



OFFICE OF THE VICE PRESIDENT
WASHINGTON

April 11, 1974

MEMORANDUM OF CONVERSATION

PLACE: OEOB
TIME: 4:30 p.m.
DATE: March 20, 1974

SUBJECT: Meeting with Deputy Prime Minister Tran Van Don
of South Vietnam

PARTICIPANTS: The Vice President
Mr. Marsh


Tran Van Don, Deputy Prime Minister of South
Vietnam
Tran Kim Phuong, Ambassador of South Vietnam
Bui Diem, Ambassador-At-Large of South Vietnam

The Vietnamese group expressed gratitude and thanks from President Thieu for the Vice President's support, and President Thieu hopes to see him some day in either Saigon or Washington.

The group indicated their purpose was to discuss some of the difficulties that were now being faced in the legislative program as it affected South Vietnam.

The Vice President indicated he was impressed by what he had been reading about what was going on in South Vietnam by the South Vietnamese, and he assured them that the President and Secretary of State wanted to help on their Congressional problems here. Diem pointed out that he had become aware that the mood in Congress was not good with a growing feeling against foreign aid for any country.

The Vice President confirmed that foreign aid was getting tougher, and there was Congressional concern about spending. Diem mentioned



that he had met with Inouye who said he felt that the Congress would not give South Vietnam all they wanted but would not leave them in the cold.

The Vice President inquired as to whether they had met with Senators Scott and Mansfield. The response was that they had been concentrating on the Appropriations Committees, and they had met with Mahon and Passman. It was agreed by those present that we should think in terms of a Southeast Asian policy as opposed to a South Vietnamese policy.

The Vietnamese group indicated the military and political situation was stable and with no indications of a big attack pending, but there were continued small attacks to keep South Vietnam on the alert and to strain the economy.

The Vietnamese indicated the elections were proceeding under the constitution.

The Vice President asked about the Viet Cong and was told they were not a major threat to the entire security.

He inquired on the South Vietnamese military and was told there were 1.1 million men under arms, and they could stop a major attack, but there was a need for new supplies and fighter aircraft. The North Vietnamese were developing a greater skill in jet aircraft.

The South Vietnamese problem is ammo and POL.

A big problem is military needs versus the economy. Military requirements have severely strained the economy. The oil and fertilizer costs have used up their foreign aid allowance.

A bright spot would be the development of oil resources in the South China Sea, and drilling is to begin in June.

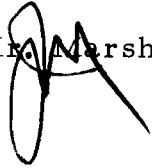
The Vietnamese have been meeting with Japan for some help and assistance and have received a commitment of about \$50 M from Japan, of which \$20 M is in grants and \$30 M is in soft loans. France has agreed to some and Germany a little. They have met with the World Bank and McNamara, but have been hurt by the House vote which cut off IDA.

The lack of OPIC warranties for Vietnam hurts.

The major task they face with the United States government was not with the President or any part of the Executive Branch but making their case in Congress.

As the meeting closed, Ambassador Phuong mentioned to the Vice President about his attending the reception at the Embassy marking Vietnam Veterans Day which would be held on the 28th--the evening before. The Vice President indicated he would consider it, and shortly after the group left he decided he would attend, and this was communicated to the Vietnamese.

Prepared by: Mr. Marsh

A handwritten signature in black ink, appearing to be 'Mr. Marsh', written over the printed name.



OFFICE OF THE VICE PRESIDENT
WASHINGTON

March 20, 1974

MEMORANDUM FOR

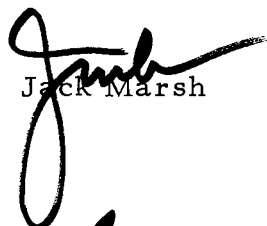
THE VICE PRESIDENT

SUBJECT: Your Meeting with Deputy Prime Minister
Tran Van Don of South Vietnam on March 20th

The attached talking paper and tab on foreign assistance for Indochina has been prepared by the NSC staff and is forwarded for your use, as appropriate, during the subject meeting.

It is anticipated that the Vietnamese will focus on the need for increased economic and military assistance to Vietnam in the face of the current economic crisis.

You may also anticipate that Ambassador Phuong will raise the issue of your attendance at a reception honoring Vietnam Veterans at the Vietnamese Embassy on the evening of March 28th. I have provided you separate memoranda on this last item which indicate the difficulty in acceding to this request in view of your previous commitments that evening.


