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SAIGON, Vietnam's current political situation--quiet on the surface--is considered to be a prelude to a significant ~~is~~ turning point for ~~the country~~ within the country.

Below the political surface--almost unseen and underground--enormous political changes and political re-alignments are shaping up. When and which forces emerge ~~may~~ may determine the future political course of Vietnam--and concurrently the American position.

"The American privates on the battlefield and the American political experts in the embassy are now getting their feet on the ground," one reliable source explained. "We don't know what direction their internal policies will take politically; we don't yet know how successful they will be on the battlefield.

"But one thing is clear. Vietnam has no time for any more mistakes. This may be America's last political chance in Vietnam."

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Or in the words of one Vietnamese politician, "Vietnam--- the time and the place---is the eye of a hurricane. The eye is calm with the winds swirling all around. But when the hurrican moves, we don't know what direction it will take."

The Viet Cong Communists, below the surface at the subversive level, are ~~is~~ pushing on four fronts---the political, economic and social being as significant as the military ~~front~~. American officials internally, however, are moving visibly only on one front---as more and more American combat units begin to dig in and adjust to the military war.

But, the internal political direction of Ambassador Henry Cabot Lodge and his key special assistant, Edward Lansdale, is still undetermined as Vietnamese political experts submit proposals to win both the war and the peace, ^{According to} ~~DELIVERABLE SOURCES.~~ "American internal policy is now frozen until key decisions are made for Vietnam," one reliable source indicated. "Lodge and Lansdale did not come to Vietnam with a plan; they still do not have a plan. But, they will have one soon. Until that time, the Communists, the Buddhists, the Catholics or the Vietnamese generals can upset the political lull."

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Both the Catholic and the Buddhist religious organizations-- which are also important political forces are in the midst of consolidating their positions and unifying their ranks. Early this month, Catholic priests and lay leaders held a "Greater Unity" conference in which the Northern refugee Catholics made compromises with the richer, more upper-class Southern wing. The Unified Buddhist Church is scheduled to hold in early December an annual conference for election of officials and formulation of strategy.

Both Catholic and Buddhist leaders have expressed vocal opposition--of varying degrees--to the current government, but none have yet attempted to topple it, as has happened during previous regimes.

Considerable sub-surface frictions are also known to be taking place between some of the nine generals on the National Leadership Committee, which is the executive ~~council~~ ^{Committee} of the Military Council. The Military Council is the foundation of power ~~of~~ of the government of Prime Minister Nguyen Cao Ky.

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The relationships between some of the generals was reportedly exceptionally strained earlier this month when Brig. Gen. Nguyen Huu Co was forced against his wishes to give up the post of chief of staff of the Vietnamese High Command. He accepted a higher post of Deputy Prime Minister for War and Rural reconstruction only after the other key generals compromised and gave him the authority to give orders to the chief of staff. Simultaneously, the newly appointed chief of staff, Big. Gen. Cao Van Vien, reluctantly accepted the post but preferred to stay in his previous position as commander of the III Corps region surrounding Saigon, where he commanded troops. His vacant post of III Corps Commander was filled by Sub-Brig. Gen. Nguyen Bao Tri, a Catholic, which reportedly irked the Buddhist political priests. The whole reshuffle caused such a stir of resentment that Gen. Co refused to accompany Prime Minister Ky on his state visit to Malaysia, according to reliable sources.

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One important fact is clearly emerging--American combat units are causing enormous and largely unfavorable, political repercussions within South Viet Nam.

"The American combat troops have not yet begun to solve the military problems," one Vietnamese explained this week as the Communist ~~estimated~~ strength within the South soared by official estimates to 230,000. "And the American troops have created new political problems."

As the urban centers burst with increased activity and mushrooming populations of American troops plus refugees from the countryside, the Vietnamese in the cities regularly complain about the traffic jams--caused by American trucks, busses and cars, they say; ^{NAB} complain about the lack of small blue-and-white taxis--which they Americans always ~~pay~~ ^{pay} for higher rates, they say; complain about the wash-boarded streets and alleys--caused by the increased traffic; complain about the increasing number of bars, streetwalkers, and hully-gully music designed to serve the Americans, they say; complain about the acute housing shortage and complain about the electrical shortages which cause ^{DAILY AND} ~~nightly~~ ^{Rotating Alternating} black-outs in pre-designated section of Saigon.

Even some American officials who have served in Vietnam long enough register these ~~some~~ ² complaints and comment on the dramatic change in Viet Nam.

"When I drive through downtown Saigon, there're so many Americans I think I'm in a strange country." one Vietnamese intellectual explained.

One key problem for the Vietnamese people is the spiralling inflation; the government civil servants and military soldiers, paid on a relatively fixed scaled, are most adversely affected. Not only the wives of the Vietnamese officers--but the men themselves--consistently complain about the high cost of living that is jumping by leaps and bounds.

~~During the past month,~~ the price index for retail commodities jumped seven per cent, during the past month according to official figures, and thirty five percent during the past two months.

Construction costs have jumped tremendously during the housing and construction boom; worker's salaries are up one hundred percent since January 1; cement up 65 per cent; brick up 144 per cent; sand up 280 per cent.

On one day last week, gold--an investment commodity^y--was listed in the morning at 9000 piastres per tael (\$ 76 per 37.5 grams); by noon had risen to 9500 piastres and by evening to 9700 piastres. The official price is 8,600 piastres. Charcoal, kerosene and candles are also in short supply and are sold with at inflated prices.

A semi-offical ^{ment} announcement that the government would increase up to 300% customs duties on all imports immediately lead to the hoarding of canned milk, causing a shortage on the market throughout the city. The government was forced to ban the use of milk in restaurants; for their coffee breaks, Vietnamese would tote a small plastic bag filled with enough milk to use in one cup of coffee.

The 1965 Vietnamese budget of 45 billions piastres is expected to produce a deficit of 22 billions. (US \$300 million)