

~~SECRET//X1~~**CHAPTER 9***A More Qualified Commitment* 

Nicholas Natsios, who became Chief of Station (COS) when John Anderton departed in early spring 1957, took a more active interest in intelligence collection than in covert action. This predilection was encouraged by FE Division Chief Al Ulmer's desire to have the newly unified Station concentrate on genuinely covert operations. In any case, the atmosphere of crisis that drove the freewheeling programs of Edward Lansdale and Paul Harwood had receded. Having met the initial challenges to his survival in office, Diem now confronted the more intractable long-range problems of what soon came to be called nation-building. In this new atmosphere Natsios could adopt a relatively detached stance, concentrating more on illuminating the workings of the regime than on helping it against its adversaries.<sup>1</sup>

As COS, Natsios inherited not only the contact with Nhu, but also direct access to the President. Anderton had given him to understand that this relationship remained unknown to the Embassy, although Headquarters had revealed it to the State Department by August 1956. Unaware of this, and dubious about the propriety of a concealed channel to Diem, Natsios declared it to Elbridge Durbrow when he arrived as Ambassador in March 1957. He offered to advise the Ambassador of prospective meetings, and to bow out of anything that Durbrow wanted to handle himself.<sup>2</sup>

The record reflects no concrete results from the Anderton relationship with Diem. Natsios' move thus achieved real gains in his relationship with the Ambassador at no visible cost in influence on Diem. Natsios continued to see Diem on ad hoc issues; one that arose in July 1957 was that of an open limousine that the President wanted the Station to buy for him. Headquarters objected—CIA had already furnished him one limousine—but Durbrow

<sup>1</sup> Evan J. Parker, interview by Thomas L. Ahern, Potomac, MD, 8 March 1991, tape recording (hereafter cited as Parker interview, 8 March 1991); Natsios interview, 6 March 1991. Parker was Chief of FE Division's Southeast Asia Branch from 1953 to 1958.

<sup>2</sup> Natsios interview, 6 March 1991; Vernet L. Gresham, Memorandum, "Colonel Edward Lansdale," 27 August 1956, Lansdale personnel file.

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*COS Nick Natsios, President Diem. (C)*



*From left, DDCI Charles Cabell, Nick Natsios, Ambassador Durbrow, DDP official Tracy Barnes, GVN interpreter (photos courtesy of Nick Natsios).*

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pushed the idea, and a suitably appointed Cadillac was eventually delivered. Blaufarb accompanied the President on a test drive around the Palace grounds, and Diem, seated in the rear, nearly joined him in the front when the driver stepped too briskly on the unfamiliar power brakes.<sup>3</sup> [ ]

Natsios also introduced what Blaufarb later described as an "absolutist" approach to clandestine sources: if they hadn't signed on the dotted line, they couldn't be trusted, and the Station wasn't going to use them. Natsios agreed that he had seen the Station as too dependent on casual informants; to correct this he began a search for potential agents that began with contacts [ ]

[ ]<sup>4</sup> [ ]

#### Ceremonial Visits to Washington [ ]

Despite Natsios' detachment, the Station continued trying to help Ngo Dinh Nhu find a political formula that would bind the peasants to their government. It also went on serving as his channel to the US Government. In this role, it organized his visit to Washington in March 1957, paying around-the-world air fare for him and his wife. Although Nhu held no official position, Headquarters succeeded in arranging a short meeting with President Eisenhower in addition to sessions with the Secretaries of State and Defense and DCI Allen Dulles, plus calls on influential Senators.<sup>5</sup> [ ]

Nhu had no requests to make of CIA. DDP Frank Wisner, hosting a lunch, urged him to intensify South Vietnamese collection on the Democratic Republic of Vietnam (DRV) and suggested that he run such operations through Laos and Cambodia. Wisner also urged a larger effort to debrief refugees and interrogate prisoners.<sup>6</sup> [ ]

Wisner had described to the DCI Nhu's use of the semicovert Can Lao party to control the government and said he hoped the visit might give Nhu a clearer understanding of the US political system. Wisner does not, however, appear to have expressed any concern to Nhu about the Saigon government's authoritarian style; the record says only that he told Nhu how greatly he admired the leadership displayed by President Ngo "during this difficult time."<sup>7</sup> [ ]

<sup>3</sup> Natsios interview, 6 March 1991; Blaufarb interview, 11 April 1991; [ ] Memorandum for the Record, "Gift of Open Linousine to President Diem," 30 July 1957, [ ]  
[ ] Fiche 18, passim. [ ]

