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FROM: WALT ROSTOW
TO : THE PRESIDENT
INFO: GEORGE CHRISTIAN
CITE: CAP80030

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FOR THE PRESIDENT

FROM WALT ROSTOW

DECLASSIFIED

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By ms, NARS, Date 12-14-83

HEREWITH BUNKER'S WEEKLY TELEGRAM TO YOU (SAIGON 14853)

A. GENERAL

1. THE PAST WEEK WITH THE INTERVENING NEW YEAR'S HOLIDAY HAS BEEN SOMEWHAT LESS EVENTFUL THAN USUAL. I AM SENDING THIS MESSAGE A DAY AHEAD OF MY NORMAL SCHEDULE SINCE I PLAN TO LEAVE SAIGON TOMORROW AND BE AWAY UNTIL JANUARY 10TH. IT IS SHORTER THAN USUAL BUT IN MY NEXT MESSAGE I HOPE TO PROVIDE AN OVERALL EVALUATION OF THE PAST YEAR, OUR SUCCESSES AND SHORTCOMINGS, AND SOMETHING ABOUT THE PROSPECTS AHEAD.

2. AS I INDICATED IN MY LAST MESSAGE, THE GOVERNMENT OF VIETNAM IS BEGINNING TO WORK OUT ITS PROGRAM OF ACTION IN MORE SPECIFIC TERMS. AT THE CABINET MEETING OF DECEMBER 28, PRESIDED OVER BY PRESIDENT THIEU, MAJOR ATTENTION WAS FOCUSED ON THE BUDGET FOR CALENDAR YEAR 1968, ON RURAL DEVELOPMENT, ON AGRARIAN REFORM, AND ON THE LABOR SITUATION, WITH THE RESPONSIBLE MINISTERS BRINGING THE SITUATION UP TO DATE FOR THE BENEFIT OF PRESIDENT THIEU, PRIME MINISTER LOC AND THE CABINET AS A WHOLE. IT NOW LOOKS AS IF THE BUDGET WILL BE PRESENTED SHORTLY AFTER THE LOWER HOUSE ELECTS ITS OFFICERS (EXPECTED ABOUT MID-JANUARY), AS I MENTIONED IN MY PREVIOUS MESSAGE, PRESIDENT THIEU PLANS TO CONDUCT A GENERAL REVIEW OF GOVERNMENTAL PROGRAMS IN HIS BUDGET MESSAGE.

3. IN SOME ASPECTS OF THE GOVERNMENT'S NEW PROGRAMS, HOWEVER, PROGRESS HAS SLOWED DOWN MORE THAN WE WOULD LIKE. THIS SEEMS AT THE MOMENT TO APPLY PARTICULARLY TO THE RE-TRAINING AND REORGANIZATION PLANS FOR PROVINCE CHIEFS WHICH WAS DUE TO START ON JANUARY 1 AND NOW APPEARS TO BE PUT OFF TO AFTER TET. THIEU TOLD ME TODAY THAT HE HAS NOT YET MADE A FINAL CHOICE ON THE LIST OF CANDIDATES BUT THAT THE PROGRAM WILL START AFTER TET. THIS SLOWDOWN HAS UNDERSTANDABLY HAD A DISCOURAGING EFFECT ON GENERAL THANG'S MORALE. I UNDERSTAND, HOWEVER, THAT THANG HAS TODAY SIGNED HIS REORGANIZATION PLAN FOR THE ARMED FORCES AND SENT IT TO GENERAL VIEN, CHAIRMAN OF THE JOINT GENERAL STAFF.

4. MEANWHILE, THE MINISTRY OF THE INTERIOR MADE PUBLIC ITS 1968 PROGRAM ON DECEMBER 26, WHICH CONSISTS OF THE FOLLOWING PRINCIPAL POINTS: 1) ISSUANCE OF IDENTITY CARDS TO ALL CITIZENS OVER 15 YEARS OF AGE AND REPLACEMENT OF OLD CARDS WITH NEW, PLASTIC CARDS; 2) A "GENERAL INSPECTION" OF FOREIGN RESIDENTS; 3) IMPROVED POLICE MEASURES, PARTICULARLY TRAFFIC CONTROL AND ACTION AGAINST HOODLUMS AND DISHONEST MERCHANTS; 4) ORGANIZATION OF ELECTIONS FOR PROVINCIAL AND MUNICIPAL COUNCILS (THE TERM OF PRESENT COUNCILS ENDS IN MAY, 1968); LBJ LIBRARY 5) REORGANIZATION OF PROVINCIAL ADMINISTRATIVE ORGANIZATION; AND 6) CONTINUED VILLAGE AND HAMLET ELECTIONS AS ADDITIONAL

