

25X1

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

MCS



OCI No. 0616/65

Copy No. 09

WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

21 April 1965

DIA review(s) completed.

ARMY and DOS review(s) completed.

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

25X1



SECRET

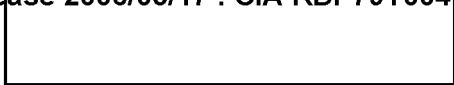
GROUP 1
Excluded from automatic
downgrading and declassification

25X1

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

~~SECRET~~



OCI No. 0616/65

Published by the Directorate of Intelligence
Central Intelligence Agency

THE SITUATION IN SOUTH VIETNAM

(15-21 April 1965)

C O N T E N T S

	<u>Page</u>
THE WEEK IN PERSPECTIVE	iii
Map, South Vietnam	v
I. SITUATION WITHIN SOUTH VIETNAM	1
A. POLITICAL SITUATION	1
Admiral Cang's suspension sustains tension in armed forces (p. 1); Catholics concerned over military shifts (p. 1); Buddhists criticize Viet Cong atrocities (p. 2); Quat tours provinces, talks with Montagnards (p. 3); one US contract employee killed in ambush (p. 4).	
B. MILITARY SITUATION	5
Viet Cong activity low but new offensive is still expected (p. 5); VC defector total sets record for second week in row (p. 5); ARVN operations down but include noteworthy actions in Tay Ninh (p. 7); Phuoc Thanh (p. 8); and Binh Dinh (p. 8); MACV raises infiltration figures (p. 9).	

~~SECRET~~



	<u>Page</u>
<p>C. RURAL RECONSTRUCTION</p> <p>RVNAF commander orders Hop Tac emulation in other three corps areas (p. 10); some Montagnard militia surrendering arms, to VC or to ARVN to avoid VC harassment (p. 10).</p>	10
<p>D. ECONOMIC SITUATION</p> <p>Rice price up (p. 12); USOM study of Viet Cong taxation (p. 12).</p>	12
<p>II. THIRD COUNTRY DEVELOPMENTS</p> <p>Reaction to Sihanouk's call for new Cambodian conference (p. 14); Saigon diplomatic initiatives (p. 14); New Zealand considering combat troops for South Vietnam (p. 15).</p>	14
<p>III. DEVELOPMENTS IN THE BLOC</p> <p>DRV delegation in Moscow gets new conditional pledge of support (p. 16); Asian Communists confer in Kunming enroute to Bandung anniversary (p. 16); Hanoi stresses unyielding pre-conditions for settlement talks (p. 17); DRV National Assembly reflects efforts to put economy on war footing (p. 17).</p>	16

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

THE WEEK IN PERSPECTIVE

Political tension persists in the wake of the recent naval mutiny, now centering on the issue of whether or not the officers responsible for the mutiny should be punished. Armed Forces Commander General Minh and his supporters favor disciplinary action on principle, while Premier Quat, backed by younger generals who sympathize with the revolt, is urging a postponement of disciplinary action until the charges against Admiral Cang are investigated.

Quat is reported to have made the key decisions so far in the handling of the mutiny and the subsequent suspension of Cang as well as of Saigon area commander General Dong. The premier is described by one of his close advisers as generally satisfied with the progress he has made in gaining control over the military.

Militant Catholic circles, while seemingly unconcerned about the personal fate of Admiral Cang, nevertheless remain convinced that there is a conspiracy between certain generals and the Buddhists to gain control of the military and the police. The Catholics appear to regard Quat as a witting or unwitting tool of this conspiracy, but reportedly contemplate no early drastic counteraction.

Activity during the reporting period tended to substantiate previous indications that the Communists are feeling the effects of recent ARVN successes and increased US participation. Several recent ARVN ground operations and combined Vietnamese-US air strikes may have delayed Viet Cong offensive planning, but present information indicates that most of the Viet Cong main force units remain relatively unharmed and retain the capability to launch major attacks in an attempt to regain the initiative and to achieve a significant psychological victory. There are indications of substantial Viet Cong concentrations in the central highlands bordering southern Laos on the periphery of the Hop Tac area, and in relatively close proximity to critical US installations in the northern provinces where there have been some minor probing actions.

