

NEW YORK TIMES, SEPTEMBER 9, 1963: "U.S. CONSIDERING CUT IN SAIGON AID TO FORCE REFORM,
NEW POLICY TRACED TO VIEW THAT REGIME MUST REGAIN
BACKING OF POPULATION, PERIL IS ACKNOWLEDGED, WAR
ON VIETCONG, DETERRENT IN PAST, IS SAID TO DICTATE
"SELECTIVE" PRESSURE," by Tad Szulc, Special to NYT

WASHINGTON, Sept. 8—The United States is understood to have decided to cut its aid to South Vietnam if the Government there fails to change its ~~policy~~ ^{attitudes} drastically.

This major decision, reported today on high authority, is said to reflect the Administration's deep conviction that the war against Communist guerrillas cannot be won under the present circumstances.

Continued aid, it is said, would no longer serve its original purpose without reforms in the Government.

Until now the Administration has maintained that the war in Vietnam is its overriding concern and that any reduction of American assistance would compromise Vietnam's military posture.

No Deadline Reported

Now, however, authoritative sources said the United States is prepared to consider "selective" ~~XXXX~~ aid cuts, fully aware of taking a calculated risk that might injure the Vietnamese military capacity.

No time limit has been set as far as is known for President Ngo Dinh Diem to institute the changes, aimed at recovering popular support.

But the Administrations's new position is reported to have been clearly conveyed to the President and to his brother Ngo Dinh Nhu, the politically powerful chief of the secret police, whom Washington links most closely to the Aug. 21 raids on Buddhist pagodas. The United States now awaits the brother's reaction.

Informants here stressed that no actual ultimatum had been presented to the Government in Saigon and that no specific demands, such as the removal of Ngo Dinh Nhu from his position of power, had been made.

Popular Backing Stressed

Instead, it was said, the Vietnamese Government has been advised that the United States, for practical reasons and to guard its political posture at home and abroad, cannot go on supporting the prevailing state of affairs.

The American position, as expressed by President Kennedy in a television interview last Monday, is that because of its repression of Buddhists and students last month and because of its continued stern attitude, the Government of Ngo Dinh Diem is losing the loyalty of the Vietnamese population.

Thus, in Washington's view, it cannot hope for victory in a guerrilla war in the countryside, where peasants' allegiance is crucial.

While the administration regards Ngo Dinh Nhu and his wife as principal instigators of the current crisis, the United States' pressure for changes is said to go far beyond their removal from the Government.

To conduct the war with the support of the population, it is said here, the Saigon Government must abandon its authoritarian behavior not only in relation to the Buddhists but in all fields.

The unrest in Vietnam was emphasized again yesterday by the arrest of 800 high school students in demonstrations in Saigon. The tension convinced the Administration long ago that the underlying political problem of Vietnam transcended the dispute between the Roman Catholic Ngo family and the country's Buddhist majority.

"We cannot go on supporting a dictatorial regime," one official remarked today, "that is different from Communism only in name and in its international connections."

It was underlined here, however, that the Administration did not propose to set itself up as the sole arbiter of whether the regime had become acceptable to the population.

Policy Held Flexible

If changes are made and no one in the Administration was prepared to venture predictions now—the United States is expected to be guided by Vietnamese reactions in its next decisions on how to deal with the regime.

The decision to reconsider the aid policy was reported to have been reached painfully last ~~WEEK~~ week in response to at least three developments.

One was said to be a realization that earlier pressures on the Government to mend its ways and to reshuffle the Government had failed. The inability of the United States to induce Vietnamese military chiefs to take control ~~is~~ also mentioned.

Although this awareness was disappointing to Washington, the Administration does not believe that its lack of success in the "first phase" implies the collapse of its policy on Saigon.

There is no thought here of accepting the regime in its present character or of seeking an accommodation with it. On the contrary, it was said Saigon's defiance of the United States has led to the decision ~~for~~ for progressive aid cuts if the Government does not profoundly reform.

The second basis of the decision is the realization here that continued identification with the Vietnamese Government is increasingly compromising the United States political position in Vietnam and throughout Asia.

Officials noted that in yesterday's student demonstrations anti-United States slogans were shouted for the first time.

The third factor is the Administration's belief that public and Congressional opinion would not tolerate much longer extensive aid to a dictatorial regime.

Aid to Vietnam this year will be close to \$500 million. Of this, \$207 million is economic assistance and support for defense. The ~~rest~~ rest is direct military aid, mainly in equipment and fuel. The United States also maintains nearly 14,000 military advisors to the Vietnamese Army.

This point was specifically made by David Bell, Administrator of the Agency for

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International Development. On the television program "Issues and Answers" over the American Broadcasting Company network, he said today: "We want very much to be able to continue to join in an effective program to defeat the Communist guerrillas."

But he added, "It seems to me that it is necessary to recognize that the attitude of important members of Congress, and of the people of this country generally, certainly is cause for concern as to whether, in the absence of the kind of changes we would like to see, we could continue the program unchanged."