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THE WHITE HOUSE
WASHINGTON

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Thursday, April 6, 1967 -- 11:00 a.m.

Mr. President:

Herewith Lodge's weekly telegram which is worth reading in detail.

I must confess that I am greatly impressed by the fact that the Chieu Hoi figures have remained over 1,000 per week for 5 weeks. If that can be sustained for, say, 6 months, I find it hard to believe that the VC infrastructure can hold up.

W. Rostow
W. Rostow

Saigon 22177

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By *mu*, NARS, Date 7-3-84

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Wednesday, April 5, 1967

NODIS REVIEW

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FOR THE PRESIDENT FROM LODGE (Saigon, 20177)

Herewith my weekly telegram:

Reviewed by: *[Signature]*
 Date: 11 July 67

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A. Constitution

In brief but impressive ceremony at Independence Palace, the Constitution was promulgated on April 1. General Thieu's speech emphasized the need for unity among all factions, military and civil. He made it plain that the military intends to continue to play a major role in the affairs of the nation, but he also stressed the willingness of the military to accept and adjust to a democratic government.

On the eve of promulgation, about 2,500 Catholics belonging to the Catholic Citizens Bloc demonstrated against the deletion of the phrase "supreme being" from the preamble of the Constitution. Both Assembly Chairman Phan Khac Suu and Premier Ky spoke briefly to the demonstrators, and it was clear that the government had sanctioned the demonstration. From the point of view of this particular Catholic organization, the demonstration was a necessary reaction to the show of Buddhist influence when the phrase was deleted -- many Vietnamese believing that it was deleted at Tam Chau's request. From the government point of view, the demonstration was useful as another way of putting the Assembly on notice that it is only a co-pilot and must cooperate with the Directorate. Representatives of all religious groups are scheduled to meet with Assembly Chairman Suu so as to find a formula acceptable to all. There will probably be some kind of statement about respect for religion, which will be adopted by the Assembly as an unofficial addendum to the Constitution.

The vernacular newspapers were virtually unanimous in hailing the Armed Forces Council adoption of the draft Constitution. Sample comments: -- Tien Vang: "...evidence of unity between the Army and the people." -- Dan Tien: "...no political or military event can any

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longer put off... stability." -- Binh Minh: "A new political outlook is looming." --- Doi Thoai: "South Vietnam has made substantial progress toward restoring stability." -- Chinh Luan: "...the draft Constitution has voiced the inmost aspirations of the people..." Tu Do warned that its adoption would lead to intensified Communist terrorism because the Viet Cong "dread any democratic system which will deny them the right to represent the people."

The well-known and respected public figure, Dr. Phan Quang Dan, who was imprisoned for two years under Diem and Nhu, called on me to say goodbye. He has been very active in the Constitutional Convention and says he actually wrote the preamble himself. Noting that under both the Japanese and the French, the Vietnamese had simply received orders reflecting the desires of the colonial governors, he remarked how completely different the American way had been, saying that we did not give orders, but had genuinely sought to help them and advise them when they wanted help and advice. Citing the Constitution as an example, he said that it was truly a Vietnamese document and not a "dictated" Constitution from the Americans as some critics had alleged. In Dan's opinion, we had been wise not to try to dictate what language should be in the Constitution. He said: "You have not been in evidence; you have not made statements, but you have had great influence." He added that for a country as powerful as the United States, it was better that our influence not be exercised directly.

Dan said that not only had the French given them orders, but the French had also ridiculed and made fun of the Vietnamese and created a great lack of self-confidence among the Vietnamese, which still plagues them. Much of the cynicism which is so common in Saigon was not originally part of the Vietnamese nature but was implanted there by the French as part of their technique of keeping themselves in power. It was similar to the weakening of village government and abolishing the teaching of Chinese characters -- to make them feel like second class citizens having no real culture. Dr. Dan said, "We still lack self-confidence; we are not making the contribution to the war which we should make; we are not yet as well organized as we should be -- but the tide is turning towards self-confidence and towards better performance by us. The tide is also turning against the Viet Cong and towards peace. They are beginning the fade out; which is how I think this war will end."

