

ADDRESS OF PRIME MINISTER NGUYEN CAO KY
TO CLOSING SESSION OF THE ARMED FORCES CONGRESS,
JANUARY 15, 1966

Dear Fellow-Vietnamese, Dear Comrades-in-Arms:

In the course of national events, each period should provide an opportunity for those entrusted with national responsibilities, to review the manner in which they have carried out these responsibilities, to assess the situation and to plan adequate actions for the next stage.

This is why, today, after over 200 days in the office entrusted to me by the Directory as head of the Government and on the occasion which coincides with the end of the At Ty Lunar Year, I consider it my duty to appear before you, Fellow-Citizens and Comrades-in-Arms, to draw, together with you, a year-end balance-sheet and to define the objectives for the year ahead.

Before dealing with future objectives, we should of course glance back at the past and make a sincere review of past activities to determine what we have achieved and frankly acknowledge what we were unable to achieve and what still remains to be completed.

I am going to review the negative part first because what the Government has not done according to its wishes has always obsessed me.

Let me deal straight off with a minor problem, but one which however is closely related to the daily life of the population in the Capital, and which has become a cause for criticism of the Government: electricity.

It is, of course, a handicap to industrial and commercial enterprises, and an irritation for private citizens and the Government alike, when so vital a commodity as electricity cannot be supplied. In many press conferences and communiqus, explanations have been given regarding the cause of the electricity shortage and the measures taken to solve it. Some deadlines for solution have been set. But notwithstanding this, the Capital still remained short of electricity until the end of 1965.

It was only at the beginning of the year that the electricity cut was limited to night-time only. Despite the efforts made by the Government to help solve the shortage - efforts that yielded some results - the shortage which prevailed during the last six months was a stain which marred the picture of the Government's achievements.

While this stain still remains to be removed, another has appeared: the bus transportation problem. You all know that problem. It has been a chronic disease. Many remedies have been tried to cure the disease, but all of them failed. Finally, the Government was compelled to remove the cause of the disease by allowing the bus Management Authority to wind up business and leave the place to another sounder organization to run the company.

Outside of Saigon, the existing state of the interprovincial communications network is also a problem, but one which must be blamed totally on the war, not on technical or organizational defects. And the present war is chiefly one of sabotage directed by the enemy mainly against our infrastructure facilities: highways, bridges and so forth. Therefore, to solve the

problem of lines of communication is conditional on the solution of this war of sabotage. Now that the war situation has begun to turn to our advantage, the improvement of the communications network seems realisable.

In the area of major concern is the economic problem. No government whatsoever could boast full success in its economic policy after only six months in power, especially when it inherits a chaotic situation which lasted for two years and which bore the aftermath of a period of 20 war years.

But not to have attained success does not mean failure. The tremendous effort and the achievements recorded will demonstrate this. However, as long as there is a large gap between wages and prices, as long as our people must strive so hard to find such items of prime necessity as milk, sugar and cloth, and so long as our fellow-countrymen have to wait long months before being able to buy a motor-bike, the present Government has to admit shortcomings, as it has to make all-out effort to settle the whole problem or at least to reduce the numerous injustices which still abound in all classes of society.

In the list of shortcomings, we must acknowledge the absence of institutions planned in the Provisional Charter, which to date still fail to be realized: such as the High Economic and Social Council, and the High Council of Magistrates. We must also recognize that, due to the present circumstances, the Government still is unable to create a favorable political climate. This leads to a report of what remains to be done.

These things of which I spoke were only part of the Government's shortcomings.

There were naturally many others, as mentioned almost daily in the press and by the public, and that I sincerely admit, in order to draw therefrom valuable lessons.

Dear Fellow-citizens and comrades-in-arms, while considering these shortcomings from an impartial and objective viewpoint, we can not however deny the achievements made by the Government during the ~~short~~ period of time since it came to power.

In contrast to the earlier six-month period, and contrary to pessimistic predictions by those malcontent politicians and especially by those "ill-omen tellers", we have achieved political stability, a key prerequisite if we are to win the present ideological war. The success in this can be ascribed to the spirit of comprehension and cooperation prevailing among all strata of the population and among all political and religious groups.

