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THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301
Office of the Secretary of Defense

Chief, RDD, ESD, WHS

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16 January 1971

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Trip to Paris, Bangkok, South Vietnam, and CINCPAC
January 5-15, 1971

At your request, I have, during the past week and a half visited Paris, Bangkok, the Republic of Vietnam (RVN), and CINCPAC headquarters in Honolulu. The purpose of the trip was to review and assess the principal issues concerning the United States' involvement in Southeast Asia. I was accompanied by Admiral Moorer and a small select group of assistants who have concentrated heavily or even exclusively over the past two years on Southeast Asia.

As you will recall, you asked me to make trips to South Vietnam in March 1969 and February 1970. In my judgment those trips were valuable, each in a unique way.

The emphasis in 1969 was on the military situation, the status of U.S. forces, and the effectiveness of the Republic of Vietnam Armed Forces (RVNAF). Based at least partially on the findings of that trip, policies were adopted to increase the RVNAF's capabilities consistent with U.S. objectives. You approved the concept of Vietnamization. Planning for the redeployment of U.S. forces was initiated. Despite a continuing substantial enemy military threat, Vietnamization looked promising enough in the early stages to allow your historic Midway decision in June 1969. U.S. troop redeployments started shortly thereafter.

During the trip in early 1970, I reviewed again the military situation and the progress in military Vietnamization. Progress in the latter area had been impressive. It was possible to broaden the scope and perspective of the visit. The result was an emphasis during the 1970 trip on the South Vietnamese economic situation. During the past year, it has been gratifying to me, as I hope it has been to you, to witness some improvement in RVN economic prospects as well as continued RVNAF military progress.

By virtue of those gains, it was possible in January 1971 to contemplate broadening again the scope and perspective of our interests in Southeast Asia. It seemed logical, then, to plan the trip not only around a review of the RVN military and economic situation, but also to assess the diplomatic and political aspects.

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With the mid-point in your first term approaching, it also seemed logical to look ahead at least two years. To do that, I wanted to follow closely the guidelines you have so convincingly established. Those guidelines include the three fundamental points of Strength, Partnership, and Willingness to Negotiate.

To review the three fundamentals as they apply to our Southeast Asia involvement involves not only military and economic activities in South Vietnam, but also negotiations and the relationships of all of these factors to the other Southeast Asia nations. The assessment you asked me to make suggested therefore, stops in Paris and Bangkok as well as South Vietnam and CINCPAC headquarters in Honolulu. Other members of my party visited Cambodia and Laos. During the trip we had the opportunity to talk with the U.S. and South Vietnamese negotiating teams; to hold discussions with the senior U.S. diplomatic and military leaders; as well as the top host government officials, in each of the countries visited; and to visit briefly U.S. and RVNAF units in the field.

In this report, I shall first make some general observations. Thereafter, I shall review in somewhat more detail:

- a. The current military assessment
- b. The economic situation in South Vietnam
- c. The RVN political outlook
- d. Selected aspects of Regional Security in Southeast Asia
- e. The diplomatic situation and negotiating opportunities
- f. Implications for U.S. policy
- g. Prisoner of War issues

Finally, I shall draw some conclusions and make some recommendations. I have also attached a memorandum outlining my discussion with President Thieu. I believe you may find that discussion interesting in its own right.

GENERAL OBSERVATIONS

I reported to you in March 1969 that our fighting men in Southeast Asia, under the superb leadership of General Abrams, had

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the resources to accomplish their assigned tasks with maximum safety and security. But the assigned tasks, as of that time, were not consistent with the expressed goal of South Vietnamese self-determination. The U.S. forces were carrying the main part of the military burden. There were no indications of a program adequate to bring about self-reliance of the RVNAF, of developing South Vietnamese forces which would handle the prospective long-term internal and external military threat, or of bringing about significant reductions or changes in the U.S. military contribution to South Vietnam.

Under your guidance, all that was changed. You stated clearly in May 1969 that our fundamental objectives of South Vietnamese self-determination would be met but that in doing so, we would rule out attempting to impose a purely military solution on the battlefield. That policy presaged a change in the MACV mission. We turned the U.S. efforts forcefully to helping the South Vietnamese military forces build a capability adequate to deal with the expected external as well as internal threat. A true Vietnamization program was created. After more than ten years of a U.S. buildup, more than \$100 billion of direct outlays, and more than 30,000 U.S. combat deaths, U.S. redeployments from Southeast Asia began.

In retrospect, your decisions in 1969 constituted a true watershed. The security situation has improved and continues to improve. The South Vietnamese armed forces have improved and continue to improve. Substantial U.S. troop redeployments have been made and are programmed to continue. The Republic of Vietnam is closer to realizing self-determination today than it was in early 1969.

