

Thursday, February 29, 1968

FOR THE PRESIDENT FROM BUNKER (Saigon 20798)

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96-248By ..., NARA Date 2-25-57A. General

It is now four weeks since the enemy launched his Tet offensive. Many factors are still only partly known in this new situation, but I thought it would be worthwhile to try to make a preliminary assessment of where we stand. This will have to be a rather rough approximation since it will be some time before the returns of the comprehensive and detailed examinations now underway will be in. Nevertheless, I believe the following general points can be made:

1. It is evident that the enemy made a heavy commitment of his forces to the Tet offensive, some 62,000 plus guerrilla and other elements in supporting roles; that more than half of the forces committed have been destroyed and more than 10,000 weapons captured, a figure which tends to substantiate the reported personnel losses. These heavy losses would appear to have a number of consequences: many enemy units are expected to be ineffective for a considerable period; a heavy replacement flow will be required from North Vietnam which is likely to result in a significant increase in the proportion of North Vietnamese Army troops in South Vietnam; and there is a possibility that he may be forced to reassess his strategy, for example, the all-out offensive versus the "conservation of forces" policy, the attack on urban areas versus his "frontier" strategy, or the desirability of going into a primarily guerrilla war posture.
2. This reassessment of strategy by the enemy may be influenced by the psychological effect on him of the heavy losses and defeats he has suffered. He mounted an intense propaganda effort prior to the attacks, thoroughly indoctrinated his troops with the idea that the winter-spring campaign would be the decisive and concluding period of the war, that a coalition government would be formed, and their hardships would cease. Now enemy propaganda is talking about a long war, and there are no further references to "victory this spring". It would seem logical that this pre-Tet psychological buildup would be followed by a letdown as the enemy troops come to realize that they have not won the final victory, but on the contrary have taken very heavy losses only to be thrown out of all the cities they attempted to seize. Probably the letdown will be most rapid and severe among Viet Cong provincial and regional forces, guerrillas, and infrastructure. If this should take place, it may well result in an upturn in Chieu Hoi rates.

3. It is clear also that the enemy made a major miscalculation in believing that the people would rise to support his forces. A recently captured document makes this even clearer than before. A Central Office for South Vietnam order dated February 1, a critique of the first phase of the Tet offensive, points to the lack of popular uprising and Army of the Republic of Vietnam defections as key failures. But, as I have noted before, failure of the masses to actively support the enemy does not necessarily mean there is solid popular support for this government; and among many elements of the population, there is widespread apprehension and fear of further attacks by the enemy. Nevertheless, opinion has hardened against the enemy, and Vietnamese Government efforts to assist the victims of the fighting have probably improved the government's image in certain quarters. In some areas, popular indignation against the enemy is running very high. The post-attack feeling of national unity and willingness to cooperate with the authorities remains strong, granted there is still a considerable distance to go to create a solid, enduring climate of opinion which can be described as strong, positive support for the government as against the present essentially anti-Viet Cong feeling! Nevertheless, these are positive elements in the present military picture.

4. There are factors on the other side of the ledger. The enemy has shown a capacity for continued heavy infiltration from the North. Indeed, it seems apparent that this was substantially stepped up in the months immediately preceding the Tet offensive, a fact which raises acutely the question of what measures should be taken to reduce substantially infiltration through Laos and Cambodia. The enemy has also been able to equip his troops with increasingly sophisticated weapons; they are in general better equipped than the Army of the Republic of Vietnam forces, a fact which has an adverse bearing on the Army's morale, and the enemy has demonstrated flexibility, skill, resourcefulness, discipline, and determination. That he suffered such a severe setback has been due to the skill, tenacity, and bravery of our commanders and troops and those of the Army of the Republic of Vietnam, to our mobility, and to our superiority in artillery and air power.

