

[State Department Cable 534]

*Washington, October 5, 1963--5:39 p.m.*

534. Eyes only for Ambassador Lodge.

1. Following is overall instruction resulting from NSC consideration of McNamara/Taylor report and recommendations together with those you have submitted in recent weeks. These instructions have the President's personal approval. At any time you feel it is necessary you may state to GVN that you are acting under the specific instructions of the President as recommended by the National Security Council.

2. Actions are designed to indicate to Diem Government our displeasure at its political policies and activities and to create significant uncertainty in that government and in key Vietnamese groups as to future intentions of United States. At same time, actions are designed to have at most slight impact on military or counterinsurgency effort against Viet Cong, at least in short term.

3. The recommendations on negotiations are concerned with what US is after, i.e., GVN action to increase effectiveness of its military effort; to ensure popular support to win war; and to eliminate strains on US Government and public confidence. The negotiating posture is designed not to lay down specific hard and fast demands or to set a deadline, but to produce movement in Vietnamese Government along these lines. In this way we can test and probe effectiveness of any actions the GVN actually takes and, at same time, maintain sufficient flexibility to permit US to resume full support of Diem regime at any time US Government deems it appropriate.

4. We recognize that recommended actions cannot be continued more than a limited period--tentatively estimated at two to four months--before they begin to have substantial impact on counterinsurgency effort. Even within this period, they will require careful and constant evaluation. As they begin to have substantial impact on war effort, further major decisions will be needed.

5. It is not possible to specify with precision the criteria that we should use in determining whether this proposed course of action has brought about adequate changes in performance of Diem Government and should, therefore, be modified or withdrawn, or whether on contrary response of the Diem Government is clearly inadequate so that more drastic action should be considered. The desired GVN measures in this report are grouped under three headings: (1) military actions, (2) political actions, and (3) actions with respect to US itself. Test of adequacy of these actions should be whether, in combination, they improve effectiveness of GVN effort to point where we can carry on in confident expectation that war effort will progress satisfactorily. Since we cannot now foresee interlocking impact of possible actions both in GVN and here, we obviously do not expect that GVN will or even can perform on entire list and for this reason this is in no sense a package of demands. While general view here is that some action in each of three areas will be necessary, we do not now wish to prejudice question of balance or quantity of actions which may justify resumption of full cooperation with GVN.

*A. Actions:*

6. *AID Commodity Import Program.* Existing suspension of new commitments will be maintained, and under this policy the presently due second-quarter allocation of \$20-25 million will be withheld. You should make this continued suspension clear in an appropriate manner to the GVN.

No public announcement will be made. In addition, US working levels should inform Vietnamese military that commodity import assumptions being used for budget planning purposes must now be considered uncertain not only from previously stated standpoint of Congressional uncertainty, but because of executive review of program.

7. *PL 480.* Presently pending supplementary agreement for \$2.9 million worth of condensed milk (5-months' requirement) will be handled by making month-to-month agreements for appropriate portions of this amount until further notice, but outright suspension will not be undertaken. Action on other pending items in PL 480 account will become due with respect to wheat flour (\$6 million annually) and raw cotton (\$12 million annually) approximately 1 November, and these items will then be submitted for action by Washington. Remainder of presently planned PL 480 for FY 1964, comprising tobacco (\$2.5 million) and miscellaneous items (\$2.5 million), does not require any action in next 60 days. Discussions with GVN on PL 480, especially with respect to food, should take note of fact that no deliveries are being held up or negative decisions made; we are simply not able to make forward decisions in October.

8. *AID Project Loans.* Presently pending balance of loan projects for Saigon-Cholon Waterworks (\$10 million) and Saigon electric power project (\$4 million) will be "suspended for review," and you should inform GVN in appropriate manner to this effect without making public announcement. If this becomes publicly known here or in field, explanation will be limited strictly to bare statement of suspension for review.

9. *Assistance to Forces Commanded by Colonel Tung in or near Saigon.* You should inform GVN, through whatever channel you deem appropriate, that US can no longer furnish support to these forces unless they are placed under effective operational control of Joint General Staff and committed to field operations. (This applies to MAP [*less than 1 line not declassified*] support for certain airborne ranger, Civil Guard, and "civilian airborne ranger" units.) Again no public announcement will be made, but if action becomes known explanation here and in field will be that we cannot assist forces that are not contributing to the war effort. Notion that action is a reprisal for political use of these forces should be discouraged.