All of these were aware that the trend to division, to partisanship, and to mutual destruction in the national ranks are serious defects which can only result in hurting the people's fighting potential at a time when the Communists are increasing their war effort. Because of this achievement in national solidarity and unity of mind and action, our rear has been more consolidated than ever before, compared with what prevailed under previous post-revolution governments. It is also evident that this support for the frontline and the consolidation of the rear have taken place in an enthusiastic and stimulating atmosphere which has brought together the major sections of the population.

That is also the reason leading to the obvious improvement of the

military situation, and that is also why the Free World has shown its confidence in us with great number of democratic nations giving full assistance in all fields to us. The most eloquent proof has been the participation in the fight, without any conditions, by the allied forces, who fight alongside their Vietnamese comrades-in-arms on all the battlefields. This has resulted in important military victories, making the situation better every day. If we were not cautious, we would make more optimistic statements. Without having to elaborate on the present situation as compared to what it was six months ago, it is clear for all to see.

Our military victories began immediately in the rainy season, the very monsoon season in which the Viet Cong had boasted many times that they won the initiative in every battlefield. If this Communist propaganda made some lose their confidence and become pessimistic, the Government can point to its victorious present dry season as something more specific than propaganda.

Since last October, after the world-famed victories of Plei Me, Ia Drang, and Chu Prong, where thousands of Communist bodies were left behind, Government forces, with the effective support of allied forces, successively won many other important battles: Ba Ria ambush, the Pursuit Operation against the VC Dong Thap Regiment at My Tho, Bau Bang, Ben Cat, as well as the battles at Cau Ke, Cho Gao, Thach Tru, Lap Vo, Tam Ky, Long My, and so on. Everywhere, enemy bodies were lying all over the battlefield along with huge quantities of weapons.

All this testifies to the valiant spirit and the combat tactics of the Government and Allied Forces. Of course, this fighting spirit can only endure if one has confidence in the Government and in the future of our nation.

The point most worth mentioning in this present phase of our struggle is that no enemy position and no enemy stronghold can be considered safe, because all these have been smashed in repeated bombings and shellings.

In brief, in contrast with the military situation this month last year, the Government and Allied Troops have completely in hand the initiative of operations at every battlefield, and the tide of the war has turned in our favor.

Following the military victories, the Government has also scored many valuable successes in the diplomatic field. The Government has striven to restore the national prestige, the confidence, as well as the strengthening of cooperation and support, of the friendly countries in the Anti-Communist struggle.

That is one reason why many high-level delegations from our country have made goodwill visits to neighboring countries, such as the delegation led by the Secretary General of the National Directory to the Philippines recently and the visits to the Republic of China, Malaysia, The Republic of Korea, and Thailand.

The Vietnamese Missions abroad also instructed their personnel to hold conferences and seminars at the universities, associations, press organizations, with student and religious and other groups to explain the

aggressive plot of Communist North Viet-Nam, and the Vietnamese people's and armed forces' struggle

Our diplomatic offensive has greatly diminished any prestige the Viet Cong had. The most concrete proof of this is that the British Government has put aside a resolution submitted by a leftist parliamentary group and formally announced that it recognized only the lawful government of the Republic of Viet-Nam.

Countries friendly to us, especially those in the Afro-Asian bloc, which include a large majority of non-aligned countries that formerly paid little attention to our struggle for self-defense, have changed their attitude and now show goodwill and sympathy towards us through support for Viet-Nam at the Algiers Conference.

At the United Nations General Assembly, many member nations have affirmed their support of the State of the Republic of Viet-Nam. At present, nearly 40 free world countries are actively contributing to our struggle in one form or another and will continue their assistance until our final victory over the Communists and until peace and happiness are restored to the entire people.

Next comes the economic aspect. Though difficulties of communication greatly affect the national economy, the Government's efforts in regularizing the internal market have been as follows:

Rice supply: during the past three months more than 82 thousand tons of rice have been supplied to the Eastern Provinces, the Central Highland, and Midlands. 1,735 tons of paddy and 90 tons of rice have been transported from

the Mekong Delta to Saigon. Rice imported from the U.S. totalled more than 27 thousand tons shipped to Da Nang, and more than 16 thousand shipped to Nha Trang. With more than 93 thousand tons of imported rice, the Economy Department will have enough rice to provide for local needs and to set up reserve for the provinces.

During the past three months, 21,334 tons of sugar and 331,600 cases of condensed milk have been put on sale.