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AREAS ARE SECURED. THIS IS A FAIRLY AMBITIOUS PROGRAM, BUT IF PROPERLY IMPLEMENTED, IT IS WITHIN REACH OF THE MINISTRY.

5. OVER THE LAST SEVERAL MONTHS, WE HAVE REPORTED ON THE GROWING TENDENCY OF THE PRESS TO EXPRESS ITSELF MORE FREELY, TAKING ADVANTAGE OF THE ABOLITION OF PRESS CENSORSHIP LAST JULY. DURING THE PAST WEEK IT HAS EXHIBITED A SPECIAL INTEREST IN THREE MATTERS; ESCALATION, WITH CONSIDERABLE SPECULATION ABOUT THE PROSPECTS OF THE WAR EXTENDING INTO LAOS AND CAMBODIA; NEGOTIATIONS, IN WHICH THE PRESS CONTINUE TO EXHIBIT NERVOUSNESS ABOUT APPROACHES TO THE NATIONAL LIBERATION FRONT; AND THE QUESTION OF REFUGEES, IN VIEW OF THE VISIT OF SENATOR KENNEDY. PRIME MINISTER LOC SPOKE TO THE ISSUE OF FREEDOM OF THE PRESS ON DECEMBER 28 IN THE COURSE OF A VISIT TO KONTUM PROVINCE, HE DECLARED THAT ANYBODY IN A DEMOCRATIC STATE HAS THE RIGHT TO CRITICIZE THE GOVERNMENT. HOWEVER, HE MADE CLEAR THAT WHETHER THE CRITICISM IS RIGHT OR WRONG IS ANOTHER MATTER. I FEEL THAT THERE IS LITTLE DOUBT THAT FREEDOM OF EXPRESSION HAS BROADENED VERY MEASURABLY SINCE THE ABOLITION OF PRESS CENSORSHIP. IT IS NOT ONLY THE PRESS WHICH HAS MADE USE OF ITS NEW-FOUND FREEDOM. MEMBERS OF THE NATIONAL ASSEMBLY HAVE SPOKEN VERY FREELY ON NATIONAL ISSUES, BUT FREQUENTLY WITH A COMMENDABLE SENSE OF RESPONSIBILITY. IN ADDITION, PRIVATE CONVERSATIONS ALSO REFLECT A GENERAL SENSE OF GREATER FREEDOM OF EXPRESSION. STATEMENTS LIKE THOSE OF PRIME MINISTER LOC HELP TO CREATE AN ATMOSPHERE IN WHICH THE SUBSTANCE OF DEMOCRACY CAN GROW.

6. IN REMARKS TO THE PRESS DECEMBER 30 ON THE DISPOSITION OF THE CASES OF THE BUDDHIST "STRUGGLE" LEADERS SENTENCED ON DECEMBER 22 (COVERED IN MY THIRTY-SECOND MESSAGE), PRESIDENT THIEU SAID THAT THOSE INVOLVED MAY BE PARDONED, ADDING THAT HE WILL "CONSIDER ANY APPLICATIONS FOR LENIENCY FROM THOSE PERSONS." COMMENTING PUBLICLY ON THE SAME ISSUE ON DECEMBER 29, PRIME MINISTER LOC SAID THAT HE BELIEVED THAT CLEMENCY WOULD BE EXTENDED TO THOSE CONVICTED, BUT HOW AND TO WHAT EXTENT RESTED WITH PRESIDENT THIEU.