It is unfortunate, however, that the progress made towards the Free World goals in South Vietnam has had to come principally through added military strength in the Republic of Vietnam. It is regrettable that Hanoi continues to maintain a persistent and sizeable military threat against the Republic of Vietnam, Cambodia, and Laos. It is likewise regrettable that Hanoi has seen fit not to respond to your diplomatic overtures or those of the GVN and Laos for truly productive negotiations. In May 1969 and on numerous other occasions, you have outlined reasonable, forthcoming, and comprehensive negotiation proposals. Based on my recent discussions in Paris with both the U.S. and South Vietnamese negotiators, as well as on subsequent talks in Saigon with the U.S. and GVN leadership, I believe there is little prospect for any immediate or substantial negotiating progress. That is not to suggest, however, that there is not room for improvement in our negotiating posture or that there are no additional options to pursue in the diplomatic area. I believe there are. Some of the potential options deserve, in my judgment, careful and immediate attention. I shall develop that thought later in the memorandum.

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While it is clear 1969 was a watershed year for U.S. policy and military progress in Southeast Asia, 1970 was significant as well. The military aspects of Vietnamization continued to proceed satisfactorily. Perhaps equally importantly, positive steps were taken by the South Vietnamese to correct the glaring, and potentially critical, deficiencies in the economic situation on which I reported last February. The economic situation appears less grave today than it did one year ago. Serious problems remain, however. Prime Minister Khiem told me in Saigon he expects economic issues to be the principal theme of the forthcoming elections, though President Thieu felt the security aspects would rate above those of economics.

We have come along way in less than two years. This trip confirmed for me again that we are pursuing a proper objective in pressing for self-determination in South Vietnam. The Nixon Doctrine has taken form. Major, if not virtually incredible, progress has been made in strengthening the RVNAF. The non-military dimensions of RVN self-determination are being addressed in a progressive and productive way. While the bonds of partnership among the Free World Southeast Asia nations are growing increasingly strong, the direct U.S. involvement, especially in manpower presence, is diminishing. In Cambodia and Laos, as in South Vietnam, one senses a growing resolve by the leaders and the people to help themselves and to make the requisite sacrifices for their own security. Jv

There is still a long way to go to attain U.S. objectives in Southeast Asia and to give true credence to the Nixon Doctrine. Despite two years of progress in the military aspects of Vietnamization, the job ahead remains one of monumental proportions. The same is true for the economic facets of Vietnamization. The ties of partnership in the security field among South Vietnam, Cambodia, and Laos urgently need development and strengthening to make effective the resources we have provided. Imagination and care need to be exercised in the presentation of our negotiating position to be sure we are gaining all the benefits possible in the diplomatic arena. It is not clear we have thought through sufficiently the intimate relationships among the military, economic, political, and diplomatic facets of the Indochina situation and planned accordingly for the next two years.

That we have so much work remaining detracts in no way from the outstanding jobs Ambassador Bunker, General Abrams, Ambassadors Bruce and Habib, the South Vietnamese, and the Cambodians have done so far. As we have discussed before, the enormity of the remaining job is rather a reflection of an increasingly complex Southeast Asia situation, the persistence of the threat from Hanoi, and the scope and type of the U.S. involvement over the past few years.

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I am pleased to report that at every turn those entrusted with advancing Free World objectives in Indochina express confidence and optimism. If our objectives are to be met, there will have to be both ability and willingness to pursue the requisite policies. We have been and are providing the resources consistent with provision of the requisite ability. The will must come from the leaders and people of the free nations in Southeast Asia. There are favorable signs that, with the possible exception of Thailand, the necessary will now exists.

MILITARY SITUATION IN SOUTHEAST ASIA

The war in South Vietnam has wound down to a point well below the levels of recent years. For example, during 1970:

- . Slightly over 30 percent of the U.S. forces were redeployed, leaving current U.S. strength at about 330,000 men, the lowest point in over four years. The cumulative redeployment actions look as follows:

REDEPLOYMENT OF U.S. MILITARY PERSONNEL (Add 000)

	<u>July 1, 1969</u>	<u>Dec 17, 1970</u>
SVN	538.7	339.2
Thailand	47.9	37.4
Off-shore	<u>35.0</u>	<u>18.3</u>
TOTAL	621.6	394.9

- . U.S. deaths declined to about 4,200 -- the lowest level since 1965 -- and more than 70 percent below the peak 1968 total of 14,600.
- . Total air attack sorties per month in South Vietnam decreased more than 50 percent and by the end of the year were down to about 4,000 per month. That compares with 19,000 attack sorties flown per month during 1968.
- . Pacification progress exceeded all expectations despite reduced U.S. forces and activity. By the end of November 1970, more than 95 percent of the countryside was categorized in the secure or relatively secure ratings under the Hamlet Evaluation System. This contrasted with about 87 percent in December 1969.

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- South Vietnamese military forces gained in capability, equipment, and strength. For example:

- RVNAF personnel strength increased 7 percent (the increase has been 26 percent since Dec 1968).
- Most of the personnel increase has been in the forces necessary for pacification, i.e., the Regional and Popular Forces.

