

III - The Trouble With Diem: May-November 1963.

Background:

Events during this period dramatically switched the focus of attention from military to political affairs in South Vietnam. When the GVN on May 8 suppressed a demonstration in Hue over the right to fly Buddhist flags during religious festivals, there rapidly followed Buddhist demonstrations in other major cities, and several Buddhists immolated themselves in protest. Diem agreed on June 16 to meet certain Buddhist demands and thus produced a temporary lull, but then he violated the agreement and the Buddhist response fanned the crisis to even more serious proportions. US Ambassador Nolting warned Diem in early July that the US could not support religious intolerance. As he departed in August he was assured that the GVN would not condone repressive action against the Buddhists--but within ten days, GVN security forces raided the Xa Loi Pagoda in Saigon.

Following this act, the US quietly suspended its commodity import program. President Kennedy held a series of press interviews in which he expressed increasing concern over the situation and its implications, finally voicing his belief that there was urgent need for changes in the GVN's policies and personnel. On November 1, 1963, a military junta led by General Duong Van Minh staged a successful coup in the course of which Diem and his brother Nhu were killed. The outcome was a provisional government headed by Minh and former Vice President Nguyen Ngoc Tho.

In this period leading up to the coup, two novel and imponderable factors obscured and complicated the view for observers. One was the uncertain but increasing influence over events exerted by Nhu and his wife--both strongly Catholic, vehemently anti-Buddhist, and increasingly critical of the US. As events became increasingly centered around him, Nhu's own byzantine and volatile personality created a situation increasingly difficult to perceive with clarity or to analyze with confidence. Secondly, General de Gaulle on August 29 called for the neutralization of South Vietnam, thus introducing a new element of tension and feeding rumors and suspicions that both pro- and anti-Diem elements were seeking a separate solution with Hanoi.

Summary:

The effect on the war effort of the regime's increasing instability and of the growing difficulties between the US and the GVN became central issues of concern at this time. INR emphasized the critical importance of the new activism on the part of the Buddhists, who by tradition had been politically quiet. It also stressed the need for Diem to grant concessions and implement them quickly. As the regime failed to do so, INR judged that the strain on the body politic was already eroding the anti-Communist effort and would get steadily worse. It noted that even the statistics used by the military as indicators showed an unfavorable shift in the military balance that had begun as early as July.

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However, INR continued in its convictions that a coup could come only from within the government, that the Communists could not ride to power as a consequence, and that there was competent alternative leadership available.

INR found little change in Hanoi's strategy for fostering the insurgency. It noted again that North Vietnam would be interested in neutralization of the South or in a Geneva Conference only as covers for capitulation by its opponents. Given the turbulent political situation in the South, little consideration was given to direct action against the North.

The Crisis and Its Implications:

INR produced a full-dress analysis of the Buddhist crisis and of its implications, during the lull achieved by Diem's agreement to meet certain Buddhist demands¹. The Hue incident, at first of seemingly little significance, had crystallized Buddhist resentment against the privileged position of the Catholic minority; the national crisis, however, had been largely the product of Diem's failure to perceive the gravity of the protest and his consequently arbitrary response. The protest had now developed into a movement to obtain "government recognition of Buddhist legal equality," which had the support of rural as well as urban Buddhists.

1. See III-1 through III-9: excerpts from RM, RFE-55, "Implications of the Buddhist Crisis in Vietnam," June 21, 1963.

The concessions on June 16 had restored a degree of calm, and, indeed, "an opportunity is now open to the regime not only to restore such popular support as it has lost in the course of the Buddhist protest, but also to make a bid for wider support than it has enjoyed in recent years." However, "much will now obviously depend on the sincerity and speed with which it [the agreement] is implemented." Since Diem's concessions had been made only under pressure of the crisis at home and of the US from abroad, they "may appear to the Buddhists as mere palliatives...[and,] given its past record of performance, we cannot be confident that the government will actually implement the agreement promptly and consistently." Yet, "if the regime is conspicuously dilatory, inept and insincere,...[the] protest can be expected to be more militant and widespread than before."

