

INFORMATION

~~SECRET~~

Thursday, November 30, 1967
2:20 p.m.

Mr. President:

I have marked key passages in
Bunker's latest weekly.

W. W. Rostow

Saigon 12129

~~SECRET~~

WWRostow:rla

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By leg, NARA, Date 12-16-91

SANITIZED

SANITIZED

Authority NLI/CBS 10
By is, NARS, Date 11-28-83

Wednesday, November 29, 1967

1185

FOR THE PRESIDENT FROM BUNKER (Saigon 12129)

LBJ LIBRARY

CBS Subpoena

Case # NLI/CBS 10

Herewith my twenty-ninth weekly telegram:

Document # 80A. General

I had a long talk with President Thieu yesterday. My purpose was to provide him with my impressions of the mood in Washington and elsewhere in the United States as it related to the situation here: a summary of the main subjects I had discussed with you during my consultations; and the need for definite signs of progress during the next few months.

I said that one of the principal themes evident in almost all of my meetings, public and private, was the degree of commitment by the government and people of Vietnam to the war effort, whether the Vietnamese were carrying their full share of the load and were making the necessary sacrifices. This overall query then broke down into more specific questions as:

1. Were the Vietnamese Armed Forces doing their share of the fighting and what was the quality of their performance;
2. Was the government committed to a serious attack on corruption and was anything being done about it;
3. Concern over the creation of refugees through our joint military actions and concern regarding their care and rehabilitation;
4. Land reform -- how much had been done and what did the government propose to do;
5. Economic stabilization and the related problem of taxes;
6. Progress in pacification and what was being done to root out the infrastructure;
7. Attitude of the Government of Vietnam toward negotiations and especially toward approaches to the National Liberation Front.

I said that General Westmoreland, Bob Komer and I had endeavored to give a balanced and objective report of the situation here and had tried to counter what we felt had been much subjective and erroneous reporting of developments by the

71-

press. Recognizing that much remained to be done and that there were many problems still to be solved, we had reported there had been nevertheless steady progress, militarily, politically, and in pacification and nation building. We also reported that we believed that the progress made in all these areas had established a base from which, together, we could now accelerate the forward movement.

I then said that I knew that he shared our view of the importance of some early moves on the priority programs that he and I had discussed and on which there was general agreement among ourselves and the Government of Vietnam. He had made this clear in his inaugural address as had Prime Minister Loc in his statement of government policy. I recognized the fact that there would probably be exaggerated expectations of progress here on various fronts and that the new government had to have time to get itself organized and functioning. On the other hand, I thought it important that some early and constructive moves be made. Two had already been taken; namely, the mobilization decree, lowering and extending the draft age, extending the service of those within the draft brackets, and recalling certain personnel to service; and secondly, the decree transferring the collection and administration of all land taxes to local governments. It seemed to me that a logical sequence to the land tax decree would be the promulgation of an ordinance transferring the administration of land reform to the village councils. I recalled that I had already provided him and Vice President Ky with a memorandum on this subject as well as his public remarks on the need for "massive" land reform. Thieu replied that he had this in mind and that the Minister of Agriculture was presently studying the problem.

I remarked that I understood that plans were also underway to restructure the provincial administration and for the training and appointment of new Province Chiefs. Thieu confirmed the fact that this was already in process and said that at the Cabinet meeting to be held Thursday, this week, the restructuring of the provincial administration would be taken up, the relations between the Province Chiefs and the Ministry representatives in the provinces defined, and the responsibility of the Province Chief to the central government established. This would result in a reduction in the authority of the Corps Commanders over administrative matters and in restricting their authority to the military field. Thieu felt that this would also have a further beneficial effect in limiting opportunities for corruption. As a further move in the Government of Vietnam austerity program the Cabinet will also take up the matter of closing our nightclubs and bars in Saigon.

Thieu said that last week he had taken the Minister of Agriculture, the Minister of Interior and other officials to the Delta area of the Fourth Corps to check on the prospects for rice production and security, especially of Route 4, in order to move rice out of the Delta. He said that he felt there were definite prospects for improvement in production and greater efforts would be directed toward security of highways and waterways to facilitate transportation of produce to markets. He

said, however, that storage silos for rice were an urgent need and he intended to approach U. S. AID for some assistance in this respect. I brought up the question of an increase in the price of rice which as you know we have strongly advocated in order to give the farmer a better price for paddy. Thieu replied that the government had on hand high-priced rice which it would have to sell at an advance and felt that a further increase would be unwise at the present time because of the adverse political effects it would have on the new government. The means by which a rise in price would accrue to the benefit of the farmer and not the intermediary is presently under study and still to be worked out. I shall want to go into this matter on an increase in the price of rice with him again in the near future.

