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WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

30 March 1966

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

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THE SITUATION IN SOUTH VIETNAM

(24 March - 30 March 1966)

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(The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR; it is edited and published by CIA without final coordination.)

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THE WEEK IN PERSPECTIVE

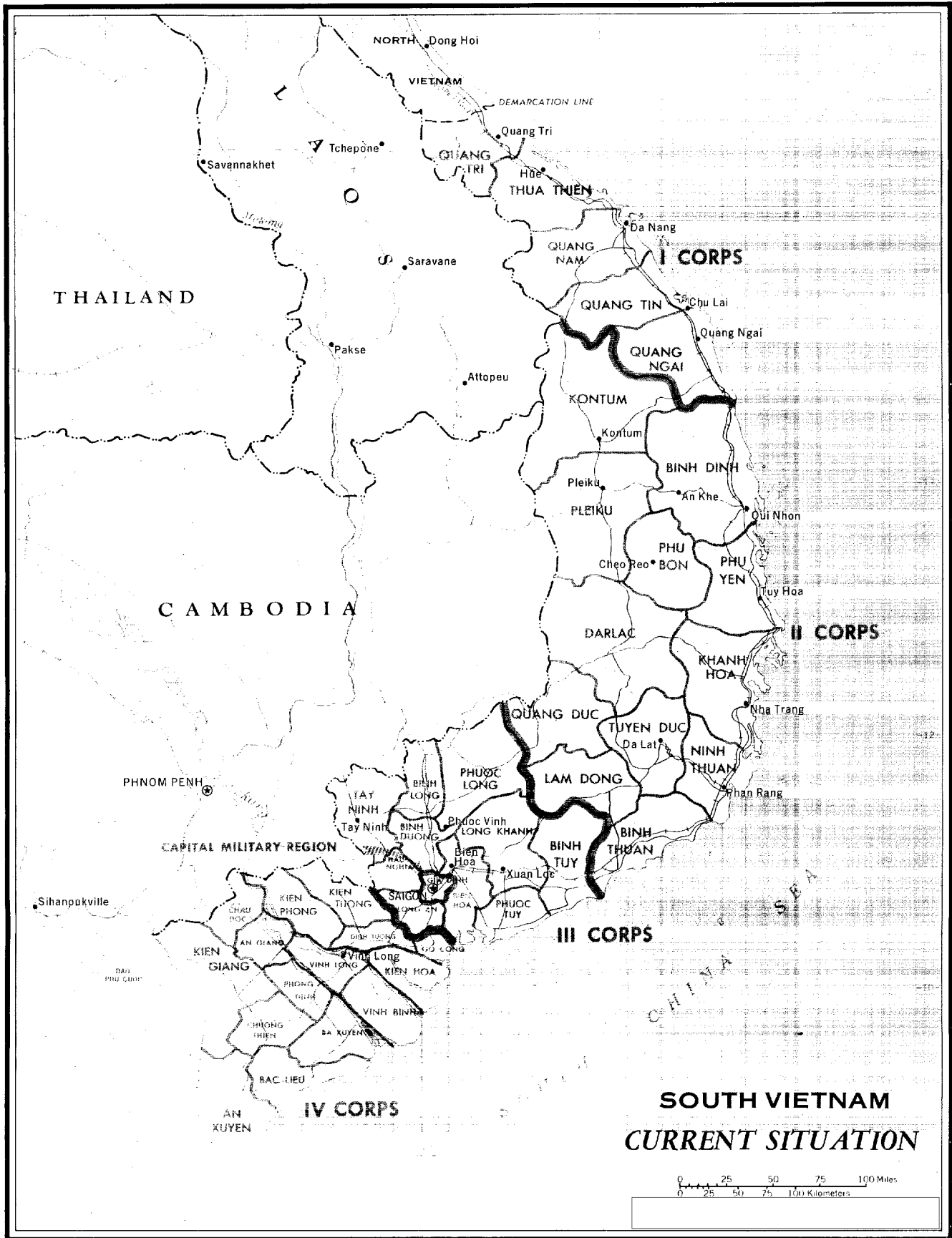
Agitation in behalf of Buddhist demands for a more rapid transition to civilian rule shows no sign of abating, and is increasingly including denunciations of the "Thieu-Ky clique" in Saigon and anti-American sentiments. There has been no indication that the government's proposed concession that would broaden popular representation in a constitutional drafting body is acceptable to Buddhist militants. The Ky regime may be approaching the point where it will have to suppress political agitation forcibly, or see its position further eroded.

Military combat intensified during the week, as a result of both increased Viet Cong activity and of the greatest number of large-scale allied operations initiated in any week of the war to date. Contributing to heavy Viet Cong losses were a number of successful allied actions in the provinces north of Saigon, and three successful South Vietnamese operations in the delta. There are, nevertheless, indications of enemy concentrations that may pose early threats to the northern coastal province of Quang Ngai, the highlands provinces of Pleiku and Darlac, and the previously less disturbed provinces about 100 miles east of Saigon.

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I. THE SITUATION IN SOUTH VIETNAMA. POLITICAL SITUATION

1. Agitation in behalf of Buddhist demands for a more rapid transition to civilian rule shows no sign of abating, and is increasingly including denunciations of the "Thieu-Ky clique" in Saigon and anti-American sentiments.
2. The center of agitation continues to be in I Corps, notably among the militant Buddhist followers of monk Tri Quang abetted by officials and political opportunists close to ousted corps commander General Thi, and possibly by Viet Cong infiltrators. There are, however, increasing signs of student and worker unrest in Saigon, where national Buddhist leaders are still ostensibly taking a more moderate posture, and there have been scattered demonstrations in certain towns of II Corps--Qui Nhon, Nha Trang, and Da Lat--by Buddhist students.
3. The spate of mass meetings and strikes that last week plagued Hue and Da Nang--and to a lesser extent other major towns in I Corps--subsided just prior to the weekend as top government leaders began to sound out ranking members of the Buddhist clergy and of other religions in Saigon concerning a possible compromise solution. However, over the weekend, political activity flared up again, including a potentially explosive incident in Hue involving a US Marine who removed a provocative anti-American banner, and a procession of some 20,000 Buddhists in Hue on 27 March honoring a political martyr. In Saigon, a mass meeting of some 10,000 Buddhists on 26 March heard Buddhist Institute leaders repeat their demands but urge patience in awaiting the government response. The meeting was followed by an attempted student demonstration at the Saigon central market, which failed to attract participants and dispersed peacefully.
4. A temporary slackening of mass activity at the beginning of this week was broken on 30 March by a transport workers strike that paralyzed traffic in Hue, and by new incidents involving American Marines in Da Nang, where a US military truck grazed one of

