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Wednesday, February 28, 1968
12:50 p.m.

Mr. President:

Herewith Phil Habib's observations
on the situation in Vietnam.

Despite its length, I commend it
to you as an exceedingly well balanced
effort.

W. W. Rostow

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"Observations on the Situation in Viet-Nam, February 26, 1968"

WWRostow:rlm

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E.O. 12356, Sec. 3.4(b)
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OBSERVATIONS ON THE SITUATION IN VIET-NAM
February 26, 1968

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Authority State Ltr 10-27-78

By sp/ly, NARA, Date 3-3-92

Introduction

1. This is a report covering a set of opinions derived from an examination of the situation in Viet-Nam. It is written following three days of intensive conversations with Americans and Vietnamese in Saigon. It is an attempt to highlight some aspects of the situation which are of particular importance in the light of the VC/NVA Tet Offensive.

The Tet Offensive in Retrospect

2. We should not belittle the scope, importance and unfavorable consequences of the enemy offensive. Nevertheless, it is fair to say that so far Hanoi has failed in its over-riding objectives. It sought to destroy the political and administrative structure of the GVN. The enemy wished to crumble the GVN to the point where it could not function and to render irrelevant the power of the United States. This was to be done by force, on a national scale, probably recognizing that it would be costly in terms of VC/NVA lives. It was costly to the enemy and it did not succeed, but we paid a high price.

3. The enemy struck hard and with superb attention to organization, supply and secrecy. He was audacious and courageous, with good leadership and tight discipline in the ranks. The Tet "let-down" added to the element of surprise and the enemy enjoyed a tactical advantage in many places. There were many "cliff-hangers" as the Vietnamese

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and the allied forces met the attack, and the enemy had a number of major successes.

4. A preliminary balance sheet of the Tet offensive now looks as follows:

Minus Factors

a. The powerful capability of the Communist forces was demonstrated to the Vietnamese and to the world. The VC/NVA forces took the initiative and still hold it.

b. The people in South Viet-Nam were handed a psychological blow, particularly in the urban areas, where the feeling of security had been strong. Those who had been "within the protection of the Government" found out how vulnerable they were. There is a fear of further attacks and there are new opportunities for Communist propaganda and subversive activities in the cities.

c. The GVN has been forced to turn its attention to the emergency and its normal functions suffer as a result. Schools are closed, and governmental services are either burdened beyond their capacity or in some cases severely curtailed. The chain of government downward from the capital has been weakened and in the case of many villages and hamlets has been broken.

d. The Revolutionary Development program, which had been showing a marked degree of success, has received a severe set-back.

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We do not as yet have a full reading on this but there is no question that the programs in the countryside suffered. The Revolutionary Development program for 1968 will need to be re-structured. Meanwhile, as the enemy rampages in the countryside and threatens the cities, it is difficult to re-start our countrywide programs.

e. The government faces a monumental task of re-building in the cities and caring for the refugees. This is manageable, but takes resources and energy. The problems involved will be multiplied to the extent that the enemy continues his campaign of harassment and destruction.

f. The encouraging economic progress of the past year is set back. Severe monetary pressures are expected, the commercial system is in disarray, the distribution problem is serious, and the damage to the industrial base is substantial.

Plus Factors

a. The institutions of government and the basic administrative structure were not shattered. The Executive, the Legislature and the Judiciary are functioning within the constitutional framework. The Ministries are at work, some better than others, and the provincial administrations are functioning. The preservation of the constitutional government has meant that needed direction is provided in an organized way. Most importantly, the continuity of leadership and control has been safeguarded. The GVN is viable, and the fruits of the past two years of political development were not lost. In fact, the value of the political

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evolution through which Viet-Nam has been passing has been proven in meeting the emergency.

b. The Vietnamese armed forces did well in the first shock of attack. There were no unit defections in the ARVN. The integrity of the armed forces was preserved and the chain of command functioned. We still lack detailed information on the status of the Popular Forces and information on the Regional Forces is only a little better, but it is generally believed that both these are not in any danger of substantial disintegration.

c. There was no popular uprising in support of the Communists as they planned and expected. Not only did the people not rally to the VC but it is more and more evident that they rejected willing cooperation with the VC to any significant extent.

d. The VC/NVA took heavy casualties. We do not yet know the total effect of this on the enemy. Nor do we know enough about his capacity to recover.

e. The physical damage to the cities is not beyond the capacity to rebuild and the job is beginning.

f. There is no basic shortage of food, medicine, or other necessary goods. There has been and will continue to be a major problem of getting goods out to where they are needed. But needs are being met, and transportation facilities are being restored.