Jack Marsh

*More background on
S/Vietnam and your
meeting today. Jack*

The Vice President's Meeting with Vietnamese Visitors

Tran Van Don and Bui Diem

March 20, 1974

At your 4:30 p.m. meeting today with South Vietnamese Deputy Prime Minister Tran Van Don and Ambassador-at-Large Bui Diem, you will be asked primarily for your views on Congressional reaction to aid for Vietnam. (See Tab A for a list of the Administration's Indochina assistance requests) Tran Van Don and Bui Diem have come to Washington for the express purpose of enlisting Congressional support for Vietnam assistance.

Despite considerable belt-tightening and efficient management of its economy, South Vietnam is facing an economic crisis of major proportions. This results from worldwide inflation, decreased U.S. aid, U.S. troop withdrawals (i. e., decreased U.S. spending in South Vietnam) and coping with the aftermath of the 1972 offensive. For this reason, a relatively high level of economic and military assistance to Vietnam is presently required to protect our very heavy investment in this country. With adequate aid, South Vietnam can survive in good shape.

Talking Points

-- I understand that you have been very effective on the Hill during the last days.

-- Nothing could be more important to your country at this time than to persuade the Congress of your real need for adequate economic and military assistance.

-- As you no doubt soon discovered, the present mood on the Hill is not too favorable to foreign assistance for any country.

-- We are making every effort to secure passage of our Vietnam aid requests, both economic and military; however, this will be no easy task. You may be sure that my staff and I stand ready to assist this effort in any way.

-- How long do you think U.S. aid will be needed by your country? It would be most helpful if Congress could be persuaded that this is not an open-ended requirement.

-- How do you view your present economic and military prospects?

-- We have been much impressed by your government's accomplishments under very difficult circumstances. We know how hard it has been for you to cope with your economic problems while maintaining an adequate defense against the growing Communist military threat to your country.

-- I wish you both the very best of luck in your efforts here.

-- Please convey to President Thieu my warmest personal regards.

TAB A



~~SECRET~~

Foreign Assistance, MASF and Military Procurement for Indochina

The following are the major Indochina program elements that have been or will be submitted to the Congress for FY 1974 Supplementals and for FY 1975:

FY 1974 Supplementals

Raising the MASF Ceiling for Vietnam

The Administration is requesting an increase in the Vietnam MASF ceiling from \$1.126 to \$1.6 billion for FY 1974. The request, vital to Vietnam's survival, went to the Congress early in February as part of the FY 1974 DOD Readiness Supplemental. Symington's Senate Armed Services Subcommittee has requested substantial supporting data and Under Secretary Clements testified on MASF on March 12. The future of this legislation is likely to be rocky.

\$60 Million Development Loan for Vietnam

We have directed AID to redirect \$60 million out of its FY 1974 Development Loan Fund to Vietnam for emergency assistance there. This money would be taken largely out of loan funds originally designated for Indonesia and Columbia. We are requested to inform Congress of the program change, though there is no statutory requirement for Congressional assent. AID's Parker has apparently been told by Senators Humphrey and McGee that there would be substantial opposition to this loan request. As a result, Parker is reclaiming our decision.

Raising Appropriations for Indochina Reconstruction

We are requesting an increase in the Indochina Reconstruction appropriation by \$54 million in order to bring the appropriations up to the full amount authorized by the Congress. This action requires the consent of the Appropriations' committees. The request is currently on the President's desk awaiting his signature for transmission to the Congress.

~~SECRET~~

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E.O. 12958, Sec. 3.5
NSC Memo, 11/24/98, State Dept. Guidelines
By *W. H. H.* NARA, Date *12/24/00*

FY 1975 Budget RequestsFY 1975 MASF for Vietnam

We are requesting \$1.450 billion for military assistance to Vietnam in FY 1975 as against the FY 1974 request of \$1.065 billion and the FY 1974 appropriation of \$813 million. We are seeking a \$1.6 billion ceiling. The bulk of the increase is due to increased POL and ammunition costs.

It will be impossible for the administration to obtain sufficient funds under MAP to support South Vietnam. We will have to make a major effort to change current legislation requiring a shift of Vietnam MASF to MAP for FY 1976.

