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FOR THE PRESIDENT FROM BUNKER (Saigon, 6460)

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By ~~1-13-95~~, NARA, Date 1-13-95

A. General

The past week has been characterized by gradual relaxation of some of the post-election tensions. The Central Election Council has been receiving the official tabulation of the voters for the Senate slates and examining complaints of irregularities in the recent elections. Little has been heard from the protesting Presidential candidates. Truong Dinh Dzu, the runner-up, seems to have subsided, at least temporarily, achieving prominence chiefly through his sentencing to six months imprisonment and a substantial fine on two bad check charges and holding an unauthorized bank account (in the Bank of America in San Francisco). He has a month in which to appeal and he has, of course, denied the charges, but there are fairly substantial rumors that the Government has considerable evidence of further irregular dealings on his part. When I talked to Thieu last Friday afternoon, he had been unaware of Dzu's sentencing by the court Friday morning, and I cautioned him against the possibility of making Dzu appear a martyr at the present time before the Assembly had acted on validation of the election returns. Several reputable Saigon lawyers to whom we have spoken feel that substantial evidence exists that Dzu is guilty as charged, and one of them feels Dzu could have escaped with a fine had he appeared in court. While we had originally anticipated that there might be some outcry charging Government "persecution" of Dzu, this has not happened. Dzu does not enjoy a very high personal reputation, and Phan Khac Suu, for example, told an Embassy officer September 18 that he considered Dzu guilty as charged.

The relationship between Thieu and Ky seems to have been improved during the past week. A meeting of Thieu and Ky with the inner circle of Generals, including the four Corps Commanders, General Vien, Chief of the Joint Generals Staff, General Tri, Minister of Information, and General Thang took place on Monday, the 11th, and was devoted principally to a discussion of the formation of the new Government and to possible assignments of Cabinet posts. No decisions were taken at this meeting. It was agreed that members would give further thought to the problem and meet again on Saturday, the 16th.

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We have had reports from four of the Generals who were present at the meeting on Saturday and these are in general agreement as to what transpired. All of them expressed satisfaction with the results of the discussions which had taken place. General Lam, First Corps Commander, and General Minh, Fourth Corps Commander, expressed themselves as being happy about the meeting and said that Thieu and Ky had been brought back closely together again, recognized the importance of their unity, and agreed to work as a team. General Khang, the Third Corps Commander, expressed the view that while there is some understandable friction between the two, it has been exaggerated by the entourages while maneuvering for position. Although the main purpose of the meeting was to reach decisions on appointments for Prime Minister and Cabinet posts, it was agreed not to decide on the appointment of Prime Minister and the civilian Cabinet posts until after October 2, by which time the Assembly should have authenticated the election.

Thieu outlined his views of the future Government which he said he expects to be inaugurated on November 1. He proposed that Cabinet Ministers be appointed on the basis of honesty and ability rather than for political or religious affiliations. He believes that if Cabinet posts were to be divided among the Hoa Hao, Cao Dai, Dai Viets, Buddhists, and Catholics, it would not only create disorder but would prove to be unworkable. This is in line with the view which Ky had earlier expressed to me, i.e., that individuals appointed to Cabinet posts on the basis of such affiliations would end up working for the interests of their own organizations rather than the country as a whole. Ambassador Bui Diem expressed a somewhat similar view to me in a conversation we had last Monday. He felt that because of the limited availability of men of outstanding ability and competence, the first consideration in Cabinet appointments should be given to these qualities rather than to broadening the base of the Government. I expressed the view to him, as I had already done to Thieu and Ky, that these were not necessarily exclusive considerations, and I felt that weight should be given to both in order to enlist the broadest possible support of the people.