I mentioned this under the heading "Constitution" because the Constitution is the biggest sign yet of self-confidence, of a spirit of moderation and unity, and of a sense of responsibility for one's actions -- the traits which all tend to be destroyed by colonialism and which assuredly would not be in evidence in Vietnam today without the great decisions which you have made.

B. Presidential Candidates

The Chairman of the Constituent Assembly and former Chief of State Phan Khac Suu announced at a press conference on March 29 that he will run for President. His vice-presidential running mate will be Dr. Dan. Suu has not yet said whom he intends to name as his Prime Minister. Suu appears very confident and is claiming support from every quarter and portraying his probable opposition as very weak. He says he expects the military to be divided, which is certainly his best hope for winning. He discounts Tran Van Huong because of his "colonialist taint." Suu is the second choice of a great many people, and for this reason cannot be counted out. But he has no effective organization and his prestige is not as great as he thinks. He has a rather wide -- and I think deserved -- reputation for weakness and vacillation.

Huong has not yet appeared in Saigon, though he has said he would come here after the promulgation of the Constitution. Now his supporters say he will wait in Vung Tau until the Electoral Law is written. Asked the reason for the delay, his campaign manager recently said that Huong's supporters are worried about his security.

As a matter of fact, the security of presidential candidates is a matter for concern. Despite the clearest sort of evidence that the Viet Cong killed ~~Tran Van Van~~, there are still lingering suspicions in many circles that the Government was somehow connected with the death of that well-known Assembly Deputy and Southern leader. If the Viet Cong could kill a man like Tran Van Huong and make it appear that the military were responsible. The effect on the political situation here would be very bad. The whole constitutional process could be undermined by such an event. I, therefore, intend to discuss this problem with both Thieu and Ky at the first opportunity. With a view to persuading them to provide all presidential candidates with the most effective security measures they can devise.

There may be reasons other than security for Huong's tardiness in coming to Saigon to start his campaign. His supporters now say he has decided against either Dai Viet or VNQDD figures as his vice-presidential running mate. He now wants a 'non-party' man who can appeal to all factions. This may mean that both VNQDD Leader Phan Khoan and Dai Viet Leader Ha Thuc Ky have rejected Huong's overtures. (Although Huong told an Embassy officer some time ago that Khoan would run with him, Khoan subsequently told the same officer that this was unlikely. We have also heard that Ky has been wooing the VNQDD away from Huong. More recently, Huong's campaign manager said Huong was trying to get Ha Thuc Ky to run with him, but this has apparently also fallen through.)

The local press reports that businessman Nguyen Dinh Quat is formally in the race. Quat ran Against Ngo Dinh Diem in 1961. He is not regarded as a serious candidate by any informed Vietnamese. Quat did not announce his vice-presidential running mate.

The question of the military candidate is still unanswered, but it may be coming to a head. In the evening following the promulgation ceremonies, most of the generals met to discuss this problem. According to incomplete reports of that meeting, Ky took the same line he used with me recently: It is up to Thieu; if Thieu wants to run, Ky will support him. Thieu also is said to have taken a familiar line: He was not volunteering but he would serve if he was drafted. He also said he needs more time to consider the matter. Understandably, the other generals were reluctant to express a choice. They do not want to risk coming down behind the loser. Thus, no decision was taken.

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In his speech at the promulgation ceremonies, General Thieu made a reference to the need for a broad national front against Communism, which he said he had often urged. This remark may seek to lay the ground for the formation of a "Front" to support the military candidate. Ky has mentioned such an organization to me, and there are reports indicating that Thieu was thinking along the same lines.