Military Assistance

Our FY 1975 requests for Grant MAP and for FMS credit are for \$964.0 and \$542.5 million as compared to FY 1974 figures of \$450 and \$730 million respectively. The bulk of the FY 1975 MAP increase is attributable to addition of over \$200 million for Cambodia previously taken out of the DOD "drawdown" authority and to a shift of the \$90 million Laos program from MASF to MAP. There are indications that serious questions will be raised particularly about the Indochina programs and about the \$232 million Korea program.

Indochina Reconstruction

We are requesting \$793 million (Vietnam \$600 million) for FY 1975, up from the appropriated FY 1974 level of \$450 million (Vietnam \$300 million). The bulk of the increase is attributable to greatly increased commodity costs, including POL, fertilizer, rice, etc.

FY 1975 FAA Budget Amendment for Additional Indochina Reconstruction Funds

There is strong pressure from our embassies in Saigon and Phnom Penh for substantial increases (up to \$250 million) in the FY 1975 FAA request of \$793 for Indochina Reconstruction. No decision has been made on this matter so far.



OFFICE OF THE VICE PRESIDENT
WASHINGTON

March 20, 1974

MEMORANDUM FOR

THE VICE PRESIDENT

SUBJECT: Your Meeting with Deputy Prime
Minister Tran Van Don of South
Vietnam on March 20th

The attached memorandum and biographical data has been prepared by State Department and is forwarded for your use as appropriate during subject meeting.

Biographical data is contained on the Deputy Prime Minister, Tran Van Don; Ambassador Tran Kim Phuong; and the Ambassador-at-Large, Bui Diem; all of whom will be in attendance at the meeting.


Jack Marsh

*S/Viets want you to
attend reception at their
Embassy next Thursday (28th) you
have a problem. Jack*



DEPARTMENT OF STATE

Washington, D.C. 20520

March 20, 1974

CONFIDENTIAL

MEMORANDUM FOR MR. JOHN O. MARSH
OFFICE OF THE VICE PRESIDENT

Subject: The Vice President's Meeting with
Tran Van Don and Bui Diem,
4:30 PM, Wednesday, March 20.

South Vietnamese Deputy Prime Minister Tran Van Don and Ambassador-at-Large Bui Diem arrived in Washington March 9 and plan to remain through the 23rd. The purpose of their visit is to lobby for continued adequate levels of U.S. economic and military assistance. Don and Diem, who were here on a similar mission last September, have already seen a number of Senators and Congressmen as well as World Bank President MacNamara. They have also met or will meet with a range of Executive Branch officials including Deputy Secretaries Rush and Clements.

South Viet-Nam's major problem today is in the economic area. A confluence of events -- the 1972 invasion by Hanoi, the withdrawal of US forces, and the escalation of world commodity prices -- has placed serious stress on the Vietnamese economy. High levels of external aid over the next two years will be essential if South Viet-Nam is to manage during this critical transition period and move down the road to self-sufficiency.

Don and Diem will probably couch their approach in general terms, note the need for continuing substantial aid in both the economic and military areas, while emphasizing the former. They will cite the progress that is being made -- e.g. the rise in

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E.O. 12958, Sec. 3.5
State Dept. Guidelines
By WAM, NARA, Date 10/24/00

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exports and tax collections -- but will concede that much remains to be done. They are aware of and will probably comment on the current difficult mood in Congress respecting aid to Indochina.

Recommended Talking Points.

We suggest that the Vice President take the following line in his discussions with Don and Diem:

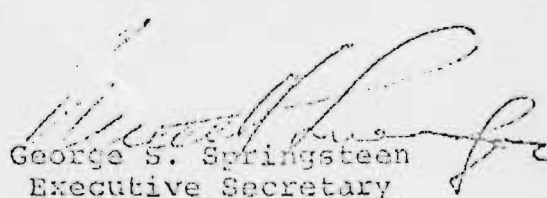
-- Inquire as to their reception here, particularly on the part of Congressmen and Senators, and their view of the current Congressional mood concerning aid to Indochina.

-- Reassure them about the Administration's commitment to provide adequate economic and military assistance to South Viet-Nam, while pointing to the very real difficulties we are facing with the Congress. (If appropriate, we believe it would be most useful were the Vice President to voice his readiness to play a personal role on the Hill to help assure the desired Congressional action on pending and future Indochina aid legislation).

