

SUMMARY OF VIEWS OF PRESIDENT DIEM  
as reported to Lloyd D. Musolf  
on December 4 and 5, 1960  
for transmission to President Hannah

A. General Comments

1. The French hold a grudge against Vietnam because of the loss of their financial and political power and their being supplanted by Americans.

Although Vietnam has not profited as Laos and Cambodia still do from French aid, Vietnam has been generous in aiding French rubber plantations. Laos and Cambodia owe independence to Vietnam.

2. The philosophy of the regime is based on respect for the human being and on cooperative community spirit.

Redistribution of land in villages every three years.  
Build democracy through individual economic improvement.  
Social progress will emerge from economic autonomy.  
Middle class retained through permitting large landowners to keep 100 hectares.  
Agricultural and commercial loans--to break French and Chinese monopoly on capital.  
Pushed use of tractors to cut costs of development.  
Vietnamese commercial group enlarged through import and export controls and government credit.  
Community work is honorable feature and is applied to agrovilles; lack of land taxes a justification.  
Until 1957 rice export forbidden in order to permit people to build up health and nourishment.  
Minimum wage of 45 piasters; no other Southeast Asia country has minimum wage.  
Agrovilles bring benefits of modern living to farmers; these will be modern cities with individual gardens, fish to eat and sell, a lake for drinking water, modern stores.  
Organization of youth as reservoir for manpower and to provide information for police and sureté.  
Punishment of corruption wherever proven.  
An additional notable in each village will be provided to be in charge of youth.

3. The country was under Communist armies for nine years (1945-54) and this factor is not taken into account in criticisms of lack of freedom and progress.
4. Communist terrorism exists because of great progress made by Vietnam; the communists are not listened to by the people; it is the President who has the ideology that resounds in the hearts of the people.
5. Arrests are made only for communist activity, not harmless opposition; those arrested, even communists, are re-educated if at all possible.
6. The communists have other weapons beside terrorism; the most important of these is propaganda about government ineffectiveness, spreading their views among the opposition, youth and intellectuals; another is the infiltration of boundaries, especially in the north, because of knowledge that Vietnam has insufficient troops; but easiest way is to start trouble so that government will fall.

7. The foreign press reflects communist propaganda against the government; it also makes the mistake of drawing parallels with Korea, Turkey, Japan and other countries with student riots.
8. The oppositionists, the so-called politicians, are men with little ability or courage on the record; yet, as opportunists they try to exploit difficulties and follow communist-inspired lines of criticism; they have the ear of the foreign press.
9. The President's family serves Vietnam ably, honestly and unselfishly; the President has a right to choose his advisors.

Accusations that Mme. Nhu has large commercial connections are unfounded; she acts as hostess and serves in Assembly.

Nhu is brilliant, well respected by intellectuals; as expert on labor unions, has succeeded in preventing strikes.

Luyen, Ambassador in London, is an able cadastral engineer who owes original appointment in diplomatic field not to the President but to Bao Dai, who was his classmate in France.

Thuc studied in Rome and has many classmates who are now cardinals and bishops; respected as a professor; accused of getting into commerce--admittedly he buys properties but proceeds from enterprises are used for religious purposes.

Can, sick for a long time with heart disease, has gratitude of people in center because of way he protected them against communists after 1945.

10. The National Assembly has in it intellectuals of great quality and is much more distinguished than other legislatures in Southeast Asia.
11. The paratroop officers who led the recent coup are men of weak character, questionable connections, and have close family ties with lawyer Thuy, the main civilian in back of the coup, himself a man of very questionable character.
12. The President could have crushed the paratroopers soon after the coup began, but, realizing that they were deceived and having affection for them as "his children," he relied on psychological warfare to end it.
13. The foreign press committed a criminal aberration in not recognizing that the paratroopers were deceived; the press gave no acknowledgment of the President's speech to paratroopers the next day, although it was broadcast on the radio and reported in the "Vietnam Press." The President showed his further trust in paratroopers by rearming them and sending them back into operations against communists.
14. The foreign press of countries calling themselves democratic insults Vietnam and the democratically-elected National Assembly by the scandalous remarks that are made.

B. Criticisms of United States Policy

1. USOM's stress on increasing taxes (too low on per capita basis).

Further taxes would raise cost of living, affect value of piastre, and prevent development of industry (industry thinks minimum wage too high now).

Community work is in place of taxes; objection by Americans contradicts American ideal of democracy and free choice.

2. USOM's failure to supply bulldozers in early days for building of rural roads and clearing of jungle and highlands for resettlement.
3. Failure to increase Army by 20,000 in order to permit adequate defense of country.

Americans pointed to lack of communist terrorism and said economic aid was what was needed.

But through organization of military forces into army divisions instead of light battalions in each province as under French, the provinces were left exposed.

Vietnam, unlike Korea, has less people than its communist opposite number, only one-fifth as many troops, no GI's, a longer boundary, and more difficult terrain, and was not occupied for long by communists.

4. Failure to make Civil Guard a military force.

MSU had police advisors, and these could think only of civil police force. Americans, imbued with idea of nuclear war, failed to see vital necessity of Civil Guard as paramilitary group to protect provinces.

5. Failure to build airfields.

President Diem built them himself to avoid dispute with United States and long battle over granting of aid.

6. Failure of USOM to see great possibilities of highlands development.

Could have enhanced American prestige by using bulldozers to open up highlands, an area French could not conquer.

7. Failure to see possibilities of Plaines des Jones area.

Said by Americans to be too salty--but this true only in places.

American agricultural experts also failed to see possibilities of fish culture.

8. Americans have criticized Vietnam unfairly for rate of economic progress.

President Diem believes he is justified in holding out for firms willing to use modern machinery, rather than admitting all and sundry. Diem had to make some concessions in this area, however, to demonstrate his reasonableness to USOM.