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Thursday, November 2, 1967
7:00 p.m.

Mr. President:

Pres file

I have marked the critical passages
in Amb. Bunker's latest weekly.

W. W. Rostow

Saigon 10206

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WWRostow:rln

DECLASSIFIED

E.O. 12356, Sec. 3.4

White House Guidelines, Feb. 27, 1982

By...JG NARA, Date 11-20-91

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Thursday, November 2, 1967

FOR THE PRESIDENT FROM BUNKER (Saigon 10206)

Herewith my twenty-seventh weekly telegram:

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 94-476

By , NARA Date 1-10-95

A. General

I believe that no one could have been an observer of the events of the last few days without feeling that he had been witnessing the rebirth of a nation. One sensed everywhere a new feeling of confidence, of pride in the fact that the Vietnamese people had had the maturity to carry out five elections in the last fourteen months in the midst of war and had been able to establish institutions of representative democracy, a new determination to play a greater part in their own destiny. This came out in a good many ways -- in the dignity, in the simplicity, in the good taste of the inaugural ceremonies, appropriate to wartime conditions, and in the effectiveness and precision with which they were carried out; in the restrained pageantry of the National Day celebration, the parade being shorter this year because of the war but splendidly executed, to the obvious pleasure and approval of the crowds who were watching. It is interesting that Chieu Hoi's contingent received a good deal of applause from the crowds and suffered no critical or derogatory comments. And President Thieu's fine inaugural address was a call to greatness, for further sacrifices, for greater determination, for a continual search for peace. In it he referred to the difficulties of the past four years as having been useful in helping to determine the path to follow and opening up a great new era full of promise; in his own words, "The greatness and the promise of the glories and the difficulties awaiting us." He stated that his administration would have three guiding principles in carrying out his national program: to build democracy, to restore peace, and to reform society.

In the pursuit of peace, he would propose directly to the North Vietnamese Government that it meet with the Government of South Vietnam to seek a way to end the war, that he would open the door to peace and leave the door always open. The Liberation Front would not be an obstacle to peace talks. As in 1954, the Front elements today have the right of choice: "Whoever believes in Marxism is free to go north. Whoever believes, as we do, in freedom and democracy may remain and work with us."

At the same time, he made clear the "iron determination" of South Vietnam to defend the ideal of freedom and democracy. While paying tribute to the Government and people of the United States and other friendly countries who had rendered assistance, he reminded his people "that the present war is still our war and the entire force of the population must be marshalled in support of the overall war effort in order to defend the freedom and sovereignty of the country, that all,

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civilians and soldiers alike, must understand the necessity for sacrifice for the common struggle. A united effort must be made to grasp the initiative and shorten the road to peace." He pointed out that this increased effort and determination was not aimed at destroying their compatriots above the parallel. On the contrary, it was designed to check the expansion of Communist aggression, to preserve stability of Southeast Asia, and to build a lasting peace for Asia and the whole world.

He asked the people for a stronger war effort because all weapons must be employed to achieve victory; not military weapons alone, but political, economic, cultural and social as well. A genuine appropriate democratic regime must be built in order to restore participation in national affairs to the people, and to reform society in order to liberate and advance the people. To this end all the people would have to endure many more sacrifices and make many more efforts. To achieve unity and solidarity many things would have to be done:

- A. The army must be constantly improved and strengthened but it must also have the backing of moral support and strong popular organization on the home front;
- B. A strong home guard must be organized to defend the towns in order to reduce the burdens on the fighting troops;
- C. Those living in the capital and other cities will have to strive and sacrifice more to reduce the appalling contrast between cities and the countryside which had long borne the greater part of the war burden;
- D. And the Government must win the confidence of the people so that they will voluntarily accept the efforts and the sacrifices necessary to the war effort. It must carry forward its task of building democracy and reforming society, of raising people's living standards and education, of accelerating the national rural development policy and industrial development.