I returned to the question of increasing taxes especially oil taxes. Thieu replied that this matter was under discussion in the Cabinet. He said that there was a general feeling that oil, especially gasoline, entered so much into the daily life of the population in the movement of people and goods, in propelling the thousands of sampans, irrigation pumps and things of that kind that a radical increase in the price would affect the price level in other respects. He said that the new Finance Minister informed him that through improved collection of taxes and the appointment of a new and competent Chief of Customs, he could secure as much new revenue as would result from an increase in oil taxes. I replied that I thought that an improvement in tax collection was essential but that in view of the large increases in the upcoming budget, increased taxes would also be essential. Thieu replied that he agreed in principle that taxes would have to be increased as would the price of rice but that in both cases it was a question of timing. The government felt that too many actions adversely affecting large elements of the population could not be taken all at one time in view of the need of the government to establish itself firmly.

I think it will probably take one or two weeks more for the new Prime Minister and Cabinet to settle into their offices, organize their staffs, and complete other necessary administrative arrangements. Matters of this nature have been taking up much of the Cabinet's time in recent days. There are some excellent people in the new government, others who lack executive experience, and still others somewhat lacking in decisiveness. Time and experience will indicate how well the individual members can perform. I think Thieu feels that based on experience and results, or lack of them, some changes may be indicated in the future. We are starting out, however, with the advantage that there is general agreement between the Government of Vietnam and ourselves on programs, on what the priorities should be for the shorter six months' phase and for the longer term. I shall try to make a point of reporting specifically on progress on these priority matters as we shall be pressing for action.

~~SECRET/NODIS~~

I took up the question of the holiday cease fires and referred to Ambassador Locke's talk with him on November 22 in which ideas were exchanged as to the exact span of times the stand-downs would be observed on the Allied side, as well as procedures to be followed in arriving at an agreed U. S. /Government of Vietnam position and in coordination with the other members of the seven nations. I said that we continue to believe that 24, 24-48 hour stand-downs are in the best interest of all the Allied forces in Vietnam and would hope that we could agree on this position; that fulfillment of the stand-downs after Christmas should be based upon examination of North Vietnamese/Viet Cong performance during previous stand-downs, in light of all the circumstances at the time; and that we believe the Government of Vietnam should keep open the possibility of offering to meet with the other side to discuss a longer pause, in much the same terms as was done during the 1967 Tet period.

Thieu replied that he had no objection to this proposed formula; what he had intended to suggest was that for Christmas and New Years the maximum stand-down should be 36 hours and that for Tet 72 hours might be agreed to "in principle" if the performance of the North Vietnamese/Viet Cong during earlier stand-downs had been satisfactory. What he had in mind also was that the Tet stand-down could be extended if it could lead to a "fruitful result" but obviously, representatives of both sides would have to meet and confer on the matter. He added that the opposing forces are too close at three points -- the DMZ, the Dak To-Kontum front, and in Phuoc Long and Binh Long Provinces in the Third Corps -- to run the risk of a long stand-down which might give the enemy an opportunity for a surprise attack. He suggested that General Westmoreland confer with General Vien and agree on the terms of the stand-downs, to be followed promptly by a meeting of the seven nations' ambassadors. I do not believe that we shall have difficulty in having our view prevail.

President Thieu has referred publicly on several recent occasions to his plans to send a letter to Ho Chi Minh, regarding peace negotiations, despite the hostile comment on the idea broadcast over the Viet Cong and Hanoi radios. Thieu told the press on November 25 that he was asking several nations, including Japan, to transmit the letter. The departure November 25 of Japanese Ambassador Nakayama for reassignment was the occasion for further press speculation that Nakayama would carry Thieu's letter to Ho Chi Minh. However, Nakayama told political counselor at the airport that no final decision or commitment to transmit Thieu's letter to Ho had been made. He pointed out the difficulties which face the Japanese Government in dealing with this question and emphasized the likelihood that the letter would be rejected by Hanoi. He made clear that he had informed Thieu of this in his final call on November 24 but also said that this was not a final answer by the Japanese Government.

