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1 - The Problem Confronted: January 1961-February 1962.

Background:

Events during the last two years of the Eisenhower Administration gave ample evidence that the seeming pacification and stability of South Vietnam under Diem during 1956-58 were under a serious and growing threat. Viet Cong guerrilla activities and inroads into areas previously under government control grew substantially, infiltration of cadre and key supplies from the north had increased sufficiently to support an accelerating of VC expansion, and there was evidence of growing discontent with the Diem regime in both civilian and military circles. However, within the US Government there was no agreed assessment on the nature and causes of the threat--let alone on what the US could and should do to meet it.

Divergence of views extended to central issues of strategy. Elements of the Saigon mission, especially the military, thought that the main danger lay in overt attack from the North, and that the conventional forces suited to defense against invasion from without could amply handle insurgency within. This approach had the support of Diem and of some elements in Washington. On the other hand, many observers held the chief problem to be internal security, and the chief danger to be the VC, and they drew quite different conclusions about necessary training, tactics, and the balance between political and military action. From this school emerged a comprehensive counterinsurgency plan, which the US presented

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to Diem in February 1961--a major step toward the area of action that was henceforth increasingly to preoccupy the defenders of South Vietnam.

The US made clear its support for South Vietnam and for Diem, but implied that the nature and extent of its support might depend at least somewhat on the political/military performance of the GVN in general and Diem in particular. In a letter of October 26, 1960, President Eisenhower assured Diem of US support "for so long as our strength can be useful," and on November 13, after expressing satisfaction over the failure of the attempt by some of the military on November 11 to effect a coup, the Department further expressed the hope that Diem's powers would be established "on a wider basis with rapid implementation of radical reforms."

Thus the major questions that remained unresolved as the Kennedy Administration took office were: on the military side, the source, nature, and extent of Viet Cong capabilities and the assets and tactics necessary to defeat them; on the political side, the degree to which the present government could inspire support for itself and for its present policies in conducting the conflict; and respecting action of the US itself, the manner in which it should provide the GVN with indispensable support and yet maintain the necessary leverage to ensure the implementation of an effective program.

The new administration took several steps to reaffirm its commitment to the support of South Vietnam. President Kennedy declared that consideration was being given to the use of US forces if necessary (May 5, 1961), and that the US would do all it could to save South Vietnam

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(August 2). Vice President Johnson's visit of May 11-13, 1961, resulted in additional military and economic aid.

Summary:

INR's work in this phase consisted broadly of an initial assessment for the new administration and, later in the year, a comprehensive reappraisal of the situation. INR also participated in the development of an operational concept for dealing with Communist insurgency which (if not uniformly agreed upon in detail and interpretation throughout the US Government) became generally recognized as a promising approach to the problem.¹

One group of issues considered during this initial period centered on the questions of how critical the situation had become and of the degree to which the Communists held the initiative and could generate even greater momentum. On both counts INR felt that the situation was deteriorating. It believed that while a non-Communist military coup against the Diem regime would be a plausible outcome of this deterioration, the Communists lacked the strength to seize power at the center either through their own efforts or in the wake of such a coup.

Another major group of issues centered on Diem himself, and INR was apprehensive that he would consolidate his rule at the expense of making the changes necessary to conduct the war more effectively. The very

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1. Forceful statements of this concept are set forth in two reports prepared in February 1962 and January 1963 by the Director of INR after trips which he made to Vietnam as special adviser to the President. Essential intelligence views of these reports are covered in other INR papers cited in this study; certain emphases and aspects, related to the Director's focus upon action rather than intelligence, differ from positions institutionally held by INR as noted below. The two reports have therefore been omitted from consideration in this study.

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support from the US that was essential to the conduct of the war and to Diem's political position tended also to insulate him from the consequences of his own failures and to stiffen him against US pressures for reform. Thus INR believed that he would oppose US recommendations more determinedly than ever, and noted that the argument that he was indispensable could bring about an even greater US commitment to him. Rather, INR believed that Diem was not indispensable and that alternatives did exist should the South Vietnamese seek to overturn his regime.

