

~~TOP SECRET~~

EX-2

MEMORANDUM OF CONFERENCE WITH THE PRESIDENT  
 September 10, 1963, 10:30 AM -- Subject: Vietnam

Others present: Secretary Rusk, Secretary McNamara, Attorney General, Director McCone, Director Bell, Director Murrow, Under Secretary Harriman, Deputy Secretary Gilpatrick, Ambassador Nolting, General Krulak, Assistant Secretary Hilsman, Mr. Phillips (AID), Mr. Mendenhall (State), Mr. Colby, Mr. Bundy, General Clifton, Mr. Forrestal, Mr. Bromley Smith

The meeting was held to hear from the travelers who had returned from Vietnam.

General Krulak submitted his report, attached, and read his eight conclusions (documents attached).

FSO Mendenhall summarized his report reflected in telegram 453 from Saigon, attached. He emphasized the breakdown of civilian government in Saigon, accompanied by civilian fear and hate of the Nhus. He said that the northern cities and provinces had been affected by the persecution of the Buddhists, but that the southern provinces had not. He foresaw the possibility of a religious war or a large-scale movement to the Viet Cong. He said Minister Truehart agreed with him that Nhu must go if the war is to be won.

The President asked for an explanation as to why the views of competent intelligent people should be so different. Mr. Hilsman said it was the difference between a military and a political view.

General Krulak replied that the metropolitan view, or the view of those studying the situation in the cities, is reflected in Mr. Mendenhall's report. He said his report reflects the view held in the Vietnamese countryside. He believed strongly that we can stagger through to win the war with Nhu remaining in control.

Ambassador Nolting commented on Mr. Mendenhall's statement that the fear and hatred of the Diem regime as of today was equal to that in the fall of 1961. He pointed out that fear and hatred in 1961 had dissipated as the government improved its war effort and its relations with the Vietnamese people. He predicted that the present situation would work out in the same way and stated his belief that the present government will bear the weight of our program.

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Mr. Bundy objected to the analogy, which he said was not similar. In 1961 the hatred and fear was directed against the Viet Cong. It is now directed against the Diem government.

Mr. Phillips, the Director of the AID Rural Assistance Program in Vietnam, was asked to state his views. He began by saying he had known Vietnam since 1954 and had close personal relations with both Diem and Nhu. He said Nhu had lost the respect of a majority of Vietnamese civil service officers who would change the government if there was any alternative. He believed there was a crisis of confidence in Vietnam.

He said Ambassador Lodge agreed that General Lansdale should be sent to Vietnam. He believed we could win with General Lansdale. He discounted U.S. military advisors as a source of political information because MAAG policy had been to discourage U.S. officers from discussing political matters with their Vietnamese opposite numbers.

The President asked Mr. Phillips what he would do specifically. Mr. Phillips replied that he would cut off U.S. aid to Colonel Tung, commander of the Special Forces. This would in effect be a psychological squeeze. The Vietnamese generals say that they can't move as long as we support Colonel Tung. In addition, he would withdraw support from our motion picture program which is producing films laudatory of Nhu. He suggested that as long as our operations continue in Vietnam we should place strings on our aid.

Ambassador Nolting asked where such graduated pressure would lead us. There could be military action against Diem or Nhu. There could be civil war or a palace revolution, or Nhu could leave the country.

Mr. Phillips believed there was a chance of splitting Nhu from Diem. If we acquiesced in the actions which Nhu had taken against us, the result would be further loss of support of others in Vietnam.

The President commented that Nhu was capable of seriously weakening the existing government, and then leaving for France. We would then be blamed for the resulting collapse of the country. Mr. Phillips responded that the Vietnamese army would not stand for this. He pointed out that we could support military officers in the provinces separately from Saigon headquarters.

General Krulak noted that the military advisers were competent to report on whether or not the war is being won in Vietnam, but that they were not competent to comment on palace intrigue.

