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troops are very mobile. The irregular forces advance ahead of regular troops to sabotage and cut communications. They also follow the regular troops to subdue the population. Use of atomic weapons against the aggression through the sparse settled territory of Laos would not be effective. Therefore, the President believes that the Vietnamese must reorganize their Army to be prepared for such a struggle.

Despite the efforts of General O'Daniel the present Army structure is now not satisfactory. This is due to the French policy which insisted on keeping Vietnamese forces in small units no larger than a battalion, preventing the development of a proper Viet-Nam Army. This is why Diem could not come to power sooner. French said Vietnamese couldn't be trained and were too weak physically. They limited them to light forces. After the Armistice the French continued to control the forces. Following the French phase out, and the elimination of French forces, training was conducted under a mixed French-US training group. The French concept of light battalion, light division, heavy division, made no sense at all not even for use against the sects. I therefore felt the Army should be completely reorganized, and consolidation of training into a strictly US mission made this possible. The U.S. military know that the Vietnamese make good soldiers. I have talked over my idea with General Williams, and it is to reorganize my 6 light and 4 heavy divisions of 5,600 and 8,300 men respectively, into the same number of field divisions with 10,000 each, with 3 regiments per division. To achieve this the Army must increase to 170,000. This would avoid a complete shift of the present division. If we stay at the present 150,000 men it would be necessary to shift or change the basic structure. If our total forces are raised to 170 thousand we could increase each division to 10,000. To reduce the impact on the budget I have decreed a draft as a stop gap plan. Draftees will be inducted for 1 year terms in the age group 20 to 21. Beginning 1 August 150 per day will be inducted. This will amount to 48,000 per year. In 3 years this will make it possible to replace 2/3 of the Army at the end of 3 years. The budget will be stabilized. At the present time Viet-Nam army is organized along French colonial lines with the families traveling with the troops. The average pay is a thousand piasters a month. The military budget is 170 million dollars a year. The use of draftees would reduce the cost by half. Draftees would be young people with no families. The US. military recommend that I not replace all my troops with draftees but retain 30,000 minimum as a hard core. I believe the above is necessary because in my view to meet aggression in my country requires emphasis on the ground forces. As the

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