Only today Foreign Minister Tran Van Do told the Political Counselor that he had seen General Thieu yesterday and Thieu had discussed this idea with him. According to Do, Thieu recognized that the Armed Forces Council did not want to be faced with taking the decision on a "military" candidate since this would only array them in opposing ranks and thus create serious division among them. Thieu added that on the other hand, the military were fearful that at the polls the "military" ticket might be defeated and this would be a serious loss of prestige. Therefore, he had concluded that what was needed was the formation of a "Civilian Congress" which would select and support a combined military-civilian ticket which would have a good chance of winning.

While such a front might not at first truly represent anything like all the political groups and factions which it will pretend to cover, it could be a useful device for promoting unity. Moreover, it might ultimately serve as the base for a genuine national political party -- something which is now completely lacking and which could be useful in counteracting Communist political activity after the fighting has stopped.

C. Local Elections

On April 2, elections for village councils and hamlet chiefs were held in 219 villages with 80.5% of the eligible voters casting ballots. The ratio of candidates to offices was somewhat less satisfactory than we wished, there being only 1.38 candidates per office.

The chief deterrent to candidates was the security problem. The Viet Cong did not significantly increase their terrorist activity on election day, though there were incidents such as the kidnapping of 12 candidates in Quang Nam Province and in Binh Buong Province 2 candidates were killed prior to the election. The Viet Cong are known to have sent threatening letters to some candidates and in some areas, they made house-to-house calls threatening reprisals against those who participated in the elections. While they apparently did not launch the all-out effort such as that aimed at the September 1966 election, they are certainly trying to disrupt the process of setting up a democratic system at the village-hamlet level which, if successful, would be a mortal threat to them. Their threat

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doubtedly resulted in considerably fewer candidates turning out than would otherwise have been the case.

Village and hamlet elections will continue to be held every Sunday for the next 9 weeks. The number of villages which will be involved is now set at 1,004 out of a total of 2,526. It now appears that the candidate ratio to the number of offices for all 1,004 villages will be about 1.6. There are some villages where only 1 candidate per seat has stepped forward, and the elections in those villages will be only a formality. In other places, the ratio exceeds 2-to-1.

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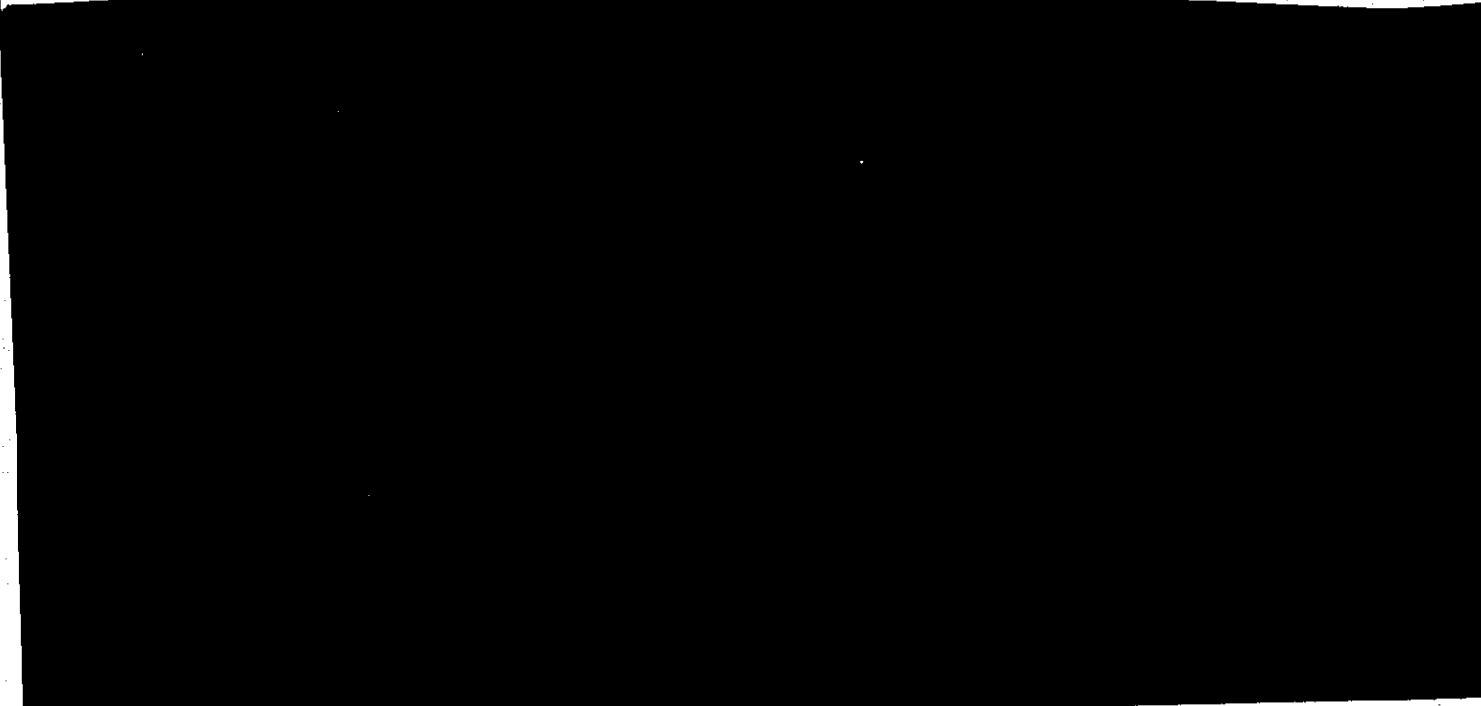
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D. CBS Opinion Study

