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54  
Pres file

Thursday, July 27, 1967 -- 10:30am

Mr. President:

This is the most solid piece of analysis in  
a single place of progress in Viet Nam.

I believe it should be:

- edited and repeated to our diplomatic  
posts;
- used with the Congressional leadership.

W. W. Rostow

Saigon 1954

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E.O. 12356, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1983

By hgy, NARA, Date 7-23-91

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E.O. 12356, Sec. 3.4

NJ 94-130

By CL, NARA, Date 7-13-94

Wednesday, July 26, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon, 1954)

Herewith my thirteenth weekly telegram:

A. General

Two developments of importance relating to the elections took place during the past week as the result at least in part of persistent persuasion and patient prodding on our part. The first was the lifting of press censorship which has encountered a very favorable reaction here. The second was the invitation sent by the Foreign Minister to U Thant urging that he send United Nations observers to Vietnam during the elections. In his letter the Foreign Minister expressed the view that the presence of such observers would clearly testify to the determination of the Government of Vietnam to hold free and honest elections and that their presence would afford the United Nations organization an excellent opportunity to obtain a first-hand picture of what the situation in Vietnam really is. He has informed me that invitations are being sent to local diplomatic missions and to all countries in which the Government of Vietnam has representation. These are both measures which I have been urging Thieu and Ky to take for some time and I think the fact that they have done so has given a feeling of considerable confidence to the civilian candidates and to the public generally.

Other actions which have contributed to the feeling of confidence are the promise of equal access for all candidates to communications media and transportation and the calling off of General Loan in his over-zealous activities on behalf of Ky's candidacy before the Thieu-Ky ticket was put together. Moreover, within the past week both Thieu and Ky have said to me that they are fully conscious of the fact that with a combined military ticket, they must take added precautions to see that the elections are clean.

In the meeting which Clark Clifford and Max Taylor had yesterday with Thieu, Ky and their colleagues, Clark stressed the fact

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that nothing could be more damaging to our common cause abroad than the impression that the elections were not honest. Thieu for his part said that they must be entirely honest and fair in order to show the Vietnamese people that the Government of Vietnam really wants a democratically-elected government which can defeat the enemy and promote a better life for its citizens. These are all constructive developments, but obviously the process will need watching and no doubt guidance as we get into the active campaign. I will, of course, continue to keep a sharp eye on this question and we will maintain the necessary pressure on the government.

The press, of course, will be watching the whole electoral process with a critical eye as they do almost everything here. It is a strange thing that in a country which is engaging in its first real experiment in democracy and under war-time conditions they seem to be expecting standards which have not yet been achieved in countries far more mature politically, even in the United States. Nevertheless, it is typical of the cynical and skeptical attitude of a large part of the press here. This is a situation similar to that we faced in dealing with the Dominican problem where many of the press came with preconceived ideas and were not to be persuaded by the facts of life. The difference is that here it is on a bigger scale.

This came out at the brief press conference which Clark Clifford and General Taylor held on their arrival. A reporter for NBC here made the statement that pacification is not going well, that there had been no spectacular military victories, that ARVN does not show any signs of becoming an effective fighting force and later on in the course of the conference made even more damaging statements about ARVN, intimating that our field commanders do not trust the courage and loyalty of ARVN soldiers. Since I and my colleagues here are convinced that we have been and are making steady progress, I had assembled some factual data for Clark and Max Taylor detailing developments which have taken place in the military, political, economic and manpower areas, and the current status of the Viet Cong. They felt that this information would be useful to them in their visits to the remaining six countries. Although I have covered some of these matters in my reports of recent weeks, it might not be amiss to summarize our views on the situation here as we see it.

Military Progress and Strategy in General

Our war against the Main Force and guerrilla forces of the enemy has been going well. As evidence of this, we have, during the past year:

A. Defeated enemy forces in battle wherever found and disrupted his plans for major offensive across the Demilitarized Zone and in the Highlands, denying him the psychological victory he seeks.

