the Government of Viet Nam, and that Madame Nhu is traveling in a private capacity and is not speaking for the Government. He conceded that this was a hard sale, but asked that we do our best.

It does seem to me that we can be a little bit helpful in this by emphasizing to editors and correspondents—particularly the editors and particularly in New York—that Buu Hoi is the man who is talking responsibly for the Government of Viet Nam and that his responsible and sophisticated attempts to deal with the situation should not be interfered with by press magnification of quotable comments by a lady who is unfortunately too beautiful to ignore. I passed this suggestion along to Governor Stevenson. You will know best what to do with it on this end.

HC

167. Memorandum From the Chairman of the Joint Chiefs of Staff (Taylor) and the Secretary of Defense (McNamara) to the President


SUBJECT

Report of McNamara–Taylor Mission to South Vietnam

Your memorandum of 21 September 1963 directed that General Taylor and Secretary McNamara proceed to South Vietnam to appraise the military and para-military effort to defeat the Viet Cong and to consider, in consultation with Ambassador Lodge, related political and social questions. You further directed that, if the prognosis in our judgment was not hopeful, we should present our views of what action must be taken by the South Vietnam Government and what steps our Government should take to lead the Vietnamese to that action.


2 Document 142.
Accompanied by representatives of the State Department, CIA, and your Staff, we have conducted an intensive program of visits to key operational areas, supplemented by discussions with U.S. officials in all major U.S. Agencies as well as officials of the GVN and third countries.

We have also discussed our findings in detail with Ambassador Lodge, and with General Harkins and Admiral Felt.

The following report is concurred in by the Staff Members of the mission as individuals, subject to the exceptions noted.

I. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions.

1. The military campaign has made great progress and continues to progress.

2. There are serious political tensions in Saigon (and perhaps elsewhere in South Vietnam) where the Diem-Nhu government is becoming increasingly unpopular.

3. There is no solid evidence of the possibility of a successful coup, although assassination of Diem or Nhu is always a possibility.

4. Although some, and perhaps an increasing number, of GVN military officers are becoming hostile to the government, they are more hostile to the Viet Cong than to the government and at least for the near future they will continue to perform their military duties.

5. Further repressive actions by Diem and Nhu could change the present favorable military trends. On the other hand, a return to more moderate methods of control and administration, unlikely though it may be, would substantially mitigate the political crisis.

6. It is not clear that pressures exerted by the U.S. will move Diem and Nhu toward moderation. Indeed, pressures may increase their obduracy. But unless such pressures are exerted, they are almost certain to continue past patterns of behavior.

B. Recommendations.

We recommend that:

1. General Harkins review with Diem the military changes necessary to complete the military campaign in the Northern and Central areas (I, II, and III Corps) by the end of 1964, and in the Delta (IV Corps) by the end of 1965. This review would consider the need for such changes as:

   a. A further shift of military emphasis and strength to the Delta (IV Corps).
   b. An increase in the military tempo in all corps areas, so that all combat troops are in the field an average of 20 days out of 30 and static missions are ended.
c. Emphasis on "clear and hold operations" instead of terrain sweeps which have little permanent value.

d. The expansion of personnel in combat units to full authorized strength.

e. The training and arming of hamlet militia to an accelerated rate, especially in the Delta.

f. A consolidation of the strategic hamlet program, especially in the Delta, and action to insure that future strategic hamlets are not built until they can be protected, and until civic action programs can be introduced.

2. A program be established to train Vietnamese so that essential functions now performed by U.S. military personnel can be carried out by Vietnamese by the end of 1965. It should be possible to withdraw the bulk of U.S. personnel by that time.

3. In accordance with the program to train progressively Vietnamese to take over military functions, the Defense Department should announce in the very near future presently prepared plans to withdraw 1000 U.S. military personnel by the end of 1963. This action should be explained in low key as an initial step in a long-term program to replace U.S. personnel with trained Vietnamese without impairment of the war effort.

