

SECRET - LIMIT DISTRIBUTION

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Enclosure 1
Despatch 157
From Saigon

(1) We suggest that you consider Cabinet changes as a necessary part of the effective moves needed to build up popular interest and support. One Cabinet change that we believe would be helpful would be the appointment of a full-time Minister of National Defense in order to permit you to devote your attention to developing over-all policies. To achieve maximum benefit it is suggested that you issue firm directives to assure that there is adherence to channels of command both up and down and that firm action be taken to eliminate any feeling that favoritism and political considerations enter into the promotion and assignment of personnel in the armed forces. Removal of this latter feeling is of great importance if the morale of the armed forces is not to be adversely affected during their mortal struggle against the Viet Cong.

We suggest that one or two members of the non-Communist opposition be given Cabinet posts in order to demonstrate to the people your desire for the establishment of national unity in the fight against the Viet Cong, and to weaken the criticisms of the opposition which have attracted considerable attention both in Saigon and abroad.

(2) In rationalizing and simplifying the Government's methods of work, we suggest you seek to find new methods to encourage your Cabinet Members to assume more responsibility rather than frequently submitting relatively minor matters to the Presidency for decision, thus allowing you more time to deal with basic policy matters; that the new national Internal Security Council be so constituted as to be the top level policy-making institution by having it meet frequently under your chairmanship for full discussion of all the major problems confronting the Government and proposed solutions thereto; and that of authority from you in direct line to the department and agency heads properly concerned. Under this system Cabinet Ministers and agency heads can be held fully responsible for the operation of their departments and agencies, because of the full authority you have bestowed upon them. If a Cabinet Minister cannot fulfill his responsibilities under this system, we would then suggest that you replace him.

(3) We would suggest that you consider altering the nature of the Can Iao Party from its present secret character to that of a normal political party which operates publicly, or even consider disbanding it. If the first alternative is adopted, various methods of convincing the population that the action has been taken might be used, such as party publication of a list of its members. The purpose of this action would be to eliminate the atmosphere of secrecy and fear and reduce the public suspicion of favoritism and corruption, which the Can Iao Party's secret status has fostered according to many reports we have heard in and out of the Government.

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