SECRET-NOFORN

Page 10 of 18 Encl No. 1 From Saigon Desp No. 278

dealing with it could be an advantage. In Malaya it has taken ll years to reduce the security situation to the minimum, and it is even more difficult to deal with it in a divided country with long exposed frontiers).

There appear to be other reasons contributing to the difficulty experienced by the GVN in attempting to rally the rural population:* (a) Until recently it was becoming more and more apparent that Diem was not being given accurate information on the internal security and political situation in rural areas. As late as the end of December, 1959, he was telling all callers how much better the internal security situation had become, despite many doubts raised by his listeners. Information was apparently being presented to him by local officials in such a manner as to reflect well upon the officials giving it. The President's trips to the provinces have appeared to be carefully "laid on" by local officials. The President himself cannot be absolved entirely from the blame, however, since his system of personal rule which permits direct appeal from the individual provincial authorities to himself, in a sort of intra-executive check and balance system, serves to further weaken the administrative apparatus.

Recently, however, as indicated in the subsequent section on "GVN Reactions," the Vice President and others who are not his usual informers on security matters have spoken frankly with him and he now seems well aware of the situation; (b) Provincial and district authorities exercise almost autonomous control in the areas under their jurisdiction. Too often the personnel holding these positions have been incompetent, having been chosen for reason of party loyalty. Moreover, some have tended to view their jobs as a means to personal advancement or financial gain** often

^{*} See also FVS-4220 and FVS-4228.

^{**} The local press from time to time reports incidents of extortion and blackmail by local officials. On December 1 Le Song in an editorial cited "numerous cases of abuse of power committed by village police officials such as extortion of money and bribery." Examples like the following are to be found in various reports in the press and from various CAS and USOM sources:

On February 13 <u>Tu Do</u> reported that a hamlet chief in Binh Tuong Province had been arrested for posing as a security agent and blackmailing four farmers. A USOM source in July reported that a District Chief of Security in Blao had reportedly been removed from his position for extorting sums of money from wealthy residents who were arrested on charges of being Communist sympathizers and had to pay for their release.