Among the short-term measures the President included a number of urgent preliminary things which he felt should be undertaken immediately:

- A. To publicize more widely Vietnam's position and to win world support for its cause;
- B. In the social field, defense of morals must be promoted, public order and measures vital to the daily life of the city people guarded and increased;
- C. Economic stability must be promoted and the price spiral halted;

D. National order and discipline and respect for law must be strengthened;

E. Opportunities for students and civil servants to serve the nation and to employ their ability and enthusiasm must be opened up;

F. An austerity movement to eliminate the excessive disparity between the sufferings and hardships of the rural front lines and high living in the urban areas must be launched;

G. Finally, and most importantly, corruption must be stamped out and administrative organization, procedure and personnel must be improved in order to serve the people better.

In concluding, the President appealed for the help of all the people in the common task of this beginning of a new era.

As if in confirmation of this feeling of confidence and the pride which I have mentioned, within the last ten days the Vietnamese Armed Forces have turned in some really superior performances, five of them outstanding, to which I shall refer in the military section of this message. During the period of the Vice President's visit, on 29-31 October, the Vietnamese forces conducted 29 battalion-size or larger size operations. They had 4 major, 65 small contacts which resulted in 373 enemy killed, 92 suspects detained and 281 weapons captured. Thirty-five Vietnamese were killed and one hundred forty-six wounded. The Vietnam Air Force flew 275 combat missions and the Navy conducted 1,024 sea, river, and coastal operations. These actions centered largely in the Third and Fourth Corps and were carried out by some elements which had been subject previously to criticism. These are evidences of the steady improvement which has been taking place in the Vietnamese Armed Forces on which I have previously reported and give the lie to much of the cynical and skeptical reporting emanating from Saigon.

At the same time, there was welcome news on the anti-corruption front. Shortly before midnight, October 28, a special court sentenced the former Chief of Binh Dinh Province, Lt. Colonel Tran Dinh Vong, to death on corruption charges and ordered his property confiscated. Three other persons charged with Col. Vong have been sentenced to life imprisonment with confiscation of property. While it is heartening to see the Government move against corruption and to see the court act speedily (the trial lasted only one day), the sentences appear rather Draconian and recall the trial and execution of the Chinese businessman, Ta Vinh, in 1966. Vinh's execution was deeply resented in Cholon and may have been responsible for Thieu and Ky's rather poor showing among the Chinese in the Presidential election. Hopefully, the new government will handle its anti-corruption drive in such a way as to avoid terrorizing the bureaucracy to the point of paralysis.

The press this morning reports action by the special court of Kien Giang Province in voiding the election to the Lower House of Ta Ngoc Mai. Sentencing him to three months of imprisonment and a fine of \$20,000 (Vietnamese). The court also sentenced four of his accomplices to three months of imprisonment and fined one of them \$10,000 (Vietnamese). Mai was charged with various cheating schemes including armed pressure upon the voters.

Other evidence of this new feeling of nationalism and pride came out during the Vice President's visit. To a luncheon which I gave for him on Tuesday, I invited members of the Senate and the Lower House and representatives of Education, Labor, Civil Administration and Youth. In a postluncheon discussion, Senator Nguyen Gia Hien expressed appreciation for the Vice President's remarks and for the wise advice of a man who understood both the legislative and executive functions of government. He noted that although political life was a new experience in Vietnam, he was confident that the new government would be able to meet the requirements of this young country. Its members were approaching their task with goodwill and a strong sense of their responsibilities to the nation. They must serve, he said, as a link between the government and the people -- a link which in most developing countries is weak.

Dr. Phan Quang Dan, former Vice Presidential candidate, said that the Vietnamese people must play a larger part in conducting affairs in their own country. The war must be won by the Vietnamese with American assistance, not by the U. S. with Vietnamese assistance. Now Vietnam has a constitutional government of its own and must play a greater role in its own country. There is much to be done in Vietnam, he said, and therefore, the American is sometimes impatient with Vietnamese leadership and moves in to deal with local problems in his own way. We are, he continued, fighting both against Communism and well-intentioned Americanization of our struggle. He asked for patience and restraint and opportunity wherever possible for the Vietnamese now to deal with their own problems in their own way.

