

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Thursday, May 3, 1968

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Mr. President:

Herewith a capsule of Bunker's 49th weekly report:

Pres file

A. General

- Anxieties remain, but have lessened.
- Your March 31 speech and Clifford's have made Vietnamese realize some day they will be on their own; Thieu shows leadership.
- GVN should undertake four priorities: mobilization bill; restructuring GVN; coordination of pacification; upgrading RVNAF.
- Site stalemate previews tactics Hanoi may use to own advantage.
- Hanoi announced "Vietnam Alliance," may be alternative to NLF.
- Rearresting Dzu may not have been ill advised.
- Indications enemy planned countrywide attacks before May 1; we must prepare for his willingness to take heavy casualties.
- Enemy continues high infiltration rate and major road-building efforts.
- Thieu apparently considering war cabinet and appointment of Huong.
- Thieu has not yet set up secretariat for Ky's civil defense program and apparently opposes arming of political groups favored by Ky.

B. Political

- Sharp criticism of GVN voiced in Lower House may have been Thieu maneuver to create atmosphere for changes he wishes.
- Lower House to consider generally satisfactory mobilization bill completed by Defense Committee.
- New Can Lao organization is generally positive although reappearance of Diem-period leaders might prompt Buddhist reaction.

C. Recovery Program

- Tet evacuees down to 520,000 from 542,000 a week ago and peak of 821,000.
- Distribution of allowances stepped up but only about 30% complete.
- US recovery effort largely completed; commodities sent to all but 4 provinces.

D. Pacification

- Despite US efforts, RF/PF programs still lag.
- First delivery of M-16's to RF/PF set for July.

E. Military

- Khe Sanh-DMZ area relatively quiet while A Shau Valley operation continuing successfully despite extremely heavy anti-aircraft fire.

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-- Combined US/ARVN Operation Complete Victory has resulted in 1,785 enemy killed against loss of 301 friendly forces.

-- General Thang maintains tempo of offensive operations in IV Corps where enemy initiatives have been few.

F. Economic

-- Fear of new enemy attack on Saigon caused temporary sharp rise in market place prices.

-- Rice deliveries from Delta for first half of April were low, but second half totals should show improvement.

W. W. R.

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Thursday, May 2, 1968

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FOR THE PRESIDENT FROM BUNKER (Saigon 26229)

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Herewith my forty-ninth weekly message:

A. GeneralDOCUMENT " 10

I have not detected much change in the mood of the Government of Vietnam or the people since my message of last week. Although some anxiety is still evident, the feeling of apprehension regarding American intentions, apparent in early April, has very considerably lessened. In my talks with Thieu within the last few days, he has exhibited a quality of orderly thinking about the plans and purposes of the enemy's politico-military strategy and has viewed with a quiet self-confidence our ability to cope with the next enemy offensive which he is certain is coming. He believes our spoiling operations may have delayed Hanoi's efforts to launch another offensive, but that it cannot be long delayed, the timing probably May or early June. One excellent result of your March 31 statement and Clark Clifford's speech has been that the Vietnamese are really beginning to face up to the fact that the time will come when they will be on their own. This, together with the after effects of the Tet offensive, has meant that the Government of Vietnam and the Vietnamese people are buckling down to the job of mobilizing their resources with much greater energy and determination than they have heretofore exhibited. In this, Thieu has taken the lead. He has grown in stature and in confidence and is beginning to exhibit qualities of real leadership. He has set about the numerous tasks involved in getting the mobilization bill through the Assembly, in setting up machinery for its implementation, and restructuring of the government so that it will function more effectively, and making plans to broaden its base in order to widen popular support with characteristic thoroughness; also with characteristic caution in view of the sensitive problems and relationships involved with Ky, the military, Loc, and others.