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

25X1

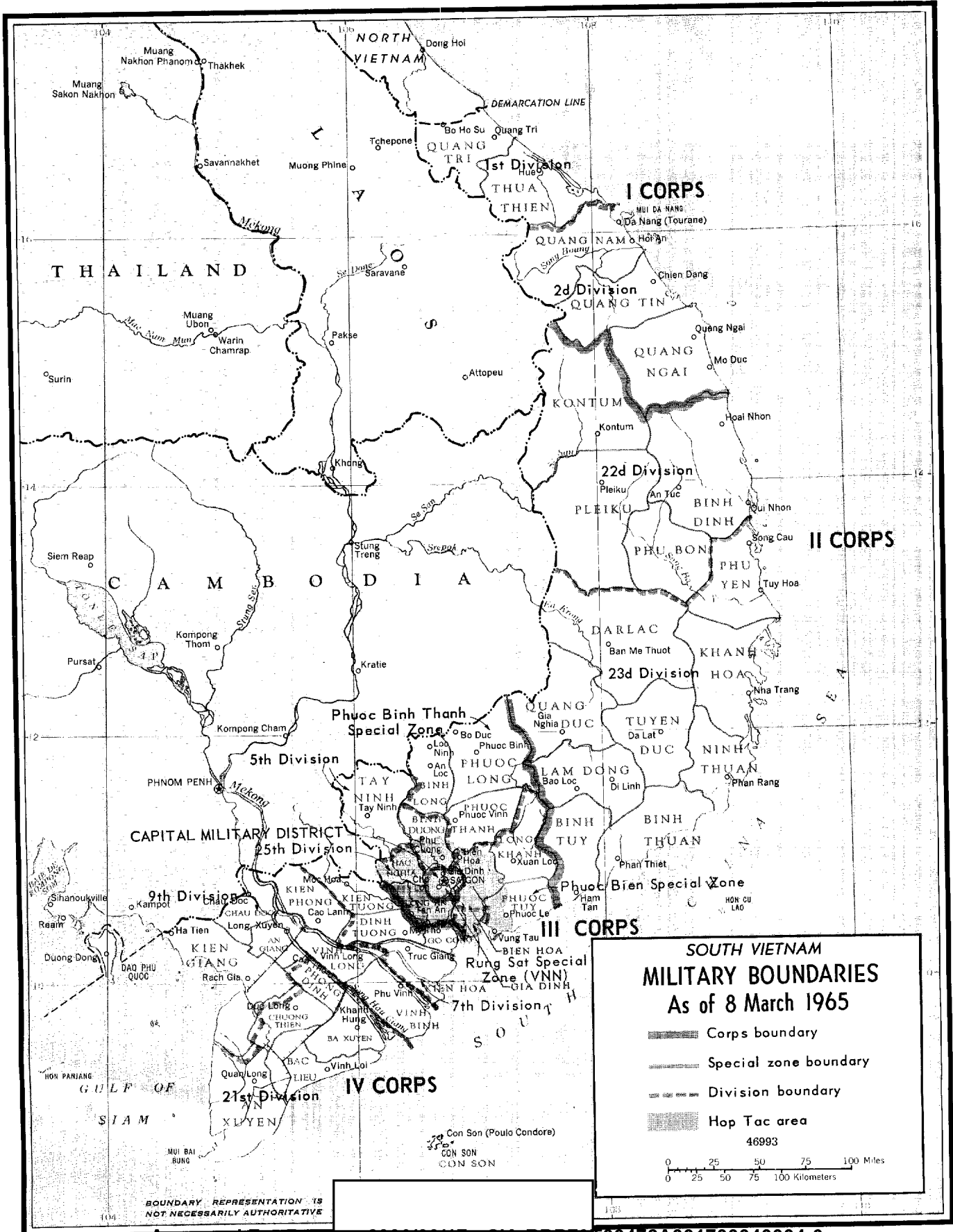
Hanoi's leaders in response to the stepped-up level of attacks on North Vietnam, have undertaken major policy initiatives in both foreign and domestic affairs in the past two weeks. Within the bloc, the Vietnamese have initiated serious consultations with both the Soviet Union and Communist China at the highest political levels. Premier Pham Van Dong, in an apparent response to President Johnson's 7 April speech, spelled out the basic position of the DRV as to a possible political settlement of the war in Vietnam and then traveled to Indonesia for the Bandung Tenth anniversary celebrations in an effort to rally Asian support for a condemnation of US policy in Vietnam. For consumption at home, major government personalities at a National Assembly session urged the people to focus attention on the problem of countering US "aggression." The general tone of the National Assembly statements indicated an initial effort on the part of the DRV leadership to put the country on a wartime footing.

ii

25X1

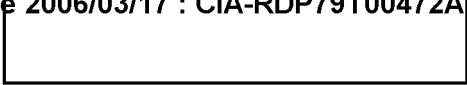
Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET



25X1

~~SECRET~~

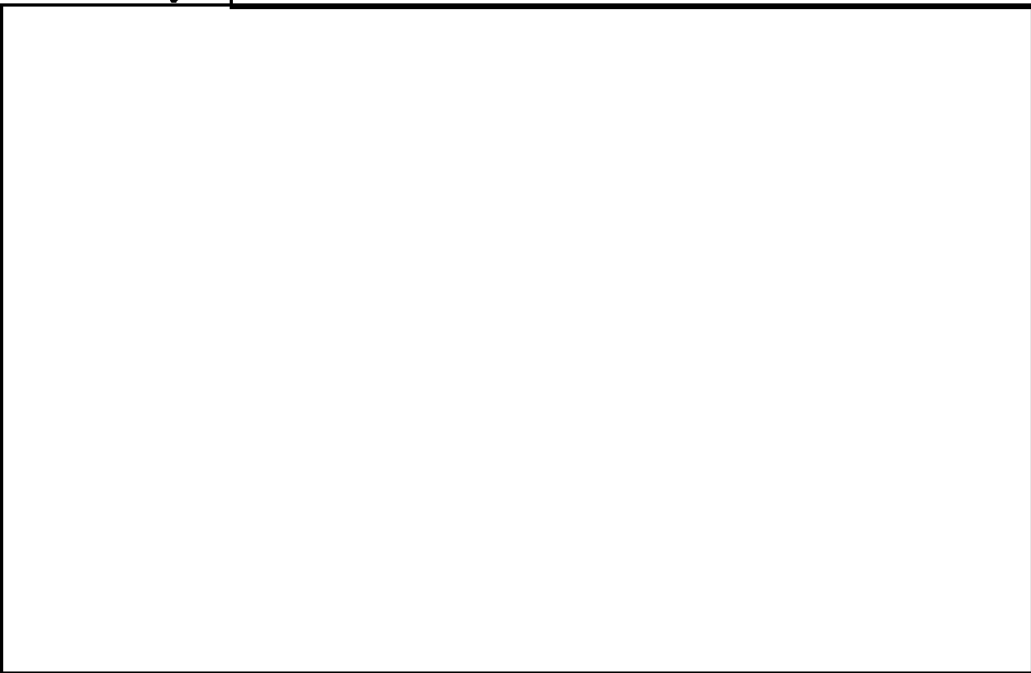


I. SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

1. Tension within the armed forces has persisted in the wake of the recent naval mutiny which led to the suspension of naval commander Cang. The immediate source of friction is the question of punishing at least four of the rebel naval officers. Armed Forces Commander General Minh and his supporters favor disciplinary action in order to uphold the principle of command authority. Premier Quat, on the other hand, reportedly desires to postpone the issue pending the outcome of a military inquiry into the charges against Admiral Cang.

2. Quat's own role in recent military events has become increasingly evident, and he may wish to avoid a full-blown inquiry as well as to avert a new source of controversy within the military.



25X1

25X1

~~SECRET~~



SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

4. The extent to which Quat is either influenced by or is manipulating certain officers in his planning is still unclear. Air Vice Marshal Ky, who played down any religious significance in recent events, has described the suspensions of Cang and Dong as part of a continuing purge of "bad elements" in the Armed Forces Council. He has indicated that this purge is nearing completion, except for one or two officers, after which the situation would tend to stabilize. Comments by one of the rebellious naval officers that General Minh and Defense Minister General Thieu had profited from Admiral Cang's corruption may indicate the remaining targets of Ky's "purge." The removal of Minh is known to be one of Quat's goals, but his views in general may not necessarily coincide with those of Ky and other "Young Turks."

5. One of the more extremist refugee Catholic priests, Father Mai Ngoc Khue, in a recent conversation with a US Embassy officer characterized the relief of Admiral Cang as an internal naval affair. He also observed that Cang, while a Catholic, was a supporter of General Khang. Khue nevertheless dwelt in some detail on what he termed a "conspiracy" between Generals Ky, Thi, Police Director Colonel Lieu, and the Buddhist Institute to gain control of the armed forces and security services. As proof, he presented a report of Lieu's alleged purge of "nationalists" in the police service. Khue indicated that the Catholics were still unhappy with the Quat government, believing the premier a tool of this "conspiracy" and suspecting that he may be negotiating with the Viet Cong. Although Khue admitted that former plotters Colonel Pham Ngoc Thao and General Lam Van Phat were still active, he claimed that the Catholics contemplated no early drastic action such as demonstrations or coup plotting.