Immediately following the inaugural ceremonies, President Thieu announced the appointment of Nguyen Van Loc as the new Prime Minister. Prime Minister Ky tendered his resignation and that of his cabinet but agreed to remain in office to handle current affairs until Prime Minister Loc is ready to announce his cabinet and take over the government. The directorate also resigned after Thieu's inauguration. I asked Thieu this morning how Loc was progressing with the formation of his government and he replied that he had asked Loc to complete his list within four days but that Loc had asked for a week. Thieu confirmed the fact which we had heard from his brother, Kieu, that Loc was having some problems with the southerners who are asking for three cabinet posts: the Ministries of Agriculture, Economy and Education. He said that Loc is presently conferring with Tran Van Huong and leaders of the Old School Boys Association on the question of southern representation and Thieu expects that he will be able

to resolve his problems. I think, however, we should anticipate that it will be the middle of next week before we shall know the composition of the new government.

It remains to be seen how effective a cabinet Loc can put together and how well they will work as a team. I think, nevertheless, that he is approaching his task realistically. Thieu told me this morning that Loc was hoping to include a high ranking Hoi Chanh in the Government, perhaps Col. Chu Yen who led the Chieu Hoi contingent in the National Day parade or Lt. Col. Cu. He also confirmed again that Dr. Tran Van Do would continue as Foreign Minister but with a strong supporting cast in the Ministry. Thieu remarked that one of the reasons for the relative ineffectiveness of the Vietnamese missions abroad was the lack of adequate supporting organization at home. Loc also understands the need for continued cooperation between President Thieu and Vice President Ky. Some time ago, he told an Embassy officer that everything depends on this. In this respect, it is encouraging that in the talk which Vice President Humphrey had with Ky the latter emphasized his determination to work with Thieu, asserted that he wanted no special responsibilities, but wanted a strong government, a strong policy, and to make it work. He was ready to serve Thieu and to do whatever was asked of him.

It is obvious, I think, that the effort to establish a functioning representative democracy in Vietnam will encounter many problems. Some of them will be difficult for us to live with. Political parties will have to evolve and learn how to function. The process of governing may be slowed by having to go through the legislative process rather than enacting laws by decree. Workable relationships will have to be established between the executive and legislative branches of Government. There will be many other problems with which the Vietnamese and we will have to contend. Yet, I think we can take considerable pride in the fact that a functioning constitutional government is being established, especially in what seems to me to be a new feeling of confidence and pride on the part of the Vietnamese, and in their determination to increase their efforts and to do more than they have been doing in carrying their share of the burden.

I want to close this section of my message with a brief report on the visit of Vice President Humphrey. In my opinion, viewed from any angle, it was an outstanding success. The Vice President left Saigon at 7:45 November 1 on his trip to the First Corps after having spent an extremely active 62 hours with us here. His busy schedule included a morning visiting the mobile Riverine Forces in the Delta and the National Training Center at Vung Tau in which he evinced great interest both in the excellent briefing by the Director, Major Be, and in his visit to the training cadres; a lengthy ceremony at which credentials were presented; private calls on President Thieu and Vice President Ky; a reception at the Foreign Ministry; an informal dinner with the Mission Council;

a tour of our new chancery, after which the Vice President gave a moving and inspiring talk to our mission; a luncheon at my house with a broad selection of Vietnamese political, cultural, and social leaders; calls by the Australian Minister of External Affairs and the Prime Minister of Korea; and a reception and State Dinner given by President Thieu Tuesday evening at Independence Palace. Four mortar rounds landed behind the Palace while the reception was in progress but hardly caused a ripple of excitement and both the reception and dinner continued uninterrupted. The Vice President's conversations with Thieu and Ky which have been separately reported, were carried out in a most friendly and informal atmosphere and if nothing more had been accomplished, the visit would have been extremely worthwhile.