5. It seems apparent also that a number of options are open to the enemy. If instead of reverting to a policy of a prolonged war, or a guerrilla posture, he decides, as Thieu believes he will, to go "fast" in the months ahead with the objective of putting himself in a strong posture for negotiation, we may be approaching a decisive period in the war should this be his decision. And provided we act quickly and decisively to meet the threat! If we take positive action now, and this, of course, involves getting the Government of Vietnam to take a whole range of decisions and actions, I am confident in our ability to meet the threat successfully. It is possible that indeed this could shorten the conflict and bring us more quickly to a decision. Thieu sees this in a time frame encompassing late 1968-early 1969.

6. The physical destruction caused by the Tet offensive has been heavy and widespread. One-hundred two cities and district towns were attacked, creating at present count some 550,000 evacuees, of which it is expected some 30-40 percent will return to their homes when security is restored. The number of houses destroyed now stands at 66,400, but this does not yet take into account figures for

the heavy destruction at Hue. The present count of civilians killed stands at 4,700 with another 19,500 injured, but again this does not include figures for Hue. These figures give some idea both of the magnitude of the problem and of the time and resources that will have to go into the recovery effort. But assisted, prodded, and supported by our people, the Government reacted well at the outset and is now showing more drive and effectiveness than at any time since my arrival in this country. While its performance is not beyond criticism, it is better than many of us expected, and far better than press reports indicate. We have to bear in mind the limitations of the human resources available here in drawing a fair judgment. Most important, I believe, is the fact that the government has recovered faster and is moving more swiftly than the enemy. Both sides are tired and disorganized in the wake of the near armageddon, which the enemy provoked, but our side is reviving more rapidly.

7. The relief and recovery program is moving ahead with no apparent loss of momentum since Ky turned over the direction of the central recovery committee to Prime Minister Loc. This in part is the result of a more active participation on the part of the President Thieu who chaired the February 24 and 28 meetings and has exhibited both comprehension and decisiveness in his interventions. He has told me he plans to chair the task force twice a week in the future. It is also due in part to the surprisingly effective performance of Minister Doan Ba Cang who has turned out to be a more hardnosed and efficient coordinator than Gam Thang. It is also due to the very effective efforts of Bob Komer, General Forsythe, and our staff. At this writing, Saigon is approaching normal in many ways: prices are down to 15 percent above the pre-Tet level, rice distribution is back in the retailers' hands, and no longer poses a problem, public utilities are functioning, there is a uniform 1900 to 0700 curfew throughout the city. One hundred sixty-nine thousand evacuees are being cared for, the work of clearing away the rubble is well underway, and the long task of rebuilding has begun. While moving more slowly in the provinces in many cases, relief and recovery is also going forward there in a satisfactory manner.

8. Having failed to hold the cities, the enemy is now keeping up harassment of the urban population and attempting to dominate the countryside. The second wave of the offensive, as I mentioned last week, is in many ways becoming a race to re-establish control in the rural areas. Both enemy and friendly forces were withdrawn from the countryside to take part in the fight for the cities. That phase seemed to end February 25 when President Thieu attended an emotion-filled ceremony at which the Vietnamese flag was again raised over what remains of the ancient and sacred city of Hue. If Thieu is correct in his analysis of the enemy strategy, the present enemy concentrations near the cities and harassment by mortaring and rocketing of the urban populations is intended to tie us down to urban defense while he attempts to take over and hold as much of the countryside as possible. Interrogation of an enemy officer in the First Corps supports this view of the enemy intentions. Thieu is fully aware of this; so are General Westmoreland and General Vien, and our troops are beginning to move back into the rural areas.

9. Pacification has been set back, but contrary to some press reports, certainly is not dead. While it is imperative that we move fast, we have by no means lost the race. About one-half of the Revolutionary Development cadre have remained in their assigned hamlets with the other half working in the urban areas. Some provinces were relatively untouched, and in at least 16 provinces, it should be possible to get the program back on the rails rather quickly. Thirteen provinces were hard hit and we estimate that it will take a minimum of six months to get the program there back to the pre-Tet level. By corps areas, we can say the situation in the First Corps is bad, with the program suffering most severely in the northern-most provinces; in the Second Corps, it is relatively in good shape; the Third Corps is in worse condition, though we view the situation there as very serious in only three provinces, but those three include two provinces which are neighbors of Saigon, Gia Dinh and Bien Hoa. The Fourth Corps is perhaps the most serious problem with something approaching area-wide paralysis prevailing in that key region.