RVNAF STRENGTH
(Add 000)

	<u>Dec 1968</u>	<u>Oct 1970</u>	
Regular	427	504	
RF/PF	<u>392</u>	<u>528</u>	
TOTAL	819	1,032	(26% increase)

- RVNAF forces accounted for about 65 percent of the enemy reported killed.
- The Cambodian operations boosted confidence and improved the security situation in the Southern half of South Vietnam.
- The North Vietnamese continued adherence, in the main, to the 1968 bombing halt understandings. In the DMZ area there was no buildup of enemy forces, and enemy attacks by fire there averaged a comparatively low 3 per month. Major attacks on population centers likewise stayed low, averaging about 3 per month, also. (U.S. reconnaissance over North Vietnam continued without serious confrontation. Since November 1968, there have been over 75,000 sorties flown over, or in conjunction with flights over, North Vietnam. Only 11 aircraft have been lost to hostile fire.)
- While NVA/VC terrorism incidents continued on a substantial and relatively consistent level, the war in South Vietnam has been mainly confined to 10 of the 44 provinces. Those ten provinces include all of the seven provinces in Military Region I, i.e., the northernmost part of South Vietnam.

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In other parts of Indochina, the complexion of the war changed significantly during 1970, but not necessarily in terms of diminished military activity.

In Cambodia, as is well known, the operations during April-June cost the enemy heavily. Since 1 July 1970, moreover, General Abrams estimates the enemy forces in Cambodia have suffered more than 4,000 combat deaths, about 8 percent of the total combat and support force there.

In Laos, the enemy concentrated during the past few months on the logistics corridor. We reacted by shifting the bulk of our tactical air and B-52 effort to that area. As late as 1 Oct 1970, we were flying only 31 percent of our attack sorties in Southern Laos. By January 1971, we were directing 72 percent of our tactical effort to the area. The number of sorties in Cambodia likewise increased. All of that was accomplished without detracting from the security situation in South Vietnam or Northern Laos.

There are other important aspects and trends. Perhaps among the more noteworthy are the following:

- . Enemy force levels and activity are continuing to trend downwards in South Vietnam, although Hanoi has the capability to increase them if it desires to pay the manpower cost.
- . Hanoi's main suppliers -- Soviet Union and Red China -- show no inclination to discontinue or substantially diminish material and political support.
- . Hanoi's efforts are materially complicated by a four-front war (SVN, Cambodia, Southern Laos, and Northern Laos).
- . U.S. troop strength continues downward.
- . U.S. air support continues at a high level. In December 1970, for example, more than 17,000 attack sorties were flown in support of friendly forces in Indochina. The B-52 unit which I visited in Thailand drops more than 50 percent as much ordnance in one year as all U.S. air elements combined dropped in the Pacific theater in World War II.

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- RVNAF performance continues to improve though leadership and morale problems, including desertions, have not been universally solved. Force expansion and improvement notwithstanding, it is uncertain how RVNAF shortcomings, many still serious, can be remedied. Some weaknesses -- notably those relating to technical skills -- problems are identifiable and manageable. The qualitative weaknesses elude confident measurement. Top RVNAF leaders are aware of the issues. As General Truong, RVNAF commander in the Delta, recently told General Abrams, "If our attitude is right, we can do the job with half the men we now have; if it is wrong, twice the number of men will not be enough."
- The RVNAF is now structured to shift where needed. If additional strength is desired in Military Regions I or II, for example, forces can be diverted from the Delta.
- The Cambodian forces show remarkable progress, especially over the past few months. Major problems persist, however, in training, equipping, and leadership.

I believe it is especially important to put in perspective the enemy infiltration activities into RVN, Cambodia, and Laos which have gained notoriety recently. Based on reported enemy personnel movements out of North Vietnam, some press releases conclude the enemy plans major attacks in Cambodia or in the northern provinces of South Vietnam. Admiral McCain's recent assessment from CINCPAC headquarters is instructive:

"Information available here does not support an enemy capability to conduct offensive operations beyond periodic, uncoordinated high points. Rather, it appears that the enemy's manpower availability for operations in RVN and Cambodia by the end of the current dry season will be somewhat worse than it was in March 1970 when he was operating only in RVN.

"The enemy faces a substantially different situation in Southeast Asia now than he did prior to the 1968 TET offensive. He has suffered unusually high casualties due to allied cross-border operations into Cambodia. He has been forced to expand his area of operations in Cambodia. Finally, he has had to expand and employ additional security forces for his Laos LOC in order to replace the line-of-communication through Kompong Som.

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"The estimated . . . arrivals by March 1971 will not offset estimated enemy losses suffered since January 1970 and support increased personnel required for logistics efforts in Cambodia. It is not believed that the enemy will divert infiltrating groups destined for Laos or units now assigned in Laos to Cambodia or the RVN. Therefore, we continue to believe that the enemy will be capable of conducting periodic high-points, particularly in northern RVN MR-1, but not a coordinated RVN/Cambodia offensive by the end of the current dry season."

President Thieu told me, as reported in the attached Memorandum of Conversation, that he expected the enemy to concentrate his military efforts about mid-year. While I did not press Thieu on the intelligence basis for his assessment, it was clear he felt the enemy would try to time his military activity to gain maximum political leverage in the RVN elections. General Abrams observed, as had Admiral McCain, that enemy troop movements introduced an element of uncertainty into the military situation. But Abrams concluded the current and projected NVA troop flow was "not big enough to make any radical change in the situation." General Abrams was insistent that the Laotian panhandle and the northern provinces of South Vietnam comprised the key to the military situation in early to mid-1971. Surprisingly to me, Abrams confided that Lon Nol and the Cambodian leadership did not fully comprehend the military situation in their own country. Lon Nol had, for example, not understood the "throttling" or encirclement operations the NVA/VC were attempting around Phnom Penh. Neither had Lon Nol mentioned Mekong River security to General Weyand, Abrams' deputy, when Weyand visited Phnom Penh on January 8.