B. Contained the enemy along the Cambodia-Pleiku-Kontum border.

C. Reduced significantly enemy infiltration by sea, so as to force his reliance on infiltration through Laos and across the Demilitarized Zone.

D. Increased security in the coastal areas of the First and Second Corps, dealing a major blow <sup>to</sup> the guerrilla forces. This has disrupted the enemy's source of manpower and supplies in the area, forcing him increasingly to rely on Cambodia for supplies and North Vietnam for men.

E. Destroyed Viet Cong base areas north, west, and east of Saigon, thereby pushing the enemy deeper into the jungles.

F. Significantly increased the percentage of "secure" and "open" roads and waterways, including the opening of all major roads and waterways to daylight traffic in the vicinity of Saigon, the opening of Highway 1 along the central coast from Phan Rang to the Demilitarized Zone except for a short stretch along the First Corps-Second Corps boundary, and the keeping open of Highway 19 from the coast to the Highlands and Highways 21 and 14 in the Highlands, as required to support operations.

G. Improved the ratio of enemy killed to friendly killed and enemy weapons captured to friendly weapons captured.

In addition:

A. We have improved our intelligence and have developed a flexible logistical base. Port facilities are greatly improved.

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B. New highly sophisticated weapons (bombs, mines, detection devices) have been developed, and some used with great success.

C. ARVN units dedicated to the main force war, while not consistent in their performance, have vastly improved as indicated by many battle victories, which were scarce a year and a half ago. Particularly have ARVN units fought well in joint operations with U.S. units, aided by U.S. artillery and air support.

However, the enemy still has capability of replacing troops and supplies, is giving troops better and more sophisticated weapons, has been able to mount destructive mortar and rocket attacks on our AID fields and bases, and is determined to continue war, gambling on a changed political situation in the U.S. or South Vietnam.

We believe our future strategy should be:

A. To continue, improve, and intensify our present tactics of (1) containing enemy main unit forces in the South Vietnam border area, (2) searching and destroying enemy forces within South Vietnam, (3) guarding our bases and devising better methods of combatting rocket and mortar attacks against them (4) destroying enemy base areas, (5) interdicting infiltration of men and supplies into South Vietnam by the present kind of operations on land and sea and in North Vietnam, and (6) improving security in the countryside which is partly a function of all our other military activities.

B. To adopt whatever new tactics are necessary to stop or slow to a trickle infiltration by the enemy of men and material through Laos into South Vietnam.

#### Progress in the Political Field

Since early April of this year, most of the people in Vietnam in areas secure enough to hold elections have gone to the polls twice, once to elect village councilmen and the second time to elect hamlet chiefs. Local elections of this kind are important to the Vietnamese people because they restore to them the autonomy they once had, and provide an important base for the future involvement of the people in local government. They represent one of the present government's most significant reforms.

Eleven presidential tickets and 48 10-man senatorial lists will be voted on in the September 3 elections. There are three major presidential slates: (1) Chief of State Thieu and Prime Minister Ky; (2) Former Prime Minister Tran Van Huong and respected Southern Buddhist leader, Mai Tho Truyen; and (3) National Assembly Chairman Phan Khac Suu and Dr. Phan Quang Dan. Senatorial contenders represent a broad cross section of Vietnamese non-communist society and include many of Vietnam's most prominent political figures. This is a healthy sign of interest in the constitutional process and the importance attached to the forthcoming elections. As noted above the prospects for fair and honest elections have been much improved as have the prospects for post election cooperation between military and civilian elements. If, as we hope and believe probable, a broadly based military-civilian government can emerge from the elections, it will be a long step forward in creating public confidence in and support for the government. This in turn should provide increased stability and a broader base for carrying forward the activities of government in all areas. Progress toward the development of a democratic constitutional process has been a major achievement and one which will have great psychological impact both in Vietnam and abroad.