10. It is clear that we must move rapidly. Given a free hand, the enemy will use the people in the countryside, step up recruitment, replenish food stocks, and erode previous Government of Vietnam pacification gains. Instructions have gone out to Vietnamese forces and U. S. advisers to seize the initiative and to go on the offensive, roads and waterways are being re-opened and commercial traffic is beginning to move north of the Mekong. The next step is to break the Regional and Popular Forces out of their defensive shells, and to get all Revolutionary Development teams back to their hamlets. While some risks are involved, it seems to me important that we do not over-commit ourselves in defense of the cities. Our ability to take the offensive, especially in the countryside, will be psychologically important both in restoring the morale of the South Vietnamese population and in persuading the enemy that he cannot possibly win militarily.

The effects of the Tet offensive on the Vietnamese economy must be rated as adverse and seriously damaging, without significant positive offsets. Estimates of the physical damage have been reported elsewhere. It is doubtful that the extent of this widespread damage will ever be estimated accurately in money terms, but for a country whose capital wealth is low, it is a severe blow. If peace and security were now restored, one could imagine a rapid recovery of the sort that often takes place after localized natural disasters. But the continuation of fighting and insecurity will make the recovery longer and more difficult for Vietnam. Reconstruction will inevitably divert resources from the war and the pacification effort. In the meantime, the effect, both monetary and psychological, on people who have lost their homes, seen factories and places of business destroyed, and communications interrupted will be hard to sustain.

Another result of the damage inflicted during the past month and the consequent reconstruction effort will be a buildup of inflationary pressures. It seems certain that Government of Vietnam expenditures will increase by at least 10 billion piasters. At the same time, disruption of economic life will inevitably lead to reduction of tax revenues, probably by the same order of magnitude. Our preliminary estimates

show more than a doubling of the increase in money supply, from 19 billion piasters to more than 50.

In last week's message, I reported on the adverse effects of the offensive on confidence in the business community, on transportation in the countryside and the rural prosperity dependent on it, and on agricultural production. How serious and longstanding these effects may be depends in large measure on how quickly security can be restored. Its restoration, therefore, is vital to all our calculations.

A more detailed consideration of the above points follows.

Performance of the government. President Thieu was in My Tho when the Tet offensive began. Fortunately, Ky was in Saigon, and he reacted fast with orders to defense forces and a declaration of martial law. Thieu, as you know, returned to Saigon as quickly as he could. By February 3, the worst of the enemy assaults had been blunted, and we had formed the joint task force under Vice President Ky. On February 4, the Lower House held a special session and put out a five-point proclamation condemning the enemy attacks. By February 6, the government had set up 59 relief centers in the Saigon-Gia Dinh area. President Thieu addressed a joint session of the National Assembly on February 9, gave a sober account of the Tet attacks, explained government actions to meet the situation, and requested special emergency powers. By February 15, over 8,000 tons of rice had been distributed in Saigon, with the help of 2,500 Revolutionary Development trainees from Vung Tau, and commercial outlets were beginning to take over the job. At that time, two weeks after the attacks, 117 refugee centers in Saigon and Gia Dinh were providing for the nearly 200,000 evacuees. Countrywide recovery committees on the Saigon model were in operation, and relief supplies were flowing to the provinces. While a long way from normal, the situation was coming under control.

On February 18, the enemy finally got his second wave under way with a series of coordinated mortar and rocket attacks in three of the four corps areas. Only at Phan Thiet and Song Be did he again seriously threaten urban populations, however, and those attacks were repulsed with heavy losses to the enemy. Since then, the enemy has been largely concentrating on harassing mortar and rocket attacks on the cities although last week he continued to take heavy losses in ground actions near Saigon and in other parts of the country. Enemy broadcasts and captured enemy orders indicate that Hanoi's objective was to keep us off balance by again striking in force. Apparently, their resources were not equal to the opportunity which the Tet attacks had created.

