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NIJ 94-190
By CB, NARA Date 4-3-95

~~SECRET/NODIS~~

Thursday, August 3, 1967 -- 4:45 pm

Mr. President:

Herewith Amb. Bunker's latest, with some interesting specific examples of progress in revolutionary development (pp. 4-6).

On page 6 is reference to a marked phenomenon in South Viet Nam in recent months; namely, the rise of real income and the availability of consumers goods in rural as well as urban areas.

In my judgment it is time to begin a program of industrial production of consumers goods in South Viet Nam. It would be better to begin importing machinery rather than bicycles, transistor radios, etc. Moreover, as the construction boom levels off, we ought to take up some of the slack in small industries, including frozen fish, food processing, etc.

I shall be discussing this with Bill Leonhart and our AID man for Viet Nam, Jim Grant.

W. W. Rostow

Saigon 2289

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E.O. 12356, Sec. 3.4

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By 129, NARA, Date 9-12-94

Thursday, August 3, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon, 2289)

Herewith my fourteenth weekly telegram:

A. General

At the end of last week I had talks with both Thieu and Ky on a variety of subjects but especially concerning various aspects of the forthcoming elections.

Ky said that he felt preparations were going ahead well and was pleased that unanimous agreement had been reached among all the candidates regarding use of radio and television facilities, transportation, and joint meetings throughout the country in which all candidates would participate. He remarked that a few protests, with some threats to boycott the elections, had been made by some of the Cao Dai and militant Buddhists whose tickets had been rejected. He did not, however, envisage a situation which could not be satisfactorily handled, and observed that members of the Cao Dai as well as Buddhists were scattered through all the tickets. He expressed some concern about the ability of voters to choose among the great number of Senate candidates and confirmed his intention to tie in about six Senate lists to the Thieu-Ky slate so that the voters could identify them as allied with their ticket. He expressed the hope that other candidates might follow a similar course.

I raised with both Thieu and Ky a suggestion that they encourage a number of qualified Viet Cong ralliers to present themselves as candidates for the Lower House elections, noting the advantages that this might offer in promoting the Government of Vietnam's National Solidarity Program. Both agreed that this was a useful idea and could provide further incentive to both the Chieu Hoi and Doan Ket programs. Thieu observed that there might be

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a problem in finding qualified men since most of the ralliers were relatively uneducated, but said that he would nevertheless pursue the matter. He rather shared Ky's doubts that disgruntled Cao Dai or the extreme Buddhists would be able to create trouble which could not be readily handled. He thought instead they would work "underground" advising people to vote against the military ticket and probably favoring Phan Khac Suu as being a benevolent figure more favorable to their interests, with the added prestige of age and white hair. Thieu gave an interesting description of the importance of age not only in terms of political support, but also in pacification, and indeed the whole realm of bringing the country, especially the villages, into the modern age of science and technology. He stressed the importance of taking into account the prestige and influence of elders on the attitudes of the villagers. The Communists in the beginning had failed to recognize this and as a result had had numerous failures. Thieu said the most effective way for the Government to instill new ideas, for example with respect to pacification, was first to convince the elders who in turn would then be able to influence the younger elements to adopt them and put them into effect.

In response to my question about the platform and campaign plans for the Thieu-Ky ticket, he said they proposed to handle the campaign in a rather low-key fashion. Their ticket had certain inherent advantages, especially in meeting popular desires for stability, continuity, and security which the military element can best provide. At the same time, the Armed Forces would be considered among the strongest proponents of peace since they were the heaviest sufferers from war. He added that obviously a large measure of military support would accrue to the ticket also and they would not wish to appear to be exerting pressure on either the Armed Forces or Provincial and District Chiefs. He planned to state this clearly and publicly again.

In discussing the Senate lists, Thieu commented on the complexity of the problem for the average voter and confirmed Ky's statement about affiliating six slates with their own ticket. He stressed the importance of the Executive and Legislative branches working together in wartime. I noted that there had been a number of protests about Upper House lists which had been disqualified and observed that the U.S. press had been quite critical. Thieu said

he recognized this and that he was reviewing these protests personally. He said that so far his conclusion was that the disqualifications were justified on the grounds given.