Equally important were questions concerning the nature of the war. INR shared in intelligence appraisals which, in contrast to the views of Diem and some US policy officers, held that enemy forces rested at this time far more heavily on local recruitment than on infiltration, and INR believed that the problem of internal subversion was much closer to the heart of the threat than was the much stressed danger of overt aggression. On the other hand, INR also criticized the contemporary concept and performance of counterinsurgency for depending far too much on static defense and emphasizing too much the flow of aid. Finally, it concurred in intelligence estimates that judged the North Vietnamese able and willing to go on with the war, even in the face of more numerous US troops in the South and of attacks against the North.

Initial Assessment:

In its first assessment of the situation for the new administration in the spring of 1961, INR estimated that the Communist subversive effort in South Vietnam "could reach its most critical level this year." Should

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the GVN fail to act quickly to increase the scope and effectiveness of its efforts, "the Communists could be expected to supplant completely government authority over a substantial part of the countryside in the south and southwest... While the Communists would not be able to seize control of the central government, the impact of these developments might well precipitate a coup attempt."² A month later, in viewing the April elections, INR considered that Diem owed his landslide victory more to the opposition's default than to either his popularity or his manipulation of the vote, and INR estimated that the same problems of security, corruption, and discontent would remain; further, while the victory offered Diem "an opportunity for quick and decisive reforms," he might see the results as a justification for his own personal rule and "may become even more determined in his opposition to certain US recommendations."³

In an NIE of March 28, the Intelligence Community noted, "although the Communist threat in South Vietnam has reached serious proportions,"⁴ the prospects for a Communist victory there were less than in Laos. INR concurred in the NIE, although the Estimate differed from the sense of the INR position in one respect when, noting that the Communists would exploit any new coup attempt, it warned that "we are not confident that the Army would be able to keep the situation from getting out of hand."

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2. See I-1: IR-8416, "Increased Communist Strength in South Vietnam," March 10, 1961
 3. See I-2: MM-RAS-61-53, "Post-Mortem on the South Vietnamese Elections," April 13, 1961
 4. See I-3: NIE 50-61, "Outlook in Mainland Southeast Asia," March 28, 1961

On April 17, 1961, INR issued the first of several unusual studies that reflected the new Director's effort more closely to mesh intelligence views with the course of policy discussions. These papers of limited circulation presented critiques of past US policy toward South Vietnam. In the first critique, INR concluded that the serious current security situation had "arisen largely from [US] acceptance of the GRV's evaluation of the character of the Communist threat: namely, to over-emphasize the prospects of overt aggression...and to under-play the danger of internal subversion." ⁵ At the same time, "Our assumptions of Diem's indispensability and administrative effectiveness have gone far to produce the political crisis now prevailing in South Vietnam." ⁶ On the other hand, "Diem and his advisors...have shown considerable sensitivity toward some of the political recommendations incorporated in this [US counterinsurgency] plan, and it appears doubtful if the more important recommendations will actually be carried out;" ⁷ further, "we have given Diem a virtual carte blanche in his administration of the country" without sufficient control or restraints over him "and have thus committed ourselves to Diem's own shortcomings and rigidity." Thus, "we have allowed Diem to ignore the pressing need for political reform" as well as for ⁸ rural economic and social development.

A Second Look: In a second round of estimates during the late summer and fall of 1961, the Intelligence Community set forth the following consensus: Hanoi would increase the pace, "and the war would be a prolonged

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5. See I-4: "A Critique of US Policy in Laos and South Vietnam," April 17, 1961
 6. See I-5: id.
 7. See I-6: id.
 8. See I-7: id.

and difficult struggle;" however, "with continued high levels of US aid and a strenuous and effective GVN effort, the problem of VC control of large areas can in time be reduced." Even so, the GVN would need to continue a maximum effort to maintain its authority. As for the political situation, there was "some dissatisfaction" with Diem due to his personal rule as well as the security situation, but "the degree of dissatisfaction will probably be directly related" to the latter. The chances of a coup "have been reduced by recent manifestations of US support" for Diem; however, "the confusion and suspicion attending a coup effort could provide the Communist [sic] an opportunity to seize control of the government."⁹ INR concurred in this NIE despite its own estimate that the Communists could not seize the government. Shortly thereafter it published a revised version of its contribution to the Estimate, in which INR underlined its doubts about the Diem regime's ability to reverse the deteriorating security situation.

