

S E C R E T

The Ambassador

September 4, 1963

Rufus Phillips

Conversation with a usually reliable, well-informed source
on 2 September 1963

1. Source asked me to warn the American "secret service" that Nhu would make a major attempt to incriminate it; that the article in the Times of Vietnam was only the beginning. Source said that the Americans should be particularly wary of possible provocateurs and penetrations. He was not absolutely certain but believed that Nhu had already penetrated the "secret service" and would produce some concrete evidence of this. Much of the attack would probably focus on USIB as a cover mechanism of the "secret service."

2. Source also informed me that the Papal Delegate, Asta, and the Italian Ambassador were attempting to persuade Mr. Nhu to leave Vietnam. He did not believe that Nhu would honestly agree to leave or that the President would agree to his leaving unless someone replaced him who also had the President's confidence. The only person suitable as a replacement would be the youngest brother, Ngo Dinh Luyen, now Ambassador in London. Luyen, according to source, had the respect and liking of the Army, the flexibility needed to deal with the situation and to rally good people again around the President. However, he felt it might be difficult to persuade Luyen to come. The only person who might be able to persuade him, he thought, was General Lansdale.

3. In answer to a question on his opinion of Thuan as a possible replacement for Nhu, if he went, source said that he felt this would be going from bad to worse. Thuan, he said, is widely known to be thoroughly dishonest and he is, therefore, not respected by the Army or civilians. Moreover, Nhu completely controlled Thuan since he (Nhu) had a complete dossier on Thuan's illegal financial transactions and fund transfers to French and Swiss banks. Nhu could have Thuan jailed in an instant by revealing this evidence to the President or he could have him assassinated and Thuan knew it. Therefore, a replacement of Nhu by Thuan, as the chief advisor to the President, would only result in a retention of the Nhu entourage and business as usual by this entourage during Nhu's absence.

S E C R E T

GROUP 4
Downgraded at 3-year intervals.
Declassified after 12 years.