Most of the Government of Vietnam provincial administrative apparatus is now in operation, although with reduced staffs. In many cases, the province capital is not yet in contact with all of the villages and hamlets under its jurisdiction. During the emergency, many province chiefs performed at least satisfactorily, while some did poorly and others turned in truly splendid performances.

President Thieu told me February 26 that despite the Tet attacks, he intends to go ahead on schedule with his plans for reorganization of both the civilian and military structure. On March 1, he intends to announce the replacement of the Second and

Fourth Corps commanders, General Lan replacing General Vinh Loc in the Second Corps and General Thang replacing General Manh in the Fourth Corps. At the same time, the administrative changes needed to bring the province chiefs more directly under the control of the central government will be initiated. After a one-month trial period, a seminar will be held to review the operations under the new set-up, and changes will be made as needed. The training program for new province chiefs will also begin on schedule March 1. After the training program is completed, province chiefs whose performance due to incompetence or corruption has been unsatisfactory will be replaced.

The government will also speed up mobilization. Recall of veterans under 33 with less than five years' service has already begun. Nineteen-year-olds will be called up beginning March 1, and 18-year-olds will be drafted beginning May 1. Present plans are for an increase of 65,000 in the Republic of Vietnam Armed Forces, but Thieu thinks it may be possible to add another 30,000 to this figure provided equipment and funding can be arranged. He believes that advantage should be taken of the fact that the country is now psychologically prepared for full mobilization.

Relief and recovery efforts. As I have mentioned, the physical damage inflicted by the enemy was very great. In addition to the evacuees, the killing and wounding of civilians, the destruction in the cities and towns to which I have referred, 13 industrial plants were severely damaged plus another 20 which suffered smaller losses. Estimates of repair and reconstruction costs for these industries are about U.S. \$25 million in imported equipment and supplies plus about U.S. \$10 million in piaster costs. In contrast to this heavy urban damage, only about 50 hamlets were significantly hurt as most were by-passed for the attack on the cities.

We are continuing to assess the damage and make adjustments in our aid programs as seems necessary or advisable. As of now, we intend to go ahead with such programs as the increased cultivation of the "miracle" IR-8 rice, but security limitations could curtail this effort.

Reconstruction and speeded-up mobilization is expected to increase the manpower squeeze. One measure which the government is taking to ease the manpower and resources problem is a ban on private building construction, in order to channel resources into the rebuilding of destroyed houses. Shortage of manpower and other resources, as I have mentioned previously, will also contribute to inflationary pressures.

A good start has been made on all of these problems. As noted in the summary, Saigon is approaching normal in many respects and other urban areas are following, though more slowly. Moving supplies from the Delta remains difficult, with Route 4 frequently interdicted by the enemy, and we have yet to achieve a nationwide curfew. Hue in particular is in bad shape, with President Thieu estimating that out of the population of 200,000 as many as 32,000 are at least temporary refugees.

The race for the countryside -- pacification. We are now getting a little better view of the pacification situation. Of the 51 Army of the Republic of Vietnam battalions supporting the Revolutionary Development program directly, eighteen were withdrawn

to protect the cities. Regional and Popular Forces generally remain in pre-Tet positions, though more statically employed than before. About 100 out-posts, mostly squad size, are believed to have been overrun or abandoned. Regional Force companies present-for-duty-strength is generally 80 percent or better. Popular Force platoon strength is running 85 percent or better. Half (278 by latest count) of 555 Revolutionary Development cadre teams are in hamlets. Two hundred forty-five were withdrawn to province/district towns to provide security, to protect the teams, or perform social welfare work. Preliminary figures show 79 cadre killed, 111 wounded and 845 missing. Eighty-six out of 108 Truong Son (Montagnard) cadre teams are in hamlets; 22 were withdrawn. Police strength on-the-job is more than 90 percent. Generally, police performed satisfactorily during the offensive. Four hundred forty-seven police were killed, 758 wounded and 157 reported missing between January 30 and February 23.