10. *Handling of GVN Inquiries in Saigon:* US representatives in Saigon should make clear that these matters must be taken up with you personally.

*B. Negotiating Tactics:*

Your policy toward the GVN of cool correctness in order to make Diem come to you is correct. You should continue it. However, we realize it may not work and that at some later time you may have to go to Diem to ensure he understands over-all US policy. Decision of when this becomes imperative rests with you, in light of your assessment of situation.

12. If, as we hope, Diem seeks clarification of US policies and actions, you should present an exposition of how our actions are related to our fundamental objective of victory. There are three issues at root of strained relations between GVN and US and of our judgment that victory may be jeopardized. The first concerns military effort; GVN must take steps to make this more

effective. The second is crisis of confidence among Vietnamese people which is eroding popular support for GVN that is vital for victory. The third is crisis of confidence on the part of the American public and Government. Heart of problem is form of government that has been evolving in Viet-Nam. Diem's regime has trappings of democracy, but in reality it has been evolving into authoritarian government maintained by police terrorist methods. What GVN must do is to reverse this process of evolution.

13. To preserve flexibility and provide an opportunity for testing and probing on effectiveness of measures GVN actually takes, you should avoid laying down specific demands, but consider actions listed below as illustrative examples of general proposition outlined above, picking and choosing particular items as situation warrants.

14. Purpose of all actions listed below is to increase effectiveness of war effort, to ensure popular support, and to relieve strains in GVN/US relations.

15. Specific military actions listed below are probably most acceptable to Diem, but serve as a test of his commitment to furthering war effort. They should increase effectiveness of war effort and this in turn should feed back to improve political climate. We believe that burden of pressure for military actions should be assumed by General Harkins in direct conversation with Diem and others under your general guidance and that these conversations should not await initiative by Diem, since our continuing posture of cooperative consultation on military matters should not be broken. Conversely, Harkins should not be channel of a discussion on relation between improvements by GVN and resumption of full US support.

16. Political actions are not arranged in order of importance. First of political actions, i.e., entering into negotiations to normalize university life, etc., should set stage for later political actions, such as broadening government.

17. If, in fact, GVN does begin to move along lines we desire, an opportunity will be provided to test and probe effectiveness of the actions in improving war effort, ensuring popular support, and easing strain in GVN/US relations. Paramount need, however, is for GVN to set a psychological tone and image that will make specific actions both real and credible. Although we cannot at this time in complete confidence predict the exact point in this complex of actions at which we will be sure war effort will proceed to successful conclusion, it seems probable its achievement will require some restriction of role of Nhus. As practical matter, we would expect that Diem would not take such action at outset, but only after he had proceeded a considerable distance down the path we desire.

18. *Military*

- a. Further shift of military emphasis and strength to Delta (IV Corps).
- b. Increase in military tempo in all corps areas, so that all combat troops are in field an average of 20 days out of 30 and static missions are ended.
- c. Emphasis on "clear and hold operations" instead of terrain sweeps which have little permanent value.
- d. Expansion of personnel in combat units to full authorized strength.
- e. Training and arming of hamlet militia at accelerated rate, especially in the Delta.
- f. Consolidation of strategic hamlet program, especially in the Delta, and action to insure that future strategic hamlets are not built until they can be protected, and until civil action programs can be introduced.

19. *Political*

- a. *Resumption of normal university life.* Detained students should be released; school and university classes should be universally resumed. Diem should sit down with rector and faculty

of Saigon University to work out conditions of normalization of university life. Since students are fearful of arrests and inclined to riots, this will involve significant negotiations on a variety of police-terrorist techniques, including secret arrests, torture, beatings, etc. For this reason, it is an excellent technique to get Diem to focus on the core issues. Similar action should be taken in regard to Hue University, including reinstatement of ex-rector. In both universities, at least some faculty members who have resigned, been fired or jailed should be reinstated.

b. *Specific concessions should be made to Buddhists.* Those still jailed should be processed for release with all possible speed. Repair of pagodas should be facilitated with government sponsorship. GVN-sponsored "Union Committee for Pure Buddhism" should be expanded and genuinely representative Buddhist leaders given responsible positions. Assembly action should eliminate laws which deny equal status to Buddhism.