In reply to the President's question as to what he thought of the military situation, Mr. Phillips said that Corps I, II, and III were OK, but that the war effort in the IV Corps in the delta south of Saigon was going to pieces. He said the strategic hamlet program there was collapsing. When questioned by Mr. Hilsman, he acknowledged that his comment on activity in the IV Corps referred to developments in Vietnam before August 20th.

General Krulak disagreed and said that Mr. Phillips' view differed from General Harkins' view. He pointed out that the IV Corps area is the most difficult area, but the military hoped to drive the Viet Cong into this area so that they could be destroyed as they became compressed in a smaller region. He repeated his view that the battle is not being lost from the military point of view.

Secretary Rusk asked about a report that the Viet Cong was turning its attention to the Vietnamese situation in order to cause difficulties for the government. Mr. Phillips responded that the Viet Cong is doing very well in the provinces and is overrunning many strategic hamlets.

Mr. Mechling of the USIA in Saigon was asked to state his views. He concurred in Mr. Phillips' views and said the U.S. image was being hurt. Feeling in Vietnam is that the U.S. should do something. The military effort will drop off in the future as officers become disaffected as a result of Diem's oppression of the people. He said that the program proposed by Mr. Phillips was inadequate and that the suspension of aid was not enough

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Withholding U.S. aid would create chaos in Vietnam for months. There is a chance that everything we try will fail and we would be obliged to use U.S. forces in the last resort to protect U.S. lives.

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We might even have to use U.S. forces to support the war effort in Vietnam. (Mr. Mechling apparently read from notes which were later circulated by him (copy attached).

Secretary Rusk said that in May and June we had estimated that we could win the war with the Diem government. He suggested that we analyze the actions taken by Diem in July and August to decide whether the situation can be returned to that which existed last May. He acknowledged that Ambassador Lodge had found great difficulty in getting Diem to look at current problems. He suggested that the group digest the reports which have been made and return to the President with recommendations.

Under Secretary Harriman commented that we had had warning months ago that the situation was coming apart and could not continue with Diem. He cited a report by William Jorden which predicted last March that a blowup with Diem would occur by the end of the year. He acknowledged that Secretary Rusk may not have seen these reports.

Director McCone summarized the intelligence community's estimate of last May and read portions of the July 10th estimate. The later forecast trouble but not so great that it would not be possible to correct the situation. The current view of the intelligence community is not as ominous as that expressed by the civilian reporters today. The Vietnamese military officers will work with Nhu. Any aid cutoff would seriously affect the war effort.

The President suggested that the group meet again tomorrow. At that meeting we should have a preliminary draft of how we would cut U.S. aid funds if we decided to do so. This draft should be coordinated so that it can be discussed and decided.

The President commented on the difference in press reports about our policy toward Diem. He said differences of view should be fought out here and not in the press. The differences between the military and the political officers should not become public knowledge. What had happened was that we had tried something and it had been unsuccessful. We were now in another stage. He regretted the motivation of someone who would tell the press to take a picture of a truck carrying a U.S. aid

symbol which was being used to haul Vietnamese students to jail. He did not believe this was the way to carry out an effective policy.

The President raised the question of relations with Congress on this subject and asked for views as to whether we should support a Congressional resolution condemning Diem's actions. Mr. Hilsman replied that the problem was not to start Congress but to stop it. He discussed Senator Church's efforts to introduce a resolution and predicted that Church would be responsive to wording which we suggested as well as to the timing of the introduction of a resolution.

The President said we should decide whether we thought a resolution was advantageous. If we decided it was, we should then get the full support of Senators Manfield and Dirksen. The worst possible situation would be to have a resolution put up and then defeated.

Mr. Bundy asked what our position should be toward Madame Nhu's visit to the U.S. The President responded that we should ask Diem by letter to keep her from coming to the U.S. Our efforts should be to get Diem to keep her out rather than to resort to administrative measures involving her diplomatic passport.

Bromley Smith