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From Saigon

which the Department of State believes would have beneficial affects if adopted now in connection with the other measures you are planning. Apart from the organizational changes proposed in the governmental and military structure and those liberalizing schemes you have told me about -- such as elections of youths to village councils and other progressive matters of this nature -- we believe it would be helpful if you could also adopt the measures outlined below. We, of course, recognize that security considerations impose certain limitations on liberalization, but we believe that the political situation requires certain calculated risks in order that the public and world opinion will become convinced of the sincerity of the steps you are taking to evoke broad participation in your efforts to improve security and develop the economy and institutions of Viet-Nam. It is our belief that the liberalization schemes should be clear-out, effective, and of a broad nature so that the impact of their announcement will have the desired beneficial effect on the public here and abroad and will enhance the public support for your regime. With this thought in mind, it is suggested that:

1. In connection with the excellent new method of having Ministers defend their budgets before Assembly Committees, it would be advantageous from a political and press point of view either to publicize these hearings in full or at least to give fairly full minutes of these meetings to the press.

2. As has already been suggested, it would be politically worthwhile to authorize the Assembly to conduct investigations of any Department or Agency, of the Government. While public hearings would be politically more useful, closed hearings could be held providing the results of the investigations are made public in considerable detail.

3. While it is realized that it is not a simple matter to work out an effective domestic press code, we believe it would be most beneficial to a better understanding of the fruitful efforts being made by your Government on behalf of the people and a better appreciation of the many problems you and your colleagues have to face, if the Assembly could adopt in the near future a fairly liberal press code. If this cannot be accomplished shortly, the press should be encouraged to set up machinery to police itself. Under such a system the Government should only intervene if articles are flagrantly dishonest, inaccurate, or favorable to the Communists. In case of a breach of the press code it might be better to require the paper to publish a full retraction rather than confiscate the particular edition or suspend the newspaper.

4. I have already discussed with you our suggestions on ways and means to have more favorable foreign press coverage. In this connection, the Department of State believes that it is almost as important for your Government to have favorable foreign press relations as it is to have diplomatic recognition from friendly countries. The Department suggests that you continue to have periodic press conferences such as those recently conducted by Mr. Thuan, that

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