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MEMORANDUM FOR THE RECORD

July 12, 1963

FROM: R. C. Phillips, Assistant Director for Rural Affairs  
SUBJECT: Conversation with General Van Thanh Cao on 11 July 1963

General Van Thanh Cao, Delegue to the Eastern Provinces, told me at 7:30 p. m., 11 July, that he had just come from an informal meeting of all Vietnamese Army Generals with Counselor Nhu. Meeting had been called by Nhu with apparent approval of the President.

During the meeting, Nhu discussed the Buddhist problem very frankly, admitted that the Government had made mistakes and solicited the cooperation of the generals in surmounting the crisis. At the same time, he announced the Government's intention to appoint to active position, those generals who were currently without jobs.

Generals Le Van Kim and Pham Xuan Chieu were to be appointed as Inspectors of the Strategic Hamlet program while General Mai Huu Xuan would be reassigned to intelligence duties.

In the course of the meeting, Counselor Nhu strongly criticized Ngo Dinh Canh's handling of the situation in Hue, characterizing it as "stupid." He also criticized Bishop Thuc for abusing his position by utilizing army trucks to carry sand and cement for a building he was constructing. Nhu asked General Nhien to stop supplying the Bishop with trucks or any other assistance.

According to General Cao, the meeting was marked by a free exchange of opinions and Nhu did not do all of the talking. At the end of the meeting, Nhu said he wanted to continue to have an informal weekly meeting with all the generals.

General Cao said he believed that Counselor Nhu had concluded that the Government's situation was desperate and had therefore decided to change his tactics. Cao's impression was that what Nhu had to say was well received by the generals and that a very critical situation had been relieved, at least temporarily. (General Cao is not accepted as a "member of the club" by the other generals. Therefore, his opinion of their receptivity was necessarily based on the overt reactions he could observe.)

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

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General Cao said that the Government was now undergoing its most serious crisis, more serious than the crisis with the Binh Xuyen, because at that time the President had the population on his side. At present, it was very hard to get the President to act because he did not know whom to believe. General Cao then said that because the situation was so serious and because the President appeared to have little confidence in those currently advising him, he wondered if it would be possible to recall General Lansdale to Vietnam. Cao said he believed that General Lansdale was the only person to whom the President would listen. I replied that I did not know, but would convey his opinions to my superiors.

Comment: General Cao's statements in the above paragraph were entirely unsolicited by me and are not inspired by the recommendations made in my Memorandum to Mr. Trueheart of 5 July.

General Cao is a person in whose sincerity I have the highest confidence. I strongly believe that he was telling me his honest impressions of the current situation.

cc: Ambassador Nolting  
Mr. Brent  
Mr. Trueheart  
Mr. Richardson

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