

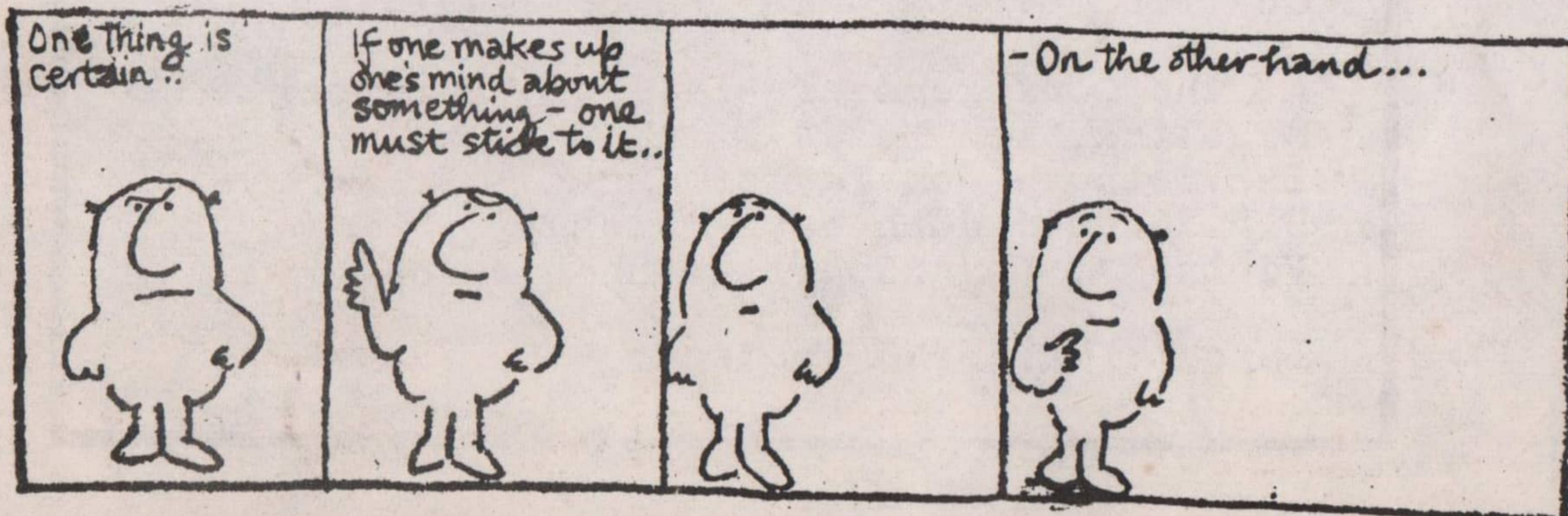
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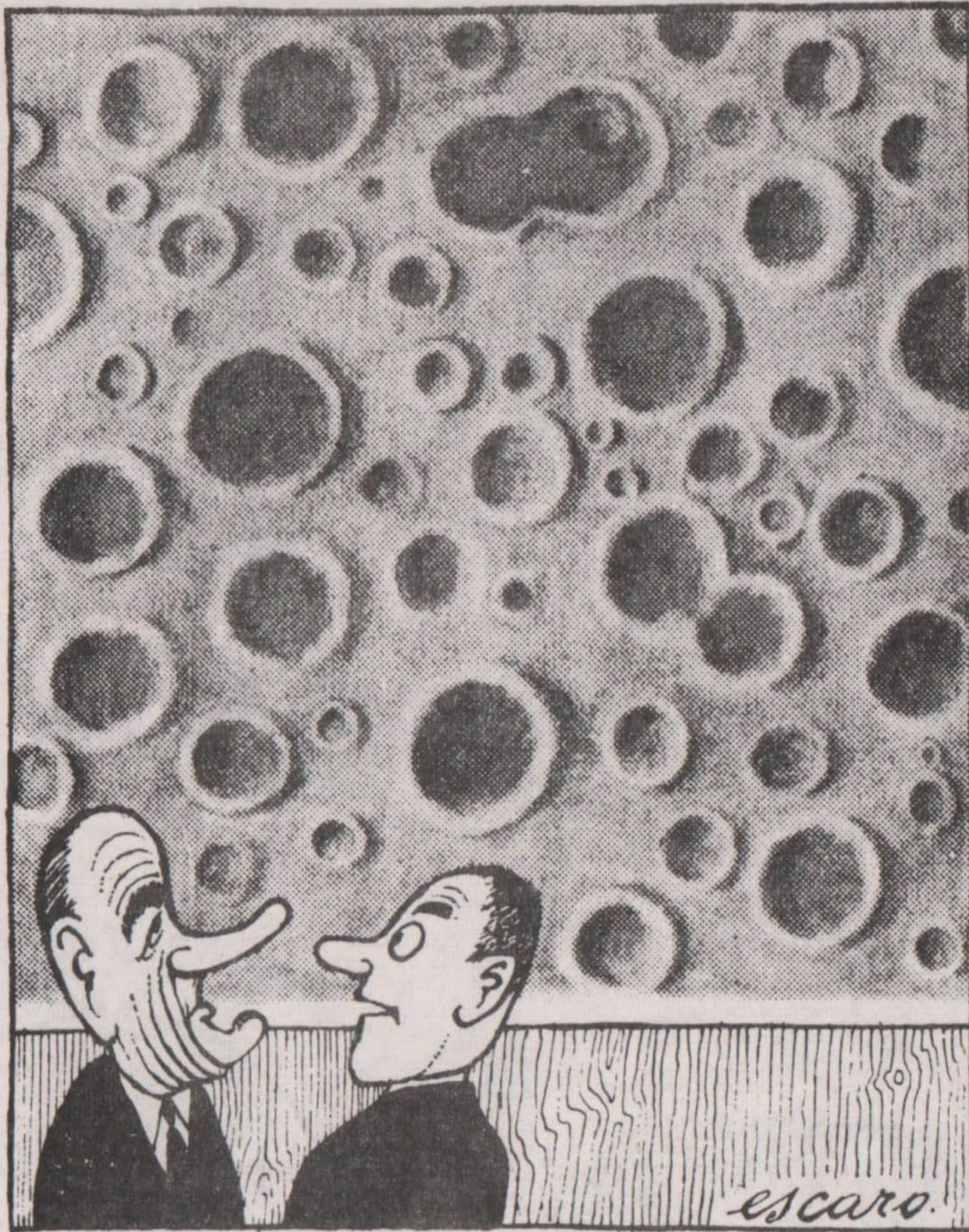
25.VI.69



what do
YOU
think about
Vietnam?