In speaking to President Thieu, the Vice President covered a wide range of subjects telling him frankly the chief criticisms of the Government of Vietnam current in the United States and stressing the need for the newly elected Chief Executive to tackle problems with vigor during his first "hundred days." In his talk with Ky, the Vice President covered much of the same ground, emphasizing the need for cooperation between the Vice President and President, to which Ky responded positively. General Westmoreland reported to me last night on his return from the First Corps that the Vice President's trip there had also been a great success, that he had spoken to our troops in the most inspiring way, and talked very frankly to members of the press about their skepticism and criticism of the situation here.

The Vietnamese Government and people were tremendously pleased by the Vice President's visit, especially as he was the highest ranking dignitary to attend the inauguration. His frankness, his friendliness, the appropriateness of his remarks, and his reaffirmation of our commitment here made an extremely favorable impression and gave a feeling of renewed confidence and encouragement to our allies.

B. Military

In connection with the Vice President's visit, General Westmoreland prepared some comments on the combat effectiveness of the Republic of Vietnam Armed Forces which are worth recalling, particularly as the American press continues critical of the Vietnamese military effort.

As General Westmoreland observes, the notion that the Republic of Vietnam Armed Forces is not carrying its share of the load is a myth that has tended to become fixed in the minds of our public.

During the first nine months of this year, South Vietnamese Forces accounted for more than one-half of the effort spent on large operations by all friendly forces in the country. These operations and many smaller ones in the first eight months of this year resulted in the South Vietnamese losing about three men (9,703 total killed) to every two that the U. S. has lost (6,215 total killed) in the same period.

Other encouraging indications of the Republic of Vietnam Armed Forces performance are that the desertion rate is less than half that of early 1966; the number missing in action is 60 percent of that of the first half of 1966; and the rate at which weapons are captured from the enemy, compared to the rate at which the Republic of Vietnam Armed Forces loses weapons, has more than doubled (now two to one).

I mentioned that within the past ten days, there had been several instances in which the enemy engaged Vietnamese Government forces and were soundly beaten and driven off with heavy losses. I think it worthwhile to describe briefly the five most significant engagements, which indicate the fighting spirit and will to win of Vietnamese Government forces when properly led and supported.

1. At 3:00 a.m. on October 20, 15 kilometers east of Quang Tri City (in Quang Tri Province), the 2nd and 3rd Battalions of the 1st Army of the Republic of Vietnam Infantry Regiment were attacked by a large enemy force. The units remained in contact with the enemy until nightfall of October 20 when the enemy withdrew. The fighting resulted in 197 enemy killed, 20 individual and 13 crew served weapons captured, 49 enemy structures and 2 enemy bunkers destroyed; at the cost of 18 Army of the Republic of Vietnam killed and 107 Army of the Republic of Vietnam wounded.

2. At 8:15 a.m. on October 21, 20 kilometers east of Lai Khe in Binh Duong Province, Civilian Irregular Defense Group (CIDG) elements from Vung Tau engaged an estimated enemy company. Contact was maintained until the enemy withdrew at 5:40 p.m. The Civilian Irregular Defense Group elements swept the area the next morning and found 94 enemy bodies, two boxes of documents, three crew served and one individual weapon. Friendly losses were five killed, 26 wounded, and three missing.

3. On October 27 at 1:00 a.m., four kilometers southeast of Song Be in Phuoc Long Province, the 88th North Vietnamese Army Regiment attacked the command post of the 3rd Battalion, 9th Army of the Republic of Vietnam Infantry Regiment. Armed helicopters, AC-47 aircraft and artillery fire supported the defenders. The stout defense by Army of the Republic of Vietnam troops, together with the supporting fires, drove the enemy off at 3:45 a.m. The enemy suffered 134 killed and the loss of 37 individual and 20 crew served weapons. Friendly losses were 13 killed and 44 wounded.