<sup>4</sup> Blaufarb interview, 11 April 1991; Natsios interview, 6 March 1991. [ ]

<sup>5</sup> Chief FE Division, Memorandum for Deputy Director for Plans, "Visit to Washington of Ngo Dinh Nhu," 12 March 1957, [ ] 5 April 1957, [ ]

<sup>6</sup> [ ] 10 April 1957, *ibid.* [ ]

<sup>7</sup> Chief, Far East Division, Memorandum for the DCI, "Visit to Washington of Ngo Dinh Nhu," 22 March 1957, filed *ibid.*; Philip Potter, Memorandum for the Record, "Meeting Between DDP and Ngo Dinh Nhu, 4 April 1957," 18 April 1957, filed *ibid.* [ ]

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Nhu made an excellent personal impression. Headquarters later told the field that people who had known him earlier thought he had "increased immeasurably in poise and self-confidence." The only sour note was struck by Madame Nhu, who created difficulties that Headquarters said it intended to address in a separate dispatch. With that exception, Headquarters thought the trip highly successful. Years later, the Nhus' escort officer, Paul Harwood, could recall only that Madame Nhu had reveled in the attention paid her by Allen Dulles and various notables from the State and Defense Departments at a dinner the DCI hosted at the Alibi Club on H Street in Washington. She exploited her good looks, vivacity, and command of English to become the star of the evening. Nhu was unhappy with her performance, although in Harwood's view she was "not a problem, but a sensation."<sup>8</sup>



Madame Nhu (photo courtesy of Nick Natsios).

Upon Nhu's departure, preparations began for a visit by President Diem. Edward Lansdale, now at the Pentagon, contacted CIA's Vietnam desk to suggest that Diem be invited to address a joint session of Congress. Lansdale had a friend, Nick Arundel of the United Press, whom he could ask to approach

<sup>8</sup> FVSW 3462, 9 May 1957,  Paul Harwood, interview by Thomas L. Ahern, McLean, VA, 9 October 1991 (hereafter cited as Harwood interview, 9 October 1991). Headquarters' list of complaints about Madame Nhu has not been found.

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Diem backers such as Senators Mike Mansfield (D-MT) and John F. Kennedy (D-MA). Diem was in fact invited to Capitol Hill, shortly after his 8 May arrival.<sup>9</sup>

DCI Allen Dulles visited Diem at Blair House. An FE Division briefing paper for the DCI noted that, for more than a year, CIA had been pushing for a reorganized South Vietnamese intelligence effort. But Diem, while agreeing in principle, seemed "afraid to place too much responsibility in the hands of one man," and progress had been slight. Al Ulmer noted for DDP Frank Wisner that Diem displayed "little personal inclination" toward democratic practice, and that the Can Lao, headed by Nhu, effectively dominated the government.<sup>10</sup>

Although they had few illusions about the popularity of Diem's rule, senior Agency officials spared the President any direct criticism during his visit. Still admiring his success in overcoming the anarchic conditions of 1954, they greeted Diem as the hero of a story to which no one had expected a happy ending. The Station and the Vietnam desk at Headquarters might fret about the Saigon government's apparent indifference to the consent of the governed, but there was general agreement in Washington, shared by CIA, that Diem had succeeded in stabilizing the South, and that the war had been won. In any case, the Eisenhower administration was preoccupied with the aftermath of the Suez crisis and the Hungarian uprising of late 1956, and in a mood to look on the bright side of developments in Vietnam.<sup>11</sup>

#### Working Both Sides of the Street

The Station had only Vietnam to worry about, and both Natsios and Blaufarb were less optimistic than Washington about the Ngo brothers' ability to solidify their political base. Neither was predicting disaster. Both, however, were concerned about Diem's style. This prevented him from co-opting opposition politicians—themselves "conspiratorial to a fault," in Blaufarb's view—and from inspiring the loyalty of the rural population. Diem's lack of charisma was by now notorious in the US Mission, where it was common to joke about Vietnam's need for a "Mag Van Say."<sup>12</sup>

<sup>9</sup> The subject is discussed in a series of informal notes between officers in the Southeast Asia Branch, beginning 8 April 1957.

<sup>10</sup> Chief, Far East Division, Memorandum for the DCI, "Visit to Washington of Ngo Dinh Diem," 22 March 1957.

