

~~SECRET~~

APPROVED FOR RELEASE 16 April 1955  
DATE: MAY 2001

NLE MR Case No. 2000-163

Document No. 4

EO 12958  
3.4(b)(1)-25Yrs  
(C)

Memorandum to [REDACTED]

From : [REDACTED]

Subject: [REDACTED]

EO 12958  
3.4(b)(1)-25Yrs  
(C)

1. [REDACTED]

a. Neither Diem's Vietnamese nor foreign advisors have yet produced effective suggestions for Government action to solve the critical Binh Xuyen problem by political means. Ambassador Collins, General Ely, Foreign Minister Do, all advocate moderation and conciliation, but their efforts in this direction during the last two weeks have admittedly not produced concrete results. All attempts to negotiate with the Binh Xuyen since 29 March confirm Diem's previous and current estimate that the Binh Xuyen is not prepared to negotiate but is staking everything on a rigid position in the hope that Diem will give in to Binh Xuyen demands and/or resign.

b. Those of Diem's advisors who advocate the use of force against the Binh Xuyen are pressing him for action. They point out that the only elements profiting from the present stalemate are the Viet Minh and those who are seeking for their own purposes to disrupt free Vietnam.

c. In a letter to Diem dated 12 April General Ely informed him that he continued to oppose Diem's plan to take control of the Surete by force because bloodshed and civil war would result. Diem gathered from his interview of 13 April with Ambassador Collins that the latter has made no progress in obtaining Bao Dai's support for the transfer of the Surete.

d. As of 13 April French and American thinking appears to be much as it was at the time of the Hinh crisis. When Diem insisted on removing Hinh, both the French and the Americans claimed that this action would lead to bloodshed and civil war, that the FAVN supported Hinh and would rise against the Government, and that the Government should temporize and seek a negotiated solution. Diem believes that in this instance his judgment has been borne out by events; Hinh was removed and neither civil war nor FAVN revolt followed. Similarly in the present crisis Diem believes that his judgment is correct. He does not think that using force against the Binh Xuyen will bring on civil war. He believes rather that the use of force is essential to remove the Binh Xuyen from the Surete and thus establish

*Ely Bao Dai not Diem*

~~SECRET~~



~~SECRET~~

the Government's authority in the capital. This is a prerequisite to proceeding with plans for demobilization and training of the FAVN and for a solution of such problems as the sects, the National Assembly, land reform, etc.

EO 12958  
3.4(b)(1)>25Yrs  
(C)

2.

a. The Binh Xuyen is not likely to withdraw from the city and go underground as guerrillas, either in the region south and east of the city or in the Hoa Hao areas of western Cochinchina. The region south of Saigon is short of food and drinking water and its sparse population is not sympathetic to the Binh Xuyen. The region would probably have to be supplied by the Saigon-Baria highway which is of major interest to the French since its the principal link between Saigon and the French bases in and about Cap St. Jacques and Long Hai. Withdrawal westward to the Hoa Hao area would also be highly unsatisfactory for the Binh Xuyen. They have no lasting political or religious ties with the Hoa Hao people and are presently allied to General Soai only by a common desire to overthrow Diem. Under these circumstances it is doubtful that Soai would consent to absorb into his territories any large numbers of Binh Xuyen forces.

b. Though Bay Vien is personally capable of ordering his forces to carry out acts of wanton destruction if attacked by the FAVN, there is some question whether he could enforce such an order. Some commanders would undoubtedly refuse to carry out such orders which would be tantamount to signing their own death sentences.

c. The present Government plan to use force for the sole objective of taking control of the Surete combined with an offer to integrate some Binh Xuyen forces into the FAVN probably represents the best solution. By limiting its target to obtaining control of the Surete the Government makes it clear that it is not acting against all Binh Xuyen personnel and minimizes the extent of political repercussions, since control of the Surete is not a common investment of the sects or of the Unified Front but is an exclusive interest of Bay Vien's. Moreover, Diem's proposed action does not involve Bao Dai in the present crisis. This appears desirable from the point of view of both men: Diem does not wish to appear dependent on Bao Dai; Bao Dai is popularly believed to have sold control of the Surete to Bay Vien at a handsome price.

Except  
ED...  
against  
use of  
force

d. It is impossible for Diem to broaden his Government and to proceed with constructive programs while Bay Vien remains in control of the Surete and the FAVN is immobilized. Political figures will not accept responsibility as members of the Diem Government while Diem is unable to guarantee them even a modicum of protection against lawless elements or even against the Surete itself.



~~SECRET~~

~~SECRET~~

e. The Government realizes that a solution of the Binh Xuyen problem will still leave the Hoa Hao to be dealt with. However, the Hoa Hao dissidents will be confined to the western areas of Cochinchina and will have little political support from other groups. Some Hoa Hao elements are prepared to cooperate with the Government, and General Soai's position will quickly deteriorate if he assumes a guerrilla role in Long Xuyen. In any case, the immediate problem is that the effective conduct of Government business is at present largely paralyzed by Binh Xuyen control of the Surete and the presence of Binh Xuyen armed forces within and on the outskirts of the national capital.



EO 12958 3.4(b)(1)>25Yrs  
(C)



~~SECRET~~