6^o





- Vue de la Lune ou photo aérienne du Vietnam ?
- Lunar landscape or Vietnam ?

Le Canard Enchaîné 8.1.69.

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at the conference table

THREE PEACE PLANS IN THREE MONTHS

March was a stagnant month for the Paris peace talks. On March 4th President Nixon stated that "We will not tolerate a con-

tinuation of a violation of an understanding". This was a reference to the understanding President Johnson thought he had reached with Hanoi, i.e. an end to the bombing of the north in return for positive steps in the peace talks; the U.S. considers that no positive steps can be made while the Vietcong continue to attack the towns in the south. Hanoi's reply the following week was that in a secret verbal agreement of October 22nd between Hanoi and Washington, the halt in the bombing would be "total and unconditional" (Times 3.3.69; 6.3.69; 11.3.69)

On March 20th, Mr. Nguyen Thanh Le, spokesman for N.Vietnam, denied a rumour that secret talks had taken place in Vientiane (Laos). (Times 21.3.69)

The next stage of the peace talks, an important one, came from Saigon.

Saigon, March 25.—President Nguyen Van Thieu of South Vietnam tonight disclosed a surprise offer to hold private peace talks with the National Liberation Front, the political wing of the Vietcong. He expected such talks to take place, he said. It was possible that Vice-President Nguyen Cao Ky would go back to Paris to conduct them.

President Thieu, who made his new position known at a meeting with reporters in the presidential palace here, said Vice-President

Ky, special adviser to the South Vietnamese delegation, would go back to Paris when such talks became fruitful.

"It might take two or three meetings to decide this", President Thieu said.

President Thieu said there could be two-sided or four-sided private talks - bringing in North Vietnam and the United States. "We are ready to have private talks with the N.L.E. if they like", he said. --Reuter.

(Times 26.3.69)

Following this, on April 7th, President Thieu of South Vietnam outlined a six-point plan for peace.

President Thieu listed his six points for peace as:

Communist aggression should stop.

Communist North Vietnamese and auxiliary troops and cadres should be completely withdrawn from South Vietnam.

The territories of the neighbouring countries of the republic (a reference to Cambodia and Laos) should not be violated and used by North Vietnam as bases and staging areas for aggression against the republic.

South Vietnam should adopt a policy of national reconciliation.

The reunification of the two Vietnams should be decided by the free choice of the entire population of Vietnam through democratic processes.

There should be an effective system of international control and reliable guarantees against the resumption of communist aggression.

(Times 8.4.69)

These six points are the most detailed suggestions President Thieu has made about ending the war during his 18 months in office. The N.L.F. delegation in Paris stated that these points were nothing different from what the U.S. proposed a long time ago. President Thieu also outlined a plan for two parties (govt, under him, and opposition) in the South and said he would forgive former members of the Vietcong who chose to accept his form of rule :

"Those now fighting against us who renounce violence and respect the laws will be welcomed as full members of the national community. As such, they will enjoy full political rights and assume the same obligations as other lawful citizens under the national constitution."

(Times 8.4.69)

A simultaneous withdrawal of N.Vietnamese and U.S. troops was proposed by Mr. William Rogers, U.S. Secretary of State. Mr. Kiem accused Saigon of making widespread arrests to stifle all democratic freedoms.

The N.L.F. gave details of a new 10-point peace plan on May 8th :

Mr. Kiem's 10 points are as follows: -

1. People's "fundamental national rights" as recognized by the 1954 agreements.

2. Withdrawal "without posing any condition whatsoever" of American and allied troops and weapons.

3. "The question of the Vietnamese armed forces in South Vietnam shall be resolved by the Vietnamese parties among themselves." This appears to be an invitation to the Saigon regime to hold separate talks on the problem of North Vietnamese troops in the south.

4. "The holding of "free and democratic general elections" in South Vietnam for a new constitution, and a coalition government "reflecting national concord and the broad union of all social strata"

5. "During the period intervening between the restoration of peace and the holding of general elections neither party shall impose its political regime on the people of South Vietnam.

"The political forces representing the various social strata and political tendencies in South Vietnam that stand for peace, independence and neutrality, includ-

ing those persons who, for political reasons, have to live abroad, will enter into talks to set up a provisional coalition government based on the principle of equality, democracy and mutual respect with a view to achieving a peaceful, independent, democratic and neutral South Vietnam."

6. "South Vietnam will carry out a foreign policy of peace and neutrality." This would include "diplomatic, economic and cultural relations with all countries, irrespective of political and social regime, including the United States", and acceptance of economic and technical aid "with no political conditions attached from any country".

7. "The reunification of Vietnam will be achieved step by step, by peaceful means, through discussions and agreement between the two zones, without foreign interference." In the meantime, the two zones would "reach agreement on the statute of the demilitarized zone, and work out modalities for movements across the provisional military demarcation line."

8. "Both zones would observe the clauses in the 1954 agreements restraining them from joining military alliances, allowing foreign

troops or bases on their soil, or recognizing the protection of any country, alliance or bloc.

9.—There should be negotiations on the release of prisoners of war (the Americans have persistently demanded this), but the United States Government must "bear

full responsibility for the losses and devastations it has caused to the Vietnamese people in both zone", i.e. must pay reparations.

10.—The withdrawal of American and allied troops should take place under international supervision, agreed between the parties.

(Times 9.5.69)

The Vietcong call for a Constituent Assembly, a new Constitution, and free elections in the South. The U.S. once again dissented, especially over the question of troop withdrawals and about the proposal to set up a coalition government at once. (Guardian 9.5.69) Saigon said that it would be willing to consider these proposals although it will not, of course, accept them.

President Nixon, feeling that it was his turn to do some bidding in this international bridge game, recalled Mr. Henry Cabot Lodge to Washington for discussions and then announced an 8-point peace plan on May 14th.

President Nixon in a national broadcast from Washington yesterday proposed this eight-point plan:

1. As soon as agreement could be reached, all non-South Vietnamese forces would begin withdrawals from South Vietnam.

2. Over a period of 12 months, by agreed stages, the major portions of all US, allied and other non-Vietnamese forces would move into designated base areas, and would not engage in combat operations.

3. The remaining US and allied forces would move to complete their withdrawals as the remaining North Vietnamese troops were withdrawn and returned to North Vietnam.

4. An international supervisory body, acceptable to both sides, would be set up to verify the

withdrawals, and for any other purposes agreed between the two sides.

5. The international body would be operating to an agreed timetable, and would participate in arranging supervised cease-fires.

6. As soon as possible after the international body was functioning, elections would be held under agreed procedures, and under its supervision.

