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Thursday, October 12, 1967
4:40 p.m.

41
Pres file

Mr. President:

Herewith Amb. Bunker reports a relatively quiet week.

You will be particularly interested in the military sections (pages 7-9) and in the sharp drop in the Saigon retail price index (page 9).

W. W. Rostow

Saigon 8347

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

White House Guidelines, Feb. 24, 1983

By kg, NARA, Date 10-21-91

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41a

Thursday, October 12, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon 8347)

Herewith my twenty-fourth weekly telegram:

A. General

This past week has been relatively calm on the political scene as both government and opposition recovered from the comparatively intense struggle over validation of the Presidential election.

Some echoes remained from the struggle in the form of still unresolved demands from the extremist Buddhist led by Thich Tri Quang for cancellation of the July charter of the Unified Buddhist Association, in the arrest and subsequent drafting into the army of a number of students opposed to the validation of the elections, and in the continued house arrest of Truong Dinh Dzu, one of the defeated civilian candidates.

Nevertheless, tension seems to have gone out of the situation, with Tri Quang's decision on October 10 to abandon his "sit-in" in the park in front of the Presidential Palace, the last active evidence of the unrest of the past several weeks disappeared from the scene. The police barricades and the barbed wire have disappeared, and the atmosphere is definitely much more favorable for constructive progress than has been the case for some time. All of these developments are discussed more fully in the political section below.

The Upper House held its opening session the morning of October 11. Following a short introductory speech by Senator Vo Van Truyen, 71, the eldest member of the senate and its temporary president, General Thieu spoke to the senators and the members of the diplomatic and press corps attending the session.

Thieu's speech was brief but, on the whole, it was very much to the point and I think suitable to the occasion. As he himself said, he was not attempting in this speech to set forth the full program of his government and he implied that this would come later. He seemed in this speech primarily to want to establish the basic tone for his administration and in this he was, I think, successful. He placed particular emphasis on the foundations being laid for democracy, on the supremacy of the constitution, the responsiveness of the government to the needs of the people, the importance of observing the rule of law and impartial administration of justice. He stressed willingness to enter into negotiations at any time with the north and said that he would welcome peace initiatives of a constructive nature from whatever sources.

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With respect to his program in South Vietnam, he emphasized strengthening and reforming the armed forces, providing security for rural areas, raising the standard of living in urban areas and educating the people throughout the country to understand their civic duties. Above all, he emphasized the need to eliminate corruption and establish sound, effective government machinery. On the whole, he avoided specifics and it was clear that his speech was general in outline.

I have drawn a rough comparison between Thieu's speech and the suggestions that we have made to him with respect to content of this speech and more particularly subsequent speeches such as his inaugural address and possibly a "state of the nation" address. It is noteworthy that he chose in this speech not to say anything about national reconciliation nor did he anywhere refer to Ky. Other omissions were his failure to mention manpower mobilization, to place special emphasis on youth or to express gratitude to the allies. Although these omissions are of interest, I think it probable he will deal with these aspects in his later, more major speeches for in closing, Thieu made it clear that this speech was not a definitive statement on national policy.

No announcement has yet been made of the new prime minister, although the press continues to believe that Nguyen Van Loc will be nominated to the position by General Thieu. There is still a certain amount of jockeying around going on, but I believe Thieu will stick to his statement to me of September 30 and nominate Loc. I will be seeing Thieu later in the week and will review the matter further with him. It has now been officially announced that Thieu and Ky will be inaugurated October 30, by which time the entire cabinet will presumably have been selected.

As you may have seen from Saigon 7987, the Newsweek issue of October 9 has been banned from commercial sale in South Vietnam. The issue contains an article attributed to Merton Perry which is sharply critical of the Army of the Republic of Vietnam, entitled "Their Lions, Our Rabbits." The Newsweek bureau chief, Everett Martin, and Perry have told us that the headline originated in the New York Editorial Office of the magazine. Perry tells us that the article as a whole was heavily edited in a direction which significantly eliminated qualifications and explanatory material in the article he wrote. I must say that I consider Perry's article and its editing by the Newsweek editors an example of highly irresponsible journalism. General Westmoreland's investigation has proven the falsity of his most sensational statements and although the article itself has some minor qualifications, it gives to my mind a highly erroneous impression of the state of the Vietnamese Armed Forces. I am afraid this article is a reflection of Perry's attitude toward everything in Vietnam. He attended recently one of a series of small informal dinners I have been having for the press and gave me the impression of being thoroughly disenchanted with everything here and I doubt whether it is possible for him to report objectively.