#### Economic Situation and Outlook

The economic outlook continues to be favorable. The money supply is increasing at a moderate rate in contrast to the headlong expansion of money into the economy prior to last June's devaluation. For the year as a whole a price increase of as little as 30 percent now looks possible--bad by U.S. standards but good by recent Vietnamese standards, and even by our anticipations earlier this year.

The economy today is in a far healthier position than it was a year ago. A tight grip has been put on piaster spending by free world military forces and more effective control established over Government of Vietnam spending. Government of Vietnam performance in collecting taxes is continuing to improve, but Vietnamese resources are fully employed and the pressure on the economy remains high. But while inflation has not been stopped, it is no longer out of control.

Other economic developments are also encouraging. For the first time, there are clear signs of spreading prosperity in the countryside. The urban classes were the first to benefit from the speedup in the economy. Workers in Saigon have wristwatches, motor bikes, and to a surprising extent TV sets. They eat far better now than a few years ago.

This prosperity has definitely begun to move out into the countryside, both to the major towns and into rural areas. The increased rice price has been one factor. Another is the increased consumption of domestic foodstuffs. The third is the increased availability of wage earning jobs in provincial and district towns. Finally, many country boys with city jobs are sending their earnings back to their families.

For the future we are now in a position to put more effort and resources into increasing agricultural production, to lower costs, and to increase the flow of goods to market. This is not only desirable as a means of reducing prices for domestic products, but also as a major complement to the pacification program. Evidence that rural security means increased rural prosperity will further impair Viet Cong efforts to enlist the cooperation and support of the rural population.

#### Current Status of the Viet Cong

A review of information on Viet Cong activities throughout South Vietnam during recent weeks indicates that Viet Cong problems in the countryside and the cities are serious and increasing, and that they have had to adjust their policies and planning accordingly.

#### In the Countryside

A. Manpower problems increasingly plague the Viet Cong in all parts of South Vietnam. Most provinces report severe recruiting problems and seriously understrength units. Manpower is lost directly through battlefield casualties, disease and hardship, desertion, and defection through the Chieu Hoi Program. The reserve supply is reduced by large scale emigration from Viet Cong controlled areas, leaving some places too underpopulated to tend crops adequately or supply labor and conscripts for the Viet Cong. Popular resistance to recruitment is growing. As a result the Viet Cong are increasingly resorting to the use of women and children, even in fighting units.

B. These factors have had an adverse effect on morale. Depressed morale and declining discipline of the rank and file are reflected in the rising rate over the last year of desertion and rallying under the Chieu Hoi program.

C. Morale and manpower problems are in turn related to loss of popular support, which is reported in all Corps areas. Disillusionment with Viet Cong promises and propaganda, resentment against ever higher "taxes", conscription of manpower, and dwindling confidence in ultimate Viet Cong victory have worked to turn the people from the Viet Cong.

D. Food is a critical problem in much of the First and Second Corps and in the upland regions of Third Corps. Even in the Delta "Rice Bowl" the Viet Cong are suffering from food shortages.

E. Reports on the unsettling effect of constant allied pressures are widespread.

F. In a number of provinces Viet Cong administrative centers have had to move into the hinterland to avoid friendly sweeps, and in others the Viet Cong infrastructure has been badly shaken by unrelenting U.S. and Government of Vietnam pressure.

#### In Urban Areas

Viet Cong problems are much greater in the cities where allied security against Viet Cong operations and terrorism is greater and where the relative prosperity and availability of food make the populace less vulnerable to proselyting and propaganda. Pressure by allied forces has forced Viet Cong to abandon Gia Dinh Province as a base of political and terrorist operations against the Saigon metropolitan area. In Saigon City a significant number of Viet Cong Cadres have been arrested during recent months. Between September 15, 1966, and the end of May 1967, 265 Viet Cong Cadres were captured in Saigon. Large scale terrorist acts in Saigon City have been inhibited to the point where the Viet Cong are resorting to indiscriminate assassination as a means of harassment and intimidation. Since the first of June the number of Viet Cong active agents arrested has risen dramatically. During the first three weeks of July, 15 sapper agents have been captured, including an F-100 battalion officer. One of the sappers arrested led to the arrest of seven others.