7. THERE APPEAR TO HAVE BEEN NO FURTHER SIGNIFICANT DEVELOPMENTS WITH REGARD TO PRESIDENT THIEU'S PLANS TO SEND A LETTER TO HO CHI MINH. PRESS SPECULATION THAT NEWLY-ARRIVED JAPANESE AMBASSADOR AOKI VISITED HANOI RECENTLY ARE WITHOUT FOUNDATION. AOKI TOLD ME DECEMBER 22 THAT HE HAS BASIC INSTRUCTIONS FROM PRIME MINISTER SATO TO LOOK FOR POSSIBILITIES TO BE HELPFUL IN SEEKING A PEACEFUL SOLUTION TO THE VIET-NAM WAR BUT NOT TO DO ANYTHING WITHOUT CLOSE CONSULTATION WITH ME. IN REMARKS TO THE PRESS DECEMBER 30 PRESIDENT THIEU (EVIDENTLY REFERRING TO PRESS SPECULATION ON TRAVEL BY AMBASSADOR AOKI TO HANOI) DISMISSED RECENT NEWS REPORTS AS PURELY CONJECTURAL IN NATURE.

. TO PUT THE REFUGEE PROBLEM IN PRESPECTIVE, BOB KOMER HELD A BACKGROUND PRESS BRIEFING DECEMBER 28. HE NOTED THAT REFUGEES HAVE ONE OF THE EIGHT TOP PRIORITIES IN PACIFICATION. HE STATED THAT BOTH ALLIED AND VIET CONG MILITARY CAMPAIGNS GENERATE REFUGEES. THE REFUGEE INFLOW REACHED A PEAK IN 1966, WITH AN ESTIMATED ONE MILLION INVOLVED. THE TREND IN 1967 IS DEFINITELY DOWNWARD, WITH THE INFLOW IN THE FIRST 11 MONTHS OF THE YEAR LESS THAN HALF OF THE 1966 PEAK. SINCE THE BEGINNING OF 1964 SOME 670,000 REFUGEES HAVE BEEN RESETTLED; ANOTHER 669,000 RETURNED TO THEIR VILLAGES; AND SOME 800,000 REMAIN TO BE RESETTLED OR RETURNED TO THEIR VILLAGES. IN NOVEMBER, FOR EXAMPLE, THE NUMBER OF RESETTLED OR RETURNED REFUGEES (13,000) EXCEEDED THE INFLOW OF REFUGEES (11,000). HE ANNOUNCED A STEPPED-UP REFUGEE PROGRAM WITH AN INCREASED BUDGET MADE AVAILABLE IN 1968.

9. THE LAST MONTH OF 1967 WAS TROUBLED BY A NUMBER OF STRIKES AND LABOR DISPUTES WHICH COULD HAVE HAD AN ADVERSE EFFECT ON THE ECONOMY AND ON ESSENTIAL SERVICE WITHIN SOUTH VIET-NAM. FORTUNATELY, AFTER INTENSIVE BEHIND THE SCENES ACTIVITY AS WELL AS BARGAINING, VIRTUALLY ALL OF THEM HAVE BEEN RESOLVED. THE TWO STRIKES AFFECTING AMERICAN COMPANIES - PAN AMERICAN AND AIR AMERICA - APPEAR TO HAVE RESULTED LARGELY FROM A FAILURE BY MANAGEMENT TO RECOGNIZE THAT THERE WERE TRADE UNIONS TO BE DEALT WITH HERE. THE PAN AMERICAN STRIKE WAS SETTLED DECEMBER 31, AND THE AIR AMERICA STRIKE ON JANUARY 1. THE POTENTIALLY SERIOUS DISPUTE BETWEEN THE ELECTRICAL UTILITY WORKERS AND THE FRENCH-OWNED ELECTRICITY COMPANY (CEE) WAS SETTLED DECEMBER 28 WHEN AN OVERALL SETTLEMENT ON THE TRANSFER OF CEE TO THE GOVERNMENT OF VIET NAM WAS REACHED.