There was an increase in price and a shortage of rice and some other food in September and October but now, thanks to the Government's efforts, food is no longer short and prices are stable. For example, Saigon consumes daily from 800 to 1,000 pigs. The price of pork previously was high because the city received only 400 pigs a day. But now the supply has become regular and in the last month the city has received 2,000 pigs every day or twice the quantity it needs. The price of pork has dropped accordingly.

Since July 1965 the Government has spent 47 million dollars to import rice, condensed milk and wheat flour, the quantity of which largely exceeds local needs for the Lunar New Year.

To meet any emergency the Government has set up storage depots to stock needed goods such as rice. These include: two rice depots in Ba Xuyen and Bac Lieu, three in Danang, Qui Nhon and Nha Trang, eight depots for the tobacco cooperative and other depots for cotton yarn and paper.

To supply other needed material for the population, the Government has provided 25 million more of U.S. dollars to import motorbikes, scooters, radios, sewing machines and other goods. Meanwhile, assistance from countries

other than the U.S. has been used to import industrial equipment.

To cope with artificial shortages and excessive price increases, the establishment of large retail centers is being studied.

Our efforts to improve the standard of living and activities in the field of social welfare are also noteworthy:

-Land Reform: Thanks to the new land reform program, 3,158 farmers have been made landowners since September 1965. Of this total, 2,268 low-income farmers in ten provinces were allotted cultivated land in accordance with ordinance 57. A further 758 families in seven provinces were allowed to work public-owned land and 132 families in one province were allotted cultivated land which was purchased from French nationals.

Further, by virtue of the October 8, 1965 decree, 217,120 families that were working on cultivating fallow land in the clearing and resettlement centers have been given ownership of 134,700 hectares of cultivated land.

-Electrification of the rural areas: Three rural electrification pilot cooperatives were established in Tuyen Duc, An Giang, and Duc Tu (Bien Hoa) with the view of supplying power to the cooperative members at low prices. The Rural Electrification Cooperative Union was established on October 15, 1965 in order to push ahead the rural electrification program.

-Workers Appropriation Program: A total of 400 taxicabs and 200 tri-Lambrettas were imported in the first phase of the Government's program to sell these vehicles on an installment basis to drivers who used to rent their cars from others. A first lot-drawing of such vehicles took place on January 8, 1966 in the Capital. All the vehicles will be distributed by January

17. Other contingents of such vehicles will be imported by the Economy Department for re-distribution.

-Low Cost Housing Units: The Public Works and Communications Department built 554 single-storey housing units at Vinh Hoi and Tan Qui Dong. Other construction projects such as road paving and drainage operations are underway at Thanh My Tay, Thanh Da, and Phu Tho Hoa. Another building project, covering the construction of 1,000 housing units at VN \$25,000 each for workers is under study. Payment for the homes will be made on a 10 to 20 year installment basis and no down payment will be required. At the same time, the Department also plans to buy up vacant lots and sell them on an installment-basis to low-income families who wish to do their own building. Another noteworthy fact is that the Government has cancelled the "villa" building project for certain civil servants which was initiated by previous governments.

Health: The Health Department made tremendous effort to build in the Capital as well as in various provinces, a dispensary, a psychiatric center, a leprosy center, a surgical section, four maternity clinics, and a farm for mentally ill persons. These efforts have been carried out, along with the training of rural health cadres. We have arranged the reception of foreign medical teams including a number of experts and quantities of materials and drugs,

Social Welfare Work: As of December 12, 1965, the Social Welfare Department granted a total of VN \$285,714,210 to anti-Red refugees throughout the country. Of the total number of refugees, 460,434 have been resettled

The Social Welfare Department also has enlarged the Thu Duc National Orphanage and built two new orphanages in Vinh Long and Binh Thuan for a total cost of VN \$12 million. Plans have also been drafted for the construction of 20 day-nurseries and 12 other orphanages in 1966 at a total estimated cost of VN \$82 million.

All the regional social welfare organizations throughout the country have received financial assistance from the Social Welfare Department for further development. A "Beggar Reformation" center has been set up at Phu Binh in an effort to put an end to begging which must be eliminated in any modern society.

In the field of information, with the aim of bringing news to large numbers of people in the rural areas, more than 30 provincial newspapers have been published. During the past six months, the Chieu Hoi (Open Arms) Program recorded more than 7,000 returnees who brought in nearly 1,000 weapons.

