II - Looking for Progress: February 1962-May 1963.

Background:

Following the recommendations of the Staley Committee in October 1961 and those of General Taylor in November, President Kennedy on December 14 pledged that the US would increase military aid to South Vietnam short of committing combat forces. A joint US-GVN communique on January 4, 1962 announced that a broad economic and social program to improve living standards would be undertaken simultaneously with measures to strengthen South Vietnam's defense. On February 8, the USMAAG was reorganized to become USMACV under four-star General Harkins with a strength of 4,000 US military personnel. By December 1962, this advisory force had risen to 11,000. As US economic and military assistance grew, the GVN began a series of major efforts at pacification (Operations Sunrise, Sea Swallow, etc.) that involved relocating villages and peasants into newly constructed and fortified strategic hamlets.

US public assessments of progress during this period, initially optimistic, grew more cautious as the results of the US effort emerged. On July 6, 1962, Defense Secretary McNamara was "encouraged" by the increased effectiveness of US aid; on January 11, 1963, Admiral Felt declared the Communists faced "inevitable" defeat and was "confident" the South Vietnamese would win the war; by April 22, 1963, Secretary Rusk termed the situation "difficult and dangerous" and the US role "limited and supporting."

Summary:

As in the preceding period, INR judged that the Communists could not overthrow the GVN or seize power in the wake of a non-Communist coup, but also that Diem's regime seemed still to be incapable of halting the deterioration in security being produced by the insurgency. Noting the attempt against Diem in February 1962, INR judged that the body politic was becoming increasingly unhealthy and that further attempts at coups might quite possibly occur. It also continued to believe that there were viable non-Communist alternatives to Diem.

In analyzing the struggle against the Communists, INR continued to note the harmful effects of Diem's tight control over governmental activity and his failure to delegate authority. It also observed that the regime persisted in greatly over-emphasizing military aspects of the war, although Nhu gave lip service to stressing the socio-political revolution. The failure of the regime to give weight to the broader non-military elements of counterinsurgency reflected another continuing problem--an increasing unwillingness of Diem and Nhu to accept US guidance, and Nhu's mounting criticism of the US. This trend took a new and ominous turn when, as INR noted with alarm, the sensitive and suspicious regime curtailed the US advisory role in the field.

The conduct of the war itself added novel aspects to some old issues and generated new issues. INR developed the view that conditions

required a small-scale, unconventional effort, while operations of large conventional units that relied on air power and artillery were inadequate. INR went on to discuss the recently developed "strategic hamlet" program; it expressed concern over the manner in which the program was being applied, but cautiously endorsed the underlying concept. In evaluating the trend of the war INR continued to hold that the tide had not yet turned as measured by initiative, territorial control, and recruitment. The problem of statistics and their reliability took on sharper focus, and INR doubted the validity of certain figures which were basic to estimates of a favorable trendline. Infiltration from the North was another subject for which hard evidence could not be currently available; allowing for this time lag, INR still held that Hanoi had the ability to increase infiltration to match what it saw as its needs. Finally, the enemy's use of Cambodia was held by INR to be marginal.

More broadly, INR continued to judge that the North would not engage in large-scale aggression but would continue the existing pattern of support, albeit at a faster tempo. As the question of Chinese involvement drew attention, INR judged that although Peking's threats were imprecise, China would come into the war if necessary should the US invade North Vietnam. Communist calls for a Geneva Conference or talk of neutralization were considered by INR as no more than ploys to put political pressure on the US, and not as indicators of a genuine quest for a settlement.

