

CONFIDENTIAL

#TT/002 March 30 1971

TO: Deputy for COMUS
MR 1

FROM: MSA, Hue City

SUBJECT: Hue City Political Report - March 1971.

Reference: Situation Report on Veterans Demonstrations, March 10 1971.

(1) Veterans (See Reference): The ten day protest of Do Van Mai's disabled Veterans Association (DVA) ended in a cloud of tear gas on the afternoon of March 15. COL Than's final resort to the big stick came as the DVA continued to erect shanties in front of the south Citadel Wall. Over 100 shanties were already up when NFFF units moved in at 1100, March 15. The huts were torn down without violence. One hour later the DVA blockaded the main bridge over the Perfume River. The blockade was broken with tear gas at 1500. The DVA has been quiet for the remainder of the month. At no point during the ten days did it mass more than 100 - 150 activists, nor did it manage to gain a significant degree of support from local political groups or the population at large. As a result of its ten days of demonstrating, the DVA gained only a grant of land on which to erect a headquarters building. The land granted, appropriately, is directly across the street from National Police Headquarters. The second Veterans dispute, involving the less radical Disabled Veterans Friendship Association (DVFA) of LHM Nguyen Dang Phuoc, has quietly faded. (The DVFA had demanded preferential treatment in its commercial rivalry with the CVT-backed Hue-Danang bus cooperative. Phuoc's demand for parity in ticket sales between the DVFA's 3 buses and the cooperative's 24 had brought a threat of a retaliatory transportation strike by the cooperative). An extremely tenuous compromise has been reached at the An Cuu bus depot, slightly favorable to the DVFA.

(2) COL THAN: There have been no significant new developments regarding the professional future of Province Chief Le Van Than. COL Than told the PSA March 12 that, according to latest information, President Thieu wanted him to stay on a while longer in Thua Thien. COL Than had no clear idea how long this latest extension will be - whether it might be just a few weeks or until the Presidential elections this fall. COL Than has indicated clearly that health reasons are behind his repeated requests for transfer to a Regular Army post. There has been no new local information to substantiate the reports that Than is thinking seriously of resigning from his current position in order to run, with An Quang support, for the Lower House.

(3) ELECTIONS: A series of meetings of the MR 1 An Quang hierarchy was held March 6, 7 at the Tu Dam Pagoda in Hue. Venerable Mat Nguyen was re-elected as "Official Representative" of the MR 1 An Quang diocese. Venerable Chen Thue was reportedly given the politically powerful post of Chairman of Laymen's Affairs. PSCD sources reported that, in a closed session of top Buddhist religious and lay leaders, the An Quang agreed to back Deputies Nguyen Ngoc Nghia and Nguyen Dai Bang for re-election to the Lower House, and to promote the candidacies of Hue City Council Chairman Nguyen Khoc Thieu and City Councilman Nguyen Van Dien for the same office.

(2) PRICE RISES: Thua Thien felt the pinch of the recent price rises prompted by second phase economic reforms. The abolishment of the GVN "official price" ration card had the effect of increasing rice prices as much as 30% for those (primarily civil service and military) who had held cards. The free market price has increased 7-15% since January, depending on the grade. Average monthly cost of living in Hue City now exceeds \$8,000 VN per person. Reaction to the price rises has not been as sharp as that experienced in October, 1970. The populace has met the unwelcome rises with tight-lipped chagrin. There has been a total absence of public demonstration throughout the Province. However unpopular, the measures were clearly recognized as part of an irreversible GVN policy against which organized protest would have been useless. Pre-occupation with the Laos operation undoubtedly had some effect in directing peoples' attention away from the market basket. Among the small percentage of the population who understood the economic rationale for the rises, much depends on how well the GVN is able to justify that rationale. If inflation is not dampened and domestic rice production not stepped-up, any future domestically unpopular moves by the GVN based on those premises will be met with more vocal criticism. Among the bulk of the population, however, the recent rises have only triggered the usual class interpretation. The man-on-the-street does not know why prices were raised - but he knows the Government is behind it. He also knows who will suffer - the workers and poor - and who will benefit - businessmen, VIPs and speculators. He blames the GVN for this inequity - primarily because he has yet to see the Government successfully control speculation.

JOHN A. GRAHAM
Municipal Senior Advisor, Hue