Television is one of the newest activities in our society. After a series of studies, on January 3, 1966 we signed an agreement with the American Government on television. At the end of this month television programs will be available here. One thousand TV sets will be installed in the heavily-populated areas of the Capital and in nearby provinces. A following shipment will bring another 1,500 sets to Viet-Nam.

In the field of culture and education, one can note the following points: An Education Reform Movement has been launched in order to help students make progress from old moral, intellectual and physical points of

view. The movement also aims at giving the student some sense of responsibility as citizens. This is an attempt to form a new generation of youth for the reconstruction of the country. Four pilot centers are now actively operating toward this end.

A large number of schools have been built to cope with our educational needs, such as the Viet Duc (Vietnamese-German) Technical Education and the Craft and Industry School at Thu Duc, The School for the Deaf and Dumb at Lai Thieu, three new primary schools in Thua Thien, Ham Tan and Binh Tuy and so on. In addition to all this, 546 primary schools have been built for the pupils in the Saigon-Gia Dinh area.

The annual examinations at the primary and secondary education levels have been revised for the benefit of the students. The primary education examinations and those for the junior high school certificates will no longer be held, starting with this school year. The Baccalaureate I system of examinations will also be abolished starting with the 1968 -1969 school year.

As another evidence of the Government's efforts in the rural education field, outstanding students from low-income families will be granted official scholarships thus enabling worthy students to complete their secondary education.

A cultural institute is to be established with a view to promoting all the national cultural activities. The institute will be open to writers, artists, journalists and to the public as well. A program aimed at improving arts and letters will be announced shortly and put into practice in the near future.

Administrative reforms are also being tackled by the Government. An administrative Reform Committee has been established to study and to recommend all appropriate measures designed to increase the administrative efficiency of the Government machinery. As a result of such reforms, close cooperation between the Administrative and Financial Inspection Directorate General on one hand and the inspection divisions of the other departments on the other hand has been initiated. All the administrative abuses such as misuse of authority, bribery, misappropriation, etc.... will be eliminated.

In other fields, the Government has done its best to successfully serve the people in accordance with scheduled programs which are scheduled but which I will not mention here.

The Government has strictly run its programs in line with what was announced seven months ago. The outcome of the prosecution of such programs are modest but unquestionable and are decisive to the success of the social revolution. In fact, the steps which our society are taking have not merely started in another direction, they are already travelling in another direction. All those who directly contribute to the struggle for the emergence and the reconstruction of the Fatherland are well-treated and supported. All the low-income people who once suffered injustice under the old regime now are getting land of their own to plow or taxi-cabs of their own to drive. In the economic field, no complete control of consumer goods prices has been made by the Government as yet. But the normalization of the supply of such goods by the Government had been effected. This means that the Government is cutting

off opportunities for the profiteers' malpractices by total control in the supply of the consumers' goods. In the military area the continuous victories on the battlefields have forced the enemy into a defensive position and he has to take recourse in terrorist acts..

Although these results have not yet entirely satisfied us they do constitute reasons to strengthen our confidence in the final victory.

Dear fellow Vietnamese, dear comrades-in-arms,

From the date of assumption of office by the War Cabinet, the Government's policies and programs of action have been clarified on several occasions. Therefore, the major targets of the War Cabinet could in no way be misunderstood by the people. The assessment of the home situation and the announcement of the major duties of the War Cabinet during the Inauguration Ceremony of the Government on June 19, 1965, and the declaration of its 26 point program of action still constitute the guiding principles for governmental projects. In addition, on October first, after one hundred days of office, I made an amendment to the War Cabinet's role so as to fit its programs of action more closely to the national requirements. On that occasion I also confirmed my standpoint on the national revolution and restoration of peace -- a standpoint which the Government is perseveringly and determinately carrying out to respond to the situation.

Within the framework of such general policy of the Government, and on the basis of the results which I have reported, I would like now, on behalf of the Cabinet, to announce the main targets to be realized by the Government

in 1966:

First target: to win the war; to pacify and to reconstruct the rural area.

First of all, what do we really want?

Such a question posed to any Vietnamese concerned with the fate of his compatriots and the honor of the nation and the happiness of the people in this part of the world -- which means the happiness of each individual and each family -- gets this unique and unvarying answer:

Decidedly, not Communism!

To such an answer, no additional comment is needed.