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400 vehicles participating in an antigovernment demonstration. The municipal radio in Hue, which since 22 March has continued a steady stream of propaganda attacks denouncing government leaders and criticizing the US for alleged political interference, has seized on the Da Nang incident to mount its most vitriolic anti-US broadcast to date. The broadcast accused the US of a hostile attitude toward the "struggle movement" and implied that the US was keeping a "rotten" Saigon regime in order to "sabotage the revolutionary struggle."

5. This mounting antigovernment and anti-American campaign, still orderly but with increasingly ominous threats of resorting to violence, apparently signals Buddhist rejection of the government's proposed--but not yet officially announced--compromise. At a meeting on 25 March the ruling military Directorate had decided to offer a partial concession to one of the four Buddhist demands, provided that Buddhist leaders agreed to cease political agitation. The concession would alter the composition of the hand-picked "advisory council"--to be set up to draft a constitution--and permit half the membership to be drawn from presently elected provincial and municipal councils.

6. Premier Ky in a speech to the provincial administrative conference in Saigon also held out the possibility of speeding up the projected timetable for electing a national assembly from late to early 1967. In a nationwide radio address on 26 March, Ky also stressed that there were no real differences in the basic goals of the military and the civilians. He warned, however, that continuation of the political strikes and disruptions in I Corps could lead to Communist inroads and economic hardships, warnings that the "struggle forces" in I Corps have interpreted as threats of military and economic reprisals.

7. Ky and other government sources have made it clear that although still reluctant to crack down forcibly on political agitators in I Corps, the military is prepared to resort to stronger measures if the government's offer of compromise and its policy of restraint and persuasion do not soon bear results.

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Officials apparently have taken some encouragement from the more moderate posture of Saigon's Buddhist Institute chairman Tam Chau and the reluctance of Saigon University students to become involved in protest activity. The officials have hoped that this would enable them to drive a wedge between rival Buddhist factions: by winning Chau's agreement to the proffered concession, they would thus isolate Tri Quang and elements in I Corps, and handle them forcibly, if necessary.

8. The government's prospects of success in this strategy, however, are highly tenuous. Not only is there evidence that Buddhist militants are becoming increasingly active in Saigon, but there is a danger that extremist students or Viet Cong provocateurs among the "struggle" elements may provoke some incident that could rally current fence-sitters against the government. Moreover, there are still indications of differences among the military over how to handle the Buddhists and other dissident groups. Police director Colonel Lieu, for example, has indicated that he would be extremely reluctant to order police to fire on Buddhist demonstrators, and the uncertainty of police loyalty was illustrated by an antigovernment procession of some 400 police in Hue on 30 March. The degree of official complicity with the antigovernment movement in I Corps also raises questions as to whether government authority could be enforced in the area. A resolution broadcast by the Hue radio on 28 March also noted the possibility that Buddhist chaplains in I Corps would use their influence to urge Buddhists in the armed forces to resist any government efforts to stamp out the protest movement.

9. In the meantime, there are growing signs of restiveness among the Catholics, who have been under some pressure to join the Buddhists in pressing for a more rapid transition to civilian rule. Father Hoang Quynh, a leader among the militant Catholics resettled from North Vietnam, sharply attacked the government during the weekend as "more rotten than the Diem regime." Quynh later modified his remarks to the effect that while he was not satisfied with the rate of progress toward civilian rule, he recognized that elections might not be feasible at present and that the people should

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refrain from disturbances that could be harmful to the country. A similar statement was issued by the liaison bureau of the archdiocese of Saigon, representing southern Catholics. These statements reflect the long-standing ambiguous attitude of Catholics toward the Ky regime: a dissatisfaction with military rule and with the government's performance to date, but an unwillingness to disturb the stability so far maintained under Ky. At the same time, however, the statements suggest that Catholic circles are becoming uncertain of Ky's ability to survive the present crisis, and that they are desirous of maintaining some leverage in the Buddhist camp over the determination of any successor regime.

10. Although the extent to which the Viet Cong may be exercising an influence in the present anti-government agitation is unknown, government security services have received numerous reports of Viet Cong efforts to exploit the situation. The services claim to have information of Communist-directed student groups in Saigon, Hue, and Da Nang, long geared up to take advantage of precisely the sort of student and Buddhist agitation now in process. They also report that Communist plans include not only political agitation but also a step-up in terrorist activity in the cities and of sabotage in rural areas.

11. During the past year, there has been considerable evidence of efforts by the Viet Cong to strengthen their subversive assets in urban areas in the belief that the government's will to fight is still the weakest link in the allied effort. Students and workers, both primary tools of Buddhist-organized agitation, are also the chief targets of the Communist effort among the urban population. The character of the present Buddhist-inspired attacks on the government--including the increasingly sharp criticisms of the US for supporting an "illegal" military regime--obviously lends itself to Viet Cong efforts to focus Vietnamese resentment against the US, and to identify alleged US "imperialism" as the cause of war and suffering in Vietnam.

Economic Situation

12. On 23 March, US Mission officers met with Minister of Economy Au Truong Thanh to discuss import

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procedures, rice policy, warehouses, and, most importantly, the implementation of GVN tax programs embodied in the Honolulu agreements. Thanh stated that increased taxes at an annual rate of 0.7 billion piasters on rents, restaurants, some night-clubs, and automobiles represent the maximum in additional taxes that he can recommend at the present time. Premier Ky had not yet obtained approval from the cabinet on this proposal, and Thanh mentioned the difficulty of further discussions with Ky in view of the latter's preoccupation with the Buddhist crisis. Thanh stated that he could not now recommend additional taxes, the elimination of customs credit, or the institution of an import deposit, although some action might possibly be taken soon on increasing beverage taxes and--in two months or so--the POL tax. US Mission officers informed Thanh that the position he outlined did not, in their opinion, constitute compliance with the Honolulu agreements. Thanh replied that his position did represent general compliance with the Honolulu agreements and, in any event, was as far as he could go under present circumstances.