The Columbia Broadcasting System commissioned Opinion Research Corporation, Research Park, Princeton, New Jersey, to make a study entitled "Attitudes of the Vietnameses Population Towards the War and Other Related Issues." It was finished on March 13.]

Answers to the questions "would you be better off with the Vietcong running the government?" or "would you be better off with the present personnel running the government?" gave these results:

Better off with the Viet Cong	0 percent
Better off with the Government of Vietnam	90 percent



The following paragraph comments on life under Communism in general and under Vietnamese Communist in particular:

"We are not fully aware of the dangerous and harmful effects of it (Government of Vietnam psywar and Chieu Hoi operations), which are intended to deepen the schools of thought of enjoying life, balking at making sacrifice and enduring hardship. This is attributed to inadequate ideological indoctrination and lax political activity which make some people vulnerable to enemy propaganda."

Though calling for "indoctrination" and "a thought control program," the Liberation Army paper suggest that the Viet Cong have still not worked out a specific counter-program--"We must," it says, "quickly investigate and study the effects of enemy psychological warfare and Chieu Hoi efforts in order to work out an appropriate counter plan in time."

F. Military

Fighting was heavy again this week, with what some have called the biggest battle of the war taking place in Tay Ninh Province. The number of enemy killed in action this week was 2,373, a slight decrease from last week's 2,783. There was heavy contact in I Corps

between allied units and elements of the North Vietnam 324B Division. The North Vietnamese units were forced to withdraw into the demilitarized zone. Junction City operation continued, with enemy killed in action to date 2,534, and heavy fighting in War Zone C.

In II Corps, Operation "Summerall" is aimed at expanding the area effectively covered by allied forces so that there will eventually be one continuous secure area from Qui Nhon to Tuy Hoa. This would permit the opening of Highway One and the railway along the entire coastal area of II Corps north of Phan Rang. If the hamlets along the road and railway were also durably pacified, with hard core terrorists eliminated and durable local political institutions in existence, such a continuous free area from Qui Nhon to Tuy Hoa would be very significant.

G. U. S. Troops Around Saigon

For a long time the "Doughnut" area around Saigon has been subjected to Viet Cong harassment. In particular Binh Chan District south of Saigon-Cholon last autumn was dangerously out of Government of Vietnam control; schools were being burned; RF, PF installations were being successfully attacked; the vital Bien Hoa Highway was bracketed by hamlets infiltrated by Viet Cong which in turn endangered Saigon's new water system and electric plant.