There is no answer more eloquent than the blood of thousands of combatants who have sacrificed themselves for the survival of the Fatherland from the Red imperialists' invasion.

There is no reason stronger than the hardship endured by the Vietnamese combatants and civilians during the lifetime of one generation, the hardships of those who are determined to eradicate Communist ideology from this part of the world.

There is no evidence more concrete than the flow of anti-red refugees who prefer leaving behind all that is so dear to them: homes, ricefields, villages, rather than live shamefully under Communists' tyranny.

-We are determined not to be Communist!

Such is the unanimous determination, the slogan of the whole Vietnamese population, yesterday, today and tomorrow, and until the day the Communist threat is eliminated from this country.

But how do we get rid of this threat?

There is no other alternative to the solution than to defeat the Communists and to rout them from their strongholds. We must defeat the Communists and exterminate Communism. Otherwise, the Communists will exterminate us and enslave our people from our generation to our offspring's generation. No one can foresee when enslavement by Communists will end.

The present anti-red struggle is a total one. Its battlefields are everywhere. But the main line of resistance is in the rural areas and that is where the struggle will be decided.

So the formula for such a struggle for the War Cabinet is: to defeat the Communists, to pacify and to reconstruct the rural areas.

Of course, such a formula is not a new discovery. All the former governments called for "rural reforms," "back to the countryside" and so on. The policy remains the same, from the so-called "strategic hamlet" program to the "new life hamlet action" program, to win the hearts of the people and to remove the poisonous fish from the pure rural waters.

What about the results? There is no need to repeat the results.

The War Cabinet will not follow the path of the one which has failed. It is determined to do something for the rural areas, the areas which constitute the main and basic part of our nation.

To attain this goal, one must have an objective and realistic view of the situation. In fact, after a victorious military operation, one may think that an area is automatically pacified. But a state of insecurity can quickly return to the area because of a small number of the Viet Cong who mix themselves in with

innocent people.

Our viewpoint is not only to root out the Viet Cong from the rural areas but also to root ourselves in the rural areas and this not only for some time, but forever.

But, how to put this concept into action?

The task of liberating national territory remains a heavy, but glorious task of the armed forces, but naturally the armed forces cannot be stationed forever in every hamlet and village, and on every portion of the roads. For this reason, immediately after a successful military operation, an effective and well-organized group of cadres will arrive to exploit the advantages brought in by the military operation. They will carry out pacification work with their main task to be the rebuilding of a new life in rural areas. These cadres will immediately set up teams among the people to help them rebuild their homes and till their land. They will contact authorities responsible for reconstruction of social welfare facilities such as schools, dispensaries, maternity clinics and the like. To maintain and consolidate the security in the area, they will also rally and organize the local people.

This effective system of cadres will spread horizontally from hamlet to hamlet and vertically from hamlet to village and village to district and so on. This will constitute an inter-support position having the effect of an oil spot. This is the very key to the problem of pacification and rural reconstruction.

These conceptions and plans of the Government will constitute the main work of the Vietnamese Government for this year. The Government is

determined to mobilize every opportunity and every resource and make every effort to recover maximum control of our cherished population and our rural areas by the end of 1966.

The second goal is to stabilize the economic situation.

To draw up a correct economic policy, one must begin by assessing accurately the present economic situation in the country.

Do we have inflation or do we not?

If we take the word in its literal meaning - indiscriminately putting in circulation banknotes without maintaining proper gold and currency reserves - we do not have any inflation because we have sufficient gold reserves to meet any currency demands.

If we understand the word in its popular meaning, i.e. a too large and too rapid circulation of the currency, then we do have this thing called inflation. Why? The following five reasons will explain this situation:

1. - For a long time, and particularly for the past few years, because of the increasing tempo of the war, the budget demands increased to meet the war situation. To an already deficit budget, we have added more deficits because of the instability and successive changes in the national situation.

2. - Due to increasing subversive Viet Cong activities, the supply system has encountered many difficulties, many branches of production have slowed down.

3. - A number of short-sighted businessmen, thinking only of their immediate interests, have indulged in speculation and hoarding, cornering the market in many items and disturbing the economic life of the people.

4. - To stop the expansion of Red imperialism, 200,000 allied troops have come to Viet-Nam to fight on our side, with expenditures reaching one billion piasters a month; in addition to this are the amounts spent in construction.