6. Government plans to try before a military court on 26 April 24 officers implicated in the abortive February coup may further disturb Catholic circles, some of which supported

-2-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

the coup attempt and are apparently still harboring Thao and Phat in the Saigon area. Twenty-five of the officers originally apprehended are said to have been released; government and military authorities reportedly had promised some of the detainees liberal treatment in the hope of persuading Thao to leave the country. Meanwhile, Premier Quat has also indicated a desire to hold trials for members of former President Diem's cabinet or Can Lao Party, some of whom have been imprisoned since Diem's overthrow. Quat observed that these prisoners could not be held indefinitely; their trials, however, could stir up both Catholic and Buddhist circles.

7. The Buddhist hierarchy has continued to hold weekend prayer services for alleged victims of Viet Cong atrocities in the provinces. The Buddhist Institute reportedly issued a recent communiqué warning that all monks and nuns engaging in political activities would be "estranged" from the community. An institute spokesman has denied any Buddhist pressure in the recent suspension of General Dong and Admiral Cang. On 20 April, a young Buddhist monk was reported to have committed suicide by burning near the Buddhist Institute in Saigon, leaving a note that he was sacrificing his life because of the need to end the suffering from the war. There is no evidence so far that his death was sanctioned by the hierarchy or is the forerunner of a new Buddhist campaign for peace. However, a still unconfirmed report states that monks and nuns in Saigon have resolved to request a two-day ceasefire during Buddha's birthday celebrations in May. A similar request last year was ignored by both sides.

8. Premier Quat continues a series of visits to the provinces, following up his trips to I Corps and the delta with a tour last week in the central highlands. Quat appeared impressed by the expressions of loyalty and respect from local military authorities. In Pleiku, he inaugurated a technical training school for

-3-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

~~SECRET~~

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

mountain tribesmen, stressing the unity of all Vietnamese and the determination of his government to make no empty promises to the tribes. The government has begun a program of land registration in tribal areas, where there have long been land disputes between the tribes and ethnic Vietnamese settlers. Registration will be complicated, however, by the nomadic habits of the tribes and their tradition of communal ownership.

In other recent steps, the government has convened a press seminar to deal with censorship regulations, a seminar of provincial officials to explain procedures for the 30 May municipal and provincial council elections, and has imposed tighter controls on night-club morality in Saigon. The government also dissolved the Directorate General of Civil Service, granting the individual ministries authority for personnel administration, except in matters of salary scales and criteria for promotion. This move seems likely to increase political influence in civil service hiring.

9. Premier Quat also reported that, while he was en route from Bien Hoa Airfield near Saigon to Dalat, both engines of his C-47 aircraft ceased simultaneously; the plane was able to return to Bien Hoa when one engine was successfully restarted. The possibility of a deliberate attempt on Quat's life is under investigation.

10. An American contract employee of the US AID Mission was killed on 19 April, along with two Vietnamese escorting his jeep, in a Viet Cong ambush near Saigon on the main highway to Bien Hoa. The Viet Cong had set up a roadblock on the highway, a major artery. The same day, a bomb explosion in a bar in Ban Me Thuot, Darlac Province, killed 11 Vietnamese and wounded 41 persons, including four American servicemen. On 14 April in acting on a tip, police searched a private home in Saigon-Cholon and uncovered a small quantity of mines, TNT, a pistol and ammunition, and a mortar shell.

-4-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

~~SECRET~~

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

25X1

B. MILITARY SITUATION

1. Information received during the past week reinforces previous indications that the Viet Cong have been undergoing a general period of training, regrouping, and resupply preparatory to initiating offensive operations. Viet Cong activity remained at a low level and consisted mostly of harassing actions. Viet Cong main force units continued to avoid contact with government forces while irregular forces were used to initiate incidents. US air action in South Vietnam and recent successful ARVN operations may have delayed the anticipated Viet Cong offensive. It is still expected, however, that a Communist offensive will commence with the advent of the rainy season in an effort to regain the initiative.

Communist-initiated activity remained substantially the same as last week in I, II, and III Corps, but increased in IV Corps. The IV Corps pattern of Viet Cong activity remained the same, consisting primarily of terrorism against small government forces and positions; only one small attack and one ambush were reported.