Two reports issued a month apart, on September 29 and November 1, complement one another in presenting a broad view of the INR position,¹⁰ focusing primarily on VC political objectives. INR noted, as did others in the Intelligence Community, that "the Communist apparatus has relied more on local resources than on infiltration"¹¹ for both men and materiel. Although "the Communists would not be able to seize control of the central

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9. See I-8: NIE 14.3/53-61, "Prospects for North and South Vietnam," August 15, 1961
 10. RFE-1, "South Vietnam: Crisis and Short-term Prospects," Sept. 29, 1961; RFE-3, "Communist Threat Mounts in South Vietnam," Nov. 1, 1961. See especially I-9: RFE-1.
 11. See I-10: RFE-3. On October 15, 1961, SNIE 53-2-61 estimated the VC to be composed of 10-20% infiltrated cadre and 80-90% locally recruited forces.

government ...¹² and, in the short run, "do not appear to have the capacity to foment large-scale insurrection" without overt military aggression from the North,¹³ they "may even attempt a greater armed effort before the end of the year...[and] have this capability even without further infiltration of personnel and material."¹⁴ Should Laos come under predominant Communist control, however, "the level of insurgency might assume the proportions of widespread guerrilla warfare and some areas would probably come under complete Communist control, within which Hanoi might attempt to establish a Communist but ostensibly independent government."¹⁵ Even so, "there would be no immediate collapse" but developments of this sort "could precipitate a non-Communist, anti-Diem coup attempt";¹⁶ and, as was likely should an attempt by the military to stage a coup be supported by a wider civilian base than the 1960 attempt, it "would have better than an even chance to succeed."¹⁷

INR felt in general that the GVN had considerable assets with which to handle the insurgency, and that the peasants were by no means ready to welcome the VC. Even so, and despite evidence that "the counterinsurgency program, supported by substantial US aid, is beginning to show favorable results," INR saw no "conclusive improvement in the security situation"; to be sure, barring overt military aggression from the North, and "given effective implementation of the counterinsurgency plan, the

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12. See I-11: RFE 3.
 13. See I-12: RFE-1
 14. See I-10: RFE-3
 15. See I-13: RFE-1
 16. See I-11: RFE-3
 17. See I-13: RFE-1

government should be able to reduce somewhat the level of Communist insurgency during the next year or so and conceivably even reverse the trend against the Communists," --but, for a variety of reasons, "the Communist initiative and advantage...have not been effectively challenged."

The stability of the government appeared highly uncertain, since it depended "principally on Diem's handling of the security situation." The lull in the political crisis "can be attributed principally to strong US public manifestations of support for the Diem government, including Vice President Johnson's visit, and to the substantial increase in US aid.... At best, however, the situation remains fluid and, as yet, there has been no conclusive reversal of deteriorating trends." The decrease in reports of coup plotting indicated that political dissidence had been muffled rather than harmonized, and "there is probably a growing and increasingly desperate element." However, Diem "will almost certainly continue to press for...a clear priority of military over political and economic efforts to undercut the Communist insurgency. Diem will be adamant...and will tend to view US differences...as indications of weakening US confidence in him.... If he concludes that this posture [of support] is weakening, he will almost certainly...become increasingly assertive and stubborn in his relations with the US." In this vein,

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- 18. See I-12: RFE-1.
 - 19. See I-14: RFE-3.
 - 20. See I-13: RFE-1.
 - 21. See I-15: RFE-1.
 - 22. See I-12: RFE-1.
 - 23. See I-16: RFE-1.

INR interpreted Diem's request of September 30, 1961, for a mutual defense treaty with the US in part as a demonstration of his lingering doubts over US support and his hopes of forestalling coup plotters whose motivations would be primarily considerations of defense and security.²⁴

Continued support for Diem in the absence of reforms might have been necessary if there had been no alternative to Diem. INR maintained that no such necessity existed: "greater controls could have been exercised successfully over Diem..."; more importantly, should Diem be removed as a result of a South Vietnamese coup, "the US has an alternative in Vice President Nguyen Ngoc Tho."²⁵

As for the joint counterinsurgency effort itself, INR considered that the concept suffered from a basic weakness in "the US assumption that the crisis in Vietnam can be solved virtually by flooding the country with US aid,"²⁶ and that implementation was undermined by our failure "to challenge the Vietnamese static defense concept and, more importantly, ...to realize that the rapid increase in Communist strength was negating any benefits inherent in the concept and ultimately would protract the effort to counter the Communists if not give them an irretrievable advantage."²⁷

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24. See I-17: MM-RFE-61-119, "South Vietnam Wants a Defense Treaty with the US," October 4, 1961.
 25. See I-18: "Critique of US Policy in South Vietnam," November 6, 1961.
 26. See I-19: id.
 27. See I-20: id.

