces.

II. THIRD COUNTRY DEVELOPMENTS

1. International reactions to the US/GVN air strikes against North Vietnam have generally followed established attitudes toward US foreign policy. Friendly countries have supported the action, with the United Kingdom and Australia giving particularly strong support. However, on 10 February Prime Minister Pearson, while approving the strikes, stated that Canada would support a Geneva Conference because the Vietnamese conflict could escalate into a "full-scale Chinese-American war." President De Gaulle also called for a new Geneva Conference.

2. Neutrals have reacted generally along predictable lines. Fear of escalation and hope that the incidents will lead to a negotiated peace were common themes in many neutralist reactions. India's Prime Minister Shastri on 12 February repeated his earlier call for negotiations in a joint statement with Burma's General Ne Win, asking for an international conference "to insure peace in Indochina and Southeast Asia." Prince Sihanouk of Cambodia sent essentially identical telegrams to De Gaulle, Mikoyan, Ne Win and Radhakrishnan, requesting a new approach be made to the United States and the United Kingdom for a new Geneva Conference.

3. The South Vietnamese government informed the United Nations Secretary General and the ICC on its position on the air strikes, noting these were the result of persistent and recently intensified North Vietnamese aggression. Saigon also replied to the Indian government's call for a Geneva conference by pointing out that the problem would be solved if North Vietnam would stop its aggression.

4. In Phnom Penh, the long heralded preparatory meeting of the "Indochinese People's Conference" was convened on 14 February. Except for the scheduling of a plenary conference on 25 February, the conference has produced no public announcements.

5. An advance party of the Korean military contingent consisting of communication, security, transportation and command elements is due to arrive in

South Vietnam on 24 February. The main body of the 1,966-man contingent is scheduled to arrive 7 March. Final details of billeting and liaison are not yet settled and could cause further delays.

6. Philippine Defense Minister Peralta brought negotiations over the proposed 2,300-man Philippine contingent to South Vietnam to a standstill by insisting that the United States provide per diem payments equal to those paid US personnel. Ambassador Blair will discuss the final US proposal after President Macapagal returns on 20 February. Per diem arrangements likely to be settled at this time for an additional 34-man medical team, although discussions on the larger contingent are likely to be prolonged further.

III. DEVELOPMENTS IN THE BLOC

1. Communist reaction to the US airstrikes against North Vietnam on 7, 8, and 11 February ranged from the open defiance of the South Vietnamese Liberation Front to the more cautious and restrained protestations of Moscow. North Vietnam made a studied effort to demonstrate that it had not been intimidated by the strikes and that it was ready and able to cope with further aerial assaults. Radio Hanoi is encouraging the Viet Cong to continue their offensive in the South. The theme of a united Vietnamese people--both North and South--participating in a common struggle against the US "imperialists" is prominent in the propaganda statements of both Hanoi and the Front.

2. Peiping responded to the attacks with a belligerent outpouring of propaganda designed to deter the US from further action. The Chinese have used language which is harsh but no more specific than that used in their statements following the August Tonkin Gulf crisis. Mass rallies protesting the new bombings, for example, were not half as large or extensive as those organized after the Tonkin Gulf strike against the DRV, according to Peiping Radio's descriptions.

25X1

3. Moscow's response was initially confined to a reiteration of previous pledges to provide North Vietnam with all "necessary defensive assistance." Kosygin's trip to the DRV, China, and North Korea provided a timely opportunity for high level consultations on joint efforts to assist North Vietnam, but Soviet statements about the purpose and results of the trip were relatively non-committal. The joint statement signed in Hanoi endorsed the principal of the "unity" of communist interests--the Soviet Premier's theme throughout his Asian trip--but gave no specifics on the planned level of increased Soviet military assistance to Hanoi. The

statement said only that measures to "consolidate DRV defense had been agreed upon" and would be subject to "regular consultation." The announcement of the economic agreement, which was signed while Kosygin was in Hanoi--the first in more than three years, also failed to specify any new extensions of Soviet credits or grants to the DRV.

4. Hanoi has requested the ICC to withdraw its field teams from North Vietnam. Although Hanoi alleges that this move is necessary because the security of the teams can no longer be guaranteed, it would also serve to restrict the already limited western observation of military deployments and shipments into and within the DRV. ICC field teams are located in Haiphong (the only significant port of entry in the country), at Vinh and Dong Hoi, and at Langson and Lao Kay (two points where the rail line from Communist China enters North Vietnam). The Canadians and the Indians have resisted the request on the grounds that such action would constitute unilateral public denunciation by Hanoi of the 1954 agreements.

South Vietnamese and Viet Cong Casualties and Weapons
Losses: 1962 - January 1965

1. General Statistical Data:

Time Period		Viet Cong Incidents	Killed in Action		Wounded in Action		Captured or Missing		Total Casualties		Weapons Losses	
			GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
Jan	1962	1825	299	1294	475	211	116	391	890	1396	-	-
	1963	927	453	1754	908	318	102	379	1463	2451	457	683
	1964	1770	343	1223	913	-	555	240	1811	1463	917	532
	1965	2206	904	2203	1938	-	471	565	3313	2768	1700	711
Feb	1962	1460	244	1205	300	316	124	353	668	1874	-	-
	1963	788	379	1082	656	303	82	292	1117	1677	253	399
	1964	2078	374	1055	916	-	303	289	1593	1344	708	471
Mar	1962	1961	523	1456	737	551	140	523	1400	2530	-	-
	1963	1282	410	1443	851	368	66	205	1327	2016	467	367
	1964	2160	439	1456	1249	-	345	531	2033	1987	814	532
Apr	1962	1933	387	1596	532	292	151	415	1070	2303	-	-
	1963	1331	506	1660	878	256	96	388	1480	2304	797	468
	1964	2284	594	1671	1584	-	398	245	2576	1916	990	424
May	1962	1825	390	1756	509	352	94	524	993	2632	-	-
	1963	1208	435	1895	389	256	94	695	1418	2885	463	564
	1964	2143	458	1135	987	-	202	242	1647	1377	723	281
Jun	1962	1477	325	1666	613	416	77	441	1015	2523	-	-
	1963	1311	389	1862	772	310	90	437	1251	2609	580	394
	1964	2062	494	1005	1145	-	313	230	1952	1235	718	387
Jul	1962	1564	384	1544	686	424	212	542	1282	2510	-	-
	1963	1368	529	1918	1071	372	306	387	1906	2677	934	374
	1964	3045	900	1427	1812	-	510	219	3222	1646	1889	447
Aug	1962	1642	377	2271	626	367	63	669	1066	3307	-	-
	1963	1349	411	1685	804	237	352	482	1567	2404	637	428
	1964	2580	721	1449	1612	-	478	282	2811	1731	1106	619