In fact, I have some fear that, spurred on by our urging, as well as by the other factors I have mentioned, the Government of Vietnam may be trying to do too many things at once; its reach may be beyond its grasp. There are obvious limitations on the human resources available to it and on their capabilities and these are being strained to the limit. There are, however, some untapped resources both here and among individuals abroad which should be utilized. I have previously urged Thieu to bring back competent people who, for one reason or another, have either left or been forced to leave the country, but whose talents under the changed conditions now existing, I believe, could be put to good use. We can also help by influencing the government to concentrate on the priorities. For the immediate present, I think these are:

1. Getting the right kind of mobilization bill passed with adequate and effective machinery for its implementation;

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2. The restructuring of the government, broadening its base to give it wider popular support and organizing itself so that decisions can be taken more quickly and, of equal importance, followed through and implemented: good decisions often are made by Thieu at the top, orders are given to carry them out, but the breakdown comes in the follow-through;

3. Effective pulling together and coordination of all the Government of Vietnam pacification activities, as the U. S. supporting side is coordinated;

4. A continuing program to equip, train, and improve the Vietnamese Armed Forces.

Enemy propaganda has stressed the theme that 1968 is the year of climax and it seems to me that there is reason to believe that Hanoi in fact now intends to move on the negotiating, as well as military front. I also think that the present stalemate in agreeing on a site for negotiations is a preview of the kind of tactics we may expect from Hanoi; that it is prolonging the stalemate in order to strengthen its military posture in South Vietnam, to continue a massive infiltration of men and material, and trying to get the maximum propaganda advantage out of what it chooses to picture as our unreasonableness. While this military buildup for another possible all-out offensive continues, on the political front, Hanoi has announced another "front" organization, the Vietnam Alliance.

The Alliance appears to have grown out of the Tet-born "Alliance of National, Democratic, and Peaceful Forces." A Liberation Radio broadcast claimed that the Alliance had held a meeting April 20-21 "near Saigon-Cholon."

Perhaps the most interesting fact about the Alliance is its announced readiness to discuss with us South Vietnam's independence, sovereignty, and territorial integrity, the withdrawal of U. S. troops, abolition of U. S. bases and termination of the war "as specified in the Geneva Accords of 1954". This suggests that Hanoi is in effect offering an alternative to those who are not willing to deal with the National Liberation Front. It is also patently designed to draw in those urban South Vietnamese who are not prepared to join the National Liberation Front because it is so clearly Communist dominated. Both Tran Van Do and Tran Van Tuyen have expressed some concern to us that the new Alliance may, in fact, attract some students and intellectuals. Perhaps the chief weakness of the Alliance is the absence of any real national figure among its leaders. In this connection, I might add that I am not sure that the Government of Vietnam is ill advised in its decision to re-arrest Truong Dinh Dzu. His capture by the enemy or even his voluntary defection to the Alliance is not beyond the realm of the probable. Dzu could be used very effectively to forward Alliance objectives, particularly as regards public opinion in the U. S.

While these moves by Hanoi were taking place on the political/psychological front, [REDACTED] indicated that the enemy planned to launch countrywide attacks before May 1. Several attempts to move arms and explosives into Saigon have been intercepted. As I have mentioned, infiltration from the north, beginning in February, continues at a very high level.

Preparations for this infiltration apparently go back to December. Some 115 "groups" of 500 to 600 men each have been identified, including two of regimental size of about 1,300 men; a total of perhaps 70,000. In addition, the enemy has expanded his infiltration and communications nets, including a major road building effort. Four new roads have been identified, two in the Khe Sanh area, one Route 547 in the A Shau Valley and one in the Second Corps area leading into the Kontum area. All of these new roads are linked up with roads in South Vietnam. A major effort has also been made to convert these to all weather systems. The enemy has also constructed communications and power lines in the A Shau Valley. An unusual aspect of the infiltration over these networks has been the high level of daytime movement.

That the attacks have not occurred up to now may be a result of our military spoiling operations and [REDACTED] or it may be that the enemy is carrying on a war of nerves and that, as Thieu believes, the offensive is not intended to begin until later in May or in June. [REDACTED] indicates that the difficulty in learning the date and hour of an attack is that enemy military practice requires that it be kept absolutely secret; normally the earliest that any information may be expected about the date of an attack will be one day in advance. Whatever the exact timing, I think we should be prepared for the possibility that the enemy could any day now take strong offensive operations in an effort to strengthen his position at the negotiating table. Thieu has told me that he believes that the enemy will be prepared again to take extremely heavy casualties in order to achieve maximum political impact. Some Vietnamese, however, think that these rumors of attacks and movements of men and weapons are intended primarily for psychological effect with the final decision on whether to launch major attacks being held in abeyance until the outcome of efforts at talks becomes clearer.