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g. The task of organizing to meet the emergency needs of relief and rehabilitation got off to a good start. The special task force continues to function, although the direction and drive provided by Vice President Ky is no longer present. The close daily attention and cooperation given to this effort by the US Mission continues and is essential to the job.

h. There was at the outset of the emergency a coming together of nationalist, anti-Communist elements in the society in support of the government. Key leaders and major groupings responded to the danger and condemned the enemy. However, it is also true that the mass of people have been passive, as they usually are, to the government. Support of a more active nature came largely from elements traditionally aligned with the government and against the Communists, e.g. Catholics, the moderate Buddhist leaders, organized labor, nationalist parties, the Hoa Hao, the Cao Dai, and the middle class. The attempt to provide a broad national front of opposition to the Communists in the face of the danger is in a preliminary stage and may have some limited success.

Problems and Prospects

5. If the above is a balance sheet of the recent past, then what are the problems and prospects for the immediate future? The first shock of the Communist Tet offensive has passed over the cities and, to a lesser and incompletely known extent, the countryside. There are advantages and opportunities for both sides in the present situation. How the battle for Viet-Nam goes will depend on how each side now functions.

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6. The Enemy -- We know little of what to expect from the VC/NVA in the immediate future. It is expected that the enemy will seek to keep up the pressure on the cities, expand and consolidate his presence in the countryside, and tie down and if possible inflict a spectacular defeat on major allied forces.

7. There is no doubt that the combat effectiveness of many enemy units has been seriously reduced. We do not know if the enemy's overall military potential is significantly lower than at the beginning of the year. Through infiltration from the north and recruitment in the south the enemy can maintain a major threat. We know he has a supply capability and suspect he has a supply position to sustain combat at an intense level.

8. The VC/NVA forces remain strong numerically and can harass and maintain pressure on the urban areas while operating in the countryside. The enemy's organization and his infrastructure remain relatively intact.

9. However, by keeping his units near the cities the enemy is exposed, with bases uncovered and supply lines extended. He does not have the same advantage of surprise he enjoyed at Tet. In this posture, he is unlikely to be able to mount massive, sustained attacks comparable to those he attempted in his initial effort. On the other hand, he probably is capable of maintaining a loose encirclement of most towns and cities, harassing and interdicting lines of communication, and mounting periodic

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attacks by fire on the towns and nearby military installations. He may be able, in some areas, to mount major attacks on selected targets which he deems particularly weak. He can mount major operations in several areas -- Saigon, Kontum, Danang, and northern I Corps - of sufficient scope as to seriously contest allied control.

10. While many reports continue to allude to a "second wave" of massive attacks, the enemy's posture and capabilities suggest a campaign of diverse character. Most indications point to his continued adherence to the basic concept of his winter-spring campaign -- general offensive combined with a general uprising. Within this framework, the enemy can be expected to exercise the capabilities outlined above boldly -- but not recklessly -- and with determination over the weeks ahead. He will attempt to coordinate his operations geographically, so that they complement each other. He will seek to intensify his political and psychological programs aimed at undermining the will of the populace and of the GVN at all levels. And he will seek to combine these activities with an intensive effort to subvert and disintegrate the RVNAF, and to "heighten the contradictions" between the GVN and US. By these means, he threatens the piecemeal erosion of GVN authority in outlying provinces, and the progressive disintegration of ARVN.

11. The Vietnamese Armed Forces -- The current posture and combat effectiveness of the Vietnamese armed forces are not encouraging. In

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most areas, the major elements are in a defensive role, close in to the urban areas, and operating in an unaggressive manner. The chance to strike hard at the enemy while he is exposed has not been seized. While the organizational integrity of virtually all units has been maintained, many are considerably understrength and of lessened combat effectiveness. As mentioned earlier, we lack an accurate assessment of the status of RF and PF elements in the countryside.

12. The Vietnamese Army frequently faces an enemy who is better armed and who has superior fire-power. The Vietnamese performance is generally better where close support from US forces is available. We still face the problem of poor leadership in some of the major commands. Moreover, the problems of poor discipline and looting are always with us.

13. The GVN is moving to speed up its mobilization to add 65,000 men to the armed forces by mid-year. The 19 and 18 year olds will be drafted beginning on March 1 and May 1 respectively. Some needed changes in top leadership (II Corps and IV Corps) are about to be made. President Thieu has reaffirmed his intention to proceed with the planned reorganization in the armed forces. Planned changes among Province Chiefs are also said to be about to begin. Finally, Thieu is now talking about a further mobilization, to take advantage of the sense of danger and urgency following the enemy offensive. He mentioned his desire to add further to the strength of the armed forces and he will be talking to MACV about the

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necessary support for additional forces beyond the 65,000 men now programmed.

14. This is all to the good, but the key unknown remains the manner in which the Vietnamese armed forces will respond to the challenges of the immediate future when faced with a much more aggressive enemy. MACV is optimistic on the basis of the recent showing, but the inadequacies of the past are still fresh in many people's minds.

