

deepe

aid--1

pr. 10.

SAIGON--Z A major policy dispute over "doctrinal differences" for the administration of U. S. economic aid and the role of U. S. economic field representatives in the fight against the Viet Cong Communist guerrillas has developed in America's ~~m~~ largest and most unorthodox economic aid mission in the world.

F Reliable sources indicate that the battle has grown so sharp that the No. 3 man in the economic mission, Dr. George K. Tanham, a widely ~~reputa~~ known counterinsurgency school scholar, is considering submitting his resignation with the week in protest against the views of his boss, mission Director James S. Killen. (FYI: source is Tanham himself).

A spokesman for the American Embassy said "there's no conflict between the two men, though there may be ~~i~~ differences of opinion as is usual between two people."

• Reliable sources report that the conflict is a complex one involving differing viewpoints on the administration of economic aid ~~and~~ the role of American ^{Economic} provincial representatives in Vietnam's 45 provinces, personality differences. It is also considered to reflect dissension between American non-career officials which have been ^{Volunteered} drafted to work for the economic aid mission during the anti-Communist war and the orthodox career economic officials.

deepe

aid--~~17~~

L: A-4

The outcome of the dispute is considered to determine the
2/3 degree of American involvement and economic support for the
2/3 crucial pacification program, ~~with the~~ fortified hamlets
in the countryside on which America's hopes of helping win the anti-Communist
war are based.

deepe

aid--2

With a staff of nearly 500 American employees and a budget of \$241.6 million ending June 30, 1964, the United States Operations Mission (USOM) is the largest maintained by the United States Agency for International Development (USAID).

"The two men have a difference in concept," one reliable source explained. "Killen has the conventional approach with emphasis on economic development as a means of strengthening the government, which serves as a means to prosecute the war.

"Tanham's ~~appro~~ approach is a program designed for support of counter guerrilla warfare with emphasis on operations and more emphasis on the role of the Americans in the provinces." (FYI Source is ~~an~~ ~~unofficial~~ ~~spokesman~~ ~~for~~ ~~the~~ ~~USOM~~ speaking unofficially without American attribution.)

As current discussions on Vietnam's budget are being held between USOM and Vietnamese government officials, it is still undecided whether Killen's viewpoint would entail a shift of U. S. aid from the rural ~~x~~ to the urban areas.

"Sometimes I think U. S. aid will be shifted from the provinces and sometimes I think more money will be added to the budget for urban areas," one reliable source indicated. (Source is Tanham).

~~Killen's viewpoint is considered to represent the traditional government-to-government dealing between USOM and the Saigon government ministries in an attempt to develop a stronger economy and more efficient administrative machinery.~~ (More)

deepe

aid

-3

The USOM budget of ~~fiscal~~ year 1965 beginning July 1, however, is ~~expted~~ expected to ~~inceri~~ increase to between \$250 and 300 million. One ² reliable ² source indicated "that money has never been a major consideration for USOM."

Killen's viewpoint is considered to represent traditional, government-to-government dealing between USOM and the Saigon government ministries in an attempt to develop a stronger economy and more efficient administrative machinery. Killen's approach is considered to emphasize improvements in the urban centers--Saigon and the provincial capitals--such as more job opportunities and installation of electricity. USOM has also "crashprogrammed" the training of low-level government administrators and is ~~seked~~ assisting the training of 60,000 policemen in ten centers throughout the country, which later will be responsible for the internal security of the urban areas. Reliable sources also indicate tha t Killen is more prone to cutback on ~~"ig"~~ ^{"give"} "giveaway" aid, thus making the Vietnamese responsible for relying on their own resources.

This government-to-government approach, in his view, would enable a more effective prosecution of the war. The USOM division of ² Public Health, for example, would deal directly with the Vietnamese Ministry of Health which would be responsible for allocating and sending U. S. medical supplies to the provinces. This is in general the method ~~of~~ in which USOM operates in other countries and the way it operated in Viet Nam until 1962.

deepe

aid 4

In 1962, however, in an attempt to re-direct the American economic aid to ~~the~~ the rural provinces and to support the Vietnamese strategic hamlet program, USOM set up an unorthodox division now called the ²OF Office of Rural Operations, ~~which was headed by Tanham~~ now headed by Tanham, in which Saigon ministries were by-passed and the American aid flowed directly through an American distribution system to each of the country's 45 provinces. The individual province chief planned with the USOM representative--now numbering more than 80--the requirements of American aid locally needed, a joint contract was signed ^{by the} requisitioning them and the American provincial representative checked the goods were properly utilized and distributed.