10. AID HAS PRESENTED TO THE MISSION COUNCIL THE PROPOSED REVISION OF ITS FISCAL YEAR 1968 PROGRAM WHICH TOTALS 490 MILLION DOLLARS AND ITS REQUEST FOR 518 MILLION DOLLARS AS A PLANNING FIGURE FOR FISCAL YEAR 1969. I HAVE APPROVED THESE PROPOSALS AND FORWARDED OUR FISCAL YEAR 1969. I HAVE APPROVED THESE PROPOSALS AND FORWARDED OUR FISCAL YEAR 1969 AID STRATEGY STATEMENT FOR VIET NAM TO WASHINGTON FOR REVIEW BY THE APPROPRIATE AGENCIES. THE REVISED FISCAL YEAR 1968 PROGRAM REFLECTS STEPS WE HAVE BEEN TAKING HERE TO ESTABLISH PRIORITIES AND, TO CONCENTRATE AND REFINE OUR CIVIL PROGRAMS; AND TO ELIMINATE OR SIGNIFICANTLY REDUCE MARGINAL ACTIVITIES. THE PROPOSED FISCAL YEAR 1969 PROGRAM PROMISES FURTHER PROGRESS IN THIS DIRECTION. NOW THAT INFLATION IS UNDER CONTROL, WITH THE PROSPECT THAT WE CAN KEEP IT THAT WAY IN THE YEAR AHEAD, THE ONCE CONGESTED PORT OF SAIGON IS CLEAR AND THE US CIVIL APPARATUS WELL ORGANIZED, WE SHOULD BE ABLE TO APPLY MORE NEARLY ALL OF AID RESOURCES AND MANAGEMENT ATTENTION TO CONSTRUCTIVE EFFORTS WHICH HAVE THE GREATEST RELEVANCE TO OUR OVERALL PURPOSE IN THE YEAR AHEAD. THERE HAS BEEN EXCELLENT COORDINATION BETWEEN USAID AND MILITARY ACTIVITIES VIETNAM CIVIL OPERATIONS FOR REVOLUTIONARY DEVELOPMENTS IN PLANNING AND REVIEWING BOTH THE FISCAL YEAR 1968 AND FISCAL YEAR 1969 PROGRAMS.

11. I AM ALSO GLAD TO REPORT THAT WE HAVE BEEN ABLE TO MAKE A SUBSTANTIAL REDUCTION IN THE COMBINED USAID AND CIVIL OPERATIONS FOR REVOLUTIONARY DEVELOPMENTS FISCAL YEAR 1968 DIRECT HIRE AND PERSONNEL AND SYSTEM AGREEMENTS MANPOWER REQUIREMENTS. IN VIEW OF THE DISCUSSION WHICH YOU AND I HAD ON THE US STAFFING SITUATION HERE, ON MY RETURN FROM WASHINGTON I ASKED THE AID AND CIVIL OPERATIONS FOR REVOLUTIONARY DEVELOPMENTS MANAGEMENT STAFFS TO CONDUCT MANPOWER REVIEWS. THE ORIGINAL REQUESTS WERE FOR APPROXIMATELY 3,100 POSITIONS. THESE WERE REDUCED TO 2,759 AND AFTER A CAREFUL AND PAINSTAKING REVIEW THE NUMBER OF POSITIONS ALLOWED HAS BEEN REDUCED TO 2,430. IN ADDITION SOMETHING OVER 400 POSITIONS REQUESTED BY THE REGIONAL FIELD OFFICES AND TECHNICAL DIVISIONS HAVE BEEN SCREENED OUT.

12. I BELIEVE THAT THE PROGRAMS WHICH HAVE BEEN APPROVED CAN BE SUPPORTED AND OUR RESPONSIBILITIES DISCHARGED EFFECTIVELY BY THIS REDUCED SCHEDULE OF POSITIONS. IN TERMS OF THE FINANCIAL SAVINGS THE REVIEW HAS RESULTED IN A REDUCTION OF APPROXIMATELY \$10 MILLION.

13. I PROPOSE TO FOLLOW THIS STUDY WITH REVIEW OF OUR CONTRACT AND THIRD COUNTRY NATIONALS SCHEDULES.

14. IN THE AREA OF REFORM OF THE CIVIL ADMINISTRATION I AM GLAD TO REPORT THAT IMPRESSIVE PROGRESS HAS BEEN MADE IN THE HERETOFORE DANGEROUSLY TROUBLESOME CIVIL AVIATION SECTOR. THE NEW MINISTER, LUONG THE SIEU, HAS ACTED WITH ENERGY AND SPEED TO RECTIFY MANY OF THE ACTIONS OF HIS PREDECESSOR, WHICH WERE, TO SAY THE LEAST, QUESTIONABLE.