<sup>11</sup> Caswell interview, 4 January 1991; Parker interview, 8 March 1991. Caswell later came to believe that the extent of Saigon's apparent control, judged as it usually was by the low rate of Communist-inspired incidents, was largely an illusion created by Hanoi's self-imposed restraint.

<sup>12</sup> Blaufarb interview, 11 April 1991.  Ramon Magsaysay had defeated the Huk insurgency while serving as Secretary of National Defense and was President of the Philippines from 1953 until his death in 1957.

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In this atmosphere, the Station worked not just to penetrate the government and its VC adversaries but to build bridges to the anti-Communist opposition. [redacted] signed an agreement formalizing his recruitment of a year earlier. In May, during Diem's welcome to Washington, the Station was telling a disaffected [redacted] official that the Americans wanted to prevent the emergence of a dictator like Korea's Syngman Rhee. Support to the Vietnamese opposition would have to be clandestine, however, to avoid "endangering South Vietnam's position as an anti-Commie bulwark in Southeast Asia." Penetration of the [redacted] proceeded when Blaufarb recruited [redacted] disenchanted with Ngo Dinh Nhu.<sup>13</sup> [redacted]

In July, Headquarters described [redacted] importance in terms of his potential as [redacted] opposition to the government. Although the Station was not explicitly searching for a replacement for Diem—perhaps only because there seemed to be no candidates—a Station officer returning to Headquarters at that time appealed for an additional officer to help make contacts in the opposition. The idea was to spot "clean people...pull them together, select the best potential leaders, and then build them up—all behind Nhu's back."<sup>14</sup> [redacted]

The search for a genuine anti-Communist opposition accompanied a new surge of the recurring CIA impulse to popularize the regime. The long-postponed NRM convention took place in May 1957, but its proceedings "evoked little interest or discussion." Ngo Dinh Can increased his influence when one of his lieutenants was elected President and other people from the North and the Center were named to the Central Committee. Nevertheless, the Station saw some hope in the very fact that the convention took place [redacted]

[redacted]<sup>15</sup> [redacted]

The Station and Headquarters had always seemed somewhat polarized on the subject of the NRM. Only a little more than a year earlier, Headquarters had been the main proponent of a major role for the NRM, while Paul Harwood emphasized its limited potential. Now, however, it reacted skeptically to the Station's new optimism, writing in mid-summer that the NRM leadership seemed to feel no responsibility to the masses, and that it used the organization

<sup>13</sup> FVSA-5280, 24 April 1957, [redacted] FVSA 5509, n.d., [redacted] 9 May 1957, [redacted] Blaufarb interview, 11 April 1991, [redacted]

<sup>14</sup> Unsigned memorandum, [redacted] Blaufarb interview, 11 April 1991; unsigned memorandum of debriefing of [redacted] 10 July 1957, [redacted]

<sup>15</sup> FVSA 5658, 25 June 1957, [redacted]

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simply as an instrument of control. The NRM's ills therefore looked impervious to an approach that addressed only the state of training. More basically, in Headquarters' view, Diem's standing with his people would henceforth "depend more on the success of his programs than upon propaganda."<sup>16</sup>

The Station did not reply to this until December, at which time Blaufarb displayed uneasy ambivalence about the prospects of working with Nhu to improve the regime's image. He seemed to accept Nhu's claim that the focus of NRM activity had already shifted from propaganda to rural organization and community development. Although Nhu thought immediate political liberalization would lead to disaster, the Station saw the NRM as "pointed in a democratic direction" and seemed to entertain some hope that it might help create the politically mature, responsible peasantry that Nhu saw as a prerequisite for democracy.

On the other hand, the Station noted the movement's rivalries and general incompetence. Like his predecessors Lansdale and Harwood, Blaufarb was faced with the absence of alternatives. He concluded, rather tentatively, that resumed CIA support to the NRM would be a "constructive element," adding that his help was intended mainly to create access to otherwise inaccessible information and to people susceptible to recruitment.<sup>17</sup>

Blaufarb's skepticism about political action resources included the Can Lao as well as the NRM and the ruling family. At one time hopeful that it could exploit the Can Lao's superior discipline for covert political action, the Station now believed that the party functioned only to "secure and broaden the regime's hold on the elements of power." Blaufarb suspected that its misdeeds included murder and was sure it directed "trickery and deceit" at the US Government. He accepted as sincere Nhu's protestations of desire for political freedom, but he added that "if anyone is deluded, it is Nhu himself, in his conception of...the family's magisterially guiding the faltering steps of the Vietnamese people" until they were ready for freedom. Blaufarb wondered if Nhu realized how much he enjoyed his own power and speculated that both Nhu and Diem might persuade themselves that "Ngo family paternalism is still what the people really need and want," with democracy reserved for an ever-receding tomorrow.<sup>18</sup>