13. Without informing the US Mission, Thanh announced on 24 March to rice dealers from Saigon and the delta that he was raising the GVN purchase prices for rice effective through 30 April. Number 1/25 percent broken paddy was raised from 720 to 820 piasters per 100 kilograms (kg), and similar increases were announced for other grades of rice. The merchants expect to sell 50,000 metric tons (mt) to the GVN by 30 April. As an added inducement to the merchants to sell during the period of high prices, Thanh stated that GVN purchase prices in May would be lowered by VN \$30 per 100 kg. The US Mission comments that Thanh's action upsets the mission's plan of first instituting a subsidy to lower and stabilize the retail price of rice and then, after the market is convinced there is a ceiling on retail rice prices, increasing GVN purchase prices. The US Mission is pressing the GVN to subsidize the retail price of rice so that, hopefully, a substantial retail price rise can be prevented.

14. The slowdown in the import sector reported last week continued throughout the period 14-19 March

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as a result of the uncertainties among Chinese and Vietnamese businessmen engendered by the government's recent actions against excessive profiteering. Some importers have asked to withdraw their import-license applications or to cancel those already approved, while others are reluctant to submit new applications. As a result, new import-license applications are running at a daily rate of 75 to 90, as opposed to the normal 300 to 400 daily rate.

15. On 15 March, in an effort to relieve port congestion, the free time permissible for cargo in port was reduced from five to three days and the demurrage rates were tripled. However, there has been no appreciable increase in the rate of clearance of goods from the clogged transit sheds.

16. The Board of Directors of the Michelin Company reportedly has decided to withdraw from its rubber plantations in South Vietnam, apparently because of the GVN export tax, Viet Cong harassment, transportation and labor difficulties, and the general disruptions caused by military operations in and around plantation areas. It is further reported that the withdrawal will be timed so as to cause a minimum of ill will between the GVN and Michelin, and that the plantations may be sold to the West German branch of the Continental Tire Company. However, there is still no confirmation of these developments from the embassy.

17. Retail prices about four percent lower than a month ago were substantially unchanged during the week ending 21 March. Wholesale prices and prices of US-financed imports experienced only minor changes.

18. In the Saigon free market the price of gold rose by nine piasters to an all-time high of 246 piasters per dollar. Prices per dollar of \$10 bills and of \$10 MPC (scrip) fell by two piasters each to 165 and 114 respectively, the latter being an all-time low. In Hong Kong, the piaster/dollar cross-rate was unchanged at 159. The fluctuations in the Saigon market, which began the previous week, are apparently also attributable to the uncertainty among merchants as to the severity with which the GVN will enforce price controls and antiprofitereing regulations. Merchants are reluctant to hold dollars in this situation, while gold retains its traditional attraction.

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B. MILITARY SITUATION

1. The over-all level of Communist-initiated activity increased for the week ending 26 March.

2. During the period there were 1,064 Communist-initiated incidents compared with the preceding week's 750. This number was the highest recorded to date in 1966. There were 15 attacks, of which three were large scale, and 671 acts of terrorism compared to 12 and 412, respectively, for the week before. The kill ratio favored Free World forces 4.5 to 1, up from the previous week's 2.1 to 1. Viet Cong casualties included 1,988 killed and 249 captured, the highest kill figure recorded since 14-20 November 1965. South Vietnamese casualties for the reporting period were 318 killed, 620 wounded, and 58 captured or missing--a total of 996 compared to the preceding week's 678. Total US losses for the week were 123 killed, 515 wounded, and four missing--a total of 642 compared to the previous week's loss of 913. Free World casualties increased from 29 to 86. The South Vietnamese lost 280 weapons and captured 422 from the Communists. Enemy losses included 33 crew-served weapons, while friendly forces lost four.

	<u>KIA</u>	<u>WIA</u>	<u>MIA/ CAPTURED</u>	<u>TOTAL CASUALTIES</u>
US	123	515	4	642
ARVN	318	620	58	996
Third Country	28	58	0	86
Viet Cong	1,988	---	249	2,237

GVN/Allied Activities

3. Friendly large-unit operations reached 107, the highest level recorded to date in the war. Small-unit operations decreased, as did enemy contacts.

4. In I Corps, combined ARVN/US Operation LIEN KIET 28/TEXAS, initiated on 20 March in Thua Thien

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Province, resulted in enemy losses of 623 killed, seven captured, 39 suspects detained, and 23 individual weapons seized. Friendly forces sustained 70 killed (63 US, 7 ARVN), and 234 wounded (200 US, 34 ARVN). Also in Thua Thien Province, the 1st ARVN Division's Operation LAM SON 246 resulted in Viet Cong losses of 49 killed and five captured, with 12 individual and two crew-served weapons seized. Five friendly personnel were killed and 26 wounded. USMC Operation OREGON terminated in Thua Thien Province on 23 March. Viet Cong losses included 99 killed, eight captured, and three individual weapons. There were 10 US killed and 112 wounded.