-- Note the importance of their government's continuing to develop aid flows from other countries -- e.g. Japan, France, West Germany -- as a supplement to US assistance.

-- Compliment them on the steps toward self-sufficiency which their government has taken thus far, urging them to continue in this direction.


Biographic information on Don and Diem, as well as on Vietnamese Ambassador Phuong who will accompany them, is attached.


George S. Springsteen
Executive Secretary

Attachments:

Biographic sketches

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DEPARTMENT OF STATE

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TRAN VAN DON

Deputy Prime Minister
In Charge of Inspection
of National Development
Programs,
Republic of Viet-Nam

Tran Van Don was born on August 19, 1917, in south-eastern France, where his father, who later became Ambassador to the United Kingdom and Minister to Italy and Spain, was serving with the French Army. After attending university in Paris, Don returned to Indochina in late 1940 and participated briefly in the fighting. After World War II he served in French units until 1949 when he began his rapid rise in the Vietnamese National Army. Don was promoted to Brigadier General in 1955, to Major General in 1956 and in August 1957 was given command of the I Corps, a position he had long desired.

Don was implicated in several anti-government plans during the Diem regime, although he outwardly professed complete support of President Diem. He was Acting Chief of the Joint General Staff at the time of the anti-Diem coup, in which he was a leading figure. Named Vice Chairman of the Military Revolutionary Council immediately after the coup and later appointed Minister of Defense, Don served in the government only until General Nguyen Khanh's takeover on January 30, 1964. Don was given several military assignments during the latter part of 1964 but returned to Dalat at the end of the year and was officially retired five months later.

U.S. military officials evaluated Don as one of the most capable officers in the Vietnamese Army. He has somewhat of a reputation as a playboy because of his involvement in several extra-marital affairs, allegedly including Madame Ngo Dinh Nhu. Highly intelligent and sensitive, Don is socially adept and extremely courteous. He is married and has three children. Don speaks French fluently and understands English fairly well.

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By W. H. H., NARA, Date 10/24/00

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Don was elected to the Senate on September 3, 1967, at the head of a widely-representative list which finished first in a field of 48. He was the unofficial leader of the opposition to the GVN in the first term of the Senate. His opposition was of a negative and generally ineffective nature; his group seldom proposed alternatives, but merely opposed GVN positions.

After leaving the Senate in 1970, Don began to mend his political fences with Thieu. Following his election to the Lower House in 1971 he adopted a generally pro-administration stance, even attempting to form a new, pro-administration bloc. With his appointment in February as one of three Deputy Prime Ministers, he has become an important figure in Thieu's administration.

March 20, 1974

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Bui Diem
Ambassador-at-Large, Republic of Viet-Nam

Bui Diem, 51, served as Vietnamese Ambassador to Washington from January 1967 to June 1972. Immediately before his assignment here he had been the second-ranking official in the Vietnamese Foreign Ministry and since 1965 a special assistant and close adviser to Nguyen Cao Ky, then Prime Minister. A native of North Vietnam, Diem figured prominently in charges that the Ky government was dominated by northerners. By assigning him to Washington, Ky placed a capable and trusted adviser in a key post, while removing from Saigon a source of domestic friction. Bui Diem is now devoting his time to business interests, but undertakes special missions for President Thieu on occasion. He is an expert on the American political scene.

Diem's absence from Saigon did not decrease his influence. He returned frequently for consultations on internal political matters as well as on questions of diplomatic and international policy. A shrewd and affable politician, Diem has good connections in many areas of Vietnamese society. He and his family have published the English-language Saigon Post since late 1963.

As Ambassador to the United States, Diem was more effective than his predecessors. He was skillful in negotiation and diplomatic representation and maintained excellent relationships with senior American officials and Members of Congress. He managed to survive the Thieu-Ky rivalry with grace and it has enhanced his reputation.

Bui Diem is married and has two daughters and one son. He speaks English and French fluently. He is a Buddhist.

3/20/74

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CREATION DATE 08/1972

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BOX NUMBER 65

FOLDER TITLE March 20, 1974 - Deputy Prime Minister
Tran Van Don of South Vietnam

DATE WITHDRAWN 11/22/2011

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