7. Arrangements would be made for the earliest possible release of prisoners of war on both sides.

8. All parties would agree to observe the Geneva agreements of 1954 regarding Vietnam and Cambodia, and the Laos agreements of 1962.

(Guardian
16.5.69)

The N.L.F.'s first reaction was to condemn the concept of mutual troop withdrawals but it made no immediate comment about the rest of the speech which shows the other points are being considered more carefully. The Saigon regime appears to be more unhappy about the U.S. proposals than the N.L.F., and Thieu arranged to meet Nixon on Midway Island on June 8th. American statements have hinted that although N.L.F. proposals for an interim coalition government are not welcome, it is a possible temporary solution, and Saigon should make some move in this direction, otherwise the Saigon regime might find itself without American support. Mr. Rogers said in a speech on June 5th that the U.S. was not totally committed to any regime in Vietnam. (Times 6.6.69)

in vietnam.

Hué

February 1969

Just over one year after the almost total destruction of Hué, the city is thriving as never before. Even the previously anti-Saigon and anti-American attitudes of the citizens, manifested on many occasions in their refusal to help, have altered radically. Today, the refurbished American cultural centre copes with up to 2000 young people learning English. Another building is used to "indoctrinate" Vietcong and North Vietnamese who rally to the Government side; the methods used are American. 25,000 refugees have been moved back to their villages. the university has restarted with over 3000 students. "And all," claimed one Hué citizen, "because everybody, I tellyou, everybody hates them (the Vietcong) for what they did." There are also a lot of American engineers and technical and financial advisers in Hué....

Meanwhile, down in Saigon, the Vietnamese new year festival Tet is celebrated. Last year, the year of the great Tet offensive, was the Year of the Monkey - this year is the Nixon Year of the Rooster. "Remember that all the Vietnamese are not Ho Chi Minhs," declares one prosperous civil servant: "I believe in capitalism. I believe in the free world. In France - in America, too, if I have to. Remember I have only been left free, and in peace, because of all that American napalm."

(Sunday
Times,
23/2/69)

Than intervenes once more.
"We have talked a lot, for Tet especially. These things are now allowed to be spoken legally in Saigon. These opinions are just about the limit of frankness. Further, and you go to jail. Therefore, perhaps it would be best if you change our names. Scramble us, perhaps, with other Vietnamese you have visited."

arrested

The upper echelons of Saigon society are not what they used to be....on April 17 last a group of intellectuals accused of having links with Vietcong agents were arrested and paraded before a press conference. Doctors, publishers and "other intellectuals" had made confessions. Mr. Nguyen Lau, publisher of the English-language Saigon Daily News confessed:

(Times,
18/4/69)

"From the legal point of view, I now recognize that what I have done was wrong." He had failed to denounce on old friend whom he knew to be a Vietcong agent. "Not to denounce a man you know to be a Vietcong is flagrantly illegal", he said. He opposed communism because it lacked humanity, and because it "contradicts Asian ways".

Mr. Lau studied at Oxford and Lincoln's Inn...

Coalition

Representatives of the 10 South Vietnamese political and religious groups have decided in principle to support President Thieu's attempt to form a BROAD Coalition. All this is hardly surprising in view of the fact (reported in an earlier In Vietnam column) that the Catholic groups and three of the political groups contain ex-North Vietnamese priests and army officers. Only a Coalition, into which North Vietnamese representatives can be drawn when eventually the war is over, so the argument goes, can save the country from Communist domination and the priests and officers from losing their heads. Unfortunately, the argument did not go for very long like this. In the four weeks between the decision in principle and the holding of the first meeting of the new alliance (the National Democratic Socialist Front), the plan to save all faces (and heads) ran into trouble. By this time, President Thieu had made it clear that the alliance might include delegates from all the political groups within South Vietnam, but could "never" include Communists. It was obvious that Thieu had had second thoughts about his alliance. Members of the new front would not get Cabinet posts though they would be expected to rally behind the Government in the fight against Communism. The alliance had been formed to

(Gdn. 26/5/69)

support the people, the generals, the Army, and the Civil Service, and to make a common front against the Communists."

Thieu refused to explain how he thought the members of the front would continue to support him when he was not prepared to give them real responsibility in the governing of the country.

Pham Dang Lam, South Vietnam's chief negotiator at the Paris talks, has ruled out any Coalition which would include the Communists. The present South Vietnam Constitution says that no Communist Party can contest an election. Mr. Lam said that South Vietnam would resist any attempt to change the nature of the present Saigon Government even by "democratic procedure without elections." A spokesman for the US delegation has disclosed that an American diplomat had been making secret contacts with the North Vietnamese. Mr. Lam assured a press conference that this should not be understood to mean that his Government was considering a change of attitude. What it did mean, however, he was not willing to say.

The Americans, for their part, continue to support Thieu because, more than Ky, he is able to command and manipulate Army loyalty against the Communists and at the same time move at American bidding towards the American dream: constitutionality.

(Gdn.
5/5/69)

Perhaps rather too naïvely as it may turn out, the US has driven its supporters on in the belief that a Constitution, a Senate, a Supreme Court, and elections can bring about government by the people for the people in Vietnam.

As one sceptical politician, who had just had his newspaper closed unconstitutionally, said last week: "There are no magic wands here." In the war—political and military—the US has constantly looked for short cuts.

With Thieu exercising a degree of control such as no previous South Vietnamese leader has had, the temptation for the Americans is to say that everything is fine - and to pull out. If Thieu is to obtain complete command over the country, he needs some sign of American willingness to withdraw. And several weeks ago he was reported to be pressing Nixon for some such token withdrawal. It was therefore no surprise when Nixon announced some days ago that 25,000 troops would soon be returning to the States. This should have the effect of scaring the recalcitrant politicians into line and so of giving Thieu the authority he feels is all that is necessary for him to lead the South Vietnamese to victory - military or electoral - over the Communists.

President Thieu is today (June 9) at Midway Island, along with his Foreign Minister, Defence Minister and Chief of Staff, to meet President Nixon. His main purpose seems to be to obtain specific assurances about what the Americans intend to do during the next six to nine months. Thieu is dissatisfied with the American eight-point plan, which he regards as too vague. He wants a promise that there will be support for his Government at least until the 1971 presidential election; that Nixon will not press for a coalition before then or urge an earlier election; and that the present anti-Communist clauses in the Constitution will remain unaltered.

abolish landlordism

About 60% of all arable land in South Vietnam is at present farmed by tenants. President Thieu will shortly announce plans to give free and full titles of ownership to some 700,000 tenant farmers. Although Thieu has still to discuss the plan with Nixon at Midway Island, there seems no reason for the Americans to oppose the plan.