4. The following actions be taken to impress upon Diem our disapproval of his political program.

a. Continue to withhold commitment of funds in the commodity import program, but avoid a formal announcement. The potential significance of the withholding of commitments for the 1964 military budget should be brought home to the top military officers in working level contacts between USOM and MACV and the Joint General Staff; up to now we have stated $95 million may be used by the Vietnamese as a planning level for the commodity import program for 1964. Henceforth we could make clear that this is uncertain both because of lack of final appropriation action by the Congress and because of executive policy.

b. Suspend approval of the pending AID loans for the Saigon-Cholon Waterworks and Saigon Electric Power Project. We should state clearly that we are doing so as a matter of policy.

c. Advise Diem that MAP and CIA support for designated units, now under Colonel Tung's control (mostly held in or near the Saigon area for political reasons) will be cut off unless these units are promptly assigned to the full authority of the Joint General Staff and transferred to the field.

d. Maintain the present purely "correct" relations with the top GVN, and specifically between the Ambassador and Diem. Contact between General Harkins and Diem and Defense Secretary Thuan on military matters should not, however, be suspended, as this remains an important channel of advice. USOM and USIA should also seek to maintain contacts where these are needed to push forward programs in support of the effort in the field, while taking care not to cut across
the basic picture of U.S. disapproval and uncertainty of U.S. aid intentions. We should work with the Diem government but not support it.\(^3\)

As we pursue these courses of action, the situation must be closely watched to see what steps Diem is taking to reduce repressive practices and to improve the effectiveness of the military effort. We should set no fixed criteria, but recognize that we would have to decide in 2–4 months whether to move to more drastic action or try to carry on with Diem even if he had not taken significant steps.

5. At this time, no initiative should be taken to encourage actively a change in government. Our policy should be to seek urgently to identify and build contacts with an alternative leadership if and when it appears.

6. The following statement be approved as current U.S. policy toward South Vietnam and constitute the substance of the government position to be presented both in Congressional testimony and in public statements.

a. The security of South Vietnam remains vital to United States security. For this reason, we adhere to the overriding objective of denying this country to Communism and of suppressing the Viet Cong insurgency as promptly as possible. (By suppressing the insurgency we mean reducing it to proportions manageable by the national security forces of the GVN, unassisted by the presence of U.S. military forces.) We believe the U.S. part of the task can be completed by the end of 1965, the terminal date which we are taking as the time objective of our counterinsurgency programs.

b. The military program in Vietnam has made progress and is sound in principle.

c. The political situation in Vietnam remains deeply serious. It has not yet significantly affected the military effort, but could do so at some time in the future. If the result is a GVN ineffective in the conduct of the war, the U.S. will review its attitude toward support for the government. Although we are deeply concerned by repressive practices, effective performance in the conduct of the war should be the determining factor in our relations with the GVN.

d. The U.S. has expressed its disapproval of certain actions of the Diem–Nhu regime and will do so again if required. Our policy is to seek to bring about the abandonment of repression because of its effect on the popular will to resist. Our means consist of expressions of disapproval and the withholding of support from GVN activities that are not clearly contributing to the war effort. We will use these means as required to assure an effective military program.

\(^3\)Mr. Colby believes that the official "correct" relationship should be supplemented by selected and restricted unofficial and personal relationships with individuals in the GVN, approved by the Ambassador, where persuasion could be fruitful without derogation of the official U.S. posture. [Footnote in the source text.]
VI. OVERALL EVALUATION

From the above analysis it is clear that the situation requires a constant effort by the U.S. to obtain a reduction of political tensions and improved performance by the Vietnamese Government. We cannot say with assurance whether the effort against the Viet Cong will ultimately fail in the absence of major political improvements. However, it does seem clear that after another period of repressive action progress may be reduced and indeed reversed. Although the present momentum might conceivably continue to carry the effort forward even if Diem remains in power and political tensions continue, any significant slowing in the rate of progress would surely have a serious effect on U.S. popular support for the U.S. effort.

VII. U.S. LEVERAGES TO OBTAIN DESIRED CHANGES IN THE DIEM REGIME

A. Conduct of U.S. Representatives.

U.S. personnel in Saigon might adopt an attitude of coolness toward their Vietnamese counterparts, maintaining only those contacts and communications which are necessary for the actual conduct of operations in the field. To some extent this is the attitude already adopted by the Ambassador himself, but it could be extended to the civilian and military agencies located in Saigon. The effect of such action would be largely psychological.