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### Viet Cong Policies and Solutions

The Viet Cong have reacted to these problems with a number of new policies. Every province reports that priority has been given to combatting revolutionary development, Chieu Hoi and other pacification and psychological programs.

Another development is an increase in indiscriminate terror. Instead of using command controlled mines on the highways to destroy military vehicles, contact mines are used which most often destroy buses and Lambrettas full of women and children. District towns are shelled or mortared more or less at random killing far more civilians than military personnel or officials. Other measures adopted have been the transformation of combat battalions to sapper units used for terrorist attacks and sabotage, rising tax levies, and confiscation of property of families who work for the Government of Vietnam or have members in the ARVN.

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Hanoi's answer to loss of manpower and the continuing erosion of the Viet Cong structure has been greatly increased by North Vietnamese presence in the South. Although more than half of the enemy main force military units currently in South Vietnam are listed as Viet Cong the majority of the troops are North Vietnamese. Along with this the directness of Hanoi's control has increased.

### MANPOWER

A much more complete study of the whole problem that has ever been undertaken before is now underway. This study includes: (a) methods that can be suggested for immediate implementation by the new Vietnamese Government upon its election September 3; and (b) methods that involve a more complete mobilization of Vietnamese manpower that can be implemented after completion of the study.

Manpower mobilization involves determination of manpower supply, manpower requirements, priorities where requirements exceed supply, and the plan for most effective manpower utilization in accordance with priorities. To determine manpower requirements and priorities, a policy blueprint for all activities in Vietnam must be prepared. It is proposed to prepare such a blueprint by August 20, which will include recommendations for action by the new Government of South Vietnam after it assumes power subsequent to the elections. The study has been comprehensively organized by Ambassador Locke to include all elements of our mission here, military and civilian, and is being carried on under his direct supervision.

### PACIFICATION

Although there has been a feeling in some quarters that progress in pacification has been slow, I believe that this is so only because the concept in its present form is relatively new and requires a vast amount of organization and preparatory work. This has in fact been going on in my opinion at a very satisfactory rate. The reorganization of the U. S. advisory and supporting role which you approved in early May has been worked out with great energy by Bob Komer with General Westmoreland's and my approval. It has met with general approval and support and is now getting into high gear. Project Takeoff concentrating on the most essential elements in Revolutionary Development has been developed and is ready to go into operation. Reorganization of the intelligence setup in order to get more effectively at the Viet Cong infrastructure is nearing completion. Training of the Revolutionary Development teams at Vung Tau is proceeding with about 29,000 Cadres trained. Our goal is to train 60,000 constituting 1,000 Revolutionary Development teams. ARVN/Regular Forces/Popular Forces are being re-trained and motivated for work in pacification. All of these developments indicate, I believe, that once the election is behind us we should be

picking up momentum and moving ahead at a faster pace.

In giving the above summary, which is a consensus of our views here, I do not want to appear to be over optimistic. In fact, I think it is important that we should be realistic in facing the many complex and difficult problems that lie ahead. Some of these I will discuss in a later message. I do not believe, however, that there is any evidence that things are in a "stalemate" here or that we have lapsed into a static situation. I and my colleagues are all convinced that we are moving steadily ahead and moving in the right direction. I do think we need to do more intensive work in educating the Press here and I intend to concentrate on this.

We have sent in a summary report on the Clifford-Taylor visit (Saigon, 1871) which covers the high points of the meeting with the Government of Vietnam leaders. It was most useful for us to exchange ideas with them and also very helpful from our viewpoint for them to meet with the Vietnamese leaders.

We went over in some detail the whole problem of manpower, Vietnamese Armed Forces effectiveness, and pacification not only with Thieu and Ky but also with Vien and Thang. Vien gave us an account of Vietnamese plans to increase Vietnamese Armed Forces by 65,000, including 50,000 Regular Forces/Popular Forces. He explained that the plan includes semi-mobilization and the reduction of the draft age to 18. By holding men in service, this effort is already underway.