c. *Renewed activity in land reform program.* This was an early Diem achievement but stopped short of completion. It could be revitalized and attract rural support for the GVN and improve its international image.

d. *Joint re-emphasis on political aspects of strategic hamlet program.* Phasing and security aspects of strategic hamlet program are dealt with under section 1 above. Following is concerned with aspects of strategic hamlet program affecting popular attitudes. This would require an effort to gain more support from peasants through increasing payments to them for their labor and other services and through weeding out graft by local officials. In addition, particularly in Delta, redesigning the program to avoid unnecessary relocation of population and increased emphasis on social and economic programs that are likely to elicit peasant support.

e. *Police techniques.* GVN should abandon its present practices of controlling populace by instilling fear through night-time arrests, brutal interrogation (including women) and other police-terrorist methods which contribute to growing resentment and unrest and diminishing acceptance of regime.

f. *Civil liberties should be restored.* Arbitrary arrests should cease and those arrested speedily released or given fair public trial. Religious freedom should be implemented as guaranteed by constitution. Public gatherings should be permitted and controlled only to insure safety of life and property.

g. *Refurbishing GVN image.* Government should be broadened so as to include respected individuals, including some within Viet-Nam who have not participated in government and some, such as Vu Van Mau, who have departed. It should be pointed out that these respected individuals are not likely to participate in government or return to Viet-Nam until changes such as those described above convince them that GVN has in fact reversed trend towards authoritarian government. Their willingness to accept posts in government or return to Viet-Nam will in turn be convincing evidence to mass of population that changes are, in fact, meaningful.

h. *"Changes in personnel."* Specific "reforms" described above are apt to have little impact without dramatic symbolic move which convinces Vietnamese that reforms are real. As practical matter this can only be achieved by some feasible reduction in influence of Nhu, who are--justifiably or not--a symbol of authoritarianism. Future role of Nhu in government is therefore of paramount importance. At this point it is impossible to tell whether Nhu must be permanently removed or merely confined to well-defined and limited role. In either case, some device must be found both to restrict his activities and to symbolize this restriction by his absence from power center in Saigon. In addition, similar devices must be found for those individuals, such as Colonel Tung, who are most closely associated with Nhu and his authoritarianism.

i. *Public and official statement by Diem* before National Assembly which would set new

tone for government by pointing to steps being taken to respond to popular sentiment, and by making a call for total mobilization of effort on part of officials and people equally.

20. *US/GVN Relations*

- a. Avoid divisive press attacks, e.g. *Times of Viet-Nam* story attacking CIA, etc.
- b. Cease public statements slandering the US effort and the role of US military and civilian personnel.
- c. Cease undercover efforts to discredit the US and weaken the will of US individuals to give their full support to programs, e.g. "mendacious briefings" of GVN troops and rumors of physical danger to US families and other personnel.
- d. Re-cast GVN propaganda in such a way as to gain foreign support of its socio-economic program.

*C. Congress, Press, and Public:*

21. No public statement will be issued here for the present.

22. At President's next press conference, he expects to repeat his basic statement that what furthers the war effort we support, and what interferes with the war effort we oppose. If questioned on actions US may take, he expects to say only that US programs are being reviewed to insure consistency with this policy.

23. Similar responses will be given if information about any US actions leads to detailed inquiries. If detailed inquiries pinpointing specific actions are made, they will be dealt with as indicated in each paragraph of A., above.

24. On Tuesday and Wednesday in meetings with Congressional committees in executive session, Rusk, McNamara and Bell will follow same line. They will explain our three-fold concern as outlined in para 5, above, but they will avoid as you should any listing of desired actions which could be construed as a package of US demands. We believe it of great importance that there should be no public impression of a package of sanctions and a package of demands. We are seeking necessary but limited improvements from a government very difficult to move, and we do not wish to encourage unjustified sense of optimism or of triumph from those who wish this situation was easier than it is. In particular, we would prefer press to consider us inactive than to trumpet a posture of "major sanctions" and "sweeping demands." (You should follow same line in briefing Zablocki Codel.)

*D. Coordination in Saigon:*

25. Separate cables to Harkins and Brent lay out their areas of these instructions in detail. You should, of course, coordinate all actions by country team representatives. Suggest you pass this cable to them individually.

**Rusk**