B. Economic Leverage.

Together, USOM’s Commodity Import Program (CIP) and the PL 480 program account for between 60 and 70 percent of imports into Vietnam. The commitment of funds under the CIP has already been suspended. CIP deliveries result in the generation of piastres, most of which go to the support of the defense budget. It is estimated that CIP pipelines will remain relatively large for some five or six months, and within this time period there would not be a serious material effect. Even within this period, however, the flow of piastres to support the defense budget will gradually begin to decline and the GVN will be forced to draw down its foreign exchange reserves or curtail its military expenditures.

Within the domestic economy the existing large pipelines would mean that there would be no material reason for inflation to begin in the short term period. However, the psychological effect of growing realization that the CIP program has been suspended might be sub-
stantial in 2–4 months. Saigon has a large number of speculative traders, and although there is considerable police effort to control prices, this might not be able to contain a general trend of speculation and hoarding. Once inflation did develop, it could have a serious effect on the GVN budget and the conduct of the war.

Apart from CIP, two major AID projects are up for final approval—the Saigon–Cholon Waterworks ($9 million) and the Saigon Electric Power Project ($4 million). Suspension of these projects would be a possible means of demonstrating to Congress and the world that we disapprove of GVN policies and are not providing additional aid not directly essential to the war effort.

C. Paramilitary and Other Assistance.

(1) USOM assistance to the Combat Police and USOM and USIS assistance to the Director General of Information and the ARVN PsyWar Program could be suspended. These projects involve a relatively small amount of local currency but their suspension, particularly in the case of USIS, might adversely affect programs which the U.S. wishes to see progress.

(2) However, there would be merit in a gesture aimed at Colonel Tung, the Special Forces Commander, whose forces in or near Saigon played a conspicuous part in the pagoda affair and are a continuing support for Diem. Colonel Tung commands a mixed complex of forces, some of which are supported by MAP and others presently through CIA. All of those now in or near Saigon were trained either for combat missions or for special operations into North Vietnam and Laos. Purely on grounds of their not being used for their proper missions, the U.S. could inform Diem that we would cut off MAP and CIA support unless they were placed directly under Joint General Staff and were committed to field operations.

The practical effect of the cut-off would probably be small. The equipment cannot be taken out of the hands of the units, and the pay provided to some units could be made up from the GVN budget. Psychologically, however, the significance of the gesture might be greater. At the least it would remove one target of press criticism of the U.S., and would probably also be welcomed by the high military officers in Vietnam, and certainly by the disaffected groups in Saigon.

At the same time, support should continue, but through General Harkins rather than CIA, for border surveillance and other similar field operations that are contributing to the war effort.

We have weighed this cut-off action carefully. It runs a risk that Colonel Tung would refuse to carry out external operations against the Lao corridor and North Vietnam. It might also limit CIA’s access to the military. However, U.S. liaison with high military officers could proba-
bly be fully maintained through the U.S. military advisors. On balance, we conclude that these possible disadvantages are outweighed by the gains implicit in this action.

(3) Consideration has been given both by USOM and the military (principally the JCS in Washington) to the possibility of redirecting economic and military assistance in such a fashion as to bypass the central government in Saigon. Military studies have shown the technical feasibility, though with great difficulty and cost, of supplying the war effort in the countryside over lines of communications which do not involve Saigon, and it is assumed that the same conclusions would apply to USOM deliveries to the field under the rural strategic hamlet program. However, there is a consensus among U.S. agencies in Saigon that such an effort is not practical in the face of determined opposition by the GVN unless, of course, a situation had developed where the central government was no longer in control of some areas of the country. Nor is it at all clear that such diversion would operate to build up the position of the military or to cut down Nhu’s position.

D. Propaganda.

Although the capability of USIS to support the United States campaign of pressure against the regime would be small, the Ambassador believes consideration must be given to the content and timing of the United States pronouncements outside the country. He has already suggested the use of the Voice of America in stimulating, in its broadcasts to Vietnamese, discussions of democratic political philosophies. This medium could be used to exploit a wide range of ascending political pressure. In addition, a phased program of United States official pronouncements could be developed for use in conjunction with the other leverages as they are applied. We must recognize the possibility that such actions may incite Diem to strong countermeasures.