Security Situation:

The massive new effort in itself constituted grounds for optimism, but fundamental weaknesses of the GVN and ARVN persisted; and while the rapid increase in anti-Communist activities resulting from US support and direction provided statistics to demonstrate progress, the new statistics were of unknown reliability and uncertain relevance. Moreover, efforts were so localized, and varied so greatly in quality, that examples were readily available to support either gloomy assessments or cheerful ones. A divergence grew between assessments that focused on indications of increased non-Communist capabilities and those less optimistic ones which balanced the new assets against old liabilities. For example, when the Interagency Intelligence Committee in Saigon concluded in March 1962 that a "military stand-off" had been achieved, INR believed "the tide has not been turned against the Viet Cong in terms of their ability to expand their control in the countryside or to recruit and build up their forces, and they almost certainly continue to retain the military initiative."[1]

On March 19 Diem approved the recommendations of the US and of the British Advisory Mission that was headed by R.K.G. Thompson; INR noted that the strategic village concept had become "a matter of national high priority policy for the GVN."[2] By June 18, however, INR found reliable

1. See II-1: MM-RFE-62-32, "Comments on Saigon's Intelligence Assessment of the Viet Cong," March 14, 1962.

2. See II-2: MM-RFE-62-53, "Implementation of an Effective Strategic Concept for South Vietnam," April 3, 1962.

evidence "that the program suffers seriously from inadequate direction, coordination and material assistance by the central government," that Province chiefs had drawn up "unrealistically high quotas," and that the insufficiency of resources provided by the government had resulted in "poorly constructed and poorly defended settlements and in financial levies on the peasant."[3] Although "US materiel, training, and advice, supplemented by tactical support by US units, have produced an improvement in armed operations"...and the Viet Cong "is now meeting more effective resistance...nonetheless, the VC continue to increase their armed strength...and, on balance, to erode government authority in the countryside."[4] On balance, INR judged that "there is no evidence to support certain allegations of substantial deterioration...[rather] there is evidence of heartening progress...; there is still much to be done... particularly in the political-administrative sector; a judgment on the ultimate success in the campaign...is premature; but we do think that the chances are good provided there is continuing progress by the Vietnamese Government along the lines of its present strategy."[5]

Five months later, in the report it wrote as contribution to an NIE on South Vietnam, INR was less hopeful and again did not agree with the

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3. See II-3: RFE-27, "Progress Report on South Vietnam," June 18, 1962
4. See II-4: id.
5. See II-5: id.

estimate of Diem and many US officials in Saigon that the tide was turning against the VC: "At best, it appears that the rate of deterioration has decelerated."[6] The paper spoke of greater attention to the political, economic, and social aspects of counterinsurgency and improved tactical capabilities, but found that the "war has not abated nor has the Viet Cong been weakened."[7] Although the results of the pacification approach "are encouraging," it "has not yet altered the balance between the government and the Viet Cong in the countryside."[8]

Moreover, the outlook remained problematical. INR continued to hold that the Viet Cong--even in combination with rebel Cao Dai or Hoa Hao elements--could not overthrow the government militarily, and that it lacked the ties with the non-Communist opposition it needed to lead a successful coup.[9] However, Hanoi could "step up infiltration as the situation warrants, with relatively little danger of detection and no great difficulty." "It is entirely possible that the Viet Cong will step up its armed operations...in the belief that further military escalation is necessary in order to counter the growing response and effectiveness of the GVN forces and US support."[10]

During the next year, "the GVN probably will not be able to halt completely the deteriorating security trends, let alone reverse the tide against the Viet Cong, unless Saigon significantly accelerates and

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6. See II-6: RFE-59, "The Situation and Short-term Prospects in South Vietnam," December 3, 1962
7. See II-7: id.
8. See II-8: id.
9. See II-9: id.
10. See II-10: id.

improves its response to the insurgency."[11] Even if it increases military operations, "the GVN will not be able to consolidate its military successes into permanent political gains...unless it gives more emphasis to non-military aspects of the counterinsurgency program, integrates the strategic hamlet program with an expanded systematic pacification program and appreciably modifies military tactics," particularly large-unit actions and airpower and artillery--otherwise it might increase peasant identification with the Viet Cong.[12] In any case, "Progress against the insurgents will probably remain difficult to evaluate accurately...GVN statistics....should continue to be treated with extreme caution."[11]