The reform is clearly intended as a direct challenge to the National Liberation Front's own land reform programme, which made great headway in Vietnam between 1961 and 1967. It comes at a time when the Thieu Government is thinking seriously about approaching political battle with the NLF.

The plan will of course be of great interest to Thieu's American supporters: to put the plan into effect, Thieu requires over \$500 MILLION.

Land reform in South Vietnam goes back to the days of Ngo Dinh Diem, who, in 1956, reduced the big estates and transferred the land back to the peasants. One good result of this is that hardly anyone today owns more than a hundred hectares (about 250 acres). Unfortunately, poor enforcement of Diem's legislation meant that the Government ended up with vast tracts of land expropriated from the landlords but never handed out to the peasants.

YOU'VE NOTHING TO LOSE
BUT THE LAND YOU CAN'T USE

When the Government came to examine the land recently, it found that of the 380,000 hectares it held, 221,000 were no longer fit for cultivation, while at least 85,000 hectares were in areas dominated by the Vietcong. This left a mere 73,000, and so far peasants have sought to buy only a fraction of the land offered for sale.

It then occurred to the new Minister of Agriculture and Land Reform that if they continued to try to sell the land, it would be open to the NLF to say "Brother, vote for us and the land you now till will be yours."

And so, at Midway, Thieu will suggest to Nixon that the best thing to do with the land they cannot sell would be to give it away....and to compensate the landlords - to the tune of \$500 MILLION of American capital.

(GDN. 27/5/69)

Saigon Currency Keeps Depreciating

PHAM THANH VINH

As their doomsday approaches, the Thieu-Ky-Huong puppet administration is struggling desperately with multiple difficulties in all fields: military, political, economic, financial, monetary... They are trying by every means to solve the "problem of expenditures" for their traitorous war the failure of which they themselves believe inevitable.

Proportionately to the expansion of the "limited war" in South Viet Nam, the budget of the puppet regime has been swelling at an alarming rate. From 16.5 billion piasters (South Viet Nam currency) in 1961, it soared to 40 billion or nearly three times in 1965, the first year of the "limited war". In 1968 it rose to 111 billion or seven times the level of 1961, the first year of the "special war". The proposed budget for 1969 amounts to 130 billion. But, in view of the present accumulating troubles, this budget is certain to increase further.

The cause of this spiralling in the Saigon budget lies actually in the fact that the aggressive and traitorous war conducted by the U.S. and the puppet administration has been losing steadily, forcing them to take drastic measures to cope with the situation. And what are their expedients on this score?

The first leverage used by the puppet administration to finance its war budget is the U.S. "aid". It is precisely because it has accepted U.S. "aid" and the role of a tool of U.S. neo-colonialism that the Saigon administration has always been under the obligation of constantly broadening the war of aggression of the U.S. imperialists. The essential elements of the neo-colonialism practised by U.S. imperialism consist in using Asians to fight Asians and "feeding war with war". That is why, how substantial it may be, U.S. "aid" only covers part of the war expenditures of the puppet regime. For example: in the 1968-1969 budget of the Saigon administration, U.S. "aid" was expected to amount to 25 billion South Viet Nam piasters annually. But the war budget for 1968 devoured 70 billion. In other words, U.S. "aid" contributed about one-third, the rest was to be met by local income. In 1969 the puppet administration plans to increase its budget by 15 billion piasters compared with 1968 whereas U.S. "aid" will remain at the 25 billion mark.

Apart from U.S. "aid", the Saigon budget also is fed by local sources of income, chiefly from taxes. But, due to the heavy setbacks the U.S. and puppets sustained all through 1968, tax income might be regarded as only symbolical. The Saigon daily *Chinh Luan* (Righteous Opinion) on October 4, 1968 made it clear

that revenue in 1968 came mainly from "reformed control tax" and "economic reconstruction tax". But the paper added that the additional income brought by these two sources would surely not exceed 4 billion piasters while the planned target was 10 billion. This is understandable since "control tax" is levied on imports from the United States. In 1968, especially in the first six months, as an aftermath of the relentless offensives and widespread uprisings of the liberation armed forces and people of South Viet Nam, imports from the U.S. recorded a sharp fall. *Chinh Luan* noted that in the first half of 1968 imported U.S. goods represented only 221,370,000 U.S. dollars or a little more than one-third of the planned target of 600 million. Another Saigon daily, *Tin sang* (Morning News), on November 26, 1968 disclosed that projected customs duties were set at 13 billion piasters for 1968 and 17 billion for 1969. Thus, a big gap remains to be filled in the budget deficit notwithstanding the contribution made by the U.S. "aid". In such conditions, to achieve a balance of payments there are only two alternatives: either to cut down expenditures or to yield to inflationary pressures in order to meet the deficit in the war budget. Naturally, there can be no question of cutting expenditures because this would completely run counter to the U.S. policy of broadening its war of aggression as well as gradually shifting the burden of war onto the Saigon puppet administration. That is why, not only have war expenditures been spiralling quickly every year but budget planning has also been repeatedly upset.

Another difficulty encountered by the puppet administration in its attempt to reduce expenses is the fact that its budget, in addition to being a war budget, is also plagued by the cost of a heavy bureaucratic apparatus. Budget appropriations for economic construction and cultural programs are negligible. The same daily *Chinh Luan* on October 4, 1968 remarked:

"In spite of the efforts to cut down expenditures, it is still impossible to reduce public expenses by two or three billion as planned since the wage fund already accounted for 60% of the 'udget'".

Thus, in order to achieve some balance between revenue and expenditures in an already too deficient budget, there is at present only one alternative for the Saigon regime: to issue more and more banknotes to meet the quickly rising outlay.

The inflationary measures taken by the Saigon administration to defray the huge expenses of its traitorous war have made "leaping" bounds.

The volume of bank-notes in circulation rose from 27 billion piasters at the end of 1964 to over 60 billion by about June 1966, a monthly rate of 1.7 billion within a period of 18 months. Between June 1966 and December 1967, 21 more billion were added to the currency, or an average of 1.2 billion per month. Again, in the first six months of 1968 another 21 billion were put in circulation, or a monthly increase of 3.2 billion. It was estimated that by December 1968 the volume of banknotes in circulation was in the region of 130-140 billion, or an increase of 45-50 billion for 1968 alone. In the conditions of such large-scale inflation, the deficit in the puppet administration's budget in 1969 will be more serious still.

