PROREUTER TOKYO

SUBVERSION 1 (Normass/deepe)

SAIGON, AUGUST 14-Vietnamese security officials have smasshed three major Communist rings of subversion operating among middle and upper-class city-dwellers.

Security sources reported the Communist agents, of whom roughly one hundred have been arrested, indicated significant Communist penetration among Vietnamese intellectuals, engineers and big businessmen are influential in urban centers, including businessmen who were on the government payrolls.

the biggest extrana ordinance depot in the country, one of the richest industrialists in Saigon, six faint medical technicians at the government-operated Pasteur Institute, the wife of a sign saigon judge, the head of a well-known theatrical group, and one influential writer, and the Viet Cong political commissar who coordinated the three networks.

Among those arrested are one Vietnamese Army major who headed

The interrogation of those arrested as lead to more information concerning others who i. allegedly sympathized with or aided the Viet Cong, security sources said. These persons will are to be branched held for questioning after the September 3 Presidential election, the sources said and will include several other Saigon pludges, one of whom has a son operating with the Viet Cong, as well as Au Truong Thanh, a former Minister of Economy in the government of Prime Minister Nguyen Cao Ky. Thanh, who supervised a multimillion dollar American economic aid budget, was recently prevented from funn running as a Presidential candidate.

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SUBVERSION 2 (aigon (Normass/Deepe)

The smashing of the three rings of subversion have revealed these significant developments:

1. Several pro-Communist agents are running as candidates for the election to the Vietnamese Senate, to be held on September 3 with the Presidential election, police sources said. These candidates will be arrested after the election, even if they succeed in winning a seat to the legislative body, these sources said. In the election for the Senative, which will serve as the upper legislative body, four hundred eighty candidates are running for sixty seats.

These sources said other pro-Communist a candidates are expected to run for the election to the lower legislative body on October 22.

These candidates are already securing necessary government papers to file for the election, the sources said.

2. The Viet Cong subversive agents are having some success recruiting other agents among well-educated, well-to-do Vietnamese, who would normally be considered pro-American and anti-Communist. The Communists seem to be applying their political rule that no repeat no revolution can succeed without positive cooperation of the middle and upper-class elements in the society.

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SUBVERSION 3 (Normass/deepe)

- 3. The Viet Cong agents have had some success in recruiting other agents and sympathizers within the them (ital) the government controlled areas, including the urban centers. This is considered distinct from—and more dangerous—than infiltrating agents into the cities.
- 4. While Vietnamese government security officials have scored a major pre-election victory against the Communists, they have also unmasked the greatest question concerning the elections: What is the degree of Communist penetration and control among the population in the government zones where the balloting will be held?

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Subversion 4 (Normass/deepe)

TOURNALISTS

The arrested agents—the businessmen, writer, actors and juminum judge's wife—were spreading Communist propaganda to the friends and associates that the upcoming election for President and Senate was an American invention and would be rigged, thus undermining the government's hope for a successful, honest political victory against the Communists, politics s police sources said.

The purpose of the subversive rings was to recruit and to their side convert Vietnamese in the government zones tambhahamaninam who were once "sitting on the fence." The present economic discontentment has add aided the Communists in their recruitment, these sources said. The local Vietnamese industries—such as textiles—are nearly bankrupt because of the vast imports of foreign goods brought in by the American economic aid mission to undercut inflation, these sources said.

The three subversive rings were called tri van (ital) repeat tri van meaning proselytization of intellectuals—cong van (ital) repeat cong van meaning war proselytization of workers and binh van (ital) repeat binh van—proselytization of military government soldiers.

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SUBVERSION 5 (Normass/deepe)

Viet Cong document which outlined their plan to gain support and recruits within "strategic factories", which they would control when they would take over the country. These "strategic factories" included American-financed textile factories—where unemployment is running high—motorcycle factories, spare parts factories and transport workers at the Saigon port, through which millions of dollars worth of American material flow each month.

The Viet Cong agents themselves, however, tipped off the

government security officials by their repeated pro-Communist

view that the upcoming Presidential and Senatorial election would

serve only the interests of Amer the United States government

and its "clique of Vietnamese henchmen and puppets." The

government security officials were assisted in tracking down the

agents by the agents of the American Central Intelligence Agency

and the U. S. Army 704th Counter-intelligence Company, based in

Saigon.

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SUBVERSION 6 (NORMASS/Deepe)

Other arrests were made in Harring Whatrang, Hue and Tuy
Hoa, all important cities north of Saigon, the sources said.

Among the arrested was Mr. Dinh Reen- Kanger repeat Dinh Kang, one of the richest industrialists in Saigon. He was once ne until recently head of the government-sponsored, semi-official Industrial Development Directorate. ANOT Another was Truong Nhu Tang repeat Truong Nhu Tang, an in engineer at the biggest, American-financed Vietnamese sugar mill, once owned bux in part by members of the family of ex-President Ngo Dinh Diem.

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SUBVERSION 7 (Normass/deepe)

The Vietnamese Army major was not repeat not part of the subversive ring, these sources said, but instead was a "single line" cadre, who operated by himself to gain intellegate intelligence information rather than recruits for the Viet Cong. \*\*\*Management The major, identified only as by the name of Yet repeat Yet, had served the vietnamese Army for 15 years and headed the 80th Ordinance Depot, on the outskirts of Saigon, which was the biggest government one for Vietnamese and American materials, indlucing including weapons, munitions, armored vehicles.

These sources said he confessed to having two lines of communication to the Communists—one to North Vietnam via

Paris and one to the Naniman Management of Saigon.

Via a network in the \*\* Mekong Delta, south of Saigon.

Capture of his documents in Paris by agents of the U. S. Central Intelligence Agency Fed to his arrest, security sources said.

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