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In connection with the probable move to negotiations, a captured document issued by the political staff of the Third North Vietnamese Division Headquarters is interesting in that it reflects concern that Hanoi's April 3 statement on talks might be misunderstood by the troops and thereby impair their willingness to continue the struggle. To counter these tendencies, all units are instructed to convince the troops that the restriction of bombing in North Vietnam "derived from the successful all-out attacks carried out by our army and our population". The directive specifically states that while "there will come the time when we have to accept diplomatic meetings with U.S. aggressors", this will not change the basic policy. Military objectives are to remain unchanged and are:

1. to destroy the Army of the Republic of Vietnam and overthrow the Government of Vietnam; and
2. destroy a significant portion of U. S. troops and war facilities.

Change in government. Thieu told me in my most recent talk with him that he plans to announce changes in the government as soon as the general mobilization bill is passed, which he expects will be about May 10. At that time, he would plan to announce structural changes in the Cabinet and "possibly" personnel changes. He made some further comments about Tran Van Huong, saying that "he is not bad but might

wish to build up the Sudiste influence in the government." I have the impression that Thieu is strongly leaning toward the appointment of Huong and toward the formation of a war cabinet, but that he has not yet completed his arrangements, which probably include working out the problem with both Ky and the military.

Civil defense. Although Thieu publicly gave Ky responsibility for civil defense on April 2, most of the accomplishments to date in that program have resulted from the prior activities of the Ministry of Interior. Some substantial progress has been made, but there is much yet to be done. Thieu has not yet signed the decree which would bring into legal existence the proposed inter-ministerial committee and secretariat for Ky's program. Judging from [REDACTED]

[REDACTED] Ky intends to issue arms to some political groups; Thieu, on the other hand, reportedly opposes arming any political or religious groups as such. A5

B. Political

Assembly action. The Lower House on April 29 engaged in a hot debate on the "matter of the Cabinet and the state of the nation." This was in effect a debate on the question of no-confidence, though it was not billed as such. Strong criticism of government performance was voiced, particularly with reference to the Tet attacks. Prime Minister Loc was the principal target. Several Deputies called for a government of national union capable of dealing effectively with the enemy in negotiations. Defenders of the government at first tried to stifle the attacks by procedural objections, then charged that critics of the regime "only serve the cause of Hanoi." This caused further warm exchanges.

When I saw him April 30, Thieu did not seem perturbed by the uproar in the Assembly. He observed that the debate was a warning to him that he must change the government or face more such attacks. [REDACTED] indicates Thieu in fact may welcome Assembly demands that he strengthen the government. As the debate took place in a rather unexpected way -- the subject was not due to come before the Assembly for some time but was raised by the Chairman at the opening of the session -- I am not sure but what the debate may not in fact have been a Thieu maneuver to create the necessary atmosphere for the changes he wants to make. A5

The Lower House Defense Committee has completed its work on the draft bill, and plenary debate is expected to begin May 2. The bill appears generally satisfactory in its major provision, although it could of course be improved in some respects. As it now stands, it would require mobilization of all males between 16 and 50 years of age, to serve either in the armed forces or in peoples' self-defense forces. The bill rejects draft exemption or mobilization in place for any reason other than physical disability or serious illness. Deferments are provided for such categories as essential technicians, teachers, outstanding students, police, priests and bonzes, and Montagnards. The bill also provides that female citizens between the ages of 18 and 29 may be called up to serve in the fields of education, health, and social welfare if there are not enough volunteers.