In I Corps, the most significant Viet Cong activity was the harassment of the Quang Tri Province capital by 81-mm mortar fire. Eighteen rounds fell on the US advisor's quarters and 100 rounds fell on an ARVN bivouac position. Friendly losses were nine civilians killed, and 20 civilians, three US personnel, and one ARVN soldier wounded. Remaining incidents consisted of low-level harassment, including kidnappings and assassinations directed against officials in areas of nominal government control.

In the II Corps area, an ARVN convoy was ambushed on Route 14 in Kontum Province. The ambush site was in the suspected operational area of a battalion of the 101st PAVN regiment.

-5-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

25X1

SECRET

An explosion occurred in the ammunition storage area of a US aviation company at the Qui Nhon Airfield, Binh Dinh Province. It has not been determined whether this explosion was the result of Viet Cong action. The trend of large weapon losses resulting from unopposed hamlet entries continued in Darlac Province. Four Montagnard hamlets within a 25-kilometer radius of Ban Me Thuot were entered by the Viet Cong without opposition. There were no friendly casualties, but a total of 135 individual weapons were lost by the government. In four other Montagnard hamlets in Darlac Province, the militia turned in their weapons to government forces with the explanation that they were tired of being attacked, terrorized, and harassed by the Viet Cong.

In III Corps, a group of Viet Cong on bicycles terrorized the province capital of Binh Duong Province, detonating mines and lobbing grenades at the headquarters building of the Vietnamese Military Security Service. Main force units in III Corps are believed to be preparing to launch offensive operations in the southern periphery of War Zone D and Long Khanh Province.

Viet Cong incidents in IV Corps again failed to involve main force units, reinforcing reports that the main forces have withdrawn into base areas for training, reorganization, and the issuance of the new family of ChiCom individual weapons.

This week 147 Viet Cong military personnel returned to the government under the Chieu Hoi program, as compared to 129 last week. This is the second week in a row to set a new record for military returnees. Continued defection to the government of large numbers of Viet Cong military personnel would give considerable substantiation to reports of low Viet Cong morale and their fear of US air strikes.

SECRET

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

2. ARVN ground operational activity decreased this week, both in numbers and in contacts with the Viet Cong. There were 75 operations in battalion strength or larger, of which 31 made contact with the enemy. This compares to 82 operations last week, 40 of which resulted in enemy contact. Small-unit actions this week totalled 16,217, of which only 49 resulted in contact. There were 17,126 small unit operations last week, 68 of which resulted in contact.

Government casualties declined to 357 (90 KIA) from 665 (155 KIA) last week. Communist losses also declined, with 260 Viet Cong killed as compared to 643 killed last week. The government lost 315 weapons, compared to the Communist loss of only 80. This compares to 115 lost by the government last week and 238 lost by the Viet Cong.

3. An operation conducted by US and Vietnamese forces in Tay Ninh Province during the week made up one of the largest joint combat operations since World War II. Intelligence reports for an extended period of time had indicated that a Viet Cong stronghold, possibly the Central Office for South Vietnam (COSVN) headquarters, was located in northern Tay Ninh Province. The operation called for a systematic saturation bombing of an area approximately three by six kilometers, believed to include Viet Cong workshops, weapons, ammunition, supply depots, training and rest and recuperation centers, and district and provincial headquarters. The bombing was followed by an ARVN search-and-clear operation to destroy Viet Cong personnel and installations surviving the air attacks and to verify the effects of the bombing.

On 15 April, 417 sorties delivered 860 tons of high explosives on the target area. The ground operation began the following day, with one airborne and two infantry battalions airlifted into the target area. The operation terminated on 18 April with no friendly casualties.

-7-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

There were no confirmed Viet Cong casualties, but odors from some tunnels and bomb craters suggested the presence of corpses. Viet Cong losses were one individual weapon, one switchboard, two radios and batteries, telephone wire, grenades, and mines, 108 huts and buildings destroyed, and two tons of rice. The destroyed structures included five communication buildings and four signal training classrooms.

While the operation apparently failed to inflict significant casualties or materiel losses, the operation should have a significant psychological effect on the Viet Cong. The saturation bombing of a previously safe area emphasized that no territory controlled by the Viet Cong is safe from US/Vietnamese actions. It presumably disrupted Viet Cong organization, logistic support, and training in the area served by the Tay Ninh stronghold. ARVN morale and confidence also appear to benefit from such operations.