15. AT THE BEGINNING OF THE YEAR AMERICAN AIRCRAFT CARRYING TROOPS, MAIL AND MILITARY CARGO UNDER CONTRACT TO THE DEFENSE DEPARTMENT WERE BEING BILLED BY THE GOVERNMENT OF VIET NAM FOR LANDING ON RUNWAYS CONSTRUCTED AND MAINTAINED BY THE US TAXPAYER. THE LICENSE OF THE US FLAG CARRIER PAN AMERICAN TO OPERATE SCHEDULED COMMERCIAL SERVICES THROUGH SAIGON WAS BEING PUBLICLY CHALLENGED. A SECOND AMERICAN AIRLINE, CONTINENTAL AIR SERVICES, EMPLOYED IN SUPPLYING ESSENTIAL AIR TRANSPORT SERVICES WITHIN VIET NAM WAS FORCED, UNDER THREAT OF EXPULSION, TO PAY A COMMISSION EQUAL TO 15 PERCENT OF ITS GROSS BUSINESS IN VIET NAM. TWO CARIBOU AIRCRAFT PURCHASED UNDER MILITARY CONTRACT WERE DENIED PERMISSION TO OPERATE IN SOUTH VIET NAM AND SAT IDLE AT BANGKOK FOR SOME MONTHS AT SIGNIFICANT AND NEEDLESS EXPENSE.

16. MEANWHILE, AIR FRANCE WAS GRANTED RIGHTS TO OVERFLY SOUTH VIET NAM BETWEEN CAMBODIA AND RED CHINA, THUS FACILITATING THE MOVEMENT OF AGENTS, MAIL AND MONEY BETWEEN TWO COUNTRIES DOING THE MOST TO HELP HANOI OVERTHROW THE GOVERNMENT OF SOUTH VIET NAM, AND IN LATE AUGUST THE GOVERNMENT OF VIET NAM WAS ON THE VERGE OF BUYING ANOTHER AIR FRANCE CARAVELLE, AN OBSOLESCENT PLANE IN PREFERENCE TO BUYING MORE ECONOMICAL AND EFFICIENT AMERICAN JETS.

17. FINALLY, JUST PRIOR TO THE VIETNAMESE PRESIDENTIAL ELECTIONS IN SEPTEMBER, THE MINISTER OF TRANSPORT DISMISSED THE FEW COMPETENT AND DEDICATED KEY OFFICIALS REMAINING IN THE CIVIL AIR SECTOR AND REPLACED THEM BY EMPLOYEES WHOSE SOLE DISTINCTION WAS THEIR PERSONAL LOYALTY TO HIM.

18. SINCE THEN THROUGH QUIET DIPLOMACY AND OUTSTANDING COOPERATION OF THE NEW GOVERNMENT OF VIET NAM ALL OF THESE MAJOR PROBLEMS AND SOME OF SLIGHTLY LESS GRAVITY, WHICH HAD INCREASINGLY THREATENED OUR GOOD RELATIONS WITH VIET NAM, HAVE BEEN FAVORABLY RESOLVED OR ARE ON THEIR WAY TO SOLUTION. THE MINISTRY OF TRANSPORT IS NOW STAFFED IN ALL KEY POSITIONS WITH COMPETENT, HONEST AND DEDICATED MEN; AIRCRAFT CARRYING TROOPS AND MILITARY CARGO ARE NO LONGER BILLED FOR LANDINGS; PAN AMERICAN HAS RECEIVED AUTHORIZATION TO DO BUSINESS IN VIET NAM AND TO INCREASE ITS COMMERCIAL SERVICES THROUGH SAIGON AND HAS BEEN AUTHORIZED TO OPERATE DIRECT COMMERCIAL SERVICES (CARRYING MILITARY) PERSONNEL, MAIL AND CARGO) DIRECTLY INTO DANANG AND CAM RANH BAY. PAN AMERICAN HAS SOLD AIR VIET NAM TWO NEW BOEING 727 JETS FROM ITS OWN FLEET FOR APPROXIMATELY 13 MILLION DOLLARS. THIS PURCHASE WILL BE FINANCED BY THE GOVERNMENT OF VIET NAM AND FULLY PAID FOR OVER THE NEXT TWELVE MONTHS, A SIGNIFICANT BENEFIT TO THE US BALANCE OF PAYMENTS ACCOUNT. THE TWO AIRCRAFT WHICH HAD BEEN HELD AT BANGKOK HAVE NOW BEEN AUTHORIZED TO OPERATE IN SOUTH VIET NAM AND OTHER AVIATION PROBLEMS OF SECONDARY MAGNITUDE ARE ON THEIR WAY TO BEING RESOLVED. AND, FINALLY, THE NEW CABINET HAS DECIDED THAT AIR FRANCE'S RIGHTS TO OVERFLY SOUTH VIET NAM SHOULD BE WITHDRAWN. THE GOVERNMENT OF VIET NAM NEGOTIATIONS ARE ALSO UNDERWAY TO BUY OUT THE TWENTY-FIVE PERCENT FRENCH INTEREST IN AIR VIET NAM AND SELL IT TO THE VIETNAMESE PUBLIC.