General Abrams, in conjunction with the South Vietnamese and Cambodian forces, has concepts and plans for blunting the enemy's "throttling operations" in central Cambodia. These include the imminent Route 4 and Chup Plantation exercises. Likewise, Abrams asserted the Mekong River security problem could be readily solved by the Cambodians and South Vietnamese. The situation simply needed attention.

The proposed operations which clearly enthused General Abrams, however, were those in Southern Laos. He outlined (a) continuing the extensive air interdiction efforts, (b) launching a substantial RVNAF effort into the Tchepone area, and (c) an ensuing major effort in the Bolovens Plateau area. As an ancillary exercise, friendly units in the northern part of South Vietnam would engage in clearing operations along the Laos border. In waxing enthusiastic about such military activities over the next few months, General Abrams said the proposed actions had the possibility of affecting the war at least as much as the Cambodian operations had last year.

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In response to my queries, Abrams said the proposed military actions in Cambodia and Laos could be executed by the RVNAF, although they would require air and logistics support by the U.S. forces. The RVNAF, he felt, was a much more competent force than it was even six months ago. I told him I would recommend go-ahead decisions, with some modest modifications to his proposals. Chief among those modifications were: (a) no use of B-52 strikes north of the DMZ, and (b) no advance bases in Cambodia or Laos involving U.S. personnel for processing U.S. airlift support. Abrams said both of those modifications could be readily accommodated without affecting the prospects for mission accomplishment.]✓

As far as redeployment planning was concerned, General Abrams recommended staying flexible. The proposed operations in early 1971 can be executed within the 284,000 manpower ceiling to be reached on May 1. I agreed with Abrams that flexibility was a good idea. I cautioned, and even emphasized, however, that: (a) we were working against time in that a de facto withdrawal timetable has been established relative to 1972, and (b) we might need to concentrate seriously on a wide-range of timetables if private talks develop in Paris.

I shall be talking to you about our redeployment schedules for the remainder of 1971 and for at least part of 1972. It is noteworthy, I believe, that President Thieu (our conversation is outlined in the attached memorandum) has thought through various U.S. redeployment options and believes a schedule leading to a U.S. advisory group level in June 1972 is feasible.

THE ECONOMIC SITUATION IN SOUTH VIETNAM

One of the tentatively hopeful signs being pointed to by Vietnam kibitzers, old and new, is the recent improvement in the Vietnamese economy. The stabilization of the piaster which began several months ago under the guidance of Economics Minister Ngoc has gone well so far. Though the prices of some commodities have continued to rise, the relative stability in the economy as compared to earlier periods is encouraging. Major results of recent economic reforms include:

- . The USAID price index rising only 5 percent over the pre-reform levels. There was even a 2 percent decline in November.
- . A decrease in the price of imported goods, resulting from freeing the sale of import licenses.
- . A decline in the black market rate on dollars from a pre-reform level of 434 piasters per dollar to a level around 400 piasters per dollar at the present time.

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- . As of mid-November 1970, an increase in the money supply of only 6.6 percent over the level of December 31, 1969 and an actual decrease of 0.6 percent since January 31, 1970. With the 14 percent increase in money supply in 1969, the total money supply has risen only 21 percent in the last 24 months.
- . Interest rate reforms leading to increased savings in commercial banks of 30 percent in only two months. Intelligent lending policies would make this an important source of credit for expansion of domestic production.
- . The requirement of large advance plaster deposits by importers, a program with the single greatest impact in contracting the quantity of money in circulation and thereby reducing the inflation rate. Unfortunately, this action has only a one-time effect. It does provide a breathing space to implement more persistent reforms.

While the recent economic history gives reason for some encouragement, the favorable results of the reforms accomplished so far could quickly be lost unless the GVN continues to devote major attention to the issues, especially in the near future. The remaining economic problems are large and critical.

President Thieu appreciates the political sensitivities in the timing of fiscal and monetary actions required for economic stability. He is impressed, as is Prime Minister Khiem, with the political importance of achieving sound economic conditions before the October election. Accordingly, they have instructed Minister Ngoc to devise a program of feasible restrictive measures required for stability but to be put in force no later than April. The only economic actions permitted thereafter will be those of an expansionary nature, such as general wage increases.

Members of my staff met at length with Minister Ngoc. They believe he is generally on the right path. With proper encouragement and support, he has a good chance of developing an intelligent economic policy for South Vietnam. In the immediate future, he said he will introduce further fiscal and financial reforms. While he did not disclose the precise nature of these reforms, he apparently will concentrate on an extension of the so-called parallel exchange rates to broader categories of imports and exports, elimination of other dual pricing systems, and the tighter collection of taxes. Ngoc's assessment of the impact of the new program is perhaps best illustrated by the fact he plans to leave the country for a vacation just before the announcement is made.