Thieu confirmed in General Nakayama's statement but added that Nakayama had said that the Japanese "in principle" would be glad to act as intermediary. Nakayama added that Sato did not believe that he could establish contact soon with Hanoi in view of his recent visits to the United States and to Australia; that he would wish

to have some favorable indication in advance that Hanoi would be willing to receive the letter; and that while up to now Japan has had no contact with Hanoi, he would endeavor to make contact.

Thieu then ruminated on the possibility of having the letter delivered through the Pope, noting that the Vatican has various ways of getting in touch with North Vietnam authorities or through the United Nations, perhaps through the Soviet Ambassador there. I suggested to him the possibility of using the Indian Chairman of the ICC since he has direct access to the government in Hanoi. Thieu replied that he has the feeling that the Indian believes that a first step should be a bombing pause which should precede delivery of the letter and is therefore somewhat reluctant to approach him but agreed that the possibility was worth looking into. I expect to see Ambassador Lukose within the next few days and will try to feel him out.

Knowing of Thieu's concern as well as the general concern expressed publicly here over Ambassador Goldberg's testimony with reference to the National Liberation Front, I informed Thieu that I had an opportunity to talk with Ambassador Goldberg and clarified once again the fact that this move was tactical and did not represent a change in the U. S. position. I added that we continued to believe that prospects of accomplishing inscription as a result of the Government of Vietnam's initiative would be very poor, whereas some additional Security Council members might support a U. S. initiative. In these circumstances, I thought the best approach would be for the Government of Vietnam to react positively to any U. S. initiative to convene the Council, perhaps sending a letter to the President of the Security Council, requesting a Government of Vietnam participation and suggesting principles similar to those in the draft resolution. I assured Thieu that Ambassador Goldberg would wish to consult closely with the Vietnamese Government representative in New York and would be in touch with him prior to any Security Council move. I added that I thought it was in the Vietnamese Government interest to be represented at the U. N. by an able and competent individual who could present their views convincingly and forcefully. This is not the case with the present incumbent.

We are very happy to have with us the distinguished group of American women you invited to visit Vietnam: Mrs. Norman Chandler, Miss Anna Lord Strauss, and Ambassador Eugenie Anderson. Deputy Assistant Secretary of State, Charlotte Hubbard, who is here for two weeks, is joining them for most of their program. They have already met with a representative group of community leaders in Saigon and are visiting other areas of the country as well. They are showing a very lively interest in everything and I think they will have obtained a full and fair picture of the situation here, with successes and problem areas balanced, by the time they leave.

B. Pacification

The new Government of Vietnam is slowly getting organized to step up pacification. General Thang, now in charge of Regional and Popular Forces, and the new Revolutionary Development Minister, General Tri, are now fully immersed in 1968 planning, with Bob Komer and his crew coaching actively behind the scenes. Meanwhile, the Government of Vietnam has revived the central Revolutionary Development Council, which will be chaired by PM Loc and include all relevant ministers. It will meet once a month, and Komer (who pressed for it) considers it a much needed coordinating mechanism.

Our hamlet evaluation system figures for October showed very little overall gain in population security. Stepped up enemy pressure on the Government of Vietnam pacification areas -- particularly in Quang Ngai, Phu Yen, and Khanh Hoa -- led to regression offsetting most gains elsewhere. As a result, the total population (including urban) living in relative security remains roughly 67 percent while 16 percent remain in contested hamlets, and 17 percent under Viet Cong domination. As Bob Komer pointed out in Washington, we do not expect dramatic changes in this pattern, because pacification is, at best, a gradual, undramatic process. But with the increased pacification effort programmed for 1968, we should see a gradual cumulative increase in secure population.

C. Political

Both houses of the National Assembly made further progress in adopting their rules and are beginning to participate more directly in the national political process. The Upper House has adopted 150 of a projected total of 200 rules, while the Lower House on November 21 approved an eleven-part outline for internal rules as presented by the rules drafting committee.