Thang noted unfair criticism of the Revolutionary Development effort, and he pointed out that Viet Cong attacks on the Cadre are evidence of their effectiveness. He wants to more than double the number of Cadre to 60,000 or 1,000 teams.

We talked at length, of course, about additional allied troops. General Ky hoped that more troops may be added from Korea and also that the Philippines may send another Philcag. He was doubtful that much could be obtained this year from Australia, New Zealand, or

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Thailand. Clark Clifford made it clear that we are looking for more from all of them. It was decided that Vien and General Westmoreland will draw up a joint estimate of what we need from our allies, and this has been done.

As for a possible summit meeting, Ky suggested a preliminary meeting at the foreign ministers level in Saigon in late October or early November. Ky also urged that Australia be considered as the site of the summit meeting, noting the value of involving them more in Asian-Pacific matters.

Thieu expressed opposition to any renewed bombing pauses before the elections in the United States. As regards negotiations, Foreign Minister Do repeated the Government of Vietnam view that the Government of Vietnam will not deal with the National Liberation Front as a separate delegation but will accept it as part of a Hanoi delegation; he also said that the Government of Vietnam will accept the National Liberation Front members who come back to normal life in South Vietnam as individuals under the government, but that the National Liberation Front cannot be permitted a role as a political party or entity for the foreseeable future.

B. Political

As we approach the opening of the formal campaign, preparations by all concerned are going into high gear. The major candidates are putting together their provincial organizations. At the same time, the Central Election Campaign Committee - composed of representatives of all 11 Presidential slates - met July 20 and decided on the major outlines of the campaign.

The committee is planning 24 joint personal appearances by the candidates throughout the nation, two joint press conferences, and three joint television appearances. In addition, each candidate will get a 15-minute spot on the radio during the first week of the campaign.

The first joint event of the campaign is an August 3 television appearance. Joint travels begin August 6, with a visit to Quang Tri Province; in all, the candidates will appear as a group four times in First Corps, three times in Second Corps, four times in Third Corps, nine times in Fourth Corps, three in Gia Dinh, and three times in Saigon. Both joint press conferences will be held in Saigon.

Candidates will be permitted to hold additional press conferences in their homes or in restaurants, but they may not use public facilities. The joint campaigning is not compulsory, and candidates may travel and speak in other localities as they please. The government will not pay their expenses on such trips, however.

There now seems to be little immediate danger that any of the leading civilian contenders will pull out of the race. I had feared that one result of the Thieu-Ky merger might be withdrawals by some of the civilian candidates who might conclude that the United Military ticket was unbeatable. However, Huong assured an embassy officer July 22, that he has no present intention of withdrawing, while

Suu exuded his usual optimism about his chances of victory in another conversation on the same day. On July 24, Suu's running mate, Phan Quang Dan, outlined his campaign plans to an embassy officer and claimed that his slate is the best organized of the 11 in the field. He gave no inkling of any discouragement about Suu's chances.

[redacted] indicate that the Thieu-Ky slate intends to spend in the neighborhood of 60 to 70 million piasters, and that government communications will be used to assist their campaign organization. The other candidates will be spending considerably less. A Huong supporter told one of our embassy officers that Huong has at his disposal only three or four million piasters, which he believes is not nearly enough. Suu also complained about the lack of funds. The civilian candidates will not have the advantage of government communications, of course. Nevertheless, I am inclined to think that these government advantages are close to normal for an incumbent, and unless they are too blatantly used should not cause any uproar. 1.3(a)(5)

As for official pressures on the populace to vote for Thieu-Ky, [redacted] says that the primary tactic will be praise of the achievements of the Thieu-Ky government. If praise for the government is not absolutely demanded of civil servants and if the "praise" is not too blatant, I think we should not be upset by this tactic. It is very nearly inevitable in any event and, within limits, is one of the normal advantages of the incumbent. 1.3(a)(5)

There continues to be an important body of opinion here which strongly believes Thieu and Ky should leave their government positions during the campaign. Huong recently mentioned it as a "political necessity" if the Vietnamese people are to believe that they have in fact had an opportunity to express their will freely and fairly. Various student and youth groups are also pressing for such an action.