Thieu apparently did mention at the meeting the name of Truong Thai Ton, now a Special Assistant to Ky (with rank of Secretary of State) and formerly Minister of Economy and Finance, as a possibility for the post of Prime Minister. Ky apparently still leans toward Nguyen Van Loc. I believe that while neither would be ideal, Ton would not be a considerably better appointment than Loc. It was pretty well agreed that since under the Constitution, General Cao Van Vien cannot fill concurrently the posts of Minister of Defense and Chief of the Joint Generals Staff, he will continue as Chief of the Joint Staff. General Nguyen Van Vy will be appointed Minister of Defense and General Tri, presently Minister

of Information, is slated to succeed General Vy as Chief of Staff of the Joint Generals Staff. I think General Vy will make an excellent Defense Minister, and General Tri will be in a more appropriate and congenial post than the one of Minister of Information where he has not been a success. It was further agreed that only the Ministries of Defense, Revolutionary Development, and Security would be held by military appointees and that the other posts would go to civilians. Thieu and Ky agreed to prepare a list of joint recommendations for Cabinet Ministers by October 2.

An evidence of a constructive attitude on the part of the military toward the new Government is the fact that General Cao Van Vien, Chief of the Joint Generals Staff, is having copies of the Constitution printed together with explanatory notes for distribution to all of the Armed Forces so that there will be a widespread understanding of the Constitution and the obligations of citizens, including the military, toward it.

The Central Election Council has finally completed its tabulation of the returns of the Senate election and announced the six leading tickets. As a result of the final tabulation, Ticket No. 10, headed by Pham Ba Cam, was superseded by Ticket No. 3, headed by Tran Van Lam. This increased number of Catholics, which we had estimated to be 25 to 30, or one-half the total seats. Of the remaining seats, 15 are Buddhists, 3 Cao Dai, 2 Hoa Hao Buddhists, one Animist, and 9 are unknown. There was some feeling that the increase in Catholic representation resulting from this switch might result in suspicion and uneasiness among other elements of the population, but it seems to have passed over without incident.

One amusing and interesting development took place in connection with the Senate elections. Le Phuoc Sang, leader of the Democratic Alliance Bloc in the Assembly, ran for the Senate on the list headed by La Thanh Nghe. His ticket lost and Sang is now attempting to have the Assembly invalidate the election because he is sure he was prevented from winning by the machinations of President-Elect Thieu. Sang has been showing anyone who will look at it a document he calls evidence of fraud. In an effort to pin him down, we sent an officer to see him who found him in low spirits. He moaned about his lack of a job, automobile, money, and other prerogatives that would have been his had he succeeded in his bid for the Senate. He said that Ky had promised his list Government support, but that Thieu had rigged the election. When pressed for evidence, Sang stated that Thieu had prevented his election by going to the Province Chiefs, the military and other Government officials associated with the election and insisting on a fair election. And, Sang said, "That is what he got." I have a feeling that while there were undoubtedly some irregularities

(these will be discussed in the political section which follows), much of the evidence will prove to be quite insubstantial and based on the personal animus of the defeated candidates.

Some fears that dissident Buddhists and students might attempt to foment trouble and state demonstrations have been pretty well dissipated. Mien Nam, the Buddhist-oriented paper, took the practical point of view and noted that the Government was better organized than before even to control possible disorders and that the An Quang faction was seriously divided within itself. Thieu told me that the An Quang faction lacked money and financially was not in a position to create trouble. There were a couple of minor student demonstrations, but these too petered out. Thieu said that these had been stimulated and financed by some of the losing civilian candidates. He said that some of the students had approached the An Quang Buddhists for financial support but had been turned down and that some so-called "contractors" had offered to stage demonstrations but had been unable to get anybody to come forward with funds.

We are, of course, doing all we can to assist in keeping forward momentum in this period. We have developed within the Mission a suggested Government program which I shall present to General Thieu in the next day or so, designed to make clear to the people that the Government is theirs, dedicated to the promotion of their welfare and to the resolution of their problems.

Pacification:

We have spent the last several months refining and perfecting a new computerized technique for measuring progress in population and area control on a hamlet-by-hamlet basis. It is called the Hamlet Evaluation System (HES), and is based on detailed monthly reports of changes in the status of every hamlet in Vietnam as seen through the eyes of our District Advisors, who are closest to the cutting edge. This new system has now shaken down, and we think it much more reliable than the old Government of Vietnam figures.

