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24 October 1963

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Discussion with Kenneth Hansen of the Bureau of the Budget on the Situation in Saigon at the Time of His Visit

1. In accordance with your instructions, I stopped in to see Kenneth Hansen at the Bureau of the Budget at 1400 today and said I was quite concerned about some of his comments on the situation in Saigon and wondered if he could expand on his previous comments. I told him that we were most particularly worried about the Starnes article that appeared in the Scripps Howard newspapers and the impression that had been created that this was accurate.

2. Hansen said that the Starnes article had appeared in Washington at the time he was in Saigon, and he had seen it there, and it was an accurate reflection of what was being said in Saigon at the time and what Lodge had said to him on his first meeting. He repeated that the Starnes article accurately reflected what people were saying and then added that it was factually inaccurate and not in accordance with his findings during his visit.

3. He went on to describe his initial meeting with Lodge at which were present Colonel Dunn of Lodge's staff and the two BOB representatives with Hansen. Lodge had at that time made the following charges against the Agency:

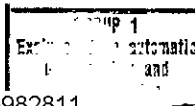
(1) That it was improperly dealing with Nhu who was the opposition;

(2) That it had developed its operations in the north among the hill tribes all out of proportion and was reluctant to turn these over to the military;

(3) That it had failed to achieve sufficient penetration of either the government or the Buddhists and consequently had been surprised at both the government raids on the temples and the Buddhists movement strength;

(EXECUTIVE REGISTRY FILE Vietnam)

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(4) That John Richardson had a palatial mansion and entertained government officials therein;

(5) That CIA constituted too large and too visible a portion of the Embassy in the US mission in Vietnam;

(6) That CIA acted on its own initiative without coordination and without any control from either the Ambassador or Washington.

Hansen said at this meeting he had told Ambassador Lodge that he intended to personally, thoroughly investigate all of the charges listed by the Ambassador, and while he could not comment at the moment on what was going on in Vietnam he could tell the Ambassador that in Washington there was a complete and thorough approval mechanism, and while he (Hansen) did not sit in or participate in the mechanism, he was able to get information on those matters which were of interest to the Bureau of the Budget and was convinced that the system was a good and proper one. After the meeting adjourned Hansen said that Colonel Dunn had taken him aside and told him that perhaps the Ambassador had placed too much stress on some of these items and that Hansen should not be overly concerned about it. Hansen also mentioned that he had told the Ambassador that even though he was a close and long-time friend of John Richardson, he felt quite confidently that he could objectively look into the situation.

4. Hansen went on to say that after what he considered to be a complete and very detailed review of the situation he had had lunch alone with Ambassador Lodge and told him he thought his charges against the CIA were erroneous. He said that he was convinced everything the CIA had done in Vietnam had been approved in Washington, coordinated with and carried out under the directions of the Ambassador, and had been carried out with both good judgment and a high quality of professionalism. He therefore felt that the allegations made in the Starnes article were totally inaccurate even though they reflected what people were saying.

5. I asked Hansen why he thought people in State and the military had been attacking CIA and why it had become such a public debate. He said he felt that it was more of the usual cocktail circuit backbiting against the "spooks" which had been going on, and when the situation had become critical this had been picked up by the press and carried on

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as part of their campaign to try and get rid of the Diem government. He said that there was no doubt in his mind that the press had used the Agency because of the certainty that it was going to get headlines if CIA was involved.

6. I asked him if he had been there at the time of the coup attempt and whether there had been any reflection on our role in it, and he said he had not gotten any playback on this. He then added that I should recognize that at the time of Lodge's first meeting with him, Lodge had not yet had a full briefing from John Richardson and his staff on what the Agency was doing and that this had occurred a few days later.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director

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