Thursday, August 17, 1967

Mr. President:

Ambassador Bunker's weekly cable emphasizes election developments but contains a hopeful report on how the South Vietnamese plan to reorganize their pacification program. (Page 3).

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FOR THE PRESIDENT FROM BUNKER (Saigon, 3243)

Herewith my sixteenth weekly telegram:

A. General

While the tempo of the war abated somewhat during the last week, the political campaign heated up largely due to the continuation of the controversy over the Dong Ha incident and to charges by certain of the candidates of harassment and of pressure on the part of some Vietnamese Provincial and District officials.

As a result, however, of Thieu's conciliatory attitude in the Dong Ha case and of two letters from the Commissioner of Special Administration Tuong to the Special Election Committee, the second one couched in moderate terms and outlining what the Government of Vietnam was prepared to do in assisting the candidates, the campaign, temporarily derailed, has gotten back on the track. Further investigation confirms the fact, I believe, that the Dong Ha incident arose chiefly from a series of unfortunate occurrences which led to misunderstandings between the candidates and the Government of Vietnam. Despite many contradictory statements and charges, I do not believe that the mixup was a premeditated action by the Government of Vietnam to humiliate the candidates as the latter alleged but was rather a combination of bad weather and poor planning, execution, and judgment by some Vietnamese officials, combined with impatience and suspicion on the part of the candidates who subsequently decided to exploit the issue for political purposes. Both sides acted with a certain degree of childishness, "face" became involved, and therefore neither side acted in a way designed to settle the issue easily. Although delayed longer than seemed reasonably necessary, the issue has been resolved and all of the candidates have resumed campaigning. In fact, representatives of most of them continued campaigning in the provinces while the controversy was going on in Saigon.
All the candidates held press conferences on Monday and Tuesday of this week. Charges of harassment have been made by some of them, Huong making the most specific allegations in his conference yesterday. Certainly these charges should be investigated by the Government of Vietnam and if substantiated, action should be taken to eliminate such practices to the extent possible. In the absence of intimidation, some involvement on the side of the "ins" would generally be considered one of the accepted advantages of incumbency. We have evidence also that some officials will at least quietly support opposition candidates. We have been unremitting throughout the Mission in our contacts with the Government of Vietnam, both civilian and military, to emphasize the prime importance of keeping the elections free and honest. I have continually kept this in the forefront of my talks with Thieu and Ky and have pointed out to them the adverse reactions which have appeared in the U.S. press and in Congressional statements. I believe most of these criticisms stem from the acceptance of rumors as facts and a tendency to gauge the fairness of elections here against standards of perfection which do not prevail in the most advanced democracies.

Both Thieu and Ky have been greatly concerned by U.S. press and Congressional reactions. Ky told me yesterday that he and Thieu had decided to send communications to all of the Allied governments on what had been done and is being done by the Government of Vietnam to insure that the elections would be free, fair, and honest. What they have in mind, I think, is outlining substantially what was reported to you in previous cables, including such things as lifting of press censorship; instructions issued by the Minister of Defense to the Armed Forces to stay out of the elections and the written directive to Armed Forces commanders clearly stating rules governing participation of military personnel in election activity; General Thang's prohibition of political activity on the part of Revolutionary Development workers; instructions from Generals Thieu and Ky to Province and District Chiefs not to engage in politics; that pursuant to the Election Law, all candidates are being provided certain funds for their campaign; that candidates are being furnished transportation although this is not required by law; that all candidates are being given free time on Government radio and television; that invitations have been extended by the Government of Vietnam for observers to come for the elections to various organizations, friendly Governments, Parliamentary groups, and the international press.
I shall report in more detail in the Political section on the aftermath of the Dong Ha affair, on the charges of harassment, and on other developments in the campaign.

General Westmoreland, Ambassador Komer and I met yesterday with Prime Minister Ky, the Minister of Defense General Vien and General Thang, as the result of a request I had made to discuss our proposals on pacification, particularly Project Takeoff. General Ky had informed me that the Government of Vietnam was also contemplating some reorganization of its pacification program as well as of the Vietnamese Armed Forces. At the meeting yesterday he outlined to us what they had in mind. We will report these proposals in detail separately, but I might summarize them briefly:

A. Making the Province Chief the key individual in the pacification program at the provincial level; giving him adequate authority to manage all civilian and military activities in his province; upgrading the quality of Province Chiefs.

B. Reorganization and improvement of the Regional and Popular Forces.

C. Improvement of leadership. Ky stated that "we must purify the Army by asking poor officers to leave" and mentioned that General Vien had prepared a list of forty senior officers who would be asked to leave the Army.