#### Problems of Cooperation in Collection Against the Communists

The Station had no alternative to Nhu as a partner in internal political action but continually tried to find a substitute for him as a partner in intelligence

<sup>16</sup> FVSW 3883, n.d., *ibid.*

<sup>17</sup> FVSA 6915, 31 December 1957,

<sup>18</sup> *Ibid.*

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work against the Communists. As of late 1957, the main instrument of this liaison, which as we have seen got off to an abortive beginning in November 1954, was still SEPES, the intelligence arm of Nhu's Can Lao Party. Its early staff included some of the people Paul Harwood sent [redacted] for training in 1954, but results had always been disappointing. This was mainly because Diem and Nhu devoted more of SEPES's resources to the non-Communist opposition than they did to the Viet Cong and North Vietnam.<sup>19</sup> [redacted]

That had not been the understanding when the Agency agreed in the summer of 1955 to support operations against North Vietnam: SEPES was supposed to be targeted against "anti-government groups in Vietnam" only when the "sensitive nature of the activity precludes handling through the normal security services." On this somewhat amorphous basis, CIA budgeted [redacted] for SEPES for the year ending 31 August 1956. But it became clear that the organization was "not primarily an espionage service." It did indeed have as one responsibility counterespionage against "Viet Cong elements," but this was only one mandate on a list that included the vetting of new Can Lao members, political action, "suppression of anti-party activity, [and] covert collection of party funds."<sup>20</sup> [redacted]

The diversion of resources to party interests was aggravated by the Vietnamese reluctance to permit working level CIA participation in such operations against the North as SEPES found time to run. Darwin Curtis, in charge of the Station's SEPES liaison, noted both the lack of cooperation by the Vietnamese and the evidence that they were "incapable of mounting successful medium or high-level operations against targets in the DRV." Only 29 of 219 SEPES staffers worked in the External Operations Bureau targeted on the DRV, and just two of these had persuaded Curtis of their professional competence. But he did not want the liaison abolished as "over 50 percent of the [intelligence] we collect on the DRV comes from SEPES sources," most of this from the refugee debriefing center in Quang Tri.<sup>21</sup> [redacted]

<sup>19</sup> Saigon Station officer [redacted]  
[redacted] Darwin O'R. Curtis, "senior member of the Saigon Station team handling liaison with the Vietnamese Intelligence Service," Memorandum for the Record, "Evaluation of the CIA liaison with the Service des Etudes Politiques et Sociales (SEPES), a Foreign Intelligence Service of the Government of Vietnam...for the period March 1956 through May 1958," n.d., [redacted]

<sup>20</sup> SEPES Project Outline, 26 September 1955, [redacted]

<sup>21</sup> Darwin O'R. Curtis, Memorandum for the Record, "Evaluation of the CIA liaison with the Service des Etudes Politiques et Sociales (SEPES), a Foreign Intelligence Service of the Government of Vietnam (GVN) for the period March 1956 through May 1958." [redacted]

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In December 1957, Natsios seized on a remark by Tran Trung Dung, Diem's deputy in the Defense Ministry, to try to end the Station's dependence on SEPES for joint penetration operations against the Communists. CIA had begun supporting a modest program of harassing attacks on coastal facilities in the North. According to Dung, Diem expected the second phase of this activity to emphasize intelligence collection. Declining to take the security risk inherent in employing the same agents in both guerrilla operations and collection activity, Natsios suggested a separate program employing new agent personnel. To his dismay, Diem approved the idea only after sending Dung to discuss it with Nhu. But Natsios decided he could accept Nhu's potential for interference. Diem's cooperative chief of unconventional warfare, Colonel Le Quang Tung, would be running the program, and Natsios thought that Nhu would stay away from operations and be "satisfied with just determining policy."<sup>22</sup>

There is no record that this initiative ever led to significant results; Colonel Tung was first and foremost a Diem loyalist and displayed no inclination to stretch his charter to gratify the Americans. The pattern of a grudging commitment from Diem or Nhu followed by working-level evasion or outright non-feasance repeated itself in CIA's dealings with all the potential Vietnamese partners in intelligence operations against the Communists.

