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18 September '963

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion - Secretary Rusk's conference room -
Tuesday evening - 6:00 p.m. - 16 September 1963

ATTENDING: Secty. Rusk, Secty. McNamara, Mr. Bundy,
Gov. Harriman and McCone

1. Secretary Rusk presented a personal communication from Lodge, the intimacy of which was indicated by the fact that Lodge actually typed the letter himself. The letter extolled the capabilities of John Richardson and then went on to say that a new face was necessary to handle the change in the South Viet Nam government and therefore Lodge recommended that General Lansdale be sent out immediately. He went on to say that since General Lansdale would need a staff he would propose that Lansdale be made Chief of Station and the CAS staff report to Lansdale. This matter was left for discussion with the President on the following day.

2. There then followed a long discussion of a series of papers prepared by Hilsman which involved two courses of action, which became identified as Track I, i.e. persuasion and influencing Diem to improve his posture and the posture of his government in South Viet Nam and in world opinion; and second, the Track II, progressive actions to force Diem either to agree to modify his policies or to remove him. Track II involved four phases, each progressively stronger in the implementation of sanctions.

3. It was agreed that a choice had to be made as to whether we would go Track I or Track II. The consensus of opinion was that the paper should be reconsidered on the basis of expanding Phase One of Track II to include many of the suggestions made in Track I, and by so doing be in a position to move from Phase One to Phase Two, and so forth. No decisions were reached in the meeting. Throughout the meeting basic differences appeared between Harriman, for State, who obviously wishes to dispose of Diem and McNamara who seems to feel we'd better get along with him as the best of all alternatives from the standpoint of winning the war. DCI took no position other than to point out that the prospect of separating Nhu from Diem was indeed dim, there was no alternative on the horizon for Nhu as an advisor to Diem and director of the strategic hamlet program which he had

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handled with considerable skill, and most importantly if we were to force Diem and Nhu too far there is a pretty good prospect they might attempt to engage in a detente with Ho Chi Minh, the price of which would be the removal of U.S. influence from South Viet Nam. A memorandum dealing with this subject was circulated throughout members of the Executive Committee and their staff assistants who had been attending the larger meetings. On Tuesday (17 Sept.) at 5:30 the same group met with President Kennedy. Prior to the meeting State had produced a paper which consolidated Track I and Track II as outlined above. This paper had been rejected by Bundy who had produced a similar paper, much of which was included in the State paper from an action point of view. This paper took the form of a cable to Lodge. (Attorney General attended this meeting but did not attend Monday's meeting.)

4. There was an extended discussion of the content of the proposed cable and a number of revisions were made, the essence of which was to set forth a plan for Lodge to consider and comment upon, but not a directive for action. Also the cable was to be worded in such a way to try to suggest to Lodge that he try to approach negotiations with Diem in a spirit of attempting to reach an understanding rather than laying down the law. The impression was that Lodge is quite rigid and he was inclined to put forth an idea to Diem on a take-it-or-leave-it basis rather than to try to reason with him and influence him or negotiate with him. Decision was made to give Lodge maximum latitude in the administration of aid and other ^{U.S.} programs in South Viet Nam to enhance his prestige and to give him added leverage. DCI raised the question of continuing the relationship with Nhu, pointing out that over the years CAS had had regular meetings with Nhu at about two week intervals and one was now due. Bundy stated that Lodge did not desire such contacts so it was decided no contacts would be made with Nhu except at the direction of the Ambassador.

5. It was obvious throughout the meeting and it was very clearly indicated by the President that there were differences of opinion within the government with Harriman favoring the disposal of Nhu at all costs, McNamara, Defense Department, favoring retention of Nhu in the interests of prosecuting the war. The President pointed out this placed Lodge in an extremely difficult situation; also it was obvious there was some concern over possible impatience on the part of Lodge.

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6. It was therefore decided to send McNamara with such assistants as he needed to survey the situation and to discuss the problems of South Viet Nam with Lodge. Rusk decided to ask Alexis Johnson to remain in Bangkok and to meet with McNamara and Lodge. It was agreed that a briefing officer or perhaps Michael Forrestal should meet with Johnson in advance in Bangkok to bring him up to date as Johnson has not been a party to South Viet Nam negotiations and developments.

7. With respect to Richardson the consensus seemed to be that if Lodge had decided on a change of Chief of Station, he was entitled to make such a request and it should be honored. DCI stated he was perfectly willing to change Station Chief at any time, however he urged this not be done precipitously and that time be provided so there could be a continuity of operation in the Station. This matter was left up to further discussion between Lodge and DCI. With respect to Lansdale's introduction into the picture, Bundy expressed CIA's unalterable opposition and the meeting recognized Lodge's suggestion^{as}/impractical. Furthermore DCI made the point that Lansdale was unacceptable to CIA because of past experience with him; that his introduction would only be useful if an understanding between Lodge and Diem was being sought and Lansdale could be used as a friend in court to Diem; that if the policy was to unseat the Diem government, then Lansdale's presence in South Viet Nam would be detrimental rather than a help and finally that any actions taken with respect to the station should not be precipitous. This was left for discussion between McNamara and Lodge and Johnson. There was no suggestion a CIA representative accompany McNamara, however it is my intention to discuss this privately with McNamara and possibly have Colby go out to South Viet Nam with McNamara. Substance of my comments on the Lansdale assignment were consistent with the attached memorandum of 17 September on this subject.

8. The President asked that I call on General Eisenhower at the earliest moment and bring him up to date on the developments in South Viet Nam. This is arranged for Thursday morning, 19 September.

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