General Lat, Thang's replacement in the Joint General Staff, has ordered all Revolutionary Development cadre teams back to their hamlets by March 1, and he has begun field visits to assess the situation and follow up on his orders. General instructions have been sent to Vietnamese forces and U. S. advisors telling them to seize the initiative and go on the offensive.

Mood of the people -- political reactions. After the first shock of the Tet attacks wore off, there was in many places an obvious revulsion against the Viet Cong, both for their bloody attacks on densely populated areas and for their cynical use of the Tet holiday. From this revulsion, heavily tinged with fear, grew a nationalist spirit of cooperation and unity very rare in Vietnam. There was, and is, criticism of both the Government of Vietnam and the U. S. for failing to foresee and forestall the attacks. Army of the Republic of Vietnam is blamed for looting and U. S. forces are accused of reacting with too much firepower, thus needlessly increasing the loss of life and property. In some areas, there are dark suspicions, fanned by Viet Cong propaganda, that the U. S. was somehow in collusion with the enemy. The government is charged with being too slow and too inept in its efforts to help the victims of the fighting. But this criticism was muted, and much more in evidence was the recognition of the great need for unity in the face of the enemy.

One result of this feeling, which I reported last week, was the Senate's obvious desire to legitimize the governing emergency measures while at the same time holding fast to constitutional forms and procedures. Other evidence was the people's congress to save the nation which Senator Tran Van Don put together hastily and launched on Sunday, February 18. Although many of the leading participants had misgivings about working with old antagonists, the front drew together an astonishing number of top politicians from all camps.

As the situation is moving back to normal, the high emotions of the past few weeks are tending to subside. Unfortunately, a great many political leaders now see Don's front as a Ky organization aimed at undermining President Thieu. Leaders such as Tran Van Huong and Phan Khac Suu seem to be pulling away from the front. It is clear to me that Ky has no intentions of using the front against Thieu, but it is a political fact of some importance that many Vietnamese politicians believe the front is a Ky maneuver. Thus, its staying quality and its exact role remain to be seen.

President Thieu, for his part, has continued his careful, private meetings with small groups. He told me that he expected to complete this process about February 27. His intention is to try to find a basis for mutual trust and cooperation between the government and many of these groups and the people they represent by discussing the situation with them very frankly, explaining government problems and policy, asking for their advice and support. We have yet to see the fruit of this effort, although Thieu has expressed himself to me as pleased with the results. It has at least the merit of being more carefully prepared and a more Vietnamese kind of activity than the showy but perhaps transitory Don front.

We have continued to press Don to work with President Thieu, while I have urged Thieu to use Don to achieve at least a desirable psychological climate. Don has kept Thieu informed of the results of his efforts, and he also accompanied Thieu to Hue last Sunday. Thieu for his part has promised to help Don by providing transportation for the 1,000 delegates which Don hopes to convene in Saigon on March 10 for the national congress of his front. While Don and Thieu have not been especially friendly in the past, I think they have both shown themselves capable of working together in good faith for the welfare of the nation.

In the meantime, Thieu has also encouraged Tran Van An to form a more cohesive and better organized political organization which An describes as something between a political party and a political front. In conversation with Embassy officers, An has stressed his desire to cooperate with Don and to avoid at any cost the appearance of conflict or competition with Don's front. We will be pressing both sides to find a good formula for joint efforts. The optimum result would be a "super front", grouping both An's followers and the collaborators of Tran Van Don, and a smaller but more effective pro-government party. The front, not directly tied to government, could serve to rally the people broadly and emotionally against the Viet Cong, serving both to inform and mobilize the masses for that limited purpose. The pro-government party, with a more disciplined and tighter organization, could be the proper vehicle to field candidates, contest elections and undertake other kinds of pro-government political action. We are not persuaded that the An group, or any other now on the horizon, has yet shown the ability to build a broadly-based and effective pro-government party. If the front should evaporate with the immediate Communist threat, elements of it might reform into one or more political parties, both pro-government and nationalist opposition.