A matter which has been of considerable interest to us has been the status of the Statut Particuler drafted by a congress of Montagnard representatives under the chairmanship of General Vinh Loc in order to meet some of the aspirations and concerns of the Fulro, most of whom are now in Cambodia, and other Montagnard tribes. Ky announced at the end of June that the Statut would be promulgated and the intention of the Government to set up a Ministry for Montagnard Affairs, but no action has been taken. I brought up the matter with both Thieu and Ky. Thieu said he was presently examining the Statut, that he thought it was in order and conformed to the Constitution and proposed to promulgate it in August at a ceremony in Pleiku or Banmethout. This should be helpful in stimulating the return of the approximately 2,000 to 3,000 Fulro now in Cambodia and giving the Montagnards generally a greater feeling of identity with the social structure of the country.

Through JUSPAO we have undertaken a very comprehensive project in support of the national elections and in getting out the vote. Materials have already been dispatched to the field for use and display. These will be disseminated during August in accordance with the phasing of our campaign plan. These include air/ground distributed leaflets (including to Viet Cong-controlled areas), posters, slogan banners, cartoon books, and adhesive stickers for auto bumpers which have never been used before in Vietnam and are being tried as an experiment.

The Government of Vietnam support plan calls for some 64 items (leaflets, slogan banners, posters) as well as slides for use in theatres. Some of these materials have already been received in the field.

JUSPAO has prepared 30 items of printed matter, loud speaker tapes, slides and film strips for distribution through the Ministry of Information. JUSPAO support is intended to educate the voter in regard to Election Laws and procedures and to

generate popular support for the elections in order to induce the maximum amount of qualified voters to register and vote.

Most of the reporting in my weekly messages has concentrated very largely on the major military, political, and economic developments and trends. Sometimes, however, local situations can give a clue to larger developments and can be illustrative of ways in which progress is being or can be made, as well as problems still being encountered. I thought it might be interesting to give a few examples.

The northern provinces of Quang Tin and Quang Ngai in the First Corps reported an unusual spurt of activity and successes by the Revolutionary Development teams in June. In Quang Tin this is the result of several factors: (a) replacement of the former Revolutionary Development Cadre Chief, who was using his position for personal gain, by a new Chief who has shown enthusiasm, energy, and determination in promoting new ideas; (b) steadily increasing pressure by the Province Chief on everyone involved in the Revolutionary Development program; and, (c) reduced threat of insecurity through the deployment of U.S. Marine units in the area. In both provinces the successes were directly proportional to team leadership, security, the interest and supervision of the Province Chiefs, and the advisory efforts of American military and civilian personnel.

In Quang Tin the new Cadre Chief promptly seeks to implement the suggestions of U.S. advisors, is constantly visiting Revolutionary Development teams, has arranged for awards and benefits for outstanding cadres, and is weeding out ineffective team leaders. Through information received from Viet Cong prisoners, four rice caches were turned over to the U.S. Marines for exploitation, numerous ambushes were set up, thirteen Viet Cong killed and captured.

The Revolutionary Development Committee recruited 94 new cadre members in June, fifteen of them Hoi Chanh who will be integrated into existing teams. In addition, the Revolutionary Development teams in Quang Tin have trained about 500 Revolutionary Development Peoples Group members and now have arms for fifty of them. Forty-five self-help projects have been

approved and thirty-five are under construction. Nearly 800 illiterate adults are attending classes given by Revolutionary Development cadres and more than 2,000 youths are meeting at least once monthly for campouts, games and songfests as part of the Revolutionary Development Youth Program. About 3,700 farmers are beginning to profit by the united efforts of the Revolutionary Development Farmers Association.

In Quang Ngai province progress has also been substantial. Particularly noteworthy has been the willingness of the people to give information to the Revolutionary Development teams. Propaganda courses given in four hamlets involving 537 people suspected of being sympathetic to the Viet Cong resulted in the participants identifying sixteen members of groups which had been actively aiding the Viet Cong. A total of 30 new unfunded projects and 17 new funded projects were initiated in June and have gone a long way to convince people that the Revolutionary Development teams and the Government of Vietnam are interested in their well being. In return, the people have provided more information on Viet Cong personalities in the hamlets. In 10 of 15 Viet Cong-initiated incidents against Revolutionary Development teams, the peoples' information enabled the teams to ambush the Viet Cong before they could enter the hamlets. Census information has identified families with relatives in Viet Cong ranks and family members have been persuaded to write letters which resulted in seven Viet Cong returning as ralliers. Increased intelligence efforts by Revolutionary Development teams resulted in the capture of 15 Viet Cong during June.