Because of this Perry article and also because of earlier threats to the Newsweek office in Saigon stemming from an article by Martin in the September 25 issue ("Vietnam Last Chance?"), Martin has recommended to New York that no protest be made to the Government of Vietnam on this ban. Martin also called us October 9 and asked us not to raise the issue with the Government of Vietnam unless he is directed otherwise by his home office.

The article by Martin in the September 25 issue of Newsweek aroused little apparent interest in Saigon at first, and we had thought the issues he raised were dying a natural death. As you may have noted, Martin suggested a series of measures which would have put the U.S. much deeper into the internal affairs of the Vietnamese Government, in a manner which would have raised serious questions as to whether the Vietnamese have any effective sovereignty in their hands. Unfortunately, in response to considerable press and private criticism of the article, Martin wrote a long letter to a number of Saigon editors which was published October 8. The letter is more pointed than the article, calling for the Government of Vietnam and the U.S. as sovereign powers, to come to "written terms that spell out the boundaries of each other's rights". An extended summary of the letter is in Saigon 8015. Specifically, Martin called for the integration of the U. S. and Vietnamese Armed Forces in Vietnam, making it clear that he has in mind having Americans serve under Vietnamese command in some cases and Vietnamese under American command in others.

As you know, we feel that negotiations of a status of forces agreement is not practical during hostilities and that if possible the problems and restrictions of such an agreement should be avoided at this time. Primarily, we have considered the utility of a joint command arrangement on a number of occasions and have felt it would not be feasible except in certain instances of small specialized units. As I have previously reported, we are experimenting with various forms of integrated U. S. and Vietnamese Armed Forces operations with the purpose of raising the level of training and effectiveness of the Vietnamese units and to practice the principle of economy of forces for the U. S. units. It is unfortunate that Martin has stirred up these issues at this time, since several of the newly-elected senators are on record as favoring negotiations of a status of forces agreement. Martin's article and his subsequent open letter to the press may result in further and unfortunate attention being focused on the matter.

When I saw Thieu on October 4, I raised with him the question of establishing adequate salary levels in the executive and military branches of the government. I pointed out to him that today government salaries simply are not well enough paid to attract the best talent in Vietnam, or adequate to reward those top officials who carry out their responsibilities honestly and well. I added that we have learned in the United States that a government cannot function well unless senior officials are paid adequately. This is now far from

the case in Vietnam. Under present circumstances, the low level of salaries for senior officials is damaging to morale, and incentive to corruption, and a crippling barrier to improving government performance.

I suggested that the forthcoming setting of Senate and House salary levels offers a unique opportunity to simultaneously increase the salaries of key top-level Government of Vietnam and Army of the Republic of Vietnam officials as well. I left with him tables which we had prepared for him setting forth a suggested range of civil executive salaries and a second table covering military personnel down through the rank of colonel. Since the proposed pay increase would apply to a relatively small number of people, the total economic cost would not be great. I said I realized that there were political problems involved in an executive pay increase. However, I felt by coupling this measure with increased emphasis with what is expected of senior officials in terms of integrity and performance, and by setting in motion a thorough civil service reform and pay revision at all levels of government, such a measure would be publicly accepted as both necessary and desirable.

In a talk Bob Komer had with Thieu on October 6, devoted principally to pacification, he seized the opportunity to emphasize again the chance to get an executive pay raise for top officials and officers at the time when the salaries of the new Congress were set.

B. Pacification

We are planning an all-out effort to increase rice production, especially in the Delta, a key element in our 1968 pacification and nation-building plans. Chief reliance will be placed on giving the farmer a good price for his paddy, opening more roads and waterways, bringing in better rice seed, more fertilizer and agricultural machinery, and providing more credit. Bob Komer came back from the Delta yesterday reporting that the key Delta crop will probably trend upward this winter, thus breaking the long decline since 1963.