5. A one-day reconnaissance operation by two special forces companies near Ban Me Thuot, Darlac Province, II Corps, produced excellent results when a Viet Cong force of unknown size was encountered. Friendly forces suffered 10 killed and 14 wounded (2 US) while inflicting a loss of 134 killed on the Viet Cong. In Quang Duc Province, a reinforced company of the 45th ARVN Regiment engaged a Viet Cong force during a relief operation. Through a combination of ground and air action, the Viet Cong lost 60 killed, three captured, and five individual weapons. Friendly losses were 15 killed, six wounded, and four missing. The Republic of Korea (ROK) Capital Infantry Division initiated Operation MANG HO on 23 March. On the first day of the operation the enemy lost 214 killed and 117 captured while ROK forces suffered 12 killed and 35 wounded. Cumulative results to date are 324 Viet Cong killed, 178 captured, and 26 weapons seized, while ROK forces have lost 14 killed and 46 wounded. The 1st Brigade, 101st Airborne Division, terminated Operation HARRISON on 24 March. The Viet Cong lost 270 killed, 20 captured, 165 individual weapons, 16 crew-served weapons, and a large quantity of material. There were 42 US killed, 249 wounded, and two missing. Month-long Operation GARFIELD conducted by the 3d Brigade, 25th Infantry Division, in Darlac Province terminated on 24 March. The Viet Cong lost 123 killed, 18 captured, and 62 individual weapons, while there were 17 US killed and 63 wounded.

6. In III Corps, combined US/Australian Operation SILVER CITY in War Zone D terminated on 23 March. The Viet Cong lost 337 killed, one captured, 109 individual and 32 crew-served weapons, as well as five

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2.5-ton trucks, two 5-ton trucks, two Landrovers, 331 tons of rice, 7.6 tons of salt, and 800 gallons of fuel. Friendly losses were 26 killed (2 Australian), 204 wounded (11 Australian), one UH-1D helicopter destroyed, and seven UH-1D helicopters, one armored personnel carrier, and 12 2.5-ton trucks damaged.

7. In IV Corps, the 7th ARVN Division used armored personnel carrier units to excellent advantage during Operation CUU LONG 15 in Kien Tuong Province. Supported by air and armed helicopters, the friendly forces established an extremely favorable kill ratio of 73 to 1 in inflicting losses on the Viet Cong of 219 killed and 17 captured while sustaining a loss of only three killed and 30 wounded. The Viet Cong also lost 87 individual and two crew-served weapons. Operation DAN CHI 211/B conducted by the 21st ARVN Division in Ba Xuyen Province resulted in an encounter with a reinforced Viet Cong battalion. Friendly forces suffered 17 killed and 20 wounded while the Viet Cong lost 245 killed, five captured, and 38 individual and four crew-served weapons. The 9th ARVN Division inflicted losses of 99 killed, seven captured, and 37 individual and eight crew-served weapons on the Viet Cong during a one-day operation in Vinh Binh Province. Friendly losses were eight killed and 34 wounded.

8. Free World forces conducted 107 battalion-size or larger operations during the week, 47 of them achieving contact--33 ARVN, two ROK, and 12 US. There were 19,027 small-unit operations, including 2,593 conducted by US forces. Of the 149 achieving contact, 82 were conducted by US units.

9. There were five B-52 Stratofortress missions over South Vietnam during the week, and ground follow-up exploitation was scheduled for one of these missions. No bomb-damage assessment has been received. During the period 18-24 March, a total of 3,514 tactical air strikes and armed reconnaissance sorties was flown by the combined efforts of US Navy, Air Force, Marine, and VNAF aircraft. In addition to close air support, direct air support, and interdiction missions in support of ground operations, the following damage was inflicted: 3,273 structures,

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101 sampans, 19 bunkers, and 1 ammunition dump destroyed; 2,114 structures, 56 sampans, 11 bunkers, and 3 AW sites damaged. In addition, 12 caves, 3 tunnels, and 18 trenches were collapsed; 1 road was cratered, and 62 secondary explosions were observed. One Navy A4C Skyhawk was downed by ground fire south of Saigon; the pilot was not recovered. One USAF A1E Skyraider was struck by ground fire in II Corps area. The pilot was slightly injured crash-landing the aircraft on a nearby dirt strip while the observer was uninjured. The aircraft is reported to be repairable.

Communist Activity

10. Little variation was recorded in the high Communist incident rate in I Corps. Eleven outposts or district towns in Quang Ngai Province were subjected to mortar or harassing fire.