4. Another major operation was the penetration of a major Viet Cong supply area in Phuoc Thanh Province. The operation, starting last week and continuing into this reporting period, resulted in the destruction of Viet Cong supplies and transportation. Two hundred and thirty tons of rice, 50 bolts of cloth, 300 black uniforms, 25 boxes of soap, 880 gallons of gasoline, 460 bags of soybeans, 700,000 rounds of small arms ammunition and six trucks plus a gasoline tanker were either captured or destroyed. The fact that the storage area was located in a corridor between Long Khanh Province and War Zones C and D emphasized its regional character and its suitability as a distribution point.

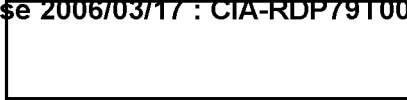
5. In Binh Dinh Province, an infantry battalion reinforced by an armored cavalry troop and three Scout Reconnaissance companies clashed with a Viet Cong main force battalion equipped with bloc 7.62mm weapons, supported by a local company. Final results were 106 Viet Cong killed (confirmed) and three captured, as compared with friendly losses of only seven killed and 20 wounded. Of the Viet Cong dead, approximately one-half were credited to air and artillery

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET

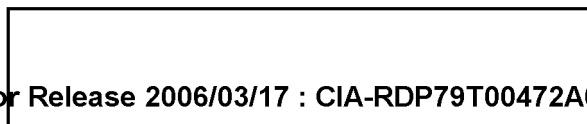
Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6



This operation was based on good intelligence, and the fight was aggressively carried to the enemy by ground forces. Prior planning in having air on station and artillery well forward provided the firepower required for the operation when needed.

6. Evaluation of recently received information has caused MACV to change its infiltration figures. Now 1,200 personnel are reflected as having infiltrated during 1965 on the basis of one rallier reporting the infiltration of elements of the 325th PAVN Regiment. Total confirmed and probable infiltration strengths by year as a result of the new information is as follows:

1959-60	4,556
1961	5,443
1962	12,475
1963	7,713
1964	8,130
1965	1,200
Total	39,517



Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

C. RURAL RECONSTRUCTION

1. An indication of revived concentration on rural reconstruction efforts was evident in an order from the commander-in-chief, RVNAF, which directed the commanders of I, II, and IV Corps to initiate programs in their respective areas based on the Hop Tac concept. The corps commanders were also ordered to report on the progress of their plans at a conference scheduled for early May.

To assist the staffs of the corps areas affected by this order, a seminar on the Hop Tac plan was conducted in Saigon on 16-17 April. A parallel US advisory seminar was conducted during the same period with representatives from I, II, and IV Corps in attendance. The background and concepts of the original Hop Tac plan were discussed and planning guidance offered for its application in other areas.

2. The 21st Division headquarters conducted a rural reconstruction conference on 12-13 April to evaluate the status of current efforts, give new directions, and discuss problems encountered. Twenty-three of the 26 districts in the division tactical area sent representatives to the meeting, which was also attended by rural reconstruction officers from IV Corps and their US counterparts.

3. In Darlac Province, Montagnard militia units last week turned in 171 weapons to the government. The main reason they gave was that they were tired of being terrorized and harassed by the Viet Cong. Significantly, all the units which turned in weapons had participated in an "oath ceremony" in January when they pledged that, in return for arms, they would defend their villages against the Communists.

Also in Darlac Province, the Viet Cong made unopposed entries into four other Montagnard hamlets and a land redevelopment center and took away about 170 individual weapons and some communications equipment. The four hamlets entered

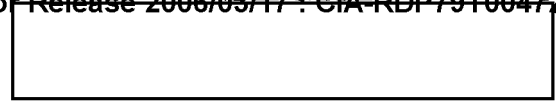
-10-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

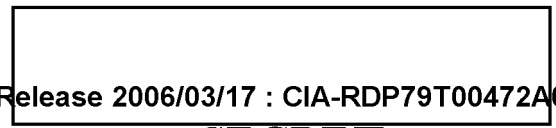
SECRET

25X1

~~SECRET~~



were within 25 kilometers of the province capital, Ban Me Thuot. This loss of weapons to the Viet Cong as the result of unopposed entries into Montagnard centers continues a trend noted since at least December 1964.



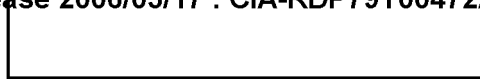
~~SECRET~~

25X1

~~SECRET~~


25X1

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6



D. ECONOMIC SITUATION

1. The wholesale rice price continues to climb. After a visit to rice collection centers the economy minister pointed to speculation by traders and Viet Cong resource control as major factors affecting the current rice situation. To date, the ARVN has been unable, uninterested, and ineffective in dealing with the rice collection problem.