C. Political

Hopeful elements, both positive and negative, marked the political scene during the past week. On the positive side, the Senate was inaugurated October 11. The Cabinet will probably be formed during the next week or so. It may include one or two less effective figures on the civilian side, as a consequence of political bargaining during the struggle over validation of the Presidential election. However, the Cabinet will be the instrument of an elected President, subject to the pressures that can be brought to bear by an elected National Assembly. If individual Cabinet members prove ineffective, they can be replaced, since they are appointed by and serve at the pleasure of the President.

Another hopeful sign, although on the negative side, was the end of the Buddhist political protest on October 10, when the extremist leader, Thich Tri Quang, and a handful of his immediate entourage, abandoned their "sit-in" in the park in front of the Presidential Palace. Some of the more moderate figures sympathetic with Tri Quang's An Quang Pagoda Group had told us of various schemes they had to get Tri Quang out of the park and out of the political dead-end he seemed to have worked himself into. His demands for a flat cancellation of the July Buddhist charter were clearly unacceptable, public support was simply not forthcoming, even support from the usually sympathetic Foreign Press Corps was slipping away, two fiery suicides had no noticeable effect, and simple but effective police measures to isolate him from crowds made it clear that he could stay indefinitely in the park without making any significant impact. The indifferent attitude of passers-by, moving along a main thoroughfare not 100 feet from where he and the other monks sat, must have been a continuing reminder to him that he was not making his mark. Finally, no force was required to get Tri Quang out of the park. He quietly left under his own power. At what was, for him, an unusually subdued press conference at An Quang Pagoda October 10, Tri Quang made clear that he had abandoned his "sit-in" and expressed confidence that the government would take action on the charter issue. That his confidence was not misplaced was indicated by a communique issued the afternoon of October 10 by the moderate Thich Tam Chau faction, temporarily suspending application of the July Buddhist charter in order "to create a favorable occasion for understanding and union of Buddhist groups." This is essentially the tactic which General Thieu described to me in my meeting with him October 3 (discussed in Paragraph 35 of my twenty-third telegram).

General Thieu's brother, Nguyen Van Kieu, told us the evening of October 10 that he had been actively consulting during the past few days with the Buddhist groups. He indicated that an understanding has been reached among the various groups to prepare a new charter to be presented for approval to an all Buddhist Congress. Kieu said that it was on the basis of this understanding that the An Quang extremists were able to withdraw from the "sit-in" in front of the Palace. This is consistent with the communique issued by the Buddhist moderates October 10. I think Thieu deserves a good deal of credit for his skillful handling of the situation.

Contributing to the general air of relaxation of tensions was the release from detention of opposition leader Truong Dinh Dzu on October 4. Dzu had been held only five days, and his arrest seems to have been clearly timed to get him out of the way during the climax of the validation struggle on October 2. He is still under house arrest and is not currently in a position to project himself into the political arena.

Also as a postscript to the elections and the struggle over validation, the police have moved in on student oppositionists, broken up their attempts to hold unauthorized meetings and press conferences, and arrested 40 of them. Of those arrested, 17 were found to be of draft age and were mobilized into the Army. The remainder were admonished and sent home. While this measure may seem a bit draconian, it may well have the desired effect of encouraging young students who have been deferred from military service to buckle down to their studies instead of engaging in undesirable and unhelpful political activities.

The Lower House elections campaign formally got underway October 6 and will continue until October 21. A few election posters are to be seen around Saigon and some of the larger cities, and door-to-door type campaigning has begun. Public interest, not surprisingly, seems to be less than it was for the Presidential and Upper House elections. These are essentially local elections for national office, with the bulk of the contests being decided on the basis of personalities and, to some extent, random voting among the average of nine candidates per seat. The results of the elections, according to the election law, will be announced by local election councils in each of the 53 constituencies on October 26. The councils, presided over by a local judge and composed of candidates and voters representatives and prominent local personalities, are unlikely to be the focus of any significant struggle over the results, as was the case with the Presidential elections.