D. General Thang would return to the Army as Deputy to General Vien and would control the political department, the Regional Force/Popular Force, and the Security Forces. General Thang will also control the training of the Revolutionary Development teams, and will improve the coordination between Revolutionary Development teams and the military at local levels.

E. Appointment of a Deputy Prime Minister with overall control of the pacification activities of the Ministries involved. Ky remarked that if elected, as Vice President, he would have little to do so he would deal personally with pacification.

F. A more direct attack on the Viet Cong infrastructure along the lines outlined by Ambassador Komer.
Ky mentioned specifically that General Thieu was sorry that he could not attend the meeting, but he had specifically endorsed these Government of Vietnam proposals which General Ky had outlined. General Westmoreland, Ambassador Komer and I felt that these plans for reorganization of the Armed Forces and the pacification program were constructive and along the lines we have been advocating.

B. Political

The Presidential campaign has grown bitter in the course of the last week, with the principal issue now being charges that the Government is trying to rig the election.

The aftermath of the "Dong Ha affair" was considerable. The decision to resume the campaign was probably due in part to our efforts. On the morning of August 12, before the candidates met, Embassy officers contacted three of the principal candidates and urged them to get on with the campaign. We stressed the danger of a revulsion of American opinion if the bickering with the Government continued.

Embassy officers made a special effort to persuade Huong because he was considered to be the ringleader of the effort to exploit the affair. Huong responded by saying he would try to find a way to resolve the problem and reopen the campaign. He later took full credit for the decision, saying that he had with great difficulty persuaded the other candidates to go on with the campaign.

When I saw how the situation was deteriorating, I took up the problem with both Thieu and Ky on August 11. I went over with them in some detail the U.S. press reports on the situation and the temper of the American opinion that had resulted. I emphasized the importance of getting the campaign back on the track. Both Thieu and Ky took the line that the Government was already doing more than the law required, and that as indicated in their August 8 press conference, they were prepared to work out solutions with the other candidates. I suggested both that Thieu and Ky go along on some of the trips and that they consider appointing an election coordinator. Ky said that he and Thieu would go on
some of the trips. However, both he and Thieu took the line that Administrator Tuong has the necessary authority to act as an election coordinator. I also asked Ky about press reports that the Generals were planning to set up an Armed Forces Committee to run the Government. Ky said that the report was absolutely untrue.

Possibly as a result of my conversation with him, Thieu responded to the candidates' statement on August 12 with a public statement of his own to the effect that "from now on the Government will make all-out efforts to help all slates in their electoral campaigns according to their requests."

The temperature of the campaign dropped only momentarily. In a joint August 13 television appearance, Truong Dinh Dzu again attacked the Government for its handling of the Dong Ha affair and charged that Government officials were using threats and pressure tactics to insure a Thieu-Ky victory. Dzu said that the elections cannot be fair and free unless Thieu and Ky resign and allow an interim Government to conduct the elections.

In a joint press conference the following day, Dr. Phan Quang Dan also said that Thieu and Ky should resign in order to assure a fair election. At the same press conference, Ha Thuc Ky told reporters that he considers Thieu and Ky have violated the Electoral Law by not resigning their Government positions to run.

Yesterday, Tran Van Huong made a full dress attack on the Government for allegedly using threats and pressures to intimidate voters and campaign workers. He held a very skillfully organized press conference in which he presented a bill of particular incidents of Government actions designed to rig the election. Huong's principal charges included such things as instructions to civil servants and military personnel to work for the Thieu-Ky slate, improper use of Government facilities by Thieu-Ky campaign workers, veiled threats against Huong supporters, and police harassment of Huong campaigners. Present and speaking as "witnesses" were three Assembly Deputies, all Huong supporters and members of the movement for the renaissance of the South Party.
Among other things, Huong said that if the Government fails to heed his "warning," he may "reconsider his candidacy." He also said that, contrary to his remarks in his August 3 press conference, he has now decided that he could not serve as Prime Minister in a Thieu-Ky Government. I am not sure, however, that this is his last word in the matter.