Mixed in with the Upper House debate on rules was discussion of the merits of the decree on partial mobilization, which was signed by President Thieu on October 24. At its session on November 25, the Upper House decided by a vote of 43 out of 45 Senators present to invite Prime Minister Loc or Minister of Defense Nguyen Van Vy to appear before the Upper House in the near future to explain how the partial mobilization decree will be carried out. (Article 40 of the Constitution gives either House, with the agreement of one-third of the members, the right to request the Prime Minister or other government officials to appear before it to answer questions regarding the execution of national policy.) Members of the Upper House with whom we have spoken since November 25 have made clear that they are not opposed to the purpose behind the partial mobilization decree, but rather to the way in which it was done. They have also explained that they were

unclear on what the government's plans were and on what considerations they were based. They felt this was an opportunity for the government to mobilize additional support for the measure which, not surprisingly, has encountered some adverse comment -- particularly the plans to mobilize 18 and 19-year-olds.

On November 27 Prime Minister Loc received a delegation of the special committee appointed by the Lower House to intervene with the government to obtain the release from Army service of 17 students who were mobilized following their participation in rioting in early October. Prime Minister Loc heard them out and stated that he would present the request of the committee to President Thieu. The reaction of the members of the committee to Loc's handling of the matter was mixed, largely as a function of their general attitude. Deputy Nguyen Dai Bang (Hue) indicated his disappointment with Loc's presentation, although this is not unexpected, as Bang is emerging as a determined critic of the government. On the other hand, [REDACTED] was encouraged by the responsiveness of the Prime Minister. [REDACTED] has so far been generally well-disposed towards the government. A

Since the roundup of recent developments among the Buddhists in Ambassador Locke's personal report to you of November 24, the "moderate" Buddhist faction led by Thich Tam Chau appears to be moving in the direction of making the split in the Buddhist ranks more or less permanent. At a dinner given by one of Tam Chau's supporters on November 26, Thich Tam Giac, chief Buddhist chaplain in the Republic of Vietnam Armed Forces, the formation of a Buddhist political bloc which would function as a political party was discussed informally. It was interesting that Tam Giac invited Senator Vo Van Truyen and Deputy Nguyen Ba Luong, interim chairmen of the Upper and Lower Houses of the Assembly, respectively, as well as a number of non-Buddhist political figures, including two well-known Catholics, Senators Nguyen Gi Hien and Huynh Van Cao. The two Senators were undoubtedly invited in their political rather than their personal capacities. It is also interesting to note that representatives of the An Quang faction were reportedly in Hue on November 26 to see about establishment of a political party. One or more Buddhist political parties may emerge in the next few months.

[REDACTED] learned that General Nguyen Ngoc Loan, Director General of the National Police, submitted his resignation on November 24. This has since been confirmed [REDACTED] General Loan is ill, but he has also been disappointed that he was not consulted even routinely, in connection with the formation of the Cabinet. According to General Loan, Prime Minister Loc did not ask to review the security dossiers of any of those under consideration for Cabinet posts, a serious lapse in his view, since Loan reportedly has considerable reservations concerning the new Minister of Economy, Truong Thai Ton, who is alleged to have some links to the Viet Cong. (We do not take these reports A

seriously.) Loan has been a generally effective Director General of the National Police, one of the most difficult and demanding posts in the Government of Vietnam. However, he has brought considerable criticism on the government by his handling of the arrest of Au Truong Thanh last September and by heavy-handed appearances in the visitor's gallery of the former National Assembly when critical votes were taken. The new Secretary-General at the Presidency, Nguyen Van Huong, whom Loan also suspects of having pro-Communist links (we have seen no significant evidence of this), is openly critical of Loan's fondness for drink and his habit of playing with a loaded pistol at meetings of government officials. Loan has indicated that he will not withdraw his resignation unless specifically asked to do so by President Thieu. Since these developments, we have heard that Loc did receive Loan to discuss Cabinet appointments and the latter was satisfied that he had had a hearing. We have also learned that Vice President Ky has told Loan that he should take a rest and then go back to work.