Unfortunately for the future success of both the Don front and An's organization, we have seen a series of arrests here which tend to put the government's good will in question. In the past week, oppositionists Au Truong Thanh, Truong Dinh Dzu, and Tri Quang were arrested, followed shortly thereafter by labor union leaders Tran Huu Quyen and Vo Van Tai. Also reportedly being held are Tri Quang supporters Thich Ho Giac and Thich Lieu Minh. The government position, as expressed publicly by President Thieu, is that these persons are under threat of being kidnapped and exploited by the Viet Cong. While this is certainly a possibility, virtually no one in Saigon believes that the arrests are truly a case of protective custody. On the other hand, there has been far less concern here about these actions than in the U. S.

I have brought forcibly to Thieu's attention the unfortunate consequences the detention of the labor leaders can have in the U. S. Perhaps in part as a result of these protestations, labor leader Quyen has been released. However, Tai remains in jail. This is particularly unfortunate because the largest labor group in the country, the Vietnamese Confederation of Labor, was the quickest to rally to the aid of the government. Soon after the Viet Cong/North Vietnamese Army attack, the labor union did not only issue a proclamation condemning the "criminal action" of the enemy, but also engaged actively and effectively in relief activities, both in Saigon and in some of the provinces. Labor Union President Tran Quoc Buu has been on the job at labor union headquarters every day since February 1.

Whatever the police motivations may be, the labor union regards the police action as arbitrary and unjustified, and designed to undermine it as an economic and political force. Buu has received assurances from high Government of Vietnam officials that the Government has no intention to repress organized labor, but Buu's response has been that, whatever the intentions, the actions of General Loan, National Director of Police, have indeed been repressive. Buu's criticism of his old enemy, Loan, has been so severe and persistent that it appears nothing may satisfy Buu short of Loan's removal.

In contrast to the reaction to the arrest of Quyen and Tai, there has been no significant response to the arrest of Au Truong Thanh, Truong Dinh Dzu, and Tri Quang. Most Vietnamese regard these leaders as somewhat suspect with regard to their attitude toward the Viet Cong and apparently for that reason do not object to their arrest.

In a summing up last night, President Thieu reported to the nation on television his plans for relief and restoration. He noted that a special effort will be made to aid the people of Hue who have suffered from the most savage attack. A special committee of the central relief committee is to be established for Hue. He will also send a special representative there, and he added that he himself would return to Hue from time to time to check personally on progress. Thieu announced allowances of 5,000 piasters per family plus building materials for victims in the Delta, and 10,000 piasters plus building materials for victims in Hue and Saigon. He announced that March 1 will be a National Day of Prayer for the victims. Noting the need for national unity, he referred to his series of meetings with national leaders, said he found them useful and will continue them. He mentioned that he might establish a Presidential Council of Advisors, and also took note of the need for a nationwide, anti-Communist front (without referring to any group). Thieu also thanked all those who have contributed to relief efforts, called for redoubled efforts by civil servants, and reiterated the determination of his government to accept only an honorable peace.

Enemy position and strategy. I have mentioned that the enemy committed about 62,000 men plus guerrilla and support elements to the Tet offensive. Of these, about 30 percent were North Vietnamese Army troops. By February 28, the number of enemy killed in action had gone to well over 43,000. About 6,000 have been captured. Individual weapons taken now total 10,399 and captured crew-served weapons are 1,574. The killed in action from January 29 to February 28 averages out to about 500 per day, a truly staggering loss.