Lodge

This was but an intensification of a condition which existed in 1963 -- gun fire at night and many roads going out of Saigon being quite unuseable. It was hard to make the press believe that anything much was happening when, year after year, things were like this in the capital of the nation. We have, however, been reluctant to use American troops in this area.

This reluctance was wisely abandoned and the result was that "Operation FAIRFAX" was launched on December 1.

The stated purpose of this operation was to "destroy the Viet Cong forces, guerrillas and infrastructure," the underlying objective to bring security to the locality where it could be maintained by ARVN, Rural Force, and Popular Force, and the Police. Findings for the period December 1 through February 1 are now at hand. They show:

A. "dramatic" improvement in the security in Binh Chan; "some improvement in security in Tu Duc; with Nha Be (where the oil storage tanks are), having gone from "reasonably secure" to "even more secure."

U. S. troops have gotten along well with the people. The ARVN has performed their security missions well, but "have not readily committed themselves yet to the people."

The Viet Cong infrastructure is still intact everywhere. While furnishing of information by civilians has improved, the population has adopted a "wait and see" attitude. Perhaps they remember the previous entries of the Government of Vietnam, their subsequent withdrawal, and the final retaliation by the Viet Cong.

ARVN and Rural Force performance has improved, attributable largely to the example set by U. S. battalions and by sharing U. S. resources. Rural Force, Popular Force installations have been rebuilt and improved.

The Revolutionary Development plan is in a stronger position than it was in November, with requests for additional worker teams.

All elements, military and civilian, have been pulled together. The three dominant personalities have been the District Chief, the ARVN Commander, and the U. S. Battalion Commander. National Police and Police Field Forces have not really entered into the operation yet.

H. Vietnamese Killed

During the week ending April 1, the Viet Cong killed 40 Vietnamese village and hamlet civilians, wounded 102, and kidnapped 103. The dead included two Hamlet Chiefs, six Revolutionary Development workers, five policemen, and one Chieu Hoi returnee.

Terror incidents reported to me this week included a March 26 incident in which the Viet Cong fired 100 rounds of recoilless rifle and mortar shells indiscriminately into Tam Binh District in Vinh Long Province. Four civilians were killed and 30 wounded. Sixty-five homes were destroyed.

I. Economic

Prices held steady this week, with the Saigon Retail Price Index standing at 260 as compared with last week's 261 and the all-time of two weeks ago -- 284. Prices of imported commodities move up from last week's Index of 226 to 229.

The rice situation is improving, but the outlook for pork is not. Rice stocks in Saigon as of March 30 totaled just over 18,000 tons with another 27,500 tons discharging from four ships. The emergency distribution system is operating smoothly. About 16,000 tons were distributed between March 13 and March 28. Of the total, 4,000 tons were distributed to retail outlets in Saigon and the rest to ARVN, the civil service, commissary, and other institutional buyers. The Government of Vietnam will also purchase Delta rice, where about 60,000 tons are in merchant hands. Merchants will be required to sell one-half of their stocks, 30,000 tons, to the office of supply in Saigon at 21 piasters per kilo during the next month or so. The office of supply will warehouse the rice in Saigon and will sell it probably at 23 piasters per kilo. The Government of Vietnam is also moving ahead with plans to import American rice, both short and long grain. Contracts will be placed shortly for remilling of 200 tons a day. Remilled short grain American rice will probably be sold at 19 piasters per kilo.

Investigations of hog productions economics suggests some disquieting trends. Future shortage are anticipated because: (a) hog producers are fleeing combat areas in the Delta; (b) feed costs are high relative to live hog prices since the rice harvest this year appears to be smaller than last year (Vietnamese hog feed is mainly

rice bran); (c) imported frozen pork from Argentina constitutes only a three to five week supply for Saigon. USAID feels that not enough attention has been paid to the needs of the hog producers and that they have suffered from Government of Vietnam attempts to hold down inflation through reliance upon imports, rather than providing production incentives.