On the whole, INR took a gloomy view of the GVN's ability to stage an effective effort. The substantial increase in US presence had, to be sure, improved morale among the middle and upper echelons, and there was "cause for optimism" over its effectiveness, but morale among the lower levels was unknown and desertion rates were increasing. In spite of this increase in US support, moreover, "Diem and particularly Nhu may also remain extremely reluctant to accept possible US proposals directed toward further integration [of the program]...or directed toward substantially altering the present balance between emphasis on purely military...[versus] political, social and economic measures."[13] Indeed,

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11. See II-12: id.
12. See II-11: id.
13. See II-13: id.

although Nhu had repeatedly expressed his appreciation of the long-range socio-political revolution which would be the inevitable result of the pacification program, "there is no evidence...either in recent developments or in the records of past performance, particularly Nhu's, that such are their real objectives and expectations."[14]

Later that month, INR put it more bluntly: "there appears to be no reason as yet to question the soundness of the concept. But there is a very real question as to how well and wholeheartedly it is being put into effect;"[15] although "much depends on the ability of the government to show convincing evidence of its intent to improve the lot of the peasants,...government efforts appear to be aimed largely at increasing government control"[16] over them.

INR stressed Hanoi's ability to increase infiltration as it saw fit, and estimated that there had probably been some increase during the spring, a lull during the monsoon in the central highlands (July-August), and possibly another increase beginning in the fall. INR maintained, however, that, while judgments could be made regarding such shifts in magnitude, the evidence was not precise enough to support an estimate of the number involved. It also held that the infiltrators would continue to be native southerners, thus enabling Hanoi to maintain the fiction that the insurgency was a totally indigenous movement. Further, INR continued

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14. Quoted from INR Contribution to NIE 53-62, November 8, 1962
15. See II-14: RFE-66, "Capsule Assessment of the Effort in South Vietnam," December 19, 1962
16. See II-15: id.

to hold the view, now accepted by most observers with the notable exception of Diem, that the VC depended primarily upon local recruitment to expand its capabilities, rather than on external sources.[17]

Similarly, INR found that available evidence did not substantiate Diem's charge that the VC made "extensive use" of Cambodian territory. INR did think it clear "that the VC have made limited use of the Cambodian frontier, principally as a safe haven," but doubted that such use had been "of more than marginal importance to the VC effort during the past two years or so."[18]

In tactics, besides continuing to emphasize the need for unconventional use of small units and for modified use of artillery and airpower, INR took special issue with the use of chemicals for crop destruction. It noted possible international repercussions, pointed out that there was not enough intelligence about VC supplies and access to food, and warned that, until the VC had been isolated and concentrated in well defined areas, crop destruction would tend to harm innocent peasants but not the VC. Moreover, the West would be establishing a precedent for the use of unconventional weapons in Asia which would reduce the opprobrium for an enemy who might in the future follow suit.[19]

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17. See II-16: RFE-30, "Reports on Increased Communist Infiltration into South Vietnam from Laos," July 16, 1962; and II-17: RFE-49, "Evidence of Recent Communist Infiltration into South Vietnam from Laos," October 19, 1962
18. See II-18: RFE-35, "Viet Cong Use of Cambodian Territory," Aug. 7, 1962
19. Summarized from MM-RFE-62-108, "Crop Destruction in South Vietnam," July 28, 1962, and MM-RFE-62-118, "Crop Destruction in South Vietnam," August 24, 1962.

The Political Picture:

Political developments in this period began explosively on February 27 when two RVNAF pilots bombed and strafed the Presidential Palace in Saigon. In an internal memorandum on that same day, INR defined three underlying elements in South Vietnam which encouraged the plotting of coups: first, and perhaps most important, was Diem's inability to meet the threat from the Viet Cong; second was the discontent which flourished among Saigon officials and intelligentsia over the methods of Diem and his immediate family, although there was "little evidence...of any widespread popular dislike of Diem personally;" and the third was that "the entire Viet Cong effort....seeks to discredit Diem in every way possible." Thus plotting would remain a possibility "unless Diem can demonstrate a sustained improvement in the fight against the Viet Cong."[20] US support continued to act as a counterweight against a coup, but criticism of the US--such as Mme. Nhu's--would further alienate important military and civilian elements.[21] Moreover, the GVN "is undoubtedly depriving itself of an important measure of support" by its repressive tactics against the labor movement, which could become a "major new and possibly critical element of opposition."[22]