19. AIR VIET NAM SHOULD BE ABLE TO PLAY AN IMPORTANT PART IN THE NATION BUILDING EFFORT. IT HAS AT YEAR'S END REQUESTED U.S. TECHNICAL ASSISTANCE TOWARD THIS OBJECTIVE. WE HOPE AND EXPECT TO SEE THAT IT WILL BECOME A SAFE, RELIABLE AND PROFITABLE AIRLINE, CAPABLE OF PUTTING TO GOOD USE THE MANY AIRFIELDS WE WILL LEAVE BEHIND US IN SOUTH VIET NAM, AND OF DOING ITS PART TO TIE THE COUNTRY TOGETHER POLITICALLY AND ECONOMICALLY, WHILE EARNING A SIGNIFICANT AMOUNT OF FOREIGN EXCHANGE IN SOUTHEAST ASIAN REGIONAL SERVICES.

20. THE NEW YEAR STANDDOWN EXTENDED TO THIRTY-SIX HOURS FROM THE TWENTY FOUR HOURS ORIGINALLY PROCLAIMED, WAS COMPARATIVELY CALM ALTHOUGH AS USUAL IT WAS MARRED BY A SERIES OF INCIDENTS. WHEN I SAW THIEU ON THE MORNING OF THE 29TH WHILE HE WAS VISITING THE HEADQUARTERS OF OUR 9TH DIVISION, HE READILY AGREED TO A SUGGESTION THAT THE GOVERNMENT OF VIET NAM ANNOUNCEMENT SHOULD MAKE IT CLEAR THAT THE EXTENSION WAS BEING TAKEN IN RESPONSE TO THE POPE'S APPEAL OF DECEMBER 15TH THAT JANUARY 1ST SHOULD BE OBSERVED AS A "DAY OF PEACE" THROUGHOUT THE WORLD. A TOTAL OF 149 TRUCE INCIDENTS HAVE BEEN REPORTED TO THE COMMAND CENTER OF WHICH 58 WERE MAJOR AND 91 WERE MINOR.

21. TWO SERIOUS INCIDENTS TOOK PLACE. ONE INVOLVED AN ATTACK BY A VIET CONG BATTALION ON VIETNAMESE MARINES IN DINH TUONG PROVINCE AT 11:45 PM DECEMBER 31ST. THE VIETNAMESE MARINES SUFFERED 19 KILLED AND 47 WOUNDED; 60 ENEMY ARE KNOWN TO HAVE BEEN KILLED. IN THE CASE OF THIS INCIDENT THE VIETNAMESE MARINES HAD BEEN ENGAGED IN FAIRLY STEADY CONTACT WITH THE VIET CONG ALMOST UNTIL THE GOVERNMENT OF VIET NAM-PROCLAIMED STANDDOWN BEGAN AT 1800 DECEMBER 31. THE VIET CONG ATTACK ON THE MARINES JUST BEFORE MIDNIGHT PRESUMABLY WAS IN RETALIATION, EVEN THOUGH IT BROKE THE STANDDOWN PROCLAIMED BY THE VIET CONG THEMSELVES.

