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SAVA

GAC JPH CJS EFH

JHW JFR POO

EKH MEE DSS

JKL JES

MEMORANDUM FOR: The Honorable William H. Sullivan,
Deputy Assistant Secretary of State
for East Asian and Pacific Affairs

SUBJECT : Shift in GVN Policy on Phung Hoang

SVN: Phoenix

1. On 19 November 1971 the GVN official responsible for Phung Hoang briefed Prime Minister Khiem on the future organizational structure of this program. The Prime Minister in his response announced that he had decided to retain the administrative structure which MACCORDS had recommended be dropped. Prior to this briefing, MACCORDS had believed that their GVN counterparts had accepted their recommendations. Our Station has submitted the following analysis of the factors which they believe caused the Prime Minister to reverse what was thought to have been his government's agreement to the MACCORDS proposals.

2. Colonel Binh is committed to completing reorganization of the National Police which was started under General Phong, but is encountering difficulties in getting this reorganization implemented. He wants to devote his undivided attention to the task over the next few months. Colonel Binh, therefore, does not feel that at this time the police command can take on the task of being the sole action agency in the GVN for Phung Hoang. Based on this conclusion Colonel Binh persuaded Prime Minister Khiem to postpone fixing primary responsibility during CY 71 for Phung Hoang on the National Police command.

3. Prime Minister Khiem, influenced in part by Colonel Binh's pragmatic considerations, and simultaneously being aware that the anti-VCI struggle must be a total effort of all GVN agencies if it is to be successful, decided to keep the current GVN Phung Hoang mechanism in being for the foreseeable future. Khiem's objective in retaining Phung Hoang as a GVN organizational concept was that in so doing he kept the Central Pacification and Development Council, and in turn, military region commanders and Province Chiefs responsible in a management sense for anti-VCI effort.

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Province Chiefs and military region commanders could in turn use the GVN Phung Hoang Committees as organizational entities to which anti-VCI responsibility could be delegated for implementation.

4. President Thieu played a role in the final decision on retention of Phung Hoang as a GVN concept. Thieu apparently told Khiem that abolishing Phung Hoang now as GVN program would be interpreted by the South Vietnamese populace as softening the GVN's political resolve to defeat the VC/NVA. Thieu did not want to encourage this type of thinking among South Vietnamese, and, therefore, felt this was not a propitious time for changing Phung Hoang. In view of this, the GVN decided Phung Hoang would continue as a GVN concept no matter what the Americans did to their Phung Hoang counterpart organization.

5. In the face of the GVN's policy reversal on this subject, our Station submitted to Mr. Jacobson of MACV/CORDS a proposal by which 30 U.S. Army slots would be allocated through 1972 to the American Phung Hoang mechanism. Of these 30 slots, six would comprise a small national level staff at MACV/CORDS in Saigon, four would cover a liaison officer in each military region, and the remaining 20 slots would be used to place American Phung Hoang advisors in 20 specified provinces where the need for coordination of the anti-VCI effort with the GVN Phung Hoang organization was deemed to be needed most.

6. On 5 December, General Abrams said he found the proposal conceptually sound and responsive to the political realities of recent South Vietnamese decisions on Phung Hoang, as well as to MACV needs to reduce American military slots during FY 72 which are not essential to the residual force level structure. In short, General Abrams stated that he endorsed the concept but wished further study as to how many military slots would be allocated to this organization and what provinces would be covered by American Phung Hoang advisorsduring FY 73.

7. Our Station believes that the Mission is now firm in its decision to retain a truncated Phung Hoang mechanism in MACV/CORDS up through December 1972. Such will provide the required political umbrella for the Mission's coordination of GVN anti-VCI efforts over the near term. In the meantime, as the National Police Command reorganizes itself,

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and assumes more responsibility during 1972 for the management of the GVN's anti-VCI effort, the Special Branch will take on a greater responsibility for guiding day-to-day aspects of GVN anti-VCI effort.

FOR THE DEPUTY DIRECTOR FOR PLANS

/s/

William E. Nelson

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