E. The Leverage of Conditioning Our Military Aid on Satisfactory Progress.

Coupled with all the above there is the implicit leverage embodied in our constantly making it plain to Diem and others that the long term continuation of military aid is conditioned upon the Vietnamese Government demonstrating a satisfactory level of progress toward defeat of the insurgency.

F. Conclusions.

A program of limited pressures, such as the CIP suspension, will not have large material effects on the GVN or the war effort, at least for 2-4 months. The psychological effects could be greater, and there is some evidence that the suspension is already causing concern to
Diem. However, the effect of pressures that can be carried out over an extended period without detriment to the war effort is probably limited with respect to the possibility of Diem making necessary changes.

We have not analyzed with care what the effect might be of a far more intensive level of pressure such as cessation of MAP deliveries or long continued suspension of the commodity import program. If the Diem government should fail to make major improvements, serious consideration would have to be given to this possible course of action, but we believe its effect on the war effort would be so serious—in psychological if not in immediate material terms—that it should not be undertaken at the present time.

VIII. COUP POSSIBILITIES

A. Prospects of a Spontaneous Coup.

The prospects of an early spontaneous replacement of the Diem Regime are not high. The two principal sources of such an attempt, the senior military officers and the students, have both been neutralized by a combination of their own inability and the regime’s effective countermeasures of control. The student organizations have been emasculated. The students themselves have displayed more emotion than determination and they are apparently being handled with sufficient police sophistication to avoid an explosion.

The generals appear to have little stomach for the difficult job of secretly arranging the necessary coalescence of force to upset the Regime.

Diem/Nhu are keenly aware of the capability of the generals to take over the country, utilizing the tremendous power now vested in the military forces. They, therefore, concentrate their manipulative talent on the general officers, by transfers, and by controls over key units and their locations. They are aware that these actions may reduce efficiency, but they tolerate it rather than risk the prospect that they be overthrown and their social revolution frustrated. They have established a praetorian guard to guarantee considerable bloodshed if any attack is made. The generals have seen slim hope of surmounting these difficulties without prohibitive risk to themselves, the unity of the Army and the Establishment itself.

Despite these unfavorable prospects for action in the short term, new factors could quickly arise, such as the death of Diem or an unpredictable and even irrational attack launched by a junior officer group, which would call urgently for U.S. support or counteraction. In such a case, the best alternative would appear to be the support of constitutional continuity in the person of the Vice President, behind whom arrangements could be developed for a more permanent replacement after a transitional period.
B. Prospects for Improvement under an Alternative Government.

The prospects that a replacement regime would be an improvement appear to be about 50–50. Initially, only a strongly authoritarian regime would be able to pull the government together and maintain order. In view of the pre-eminent role of the military in Vietnam today, it is probable that this role would be filled by a military officer, perhaps taking power after the selective process of a junta dispute. Such an authoritarian military regime, perhaps after an initial period of euphoria at the departure of Diem/Nhu, would be apt to entail a resumption of the repression at least of Diem, the corruption of the Vietnamese Establishment before Diem, and an emphasis on conventional military rather than social, economic and political considerations, with at least an equivalent degree of xenophobic nationalism.

These features must be weighed, however, against the possible results of growing dominance or success by Nhu, which would continue and even magnify the present dissension, unhappiness and unrest.

C. Possible U.S. Actions.

Obviously, clear and explicit U.S. support could make a great difference to the chances of a coup. However, at the present time we lack a clear picture of what acceptable individuals might be brought to the point of action, or what kind of government might emerge. We therefore need an intensive clandestine effort, under the Ambassador's direction, to establish necessary contacts to allow the U.S. to continuously appraise coup prospects.

If and when we have a better picture, the choice will still remain difficult whether we would prefer to take our chances on a spontaneous coup (assuming some action by Diem and Nhu would trigger it) or to risk U.S. prestige and having the U.S. hand show with a coup group which appeared likely to be a better alternative government. Any regime that was identified from the outset as a U.S. "puppet" would have disadvantages both within South Vietnam and in significant areas of the world, including other underdeveloped nations where the U.S. has a major role.