22. THE OTHER TOOK PLACE IN THE PROVINCE OF TAY NINH. AT 11:30 LAST NIGHT ELEMENTS OF THE US 25TH DIVISION WERE ATTACKED BY FOUR BATTALIONS OF THE 271ST AND 272ND VIET CONG REGIMENTS. FIGHTING CONTINUED THROUGHOUT THE NIGHT UNTIL 5:15 THIS MORNING. THE ENEMY LOST 348 KILLED, 5 DETAINEES WERE TAKEN AND 100 WEAPONS CAPTURED. OUR LOSSES WERE 24 KILLED IN ACTION.

23. AS YOU KNOW I HAVE FROM TIME TO TIME URGED PRESIDENT THIEU TO GET OUT MORE AMONG THE PEOPLE. I AM GLAD TO SAY THAT ON DECEMBER 29TH AT HIS OWN INITIATIVE HE INVITED GENERAL ABRAMS TO ACCOMPANY HIM ON A VISIT TO MILITARY UNITS IN THE FIELD. THEY VISITED THE KOREAN MILITARY ENGINEER UNIT WEST OF SAIGON, THE US 9TH DIVISION AT BEAR CAT, THE AUSTRALIAN TASK FORCE, A BATTALION OF THE 7TH ARVN DIVISION ENGAGED IN SUPPORT OF PACIFICATION IN DINH TUONG PROVINCE AND THE MOBILE RIVERINE FORCE IN THE DELTA. AT ALL THE UNITS THIEU LISTENED WITH INTEREST TO A SUMMARY OF THEIR ACTIVITIES, ASKED SUBSTANTIVE QUESTIONS, AND IN CONCLUSION GAVE A SHORT INFORMAL TALK THANKING THE GROUP ASSEMBLED FOR HELPING THE VIETNAMESE AND POINTEDLY INCLUDED IN EACH CASE BEST WISHES TO THE FAMILY OF THOSE SERVING IN VIET-NAM. AT THE ARVN PACIFICATION AREA THE PRESIDENT LISTENED TO AN EXCELLENT BRIEFING BY THE BATTALION COMMANDER AND THEY CARRIED ON A LIVELY DISCUSSION WITH ALL THOSE PRESENT ABOUT THE REVOLUTIONARY DEVELOPMENT PROGRAM, SECURITY IN GENERAL AND THE PLANS FOR PROGRESS IN 1968. THEN BY FOOT AND JEEP HE MOVED ABOUT THE SIX HAMLETS INVOLVED, VISITING CLASSES, DISPENSERIES, HOMES AND MANY ONGOING PROJECTS. HE WAS UNHURRIED, RELAXED AND TALKED WITH MANY INDIVIDUAL CITIZENS, ENCOURAGED CHILDREN TO RECITE THEIR LESSONS FOR HIM, DISCUSSED CORPS AND MARKETS WITH FARMERS, PRICES AND INVENTORY WITH SHOP KEEPERS. AT ONE POINT HE HAD A PUBLIC TV SET PUT IN OPERATION SO THAT HE COULD SEE THAT IT WORKED. GENERAL ABRAMS REPORTS THAT AT THE END OF HIS TOUR THIEU HELD A PRESS CONFERENCE AND THAT ALTHOUGH THE US PRESS PUSHED HIM WITH HARD AND CHALLENGING QUESTIONS HE HANDLED THE QUESTIONS WELL IN AN UNRUFFLED AND DIGNIFIED MANNER. IN SUMMARY GENERAL ABRAMS REPORTS THAT HE FOUND THE WHOLE DAY'S PERFORMANCE IMPRESSIVE, THAT THE PRESIDENT WAS DIGNIFIED, FRIENDLY, AT EASE WITH ALL AND THAT PEOPLE RESPONDED TO HIM. I HOPE THAT HE CAN DO MORE OF THIS KIND OF THING IN THE FUTURE.