The most promising of these arrangements involved the Sureté, later called the Special Branch of the National Police. Holding the principal charter for both intelligence and police action against the indigenous Viet Cong, the Sureté was the domestic counterpart to the foreign intelligence service nominally represented by SEPES.

But this seems to have produced no leads to penetrations of the Communist organization—  
—nor did it set the stage for joint operations.

Meanwhile, Diem's security apparatus, presumably led by the police, pursued the suppression of suspected Viet Minh cadres and sympathizers under the "Anti-Communist Denunciation" rubric. Intelligence was neither a purpose nor a product of this exercise, or if it was, the Vietnamese concealed this from the Station. The result was that in late 1959, when the insurgency began to threaten Diem's hold on the countryside, most of such information as the Sureté provided to its Agency advisors was coming from casual, low-level informants.

<sup>22</sup> FVSA 6642, 31 December 1957,

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Another potential partner was the Military Security Service (MSS) headed by General Mai Huu Xuan, a police functionary under the French whom Diem retained, apparently with some hesitation, for his experience in security work. Despite Palace doubts about Xuan's loyalty, Ed Lansdale vigorously courted him in 1955 and 1956. Upon Lansdale's departure the regular Station took over the effort to negotiate a working relationship with the MSS, whose charter called for counterintelligence support to the Vietnamese Army. Xuan agreed to an unspecified program of cooperation in September 1956, but in December disclaimed having the authority to share intelligence. COS John Anderton appealed to Diem, and in early January 1956 Xuan acknowledged having received the green light. The Station then waited another year and a half to get Diem's agreement in principle to joint operations. Even then the MSS disappointed its Station contacts as the locus of a common endeavor to penetrate the Communist apparatus.<sup>23</sup> [redacted]

During most of this period, from mid-1955 to late 1956, the two Stations pursued sporadic consultations with Diem and Nhu over the structure of a revised military intelligence organization. The brothers' expressed interest in such advice and their periodic approvals of joint collection activity renewed CIA hopes of fruitful cooperation even as working level efforts led to little or no results. The Agency had, indeed, little choice but to try working with the Vietnamese in the search for agent candidates. But in retrospect, it seems that the Ngo brothers' compulsively secretive cast of mind always prevailed over any impulse to exploit to mutual advantage the advice and support pressed on them by CIA.<sup>24</sup> [redacted]

The regular Station had already identified the syndrome that doomed to frustration all efforts at productive cooperation in the areas of intelligence and internal security. In mid-1955, Paul Harwood reported conversations with Ngo Dinh Nhu and Information Minister and ex-Viet Minh Tran Chanh Thanh. Citing Thanh's preoccupation with protecting the NRM, the Can Lao's front organization, from "saboteurs" and "provocateurs [from] other political parties" as well as from the Viet Cong, Harwood acknowledged that Nhu agreed

<sup>23</sup> FVSA 2391, 9 March 1956, [redacted] FVSA 3947, 15 October 1956, FVSA 4666, 22 January 1957, and FVSA 5844, 22 July 1957, [redacted]. In his book, Lansdale recounts the bizarre episode in which, persuaded of imminent danger to the person and family of General Xuan, he arranged for the latter to be given safehaven, [redacted]. The exercise turned into an administrative nightmare which further strained Lansdale's always-tense relationship with CIA's Far East Division. See Lansdale, *In the Midst of Wars*, pp. 148-49. [redacted]

<sup>24</sup> SAIG 7017, 24 April 1955, filed [redacted] FVSA 2391, 9 March 1956, [redacted] FVSW 1959, 28 March 1956, [redacted] FVSA 2989, 26 May 1956, [redacted]

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on the need to entrust the security function to something other than the NRM "secret service." But in Harwood's view,

Their past experience and political education, having taken place as it did in a climate of [colonial] repression, division of loyalties, suspicion and corruption, and opposition for opposition's sake, has resulted in ingrained habits of thought which can only be slowly overcome. Working clandestinely, albeit amateurishly, has become second nature; concern over the possibilities of penetration by opposition groups is distorted to the point where they think of tying up their best cadres in internal "intelligence" units; decentralization of direction and operation, necessary for survival under the old restrictions, have left their inheritances of weaknesses in executive and administrative ability.<sup>25</sup>