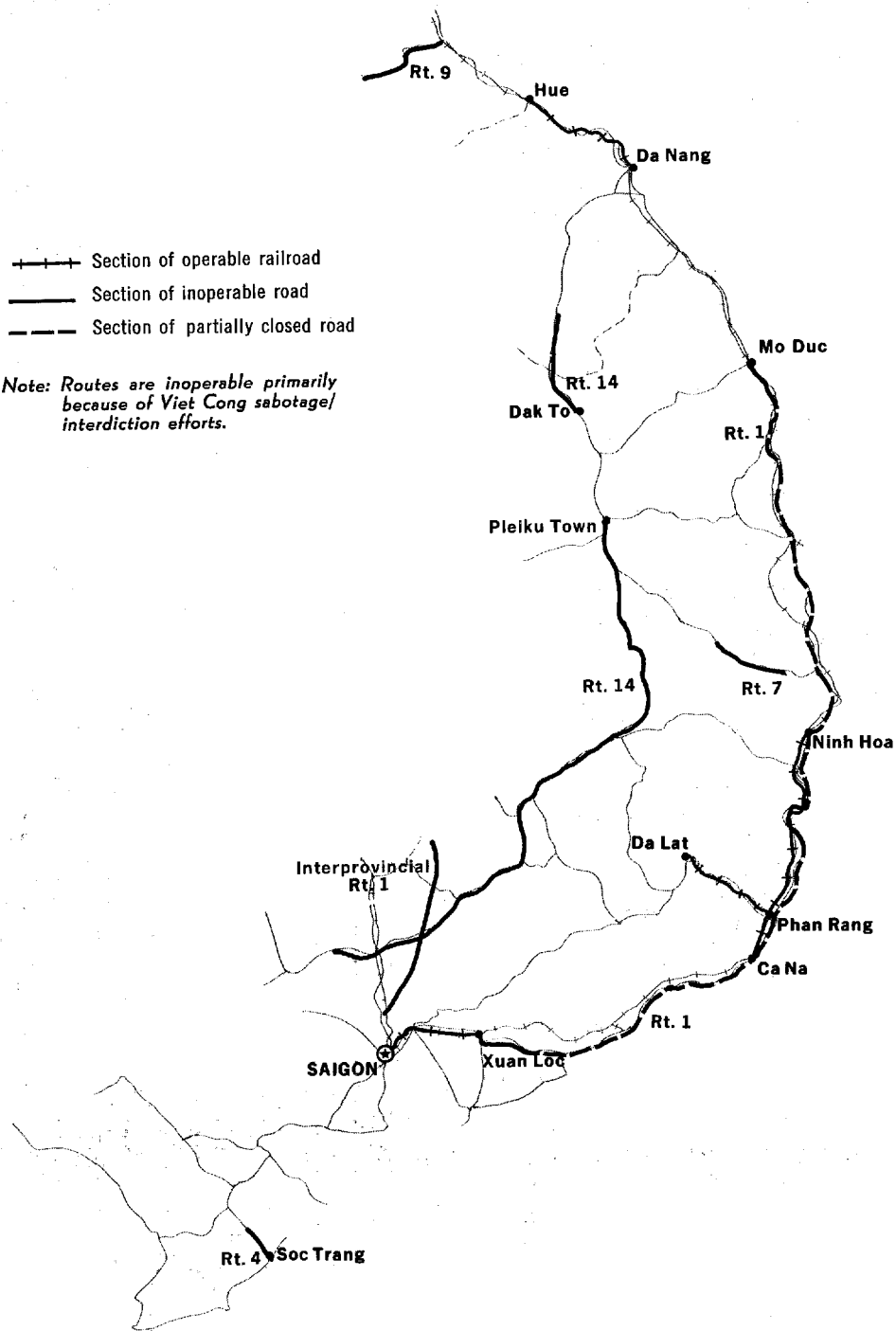
11. In II Corps, the over-all incident rate increased. On 21 March an estimated Viet Cong company attacked a hamlet in Binh Thuan Province. An outpost in the same province was attacked by an estimated two-company enemy force on 22 March. Losses were not reported. Bu Prang post, Quang Duc Province, was attacked by elements of the 84th Viet Cong Battalion on 24 March. Friendly losses at the post were five killed and 17 wounded while the Viet Cong suffered 151 killed. Viet Cong mortar fire wounded two people and destroyed 50,000 gallons of fuel at Phan Thiet airfield in Binh Thuan Province on 21 March. On 22 March at Cam Ly airfield at Da Lat, Viet Cong mortars killed two, and wounded two while destroying one O-1 aircraft and 2,500 gallons of fuel; two other O-1 aircraft were damaged. Friendly forces killed two Viet Cong.

12. An incident increase was also registered in III Corps. The major activity occurred in Binh Tuy Province on 21 March when three battalions of the 5th Viet Cong Regiment, supported by one "artillery company," attacked the 1st Battalion, 52d ARVN Regiment. The attack was successfully repulsed after five hours. Friendly forces suffered losses of 12 killed and 28 wounded in the action while the Viet Cong lost 107 killed and eight captured. In Hau

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CURRENT OPERATIONAL STATUS OF MAJOR TRANSPORTATION ROUTES AND COASTAL RAILROAD



Information as of 26 March 1966

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Nghia Province on 22 March, Viet Cong forces of unknown size attacked a New Life hamlet defended by an ARVN Ranger battalion, and ambushed an ARVN platoon within eight miles of Cholon. Captured documents have identified the Phu Loi Local Force Battalion as the Viet Cong element that attacked the 1st Armored Cavalry Squadron Training Center in Binh Duong Province on 23 March. The Viet Cong concurrently harassed the 5th ARVN Division Training Center. Friendly losses in the above engagements were 31 killed and 60 wounded; in addition, one tank was lost and one armored personnel carrier was damaged. The attacking Viet Cong lost 70 killed, two captured, and 15 weapons.

13. No appreciable increase was noted in Communist-initiated incidents in IV Corps. Significant activity was limited to two company-size attacks against outposts in Vinh Binh Province on 21 March. Friendly losses from the attacks were one killed, eight wounded, and three missing. Viet Cong losses are unknown. The Vietnamese national police discovered blocks of Chinese Communist TNT at the construction site of the Can Tho interrogation center in Phong Dinh Province.

14. National Route 1 is closed in Quang Ngai Province south of Mo Duc, and in portions of Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan, Binh Thuan, and Binh Tuy provinces. It is also closed east of Xuan Loc, Long Khanh Province. Route 14 is closed north of Dak To in Kontum Province and south of Pleiku town in Pleiku Province, as well as in Darlac, Quang Duc, Phuoc Long, and Binh Long provinces. Route 7 is closed in the Phu Yen - Phu Bon province border area. Interprovincial Route 1 is closed in Binh Duong and Phuoc Long provinces. Highway 9 is closed in Quang Tri Province. Highway 4 is closed west of Soc Trang in Ba Xuyen Province.

15. The national railroad is operating between Saigon and Xuan Loc, Long Khanh Province; between Ca Na, Ninh Thuan Province, and Ninh Hoa, Khanh Hoa Province; between Da Lat, Tuyen Duc Province, and Phan Rang, Ninh Thuan Province; and between Da Nang, Quang Nam Province, and Hue, Thua Thien Province.

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C. REVOLUTIONARY DEVELOPMENT:

1. The entire province of An Giang in the IV Corps has been selected as a national priority area for Revolutionary Development. It is considered the most secure of the 43 provinces, with only three of 257 hamlets in the province classified as not pacified. An Giang's security is due to the pervasive influence of the Hoa Hao religious sect, whose social and economic structure has permeated every phase of activity from rice farming to provincial politics. US officials report that the GVN will use An Giang as a showcase to demonstrate the end results of an intensified civilian aid program in an area that has been secured.

2. The 1966 budget for An Giang is slightly more than 100 million piasters (approximately US \$1,000,000), the largest for any province. It will be applied toward the general goals of land reform, improved security, development of educational facilities, and the construction of roads, bridges, and irrigation canals. USAID and MACV are undertaking an aerial photographic survey for use in establishing boundaries for land to be redistributed over the next two years under existing laws. Officials also plan to have elementary education facilities for all children within two years, and in one year expect to have a vocational high school in each of the province's four districts. As of 1 January, there were 213 cadre working on pacification projects in the province, but since then some of them have been incorporated into the province's four revolutionary development groups in training at Vung Tau.