Both during the press conference and in a private conversation with an Embassy officer just before the conference, Huong was particularly bitter about an August 13 statement by General Nguyen Duc Thang. The statement was carried in the Vietnamese press and quoted Thang as saying that the nation's future depends entirely on the Army. Thang also said that an elected Government is not necessarily an efficient government and "we should not have 100% confidence in an elected government." Huong told reporters at the press conference that if this is the way Ky and Thang feel, the civilian candidates are prepared to step aside and let the Army run everything. He told an Embassy officer just before the conference that Thang's remarks had discouraged all of the civilian candidates very much, and personally is determined that the will not be used as an instrument for the legalization of an illegal regime. I must confess that I was surprised at this ill-advised statement by Thang, who, though somewhat emotional has a high reputation for probity and good sense.

Despite his harsh charges of election rigging by the Government, Huong said several times in his press conference that he is going to Bien Hoa today to take part in the first joint Provincial campaign appearance since the candidates suspended such visits following the Dong Ha affair. Unfortunately, we understand that neither Thieu nor Ky will participate today. (As this is written we have an early report from Bien Hoa to the effect that all candidates are there with the exception of Thieu and Ky. The arrangements are good, and the meeting is proceeding smoothly. The crowd is estimated at about 2500.)

As I have mentioned, I have been urging both Thieu and Ky to go along with the other candidates as a gesture of good will and to show that the campaign is not stacked in their favor. So far they have preferred to do their Provincial campaigning.
under the guise of "inspection trips," a tactic which further irritates the civilian candidates. (While the civilian candidates suspended their Provincial visits, Ky made a swing through the Delta, presiding at the opening of a waterway in Vinh Long, attending a distribution of rice seed and pumps in Sadec, donating 1.5 million piasters to refugees, inaugurating Village Councilmen in Chau Doc, and distributing land titles in Binh Tuong. Thieu concentrated on the Second Corps, meeting with Hamlet and Village officials in Phan Thiet and speaking to graduating officers at the Nha Trang Naval Academy.)

The joint Provincial campaign appearances have now been reduced to eleven, plus three appearances in Saigon, by agreement of all candidates. The Provincial stops will include Bien Hoa, Qui Nhon, Gia Dinh, Nha Trang, Banmethout, Tay Ninh, Can Tho, An Giang, My Tho, Danang, and Hue. The civilian candidates demanded an Air Vietnam plane because the military aircraft are too uncomfortable, and the Government has agreed to reserve one for their use. The scheduled joint radio and television appearances have remained on schedule throughout and are continuing. Thus, the mechanics of the campaign at least seem to be back on the track.

While the campaign mechanics are apparently restored for the moment, the atmosphere of the campaign remains troubled. The charges of Government pressures and threats are widely believed. While I do not think Huong's withdrawal is imminent, it is a possibility. If he pulls out of the race, others will likely go with him. We are well aware of the impact such an action would have on American opinion. It would also have a very destructive effect here.

While the truth of Huong's charges is perhaps less important than their political impact, as I have said, I think it important that we know how much substance there is in them. We are doing what we can to check them out. Unfortunately, this is very difficult. We have other such reports, but like those which Huong has publicized, the stories of threats and pressures tend to be vague, unconfirmed, and to turn on the impressions of the people "threatened" as much as on what was really intended. Pressure can and does sometimes take very subtle forms here, though no doubt it is also often imagined where in fact it is not being exerted.
In any event, I am inclined to believe that most of the real incidents of pressures being exerted on voters and campaign workers can be explained by the zeal of the local officials rather than by directions from the central government. While we had some early reports, prior to the Thieu-Ky merger, that Ky had instructed his campaign managers to make full use of Government personnel and facilities, it is our impression that these instructions from Ky were in general not implemented, in part because of pressures from us and public opinion, in part because of the merger with the Thieu ticket. Our Provincial JUSPAO reports say that the Vietnamese Information Service is doing a good job of educating the voters about the election mechanics.

I am, therefore, inclined to think that as of now there is more smoke than fire in Huong's charges. This is especially true because one of the principal areas of the alleged incidents of pressures against Huong's campaign workers is Vinh Binh province; as it happens, the Province Chief in Vinh Binh is Huong's son-in-law, and both he and his Deputy for Administration are known to us as strong Huong supporters.

Unfortunately, the foreign press and the politically interested elements of the Vietnamese population are apt to accept Huong's charges and similar stories at face value.

Foreign observers such as a delegation from the Asian Parliamentary Union will help to counteract these impressions, provided they find that the election is honest. We will, of course, continue to urge on both the Government and the candidates the need for both an absolutely honest election and responsible campaigning.