The enemy has the capacity to make up these heavy losses through infiltration (and secondarily, through certain new sources for recruitment), though it will take time and result in a higher proportion of North Vietnamese Army units in South Vietnam. The weapons loss is not likely to seriously hamper the enemy. In the short run, he has lost some of the personnel to man them, and in the longer term, he retains the capacity to bring in arms from his out-of-country sanctuaries. I have referred to one of the graver aspects of the Tet defensive, have faith that the enemy proved to be very well armed, often even at that local unit level, with excellent Soviet weapons. The result was that, particularly in the Delta, Army of the Republic of Vietnam units often found themselves with less firepower than the enemy, even guerrillas being beautifully armed with RPG 7's.

As noted above, the enemy seems to be pursuing a very flexible strategy. While probably he intends to concentrate now on the countryside, his objective also seems to be to tie down our forces and to maintain the threat to the urban areas by grouping units in a position to hit such cities as Saigon, Hue, Quang Tri, and Can Tho (the grand objective, of course, is Saigon). If the opportunity should be offered, he would no doubt make further assaults on those and other urban centers. Such attacks would further his political and psychological effort even though he failed to take a city. For the time being, he keeps up the pressure on the urban areas by harassing, mortaring, and rocketing attacks. At the same time, he is trying to cut off the flow of supplies to the cities by cutting strategic roads.

I am inclined to believe that the major enemy intention remains political, i.e., that while he may have hoped to achieve some military decision through surprise and treachery, having failed in this objective, his strategy is now directed at achieving a strong posture for negotiations. To this end, he will coordinate and apply all his resources -- military, political, and psychological -- here and abroad. If this is a correct appraisal, we can expect him to maintain pressure in the northern provinces and the central highlands by his main force units; to keep up harassment and infiltration of the cities, and to maintain tension in the population through assassination, propaganda, and terrorism; and to attempt to take over as much real estate as he can in the rural areas. At the same time, we can expect him to carry on psychological warfare playing on the well-nigh universal desire for peace and an end to destruction and killing, with promises of representative democracy in an independent South Vietnam; and to continue propaganda abroad on the sweet reasonableness of his proposal for cessation of the bombing.

Conclusion: We shall have our work cut out for us in the months ahead.

If the enemy follows the strategy I have suggested, we shall have to meet a massive military threat from a disciplined and resourceful foe. But with continued improvement of and additions to the Vietnamese forces (and I think we shall also need some additional troops), I am confident that we can meet any threat the enemy can pose.

There is a massive reconstruction task facing us that will take time and a large allocation of resources. Housing must be constructed, industry, utilities repaired,

roads and waterways opened, repaired and secured, the public health protected, and relief measures expedited. The Government of Vietnam has made a good beginning but manpower, management and resources will have to be effectively coordinated to get the job done in the shortest possible time.

We must win the race to the countryside, go on the offensive, destroy the Viet Cong who for the first time are in the open, and fill the vacuum which now exists.

We must re-establish security in the rural areas, in the hamlets and villages, as well as in the towns and cities to restore people's confidence in our ability to provide security. The farmer must have confidence to plant his crops, the businessman to start up trade and commerce, the laborer to know that his job is secure.

The economic dislocations and inflationary pressures which the present crisis has caused must be foreseen and guarded against. At the same time, we should re-examine our aid programs and prune out the non-essentials.

The reforms which the government has promised must be pressed. Especially, advantage should be taken of the present situation to evaluate the performance of officials and the incompetent and corrupt in both the civilian and military organizations should be weeded out. Administrative reforms and the attack on corrupting should be pressed. The social revolution which the people have been promised not only can go forward, but it can help to make the accomplishment of all tasks more possible.

We must take advantage of the mood of the people, seize the occasion. There is more unity perhaps today than has ever before existed in the country. People have come forward wanting to help in the reconstruction, to support the government and to organize themselves for self-defense. But they want action by the government; they want imaginative leadership. Young and inexperienced though it is, we have tried to impress on the government -- I have tried to impress on Thieu, we have tried to impress on all the members -- that this is the time to act, a time "to nobly win or meanly lose the last best hope" for their country. We shall keep working along these lines to the best of our ability. If we stick with it, I am confident we shall come out all right in the end.