These reasons are the direct causes of the increase in the volume of currency while goods and other necessities could not supply the demand, thus creating price increases.

We should introduce here a parenthesis: civil servants and employees in the private sector and other people who live on a fixed salary suffer the most from price spirals. At the same time, unemployment has completely disappeared, since services everywhere are paid at the highest rates ever seen. In brief, if there are some classes of people suffering from this situation other classes have benefited and now have a higher living standard. This is an important change in the overall living standard of the Vietnamese society. It is too soon at present to estimate the effects.

Such is the real situation and the difficulties in the solving of the problems are enormous. I would like to report here a typical event.

When speaking about the increase in the volume of currency and the decrease in available goods, everyone sees that the simple solution is merely to import a large quantity of foreign goods to make up for the shortage in local goods.

Thus, in the last three months, the Government has released nearly 200 million dollars from the aid funds as well as the government-owned foreign currency to import prime necessity goods. But the problem is not

that simple. If you want to import goods, you have not only to pay for them, but also you have to hire ships to transport them and provide docks for landing them.

The commercial port of Saigon can only receive a maximum of 200,000 tons a year. With the present American aid program, the volume of imported goods already exceeds more than double this figure, not counting military material.

Thus, with the Government's utmost effort and with the help of the most eminent experts, it still needs a minimum period of several months to enlarge the landing piers and to construct new ones. This is the work the Government is urgently carrying out at Thu Thiem, an islet on Thu Duc River, and at Vung Tau, Can Ranh, Cui Nhon, and Da Nang, so as to complete in a few months an emergency plan.

This plan includes many urgent and reasonable measures concerning financial, currency and economic fields which will converge together to the important goal of maintaining the purchasing power of the piaster, arrest price increases, and provide the population with all the prime necessities.

On the one hand, the Government will strictly implement a policy of thrift and economy in its agencies, and reduce the national budget's expenditures to their minimum, despite the increase in military expenses.

The decision to reduce the expenditures down to 55 billions and the decision to give priority in the national budget to rural reconstruction, and to construction of schools and hospitals was a basic element in discussion with the U.S. Government on the aid program. These decisions led to an

increase of U.S. aid this year to at least twice the amount of U.S. aid last year.

On the other hand, the Government will strive to increase national resources, mostly its revenues by improving tax-collecting methods. In this respect, I am convinced that our compatriots of all social strata not only are eager to fulfill their duties towards the national budget, but will also wholeheartedly contribute to any urgently-needed national requirements.

The tax system is under re-examination with new standards on social equity, so as to enable those circles who were enriched greatly due to the war situation to have the opportunity to contribute more than other laboring and needy people. Concerning those who live on their monthly salary, the Government will carry out every logical and complete supply system for their benefit.

In the meantime, all Government credit and tax agencies will give every assistance to the establishment or development of all useful branches of business. The Government is planning to expand public and semi-public enterprises to enable Vietnamese capital to participate to a greater degree.

Therefore, the savings can be used productively. Investments for increasing production will replace passive holding or illegal trade speculations, and foreign currency blackmarketeering, which the Government is determined to eradicate.

I would like to warn once again all those blind-folded profiteers who hoard goods for speculation and provoke price hikes: they will go bankrupt, because in the days to come, with the increase in foreign aid, imported goods

will flow into the local markets. Adequate measures and procedures will be adopted to enable an abundant and rapid import of goods.

Concerning the consumers, I would like to call your attention to this fact: every delay in the supplies and the temporary shortage of goods should be considered normal in a protracted war. So I ask you to avoid rushing into crowded shops to buy some temporarily-short product. This only benefits dishonest dealers, pushes forward the speed of the money circulation and thus increases the pressure of inflation.

Our Third Goal: to Build Democracy is as urgent and important as the two previous ones. I would like to clarify once more -- to be sure that no one misunderstands the present government's goal and policy -- that because of the need in this historic phase, and of the consciousness of their responsibilities towards the national destiny, the armed forces have assumed power, not with the intention of clinging to it, but to create the necessary conditions for setting up a genuine democracy that will answer the aspiration of the entire people and the goal of our nation's long war which has been with us since the French domination to the present.