Saigon predicted a deficit of 50 billion (projected spending: 130 billion; projected revenue: 80 billion). However, it may be more realistic to foresee that spending would exceed the planned figure by at least 20 billion (in 1968 the excess was 16 billion) and revenue would, to all intents and purposes, fall 55 billion short of the proposed target. Thus, the budget deficit in 1969 facing the Saigon administration — with deduction made of the 25 billion of U.S. "aid" and supposing that the tax income project will be fulfilled — would run to 100 billion South Viet Nam piasters. This will be an awful inflationary step under the Thieu-Ky-Huong rule and it will certainly lead to the devaluation of the piaster as in 1966.

from the Vietnam Courier
(10:2:69)

fighting.

FEBRUARY

For the first three weeks, fighting continued much as in the months prior to February. (See Report 30.) The Americans were still expecting a major Vietcong offensive against Saigon, but the accuracy of their intelligence seemed doubtful :-

The military commands buttress this expectation with captured communist documents and prisoner interrogations — which give general orders for massive attack, even "the last attack", with dates ranging from last December to well after the Tet holiday.

Efforts to counter such an offensive were reported with confidence :-

Saturation patrols and ambushes fierce bombardment, and much improved intelligence have, so it is claimed, reduced enemy infiltration in the broad arc from the north-east of Saigon round to the northern Mekong delta to fragmented tiny units. Whenever they seek to regroup they are smashed, it is said.

Nevertheless:-

The South Vietnamese Government is none the less convinced that the communists will attempt another massive attack in the hope of "reversing" the positions at the Paris meeting.

and cancellation of leave for troops and police was extended to cover the whole of the Tet holiday (17-24 FEB)

The Vietcong declared a 7-day truce for this period, while Saigon offered only 24 hours on the 17th. Both sides claimed truce violations :-

Saigon, Feb. 17.—Enemy forces seriously violated the allies' 24-hour Tet truce which ended this evening. United States and South Vietnamese military spokesmen said tonight. They reported 128 incidents throughout South Vietnam.

Hongkong, Feb. 17.—North Vietnam today accused the United States and South Vietnamese forces of violating the new year truce with bombing attacks and raids. The North Vietnamese news agency said B-52 strategic bombers and other aircraft yesterday dropped tons of bombs on Xuan Loc and An Loc, in Binh Long province, Duc Hoa, Phuoc Vinh and Ben Cau.—Reuter and Agence France Presse.

Action in Saigon, however, was of a different nature :-

Four incidents were reported in the capital at the weekend, in which small groups demonstrated either with a Vietcong flag tied to a gas filled balloon or with anti-American banners, while others distributed leaflets. Some offered Tet good wishes on behalf of the National Liberation Front, and others called on the people to abandon the present Government.

Police say that they are expecting many more such incidents as the holidays get under way. One police officer commented wryly: "Then afterwards they can say there were great popular movements and uprisings in the towns."

On Feb. 22nd :-

General Nguyen Van Vy, the South Vietnamese Defence Minister, said today that the Vietcong could not launch a general offensive during this week's lunar new year holiday because Government forces were ready for them.

and the following day:-

Vietcong fire opens new offensive

Saigon, Feb. 23.—Communist forces today launched their long-awaited offensive with rocket, mortar and ground assaults across South Vietnam. The first day of fighting cost them at least 1,000 men killed, a United States military spokesman said.

"We believe that this is their offensive," the spokesman added, but predicted that the offensive would be a fiasco and "probably will end before the week is over".

American official said that more than 1,000 mixed rocket and mortar rounds had been fired by the Vietcong early today into more than 100 targets throughout the country, including Saigon and Da Nang. About 100 Americans died in battle.

The heaviest ground assault was made by about 800 guerrillas on the headquarters of the 3rd Brigade, United States 25th Infantry Division, north-west of Saigon. Two United States helicopters were shot down and four destroyed on the ground.

The next few days saw widespread attacks on US bases, and after such an attack at Ben Hoa, F-100 planes pursuing the Vietcong bombed the village flat.

A highly successful attack at Cu Chi destroyed 9 out of 16 helicopters and put 3 others out of action (see following article, p.8)

The offensive by no means "ended before the week was over". In fact it proved not at all to be the short clear-cut and all-out attack which the Americans seemed to expect. It was rather a stepping-up of offensive operations, notably against US bases which is still continuing in June, having undergone only short lulls. US forces have been describing it since May as the "Summer Offensive" but where the line is drawn is not clear.

Apart from major attacks on military bases, the offensive has been characterised by continuous shelling of towns, especially Saigon, Hué, Da Nang and the provincial capitals. The following summarises the other main features :-

A South Vietnam ammunition dump near Da Nang was bombed by 122mm. rockets. Fires and secondary explosions lasted for almost 12 hours.

South Vietnam spokesmen said that 17 provincial capitals had experienced rocket or mortar fire during the night. At least 170 incidents were reported in the Mekong delta last night and early today.

Four United States Navy installations also came under rocket or mortar attack. Officials said "overall damage and casualties were light".

Today's barrage was the first attack on Saigon since President Johnson's warning that there could be no productive peace talks in Paris while the indiscriminate shelling of cities continued. Diplomats here speculated tonight that the rockets might have serious repercussions at the Paris conference.—U.P.I. and Reuter.

MARCH

4th. Ten Russian-built tanks used in VC attack on the SV Special Forces camp at Ben Het near the Cambodian border. Two tanks destroyed, rest vanish into jungle. SV casualties described as "light". (see following article).

5th. Attempt to assassinate Mr. Tran Van Huong, SV Prime Minister, by 3 men with machine-gun and explosives. Fails.

11th. Shelling of Hué for first time since last year. SV report 86 towns shelled to date.

20th 5,000 US and SV troops in sweep operation overrun guerrilla rest-centre near Dau Tieng, 50 miles from Saigon.

21st. Major VC attacks on supply routes to Saigon.

APRIL

7th. Howitzers used against US Marine bases near Laotian border.

8th. In sweep operations against 3,000 guerrillas thought to be in Da Nang area, US troops overrun VC base camp, killing 36. Hué—SV report 300 bodies found in graves near Hué; victims of last year's Tet offensive.

21st. VC attack on SV army training centre, 183 trainees killed or wounded. 2 VC bodies only found !?

24th

April 24. — United States bombers have dropped 2,000 tons of bombs on Tay Ninh province in the biggest raid of the Vietnam war.

To the north, an American helicopter gunship, attacking a suspected Vietcong position, accidentally fired on a group of South Vietnamese government irregulars, killing five of the men and their United States Special Forces adviser, a spokesman said. Five other members of the group were wounded.—Reuter.

27th.

Stratofortresses dropped 700 tons of bombs on Tay Ninh province—aimed at suspected troop concentrations and base camps—only two days after their 2,000-ton blitz of the area.

Two more United States helicopters were shot down, bringing to 51 the number lost in the past 37 days.