#### A Wasted Year

The habits of mind that shaped the Ngo brothers's approach to intelligence and security matters affected every aspect of their governing. Station apprehensions about their style were shared by Ambassador Durbrow and by all elements of the US Mission except the MAAG, now under Army Lieutenant General Samuel T. Williams. The degree of Station influence on the Ambassador's views is not certain but was probably substantial, as CIA's contacts—unilateral agents as well as the nearly exclusive relationship with Nhu—provided unique access to the workings of the government. The Ambassador saw COS Natsios as often as two or three times a day; things got so cozy that Natsios began to worry about the way it looked to the rest of the Embassy and mentioned to Durbrow his concern about being seen as a sinister influence on the Ambassador.<sup>26</sup>

Granting that a recent increase in Viet Cong terrorism had created an unavoidable distraction, Durbrow concluded in December 1957 that Diem had largely wasted the opportunity of the past year to begin urgent economic development programs. The Ambassador called for pressure on Diem for decisions on economic and social issues and warned that continued inaction "might lead to a deteriorating situation in Viet Nam within a few years."<sup>27</sup>

<sup>25</sup> FVSA 1545, 5 September 1955.

<sup>26</sup> Natsios interview, 6 March 1991.

<sup>27</sup> Embassy Saigon Dispatch 191, 5 December 1957, FRUS, 1955-57, I, Vietnam, 869-884. The increase in terrorism represented what the Viet Cong called the "extermination of traitors" campaign, designed to help the VC survive the government's anti-Communist repression program in the countryside. (See Jeffrey Race, *War Comes to Long An*, pp. 82-84.)

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Lieutenant General Samuel Williams.  
On his left is Nick Natsios. [redacted]

General Williams was the only Country Team member to dissent. He argued that the threat from the North fully justified Diem's preoccupation with security matters and denied that this weakened the regime politically. Natsios saw Williams as uncritically supportive of Diem, and as having adopted a dangerously proprietary attitude toward the Vietnamese Army. In any case, as 1957 drew to a close, not even the pessimistic majority on the Country Team saw the situation as irretrievable.<sup>28</sup> [redacted]

The mutual reserve that now characterized the relationship between the Palace and the Station did not prevent Nhu from indulging in one of his moments of candor. Talking to DCOS Douglas Blaufarb in January 1958, he said that Tran Chanh Thanh would stay as Information Minister despite the decay of his Anti-Communist Denunciation League into a refuge for "opium smokers and prostitutes." Although Nhu wanted to revitalize this propaganda arm of the anti-Communist campaign, he does not seem to have solicited Station help. Indeed, except for sporadic Station support of NRM training, the era of joint domestic political action had been over since the end of 1956.<sup>29</sup> [redacted]

<sup>28</sup> Embassy Saigon Dispatch 191; Natsios interview, 6 March 1991; Blaufarb interview, 11 April 1991. [redacted]

<sup>29</sup> Memorandum of Meeting, Douglas Blaufarb and Ngo Dinh Nhu on 13 January 1958, dated 14 January 1958, attachment to FVSA 8445, 22 August 1958, [redacted]

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As the sense of partnership dissipated, Nhu focused increasingly on third-country matters in his dealings with the Station. After declaring his Diem contact to the Ambassador in the spring of 1957, Natsios began to represent the Station at some of these meetings, listening to Nhu expound on the politics of India, Thailand, Indonesia, Laos, Cambodia, SEATO, and on French plotting against Diem from Phnom Penh and from the French military base at Seno in Laos. At a meeting with Blaufarb in January, having just returned from being wined and dined by U Nu in Rangoon, Nhu "seemed more than usually relaxed and pleased with himself." [redacted]

Until well into 1958, Nhu's personal style had been modest, and the policy issues he discussed with the Station represented the practical concerns of a fragile government. In late March, during a visit to Saigon by DDP Frank Wisner, this began to change. In the course of two long meetings, Nhu waxed grandiloquent about South Vietnam's new stature in the region. According to Nhu, the Indians claimed they had told Ho Chi Minh that "the Ngo family is South Vietnam." Ho was said to have responded that he was "anxious to meet Ngo Dinh Nhu and his wife, and will go anywhere at any time in order to do so." Nhu also told Wisner that the Burmese were following his advice in their reaction to a Hanoi proposal on Vietnamese reunification. And he thought he had a channel into the Masjumi Party that could be used to influence the Indonesian situation.<sup>31</sup> [redacted]

