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MEMORANDUM FOR: SAVA

SUBJECT : Phung Hoang

1. We believe USAID's redraft of the original SAVA draft is essentially sound and, considering USAID's horror of being publicly identified with "Phoenix" or "counter-subversion", it seems quite forthcoming and unbiased. USAID has managed to submerge its own preferences to some extent in favor of encouraging a continued, well-defined counter-subversion advisory effort even if they get tarred by the semantics brush. In effect, of course, USAID has been involved in counter-subversion to some extent all along - they advise the National Police Field Force which is a Phung Hoang action arm - but have enjoyed the buffer provided by the stated responsibility of the U.S. military to advise Phung Hoang.

2. We have recently been informed, through a [redacted] Progress Report, that the National Police, under Public Safety Division (USAID) advisors, will take over the Phung Hoang Management Information Service which handles Automatic Data Processing (ADP) of VCI. This suggests, at least to some extent, a cooperative and realistic attitude by USAID in the field. 25X1

3. We have noted several places in the attached draft where minor changes should be made for clarity and consistency. The insertion of "if anyone" in paragraph 4C is significant, however, since it may well be that no U.S. agency will either want or need to advise the PRU. Such lack of direct advice to the PRU would not seem to leave a worrisome gap, to any greater extent than the withdrawal of U.S. military advisors from ARVN units will leave gaps. USAID would be expected to provide administrative and logistics support to the PRU as they do for all police elements including the Special Police.

4. We believe that paragraph 3 of the USAID draft may require some reworking by DOD. It is our impression that the problem is not

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in the numbers of Phung Hoang advisors to be retained but in their qualifications. Too many trained Phung Hoang advisors might be rotated out and replaced by untrained persons, and what is needed is to assure that properly qualified persons fill the residual advisor slots until the U.S. military advisory effort is terminated.

[redacted]

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Chief, Far East Division

Attachment:
USAID Draft (H/W)

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