Communist Intentions and Reactions to Possible US Actions:

During 1961, INR concurred in a series of Estimates and Special National Intelligence Estimates (SNIE) regarding Communist priorities and intentions. One NIE during the Lao crisis in March, discussing the serious proportions of the Communist threat to South Vietnam, pointed out that Hanoi and Peking attached greater importance to their effort in South Vietnam than in Laos, in part because US prestige was more deeply involved in the fate of the GVN. In June, INR agreed that Hanoi would not undertake a major military intervention "especially in view of the progress of present North Vietnamese tactics." Two months later, another NIE predicted that the pace and scope of Viet Cong military activity was likely to be increased, particularly as Hanoi attempted to make maximum gains before increased US assistance could make a significant impact. Assessing the nature of bloc support to the Viet Cong insurgency, a Special Estimate judged the Viet Cong to be an integral part of the North Vietnamese Communist apparatus but with operations that were still largely self-supporting despite increased infiltration of men and supplies.

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28. See NIE 50-61, "Outlook in Mainland Southeast Asia," March 28, 1961
 29. SNIE 10-2-61, "Likelihood of Major Communist Military Intervention in Mainland Southeast Asia," June 27, 1961
 30. NIE 14.3/53-61, "Prospects for North and South Vietnam," August 15, 1961
 - 31.. SNIE 53-2-61, "Bloc Support of the Communist Effort Against the Government of South Vietnam," October 5, 1961

In a SNIE on reactions to possible US actions, INR concurred in the estimates that an input of US combat forces would not provoke an overt, large-scale reaction because Hanoi believed that the Viet Cong, with increased assistance, could render US aid ineffective, even if the US committed substantially more than 40,000 combat troops.

In the meantime, Hanoi and Peking escalated their threats of possible counteraction as it became clear that US assistance, while stopping short of the introduction of combat forces, would be raised substantially.

An INR Intelligence Note interpreted the reaction as essentially a psychological campaign and not as a portent of overt intervention:

Peiping and Hanoi are mounting a propaganda-psychological drive intended to restrain the US and its allies in their moves to assist South Vietnam. The drive may produce still stronger statements suggesting all sorts of Peiping-Hanoi military moves toward South Vietnam. However, we think it quite unlikely that Peiping and Hanoi really contemplate overt military action toward South Vietnam in the near future. They probably believe they are doing well enough in South Vietnam through their Viet Cong "national war of liberation" tactics.

Furthermore, INR held that Communist China was unlikely to consider direct military action in Vietnam "unless subsequent developments result in fighting in North Vietnam."

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32. SNIE 10-3-61, "Probable Communist Reactions to Certain SEATO Undertakings in South Vietnam," Oct. 10, 1961; the same estimate was made in the SNIE of November 7, 1961.
 33. Intelligence Note, "Peiping-Hanoi Psychological Drive Against South Vietnam," December 22, 1961
 34. Intelligence Note, "CPR Posture Toward South Stiffens," December 8, 1961

As for possible US action against North Vietnam, INR estimated that a blockade would not "significantly disrupt North Vietnam's economy ...or reduce its military capabilities."³⁵ INR concurred in a SNIE of November 1961 which estimated that the Communists would take defensive measures and try to avoid giving the impression that they would back down as a result of the threat of air attacks against the North.³⁶ The same SNIE held that, in the event of actual strikes, the USSR and China "would commit" their airpower to North Vietnam's defense and that retaliatory strikes "probably" would be undertaken by a "North Vietnamese" air force.

35. MM-RSB-61-147, "Importance of Ocean Shipping to North Vietnamese Economy," July 11, 1961

36. SNIE 10-4-61, "Probable Communist Reactions to Certain US Actions in South Vietnam," November 7, 1961