

-2 624, SEPTEMBER 16, 6 PM (SECTION TWO OF TWO) FROM SAIGON

6. RELAX EXISTING MINISTRY OF INFORMATION CONTROL OVER COGENT OF THE VIETNAMESE PUBLIC MEDIA (PRESS, MAGAZINES, RADIO), SO THAT THEY MAY CONTRIBUTE TO WIDER DISSEMINATION OF FACTS TO DISPEL RUMORS, ESPECIALLY WITH RESPECT TO RECOMMENDATIONS 4 AND 5 ABOVE, AND THUS TO CLOSING THE GAP BETWEEN GOVERNMENT AND ITS PEOPLE BY TRANSMITTING IDEAS FROM ONE TO THE OTHER. TO INSURE THAT THE PRESS WOULD REFLECT, AS WELL AS LEAD, PUBLIC OPINION WITHOUT BECOMING A MEANS OF UPSETTING THE ENTIRE GVN STRUCTURE, IT SHOULD BE HELD RESPONSIBLE TO A SELF-IMPOSED CODE OF ETHICS OR "CANON" OF PRESS-CONDUCT.

7. LAUNCH MAJOR PROPAGANDA CAMPAIGN ABOUT NEW 3-YEAR DEVELOPMENT PLAN IN EFFORT CONVINCE PEOPLE THAT GOVERNMENT GENUINELY AIMS AT IMPROVING THEIR WELFARE. (THIS SUGGESTION DEPENDENT OF COURSE UPON ASSESSMENT OF SOUNDNESS OF DEVELOPMENT PLAN, WHICH HAS JUST REACHED US.)

8. ADOPT FOLLOWING MEASURES FOR IMMEDIATE ENHANCEMENT OF PEASANT SUPPORT OF GOVERNMENT: (A) ESTABLISH MECHANISM FOR INCREASING PRICE PEASANT WILL RECEIVE FOR PADDY CROP BEGINNING TO COME ON MARKET IN DECEMBER, EITHER BY DIRECT SUBSIDIZATION OR ESTABLISHMENT STATE PURCHASING MECHANISM; (B) INSTITUTE MODEST PAYMENT FOR ALL CORVEE LABOR; (C) SUBSIDIZE AGROVILLE FAMILIES ALONG SAME LINES AS LAND RESETTLEMENT FAMILIES UNTIL FORMER ON FEET ECONOMICALLY; (D) INCREASE COMPENSATION PAID TO YOUTH CORPS. IF DIEM ASKS HOW THESE MEASURES ARE TO BE FINANCED I SHALL SUGGEST THROUGH INCREASED TAXES OR INCREASED DEFICIT FINANCING, AND SHALL NOTE THAT UNDER CERTAIN CIRCUMSTANCES REASONABLE DEFICIT FINANCING BECOMES A POLITICALLY NECESSARY MEASURE FOR GOVERNMENTS. I SHOULD ADD THAT USING REVENUES FOR THESE FUNDAMENTAL AND WORTHY PURPOSES WOULD BE MORE EFFECTIVE THAN SPENDING LARGER AND LARGER SUMS ON SECURITY FORCES, WHICH, WHILE THEY ARE ESSENTIAL AND SOME ADDITIONAL FUNDS FOR EXISTING SECURITY FORCES MAY BE REQUIRED, ARE NOT COMPLETE ANSWER TO CURRENT PROBLEMS.

9. PROPOSE SUGGEST TO DIEM THAT APPROPRIATE STEPS OUTLINED ABOVE BE ANNOUNCED DRAMATICALLY IN HIS ANNUAL STATE OF UNION

MESSAGE TO