During the current year, Revolutionary Development teams have taught school to more than 2,000 illiterates. In June, 64 additional members of Revolutionary Development Peoples Group were being trained, bringing the total for the year to more than 600 in the province.

The isolated district of Ba Tri in the Delta province of Kien Hoa is a good example of what can be accomplished when adequate security is established. In January, 14,000 people returned to the district town's commercial belt; the road was paved from Ba Tri into the area; improved road security from the

provincial capital of Ben Tre enabled goods to move freely; and high paddy prices provided a good deal of liquidity to the new life hamlets.

In April there were few sewing machines in the pacification area. Now approximately 30 percent of the households have them. Transistor radios are not an uncommon possession. The motorbike revolution has also come to Ba Tri; in April there were two or three motorbikes in the district, today there are over fifty. On the provincial road running northward from Ba Tri through 13 new life hamlets, there are ten new lambretta taxis carrying goods and passengers. Nine commercial trucks of the district town are in almost constant motion carrying rice, hogs, fish, and other products to Saigon and returning with consumer goods. Rice farmers continue to get good prices for their produce and secondary crops provide an additional source of income. Vegetables are being sold in good quantities daily in the Ba Tri market. Fertilizer packed in one kilo bags is sold in all the little shops in the district town and is being used mostly for vegetables.

In short, open roads, good agricultural prices, and the availability of consumer goods are doing as much as anything to promote "national building."

In another Delta province, Phong Dinh, Giai Xuam village, which I visited earlier this month, was attacked a few nights later by part of a Viet Cong battalion in the early hours of the morning. The attack was repelled by [redacted] and a Popular Force platoon, killing 3 Viet Cong. The [redacted] called for assistance which was provided quickly by the ARVN, our own "spooky" C-47 aircraft, and the Vietnamese Air Force. The Viet Cong were followed and engaged, 51 were killed, and 10 prisoners taken -- three 12 years of age, two 14, and five 17, certainly another indication that the Viet Cong are having increasing difficulties in recruiting.

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I have cited these as examples of what can be done when there is good leadership, team work, organization, and proper motivation.

The other side of the coin is what happened last month in Vein Hoa province. Here the Viet Cong increased their

propaganda and harassment attacks against the Revolutionary Development pacification efforts, utilizing mainly small size units. Two unopposed attacks by the Viet Cong on Revolutionary Development teams in Nhon Trac district have succeeded in administering a serious psychological setback to the Revolutionary Development effort in this area which previously had been progressing well.

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Obviously there is bound to be unevenness in any program as new, extensive and wide-ranging as Revolutionary Development. Cadres are being trained rapidly. Some teams are excellent, some fair, and some poor, but the latter I would say are distinctly in the minority. From time to time we shall have setbacks like the example I have indicated. But these we have to take in stride, repair the damage and get on with the job. The overall effort is moving ahead and I am confident that once we get through the elections, we shall be able to accelerate it.

A very useful South East Asia Coordinating Office for Revolutionary Development meeting was held yesterday, August 1, attended by Ambassadors Martin and Sullivan, Admiral Sharp, General Westmoreland together with their principal advisers. Ambassador Locke and I also attended. We considered specifically the Cambodian situation, the forthcoming DYE MARKER operations, the PRAIRIE FIRE III concept, and SOUTHPAW.

With regard to Cambodia, it was agreed that the next step should be a carefully-documented and verifiable dissemination in world capitals as well as to the Royal Khmer Government and publicly of evidence of the use of Cambodian territory by the Viet Cong/North Vietnamese Army and that that use is reaching an intolerable level. Our recommendation is based on recognition that the quiet approach has not resulted in desired Royal Khmer Government movement to take action on the problem. We believe

that public dissemination would force Sihanouk to focus on a situation which threatens his territorial integrity, and would lay the necessary psychological and political groundwork for more forceful actions against Viet Cong/North Vietnamese Army use should we reach the point where this becomes clearly imperative. We continue to believe that our approach to this problem should be governed by the basic consideration that we do not wish to expand the war across the border.

We have established a Cambodian Working Group of the South East Asia Coordinating Office for Revolutionary Development (SEACOORD) to meet periodically to strengthen U. S. coordination of information and to formulate policy and action recommendations from the field.

The SEACOORD group expressed considerable concern about the apparent absence of field coordination in the development of DYE MARKER operations. Consequently, it was agreed that a working group be established to develop a closer working relationship among Saigon-based officials and officials from Vientiane and Bangkok.