MAY

2nd. Lull reported in VC offensive.
Weekly no. of US dead down to
163, lowest since Feb. 23rd.

13th.

A new wave of attacks by Vietcong and North Vietnamese forces on Sunday night and early yesterday is puzzling the United States military command. A total of 159 towns and bases were attacked, the biggest number of raids and bombardments in one night since last year's Tet offensive by the Communists.

About fifty civilians were killed in the attacks, mainly rocket and mortar bombardments Saigon, Da Nang, and Hue were among the targets, which also included 21 district capitals.

An American military spokesman said the sudden flare-up could either be the continuation of the last offensive, which began on February 23, the start of a summer offensive, or "just a busy night".

18th.

There are continuing reports here that United States B-52 Stratofortress planes are bombing Communist base camps and troop concentrations in Cambodia.

The Americans already bomb Communists in Laos. If Communist installations in Cambodia are being bombed, as seems all too likely, neither the Americans nor the Cambodians—and certainly not the North Vietnamese—are going to admit it.

Further, a stop to the bombing in Laos and Cambodia would be a useful card in the American hand if secret negotiations begin in earnest in Paris.

19th

South Vietnamese battlefield losses were the heaviest by comparison—527 dead last week compared to 182 the week before. United States and allied forces suffered 378 killed in battle last week as the communists launched their summer campaign with a wave of more than 400 shellings. Between 30 and 40 of those killed were believed to include Koreans, Australians, New Zealanders, Thais, and Filipinos.

Saigon, May 19

American combat deaths nearly doubled to about 340 killed during the first week of the Communist summer offensive.

20th. HAMBURGER HILL

"Hamburger Hill," a strategic 3,074ft. peak in South Vietnam near the Laotian border, fell to United States paratroops today after intense fighting that cost the lives of 441 North Vietnamese over the past week.

At least fifty Americans have been killed and 273 wounded since the fighting started on May 14, according to the US Command.

The hill, in Thua Thien province, is known to the Vietnamese as Dong Ap Bia. Officially to the US Army as Hill 937, and to the troops as "Hamburger Hill" because of its appearance.

This particular action was the centre of considerable controversy after the comment by Senator Edward Kennedy :-

Mr. Kennedy said that it was "senseless and irresponsible to continue to send our young men to their

deaths to capture hills and positions that have no relation to ending this conflict".

The official number of US dead was later "revised" to 20.

The Americans were looking for clues to the action of the North Vietnamese in clinging so tenaciously to the 3,074ft. mountain on the Laos border.

A command spokesman said later, however, that the object of the mission had been not to seize the hill but to destroy the enemy forces hiding there. "The price paid to get them out of the cities would have been a good deal higher than the price of dislodging them from the mountain", said one military source.

26th.

Vietcong forces have announced that they will observe a 48-hour cease-fire on Friday to mark Buddha's birthday.

JUNE

6th. Vietcong pound bases in widening offensive

Heavy fighting was reported to be continuing today some 50 miles north-west of Saigon in the countryside round the city of Tay Ninh after a night flare-up, during which communist forces made 102 mortar and rocket attacks on military targets and towns throughout South Vietnam.

et la lutte continue.....

poem

Hongkong, Feb. 17.—A new year poem by President Ho Chi Minh, published in all Hanoi newspapers and periodicals today, promises greater victories this year for his forces. According to the North Vietnamese news agency, the poem reads as follows:—

"Last year was full of glorious victories,
this year the forefront will see yet bigger ones
for independence, for freedom.
Let's fight so the Yanks quit
and the puppets topple.
Forward fighters, fellow countrymen,
north and south reunited.
Could there be happier spring."
—Agence France Presse and Reuter.

casualty figures — fact or fiction?

"light" damage

Official US report of VC raid on
Cu Chi base, February 26th :-

However,

As it happened, some newspaper reporters visited Cu Chi base this morning. This is what we saw had actually occurred. Twelve large double-rotored Chinook helicopters were put out of action by Vietcong saboteurs. Nine of these were destroyed. They lay, charred wrecks, in their protective bunkers.

An ammunition dump was blown up.

The total cost of helicopters and ammunition, bearing in mind that each Chinook costs £700,000, was more than £7m. The crucial destruction took only five minutes.

The Cu Chi base is one of the six most important American military establishments in Vietnam. It is the headquarters for the whole area to the north-west of Saigon towards Cambodia, through which North Vietnamese forces are advancing towards the capital. The base had received clear intelligence that it was to be attacked.

Yet 80 Vietcong sappers managed to spend three and a half hours cutting through the 10 barbed wire fences that protect Cu Chi perimeter, without any of the American ambush patrols, sentries, and bunker defence units detecting them.

This helicopter unit, which I am forbidden by Army regulations to name, had 16 machines. Only three can still fly. The official statement said that the unit sustained "light material damage".

The official definition of "light damage", according to Military Assistance Command Vietnam regulations, is that a unit has sustained damage, but it is not damage that affects its capability to perform its normal military role.

"Boy, we were shot to hell and back", said one helicopter pilot. "Boy, we got it right where it hurts most. But don't you mention my name."

The audience of journalists, uncomfortably aware of the reassuring copy many of them had been sending home, hope that the entire military situation in Vietnam has not been distorted as has that at Cu Chi.

The base, the official report laconically said, received 10 enemy rockets, and some mortar shells.

The statement went on: "Simultaneously, an unknown size enemy force probed three locations of the perimeter, employing small arms and rocket-grenade fire. During the action, an unknown number of enemy sappers carrying satchel charges infiltrated a portion of the perimeter and caused light material damage before being killed or repelled."

The 'kill ratio'

that 5,686 North Vietnamese and Vietcong were killed during the same week, which means a ratio of less than six to one.

When I mentioned "kill ratio" in March someone wrote to me suggesting that it was a nonsensical concept. It could represent nothing more than a change in the conditions of counting. This is certainly possible. There is room for every sort of inaccuracy, yet intelligence officers state that in this year's fighting the other side has without doubt conserved men and materials and used them much more effectively than during the Tet offensive and the other somewhat abortive offensives of 1968.

This does not mean there is not still some unnecessarily suicidal fighting. Since February, the North Vietnamese Seventh Division, for instance, has three times thrown itself on impregnable artillery bases just this side of the Cambodian border and about 60 miles from Saigon.

Each time more North Vietnamese and fewer Americans lost their lives—and on these last occasions the Americans simply used it as a bait.

In such conditions, the claim that more than half a million of the enemy have been killed does not seem much of an exaggera-

According to American figures published today, 500,509 Communist soldiers have been killed in South Vietnam since the beginning of 1961. This astounding figure was reached four days ago at the end of a week in which United States and allied casualties were themselves surprisingly high.