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Looking further ahead, we need to be sure that the U.S. Embassy and MACV staffs facilitate and not inhibit the positive GVN economic programs. This will require our continued and even more concerted attention. In addition to the persistent problems of price instability, a central issue deserving our, as well as their, best efforts is how to reduce GVN military expenditures over the long-term and, simultaneously, increase the productivity of Vietnamese manpower.

THE RVN POLITICAL OUTLOOK

The observations I have on the RVN political scene are the product principally of discussions with President Thieu, Prime Minister Khlem, Ambassador Bunker, other members of the U.S. Embassy staff, and of my own observations in the military, economic, and political arena. Of primary importance, of course, is the manner in which the RVN political machinations impact on U.S. objectives in Southeast Asia. The simple and most important basic issue is what the U.S. role should be in the forthcoming RVN elections.

Much of what I was told and observed has already been reported to you. In summary, the key points in the current political situation are:

- . President Thieu's clear and explicit decision to seek reelection. He is already actively working toward that goal.
- . The probability that Vice President Ky and General "Big" Minh will be Thieu's principal contenders.
- . The possibility that Ky, who has by all accounts little chance for victory, might withdraw.
- . The added possibility that the three main candidates might, at the urging of the military, make a deal in an effort not to split the all-important military support.
- . "Big" Minh's representing Thieu's greatest challenge.
- . Thieu's appearing to be the stronger candidate at this point. He is attempting to consolidate his influence among the various elements of the government apparatus as well as other candidates -- but this could be eroded by the fluidity of the political situation.

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I was impressed with the apparent competence of the immediate staff supporting Thieu and with the general air of confidence expressed by Thieu and his staff. Nevertheless, the conventional wisdom resulting from the points outlined above is that while Thieu is the strongest candidate currently, he should be given only a slightly better than even chance for victory in 1971. In addressing the key policy question for the U.S. at this time, there are two important premises, viz:

- . The attainment of RVN self-determination, the main U.S. objective, is dependent on continued and even improved stability in South Vietnam and Indochina.
- . The only presidential candidate among the three main contenders who can provide stability is Thieu.

If the two premises are correct, the indicated direction for U.S. policy is support for Thieu. I believe the premises are correct. The resultant question, then, is what form U.S. support should take. The most reasonable options appear to be:

- . Making all phases of the Vietnamization program, especially pacification, more effective.
- . Sensitivity to the SVN election timetable in our redeployment scheduling and announcements.
- . Helping to assure the SVN economy remains fairly stable through at least 1971.
- . Encouraging reasonable reforms and programs in SVN, especially a more rapid implementation of the Land Reform measures.
- . Maintaining close liaison and coordination on diplomatic initiatives and programs in Paris. This would include taking all the appropriate steps to show that the current Saigon administration has exhausted the reasonable possibilities for a just peace through negotiations.
- . Assiduously avoiding public or official intervention in the South Vietnamese electoral process.

While I shall recommend the actions outlined above, I firmly believe we should also take actions to hedge our position. We should, as Ambassador Bunker has noted, be prepared for the contingency of a Thieu defeat.

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SELECTED ASPECTS OF REGIONAL SECURITY IN SOUTHEAST ASIA

Since the rapid buildup of U.S. involvement in South Vietnam in 1965, there has been a tendency towards preoccupation with that nation. Given the human and material sacrifices made in South Vietnam, it is right and proper that this has been the case. Yet, ^{delete} it is appropriate to recognize the obvious, viz, that (a) U.S. interests in South Vietnam are affected by the situation in neighboring Southeast Asia States apart from their relationship to the Republic of Vietnam.

We are moving now towards implementation of the Nixon Doctrine. It is perhaps a paradox that in the critical 1965 period the Southeast Asia States declined to come to their own, much less their neighbor's, assistance. Now, as the situation has become in many respects more manageable, there appears to be a stronger inclination to act positively in support of their own security interests. To demonstrate your Administration's continuing and vigorous interest in the regional aspects of Southeast Asia security, I visited Thailand as well as the Republic of Vietnam. Others in my party visited Cambodia and Laos.

Most of this memorandum deals with U.S. interests and involvement in South Vietnam. In this section, I shall outline briefly the situation my party found in each of the other Southeast Asia nations.

In Thailand, it was my impression that the Royal Thai Government (RTG) was not focusing clearly on either the developments in Laos, Cambodia, and SVN, or on insurgency activities in Thailand itself. The professed Thai strategy and force composition are directed to the internal Thai insurgency problem, not the external problems of Southeast Asia. Yet, even the insurgency issue is not being met or addressed in the totality of the problem. Thai forces in the main insurgency areas of northern Thailand, for example, remain under strength. Yet, the RTG leadership is giving lip service to (a) support for the Nixon Doctrine and Vietnamization; (b) recognition that Southeast Asia nations must make growing contributions to their own defense, especially in manpower; and (c) determination to assume full responsibility for their defense needs without U.S. troops. Their clearest message is the necessity for continuing U.S. military assistance.

If, in 1971, Prime Minister Thanom is replaced by General Praphat, his Deputy and Minister of Interior, there may be more realism and positive action inserted into Thai security programs. More decisive than Thanom, Praphat is convinced that a viable regional strategy is required and attainable.