It was agreed that it was essential for the DYE MARKER system to supplement and improve the interdictory efforts already under way rather than supersede or downgrade them. This involves not only STEEL TIGER, TIGER HOUND, CRICKET, and PRAIRIE FIRE operations, but also

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Ambassador Martin said that the changes in "policy guidelines for U. S. military assistance in Thai counter-insurgency" made by the Deputy Secretary of Defense decision on June 30 made it probable that Thai cooperation would be withdrawn. He pointed out that the Thai decision to cooperate in DYE MARKER was conditioned by the express understanding that the present degree of assistance to them would be maintained and suggested, therefore, that planning be adjusted to eliminate any use of Thai bases.

The PRAIRIE FIRE III concept was reviewed. It was agreed that in principle there were no objectives to Phase III provided that it was restricted to the existing PRAIRIE FIRE

operation area. Representatives of MACV and Embassy Vientiane will review specific details implicit in Phase III so that Ambassador Sullivan can assess the political implications of this operation in terms of its impact on the Royal Khmer Government.

When Secretary McNamara was here he received a briefing on the proposed SOUTHPAW operation. Subsequently, in a message to Secretary McNamara, General Westmoreland recommended that we receive authority to launch ARVN forces of one to three battalion strength for operations of short duration against enemy bases in Laos in areas near the border. Admiral Sharp has recommended against approval of this proposal. Ambassadors Martin and Sullivan concurred in Admiral Sharp's views. I endorsed in its entirety the formal SOUTHPAW recommendations as forwarded to the Secretary of Defense by General Westmoreland. I have already made known the importance I attach to operations in Laos designed to choke off or at least minimize North Vietnamese infiltration. I continue to believe that this is an essential part of our military effort here.

B. Political

The formal campaign opens tomorrow. In the countryside as well as here in Saigon, there are many banners and signs urging the people to register and vote. One slogan reads: "Only with independence are there elections, only with elections is there independence."

Thieu and Ky have kept in the public eye with a series of well-publicized ceremonies and inspection visits to the provinces. Tran Van Huong has also managed to be quite visible, mostly by means of frequent press interviews. Phan Khac Suu has relied mostly on his role as Assembly Chairman for pre-campaign public exposure, but he recently made a bid for more attention by calling on General Thieu to reduce the death sentence which a military court handed down on the youthful student slayer of a high school professor.

One interesting but not unexpected development is that Duong Van Minh (Big Minh) is throwing his support to Tran Van Huong. Huong and his people apparently arranged for Big

Minh to be interviewed in Bangkok by an ABC correspondent, then got the story translated and circulated it to the local papers. The local press carried the story this morning, many with a picture of Mrs. Minh calling on Huong before departing Saigon for Bangkok. Huong told an Embassy officer that he does not expect that Minh will be allowed to return before the election. Asked if he intends to use Minh in his Government if he wins the election, Huong said that he fully understands the need for military-civilian cooperation but did not say whether Minh would be in his Government.

The joint formal campaign schedule, as planned by the Central Election Campaign Committee (composed of representatives of all the candidates), includes a television appearance by all eleven Presidential slates tomorrow evening. Each slate will have five minutes. Four of the slates will also have ten minutes each on the radio tomorrow night, with the remaining seven getting radio time on the evenings of August 4 and 5. The Presidential slates will also have radio time on ten other evenings in the course of the campaign, each slate to have a total of 25 minutes. Each slate will have a total of three television appearances, for a total of 25 minutes each.

Personal appearances in the provinces begin August 6 with a visit to Quang Tri. The candidates will be able to visit 20 provinces, plus four joint appearances in the Saigon-Gia Dinh area. We understand that the major candidates, including General Thieu, will go on at least some of the joint trips to the provinces.

The Upper House campaign arrangements are somewhat confused. The sheer number of the candidates -- 480 on 48 slates -- makes joint public appearances in the provinces a logistic impossibility, or at least this is the view of the Central Election Campaign Committee. The Committee has, in fact, ruled out any public meetings with voters, though press conferences are permitted. The eliminated Senate slates, particularly those of the militant An Quang Buddhists and the CTV Labor Union, are continuing to express their dissatisfaction. Thanks to the lifting of censorship, their indignation is getting full coverage in the local newspapers.