The American provincial representative, because of his bargaining position with American aid, served the province chief in more of the capacity as a planning staff officer for economic development rather than as an advisor, which is the case of the American military personnel in each province.

Tanham's view is this procedure should be continued and broadened with emphasis on non-material psychological and social ~~development~~ i development in the villages and hamlets, with a growing role for American field representatives, although they would not act as "doers." Killen's view is considered to be that the procedure should be curtailed.

~~As the result of the dispute, young provincial representatives~~

nwo

Tanham is now head of the Office of Rural Operations, with a title of associate director, making him No. 3 man in the economic mission.

deepe

aid -5

Current discussions are being held over Killen's approach that Office of Rural Affairs should be of the same rank as the other seven divisions and Tanham should be demoted from associate directorship.

As the result of the dispute, young provincial representatives now serving under Tanham have expressed the opinion they will be given less and less authority and less and less control of provincial planning and distribution of American goods--and will gradually be phased out. (Source: Earl Young, formerly Lodge's favorite provincial representative in infamous Long An province.)

Killen's approach is considered to be the provincial representative should act as "quiet, patient advisors," rather than supplemental staff officers to Vietnamese province officials.

"Killen has never been in a counterinsurgency situation before," one source explained. "Tanham has spent a great deal of time studying the situation and is much more aware of the problem." (Source is Earl Young).

Tanham, 42, visited Viet Nam eight times during the French-Indo-China War and the following years and years and is author of Communist Revolutionary Warfare--The Viet Minh in Indo-China. Born in Englewood, New Jersey, he studied at Princeton, Oxford and has his Ph.D. from Stanford. For the past nine years he worked for the Rand Corp. in Washington, D. C.

deepe
6
aid--5

Killen, 56, came to Vietnam after serving as USOM director in three other countries--Korea, Yugoslavia and Pakistan. In 1947-48 he advised Gen. Douglas MacArthur on labor affairs in the Tokyo occupation headquarters. Before ~~joining~~ joining the government he was Vice-President of the International Brotherhood of Pulp, Sulphite and Papermill Workers of the United States and Canada (AFL).

Both Killen and Tanham arrived in Vietnam in mid-July shortly after the appointment of Maxwell D. Taylor as Ambassador.

In the current dispute, boserv observers note that "Tanham has more sympathy, but Killen has more power."

Killen's viewpoint is considered to dovetail with Ambassador Taylor's view that the Vietnamese must have their own stable functioning government before any major American effort would be of benefit in winning the war. This has given rise to one school of thought about the prosecution of the war; the second broad school that Tanham--and hard-line American military advisors--favor is that Viet Nam is so important to the interests of the free world that American must ~~ass~~ assume more of the administrative, political and military responsibility for the war.

"If American loses in Viet Nam they'll lose 20 percent of the battle in South American before they ever start," one foreign diplomat explained. "Some say this is ~~more~~ a Vietnamese war, but it ~~is~~ would be America's defeat."

(More)

deepe

aid---67

Killen is also considered to have the backing of ²USOM
USAID in Washington, which selected him for the job, while Tanham
was selected for his counterinsurgency background by high-level
State Department officials (William Sullivan, then head of Vietnam task force
and ^{Now} named Ambassador to Laos). In mid-October, Tanham went to Washington,
officially to hire more qualified rural affairs experts, but presumably
also to ^{must} support for his viewpoint. Reliable sources indicate he
was told "Killen is running USOM." (Source is Tanham.)

Personality differences are also considered a part of the
conflict.

"Both men have different personalities that don't mix
particularly well," explained one reliable source who knows both men.
(Source is ~~Washington~~). "George (Tanham) is a gentle soul who does not
like fights; Jim (Killen) is an overpowering and dogmatic person who
could see only himself as boss."/

"Jim's approach is to make a decision and lay down the law to
the field representatives. They are different personalities with different
approaches; you can pick one or the other of them--but not both."