3. Returnees (Chieu Hoi). With only 29 of 43 provinces reporting, the total of 1,401 returnees through 18 March is higher than the comparable reporting period for February. Among them were a PAVN 1st lieutenant, a Viet Cong platoon leader, and an entire seven-man Viet Cong terror squad, including the squad leader and the political cadre.

4. Refugees. The Ministry of Social Welfare reports that refugees since 1964 total 904,438 through 13 March. The last total was 868,712 at the end of the 28 February reporting period. In Kien Tuong Province, 750 refugees fled from a Viet Cong - controlled area near the Cambodian border in the wake of an ARVN military operation during the week ending 26 March. Food, clothing, and material for emergency shelter have been distributed to them.

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II. DEVELOPMENTS IN THE BLOC

1. Hanoi's actions during the past week seemed aimed at demonstrating that its participation in the Soviet party congress does not represent a basic departure from its carefully balanced political support of Peking and Moscow.

2. Having publicly accepted Shelepin's invitation to the congress last January, Hanoi would have gravely offended the Soviets by failing to attend after the Chinese announced they would boycott the congress. By sending party first secretary Le Duan --who has evidenced a pro-Peking position on several issues in the Sino-Soviet dispute--at the head of its delegation, Hanoi is attempting to satisfy its commitment to the Soviets while at the same time tempering Chinese displeasure. The North Vietnamese may have believed that Le Duan's presence in Moscow would be taken with minimum umbrage by the Chinese. Partially as a demonstration of its continued good relations with the Chinese the delegation stopped over in Peking for four days while en route to Moscow.

3. Initial Hanoi propaganda on the congress has carefully balanced references to the important contributions that Peking and Moscow have made to the Vietnamese war effort. A party daily editorial on 28 March, while hailing the congress as an "important event" in the political life of the Russian people, cautiously noted only that relations between the North Vietnamese party and the CPSU were "the kind of fraternal relations which prevail in the socialist camp."

4. So far, Peking has avoided any public display of irritation over North Vietnam's attendance at the congress. NCNA announced on 27 March that on its stopover in Peking the Vietnamese delegation to the Moscow gathering had held "intimate talks" with Chinese officials "in an atmosphere permeated with fraternal friendship." The Chinese appeared anxious to dispel any impression that the delegation had received a cool reception in Peking. The NCNA broadcast emphasized that Premier Chou En-lai had been at the airport both to welcome the delegation and to see it off, and that festivities honoring the Vietnamese had been attended by senior Chinese officials.

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5. The Liberation Front has also sent a delegation to the congress. The appearance of this delegation in the face of the Chinese boycott is another indication of Hanoi's close control over the NFLSV. The Front has never before formally attended a major Communist event such as a foreign party congress. The Vietnamese Communists doubtless hope that the publicity and prestige accruing to the Front by dint of its presence will enhance the NFLSV's stature among the world's Communists. The action may, however, be viewed by some non-Communists as disproving the Front's contention that it is a non-Communist political organization with only minority Communist participation.

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III. THIRD COUNTRY DEVELOPMENTSA. CAMBODIA

1. On 22 March, Prince Sihanouk stated publicly that "Vietnamese combatants," presumably Viet Cong, had been coming into unpopulated areas of Takeo Province to rest and treat their wounded. Therefore, in order to prevent the Viet Cong from establishing hospitals and settlements in Cambodia, Sihanouk had already informed "the commission on the other side" that it may evacuate its wounded to Cambodia provided they are handed over to Cambodian authorities for medical treatment. They would be sent "home once they are fully recovered." Sihanouk also proposed that armed refugees from Cochin China be allowed to settle along the frontier in order to prevent Vietnamese infiltration into Cambodia. In this connection, Sihanouk may be referring to the resettlement of Cambodian refugees from Vietnam.

2. On 23 March, Sihanouk also revealed that the Viet Cong had asked Cambodia to provide them with some rice. Sihanouk stated that "we have given this aid to them by closing our eyes because we and the Viet Cong have a common enemy which is US imperialism."

B. ISRAEL

The US Embassy in Tel Aviv reports that the Israeli press and left-wing political elements have reacted violently to remarks attributed to Vu Van Thai, GVN ambassador in Washington, to the effect that Vietnam and Israel were planning to establish diplomatic relations in the near future and that Israel would furnish to Saigon specialists in the defense of fortified hamlets. Israeli Foreign Minister Eban may have to wait until feelings have subsided before giving further consideration to diplomatic exchange or Israeli assistance to the GVN.

C. ICC

On 21 March, Secretary of State Rusk handed the Indian ambassador to Washington an aide-memoire on the ICC. Criticizing India for becoming bogged down in excessive legalism, the US urged New Delhi to assert

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its leadership in ensuring that the ICC acts in a responsible and efficient manner by prompt and balanced investigation of violations and by issuing reports without unreasonable delay.

D. ARGENTINA

Premier Nguyen Cao Ky announced to newsmen that he would visit Argentina in early June 1966 at the invitation of the Argentine Government.

E. FREE WORLD AID

1. New Zealand. Prime Minister Holyoake announced on 26 March that New Zealand will increase its assistance to South Vietnam. The 123-man New Zealand artillery battery in Vietnam will be brought up to full strength by the addition of 27 personnel and two 105-mm howitzers. The seven-man surgical team in Qui Nhon will be enlarged by the addition of a physician, an xray technician, a laboratory technician, and three nurses. In addition, two mobile health teams will be established to work among refugee camps in and around Qui Nhon. An aid coordinator will also be sent to South Vietnam to act as a liaison officer between New Zealand teams in Qui Nhon and local Vietnamese authorities, and to coordinate the distribution of assistance from New Zealand's voluntary organizations.