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In Laos, as indicated earlier, Hanoi has recently been concentrating on the Southern panhandle. Limited enemy efforts there can be met with regular Laos forces (FAR) and Thai-Lao special guerrilla units (SGUs). However, there is little they could do to stop a concerted NVA drive. On the other hand, in General Abrams' judgment, the insertion of major RVNAF units into southern Laos for the rest of the dry season could have major salutary effects in terms of buying time for both the Cambodians and South Vietnamese. There is enthusiasm not only within the MACV staff, but also the GVN for such operations. The principal reservation is President Thieu's concern about the public justification for such operations and the chance the Laotians may not endorse or support such RVNAF military activities.

In contrast to Laos, my staff contends the situation is brighter in Cambodia, press reports notwithstanding. Their armed forces (FANK) comprise an amateur army with a baffling hodge-podge of equipment. Yet, given the time factor and the confrontation by a battle-experienced foe, they are doing remarkably well. Moreover, the morale of the Khmer people remains high. The members of my party were struck by the fact this is considered by the Cambodians to be a holy war -- the Buddhist Khmer against the Communist Tonkinese invader. High morale and deep resolution do have material limits, however. Tactical reverses at the hands of the North Vietnamese must be expected. Of special concern is General Abrams' assessment that Lon Nol and his key leaders are strangely detached from the implications of the immediate military situation. Overall, though, Embassy Phnom Penh's "cautious optimism" is apparently justified. It may be a touch-and-go spring, however.

Most importantly, there are steps which can be taken to improve the regional ties, especially between Cambodia and South Vietnam. There is general concurrence that the U.S. now plays too great a role in shepherding and integrating the efforts of the Southeast Asian nations. We must, in Ambassador Bunker's and General Abrams' views "provoke" the Southeast Asia states to do more of the job for themselves. General Abrams told me U.S. leadership is currently necessary to bring about regional coordination. Over the longer-haul, both Abrams and Ambassador Bunker feel the RVN, the Laotians, the Cambodians, and the Thais must do the security coordination and integration job on their own. Given the traditional hostilities and wariness, this will not be easy. But it can and must be done. There are sufficiently responsible and competent leaders in each nation to do the job. The U.S. officials should coax, encourage, and facilitate such efforts.

There may be non-military measures by which regionalism can be encouraged as well. Your immediate predecessor proposed in April 1965 a Mekong River development project. He made the proposal,

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however, at a particularly inappropriate time. Dealing from a position of relative weakness, he started in motion in July 1965 major U.S. military deployments to Southeast Asia. The cost in U.S. lives over the ensuing three-and-one-half years was about 75 times what had been experienced in Southeast Asia prior to mid-1965. We are now, however, in a position of greater strength. The partnership, the bid for peaceful development, and the unifying possibilities in something like the Mekong River project are now more reasonable. A major development initiative of that type might be in order.

DIPLOMATIC SITUATION AND NEGOTIATING OPPORTUNITIES

In Paris, I talked with both the principal GVN and the US negotiators. Ambassador Lam, who heads the GVN team, is competent but not aggressive. He has an excellent deputy. However, the GVN negotiators apparently receive little or no guidance from Saigon. They rely for preparations mainly on the US team in Paris. When I mentioned to President Thieu that I had met with his representatives in Paris, he showed little interest.

The US negotiating team is professional and well-informed. I sensed a healthy dialogue and idea-exchange among the team members. There is, however, a general pessimism -- although not hopeless feeling -- about making any substantial negotiating progress under current circumstances.

Most of our discussions centered on the available diplomatic options. Four such options were mentioned, viz:

- . Continue as is.
- . Talk redeployment timetables and start such talks soon.
- . Wait until after mid-1971 to decide on any change in our negotiating posture.
- . Abandon the idea of any positive results from Paris negotiations, although continuing the forum of the talks in Paris.

Our negotiators, as well as those of the GVN, have concluded that the forthcoming RVN elections and a withdrawal timetable are two of the key issues driving the Paris talks. In all probability, the North Vietnamese will wait on the results of the 1971 elections in South Vietnam before taking any steps to modify their negotiating posture. If negotiations are to become substantive, a central point will be withdrawal schedules.

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I pointed out to Ambassadors Bruce and Habib that we do have an exacting redeployment timetable. I reminded them you have assured the American people the war, by which I have always assured you meant US involvement, would be over by the end of 1972. Great progress has been made to that end. The prospects are good. But the remaining time is short. We cannot wait until mid-1972 to take stock and see what else might be done, or might have been done, in the diplomatic or military areas to reach our goal. A 1972 accounting of our actions must show that all possible steps have been taken in a timely manner.

Furthermore, diplomatic initiatives and the assurance that no stone has been left unturned in pursuit of peace could help bolster President Thieu. The peace issue will loom large in the RVN elections of August and October this year.

If we are to move ahead with negotiating initiatives, the time to move is soon. There are other reasons why timing is of the essence. Chief among such reasons is the fact that by May 1, 1971, about 48 percent of the peak troop strength will have been redeployed. The preponderance of our combat strength will have left. If we are to obtain any diplomatic results or quid pro quos for our redeployments, we must proceed expeditiously.