--S1--

Time Period		Viet Cong Incidents	Killed in Action		Wounded in Action		Captured or Missing		Total Casualties		Weapons Losses	
			GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
Sep	1962	1375	419	2218	646	365	59	446	1124	3029	-	-
	1963	1763	672	1982	1155	234	566	347	2393	2583	607	389
	1964	3091	819	1187	1759	-	737	230	3315	1417	1465	525
Oct	1962	1357	365	1967	619	286	64	373	1048	2626	-	-
	1963	1422	428	1520	989	244	398	236	1815	2000	753	330
	1964	2827	739	1617	1583	-	693	576	3015	2193	1510	482
Nov	1962	1311	410	1982	834	368	92	561	1336	2911	-	-
	1963	3182	664	2333	1554	373	665	252	2883	2958	1595	455
	1964	1982	574	1747	1404	-	410	570	2388	2317	1104	515
Dec	1962	1346	294	2203	618	289	78	463	990	2755	-	-
	1963	1882	389	1440	961	191	320	190	1670	1821	724	546
	1964	2504	1,002	1813	2053	-	1092	503	4147	2316	2111	666

Composite Annual Totals

Time Period	VC Incidents	KIA		WIA		Captured or Missing		Total Casualties		Weapons Losses	
		GVN	VC	GVN	VC	GVN	VC	GVN	VC	GVN	VC
1962	19076	4417	21158	7195	4237	1270	5701	12882	30896	5195	4049**
1963	17813	5665	20574	11488	3462	3137	4290	20290	28385	8267	5397
1964	28,526	7477	16785	17017	-	6036	4157	30510	20942	14055	5881

** Monthly data unavailable for 1962 Weapons Losses.

-S2-

2. Viet Cong Incidents

A T T A C K S

Time Period	Viet Cong Incidents	Small-Scale	BN. Size	Co. Size	Total	Terrorism	Sabotage	Propaganda	Anti-Aircraft
1962	1825	528	--	--	549	839	180	257	--
Jan 1963	927	242	2	8	252	447	49	179	--
1964	1770	218	3	5	223	1244	129	174	--
1965	2206	57	1	5	63	1489	272	170	212
1962	1460	480	--	--	500	613	137	210	--
Feb 1963	788	181	1	13	195	433	69	91	--
1964	2078	211	3	3	217	1389	201	271	--
1962	1961	561	--	--	588	660	290	423	--
Mar 1963	1282	333	0	11	344	653	131	154	--
1964	2160	198	1	4	203	1632	158	167	--
1962	1933	470	--	--	497	1024	220	192	--
Apr 1963	1331	371	3	9	383	688	105	155	--
1964	2284	211	3	6	220	1738	169	157	--
1962	1825	490	--	--	528	892	154	251	--
May 1963	1208	344	0	13	357	608	93	150	--
1964	2143	170	2	3	175	1418	217	140	193
1962	1477	385	1	21	407	736	157	222	--
Jun 1963	1311	398	1	11	410	652	107	142	--
1964	2062	128	2	10	140	1390	176	162	194
1962	1564	437	1	10	448	735	158	223	--
Jul 1963	1368	398	1	8	407	698	80	183	--
1964	3045	166	12	7	185	2132	286	224	218
1962	1642	368	0	9	377	885	146	233	--
Aug 1963	1349	356	1	11	368	647	113	221	--
1964	2580	107	3	3	113	1775	315	173	204

Continued

A T T A C K S

Time Period	Viet Cong Incidents	Small-Scale	BN. Size	Co. Size	Total	Terrorism	Sabotage	Propaganda	Anti-Aircraft
1962	1375	382	0	9	391	624	178	182	--
Sep 1963	1763	483	3	17	503	889	164	207	--
1964	3091	110	4	4	118	1938	482	178	375
1962	1357	406	1	12	419	583	189	166	--
Oct 1963	1422	363	0	6	369	802	105	150	--
1964	2827	75	6	2	83	1790	480	197	277
1962	1311	411	3	7	421	614	144	132	--
Nov 1963	3182	631	3	11	645	1990	269	278	--
1964	1982	57	1	2	60	1391	247	109	175
1962	1346	375	1	8	384	670	107	185	--
Dec 1963	1882	258	0	3	261	1228	111	251	--
1964	2,504	81	6	9	96	1,719	318	128	243

Composite Annual Totals

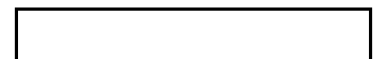
1962	19,076	5295	41	173	5509	8875	2060	2676	No Data
1963	17,813	4358	15	121	4494	9735	1396	2161	No Data
1964	28,526	1732	46	55	1833	18,656	3178	2080	1879

25X1

SECRET



25X1



SECRET