Once more, INR asserted its opinion that there was an alternative to Diem. When a Policy Guidelines Paper on Vietnam stated that "no central

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20. See II-19: MM-RFE-62-17, "Assessment of Intelligence Reporting and Coup Prospects in South Vietnam," February 27, 1962

21. From IN-MM-62-29, "Vietnam's Madame Nhu Publicly Attacks US," March 13, 1962

22. See II-20: RM, RFE-19, "The Confederation Vietnamienne du Travail Chretien (CVTC) - An Assessment," February 23, 1962

figure has yet emerged under whose leadership this opposition would rally," INR proposed that the paper incorporate instead the judgment that "in the event Diem were no longer able to lead effectively (or were removed)...the odds are better than even that Vice President Tho would have sufficient support within the military and civilian sectors of the government to succeed to the Presidency."[23]

US influence being an important factor in short-term political stability, INR felt that the regime could be undermining itself by criticizing the US role as the Nhus were doing. INR saw, furthermore, no reason to believe that Nhu or Diem would improve the situation either by delegating more authority within the government or by pursuing social and economic progress in the countryside. All signs indicated that the leaders' objectives were to maintain their personal control of the government and to regain control of the peasants.

INR maintained this position throughout the period. By December 1962, it noted that, although "Diem has strengthened his control [of administration]...has delegated a little more authority...[and] there are fewer reports of discontent," nevertheless "there are still many indications of continuing serious concern...[and dissident elements] are apparently placing increased reliance on clandestine activities."[24] "A coup could occur at any time, but would be more likely if the fight against the Communists goes badly."[25] "The stability of the government

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23. See II-21: MM, RFE-62-47, "Vietnam Policy Guidelines Paper," March 30,1962
24. See II-22: RM, RFE-59, as in note 6 above.
25. See II-23: RFE 59.

during the next year will continue to depend principally on Diem's handling of the internal security situation;" any coup attempt would probably include a broad spectrum of military and civilian leaders, would not tend to polarize into an internecine struggle, and "would have a better than even chance of succeeding."[26]

Having avoided speculation about the most likely personalities to be involved, INR, in commenting upon Diem's military reorganization of early December and pointing to the gain when Gen. Don replaced the militarily less capable Gen. Nguyen Khanh," warned that the "competent and popular" Big Minh, if not utilized in a manner commensurate with his abilities, "may in time be tempted to lead or support an anti-Diem military coup."[27]

INR highlighted the importance of the US position in the event of a coup against Diem, and noted that US sources might obtain advance notice of an impending coup. US officials might not be able to restrain the plotters from precipitate action, INR warned, but they might be able to avert widespread fighting which could weaken the front against the Viet Cong. In addition, "the United States could also be helpful in achieving agreement among the coup leaders as to who should head the government and in restoring the momentum of the government's counterinsurgency effort."[28]

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26. See II-27: id.
27. See II-25: IN, "Diem's Military Reorganization Seems Sound, But....," December 13, 1962
28. See II-26: RFE-59

Difficulties with Diem:

At the end of 1962, INR concluded that Nhu intended to consolidate control rather than to muster support through the strategic hamlet program. It also observed that the distribution of US aid "must be approved in most cases by President Diem personally." Citing a recent example in which the GVN had vetoed a USOM proposal for direct financing of provincial projects, INR commented that "Diem continues to exhibit considerable sensitivity to attempts by US officials to distribute aid directly."[29]

By Spring of 1963, the US began running into difficulties with Diem over the US advisory role. Diem withdrew from an earlier agreement on joint US/GVN control of the counterinsurgency fund for the strategic hamlet program. He also complained bitterly over the proliferation of US advisers in the countryside on the ground that these relationships would undermine the authority of his government. INR assessed these moves--and subsequent public criticism of the US role--as reflections of nationalist sensitivities, of Diem's suspicions over US support, and of differences over the requirements for a successful counterinsurgency effort.[30]