In this event, "it is arguable that a continued or renewed Buddhist crisis would be potentially a more serious threat to the Diem regime than is the present communist insurgency;...an obvious and serious threat to Buddhism, particularly by a non-Buddhist minority, can command a more personal and spontaneous response from the ordinary Vietnamese peasant than Viet Cong propaganda." Moreover, in a renewed struggle between the government and the Buddhists, "disaffection within the bureaucracy and the army will almost certainly reach critical and unprecedented proportions."

In such a situation, the Viet Cong still "would probably not be able to initiate or gain control of a successful and ostensibly non-Communist revolt....Nor do we believe that the diversified array of

non-Communist oppositionists outside the government could initiate or lead a successful coup....We believe the most likely revolt...would be non-Communist and fully committed to the counterinsurgency effort... [resulting in] a government led by a military junta or by Vice President Nguyen Ngoc Tho."

Although an upheaval would pose real dangers for the war effort and it was open to question whether any successor to Diem could prove more effective, INR believed there existed "a reasonably large pool" of unused manpower which, given continued US support, "could provide reasonably effective leadership for the government and the war effort."

In the event of a coup attempt, Washington's public reaction might well determine the results: "...evidence that the United States was not supporting Diem would probably inspire broader participation in the rebel effort...obvious US support for the Diem government would tend to deter participation." A SNIE on the situation published three weeks later not only followed the line taken by INR but quoted large portions directly from the INR paper.

The Issue Joined:

During the next two months, INR pointed out how the Buddhists were gradually resuming their protests as Diem failed to reach adequate accommodation with them. INR also marked the expanding maneuvers of Nhu, which, among other things, managed to make suspect most reports on the fast moving developments, even reports from previously reliable sources. Believing that the US Mission, in assessing the validity of Buddhist

2. SNIE 53-2-63, "The Situation in South Vietnam," July 10, 1963.

grievances, relied too heavily on the GVN's version of the situation, INR suggested that it would be useful to have an impartial assessment, if for no other purpose than to prevent embarrassment to the US in the event a UN fact-finding mission were sent to South Vietnam--an event which came to pass in October.

On August 21, after the police made their midnight raid on the Xa Loi Pagoda in Saigon and the government declared martial law, INR judged Diem's position to be highly precarious: "The prospects for the restoration of stability and mutual confidence appear extremely remote. Most importantly, the degree to which Diem can count on the army to suppress future Buddhist moves is most uncertain." ³ After this assessment, INR considered the implications for the US of various possible indigenous South Vietnamese moves against Diem and/or Nhu and concluded that--should any such move materialize and succeed--US interests might actually be well served; further, INR reiterated its view that, should Diem and Nhu be replaced by a combination of Vice President Tho and a military junta, a power struggle within the military would be less ⁴ likely, and the counterinsurgency effort might even be invigorated.

3. See III-10 and III-11: RFE-75, "Diem Versus the Buddhists: The Issue Joined," Aug. 21, 1963. Note: This initial assessment was written on the basis of Embassy [redacted] reports that the raid had been conducted by Army elements. INR's sense of the situation led it to believe that the raid had been staged, not by the Army, but by Nhu's police in army uniform. INR articulated this belief by referring to the affair as a "police raid" in the opening sentence of the paper and by drawing the implications cited above for Army loyalties should this have been the case. Confirmation of this hunch came too late to be included in the initial assessment, but it added weight to succeeding estimates of the Army's readiness to participate in a coup.

4. See III-12: RFE-76, "South Vietnam Contingencies," Aug. 26, 1963.

Effects of the Political Crisis on the War:

Whereas concern had hitherto focused on how the security situation affected political stability, the problem was now reversed. During the summer INR's judgment on the rate of Communist infiltration and recruitment remained much what it had been--that hard evidence was difficult and slow to accumulate, and that the VC still derived most of their men and materiel from indigenous sources. The VC were still not strong enough to initiate a coup or to gain control of a non-Communist revolt. As the Buddhist affair wore on, however, INR became increasingly concerned over the effects of these political tensions on the South Vietnamese war effort. Disaffection "is unlikely to produce any immediately visible impact on the war effort....However, should no significant change occur... a slow but steady erosion in resistance to communist attacks and subversion is probable."