Between May 11 and 17, 430 Americans died here and 2,185 were wounded. The correspond-

ing South Vietnamese losses were 527 and 1,643. This represents the second highest number killed in any week this year—and yet it comes in a period which was by no means so highly publicised as the offensive which began in February.

The week's casualty figures paint a somewhat different picture. The Communist attacks, like those in late February and March, not only succeeded in killing a lot of soldiers but did it with remarkable economy of force. The Americans reckon

tion and only a few months ago the North Vietnamese Commander-in-Chief, General Nguyen Vo Giap, told a visiting Italian journalist in Hanoi that the American figure was an exact one.

Generals love statistics and General Giap is probably no exception; like any other general, he has to make a case for replacements. The truth of the matter—from personal observation of a handful of operations—is that American and particularly South Vietnamese estimated number of "kills" varies widely in its accuracy.

vietnam's neighbours

LAOS

Laos remains divided into two camps : one right wing and one Communist. The Soviet Ambassador in Vientiane delivered a note at the beginning of February from the Laotian Prime Minister to the Communist leader. Observers consider this to be a reflection of the Russian desire to settle the S.E. Asian question. The Vietnam problem can hardly be resolved without a settlement in Laos, for the country is used as a supply line by the Vietcong and bombed by the Americans.

Thailand

In a speech on February 13th, Mr. Thanat Khoman, Foreign Minister, suggested that once hostilities in Vietnam ended, there were strong reasons for the withdrawal of U.S. troops from Thailand. He described the presence of 50,000 American troops there as "socially corruptive". As regards Vietnam, Mr. Thanat thought that de-Americanisation could help speed up the Paris talks. (Times 14.2.69)

CHINA

As part of their anti-Chinese campaign, Russia has claimed that China is hindering the Vietnam war effort. The Soviet Foreign Trade Ministry said that China had closed her borders at all railway crossing points for Russian supplies bound for Vietnam; earlier accusations were made that Russian arms in transit were seized for use by factions in the Cultural Revolution. The accusations even went further :

Another newspaper, Sovetskaya Rossiya, went so far as to accuse China of building up trade relations with South Africa, Rhodesia and west Germany, and indirectly even of secretly selling equipment to the Americans for use against Vietnamese communists. The sales were being effected, it said, through Peking-controlled firms in Hongkong.

(Times 21.3.69)

Mr. Thanat of Thailand, writing in the "Bangkok Post" at the beginning of May, claimed that Chinese troops had moved into northern parts of Laos and Burma.



They had been welcomed by Communist hill tribes; strategic roads were being constructed. Mr. Thanat then went on to criticise the military structure of SEATO.

Although there are some Chinese soldiers in northern Indo-China, they are not engaged in active fighting unless attacked by U.S. bombers. China's material support of the Vietnamese war effort is much smaller than that of the Soviet Union. It is true that some of the statements from China show full verbal support not only for the N.L.F. but also for Ho Chi Minh :

"We are convinced that, under the leadership of their great leader President Ho Chi Minh, the 31 million heroic Vietnamese people, by persevering in people's war, will certainly be able to overcome the difficulties on their road of advance, drive the U.S. aggressors from Vietnamese soil and win final victory in their war against U.S. aggression and for national salvation".

The U.S. now admits that bombers were shot down by the Chinese, not only over Vietnam but also over China. The Chinese authorities in Peking have not reacted in any way as the N. Koreans did over the Pueblo affair, possibly partly owing to the rigours of the Cultural Revolution and the anti-Russian campaign.

China first of all wants to see an end to U.S. intervention in S.E. Asia but she is not totally in favour of any regime claiming to be Communist, nor of agreements between the Americans and the Hanoi bureaucracy : "To help U.S. imperialism put out the flames of the Vietnamese people's revolution, the Soviet revisionist renegade clique is intensifying its dirty political dealings with U.S. imperialism". (Statement by Mao Tse Tung and Lin Piao and Chou En-Lai, 19.12.68)

U.S. scene.

The U.S. Government's attitude to the Vietnam war is ambivalent. Nixon's intention to end the war is caused by economic and political considerations rather than a redefinition of America's role in S.E. Asia, or any increased heed being taken to the ever widening protest movement : "As some 70,000 anti-Vietnam war demonstrators thronged the Avenue of the Americas here (New York), hundreds of conventional middle-aged Easter shoppers, particularly women, applauded and raised their hands in V for Victory signs in support".

The demonstrations included : "A significant number of ordinary middle-aged participants and hundreds of servicemen in plain clothes wearing white paper caps bearing the slogan 'G.I.s against the war'". (Times 7.4.69)

The persecution of protestors has gone on unabated however :

"A Judge in Milwaukee, Wisconsin, called for Police to clear the State circuit court last night after a Jury found 12 persons, five of them clergymen, guilty of theft, burglary and arson in destroying draft record cards last year." (Times 28.5.69)

The real pressures on Nixon come from within his own administration.

"It is generally recognised that the top priorities that Mr. Nixon has set himself are the ending of the Vietnam war - or at least substantially reducing the involvement of the U.S. in it - halting inflation and curbing crime. The American nation is thoroughly tired of the Vietnam war and it urgently needs the huge sums of money that are being spent on it for its own domestic problems. Mr. Nixon clearly feels that unless he can somehow pull the U.S. out of the Vietnam quagmire fairly soon his whole administration will be hamstrung". (Guardian 29.4.69)

The "huge sums of money" amounted to £ 12,000 million. In 1968, according to Melvin Laird, U.S. Defence Secretary, speaking in Vietnam on March 9th.

In addition to the domestic demands which of their very nature have a higher impact than a war fought on foreign soil, the increasing military impotency of U.S. forces is coming under attack :

"Mr. Clark Clifford, the former Secretary of Defence, has said that the U.S. is in a hopeless military situation and the Nixon administration is not doing

enough to extricate itself from the war". (Times 3.5.69)

The recent Congressional outcry over the 'Hamburger Hill' battle is indicative of increasing widespread disenchantment with the way in which the war is being fought. On the one hand there is the statement from the Secretary of State hoping : "there might be mutual withdrawals of American and North Vietnamese troops but no immediate unilateral withdrawal of forces by the U.S." (Times 8.4.69) and on the other the strained apologies justifying the continuation of hostilities :

"The White House sought last night to allay criticism of recent offensive operations in Vietnam by saying that greater military restraint would not bring any reduction in casualties". (Times 28.5.69)

Nixon however will only withdraw troops

"if the military situation has sufficiently improved, if the South Vietnamese have the military capacity to take over, or if a mutual withdrawal can be agreed with North Vietnam". (Sunday Times 4.5.69)

As these conditions have prevailed since the war was escalated in 1965 it seems almost certain that a major domestic crisis will provoke the U.S. administration into a position where some form of compromise will have to be achieved. A large credibility gap is being created by the ambivalence of the Nixon administration and this could provoke a severe crisis of confidence.