Neither Thieu nor Ky responded to my suggestion that they appoint an Election Coordinator of wide acceptability and prestige who would be able to insure that such things as the Dong Ha incident would not recur. I am still pursuing this idea but I am not optimistic they will act on it. Yesterday I took advantage of a brief meeting with Ky to tell him again that our policy on the elections is to support no candidate, to oppose no candidate, and to strongly favor free and fair elections. I noted the great advantages of Government candidates and told him I believe he and General Thieu should lean over backwards to satisfy the legitimate requests and needs of the civilians in their campaigns.
While Ky seemed in a somewhat more philosophical frame of mind about the elections and the recent press attacks on his Government, his mood is not good. We have some confirmation of this report which recounts an outburst by Ky to General Loan just after my August 11 talk with him. According to this report, Ky expressed anger at American pressure, described the civilian candidates as filth, and said he would not be content as Vice President simply to "sit in his armchair and do nothing." I am afraid that Ky remains depressed and quite disturbed by his "demotion" to second place on the Thieu ticket and by the barrage of criticism from all sides. I have advised him to bear with such criticism, which is an inevitable part of entering the political arena.

I reported last week the approval by the Government of the new Tam Chau Charter for the United Buddhist Association. Acting under the new Charter, Tam Chau's faction has elected new temporary officers. Tam Chau has been replaced as head of the Vien Hoa Dao (the action arm of the United Buddhist Association) by an unknown whom he presumably sponsored. The Supreme Patriarch is the head of the Cambodian Buddhist clergy, Lam Em.

The Tri Quang faction continued its attack on Tam Chau and the new Charter with a public meeting August 12 and a press conference on August 14. In the press conference, Tri Quang supporters again attacked General Thieu personally in very strong terms and accused him of a policy of trying to destroy Buddhism. They also made it clear that they will consider the elections meaningless unless Thieu and Ky resign, but they stopped short of a boycott call. Although there was talk of anti-Government demonstrations at the August 12 public meeting, the Communiqué issued at the August 14 press conference does not threaten any specific action against the Government, and spokesmen at the conference were careful to put the stress on protection of Buddhism and the United Buddhist Association Charter.

These events seem to leave the Buddhists as divided as ever, though there is some evidence that Tam Chau has lost support by his recent actions. This is because Buddhists who deplore Tri Quang's extremism also deplore actions which may further divide the Buddhist church. They see in Tam Chau's new Charter the threat of a permanent Government-inspired split in the church.
C. Military

General Westmoreland is beginning a new regular report through military channels, a monthly assessment. I find this a very useful document and commend it to your reading. (Note from Rostow Office: This is the report that was sent up to you last Saturday, August 12.)

D. Chieu Hoi

Returnees during the reporting period totaled 389. This may be compared with 295 during the same period last year. The total number of returnees for this year now exceeds last year's overall total by 156. To date in 1967, 20,398 returnees have come into Chieu Hoi centers; the overall total for 1966 was 20,242. Since the beginning of the program in 1963, 68,429 returnees have rallied to the Government.

On August 10, the Viet Cong attacked the Chieu Hoi center in Hau Nghia province with rocket fire, killing 5 and wounding 53 -- all Hoi Chanh (returnees). All military administrative units in the area rushed aid within hours. This attack came on the heels of the reported assassination of a Chieu Hoi Chief in Vinh Long on August 9, possibly an indication of an intensified Viet Cong effort to discourage defections.

E. Vietnamese Killed

During the week ending August 12, the enemy killed 64 Vietnamese civilians, wounded 148, and kidnapped 85. The dead included three Revolutionary Development workers, two Provincial Chieu Hoi officials, three Hamlet Chiefs, and one policeman. Since January 1, 1967, the Viet Cong have killed a total of 1,860 Vietnamese civilians, wounded 3,431, and kidnapped 2,357.

F. Economic

Honolulu Conference: The AID Mission is engaged in preparations for a conference in Honolulu on August 25-30 which
will bring together top officials of AID/Washington and of the Mission in Saigon to review and plan U.S. assistance programs to Vietnam. Special attention will be given to ways and means of accelerating agricultural development and of building local development efforts on the base created by recent village and hamlet elections.

**Rice:** Rice stocks in Saigon and the rice deficit provinces have now gone above 260,000 tons -- the largest figure in many years, and probably the peak level to be reached in 1967. From now until the end of the year these stocks will be reduced as consumption requirements outpace import arrivals.

**Inflation:** Last week retail prices dipped significantly in Saigon for the first time in six weeks. Beginning in early July the increased cost of comestically produced food had caused a 17 percent increase in the Retail Price Index. Food prices had risen both because of seasonal factors and because of extensive Viet Cong destruction of the two main commercial roads -- Routes 4 and 20 -- leading into Saigon.