4. Binh Long Province, the subsector headquarters and Regional Forces compounds at Loc Ninh were attacked by at least two battalions of the 273rd Viet Cong Regiment at 1:15 a.m. on October 29. At the same time, a Civilian Irregular Defense Group camp at the Loc Ninh airstrip was attacked with mortars and B-40 rockets. Armed helicopters, AC-47 aircraft, artillery fire and tactical air strikes supported the friendly forces at Loc Ninh and a rapid reaction force comprised of two Civilian Irregular Defense Group companies, the 2nd battalion of the 9th Army of the Republic of Vietnam Infantry Regiment, and two companies from the 5th Army of the Republic of Vietnam Infantry Regiment was committed. A U. S. infantry unit was inserted four kilometers west of Loc Ninh as a blocking force and engaged an estimated enemy company from 12:08 p.m. until the enemy broke contact at 1:02 p.m. The reaction forced the withdrawal of the enemy from the subsector headquarters compound at 3:15 p.m. The latest results of the above actions are 160 enemy killed and 19 weapons captured versus friendly losses of 9 killed and 37 wounded.

5. In Cuu Long 178, a search and destroy operation in the Fourth Corps, the Army of the Republic of Vietnam 32nd Ranger Battalion killed 75 enemy on October 30.

It will be noted that three of the five engagements took place at night which rather gives the lie to the oft quoted criticism that "the Army of the Republic of Vietnam doesn't fight at night".

C. Political

The Transitional National Assembly (formerly the Constituent Assembly) sat together for the last time at the inauguration of President Thieu October 31 and was automatically dissolved that afternoon, after the Lower House of the new National Assembly formally was convened.

The political organization of the Lower House is proceeding steadily, with several groups coming prominently into the picture. Among these are the Nong Cong Binh group (farmers-workers-soldiers) associated with Senator Tran Van Don's Upper House list (about 20 members); the Catholic Dai Doan Ket (Greater Solidarity Force) Group, with an initial membership of 11 but probably to grow larger with the addition of other Catholics; the small but dynamic group of the movement for the Renaissance of the South (initially four, but likely to grow); and the Toan Viet Group (All Vietnam Bloc), with four to start, possibly as high as 11 and likely to grow. In addition, we have heard that Prime Minister Ky, assisted by the Director General of National Police General Loan, has lined up, both before and since the elections a total of about 40 members of the Lower House who will, presumably, be responsive to Ky's influence in the future. The veteran Trotskyist and neutralist, Ho Huu Tuong, asserted to an Embassy officer on October 26 that he thought he could weld together a bloc of about 50 Lower

House members. The reported strength of Ky's group (tentatively called the Dan Chu or Democratic Bloc) is open to some question, as the other blocs being formed in the Lower House are similarly trying to increase their voting strength and are probably contacting many of the same members. It is also hard to believe that Ho Huu Tuong has been able to collect any considerable strength so far in the Lower House. However, in some versions, the above is an indication of the groups which will be most active in the Lower House. We as yet have no indication that President Thieu is working towards the formation of a bloc in the Lower House, although eventually he will have to come to grips with the problem of assuring support for his programs in the new legislature.

As the pattern of the Lower House elections has emerged more definitively, it is evident that the traditional political parties (particularly the Vietnam Quoc Dan Dang and the Dai Viets) have largely been eclipsed, except on a limited, local basis, and several new groupings, described in the preceding paragraph, are emerging which might be the nucleus of the political parties of the future. At the same time, the average age of the Lower House is 39, considerably less than that of the Upper House. There will be a number of vigorous and forceful personalities in the Lower House, including some who will be critical of various aspects of our presence in Vietnam. They remain firmly committed to the struggle against the Communists, however, and we will want to listen to what they have to say. The Lower House is capable of performing a useful job in developing the substance of democratic government in South Vietnam. General Thieu has expressed satisfaction to me over the general quality of the Lower House, a judgment which I share.

Viet Cong and Hanoi comment on the Lower House elections has been very light. "Liberation Radio" of the Viet Cong expressed satisfaction over terrorist incidents that disrupted voting and alleged that the 45 (sic) percent turnout in Saigon "reflected perfectly the failure of the U. S. - Thieu-Ky clique". The turnout in Saigon was actually 57 percent, but a simple matter like the facts has never troubled Hanoi or the Viet Cong before and obviously does not trouble them now.