Continuing where they left off on September 3 in their campaign against the Presidential and Upper House elections, the Viet Cong, in a radio broadcast October 6 predictably called for the "smashing" of the Lower House elections. The broadcast urged citizens to "resolutely protest and boycott the Lower House elections farce." Emphasizing that the elections will be "fraudulent" and "undemocratic" as well as meaningless. This is so much whistling in the dark. Public interest may well be less than it was for the other elections, but there is likely to be a very substantial voter turnout. I am confident that it will be shown once again that the Communist claim that they "control" most of the territory and people of South Vietnam is meaningless. As was demonstrated September 3, the Communists simply do not have the capability of attacking or disrupting the activity of more than a handful of South Vietnam's 8,000 polling places.

During the past week there has been a spate of press reports on disciplinary measures taken by Prime Minister Ky against dishonest officials. On October 4 Prime Minister Ky authorized reprimands and court action to be taken against seven officials in Kein Gian Province (three former province chiefs, one former deputy province chief, and two chiefs of provincial services) for abuses of their positions. He also ordered that the chief of the special branch of the police in Vung Tau be brought to justice for having constructed two residential houses without proper authorization. On October 5 it was announced that Ky had reprimanded the province chief and the deputy province chief of Binh Duong

for ineffective performance. These activities are consistent with recent public statements by Ky that, as Vice President, he hopes to assume major responsibility for the elimination of "corrupt elements".

In a generally related development, October 4, about 300 Revolutionary Development Cadres demonstrated in front of the Quang Ngai Province Headquarters to protest the corrupt practices of provincial financial officers. They abducted the finance chief and his assistant, shaved their heads, and released them. The demonstrators then marched through the town and dispersed peacefully. The finance chief had been long rumored to be corrupt, and this was probably an over-zealous attempt by the Revolutionary Development Cadres to live up to criteria II of the XI point criteria, "Getting Rid of Corrupt and Undesirable Officials." The action of the cadres may cause disciplinary problems, for certainly they should not have taken the law into their hands, but it is still encouraging to see such signs of popular determination not to tolerate corruption and bad government.

The spats of recent killings in the Chinese community in Saigon-Cholon continued, with the murder of the principal of a local high school and the murder of the editor of a strongly anti-Communist Chinese language newspaper on October 7. Strongly anti-Communist Chinese have been the victims of the attacks in all cases, and a determined campaign of terror among the Chinese seems to be underway.

D. Military

General Westmoreland has given me some interesting and pertinent information on the following subjects:

a. Recent situation in the demilitarized zone

It is immediately apparent that the enemy strategy of the past several weeks concentrated on achieving a major victory in the demilitarized zone. Con Thien became the focal point of his attack and its destruction was scheduled as his highest priority. Despite his shelling of our positions along the DMZ, the enemy was not successful in this venture and while no accurate assessment of his casualties can be made, it becomes fairly obvious that he suffered greatly in the exchange of fires. As the reports indicate, our situation has improved measurably. The enemy fires have been forced to subside; there is indication that he is withdrawing at least a portion of his forces from the DMZ area and, generally, the victory has been denied. General Westmoreland reports that the margin of success on our part is attributable to the massive effort launched against the hostile concentration in and around Con Thien and into the DMZ and its adjacent areas. In short, one of the greatest massings of firepower in support

of a single division position in the history of warfare was launched against the enemy in a period of about two weeks. This included B-52 strikes, artillery fires, tactical air bombing, and naval gunfire support. Our casualties in northern Quang Tri Province over the heaviest period of the attack were not exorbitant when placed in proper perspective. For instance, during the period of the bitter fighting in the DMZ area (1-24 September), there were 196 killed and 1,917 wounded (834 evacuated). However, by comparison, in 1966 during the two months when it was necessary to drive the enemy out of positions in Quang Tri Province, we incurred 126 killed and 488 wounded in July and 115 killed and 448 wounded in September. It is also interesting to note that from June 1 through September 23, the 3rd Marine Division fighting in the DMZ area suffered 564 killed and 5,183 wounded. While the 1st Marine Division (not in the DMZ area) suffered a comparable 484 killed and 3,788 wounded for the same period.