My viewpoint in this problem has not originated from my subjective conception but from an objective situation of the two-year period following the November 1, 1963 events. Two years which saw the profound division of the people, the decomposition of our society, the internal subversion, along with a war that reached its highest intensity -- all this caused a loss of confidence in this part of the land, increased the people's suspicion and sowed confusion among them. No one had confidence in anything and every

theory, policy, program submitted was regarded with distrust and cynicism.

In pure theory, democracy is the only factor which can defeat Communism; if there is no democracy we lose the reason for our struggle, let alone the means of victory.

A genuine concept of democracy, however, should be based on the true situation of the country, the real circumstances of the society, the political maturity level of the population and, in this case, the subversive war being waged by the Communists.

In fact, in these two years, there was no basic document which could serve as a basis for building democracy. A Provisional Convention which was in effect no longer than three months was violated, amended, and some months later, completely buried, only to be replaced by what was called "The Vung Tau Charter". This "charter" had been the cause of a troubled, dark period before a civilian government came into being with a provisional charter. But the fate of this document was no different from that of its predecessors. Now, with the National Leadership Committee, we have a convention, but this is no more than a temporary statute which comes from the Government, not from the people.

When one speaks of democracy, everything should come from the base that is the people -- the entire people, or at least the majority of them -- and not dictated from the Government and forced on the people.

A democratic regime should begin with a democratic constitution. But a constitution is not the work of a few days, neither is it an experiment in a laboratory. Thus, the main point of the problem is to build democracy.

Without such a basic medium, a constitution, no matter how ideal, will wilt and fade away, if it is not torn up by the uprisings.

However, I do not mean that this Government will use the state of war, or play up anti-communism or use the present condition of the nation, to restrict democratization. This government has made up its mind to proceed with determination - slowly but surely, to train the people to realize their responsibilities and their interests, to help the social organizations and political parties find ways and means to step up their activities and strengthen their positions. Thus will such organizations and parties lend a successful hand to the common performance of the national duties in the future. This Government has also made up its mind to drop demagoguery and to deny any confused, short-sighted and blind democratization which will push the whole nation into chaos.

With such a philosophy, we move on our way towards progress with the following.

1) -A Democracy building Council will be set up after the Lunar New Year. Upon formation, such a council will propose a draft constitution in the near future.

2) - This draft constitution will serve as the main topic of discussion for seminars to be held throughout the country. Invited to participate in such seminars will be city and provincial councilmen, members of political parties, trade-union members and students. So, all the pros and cons of the matter concerned will be aired and recorded. Thus the preparation of the future constitution will be the preoccupation of the whole people, not of just a minority.

3) - Once these seminars are launched the democracy building council will collect and consolidate the opinions and ideas of the participants and arrive at a consensus. The council will then amalgamate the various points into a document to be voted upon in a popular referendum. The referendum will be held next October.

4) - After the "people's opinions" seminars have decided on a particular constitution, that constitution will serve as the basis of our democratic regime and will be officially proclaimed next November.

Those who wonder why we don't elect a constitutional assembly like many other countries have to look straight at the present war situation with its difficulties, complexities and tricks, to find the answer.

The situation of our country is not like any other, so why take after other countries? We have to establish a constitution which fits our nation.

5) - When we have the people's opinions on the constitution, we will prepare for real democratic elections in 1967. With these elections, we will have legislative services, according to the people's will, and come back to the regular government elected by the people.

While accomplishing these objectives we naturally also have to increase our efforts in the war and in the rural reconstruction program, in order to recover the VC-controlled areas and help the anti-communist refugees. The elections will only have meaning and value if security is assured and the citizens vote in large numbers. This is one reason why we are choosing a gradual and stable solution for the establishment of our democracy.

Besides, it is a reality which everyone has to accept, to be patient and confident, to prepare for the next step. As for the Government, it will carry out its responsibilities in these tasks and provide the organizations and parties with appropriate opportunities and conditions to reach a mature and superior level, to assure the future of the nation. The organizations and the parties themselves will have to be realistic, will review their ranks, re-organize themselves, form new cadres, and reinforce their real strength and prestige to assure themselves of the people's and authorities' confidence.

On this point, I would like to add that, though the present Government may still be awkward and inexperienced, there is no doubt of its good will in collaborating with organizations, parties and individuals who whole-heartedly want to lay the foundation for our future true democracy.

This completes the report on the objectives of the Government's program.