The two Republican Congressmen who recently visited Saigon, Fred Schwengel (Iowa) and William O. Cowger (Kentucky), appear to have become even more interested in a visit to Hanoi, despite our efforts to point out to them here in Saigon the problems and pitfalls involved in such a visit. While they were in Bangkok November 24-25, they asked the British Embassy to transmit a request to Democratic Republic of Vietnam Prime Minister Pham Van Don for permission to visit Hanoi. Schwengel and Cowger appear to be convinced that the recent remark by Pham Van Dong regarding a possible visit to Hanoi by U. S. Congressmen to view bomb damage was directed specifically at them and that they would be failing in their duty and would be showing a lack of courage if they did not take up what they regard as a challenge. This puts the matter in considerably more dramatic and personal a light than the facts seem to warrant. We have no basis for believing that Pham Van Dong was aware that Congressmen Schwengel and Cowger were in Southeast Asia at the time he made the remark in response to a question by a French journalist. Efforts made by our own people here and by our Embassy in Bangkok to point out to the two Congressmen that they would not be free agents once they were in North Vietnam do not appear to have had any effect on them. They have left Southeast Asia and are on their way back to the United States. It remains to be seen whether Hanoi shows any further interest in the matter.

A five-member delegation from the National Assembly is currently attending the session of the Asian Parliamentary Union in Bangkok. The Assembly delegation is a good one, and the occasion marks the beginning of the return of Vietnamese legislators to international parliamentary gatherings, where they have played a useful role in the past. In addition, they will have an opportunity to present the Vietnamese Nationalist views of the struggle against Communist aggression and subversion in this country.

~~SECRET/NODIS~~

The adventures of the sailing yacht Phoenix continue to occupy our attention. (The problems of the Phoenix and its crew of earnest and determined Quakers were discussed at some length in Ambassador Locke's personal report to you of November 24.) The ship returned to Danang November 25, after having been towed out to international waters by the Vietnamese authorities on November 22. It developed that one of the crew, Dr. Richard Butterworth, who had jumped into the water when the ship was being towed out to sea, had become acutely seasick in the rough waters now prevailing near Danang, with the northeast monsoon blowing. The ship was allowed to return to Danang to obtain medical care for Dr. Butterworth, who will be allowed to go ashore and return to the United States by air. The disposition of the medical supplies now on the Phoenix is still unresolved. The Quaker group insists that half of the medical supplies must go to the extremist (and generally anti-government) Buddhist faction of Thich Tri Quang and that the turnover of the supplies take place in front of witnesses. Originally, they had demanded that they be present when half of the supplies are turned over to the Buddhist group, although they have since modified this demand, noting that an Embassy representative or a representative of an American charitable group would suffice. We have pointed out to them that the demand is insulting to the Vietnamese and has little chance of acceptance. Actually, the Buddhist have shown little interest in the matter, although there has been steady reporting on the vicissitudes of the ship in the Saigon press. The Quaker group on the Phoenix has told us they intend to go to Phnom Penh, Cambodia, to contact the National Liberation Front representative there, in order to turn over medical supplies to him as well. Just to complicate matters further, they propose to travel to Phnom Penh via the Mekong River, transiting Vietnamese territory. To enter the river, they are required to join a convoy, maintaining a speed (about 6-8 knots) which the Phoenix is not capable of. I imagine we shall continue to hear of the good ship Phoenix for some time to come. The Prime Minister has maintained a firm position against accepting the medicines under the conditions insisted upon by the Quakers.

C. Economic

The Saigon Retail Price Index declined slightly to 300 from 301 last week. Increases in the price of U. S. remilled and local rice were offset by declines in the prices of protein foods, vegetables, charcoal, and firewood. The Imported Commodity Index also remained steady. There was a sharp rise in black market currency and gold rates resulting from devaluation of the British pound and the Hong Kong dollar, though this may be transitory in nature.

D. Chieu Hoi

During the week ending November 18, there were 217 returnees, compared to 611 during the same period of 1966. This is the sixth straight week when the

Chieu Hoi rate has been down from the previous week and down from the corresponding week last year. Total returnees so far this year are 25,765. A rallier who came in on November 17 in Quang Tim Province led elements of the U. S. 101st Airborne Division to a Viet Cong main force base hospital where 20 Viet Cong were captured. Information furnished by the same rallier resulted in the capture of two Viet Cong caches which included 1.5 tons of rice, two rocket launchers, and parts and ammunition for many crew-served weapons.

E. Vietnamese Killed

During the week ending November 25, the enemy killed 60 Vietnamese civilians, wounded 73, and kidnapped 77. Among the dead were 26 Revolutionary Development workers and two Hamlet Chiefs. During the same period the enemy killed 269 Vietnamese military personnel. Since January 1, 1967, the Viet Cong killed 3,366 civilians, wounded 6,587, and kidnapped 4,344.

SECRET/NODIS