A further complicating factor is that on November 22
Tanham and USOM deputy director, Alfred M. Hurt, who is also in disagreement
with Killen, were involved in a "regrettable" accident in which a
Vietnamese motorcyclist was killed. (More)

deepe

aid--78

"The two men never hit it off from the day they arrived," one ~~USOM~~ low echelon USOM employee explained. "Killen has ^{only} only a high school education, but his subordinate was the scholarly Dr. Tanham--and that makes a difference to a man like Killen."

As a result of the dispute, one rural affairs project already cut was the job of an American woman, ^{Malayan} ~~an~~ with experience in the ~~Malayan~~ emergency in the mid-50's, who travels throughout one ~~area~~ Mekong Delta province organizing Vietnamese women's classes on improving health, hygiene and improving diets by better breeding of ~~livestock~~ livestock.

"Tanham's approach is teaching women better hygiene might help gain the support of the people," one source said. "Killen's approach says in effect this does not make sense so why not cut it out."

Another key project in the Mekong Delta this year was scheduled to be digging of fresh water wells in the Mekong Delta provinces where salt water is prevalent and fresh water is available only five months out of the year. This was scheduled to be a joint project with American ^{Plus} ~~technici~~ technicians and equipment, ~~but also allied~~ personnel and equipment of other friendly nations in an attempt to get "more flags" of other countries into the provinces.

However, two weeks ago, one Western economic official who had earlier promised to send personnel and equipment from his country was called to USOM and told their services were no longer wanted as the well-digging projects were being cut back. He was not only embarrassed but annoyed. (Source is ~~Malayan Ambassador's Embassy economist~~).

(More)

deepe

aid-~~sp~~

While the majority opinion is ~~sympa~~³ sympathetic to ~~Killam~~² Tanham's view, they note that Killen's approach is "out of step with the times" and that "Killen's idea of having the Vietnamese run the show is a goal for the future, but not a fact at the present time."

One economic aid official of a foreign embassy explained, "Killen is wrong because they Vietnamese have shown they are not capable of taking aid ~~g~~ and then getting on with the programs. They lack low-level leadership."

Others note that the rural affairs division was set up to expedite the flow of essential items to the provinces at a time when Vietnam had a stable government under President Ngo Dinh Diem. During the past year, three changes of government ^{LEADERSHIP} has caused political ~~instability, which produced many changes in the ministers.~~ ^{And change in Saigon the country} They note that in the past year, The Saigon government has had four ² ministers of Interior, which is responsible for administration of the provinces.

In the viewpoint of Tanham the political instability in ^{undine amount} Saigon has not produced political instability at the grass roots, in large part, because the pacification program and the distribution of economic aid by-passed the ministries.

² ~~A result~~ Another result of by-passing the ministries in Saigon was also generally acknowledged to have cut out one layer of corruption and red tape. Many observers believe American aid should help develop a ^{streamlined} streamlined, honest government administration, but note that it has not yet developed.

(More)

deepe

aid--9 10

Even thou those who agree with Tanham, however, believe that there must be a closer scrutiny of the allocation of American aid to the provinces and ~~sum~~ tend to agree with Killen's skepticism of "do-goodism" in the provinces. One foreign economic expert that some American fertiliser, inc insecticides and hybrid seeds are distributed in areas that are predominantly controlled by the Viet Cong Communist guerrillas, which serves to strengthen their resources. These experts advocate extreme measures to ~~as~~ placing an economic blockade around these Viet Cong controlled areas forcing them to administer it politically and provide for it economically. They judge that a blockade stopping goods from Saigon would in effect force rationing and hardship on these Viet Cong areas.

Another foreign economic expert was shocked at the indirect way in which U. S. military and economic funds indirectly contribute to Viet Cong strength.

"All the aircraft gasoline for the big American helicopter base at Soc Trang one hundred miles southwest of here is taxed twice by Viet Cong roadblocks," he explained. "Then they pipe it in American helicopters to kill Viet Cong. It does not make sense. It might have been excused in 1962 at the beginning of American involvement, but in 1964 it is a sign of weak weakness."

The aircraft fuel is purchased from petroleum companies which sublet the transportation of the gasoline to Vietnamese contracting companies, which in turn pay off the Viet Cong to get through their roadblocks, according petroleum company officials.
(More)

deepe

aid-10

The Killen-Tanham cleavage is also considered to reflect differences ~~h~~ of opinion between ~~non-carre~~ ² non-career officials in USOM and the career administrators. Tanham has been employed in private business, except for military service. Killen is a career USOM official.