The Lower House has been debating a press law while waiting for the Defense Committee to complete work on the draft mobilization law. A number of articles have been approved, including one which would require newspapers to submit copies of each issue to Government agencies prior to distribution. While an earlier article rejects any kind of censorship, this provision for government scrutiny prior to distribution is widely regarded as a form or de facto censorship. Press representatives are lobbying actively against various such provisions which they regard as infringing on freedom of the press. Final form of the bill thus remains in considerable doubt. But it appears that the law is likely to allow the government at the least a considerable degree of influence over what appears in the press.

New party launched. Remnants of Diem's Can Lao Party became active in Vietnamese political life during last year's elections, and one successful Senator slate (that of Tran Van Lam) is widely regarded as Can Lao representation in the legislature. Recently there have been a number of reports of the formation of new parties by Can Lao leaders. One of these was publicly launched Sunday in a meeting in Saigon.

Known as the Vietnam Humanist Social Revolutionary Party, this new Can Lao group is headed by Truong Cong Cuu, who was Super Minister for Cultural Affairs in the last Diem cabinet. Chief leader behind the scenes, however, is reported to be [REDACTED] AS

The Humanist Party does not look very impressive and is not likely to have much of an impact on the political scene. It is a good sign, however, that the political atmosphere here is now such as to permit the reappearance in public life of more of the Diem period leaders. Many of them were men of real ability, and Vietnam needs all the capable men it can muster. There is the possibility that the re-emergence of such figures, with their strong Catholic bias and their Can Lao taint, will stimulate a hostile Buddhist reaction, and on the whole, the reappearance of such leaders is probably to be viewed as a positive development.

C. Recovery Program

The main thrust in recovery is still resettlement of the Tet evacuees. Thieu and Prime Minister Loc have been taking action at the top; but too often instructions get watered down before being sent out. Other instructions are sometimes vague and consequently, let Corps Commanders and Province Chiefs take the easy way out. We have often been able, by quick followup, to get the Government of Vietnam to clarify instructions. As an example, Thieu has ordered that provinces will distribute allowances to evacuees within one week after receipt from Saigon.

Tet evacuees are now down to 520,000 from 542,000 a week ago and a peak of 821,000. Distribution of allowances is speeding up, though still only about 30 percent complete. Another plus is the fact that eleven weak or corrupt provincial refugee chiefs have been replaced since February 1.

The U.S.'s share of the recovery job has largely been completed, with delivery of resettlement commodities to all except four provinces. The magnitude of this effort is indicated by the fact that 77 tons of recovery commodities have been released from Saigon and corps warehouses.

D. Pacification

The series of quarterly reviews held last week by General Westmoreland and General Vien in each of the four corps areas underscored the neglected state of Regional and Popular Forces which bear chief responsibility for territorial security. Despite the U. S. effort directed at strengthening the Regional and Popular Forces, the program is only slowly picking up momentum. Hence, General Westmoreland has stepped up assistance and pressure from the Military Assistance Command in Vietnam. First issue of M-16's to Regional and Popular Force units is planned for July. More than 100 five-man mobile advisory teams -- made up of combat veterans from line divisions -- have been deployed to work with Regional Force companies and Popular Force platoons. We now have a computerized evaluation system to keep track of 1,000 Regional Force companies and more than 4,000 Popular Force platoons, give U.S. advisors' ratings of their effectiveness, and identify problem areas. When Thieu was briefed on the system last, he asked for management data monthly for use by his staff.

An important seminar is planned by Regional Force Minister Tri on May 8-10 to disseminate the new guidance on accelerated pacification for which we have been pressing. The main changes include:

1. simplifying concept by reducing current three varieties of pacification hamlets to one;
2. focussing Revolutionary Development teamwork on four instead of 11 objectives; and
3. orienting the Revolutionary Development team on permanently working the five or six hamlets in each village rather than moving every six months.

These changes are aimed at getting Revolutionary Development teams to cover more hamlets and concentrate initially on the minimum essential needs.