Although at least one of Tran Van Huong's chief campaign managers continues to say that his workers in the provinces are being harassed by the police, the evidence now available to us suggests that the campaign will most likely be cleanly and fairly conducted. The absolute equality of radio and television time for all slates in fact goes further than we do in the United States in giving all candidates an even break. It seems likely, however, that a large number of the Province Chiefs will let it be known that they favor the Thieu-Ky slate. This will be enough in many rural areas to insure a heavy vote for the Government slate.

Many Vietnamese observers believe that the combined Thieu-Ky ticket is weaker than the old Ky-Loc ticket, in large part because of the disappointment of the Ky supporters. Important groups such as the Hoa Hao and the Catholic Greater Solidarity Force were all but fully committed to Ky; now they have not yet formally made up their minds to back the Thieu-Ky ticket. In part, their hesitation stems from the suspicion that Thieu and Ky will not stick together. It also reflects anti-military feeling, which is increased by the Thieu-Ky merger.

Perhaps an equally important reason for the hesitation of many groups is their hope of striking a better political deal with the Government slate. As I mentioned, the Thieu-Ky ticket intends to back six Senate slates. Most of the major political groups have one or more Senate slates, and they may be angling for Government support of their Senate candidates in return for their support to the Thieu-Ky ticket. Despite the hesitation and divisions of some major groups over the question of whether to back Thieu and Ky, we continue to expect that Thieu and Ky will win by a respectable margin.

Communist reaction to the coming elections is now somewhat clearer. The Viet Cong's governing body, the National Liberation Front Central Committee Presidium, has called for a boycott of the election. We do not believe that they have either the political or military strength to seriously disrupt the elections.

They have the military forces to hit selected targets very hard, but when the target is millions of voters and thousands of polling stations, they do not have the resources to be effective.

We have some reports, including press stories, that indicate the military intend to exercise their influence in the new regime through a modified Armed Forces Council. This would be a group of the senior generals, probably corresponding roughly to the present military membership of the Directorate. There is, of course, every reason to believe that the military do intend to continue to influence the Government, and it is not surprising that they should want to form such a Committee for the purpose. The Constitution, in fact, makes provision for an Armed Forces Council, the organization and regulation of which is to be prescribed by law.

The danger, of course, is that the military will seek to perpetuate the Government by a military junta and will not permit meaningful civilian participation in the new Government. Ky recently added to the fears of those who suspect that the generals merely intend to put a thin civilian facade on their present Government by a Military Committee. He was reported by the press, apparently accurately, as threatening a coup if the future Government proved to be "unworthy," corrupt or pro-Communist. I have already let Bui Diem and Ky know my strong views on any such possibility and I intend to reiterate them to Ky later today.

I have the impression that both Thieu and Ky are well aware of the need to set and maintain legal institutions and procedures, and I hope that Ky's remark was merely another unfortunate example of his penchant for off-the-cuff shockers which he really does not mean. I must say, however, that it appears certain that the military leaders were thinking very seriously of at least dissolving and probably arresting the Assembly on the morning of July 18. The absolute need for civilian support and participation in the Government is, thus, a lesson which they seem to have learned only in part.

Some of the Corps Commanders in particular have evidently not yet absorbed it.

It will require constant attention and some pressure from us to oblige the military to continue to expand the area of civilian participation and control in the Government, and to give meaning and influence to the new Constitutional bodies which make up the necessary checks and balances in the new Government. This will have to be a gradual process, and it cannot be realistically expected that it will be accomplished at one stroke by the September elections. Fortunately, most of the leading civilian politicians seem to understand this point, though they are not always willing to admit it.

C. Economic

Prices are up again, with the Retail Price Index moving from 282 to 293. This is 3.5 percent above last week and nine percent above the level of last month. Prices have now gone up 30 percent since the beginning of the year. An important reason for the increase this week was the frequent mining by the Viet Cong of Route 4 from the Delta. As a result of the minings, truckers hesitated to move and deliveries of hogs, fish, and chicken declined. Rice prices remained unchanged. The Price Index on Imported Commodities also moved up, from 203 to 209.

D. Chieu Hoi

The number of returnees reported this week was 518. This may be compared with 322 for the same period last year. The total number of returnees this year is now 19,505; last year at this time the total stood at 10,905.

E. Vietnamese Killed

During the week ending July 29, the enemy killed 52 Vietnamese civilians, wounded 39, and kidnapped 44. The

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dead included one Revolutionary Development worker, one Hamlet Chief, and 8 policemen. Since January 1, 1967, the Viet Cong have killed a total of 1,728 Vietnamese civilians, wounded 3,201, and kidnapped 2,197.

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