15. Politics and the Government -- As has been noted, the GVN survived the Tet offensive. The question now is whether it will get on to its tasks with a continuing sense of urgency, proper attention to priorities, and the required unity at the top; or will we have a return to business as usual, with bickering and personal rivalries, and with no effective attack on the needs that are known and recognized, e.g. reorganization for greater effectiveness, dealing with corruption, better leadership, and broader and better organized political participation and support.

16. The Thieu-Ky relationship remains a key factor. It is not all that it should be, although each of them insists that he wishes to cooperate fully with the other. We still have the problem of the people around them playing politics as usual. Ky is not happy about the way Thieu is leading the country -- and said so. He wants a greater dynamism and more drastic action. On the other hand Thieu remains cautious, insisting on

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moving at only a slightly speeded pace toward basic reforms.

17. The Embassy continues to believe -- and reluctantly I am inclined to agree -- that while we can try to force the pace we must recognize the limitations of the people and the institutions with which we are working. We have been able to take advantage of the emergency to speed some things up -- mobilization, corps commander changes, promises of earlier administrative reform. The lack of action on corruption still confounds all; but another try is in progress in connection with up-coming administrative changes.

18. On the Thieu-Ky relationship, which affects the pace of action and reform, the Ambassador is confident he can handle it to where it will not get out of hand. He has done remarkably well on this so far -- to the degree that Ky has not been tempted to allow his hot-head followers to try any tricks. But I sense a new element of impatience in Ky. Hopefully it will be ^{channeled} challenged constructively and thus it will work in favor of forcing the pace at which Thieu might otherwise move. Our role in this question is one demanding subtlety and power applied at the right time, and I can imagine no one better able to provide these than Ambassador Bunker. He is fully aware of the nature of the problem and never lets it get far ahead of him.

19. The Cabinet is not brilliant, but some of its ministers have shown up exceedingly well in the crunch. The Prime Minister is the subject of

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a good deal of criticism for his failure to exercise dynamic leadership. He suffers from the lack of a political base and is stymied by Thieu's reluctance to act decisively to provide necessary guidance and support. It is generally believed that Prime Minister Loc will not have a long tenure, but that Thieu will find it difficult to seize upon a ready replacement.

20. The National Assembly has done little in a legislative capacity as yet, but it has not had a chance. The leadership of the two houses continues to be responsible and responsive to the government. After the first days of rallying around in the emergency the Assemblymen are beginning to express themselves more openly in a critical tone, but no one expects this to get out of hand. Thieu seems confident he will be able to handle the legislature which is just about to begin its first major task -- the budget.

21. Political party organization remains stymied, and is likely to continue to be a slow and tortuous process. No one in the Mission, and no one among the Vietnamese political elite believes it is possible to forge a national political movement at this time. All agree that the National Front surfaced under the leadership of Tran Van Don on February 19, will not and can not develop into a real political movement. It can, however, serve as a means to rally support in the nationalist cause against the VC, and thereby play a useful temporary role. That is

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how Thieu sees it, and in fact that is as far as he intends it to go. He does not trust Don and some others involved, and it is obvious that Thieu is suspicious of the role being played by Ky's supporters in the organizing of the Front. Even some members of the political elite who have joined the Front are not anxious to see it develop into much more than a psychological forum to rally public interest against the VC.

22. There are some beginning steps being taken to develop political party organizations. These are so tentative as to be certainly slow in developing and subject to many changes and false starts. Thieu hopes to foster such moves, but his plans are vague and in the hands of poor executors. In the meantime Thieu has been having useful meetings with the leaders of all significant political elements in the community, seeking their support for the government and its programs. It is this personalized political approach that preoccupies him at the moment, rather than any attempt at institutionalizing the political variables.

23. Negotiations in the Present Context -- There is great concern among the Vietnamese that the US might in some way unilaterally embark upon negotiations with Hanoi or the NLF. In fact, the canard of US collusion with the VC in the Tet offensive -- as absurd as it may seem -- continues to have some currency.

24. It is the universal opinion in the Mission Council that we would face a major crisis in Vietnam if Hanoi were somehow to change its line, accept the San Antonio formula, and engage us in talks at this time.

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General Westmoreland is obviously strongly opposed to anything that smacks of stopping the bombing and believes that he would be faced with a prompt and uncontrollable crisis in the Vietnamese armed forces if we started talking to Hanoi in the present circumstances. Ambassador Bunker is not so dogmatically rigid; but he does point out that our dealing with Hanoi at this time would create grave problems with the GVN, which is not prepared for a negotiation in the wake of the Tet offensive.