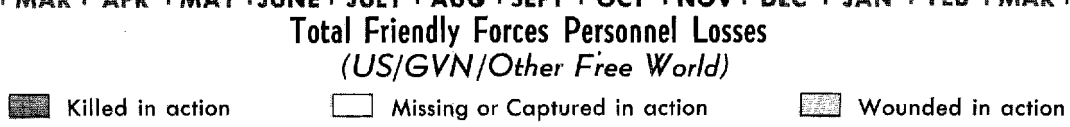
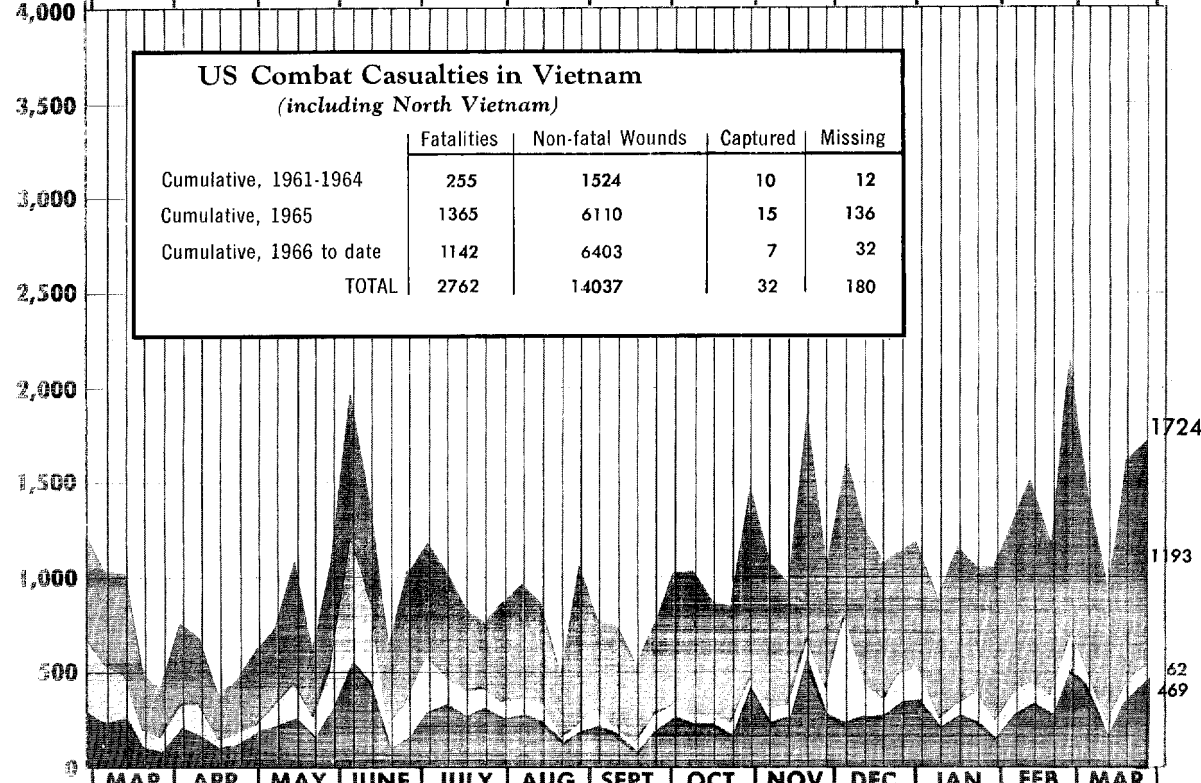
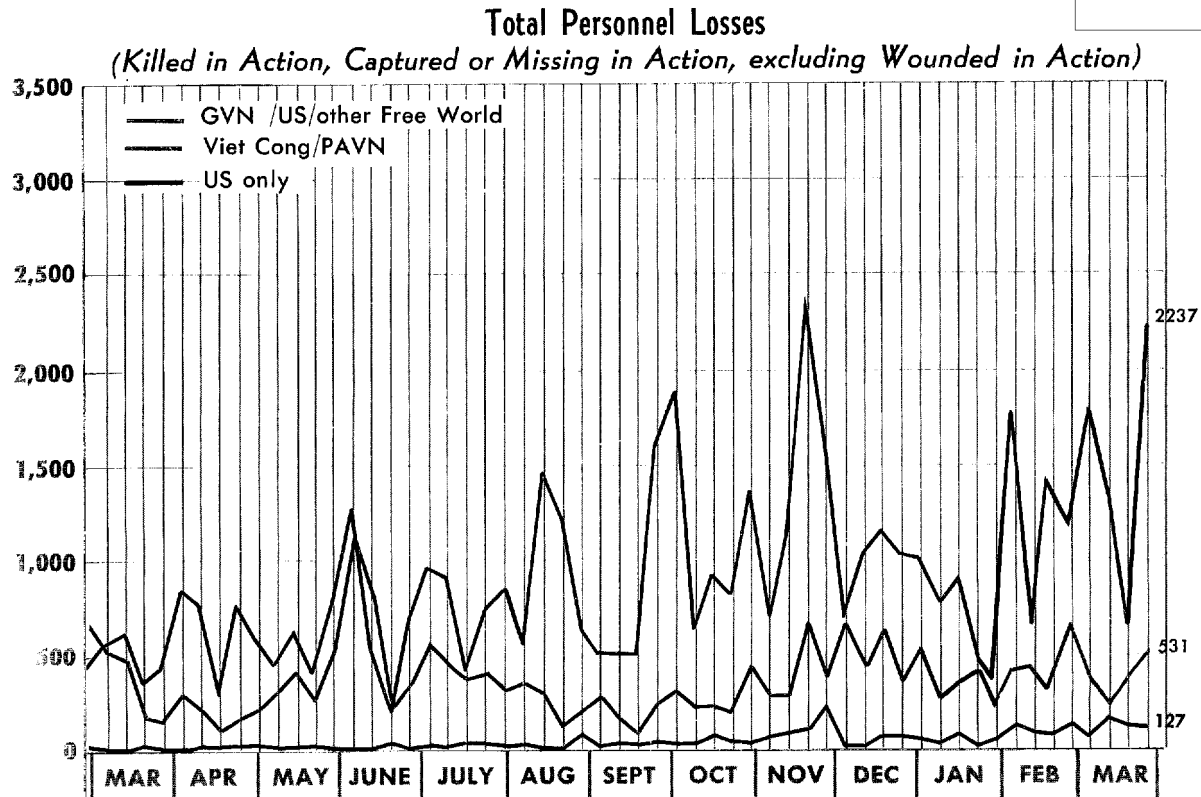
2. West Germany. The semiofficial Vietnam Press Agency announced that three Vietnamese high-school teachers will fly to Munich on 30 March to attend a training course in the German language and to spend the next two years studying pedagogy. The teachers are winners of a 26-month scholarship from the Goethe Institute in Saigon.