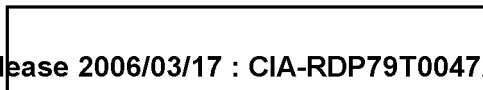
2. A separate USOM study on Viet Cong taxation tends to confirm that the Viet Cong control a significant portion of the rural economy, particularly rice production and trade. The study  concludes that Viet Cong taxation, enforced by terroristic coercion, is an efficiently organized and highly effective system of revenue collection. The study confirms that Viet Cong collection methods and assessment standards have become increasingly formalized and that the tax collections are substantial.

25X1

Rice taxation, paid in kind and in cash, constitutes the major portion of Communist tax revenue. Rice taxation is imposed on a graduated basis from about five to more than 25 percent of the crop yield--with higher penalty rates for those who have relatives in ARVN or the government civilian service. Rice, the major commodity in domestic commerce, is also subject to Viet Cong taxation during milling, transportation, and marketing.

Communist taxes are imposed on road and river transportation of all kinds under the threat of reprisal. In areas controlled by the Viet Cong, import and export duties are imposed--with attempts to discourage luxury imports of cigarettes and liquor by the population through high tax rates. Taxes are also imposed on farm produce of all kinds, livestock, and farm equipment. Under threat of kidnaping, owners of rubber, tea, and coffee plantations apparently make regular payments to the Viet Cong.

-12-



Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

~~SECRET~~

25X1

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

The ability of the Viet Cong to extract financial support and resources from the local population is extensive. It appears, moreover, that to date the Viet Cong have permitted the normal operation of the economy, subject to their taxation. The present rice situation and the recently reported distribution of Viet Cong currency in the delta could signal a change to a strategy of denying resources to government-controlled areas.

-13-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

II. THIRD COUNTRY DEVELOPMENTS

A. CAMBODIA

1. The South Vietnamese government, replying through Tokyo to Prince Sihanouk's call for a Geneva conference on Cambodia, has stated its preference for a revival of bilateral discussions. Saigon also affirmed its respect for Cambodian neutrality and territorial integrity as sovereign concerns of Cambodia.

2. Ambassador Taylor commented last week that a Geneva conference on Cambodia would accomplish little because of the following factors: Thailand would not be present, inasmuch as it did not attend the 1954 conference; the Quat government might fall if the US were to pressure the GVN to attend; and Sihanouk has indicated his disinterest in talking to the present Saigon government.

3. Saigon is reviewing Mekong River controls to determine whether measures are needed to refine controls and make them more effective. Discrepancies have appeared between Cambodian import statistics and Mekong shipping statistics, and some ships heading for Phnom Penh have carried manifests describing their cargo in vague and general terms.

B. AFRICA

4. Deputy Prime Minister Tran Van Tuyen left 12 April on a five-week goodwill mission to eight African capitals--Abidjan, Dakar, Rabat, Lagos, Addis Ababa, Cairo, Tananarive and Tunis. Tuyen started the tour by visiting Paris, where he allegedly hinted that Saigon might participate in an international conference on Cambodia.

There is also evidence that the GVN is considering appointment of ambassadors to several African, Asian and European posts.

C. THIRD COUNTRY ASSISTANCE

5. A second Philippine medical team of 34 military doctors, nurses, and civic action specialists arrived in Saigon on 17 April.

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

6. Our Embassy in New Zealand reports that the cabinet agreed, during a 20 April meeting with roving Ambassador Lodge and Ambassador Powell, to consider sending a small combat unit to South Vietnam. New Zealand could either withdraw two companies from Malaysia and send them to South Vietnam, or perhaps provide an artillery battalion. The action would not be taken immediately, to avoid connection of Ambassador Lodge's visit with a decision to help South Vietnam. This is the most encouraging indication so far that New Zealand is willing to help South Vietnam with combat troops, but the government may have some difficulty lining up public support for such a move.

-15-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

III. DEVELOPMENTS IN THE BLOC

A. INTRA-BLOC RELATIONS

1. On 17 April Moscow released a joint Soviet-DRV communiqué which constituted the first acknowledgment that a North Vietnamese delegation, headed by party leader Le Duan, had been in Moscow since 10 April. The highlight of the communiqué was a cautious, conditional pledge to send Soviet volunteers to North Vietnam if the DRV government requested them. The pledge could have been calculated to set the stage for a future announcement of the dispatch of Soviet personnel to the DRV to man Soviet SAM equipment which may be enroute to North Vietnam. The communiqué did not address itself to the subject of a conference on Vietnam, but it did say that an international conference on Laos and Cambodia would be useful. The communiqué is a strong Soviet endorsement of North Vietnamese political objectives, and Hanoi comment on the communiqué called it "a brilliant expression of Soviet-Vietnamese unity of mind."

