

~~SECRET-NOFORN~~

Page 3 of 7
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become more evident. The need for a capable, well-equipped, well-trained, centrally-controlled Civil Guard is even more keenly felt than previously.

① Likewise, at the same time, signs of general apathy and
② considerable dissatisfaction which the VC can play upon have become more evident among the people in rural areas. Fear among the peasants engendered by sustained VC terrorist activities against which the GVN has not succeeded in protecting them is combined with resentment of the GVN because of the methods which are all too often employed by local officials. Coercion rather than persuasion are often used by these officials in carrying out the programs decided upon in Saigon. There is a tendency to disregard the desires and feelings of the peasantry by, for instance, taking them away from their harvests to perform community work. The new agroville program requiring large numbers of "volunteer" laborers has accentuated this trend. Improper actions by local officials such as torture, extortion and corruption, many of which have been reported in the press, have also contributed to peasant dissatisfaction. Favoritism and fear of officials and members of the semi-covert Can Lao Party have likewise contributed to this situation.

Diem cannot be completely absolved of blame for this unsatisfactory situation in the rural areas. Considerable evidence has existed that he has not in the past kept himself properly informed of what is going on. Officials have tended to tell him what he wants to hear, largely because of fear of removal if they indicate that mistakes have been made or reply that projects which he is pushing should not be carried out as rapidly as he desires.

GVN Counteractions. Developments during the last month or so have, however, awakened Diem and other officials to the gravity of the present internal security and political situation. As already indicated, they are now emphasizing the need for increased anti-guerrilla training of the security forces. Diem also has indicated that he is establishing a special commando force with "volunteers" from ARVN, the Civil Guard and reservists who had guerrilla experience during the Indochina war. Diem has also stated that the new commander of the Fifth Military Region (the area of greatest insecurity) has been given full powers over all the security forces in that area, thus recognizing the need for centralized command rather than fragmentation of authority among the province chiefs.

Diem has also indicated that he is replacing local officials who are incompetent or have abused their power. He is placing

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