Neither Wisner nor Nhu appears to have mentioned the Vietnamese insurgency. But a flow of reporting had begun, at this time, on the deterioration of government control in the countryside, especially in the provinces of the southwest. Despite Nhu's reticence on the subject, he and Diem had apparently already decided how to deal with it. In February, just six weeks after Blaufarb reported Nhu's assurances of NRM commitment to community development, NRM chief Nguyen Thieu told [redacted] that Diem's goal for the organization was "the elimination of subversive communist elements in every village, however remote—a task beyond the Army and other security forces, even with massive US aid." Thieu added, without specifying the means

<sup>30</sup> [redacted] passim; FVSA 8445, 22 August 1958, [redacted]

<sup>31</sup> FVSA 7785, 30 April 1958, ibid., [redacted]

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to be employed, that a second NRM task was to ensure a large government majority in the parliamentary elections scheduled for 1959.<sup>32</sup> [ ]

Thieu assured the Station that only one more year of subsidies would be needed to put the NRM on its feet and "wipe out all possibility of a relapse of Free Vietnam away from democratic forms." The question whether the Diem government was even then respecting democratic forms was presumably in the mind of [ ] case officer, [ ] when he acknowledged Headquarters' earlier concerns about the NRM. Although reserving judgment about its prospects, he noted the absence of alternative instruments: the NRM "looms as the only significant fully overt political grouping remaining in Free Vietnam, for better or worse."<sup>33</sup> [ ]

#### At Cross Purposes [ ]

Even had the Ngo family been working together, the VC could have constituted a mortal threat. Unfortunately for the anti-Communist cause, the spring of 1958 saw intensified conflict between Ngo Dinh Nhu and Ngo Dinh Can. In a series of meetings in late March and early April, Can convoked the National Assembly deputies from Central Vietnam to air his grievances about Nhu, and to urge them to give first priority to the interests of the Center. On one fundamental issue, however, the two brothers seem to have been of one mind. Whenever the conciliatory approach necessary to attract popular loyalty conflicted with their campaign to destroy the Communists, repression would take precedence.<sup>34</sup> [ ]

Meeting Blaufarb in early June, Nhu made this choice of priorities explicit. He said he had recently addressed all the district chiefs in the country, telling them that they were on the wrong track if they assumed they needed popular support in order to fight the VC. Nhu said he had pointed out their responsibilities to "tax and discipline the population which in turn would not respond to them with affection." He went on to prescribe what he said he had already urged on local officials in the south and west, that is, a covert organization equal to that of the Communists. According to Nhu, his audience reacted with surprise and interest, apparently never having "given such matters much thought." To Blaufarb, Nhu seemed to have adopted this hard line approach as the core of his strategy against the insurgents.<sup>35</sup> [ ]

<sup>32</sup> FVSA 7166, 11 February 1958, [ ] Nguyen Thieu is not to be confused with General Nguyen Van Thieu, later President of South Vietnam. [ ]

<sup>33</sup> FVSA 7166; FVSW 3883, [ ]

<sup>34</sup> [ ]

<sup>35</sup> [ ] No Blaufarb response is mentioned. [ ]

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A month later, Ngo Dinh Can expressed essentially the same view to a Station source, saying that the government's main task was to maintain the country's respect for it. VC could not be reformed and must be killed: "VC methods are necessary to combat the VC." Can endorsed the existence of opposition parties, but only if they were controlled by the Can Lao to prevent their falling under the control of VC agents.<sup>36</sup> [redacted]

Evidence now emerged that Nhu perceived an increasingly adversarial quality in his relationship with official Americans, including his CIA contacts. In April, Tran Quoc Buu told Blaufarb that Nhu was aware the Americans detested him and his wife but that he insisted his commitment to the government's "political line" would continue whether the Americans sympathized or not. That this distrust extended to the CIA became clear when Blaufarb discovered that the driver he had hired on the recommendation of Tran Kim Tuyen, chief of the Can Lao's intelligence service, was not deaf, as Tuyen had claimed. He also was fluent in both French and English. Blaufarb and Natsios noted in the spring of 1958 Nhu had become less accessible and less receptive to advice. [redacted]

[redacted] but they also saw it as the product of Nhu's habituation to power and, perhaps, "a latent anti-West bias."<sup>37</sup> [redacted]