There are other reasons, of course, why we should not give up on negotiations. Among the main reasons are the following:

- . The enemy shows little or no inclination to give up militarily.
- . U.S. war costs are still high, e.g., in excess of \$10 billion incrementally for 1971 alone.
- . Little military help from 3d nations is imminent.
- . Saigon's economic problems intensify as the war goes on.

If we are to make the most of the negotiating possibilities, we should urgently assess the negotiating options. To continue as is risks losing some initiatives that could produce valuable and obvious dividends over the next two years. To wait until late 1971 to review our negotiating posture loses valuable time and obviates many of the advantages to be derived from taking added peace initiatives. To abandon the idea of positive diplomatic results is to lose hope when there is much to be gained from keeping faith.

I shall be submitting separately in the near future a proposal on negotiations. I urge that a small and select group address my proposal, along with any others of substance, on a close-hold, but urgent, basis.

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IMPLICATIONS FOR U.S. POLICY

The most obvious implications for the United States in Southeast Asia are that:

- . Progress to date holds out promise for effecting the Nixon Doctrine.
- . Your pledge to end the war, meaning the direct U.S. combat involvement, has reasonable chances for success without inhibiting the progress towards longer-term regional security.
- . To keep the pledge on reducing direct U.S. involvement implies an action timetable that can be met by both the U.S. and Southeast Asia nations.
- . Nothing begets success like success. The U.S., RVNAF, and Cambodian forces have reaped major dividends from your bold decision last year to move against the enemy sanctuaries in Cambodia.
- . The reduced costs to the U.S. incident to our Southeast Asian involvement are a major blessing in terms of the alternative uses for resources, the reduction in loss of human life, and the diminution in the divisive influence of the war on the American people.
- . The road ahead, both in the near and medium term, is fraught with risks and hazards. To provide insurance that we can meet the challenge requires the best leadership available.
- . As the war winds down, the manifestations among U.S. troops of morale, drugs, race, and other non-operational problems, will become more evident. General Abrams and his subordinate commanders are concentrating with vigor and imagination on these problems. I was amazed, however, when President Thieu told me he had never been approached by U.S. officials about the ready availability of drugs in South Vietnam. (I had earlier mentioned the easy drug access situation.) We should initiate a program with the GVN to rectify insofar as possible that situation.

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- . A painful near-term prospect may be a bruising, free-swinging RVN presidential election that may (a) give the situation in SVN the appearance of chaos, and (b) be magnified by the media to increase doubt when confidence is needed.

I should like to comment briefly on four of the implications: (a) the withdrawal timetable and issues incident thereto; (b) the reduction in costs; (c) the U.S. military leadership; and (d) the public affairs aspects of the Southeast Asia situation.

As indicated throughout this memorandum, I emphasized privately the fact that we do have a withdrawal timetable from Southeast Asia, viz, that by 1972, we must have all but a military assistance group redeployed from South Vietnam. I am pleased to report that this prospect was not only accepted but endorsed as a reasonable and judicious security risk. There is one implication of the redeployment actions which must be carefully watched. That is to avoid inferences that Vietnamization progress and subsequent U.S. withdrawals are based principally on success in Cambodia. I sense a growing body of opinion leaning that way. Vietnamization was conceived on the premise of an enemy threat in South Vietnam with sanctuaries on its borders. Operations in Cambodia have had a salutary effect on Vietnamization. But Vietnamization and U.S. redeployments can proceed even if we have setbacks in Cambodia.

The opportunities afforded by the cost reduction in Southeast Asia are especially impressive. U.S. incremental military expenditures in Southeast Asia were reduced from \$20.2 billion in 1968 to \$12.6 billion in 1970. In the Defense area, the freed resources allow us at least a partial opportunity to regain some of the position we have lost to the Soviet Union over the last few years. The leverage the USSR has enjoyed on us as a result of our Southeast Asian involvement has been significant. While we have been spending \$10-20 billion per year there, the Soviets have provided aid to Hanoi in annual amounts less than \$1 billion. The difference in these commitments has allowed the Soviets the opportunity to erase many of the military advantages we have historically held.

In the area of U.S. military leadership in South Vietnam, we now have the best team we have perhaps ever had. General Abrams and General Weyand, as our top two men, represent a unique blend of military experience, pragmatism, insight, imagination, resolve, and inspiration. If our programs are to succeed, we should retain that team. I am pleased to report General Abrams wants to stay on the job through 1972. That request is one of the most positive indicators possible. It is both the effect and the generator of confidence among U.S. and RVNAF ranks.

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Finally, as we enter two successive election years -- one in Vietnam and one in the U.S. -- and as the complexion of the war changes in terms of geography, the relative force contributions, and the type of U.S. involvement, we shall be confronted with an ever-changing challenge in keeping the U.S. public adequately and appropriately informed. I believe increased attention will be necessary to public affairs issues. Specifically, improved coordination within the Administration will be needed, as well as continued coordination with our elements in the field.

PRISONER OF WAR ISSUES

The Prisoner of War question was discussed in considerable detail during the various meetings in Paris, Saigon and CINCPAC. It is essential that the Administration review all possible alternatives available to achieve the release of American Prisoners of War and to determine officially the fate of those missing in action.