It gives a fascinating picture of what is happening month-by-month throughout rural South Vietnam. For example, we are constantly discovering new hamlets and scratching abandoned ones. The latest total at the end of August is 12,642. Each hamlet's pacification status is scored from A (top grade) to E (lowest grade above Viet Cong control) for such factors as strength of Viet Cong infrastructure, capabilities of local Viet Cong guerrillas, adequacy of hamlet security forces, status of hamlet education program, and amount of medical assistance provided the hamlet populace. We can retrieve from the computer any hamlet's security score by averaging nine security factors, its

development score based on averaging nine development factors, or a composite pacification score. The monthly figures show a slow but consistent trend toward greater Government of Vietnam population control. While we only list 201 "A" hamlets in all of South Vietnam at the end of August (up from 149 in May), the number of "B" hamlets is also up to 1,895 (compared to 1,676 in May). Midway in the scale are 3,092 "C" hamlets, which are the lowest category considered under Government of Vietnam control, and in which local elections are held. Lumping A, B, C categorically together gives us our so-called secure hamlets which now number 5,188. The Viet Cong more or less control 4,038. The remainder make up the contested category.

Of course, the population figures developed by the system are more meaningful than hamlet figures because hamlets vary so widely in size. The end August population control estimate is more heartening. It shows population in A, B, and C hamlets, plus that in towns and cities, as 11,610,000 or 68 percent of the 17.2 million total we now carry. Viet Cong-controlled hamlet population has declined to 2,821,400 -- just 17 percent of the total, though of course some of the population in contested hamlets must also be recognized as under Viet Cong control. Now that the new system's bugs are largely worked out, I will be reporting these figures to you monthly, as the best available indicator of pacification trends.

B. Political

The political scene focussed on validation of Presidential and Senatorial elections, screening of multitudinous candidates for Lower House elections and debate over problems of formation of the new Government.

As I mentioned in last week's letter, the National Assembly was to meet September 13 to announce the temporary results of the election. The Assembly met on September 13 and on September 14 as well, but it declined to announce the temporary results of the election, on the basis that it needed to check the village and hamlet returns that were used to prepare the provincial returns previously made available to the Assembly. Nguyen Thanh Vinh, Chairman of the Assembly's Special Committee which is looking into the Presidential election returns, told an Embassy officer September 19 that what he called "serious irregularities" had occurred in ten provinces and minor discrepancies in the vote count occurred in 30 other provinces (there are 44 provinces and 6 incorporated cities in the whole Republic of Vietnam). Vinh described "serious irregularities" as instances of forged signatures or altered returns. He declined to define how many votes were involved in the "serious irregularities," though he said that

General Thieu's vote total had been padded to the extent of 7,000 votes in Phu Yen province in Central Vietnam. Under the law, the total number of registered voters at polling stations where irregularities occur must exceed the difference in the number of votes received nationwide by the two leading lists before the Assembly can declare null and void the votes cast at the polling stations affected. Since the difference between the Thieu-Ky list and the Dzu-Chieu list, nationwide, was more than 800,000 votes, it is highly improbable that enough irregularities will be discovered to affect the outcome. We continue to believe that the Assembly will validate the results of the Presidential elections.

Sour grapes continue to be a real factor in Assembly action, however, and may delay its action on validating the Presidential elections. The case of Nguyen Thanh Vinh, who told us of the "irregularities" described above, is a case in point. He is a defeated Senatorial candidate, his list having placed twelfth. The Chairman of the National Assembly, defeated civilian candidate, Phan Khac Suu, told an Embassy officer September 18 that the National Assembly will not meet again to discuss validation of the election until September 29 and will not complete action on validation until October 2, the date specified by statute for completion of Assembly action. Suu is still very bitter about the election results and predicts the Assembly will refuse to validate the results. His judgment has surely been affected by his venom, however, as most other observers indicate that Assembly sentiment is presently at least 50-50. General Ky has told me that there are many ways to put pressure on the Assembly and that the Government would use them. He has told me not to worry about the Assembly action. If General Ky uses his considerable influence in the Assembly, as he has told me he would do, there is little doubt the Assembly will validate the election. Thieu has also expressed himself very positively to me on this score. Even Truong Dinh Dzu, the most bitter critic of the Thieu and Ky in the campaign, has told us that the Assembly "would not dare" refuse to validate the Presidential election results.

