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Enclosure 1
Despatch 157
From Saigon

ENGLISH TEXT OF MEMORANDUM HANDED TO PRESIDENT DIEM

Mr. President, in your struggle for survival against the Viet Cong, you have taken many wise steps with respect to the security forces of the Government, and I understand that you are in the process of setting up a national Internal Security Council and a centralized intelligence agency as important and necessary additional steps toward giving effective guidance to and making maximum use of the security forces. We have recognized the increased security threat to your Government and the additional needs of your security forces. We have shown this recognition by the comprehensive program for training, equipping and arming the Civil Guard which I have just explained, by our furnishing special forces personnel for the anti-guerrilla training of ARVN and by supplying the special equipment needs of ARVN for the war against the guerrillas.

Our serious concern about the present situation is based, however, not only on the security threat posed by the Viet Cong, but also on what to us seems to be a decline in the popular political support of your Government brought on in part, of course, by Viet Cong intimidation. As your friend and supporter, Mr. President, I would like to have a frank and friendly talk with you on what seems to be the serious political situation confronting your Government. While I am aware that the matters I am raising deal primarily with internal affairs and, therefore, in ordinary circumstances would be no concern of mine, I would like to be as helpful as I can by giving you the considered judgment of myself and some of my friends and your friends in Washington on what we hope would be appropriate measures to assist you in this present crucial situation.

I believe that your speech to the National Assembly on October 3, in which you stated that your Government has decided to reorganize certain of its institutions and to rationalize and simplify its working methods, indicates that we may be thinking to some extent at least along the same lines.

I would like particularly to stress the desirability of actions to broaden and increase your popular support prior to the 1961 Presidential elections. It would seem to me that some sort of a psychological shock effect would be helpful in order to take the initiative from the Communist propagandists as well as the non-Communist oppositionists, and to convince the population that your Government is taking effective political as well as security measures to deal with the present situation. It would appear that, unless fully effective steps are taken to reverse the present adverse political trend, your Government will face an increasingly difficult internal security situation. It is our carefully considered view that small or gradual moves are not adequate. To attain the desired effect, moves, major in scope and with extensive popular appeal, should be taken at once. Specific actions which we would suggest are as follows:

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