Each succeeding troop withdrawal announcement has increased substantially the anxiety of the families involved. This pattern will undoubtedly continue. Mounting public and Congressional pressure to tie future troop withdrawals to the release of POW's may be expected. A delegation of POW/MIA wives has already requested a meeting with you to discuss just such a proposal.

In my judgment, we should keep the POW issue separated from troop redeployment actions. Our strong suit in terms of a public posture has been Hanoi's failure to comply with the humanitarian provisions of the Geneva Convention on Prisoner of War matters. Compliance with these provisions neither is nor should be the function of a political bargaining process. It is important that we maintain that principle.

The relationship between declining U.S. casualties and declining U.S. force levels is apparent. If we retain forces in the theater as a political bargaining agent for prisoners of war held by the enemy, we risk losing through combat deaths annually many times more officers and men than we are striving to have returned. We should not allow, in my judgment, our forces in South Vietnam to be de facto "hostages" while a political bargaining process is pursued for return of the POWs. While this closes one available option, there are many initiatives and possibilities remaining which can be and should be pursued.

There are some indications that U.S. POWs captured by the Viet Cong in SVN may be located in VC-dominated areas of Cambodia. We should be alert to possible POW rescue opportunities during on-going ARVN operations in Cambodia. At the same time, search and

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rescue opportunities elsewhere in Southeast Asia should continue under active consideration.

Unilateral release of SVN-held POW's should continue. After many months of prodding and planning, the GVN is now preparing for the imminent release of some 40-50 NVN POWs through the DMZ.

It is recommended that these unilateral initiatives continue. Included should be the release of long-term POWs -- a request we ourselves have made of the North Vietnamese, the Viet Cong, and the Pathet Lao.

As a further effort to encourage momentum on the POW issue, unilateral battlefield releases of Viet Cong POWs held by the GVN should be made elsewhere in SVN.

In amplification of these points, I have asked my staff to prepare a more detailed paper on POW issues. I shall have that memorandum distributed to the officials who are dealing full-time with the POW problem.

CONCLUSIONS AND RECOMMENDATIONS

1. The war is winding down in South Vietnam in significant ways. The military aspects of Vietnamization continue to progress on or ahead of schedule. Despite the expanded geographic aspects of the conflict, the tenuous nature of the Cambodian forces and the possibility for temporary setbacks in selective areas, the general outlook justifies cautious optimism. We should continue to approve those operations which allow opportunities for the RVNAF and Cambodian forces to gain time for continued improvement in the security area.

2. Your pledge to have the U.S. out of military operations in Southeast Asia by 1972 can and will be met. We should continue to plan accordingly, both within our U.S. elements and with the GVN. I shall talk to you about the timetable options: The key periods are May 1 through November 1, 1971; November 1971-mid-1972; and mid-1972 through the end of the year. I conclude that all senior U.S. and GVN officials agree we can meet a schedule which allows the U.S. objectives to be attained. We should encourage and reward these positive attitudes.

3. The GVN and the RVNAF are increasingly gaining in competence and confidence. This results in no small measure from the effective leadership of General Abrams and his team. I recommend Abrams and that team be kept intact through 1972.

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4. Economic stability has improved significantly over the past few months -- in important measure as a result of effective U.S. pressure to adopt a coherent economic strategy. That improvement may, however, deteriorate quickly unless additional reforms are introduced. I recommend, therefore, that appropriate U.S. officials continue to encourage the GVN to make such reforms, especially in the near future. Given the importance of the economic issues to the forthcoming elections, I also recommend the U.S. contribute in every reasonable and practical way to the near-term stability and productivity of South Vietnam.

5. There is a need for a conscious U.S. policy on the RVN elections. The U.S. objective in South Vietnam of self-determination is dependent on continued stability in that nation. The presidential candidate who can contribute most to continued stability is Thieu. I recommend an explicit but discreet program to support Thieu's re-election.

6. There are numerous and serious regional problems involving the Republic of Vietnam, Cambodia, Laos, and Thailand. It is incumbent on those nations to carry the burden in resolving those problems. The senior U.S. diplomatic and military officials in each of the nations, as well as CINCPAC and his staff, should adopt an explicit program of encouraging more direct regional efforts among the senior Southeast Asia government officials. The U.S. should continue to play the role of catalyst in some fields such as major regional economic projects. We should consider appointing a commission to investigate the possibility of major regional economic development projects and initiatives.

7. Based on the principle of preference for diplomatic military action, the influence of a series of forthcoming political events, and a generally improving security situation in Southeast Asia, it is incumbent on the U.S. and the GVN to explore every possible negotiating avenue with the enemy. I am providing separately a proposal and recommendation in this area.

8. As time goes on and U.S. redeployments continue, the POW issues grow more complex. There is need for a conscious policy either linking or treating separately the POW issues and redeployment actions. I recommend we keep them separate, at least for the foreseeable future. I also recommend an aggressive program of actions designed to put pressure on Hanoi to comply with the Geneva Convention on POW Matters and to gain the eventual return of our men.

9. The three pillars of your U.S. foreign policy -- Strength, Partnership, and Willingness to Negotiate -- are serving us well in Southeast Asia. There is much to be done in each area and in relating the three areas. I am confident we can and will, under your leadership, attain our objectives in Southeast Asia.

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