The Central Election Council for the Upper House announced the results of the Senate elections on September 18. As I have mentioned the only substitution of List No. 3 (headed by Tran Van Lam, formerly active in the Diem administration and a Catholic) for List No. 10 (headed by Pham Ba Cam). The Council noted that a substantial copying error had occurred in totalling Lam's vote in Saigon, where the return in one district for Lam was 28,517 votes, but was added as 2,815 votes. The successful Senate slates are List No. 13 (headed by retired Lt. Gen. Tran Van Don), List No. 40 (headed by Catholic engineer Nguyen Gai Hien), List No. 31 (headed by retired Gen. Huynh Van Cao, also a Catholic), List No. 3 (headed by Catholic pharmacist and banker Tran Van Lam), and List No. 21 (headed by Revolutionary Dai Viet Party figure Nguyen Ngoc Ky).

The change in the Senate results brings the number of Catholics in the Senate to 29 and possibly 30, if a lapsed Catholic, Hoang Xuan Tuu, is included. He had become a Catholic on his marriage but is not a practicing Catholic. While the Catholics themselves admit that it is not desirable to have such a large group of Catholics in the Senate, we do not believe that any serious problems will result. The Buddhists and other groups now have seen what even a moderate amount of organization can do, and we can already observe the beginnings of an effort by several groups to organize joint slates of from 50 to 100 candidates in the Lower House elections scheduled for October 22. From the Government's point of view, we believe that Tran Van Lam, will, on the whole, support the Government rather than oppose it, and the Government's position is probably the stronger for the election of this list.

In the early part of the week, the defeated Presidential candidates were not entirely idle. On September 14 Truong Dinh Dzu, Phan Khac Suu, Nguyen Hoa Hiep, Vu Hong Khanh, and Hoang Co Binh held a joint press conference, with representatives of seven defeated Senate slates also in attendance. Suu opened the conference (which was not authorized by the police, but which the police wisely made no effort to prevent from being held), but Truong Dinh Dzu completely dominated it. An organization called "Front Struggling to Carry Out Democracy" or "Democratic Front" for short was established to provide a focus for opposition to the Government of Generals Thieu and Ky. The declaration of the new front denounced the honesty of the elections, alleged that two thirds of the people had voted no confidence in Thieu and Ky (because they received only 34.8 percent of the vote), then called on the Vietnamese people to join the Democratic Front to build legitimate democracy, struggle for social justice, and bring about true and lasting peace. The Democratic Front obviously serves the political advantage of Truong Dinh Dzu alone, since the other candidates joining with him were so badly defeated that they have no real political future. This seems to have been implicitly admitted Phan Khac Suu, at least, for he told an Embassy officer September 18 that the Democratic Front is a "temporary" body, and he predicted it would not directly support candidates in the Lower House elections.

Preparations for the Lower House elections are well advanced, though the campaign will not begin until October 6 and will run until noon, October 21, the day before election day. A total of 1,650 candidates were listed on the first posting, or an average of 12 candidates per seat (in Saigon, 301 candidates were listed for 15 seats, or 20 candidates per seat). We estimate that some 10 percent of the candidacies will be eliminated by screening or withdrawal prior to the second posting of candidates on October 1. The same electoral register used in the Presidential and Senate elections will be used again for the Lower House.

This will be an election fought largely on local issues, within the 53 constituencies into which the country is divided. The provincial administrations will be responsible for the printing of the ballots, the local election councils will proclaim the results. Official results of these elections should be available by the end of October.