The tempo of military activity continued at about the level which I noted last week. In the First Corps, activity in the Khe Sanh-DMZ area was relatively light. The enemy is still around Hue and in the hills west of the city, and in small scale actions is standing, fighting, and being destroyed. The A Shau Valley operation with its high risks, marginal weather, and extremely rugged terrain is continuing successfully, although meeting what General Westmoreland has described as unprecedented heavy anti-aircraft fire. Large quantities of weapons and ammunition have been captured, including several rounds of 122MM assault artillery ammunition with cases which give a range of 25,000 yards, sophisticated mine detectors, and a broadcast studio.

In the Second Corps, perhaps the most notable operation was carried out by the Korean Capital Division in Binh Dinh Province with really spectacular results. Two hundred six of the enemy were killed, 85 taken prisoner, 99 individual and 14 crew-served weapons captured, with a loss of only two friendly killed, and 10 wounded.

In the Third Corps, the results to date of the combined U. S. /Army of the Republic of Vietnam Operation Toan Thang (complete victory) have been 1,785 enemy killed against a loss of 301 friendly forces.

In the Fourth Corps, General Thang has maintained the tempo of his offensive operations. There have been very few enemy initiatives other than the shelling of Can Tho. The Seventh Army of the Republic of Vietnam Division in the Fourth Corps has been performing very well.

Some examples of effective joint Army of the Republic of Vietnam and U. S. operations may be of interest.

In the First Corps, near Dong Ha, two battalions of the Second Army of the Republic of Vietnam Regiment and the Second Squadron of the Seventh Cavalry Regiment, U.S., engaged an estimated two to three enemy battalions. Accumulated results for the action were friendly: 6 killed in action (4 USMC, 2 Army of the Republic of Vietnam), 47 wounded in action (22 USMC, 25 Army of the Republic of Vietnam), enemy: 130 killed in action (26 by USMC, 104 by Army of the Republic of Vietnam), 11 individual and three crew-served weapons captured.

Also in the First Corps, in Thua Thien Province, the crack Army of the Republic of Vietnam "Black Panther" Company made contact with an unknown size enemy force. Four companies of the 101st Airborne Division, U. S., cordoned the enemy units and provided supporting artillery and gunships while the Army of the Republic of Vietnam "Black Panther" Company attacked the enemy positions. Accumulated results were friendly: 4 killed in action, 16 wounded in action; enemy: 217 killed in action (102 by Army of the Republic of Vietnam and 115 by U. S. forces).

In Go Cong Province in the Delta, a combined force of elements of the Seventh Army of the Republic of Vietnam Division and five Regional Force companies, while on a sweeping operation, made heavy contact with an estimated battalion-size enemy force. The action lasted through two days and resulted in 9 friendly killed in action and 49 wounded. The enemy lost 132 killed, 8 prisoners, 34 individual and 7 crew-served weapons captured.

E. Economic

During the past week, the possibility of a new enemy attack on Saigon caused some agitation in the marketplace. There was a sharp rise in prices last Thursday and Friday, as householders laid in stocks of rice, meat, and other supplies. However, the situation never went beyond a "moderate anxiety" level; there were few if any queues and no shortages developed. On Monday, after a quiet weekend had passed, prices dropped, though not completely to the previous week's level.

The net increase last week was 2 percent in U.S. AID's index, the fourth straight week in which increases of that magnitude have been recorded. Rice, pork, and vegetables were all higher. Sweetened condensed milk, threatened with shortage last week, dropped in price with new import arrivals.

Vegetable shipments to Saigon from Dalat over the past several weeks have been fully up to last year's levels. Live hog arrivals have also been restored to the pre-Tet norm of 1,700-1,800 head per day, though the proportion coming in from the southernmost delta provinces is still believed a little low.

During the week, merchants signed contracts to sell approximately 40,000 tons of rice to the government under the new price support scheme. Deliveries from the delta to Saigon continued to be low: only 3,600 tons are reported as arriving in the first half of April. In all-likelihood, however, this was due to the fact that merchants were waiting for confirmation of the Government of Vietnam purchases, which had been widely expected. The second half should show improvement.

Though the mechanics of the Government of Vietnam's commercial purchase of American rice were complicated and produced problems, by the end of the week, approximately 50,000 tons were purchased. This rice is to be shipped from the U. S. in May and June.