On this occasion, I deem it my duty to point out the traditional ideal and determination of the Vietnamese people which is to always cherish and seek peace, but only a peace which will guarantee its freedom, independence, sovereignty and territorial integrity. Any other form of peace which fails to provide these guarantees, would only be a lure into slavery and one which the Vietnamese people , with their clear-sightedness and courage, would crush down in order to proceed towards a genuine and realistic peace.

For those who still nurture doubts about this issue, I would say to them: our concept of peace is very simple. We have not provoked war, we have not declared war. The present war is an ~~invasion~~ from outside our

country and one which at the outset was disguised as an internal struggle. But the disguise has for a long time been removed, and the invader has uncovered himself. Now it is up to the invader from outside and his subversive henchmen within our country to end the invasion and subversion. Then peace would at once return to this part of the country. Thus we would end the concern of so many nations, large and small, and of so many statesmen the world over. If the invaders, acting like a blind force, can not restrain themselves, then it would be our duty and the duty of all those peace-loving people to combine efforts to contain their ambition. Otherwise, the last resort would be to "outlaw them as peace saboteurs" in this peace-loving and freedom-loving part of this country.

I deem it my duty also to express the sincere gratitude of all our people to all the countries and international organizations and statesmen, as well as to all religious leaders, especially Pope Paul VI, who have demonstrated great concern over the plight of the Vietnamese people. I further want to insist that peace is workable only if it can guarantee national independence as well as the people's freedom of thought and human dignity.

I also wish to associate myself with all our fellow-citizens and comrades-in-arms in the acknowledgement that under whatever circumstances, we ourselves should be responsible for our own destiny. No other nation is qualified and able to decide our destiny, independently of our own will. For reasons of international solidarity we have accepted, and are grateful for the moral and material, military and economic, assistance from the friendly countries. But never can we tolerate any interference harmful to our national

sovereignty or any decision at variance with our people's aspirations.

Fellow-citizens, comrades-in-arms, Now I have spoken out all my feelings, my remarks and my observations and I have reported on the objectives of both the National Directory and the War Cabinet from the period just ended to the next one.

Despite the clamor of war roaring around us, despite the noisy provocations hurled out by our enemy to discourage us, despite differences of view touched off by certain people, whether responsible or not, we are determined to hold unflinchingly to our spirit , to endure suffering with great patience, to pursue tenaciously the struggle for national salvation, and reconstruction with the purpose of defeating the Communists and bringing back peace to the Fatherland. We will prevail in our present national plight in order to bring back democracy, prosperity and happiness to our people.

With this strong belief and decision, I sincerely urge all our compatriots without distinction of class, religion, social stratum group or party, to assist clearly in the effort to sweep aside all friction, competition, or jealousy of an individual or parochial nature and devote all their efforts and will to the reconstruction of the Fatherland and nation.

When the nation is faltering, when the country is suffering destruction and partition, most of our families will suffer estrangement, separation, misery and the loss of loved ones.

If there are some classes of our society which are privileged, this is just a minority in the different classes of the national community.

The war situation, along with disorder, oppression and the struggle

for survival and for progress have created social injustices, hampered the love of the nation and of mankind, and even has caused that love to be forgotten.

In the face of this state of affairs, I can only make a sincere appeal to every strata of society and to all of our compatriots to share the misfortune and to help the families who have been unfortunate in this national catastrophe. I also urge them to look straight at the situation created by the subversion, the mourning, and the war, in order to come to the assistance of our poor compatriots by sacrificing, to a certain extent, our own interests.

Only with this can one hope to reduce social injustices, to restore the love for our fellow-creatures, so that we may advance toward the reconstruction of this country.

The international situation is now going through tremendous changes which will see either the upsurge or the decline of our people. The period that lies ahead will be a decisive one as far as the salvation and reconstruction of this beloved land of ours is concerned.

We will have opportunities to quickly refill the gaps, the delays, and the waste of time which occurred during the past two years.

We would remain united in mind and spirit so that we may try to take advantage of these opportunities. We alone can save ourselves. We can not stay idle, waiting for assistance from others.

I am of the opinion that those of us who are still alive have the duty towards those who have died, of contributing to the task of rebuilding,

renovating, and developing this land to help it become stronger and to help it progress.

This is our heritage and the heritage of our successive generations.

I resolutely have confidence in the clear-minded recognition and the reasonable choice of all fellow countrymen as well as of our fellow combatants.

I salute my fellow countrymen and fellow combatants.

* * *

*