We have so far seen only about 40 percent of the names of those who have submitted their candidacies in the Lower House elections. (Applications were submitted to the 44 provincial capitals and to the city halls of the six incorporated cities.) A number of the Senate candidates also filed for the Lower House (filing was closed August 31, three days before the Senate election), and a fair number of Village Council members, elected last spring, also filed their candidacies. We anticipate that the proportion of Catholics elected to the Lower House will be less than in the Senate, since local factors will weigh heavily. However, some Vietnamese observers tell us the proportions may well be similar, since the local parish priest will undoubtedly tell his people for whom to vote. With some 12 candidates per seat (a higher number per seat in the cities), the influence of the parish priest could again be a major factor, as it evidently was in the Senate elections.

While the extremist Buddhists had strongly condemned the elections (as I noted in my twentieth weekly telegram), they have been at some pains to make clear that their major concern at present is their continuing opposition to the revised Charter of the Unified Buddhist Association, which was issued by General Thieu in July. In the background is the continuing rivalry in the Buddhist camp between the faction favoring the Government, led by Thich Tam Chau (General Ky's uncle by marriage), and the faction opposing the Government, led by Thich Thien Hoa and Thich Tri Quang. The latter faction interpreted the new Buddhist Charter as favoring the Tam Chau faction. No doubt, there are several ways to handle this problem. Dr. Phan Quang Dan, defeated Vice-Presidential candidate, has commented privately that, since there are two Buddhist factions, each should have its own Charter. At this point, this is a matter which might well be referred to the newly-elected National Assembly.

The morning of September 19, a bomb was set off, evidently by the Viet Cong, inside the Chinese Nationalist Embassy in Saigon. Twenty-seven persons were injured, 18 seriously. In addition, a Vietnamese bystander was killed, evidently by a sniper in the vicinity. One wall was blown away, and extensive damage was done to this building, which is two blocks away from the U.S. Embassy Chancery. The terrorists believed responsible for the incident have been arrested. They are reportedly Chinese members of the Viet Cong apparatus although details of their relationship to the Viet Cong are not yet available. Their interrogation is continuing.

The Saigon press has begun to carry clearly inspired articles on the forthcoming purge of a number of ARVN officers, due to affect a number of Generals and other officers above the rank of Lieutenant Colonel. The material makes clear that the officers affected are being dismissed or retired for corruption or incompetence. The purpose of leaking the stories appears to be to place the officers concerned on the defensive and to lessen the impact on public opinion, before going ahead with needed changes in ARVN.

As one of the consequences of the steady progress being made toward political consolidation in South Vietnam, the Peoples Army Council adopted a motion September 15, calling on General Thieu to issue a decree dissolving the Council. The Council was an emergency institution with quasi-legislative powers, established in June 1966, to advise the Government of Vietnam on political, economic, cultural, and social matters during the period of transition towards Constitutional Government. The Council did not have a particularly outstanding record, and attendance at its sessions was generally poor. However, perhaps like the Japanese Samurai, it was more useful at its death than at its birth, as its demise is a sign of the progress being made in the political field.

C. Economic

The Saigon Retail Price Index declined to 301 during the past week, compared to 307 last week. Retail prices declined as a result of increased arrivals of foods. Bread, charcoal, and firewood prices were up; vegetable prices were mixed. The Imported Commodity Index fell to 221, down from 229 last week. The major decreases were in wheat flour, sugar, iron and steel products, and fertilizers. Galvanized sheet prices fell in response to a Government announcement that further shipments of galvanized sheet would arrive before October 30.

D. Chieu Hoi

Returnees during the reporting period rose to 355, compared to 204 during the same period last year. They reflected an increase over the previous week's total of 333, which was perhaps unusually low, due to Viet Cong vigilance in connection with the elections. The year's total to date is 22,495.

E. Vietnamese Killed

During the week ending September 16, the enemy killed 69 Vietnamese civilians, wounded 149, and kidnapped 303. The dead included six Revolutionary Development workers, five Hamlet Chiefs, one former Hamlet Chief, and two Hoi Chanh. Since January 1, 1967, the Viet Cong have killed a total of 2,475 civilians, wounded 4,850 and kidnapped 3,787.