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Office Memorandum • UNITED STATES GOVERNMENT

TO : *Rufe*DATE: *9 Sept. '66*FROM : *Dave*

SUBJECT:

*ambassador's cable re Hanoi
Saigon
is 13429, dated 13 August.*

noted
RL P.
SL

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TO: General Lansdale
FROM: R. C. Phillips
SUBJ: Hau Nghia Province

1. John Vann tells me he visited Hau Nghia about a week before Ambassador Lodge, and that he drove all over the province visiting each District in a Citroën with a civilian license plate. He also visited the ARVN 25th Division CP and the U.S. 25th Division CP. The following are some of his observations.
2. One week before he arrived, a hamlet chief living just outside the fence from the American Division Compound was assassinated by the VC for cooperating with the Americans. His daughter who is a typist working for the Americans was warned to stop working for them. She refused to stop and a week later, just before Vann's arrival, the VC had returned to her house and chopped off her index finger.
3. Shortly before Vann's arrival, the VC fired rifle grenades into the CP of the Vietnamese 25th Infantry Division at night. (The range of a rifle grenade is 300 yards.) Vann could find no hard evidence of Vietnamese night patrolling without the American units. The desertion rate of the Vietnamese 25th Division remains at the rate of 800 per month despite the presence of the American Division.
4. The American Division CP was recently shelled by VC mortars. Some Americans he talked to claimed the area had been saturated with American night patrols, while the artillery counter-fire boys said they responded with over 1000 shells because there were no friendly patrols in the area.
5. Vann's estimate is that the presence of the Americans has forced the VC to draw the line in the province. Before the Americans arrived there was an accommodation between the GVN and the VC in the province. Now the real war has started but any true pacification will take a long time and it is downright foolish to talk about moving the Americans from Hau Nghia to Long An within the near future.

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6. The presence of the American Division has made it possible to start pacification. On the other hand other long-range problems have been created. For example, the sugar cane fields essential for the Hiep Hoa sugar mills were defoliated to the extent that the anticipated production for the coming year is 20,000 tons instead of 125,000 tons. For this reason, the mill owners plan to move the mill to Bien Hoa, thus removing one of the main economic bases of the province.

7. In summary, Vann feels it is too early to talk about any definitive results in this province from the American presence there. He feels that now for the first time there is an opportunity for pacification but that the real work has yet to be done. (I recommend no dissemination on this.)

SLO:RCPhillips:pag
August 17, 1966

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