INR concluded that the restrictions Diem proposed "raise a serious danger that these programs will become increasingly focused on re-establishing the government's physical control of the countryside and that the

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29. See II-27 and II-13, RFE-59

30. See II-28: RM, RFE-42, "Implications of Our Difficulties with Diem," May 27, 1963.

economic, political and social measures required to win over the peasants will be increasingly de-emphasized." INR concluded that more than a token reduction of US advisers "would have serious dangers." Even though Diem had agreed to assume the local costs of the strategic hamlet program, INR believed "there is increased doubt that he will in fact make sufficient funds available"; and, without sufficient financial support, "rural pacification programs could become little more than a means for re-establishing the government's control over the countryside."[30]

The Vietnam Working Group refused to clear this paper for distribution to other government agencies, on the ground that Diem had given his word to supply the necessary funds and the INR paper was therefore "speculative." Moreover, the Working Group held that since the long-term objectives of the US would in any case result in the withdrawal of US personnel, the question was merely one of timing, and thus the INR paper had "missed the point."

The April NIE:

The bulk of the citations that illustrate INR's views on the problems with Diem were drawn from RFE-59, published December 3, 1962, and this paper was based on INR's contribution of November 8 to NIE 53/63. This NIE, originally scheduled for publication in late November 1962, went through a tortured and extended search for consensus--for resolution of conflicts between the new operational indices of progress and the continuing evidence of liabilities in the situation and in the Diem government. One of the unusual features of this Estimate was that it had been submitted for comment before publication to senior State and Defense

officials intimately concerned with the progress of the war effort. The net result was that the NIE was not published until April 1963, and[31] presented a compromise with which all concurred but no one was satisfied.

One issue, for example, which touched INR's views closely, came up for debate while USIB was considering a proposed text in February. INR believed that, in seeming to blame all the troubles on Diem, the draft misleadingly suggested that as long as Diem remained in control improvements--in the field of military tactics, for instance--would be of little or no avail. The Director, therefore, put forward a footnote criticizing the Estimate's implicit conclusion that it would be impossible to "win with Diem." The USIB subsequently remanded the draft for further working, primarily because of the widespread criticism of the Estimate's pessimistic views voiced by high-level civilian and military policy officials. The text as finally accepted took a less gloomy view than did the February draft, and INR concurred.

In the end, the Estimate concluded that "Communist progress has been blunted and that the situation is improving....Assuming no great increase in external support to the Viet Cong, changes and improvements which have occurred during the past year now indicate that the Viet Cong can be contained militarily....However,...no quick and easy end to the war is in sight...[and] the situation remains fragile." Without canvassing all potential forms of external support, on the main issues of attack or

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31. For a fuller account of this ordeal, see Willard C. Matthias, "How Three Estimates Went Wrong," Studies in Intelligence, Vol. 12, No. 1, Winter, 1968.

introduction of regular units by North Vietnam, the paper held that Hanoi would do neither. This time, however, Hanoi's decision would not be determined--as in the past--by its view of the progress of its present tactics; now Hanoi would not escalate "in view of the open US commitment."[32]

As for the political situation, the NIE concluded that "developments during the last year or two show some promise of resolving the political weaknesses....However, the government's capacity to embark upon the broader measures required to translate military success into lasting political stability is questionable."[32] In its supporting discussion, the Estimate held that a greater effort to enlist support from disaffected elements "would considerably speed the reduction of the Viet Cong insurgency." However, Diem's ability to move willingly or effectively "is questionable and may become even more so should military victory come within sight." Finally, the NIE accepted the INR position that the VC had neither the military nor the political strength to lead a coup or to participate in a non-Communist attempt; however, in an unstable situation they might be able "to gain some politically strategic positions."