24. I CAN REPORT ANOTHER SUCCESSFUL OPERATION BY THE VIETNAMESE FORCES IN QUANG TRI PROVINCE, 8 KILOMETERS NORTHEAST OF QUANG TRI CITY. THE 1ST REGIMENT OF THE 1ST ARVN DIVISION WHILE SUFFERING 15 KILLED AND 39 WOUNDED, KILLED 217 OF THE ENEMY. LIBRARY DETAINED 6 INDIVIDUALS AND CAPTURED 57 WEAPONS.

25. IN QUANG NHAI PROVINCE 7 KILOMETERS NORTH OF QUANG NGHAI CITY, THE 4TH REGIMENT OF THE 2 ND ARVN DIVISION WHILE LOSING 11 KILLED, 8 WOUNDED AND 2 WEAPONS, KILLED 96 OF THE ENEMY AND CAPTURED 4 DETAINEES.

26. IN DINH TUONG PROVINCE IN THE DELTA IN A SEARCH AND DESTROY OPERATION ELEMENTS OF THE 7TH ARVN DIVISION WHILE SUFFERING 3 WOUNDED, KILLED 28 OF THE ENEMY, CAPTURED 7 DETAINEES AND 38 WEAPONS.

27. DURING A MAJOR STEEL TIGER AIR OPERATION BY OUR PLANES IN LAOS DECEMBER 30 -850 TRUCKS WERE SIGHTED, 283 TRUCKS WERE DESTROYED, 59 DAMAGED AND 1215 SECONDARY EXPLOSIONS.

PACIFICATION

28. ON THIS FRONT THERE IS THE USUAL COMBINATION OF GOOD AND BAD NEWS. BY GREAT EFFORT ALL 1968 PROVINCIAL PACIFICATION PLANS WERE SUCCESSFULLY COMPLETED JUST BEFORE THE END OF THE YEAR--SOMETHING OF A VIET NAM RECORD. THE 44 PROVINCE PLANS CALL FOR A SUBSTANTIALLY INCREASED EFFORT OVER 1967. EVEN WITHOUT COUNTING HAMLETS WHICH WILL BE WORKED WITH NEW PACIFICATION FRONT TEAMS TO BE FORMED LATER IN 1968, THE PROGRAM CALLS FOR PACIFYING 1480 HAMLETS VERSUS 1062 IN 1967. POPULATION IN THESE 1480 HAMLETS IS 1.8 MILLION, OR MORE THAN 16 PERCENT OF THE TOTAL IN RURAL AREAS. THUS, PLANS FOR 1968 SHOOT QUITE HIGH, BUT OVER PROVINCE ADVISORS CONSIDER THE GOALS REALISTIC. REVOLUTIONARY DEVELOPMENT MINISTER TRI HAS ALLOCATED 2.8 BILLION PIASTERS TO SUPPORT THESE PROVINCIAL PLANS. THE COMPARABLE ALLOCATION AT BEGINNING OF 1967 WAS 1.8 BILLION.

29. WE ALSO PLAN A MAJOR 1968 EFFORT TO PREVENT REGRESSION IN HAMLETS ALREADY PACIFIED.

30. ON THE DARKER SIDE, THE CHIEU HOI RATE HIT THE YEAR'S LOWEST POINT--ONLY 157 RETURNEES FOR THE WEEK, OR LESS THAN ONE-QUARTER THE NUMBER FOR THE SAME PERIOD LAST YEAR. WE SEE MANY REASONS-- ENEMY WINTER-SPRING OFFENSIVE, INCREASED VIET CONG ATTACKS AGAINST CHIEU HOI CENTERS, STRONG VIET CONG COUNTERMEASURES WITHIN VIET CONG RANKS, VIET CONG PROPAGANDA IN III AND IV CORPS THAT A COALITION GOVERNMENT WILL BE ACCEPTED BY THE GOVERNMENT OF VIET NAM AFTER TET, AND LAST BUT NOT LEAST THE LIKELIHOOD THAT THERE ARE A LOT LESS VIET CONG TO RALLY ANY MORE. NEVERTHELESS, THE CHIEU HOI PROGRAM STILL IS A POTENT WEAPON PRODUCING MOST OF OUR BEST INTELLIGENCE AND POSING A GNAWING PROBLEM THOROUGHOUT THE ENEMY'S ORGANIZATION.

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