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## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, USOM

DATE: May 14, 1963

FROM : Assistant Director for Rural Affairs

SUBJECT: Conversation with Counselor Ngo Dinh Nhu on 7 May 1963

1. Mr. Nhu began the conversation by discussing the strategic hamlet program. He regarded the growing spirit of "revisionism" within the Government which was changing the attitude of Government officials; and the stopping of assassinations of local Government officials as the two major achievements of the Strategic Hamlet Program during the past year. He was very critical of the way the program had been executed in the Western Zone (South of Saigon) and said that only 20% of all hamlets there could be considered to have any value.

2. He was critical of the military's desire to achieve spectacular victories when, he said, the war could only be won by small unit operations and small combat actions. He said he had told General Khanh that his operation into the Do Xa area in Quang Ngai would only result in VC attacks in other areas such as Kontum or Cheo Reo. Mr. Nhu said that the Vietnamese military did not realize that the time was not ripe for large scale victories against the communists. They had to be isolated from the population first.

3. He said he had argued with the President about pursuing too many major objectives at the same time in the Delta. Efforts should be focused upon specific areas. He criticized the Government for giving the Province Chiefs too many tasks with insufficient support and remarked that this resulted in either financial irregularities or work done entirely for show purposes which lacked any substance.

4. Nhu then spoke of the difference in progress of the Strategic Hamlet Program between regions of the country. He claimed that a major factor was the character of the population which was more vigorous and even fanatical in the Center than in the South. The relatively easy life of the population in the south made them lazy and indifferent. Moreover, the South had been without any capable leadership for too long under the French. Emperor Thu Duc had made the great mistake, he said, of withdrawing all the "cadres" (mandarins) above village level from the South when the French had conquered it. This had left an administrative and political vacuum.

5. At this point, I remarked that faced with the indifference and even hostility of much of the population in the South, province chiefs and other provincial officials reacted in two ways in carrying out the Strategic Hamlet Program. Some used persuasion to generate a spirit of confidence in the

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population and then used this spirit as a base for constructing the hamlets. Others, not understanding that the Strategic Hamlet was "a state of mind," tried to create them "by command." This produced the illusory hamlets which he had mentioned earlier. Nhu said he agreed with this analysis.

6. Mr. Nhu then brought up what he regarded as some problems in the use of American funds in the province. He said many provincial officials were too extravagant in the use of funds. One thing which contributed to this was the bidding procedures which had to be followed to meet American rules and which resulted in collusion among the bidders. I quickly pointed out that this requirement for bids on all purchases above 100,000 piastres was not an American rule but one imposed by his own Interministerial Committee, which had specified that the Province Chiefs had to follow GVN rules in disbursing USOM funds. I said we had originally proposed a much simpler procedure of getting quotations directly from several suppliers simultaneously, thus preventing collusion. He then said that what was also needed was a system of simple end-use checks on the various items bought and distributed. Rice was more difficult because it was consumed, but the receipt of equipment, such as shovels for instance, could easily be checked very carefully with the population. He said that he intended to enlarge the corps of inspectors under Colonel Lac, give them special training and also give them special status so that they could circulate more freely in the provinces. He especially did not want them staying with the province chief and "drinking the province chief's whiskey" which negated the whole purpose of their mission. He criticized the existing Ministry of Interior regional inspectors as old functionaries who were corrupt themselves.

7. I said that I was very glad he had raised this issue because the function of inspection and control was one which could only be executed effectively by the Vietnamese themselves. I said perhaps the Government might have gotten the impression that the Joint Government - US Committee in the provinces had been set up as a control device but this was not the main reason for its existence. It was conceived of and had operated rather as a device for facilitating expenditures in support of the program. Originally, I recalled, existing GVN procedures had not proved flexible enough. Even when money had been sent personally to the provinces by Mr. Nhu, the Province Chiefs had been able to spend only half of it within a year's time. This was because the procedures were too restrictive and many province chiefs had been afraid to spend these funds.

8. I went on to say that perhaps the Government had also gotten the impression that we had put representatives into the provinces to control the Government at that level and that they had somehow been undermining the Government. This could not be further from the truth. What we had been doing was

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precisely the opposite. We had, in fact, been strengthening the entire Government by providing it at the critical provincial level with the means to reach the population. I said that before the Government had been weak in the provinces because the support given at that level was insufficient and too inflexible for the tasks that the provinces had to carry out. I said that I had also gotten the impression that perhaps the Government thought what we had been doing was wrong and I would like to know what the Government did think. I said this was very important if American aid was to be successful because the effectiveness of this assistance depended in great part upon the morale and spirit of the people who administered it. Most of them, I said, were volunteers like myself who can come to Vietnam without "arrière pensées" and with an open heart to help.

9. Mr. Nhu thought about this for a minute and said he welcomed this frankness and that he appreciated our help, particularly in the provinces. We must not think, he said, that the Government did not understand or appreciate what we were trying to do. He said that the Government had come to the conclusion there were just too many Americans in Vietnam. What was needed, he said, was less Americans in general but more who were well selected and were true ambassadors for their country. He said the main thing the Government asked was that the Americans be discreet in the way they handled their advisory role and if they saw something wrong, that they report it to the Government who would take corrective action. He realized that many problems existed but they should be kept in the family. He said he appreciated the way we had handled problems in this fashion and he was not referring to our people but to others who had aired their complaints or given their opinions direct to correspondents, or had tried to undercut their superiors. He said that when the Americans first came to Vietnam, he had seen several great virtues in them which he particularly appreciated. They were hard-working, sincere, and disciplined in their work. Now, he said, with so many Americans in Vietnam, many of whom were obviously not well selected, the impression was that they were not disciplined. He said this was creating a bad effect on the Vietnamese who were already much too undisciplined themselves. This was also providing too great an opportunity for VC propaganda. He said he had proposed to General Taylor, when he was last in Vietnam, that most of the American military personnel be pulled out periodically for a month's vacation in the Philippines or Hong Kong so they could keep their discipline while in Vietnam, but that the Pentagon wouldn't agree to it. He said he was studying the matter and planned to present some proposals about it soon.

10. He said he would like to achieve a better common understanding and relationship between Vietnamese and Americans, particularly in regard to those working together in the provinces. This was necessary for the success of the whole effort. He said he would study that also to see what could be done.

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