25. The only Vietnamese I found who has even given any thought to the problem in anything like a sensible way is -- not surprisingly -- Foreign Minister Tran Van Do. He said he recognized that if Hanoi were to accept the San Antonio formula we would, of course, soon find ourselves moving toward negotiations in one way or another. He shrugged and asked rhetorically what there was to negotiate given the views of Hanoi, the attitude of the NLF, and the environment in South Viet-Nam after the Tet offensive. He does not dismiss the need for a peaceful settlement -- rather he anticipates it -- but he does prefer that negotiations come later on, at a more propitious moment. President Thieu sees negotiations now as impossible, but he believes that the situation will be so changed by early 1969 that Hanoi will be prepared to deal on a reasonable basis. He is not clear on what leads him to this conclusion. He merely expresses a general expectation that the enemy will be badly off by then.

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26. The Foreign Press in Viet-Nam -- On February 26 there were 615 foreign correspondents in Viet-Nam, of whom almost 300 were American. This massive attention to every tremor in Viet-Nam creates the obvious problems. Barry Zorthian outlined press attitudes as follows:

a. The responsible experienced reporters are cognizant of the basic frustration of the VC/NVA over-all objectives in the Tet offensive. They are favorably aware of the performance of the Vietnamese armed forces, and well disposed toward the early reaction of the GVN on such matters as relief. They are aware of the problems the VC face and are as objective as can be expected in examining VC capabilities on the basis of limited knowledge.

b. The same group of responsible journalists, however, have a negative slant as well. They consider GVN performance after the first weeks as a fall-back to normalcy rather than a case of urgency. They condemn the armed forces for failing to follow-up and move out on the enemy. They find the Thieu-Ky rivalry fascinating. They are critical of Thieu's personality, aware of the political maneuvering going on, and generally cynical about Vietnamese political developments. These journalists believe the VC are in a position to hit Saigon again in a repeat performance and they are fearful of the results. They argue that the VC have sucked us into the urban areas and are thus left free to control the countryside while recruiting heavily. They do not accept our account of

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VC losses of personnel, and do not believe we have a realistic appraisal of the situation in the country. In general this segment of the press is pessimistic about the future.

c. The so-called "young turk" correspondents have all the above criticisms plus a few even more extreme. Some of them think we are through and ought to get out.

d. The European correspondents are worse than that in their outlook and the French reporters are at the bottom of the heap.

27. Zorthian expects we are going to face the toughest time ever with the press. After meeting about a half-dozen of the best reporters among them and listening to their comments on the situation, I can only agree.

General Conclusions

28. Viet-Nam has undergone a traumatic shock over the past month. This has affected Vietnamese and Americans. Old optimism is giving way to new doubts. Old concepts are being examined but with some reluctance to seek new approaches. The early flush of urgency that was sparked by emergency needs is not being sufficiently sustained among the Vietnamese. The pride in successful defense is not being translated into a counter-offensive, and the enemy is being allowed to recoup and consolidate. The defensive mentality of the Viet-Nameese is to the fore and will be hard to change. This applies to both the military and civilian elements who find in the momentary lull in the war an occasion to return to earlier less strenuous paths.

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29. The enemy on the other hand, has the initiative and is expanding his activities. He has added another dimension to the war by attacking the cities and directly threatening GVN authority there rather than only in the countryside. The enemy is persistent and has a good organization. Despite initial failure to meet his total objectives and his heavy losses, the enemy has the capacity to continue his stepped-up campaign, although probably not on the scale of the Tet period.

30. In many ways there is a new ball game in Viet-Nam. We were winning; steadily if not spectacularly. Now the other side has put in a lot of new players and has scored heavily against us. We did not win a "victory" despite the losses inflicted on the enemy. The Tet offensive was a serious setback -- but the situation is far from hopeless.

31. We still do not know enough of the facts to assess the full consequences of what happened. Information on many key factors is still spotty or lacking altogether. It is hard to find consensus among Vietnamese or Americans as to where we stand or what to expect next. As a result there is a degree of confusion which will take some time to sort out. It would therefore be wise to hold off final judgements. It will also be prudent to approach basic new decisions with caution while the totality of the battlefield -- military, political, economic, and psychological -- is examined.

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32. Ambassador Bunker's last words before I left Saigon were, "If we stay with it, we will come out all right." He does not expect that the unfavorable consequences of the enemy's offensive will be overcome in a short time. I agree -- any expectation that we will reach the status ante-Tet easily and quickly is not realistic. In some respects we will not be able to recoup losses in the foreseeable future. We will need to re-think earlier programs and re-order some of our priorities. The Mission has not been able to do this across the board. It may be some time before this will be possible but in the meantime a thorough review of existing programs and the possible need for modifications is warranted. We should avoid deciding on any major moves or commitment of resources without such a review which is best conducted by the Mission in the first instance.

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