b. Effectiveness of rail interdiction in North Vietnam

Despite the approaching northeast monsoon, air strike efforts continue to focus, to the maximum extent possible, on the rail facilities in the north. The objective of the rail campaign continues to be the denial to the North Vietnamese of an effective rail system and the associated facilities needed for the processing of imports from China to Hanoi. Since May 18, the North Vietnamese costs for the transshipment of needed supplies has steadily grown as a result of the rail interdiction campaign. In May, 1967, 152,000 short tons (which equates to approximately 50,000 truckloads) required transshipment to bypass all interdictions and outages on the northeast railroad. In August, 1967, 259,000 short tons (which equates to approximately 86,000 truckloads) required transshipment and from September 1-20, 171,000 short tons (which equates to approximately 57,000 truckloads) required transshipment. Recent photography discloses a large concentration of equipment and supplies along Route 4 in North Vietnam, about seven kilometers west of Dong Dang near the Chinese border. The equipment included 532 trucks and 13 field artillery pieces. A nearby built-up area contained some 85 medium-fixed storage/support buildings and extensive open storage. Concentrations of this size have not been previously noted in this North Vietnamese border area and could represent an effort to overcome transportation difficulties, caused by recent interdictions of the Hanoi-Dong Dang rail line, by diverting rail cargo to highway transport. The effectiveness of recent disruptions of rail facilities in the Haiphong area is indicated by reports of noticeable congestion in that port city. There is reported open storage on roads and under trees in parks in the city of Haiphong. Sources indicate that most of the port work is accomplished during hours of darkness, and that there is a general appearance of deterioration of the effectiveness of port processing.

c. Enemy line of communication efforts in Southern Laos

The intensity of the Route Package 1, Tally Ho interdiction campaign, in concert with the Third Marine Forces campaign at the DMZ, has effectively denied the enemy the capability to maintain lines of communication through the DMZ into South Vietnam. This, coupled with the approach of the northeast monsoon season, is causing an increased effort on his part to maintain, improve, and protect lines of communications through southern Laos. During the next several months, these will be the principal avenues of supply to his forces in the south. Recent reconnaissance of the primary line of communication routes in this area reveals much evidence of extensive enemy engineering efforts in preparation for increasing resupply activity during the next several months. These include bridge construction, road grading and graveling with heavy equipment at many different points, trellising and corduroying at an increasing pace to counter the U. S. air offensive against them. There is substantial evidence of stock piling at or near border crossing points, such as south of Mu Gia Pass and at Route 137 into southern Laos. Bypasses and river cable crossings are constructed/repared rapidly, pack animals are being used for transshipment, and large work gangs have been observed at strategic repair points. Automatic weapons positions are being located at key points to protect resupply traffic and repair gangs, with corresponding increased in enemy troop activity. Such evidence of enemy extreme efforts in this area indicates his deep concern in maintaining a rate of logistic flow into South Vietnam. Air efforts will continue heavy interdiction in this area according to plan, to counter enemy actions in this direction.

E. Economic

The Saigon Retail Price Index dropped 11 points, from 306 last week to 295 this week, largely reflecting lower rice prices. These, in turn, were affected by the plentiful supply of U. S. remilled long-grain rice as well as the arrival of some new local group long-grain rice from neighboring Long An Province. Meat and fish, which are in plentiful supply, were also less expensive. The imported commodity index dropped to 218 this week, compared to 220 last week. Declines were registered in most of the commodities in the Index except for wheat, flour and iron and steel products.

The sale of fertilizer tripled during the month of September, compared to the month of August. The sharp increase was due in part to the new pricing schedule whereby discounts are given to buyers who pick up imported fertilizer at the port and provide their own transportation.

F. Chieu Hoi

Returnees during the reporting period were 256, compared to 226 in the same period last year. This is lower than the figures for the last few weeks, but it appears to reflect a somewhat lower level of military activity. The year's total of returnees to date is 23,618.

E. Vietnamese Killed

During the week ending October 7, the enemy killed 91 Vietnamese civilians, wounded 125, and kidnapped 104. Among the dead were one deputy province chief, one district official, one village chief, four hamlet chiefs, one school teacher, and one Revolutionary Development worker. Since January 1, 1967, the Viet Cong have killed a total of 2,661 civilians, wounded 5,266, and kidnapped 3,682.