In any case, whether or not it proves to be wise to promote a coup at a later time, we must be ready for the possibility of a spontaneous coup, and this too requires clandestine contacts on an intensive basis.

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4 Mr. Sullivan (State) believes that a replacement regime which does not suffer from the overriding danger of Nhu's ambition to establish a totalitarian state (the control of which he might easily lose to the Communists in the course of his flirtations) would be inevitably better than the current regime even if the former did have the deficiencies described. [Footnote in the source text.]
IX. ANALYSIS OF ALTERNATIVE POLICIES

Broadly speaking, we believe there are three alternative policies the U.S. could pursue to achieve its political and military objectives:

1. Return to avowed support of the Diem regime and attempt to obtain the necessary improvements through persuasion from a posture of "reconciliation." This would not mean any expression of approval of the repressive actions of the regime, but simply that we would go back in practice to business as usual.

2. Follow a policy of selective pressures: "purely correct" relationships at the top official level, continuing to withhold further actions in the commodity import program, and making clear our disapproval of the regime. A further element in this policy is letting the present impression stand that the U.S. would not be averse to a change of Government—although we would not take any immediate actions to initiate a coup.

3. Start immediately to promote a coup by high ranking military officers. This policy might involve more extended suspensions of aid and sharp denunciations of the regime's actions so timed as to fit with coup prospects and planning.

Our analysis of these alternatives is as follows:

1. Reconciliation.

We believe that this course of action would be ineffective from the standpoint of events in South Vietnam alone, and would also greatly increase our difficulties in justifying the present U.S. support effort both to the Congress and generally to significant third nations. We are most unlikely, after recent events, to get Diem to make the necessary changes; on the contrary, he would almost certainly regard our reconciliation as an evidence that the U.S. would sit still for just about anything he did. The result would probably be not only a continuation of the destructive elements in the Regime's policies but a return to larger scale repressions as and when Diem and Nhu thought they were necessary. The result would probably be sharp deterioration in the military situation in a fairly short period.

2. Selective Pressures.

We have examined numerous possibilities of applying pressures to Diem in order to incline him to the direction of our policies. The most powerful instrument at our disposal is the control of military and economic aid but any consideration of its use reveals the double-edged nature of its effects. Any long-term reduction of aid cannot but have an eventual adverse effect on the military campaign since both the military and the economic programs have been consciously designed and justified in terms of their contribution to the war effort. Hence, immediate reductions must be selected carefully and be left in effect only for short periods.
We believe that the present level of pressures is causing, and will cause, Diem some concern, while at the same time not significantly impairing the military effort. We are not hopeful that this level (or indeed any level) of pressure will actually induce Diem to remove Nhu from the picture completely. However, there is a better chance that Diem will at least be deterred from resuming large scale oppressions.

At the same time, there are various factors that set a time limit to pursuing this course of action in its present form. Within 2–4 months we have to make critical decisions with the GVN about its 1964 budget and our economic support level. In addition, there is a significant and growing possibility that even the present limited actions in the economic field—more for psychological than for economic reasons—would start a wave of speculation and inflation that would be difficult to control or bring back into proper shape. As to when we would reverse our present course, the resumption of the full program of economic and military aid should be tied to the actions of the Diem government.

As a foundation for the development of our long-term economic and military aid programs, we believe it may be possible to develop specific military objectives to be achieved on an agreed schedule. The extent to which such objectives are met, in conjunction with an evaluation of the regime's political performance, would determine the level of aid for the following period.

3. Organizing a Coup.

For the reasons stated earlier, we believe this course of action should not be undertaken at the present time.

On balance we consider that the most promising course of action to adopt at this time is an application of selective short-term pressures, principally economic, and the conditioning of long-term aid on the satisfactory performance by the Diem government in meeting military and political objectives which in the aggregate equate to the requirements of final victory. The specific actions recommended in Section I of this report are consistent with this policy.

Chairman, Joint Chiefs of Staff

Secretary of Defense

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5 The source text bears no signatures.