We have been drawing up an initial assessment of the strength of the various slates. This is extremely difficult to do because there are so many imponderables in the equation. Our first rough estimate - which could well turn out to be completely wide of the mark - shows that Thieu-Ky will win by a respectable margin. We now calculate that they will get over two million votes, whereas Huong, their strongest opponent, seems at this writing likely to get no more than one and one-half million votes. It seems probable that Suu will poll under a million.

I would caution that these are the roughest kind of estimates, based more on intuition than on facts. We have some indications of the vote -- pulling power of various groups from the September 1966 elections. However, it is extremely difficult to estimate the importance of such things as regional sentiments and anti-military feelings. Also basically unmeasurable is the importance of the "stay-out-of-trouble" vote, most of which will go to Thieu and Ky. We will continue to try to refine our estimates as we get into the campaign period.

Last week I reported a flurry of political activity that centered around the decision by the Assembly's Special Election Committee to recommend against permitting the Thieu-Ky slate to run in the election. I was inclined to believe then that the committee action reflected continuing maneuvering and tension between Thieu and Ky. Later reports have made this seem less likely, though it is still a possible explanation of the events of July 17 and 18. Both Thieu and Ky have told me that they felt that the committee's action was largely motivated by a desire to show some independence of the military.

We continue, however, to get contradictory reports from the two camps on what the power relationship will be between Thieu and Ky if their ticket wins the election. I take it from all this that the future relationship between Thieu and Ky is not yet definitely worked out, and that it could cause further friction between them, though both have assured me that things are going well.

For the moment, they appear to be working together reasonably well on their campaign and their outward personal relations seem cordial. [REDACTED] of the merger of their campaign apparatus, we have observed that they are rather clearly both now actively campaigning. Ky seems to be fully committed to going ahead and he and Thieu are at least united in their public drive to appeal to the electorate. 1-3(a)(5)

The Central Election Council has completed its screening of the candidates for the Upper House and on July 21 posted the official list of those who remain in the Senate race. Of the original 64 slates, four failed to meet the initial filing requirements, and the Council

eliminated an additional 12 tickets. This leaves 48 slates, or 480 candidates, still in the running for the 60 Upper House seats.

Of the 12 slates eliminated by the Council, only three had any real hope of being elected. These included two tickets backed by the militant An Quang Buddhists, both of which were dropped because of charges that members of the slates were guilty of "Communism or pro-Communist neutralism." The CVT Labor Union ticket was also eliminated, reportedly because of incomplete documentation and failure to provide any alternates for the list.

Despite these eliminations, the field in the Senate race remains a good cross-section of Vietnamese political opinion; it also includes many prominent and highly respected political leaders.

#### C. Economic

The Retail Price Index inched up again this week, and now stands at 282. This is up two percent since last week, 5.5 percent since one month ago, and up 24.5 percent since the beginning of the year. The price index on imports also went up, from last week's 196 to 203. Last month, at this time, the import index stood at 220, however.

#### D. Chieu Hoi

The number of returnees reported this week was 163. This may be compared with 256 for the same period last year. The total number of returnees this year is now 18,987; last year at this time the total stood at 10,533.

#### E. Vietnamese Killed

During the week ending July 22, the enemy killed 65 Vietnamese civilians, wounded 110, and kidnapped 75. The dead included one Revolutionary Development worker, 4 Hamlet Chiefs, and 9 Policemen. Since January 1, the Viet Cong have killed a total of 1,676 Vietnamese civilians, wounded 3,162, and kidnapped 2,153.