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SOUTH VIETNAM BATTLE STATISTICS

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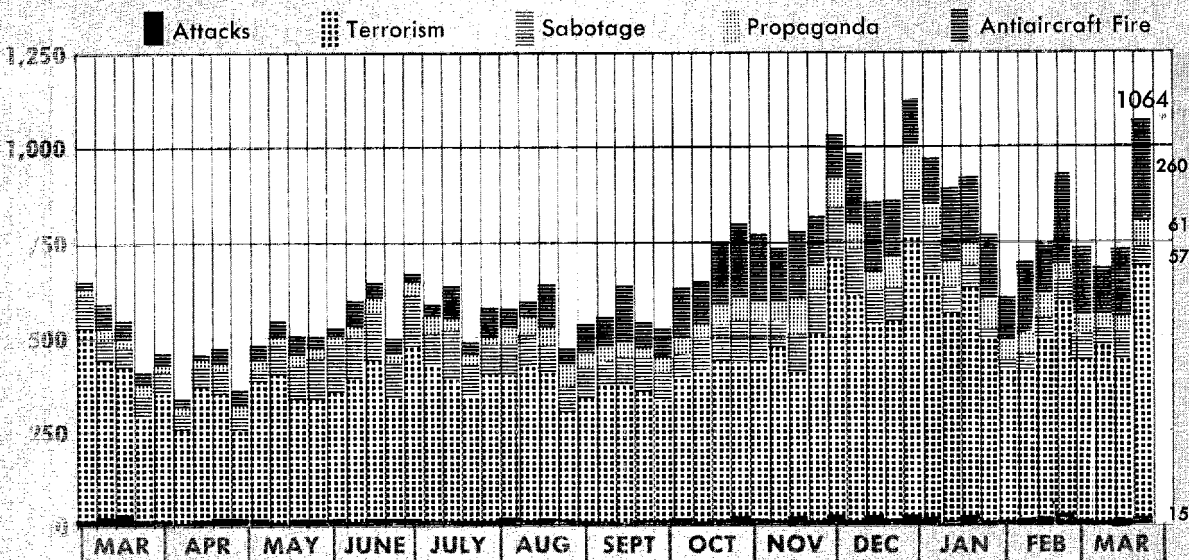
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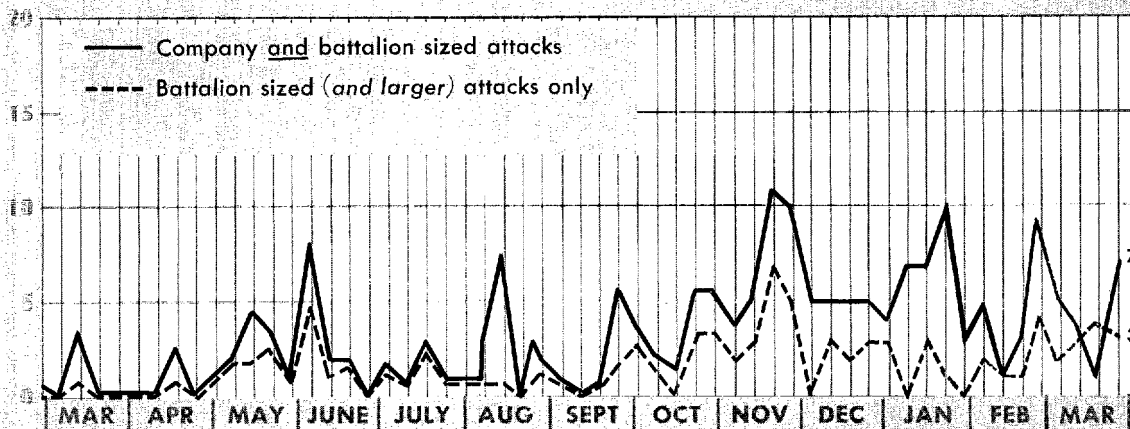
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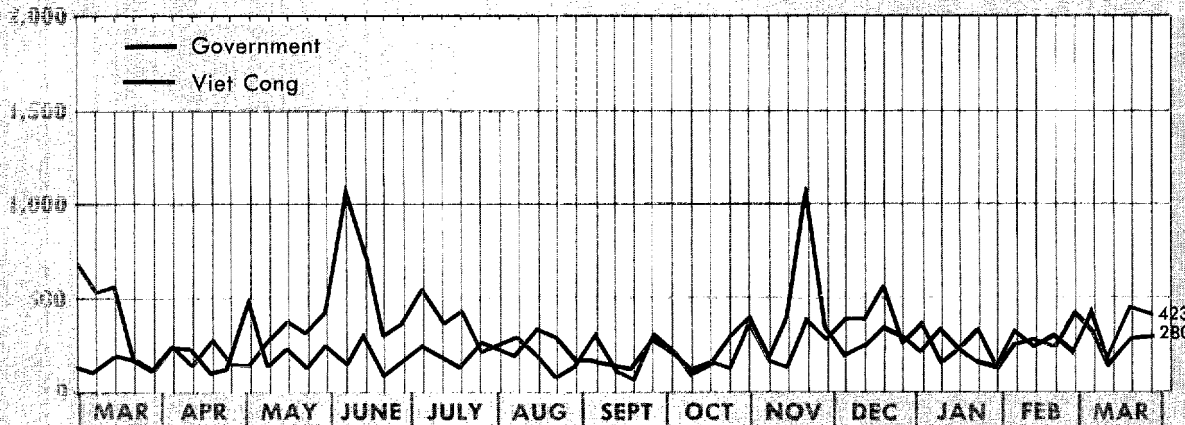
Viet Cong Incidents



Viet Cong Attacks



Weapons Losses



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