In July, the Station obtained unequivocal evidence of the regime's willingness surreptitiously to defy the US mission, including its CIA contacts. The episode began when Nhu urged Blaufarb to recommend using the Vietnamese as a channel to the Khmer Serei, the principal organized opposition to Cambodia's neutralist Prince Sihanouk. Blaufarb reacted coolly, but Nhu persisted. Eventually, the Station and Ambassador Durbrow combined to get Nhu and Diem to agree to suspend Vietnamese efforts to overthrow Sihanouk. Nhu told Blaufarb he recognized that American collusion against Sihanouk was unlikely and that working at cross purposes was undesirable. But the apparent concession was empty, as [redacted]

[redacted] the Palace continued its plotting against Sihanouk.<sup>38</sup> [redacted]

[redacted]

<sup>36</sup> [redacted]  
<sup>37</sup> [redacted] enclosure 1 to FVSA 7899, 6 June 1958,

[redacted] Natsios interview, 6 March 1991; Blaufarb interview, 11 April 1991; blind memorandum, "Ngo Dinh Nhu: Current Status as of May 1958," n.d., [redacted]

<sup>38</sup> SAIG 6997, 21 July 1958, and SAIG 7000, 22 July 1958, [redacted]

[redacted] Natsios interview, 6 March 1991. [redacted]

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[REDACTED]

As for management, "xenophobia [had] no greater exponent in the GVN than SEPES Director Tran Kim Tuyen." The Station had earlier described Tuyen's deputy Hoang Ngoc Diep, as overbearing, deceitful, and ineffective, but in view of the shortage of qualified personnel saw nothing to be gained by trying to get him replaced. Instead, the Station would give up trying to develop SEPES as an institution [REDACTED]

[REDACTED]<sup>40</sup> [REDACTED]

These frustrations and disagreements were accompanied by another burst of Station energy on behalf of the NRM. In August, the Station judged that the three-month pilot program in the Delta was succeeding, and it devoted eight single-spaced pages to justifying its continuation. But except for a reference to "community works" and "peasant cooperatives," the dispatch said nothing about specific objectives or the means of achieving them or the results already observed. This may have caused some hesitation at Headquarters, as the Station complained in September that the desk was still pondering the NRM's February request for renewed financial support. In October, the [REDACTED] [REDACTED] recommended replacing ad hoc support of individual projects with a return to the monthly subsidy that the Station had begun in 1955. Headquarters must have acceded, because [REDACTED] reported in November having committed the Station to a monthly payment until June 1959. In the progress report for December, he judged that the NRM had "developed in fine fashion."<sup>41</sup> [REDACTED]

Whatever had encouraged the Station about the NRM—again, it supplied no details—pessimism grew during this period both about the Agency's relationship with Nhu and about the larger question of the regime's prospects of success. Blaufarb noted in November that Nhu had become progressively less informative on internal affairs, and that he and Natsios were finding candid discussion replaced by "a flow of talk which is almost impossible to interrupt." Nhu's reticence on internal politics and the differences of opinion

[REDACTED]

<sup>40</sup> Ibid.; FVSA 4356, 11 December 1956, [REDACTED] If the Station is referring here to the same Diep whose collegial attitude impressed Larry St. George, it clearly reversed its opinion after St. George's departure. [REDACTED]

<sup>41</sup> [REDACTED]

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that caused it essentially precluded any new joint activity in the domestic political arena.<sup>42</sup>

The Station judged that Nhu's standing with Diem was increasing even as the government's popularity was declining. It saw intellectual arrogance as the essence of his personal style and covert manipulation as the heart of his method. In the Station's view, these traits prevented Nhu from recognizing the regime's greatest failure, the substitution of paternalism for positive leadership and real communication with the masses. The Station remained uncertain how much of Nhu's activity was unknown to Diem, but was confident that the brothers shared the same assumptions about the proper relationship between government and people.<sup>43</sup>

The result, as the Station saw it, was a neutral attitude among the masses, but increasing discontent in the Army, business, professions, and the National Assembly, as well as growing numbers of disaffected Catholics, regional blocs, and ethnic minorities. An assessment sent to Headquarters in October 1958 implied that subversion was a relatively unimportant factor in the government's decline, saying that Communists, the sects, and dissident non-Communist politicians constituted an opposition element of no great size. The Station acknowledged that growing popular alienation augured poorly for Ngo Dinh Diem. But like its predecessors over the previous four years it saw him continuing in office if only for lack of a competitor. Even a military coup seemed ruled out, for the time being, by the absence of a leader commanding the respect of the entire Army.<sup>44</sup>

<sup>42</sup> FVSA 8780,

<sup>43</sup> Ibid.

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