The Buddhist internal troubles remain unresolved. Following a series of meetings between General Thieu and the leaders of both the An Quang and the Tam Chau factions, no agreement on the disposition of the Buddhist Charter controversy was reached. On October 29, the extremist An Quang Group attempted to stage a march from their Pagoda to the National Pagoda (the seat of the Tam Chau faction), but were prevented from doing so by the police. There were rumors that extremists associated with An Quang groups in Saigon and Danang would stage a number of suicides by fire in an effort to embarrass the Government of Vietnam around inauguration time. One such suicide took place in Quang Ngai Province on inauguration day itself but the event went virtually unnoticed. On the whole, the extremist Buddhists have achieved no significant

success in their efforts to create an impression of widespread dissatisfaction with the newly elected regime. As I have reported, President Thieu has indicated that there is an inclination on the part of moderate elements in both factions to come together, even if it involves the setting aside of Quang Tri and Tam Chau.

A disturbing development, but one which hopefully is being resolved without serious difficulty, is the effort by the Government of Vietnam to halt convoys of shipping on the Mekong River proceeding to Cambodia. The Government of Vietnam military authorities were understandably upset by an act of piracy in which the crew of a monitor was slaughtered and the ship was delivered by one of the crew to the Cambodian side in return for a cash payment. Alleging that there were Viet Cong mines in the river, convoys were halted in mid-October. We were informed confidentially by Tran Van Do that there was considerable sentiment within the Government of Vietnam, particularly among the military, for a complete stoppage of ship traffic on the Mekong to Cambodia. The military have long chafed at Prince Sihanouk's attitude towards the struggle against the Communists in South Vietnam and in particular at Cambodia's at least passive support for the Viet Cong in the border area. The consequence of stoppage in the shipment of petroleum products, in particular, has been to reduce Cambodian stocks to a dangerously low point. Sihanouk has now made a protest to the Government of Vietnam through the Australian Embassy. Sihanouk is a mercurial and often disagreeable personality and Cambodia has been of material help to the Viet Cong in the Cambodian-Vietnamese border area. However, he could be even more disagreeable to us, were he forced, or should he see himself forced, to go over more explicitly to the enemy. I have taken this up twice with Ky, and General Westmoreland has twice followed up with the Government of Vietnam military. The Government of Vietnam has ordered that the convoys be permitted to proceed as of November 2. We hope this will break the convoys loose within the next few days.

D. Economic

The Retail Price Index in Saigon was 290 this week, little changed from last week's figure of 291. The Imported Commodity Index was unchanged from last week's level of 219. The subsidized P. L. 480 Title II Corn Program ended last week. In the future, corn for animal feed will be non-subsidized Title I corn shipped into Vietnam as a commercial import and sold on the free market without restriction as to distributor or end user. Corn will be sold at a price to be determined by the Government of Vietnam and U. S. AID which is intended to minimize economic hardship for pork and poultry producers while encouraging domestic feed grain production.

Farm labor scarcity is a factor limiting rice production in the Mekong Delta, according to a study by American technicians. Because of the war and the military draft, as well as the lack of security and heavy migration to urban areas, old men, women, children are often the only available farm labor. Some provinces report that thinner stands of rice and lower yields are the result of a lack of experience on the part of the rice transplanters. In floating rice areas, production will be greater than last year, when the crop was ravaged by floods.

E. Chieu Hoi

Returnees during the reporting period were 452, slightly lower than the 1966 figure of 477 for the same period last year, but again higher than last week's figure of 338. The total number of returnees so far this year is 24,666.

F. Vietnamese Killed

During the week ending October 28, the enemy killed 35 Vietnamese civilians, wounded 100, and kidnapped 92. Among the dead were two Hamlet Chiefs, two Revolutionary Development workers, and one Forestry Chief. During the week, the enemy killed 210 Vietnamese military personnel. Since January 1, 1967, the Viet Cong have killed a total of 2,786 civilians, wounded 5,610, and kidnapped 3,904.