Many of the employees of the Office of Rural Operations were recruited outside the USOM organization and rushed to Viet Nam on two-year contracts to assist in winning the war. Some professionals and specialists were also especially selected on two year contracts and assigned to the traditional divisions like Public Works, Public Health to beef up their staffs during the ~~counterinusr~~ ² counterinsurgency. Now many of these two-year contracts are ~~expirint~~ ³ an expiring and many of the ~~non-carr~~ ² non-career personnel are leaving Viet Nam.

"There are two classes of people in USOM," one young provincial representative explained. "There's the older tree traditional bureaucrat who likes the government villa, the 25 per cent ~~h~~ extra living allowance for hardship post and is interested in his career. Then there's the young gung-ho type who doesn't care how much money he makes or if he lives in a pup tent in the provinces. These young gung-ho types came to do a mission and are now leaving. Of course, they don't think they war is being won, but they can't see they will be allowed to do any good in winning it.

"I'm leaving myself in three months."

deepe

aid-~~2~~11

One medical specialist, ~~xxxx~~ who had been in private business before coming to Viet Nam, expressed disillusionment with government service

"I've been here for two years," he explained "and I've seen three American ambassadors, three USOM directors and three division heads. Everyone who comes in things the first one ~~doesn'~~ didn't know a thing and changed the policy. This happened to me consistently since the day I arrived.

"We'd be working on a ~~pm~~ project like building a dispensary and then I'd find out it was stopped a week ago. One doctor who is a friend of mine was ~~slect~~ selected to come to Viet Nam to teach medical specialists; without his ~~consis~~ consent he was assigned to oversee construction of provincial ~~hop~~ hospitals.

"Another medical specialist I ~~xxx~~ knew--the only one of his kind in the country--was ~~hampman~~ serving as a consultant for American GI's at the American military ~~xxx~~ hospital, just to help them out. The division chief called him ~~hi~~ in and ordered him to stop it, ~~it~~ saying it wasn't in his job description. The American military doctor even wrote a letter saying my friend had saved the U. S. government thousands of dollars, but it didn't matter. The GI's now have to be sent to Clark Air Force Base in the Philippines for special treatments.

"This is the American Mandarin system--dictatorial rule by personal whim," he explained. "I'm not going to renew my ~~count~~ contact for another two years of this."

(FYI--The source of this information is ~~Mr. Alice Palmer, who said~~

deepe

aid--12

I could not reveal her identity because her husband (the ~~chief specialist~~
~~now building provincial hospitals,~~ is still in country. She gave up
~~her professorship at a Michigan University, as did her husband, plus~~
~~private practice and sold their An Arbor home to come here to teach in~~
~~the uni. and set up medical school at Saigon University. Little of this~~
was accomplished ~~and she's totally~~ irked with the situation).

Even if the Tanham viewpoint prevails ~~in the~~ within the
USOM, observers believe it ~~it~~ is but a good beginning in meeting the
challenge of the Viet Cong Communists.

"The Communists are the real organization man in this war,"
one reliable source explained. "Maybe at the provincial level (where
Tanham places emphasis versus Killen's emphasis at the central government
level) the government is as strong as the Viet Cong. But at the
lowest level in the villages, the Communist party organization is 25
~~more~~ ~~times~~ greater than that of the government.

"The Americans have not paid much attention to this; there's
no one agency in the American hierarchy of institutions that has the
particular mission to root out that secret Communist organization; everyone
agency has bits and pieces of the problem. And no one agency in the
Vietnamese government is in charge of that problem." (FYI only--source is
~~American general in charge of military operations~~).

Foreign economic experts note that during the early, crucial
years of the ~~deveopm~~ ~~deveo~~ development of the Viet Cong insurgents, between
1955-60, American economic aid amounted to \$1,302 million. (More)

deepe

aid-13

But they point out only four percent of that American directly or indirectly support agriculture, which 80 per cent of the population is directly dependent on for a livelihood.

"Now Tanham is going to try to keep pushing for more aid in the rural areas as USOM has for the past two years," the foreign economist said. "But he may be nine years too late."

(Informatively only: source named as foreign economic expert is ~~in American Embassy~~ who ~~studied~~ is in charge of economic reporting here ~~as he is lived here for 5 years.~~)