The Le Duan delegation, which includes Defense Minister Vo Nguyen Giap and Foreign Minister Nguyen Duy Trinh, now is in Peiping for consultations with the Chinese leadership.

2. High-level consultations also took place this week in Kunming among the Chinese, the Vietnamese, and the Laotian Communists. Prince Souphannavong joined North Vietnamese Premier Pham Van Dong in a trip to Kunming for consultations with Chen Yi and perhaps Chou En-lai before all three country delegations took off for Indonesia and the 10th anniversary celebrations of the Bandung Conference. Also in Indonesia for the opening ceremonies were Korean Communist leader Kim Il-song and a representative of the National Front for the Liberation of South Vietnam. This impressive array of Asian Communist leaders has helped to focus the Bandung celebrations on a condemnation of US policy in Vietnam.

B. PROPOSALS FOR VIETNAM SETTLEMENT

1. Before leaving for Bandung, Premier Pham Van Dong reported at length to the DRV National Assembly.

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

His speech, made on 8 April and broadcast by Hanoi on 12 April, has been widely cited as the official North Vietnamese answer to President Johnson's 7 April speech in Baltimore. Pham's statement repeats the standard North Vietnamese formula for a settlement of the Vietnam situation. The provisions include the withdrawal of US troops and weapons, cancelling of the US military alliance with South Vietnam, the cessation of US "acts of war" against North Vietnam, the settling of the internal affairs of South Vietnam by the South Vietnamese people themselves in accordance with the program of the Liberation Front, and settlement of the question of reunification by North and South Vietnam without foreign interference. The Premier declared that this stand is "the basis for the soundest political settlement of the Vietnam problem." He added that if this basis "is recognized," favorable conditions will be created for the peaceful settlement of the Vietnam problem and it will be possible to consider the reconvening of an international conference along the pattern of the 1954 Geneva Conference on Vietnam.

2. The National Assembly also passed a resolution appealing to world parliaments for support. Both the Chinese National People's Congress and the Liberation Front responded quickly. Peiping answered on 20 April that the Chinese people had been instructed to make "full preparations" to send men to fight alongside the Vietnamese "people" in the event that the US "continues to expand the war" and the "Vietnamese people need them."

The Front's response, adopted at a 15 April presidium session, stressed the unity of the Front with the North Vietnamese in the "struggle" against "US aggression." In spelling out the Front's position on settling the war, the communiqué declared that the "basic stand" of the NFLSV consists of fighting the "US imperialists...to the end," and that any "solution" for South Vietnam will be "unrealistic and impractical" if it "disregards the participation and decisive position of the NFLSV." This relatively cautious formulation on the position of the Front may have been intended to leave some room for maneuver on the exact role and status of the Front in any future move toward a settlement in Vietnam.

-17-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

3. On 19 April the DRV news agency announced that it had been authorized by the DRV Government to make a statement on the appeal from the 17 nonaligned nations. While the agency's statement did not specifically reject the appeal, it cited Premier Pham Van Dong's four-point proposal, and said any proposal which did not include these provisions was inappropriate. The statement specifically cited UN mediation efforts as a case in point.

-18-

Approved For Release 2006/03/17 : CIA-RDP79T00472A001700040004-6

SECRET

SECRET**C. INTERNAL NORTH VIETNAM**

1. All of the speeches at the DRV National Assembly session from 8-10 April dwelt at length on the problems created by the "new situation" in the Vietnamese war. The Assembly passed new legislation for manpower mobilization by extending the enlistment period and revising the draft law. All speakers emphasized the need for close coordination of economic activity with defense requirements, and Pham Van Dong indicated that the regime is not putting any great emphasis on its program of industrialization or capital improvement. The regime apparently is concentrating its economic efforts on the improvement of agricultural production and the development of local small-scale industry and handicrafts. The Premier also stressed the theme of self-sufficiency and the need to make the economy as self-sustaining as possible.

2. The withdrawal of dependents of foreign diplomatic personnel, requested by Hanoi this week, testifies to the determination of North Vietnam to continue the war as well as to its fear that the attacks may be extended to Hanoi.

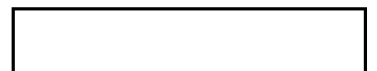
SECRET

SECRET



25X1

25X1



SECRET