By October, the situation had become far more serious, and operational statistics began to reveal deterioration in the effort. The US Mission, MACV, and DOD, to be sure, continued to express optimistic views, but INR concluded that the statistics "indicate an unfavorable shift in the military balance" since July 1963. Using only statistics supplied by DIA (based in turn on reports from MACV) INR found a reversal of the

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5. RFE-63, "Little Hard Evidence of Recent Communist Infiltration into South Vietnam," July 15, 1963
 6. MM-RFE-63-94, "Infiltration of Communist Munitions into South Vietnam," August 8, 1963
 7. See III-13: RFE-81, "Disaffection and the War Effort in South Vietnam," September 11, 1963

trend in each of the major indices of progress and concluded "that the military position of the government of Vietnam may have been set back to the point it occupied six months to a year ago. These trends coincide in time with the sharp deterioration of the political situation;" and, while it was difficult to identify precise cause and effect, the timing could nonetheless "be considered as more than coincidental."

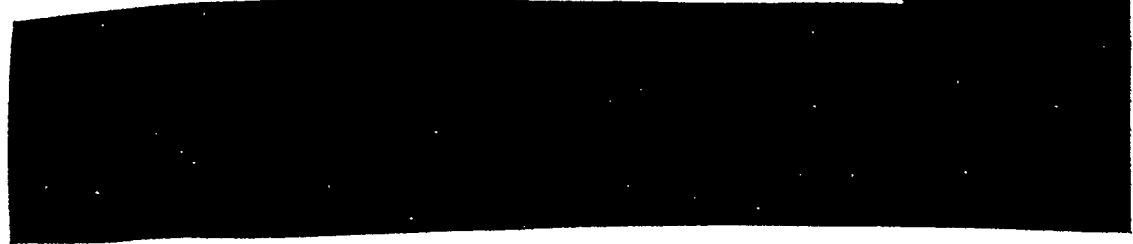
The distribution of this paper throughout the US Government evoked a strong protest from the DOD/JCS to which INR was asked to reply. To Defense objections that the confidence and fighting efficiency of Vietnamese forces had risen, INR replied with a recent attache report that the III Corps Deputy Commander feared desertions among his troops possibly as high as 80%. The paper then went on to counter Defense claims that VC strength had increased by noting that a recent change in MACV's procedures for estimating VC orders of battle would account for a decrease and, in any case, rendered comparisons meaningless. INR agreed, however, with the claim of the JCS that "military assessments are basically the responsibility of the Department of Defense."

Communist Intentions and Reactions:

INR believed Hanoi intended to press ahead with the Viet Cong insurgency and with efforts to exploit the political instability in the South,

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- 8. See III-14 through III 18: RFE-90, "Statistics on the War Effort in South Vietnam Show Unfavorable Trends," October 22, 1963
 - 9. See III-19 and III-20: MM, "JCS Comments on Department of State Research Memorandum RFE-90," November 8, 1963

and did not foresee any major change in this strategy.



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In the late summer, when de Gaulle's demarche for a neutralized South Vietnam coincided with tenuous reports that Ngo Dinh Nhu was in contact with Hanoi's representatives, INR analyzed the position of the major participants. The paper concluded that Hanoi "would encourage such contacts [with Saigon] if only to exploit contradictions within the non-Communist camp." INR considered that the North Vietnamese would press for talks between the GVN and the National Liberation Front, and would hold out hope for a cessation of hostilities in exchange for a reduction of US forces, but would avoid any public commitment to neutralize South Vietnam. In the long run, the paper predicted, Hanoi would not favor reconvening the Geneva Conference unless it was "clear that the US was seeking a way out"; under these circumstances, it was possible that Hanoi would agree to some neutralized status for the South albeit without meaningful controls.



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11. See III-21: RM, RFE-78, "Hanoi, Paris, Saigon, and South Vietnam's Future," September 11, 1963.

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The turbulent political events of this period suspended consideration of direct action against the North. However, INR reviewed North Vietnam's economic difficulties and vulnerabilities and considered at some length the efficacy of covert economic and political measures (including subversive activities) which might be undertaken against the North. INR noted the drawbacks to such actions and judged that they would have little direct effect. The paper suggested, however, that covert actions of this sort might be viewed in Hanoi as evidence that the US was more willing to take "whatever militant, active measures might be necessary to win its objectives in Laos and South Vietnam."¹²

12. See III-22: RM, RFE-66, "North Vietnam's Economic Difficulties and Vulnerabilities," August 19, 1963.

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