"Senator William Fulbright gave a warning last week that time was running out if the President did not want the public to begin speaking of 'Mr. Nixon's war'. In the New York Times today Mr. James Reston, the executive editor, says: 'This is clearly not the way to bring peace in Vietnam or an understanding with the Russians, both of which are vital to the appropriation of money for the American cities.'" (Times 24.3.69)

It is the Damocles sword of urban unrest that will provide the principal initiating force with regard to Vietnam for some time to come as far as the Nixon administration is concerned.

From Times Business News,
May, 1969.

Economics of peace in Vietnam

American thoughts are turning more and more to peace, indeed, they seem to be running a long way ahead of any concrete evidence that Mr. Nixon's chances of securing an honourable settlement this year are any greater than Mr. Johnson's were last year.

None the less, the hope that hostilities will cease is probably soundly based for the simple reason that no American President can carry on the struggle beyond this year and retain any hope of political survival. All America's troubles—inflation, militarism, campus unrest, inadequate social and urban programmes and even racial tensions—are blamed, with more or less justice, on the war.

It has become the focus and symbol, even if it was not the sole original cause, of the American psychosis, in the sense of the widening and ever more obvious gap between the American Dream and the American Reality. The ending of the war has become both psychologically and practically a prior condition to solving the other problems which are driving this once complacent country over the brink of distraction.

Mr. Nixon and his civilian advisers can see this as clearly as anyone. They know that they have to settle dishonourably, if they cannot settle honourably, in the next few months. Since Hanoi also knows this, there can scarcely be an honourable settlement.

But there will be an end to hostilities. So, it is worth looking at the economic and financial dimensions of the peace.

The Vietnam War has been cited as the cause of almost every economic and budgetary stringency of the past few years. Inflation, higher taxes, and underfunding of civil expenditure programmes have all been laid at the door of the war by official spokesmen at least since 1965.

Naturally, this creates the converse expectation that when the war stops stable prices, lower taxes, and more adequate government social expenditure programmes will materialize. But such symmetry is not to be taken so easily for granted.

Blaming the war—like blaming the balance of payments in Britain—is a favourite United States Treasury

and Budget Bureau standby whenever unpleasant medicine has to be administered. But, if the value of all the proposals turned down on the pretext of the war were added together, and if the yield of the 10 per cent income tax surcharge (the "war tax") were added to that, it would amount to several times the declared cost of the war. And that ignores the contribution of over-full employment and inflation.

Moreover, the declared cost of the war—just under \$30,000m. in the present fiscal year—is about 50 per cent greater than the saveable cost, i.e., the amount of expenditure which would not be incurred if the war were not being waged at all. President Johnson's economic advisers estimated the reliable saving at \$19,000m. (1969 *Economic Report of the President*, p.193).

Charles Schultze, President Johnson's Budget Director, estimated the saving at \$20-\$22,000m. (*Agenda for the Nation*, p. 29). And these savings reflect, not the amount by which defence expenditure would go down in absolute terms after the war stopped, but the difference between the level which it would reach if the war continued on its present scale and the level which it would reach if the war stopped.

For the present fiscal year the January, 1969, revised budget estimate for defence expenditure was \$81,000m., of which \$28,800m. was officially attributed to Vietnam. Allowing only for normally rising pay-scales and higher prices for military equipment and, "for a very modest real growth", the Johnson Economic Advisers estimated that non-Vietnam expenditure would rise at about \$4,000m. a year from 1969.

Added to the roughly \$10,000m. of so-called Vietnam expenditure that would in fact continue whether

or not the war was going on, this would give a very conservatively estimated defence budget of \$73,000m. in the fiscal year ending June, 1972 (*Economic Report*, p. 199). On similar assumptions Charles Schultze estimated \$70,000m. in fiscal 1971 and \$76,000m. in fiscal 1974.

Thus, the cash saving below the present absolute level is at most of the order of \$10,000m., declining to \$5,000m. over five years. The 10 per cent income tax surcharge, which Mr. Nixon is now asking Congress to extend for six months, plus a final six months at 5 per cent, is worth about \$10,000m. at the full rate for a full year.

Moreover, to get an idea of the pent-up military demand for non-Vietnam new expenditure it is striking—as a measure of the Macnamara years—that, comparing fiscal 1962 with fiscal 1969, non-Vietnam defence expenditure has not significantly changed in money terms, has declined by over a quarter in real purchasing power, has fallen from 48 per cent to 28 per cent of the Administration's total budget and has fallen from 9.4 per cent to 5.8 per cent of G.N.P.

The pressure for new weapons systems—a replacement for the B-52, a new strategic missile to be put in hardened silos, a new army main battle tank, a new navy attack aircraft, a new anti-submarine plane, a new air force fighter, a new under-sea long-range missile system, a sea-based A.B.M. and a long-range missile system for surface ships, to say nothing of a thick A.B.M. shield to defend cities—is colossal.

The Johnson Economic Advisers mentioned a \$6,500m.-a-year package of Pentagon new programmes waiting on the shelf.

In addition, there are built-in increases in the cost of existing civil programmes which will take their total up automatically and without improving services, from \$106,000m. in fiscal 1969 to about \$127,000m. in 1971 and 1972 and to over \$145,000m. in fiscal 1974, according to the Johnson report and to Charles Schultze.

To effect any real improvements new expenditure over and above that will be needed. The Johnson advisers list an annual bill of almost \$40,000m. for required new social and other civil programmes already in preparation. And this does not include a negative income tax designed to make effective inroads into poverty, which would cost between \$15,000m. and \$20,000m. a year.

It is worth recalling that \$10,000m. is about 1 per cent of United States G.N.P. in 1970, equivalent proportionately to about £370m. in Britain.

Towards all this there is one major source of resources and funds: economic growth and the automatic rise in Federal tax revenues that goes with it. After allowing for the phasing out of the income tax surcharge (but not the repeal of the investment tax credit), this will increase revenues by \$18,000m. in 1971, and by \$74,000m. in 1974. This will leave a real scope for new programmes of about \$22,000m. in 1972, and of between \$25,000m. and \$40,000m. in fiscal 1974.

In President Johnson's own words in his economic report to Congress this year, "that dividend is dwarfed by the urgent needs of our society". It is indeed.