Communist Intentions and Reactions:

INR assessed the vociferous reaction of the Communist bloc to increased US military assistance in early 1962 as a further intensification of political warfare and as a reflection of some concern. However, INR noted that Peking's warnings were imprecise and that the Chinese carefully distinguished between the extent to which the US action

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32. See II-29: NIE 53-63, "Prospects in South Vietnam," April 17, 1963.

threatened China and the extent to which it threatened the DRV. Thus, in discussing one Chinese statement INR concluded that, while it "marked an increased level of political and psychological pressure, it had not significantly raised the probability or the imminence of direct Chinese Communist involvement in the situation in Vietnam."[33]

INR did not discuss possible changes in Hanoi's policy regarding the insurgency, but a series of papers on relevant bloc developments noted the increasing number of incidents in the South and tentative indicators of an arms build-up in the North.[34] INR also participated in a SNIE in February 1962 which estimated that there would be no large-scale military aggression; instead, it predicted a step-up in the tempo and scope of the insurgency without any change in pattern.[35]

When China and North Vietnam called for action under the Geneva Agreement against the US moves, INR interpreted their interest to be the building of pressure against Washington and not a genuine search for a political settlement. INR estimated that Moscow was opposed to any reconvening of the Geneva Conference at this juncture, and in August,

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33. Quoted from RSB-61, "Recent Communist Statements on US Actions in Vietnam," March 8, 1962.

34. Research Memoranda, RSB-60.1--60.5, "Monthly Report...on Major Communist Bloc Activities Affecting South Vietnam," February 28 through June 26, 1962, done at the request of the Vietnam Task Force.

35. SNIE 10-62, "Communist Objectives, Capabilities and Intentions in Southeast Asia," February 21, 1962

after the Laos Conference failed to produce discussions about Vietnam (such as, in its preview of the Conference, INR had suggested might occur), INR noted the absence of Chinese and Soviet verbal support for the tentative Vietnamese Communist approval of various "neutralization" proposals. INR described Hanoi's interest in neutralization as long-range and not immediate. In other words, it seemed probable that

> while their plans for using the neutralization gambit are not yet well-defined, [the North Vietnamese] realize that they cannot take over South Vietnam by force alone and must use the neutralization method in order to obtain some international sympathy. They probably also believe that, over a period of time, the high casualty rate in the warfare in South Vietnam will produce a large increase of neutralist feelings among the populace there, and that they can capitalize on this increase.[36]

Probable Communist reactions to a variety of hypothetical US moves, including an invasion of North Vietnam at Vinh and a drive westward to link up with US forces in Laos, were considered in a SNIE of June 1962. It concluded that Hanoi's forces would take vigorous action to repel the invasion and that Communist China "would almost certainly provide additional ground forces if they were needed." Should US forces make headway, the SNIE estimated that Communist air elements, perhaps disguised as North Vietnamese, "would almost certainly attack" the US ground and naval units; however, the Estimate did not directly address itself to the chances of direct conflict between US and Chinese ground forces.[37]

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36. Research Memorandum RFE-39.1, "Monthly Report...on Major Communist Bloc Activities Affecting South Vietnam," August 21, 1962, p. 3.

37. From SNIE-58-5/1-62, "Communist Reactions to Additional Courses of Action in Laos and North Vietnam," June 12, 1962.

Commenting on the suggestion that the US present the DRV with merely the threat of air strikes against the North, INR estimated the results of both the threat and its implementation as follows:

> We would agree that the DRV leadership is probably afraid of American bombing (who wouldn't be?) and that they have been very careful to avoid any overt act which might expose them to such retaliation. However, we do not agree that the DRV would back down if we threatened it with bombing or that it would not accept Chinese Communist intervention in North Vietnam as a way of redressing the imbalance created by our escalation....On balance, we believe that the DRV would take the gamble, would not slacken its effort in South Vietnam, and would accept Chinese Communist, however reulctantly, and Soviet intervention. Ultimately, therefore, we would have to make good our threat, and we would have to expect comparable Communist actions against South Vietnam.[38]

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38. MM-RFE-62-129, "Bernard Fall's Comments on North and South Vietnam," October 18, 1962.