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MEMORANDUM FOR THE RECORD

SUBJECT: Phung Hoang Program

1. The present role, and the future, of Phung Hoang are bei debated in Saigon. Part of the debate concerns the role of CIA vis-a-vis the arrangement that will arise from this debate. The purpose of this memorandum is to discuss the issues and the CIA interest and to lay down policy guidelines for the future.

2. In the first place it is possibly now axiomatic that in the context of a People's War pacification means the development of the friendly side's administration of the population and the neutralization of the enemy's. Control of territory, or population per se, is not the point at stake. This simple definition encompasses all the efforts of the United States in Vietnam and places the military aspect in correct since the military effort is to protect the administrative effort.

3. If the first statement is axiomatic, then there follows a corollary. Temporary programs outside the normal, permanent administrative structure of the country are not ultimately effective and can be justified only on an expediency basis, i.e., to get programs started, to develop concepts temporarily or to allow the U.S. to take up the slack until the Vietnamese can get up to speed.

4. To illustrate the axiom and its corollary there is the 1 February 1968 COSVN assessment of the Tet offensive a sort of Phung Hoang in reverse:

> "We have launched simultaneous and timely attacks on almost all towns and cities, district seats, sectors and military bases as planned. Generally speaking, achievements were scored at the first step . . . within a short period of time we succeeded in paralyzing the puppet government administration from central to local echelons and confusing the U.S. command channels."

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5. To turn to the corollary, there are the words of Sir Robert Thompson on temporary administrative structures:

> "The existence of a sound administrative structure, although complicated by a federal system of government, was perhaps the greatest advantage which Malaya had over South Vietnam. The deficiency in South Vietnam was further compounded by temporary ad hoc measures designed to bolster particular weaknesses. The worst of these was the formation of thousands of crash trained 'cadres' to work in the villages to carry the government's message to the people. The real answer should have been the longer training of lower rank officials from government departments in the practical and technical aspects of departmental work, such as teachers, nurses, veterinary assistants, agricultural assistants and public works foremen, who could have produced practical benefits and results."

6. The application to the problem at hand:

a. Insofar as Phung Hoang is part of the effort to build up the GVN administrative structure and tear down the Communists', it should be encouraged and continued.

b. Insofar as Phung Hoang is a temporary mechanism outside the normal government administrative structure, it should be terminated.

c. In more concrete terms the Phung Hoang participants must return to a founding original principle. No new structures are to be created or maintained, and no one who participates in Phung Hoang is to change his basic charter.

d. In the attack on the infrastructure the police have a role, as do the MSS, the province chiefs and district chiefs as well as the national government. Each of these roles must be perfected and coordinated.

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e. Phoi Hop - PH - Phung Hoang - a coordination mechanism is necessary at all levels and this was the original idea. PH was an umbrella under which coordination and education could take place. Phung Hoang has apparently now become a fossilized and extraneous mechanism which may even be impeding the attack on the infrastructure. Apparently the need for coordination, however, is still recognized in the debate in Saigon.

f. Although CIA took on a secondary role as Phung Hoang project manager, the Agency's basic role throughout has been as advisor to the Special Branch, one of whose missions is to attack the infrastructure. If Phung Hoang "reverts" to the police it will go to the special police and the Agency will still be advisors to the special police.

g. With the other up country programs of the 65-68 era either eliminated or restructured (except as they relate to Phung Hoang)-- RD cadre, Census Grievance, PIC, hamlet informants and PRU -- the only cover rationale with the Vietnamese for the remaining CIA up country structure will be our role as Special Branch advisors.

h. I recommend that this memo be turned into a cable for the new COS for comment.

i. The name used to refer to the coordination process, if one is needed, is not material.

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