appeared impressed with arguments we advanced (paragraphs 3 and 5 your Y-337) against open repudiation of any articles of Geneva agreements. He said two possible courses had been considered (a) direct disregard by SVM of Articles 16 and 17 with USA support (b) "backdoor" methods. Nolting admitted he and many in Washington had originally favoured first course.

2. We suggested a possible third alternative (a) use as many civilians as possible (b) eliminate as many non-essential military as possible now in MAAG (c) introduce materiel properly notified up to limit of credits including possible credits that could be argued under justification of titles. Nolting's reaction appeared most favourable.

3. We suggested further that training of South Vietnamese forces might be conducted by Americans possibly in Philippines, a proposal Nolting found new and appealing.

4. Nolting confirmed that number of military personnel now contemplated is less than envisaged at one point and reported in paragraph one our telegram 137 June 6. He has promised to keep us closely in touch with all developments.

[C.J.] WOODSWORTH

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Le commissaire de la Commission internationale de surveillance et de contrôle pour le Vietnam au secrétaire d'État aux Affaires extérieures

Commissioner, International Commission for Supervision and Control for Vietnam, to Secretary of State for External Affairs

TELEGRAM 150

Saigon, June 22, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE from Delhi. Reference: Our Tel 146 Jun 20 and Laosdel Geneva Tel 939 Jun 18. Repeat for Information: London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, CGS, DGPO from Ottawa, Delhi.

USA AID TO VIETNAM

1. Without attempting to discourage Americans in their aim we thought we might pass on some reflections which might be useful in establishing those acceptable methods.

2. For example Nolting in our talk June 20 stated it was the USA appreciation that open repudiation of Articles 16 and 17 would not repeat not "bring down temple of IC merely by removing a couple of pillars." Our view here is that such action would be the beginning of the end; after [exploiting] propaganda aspect North would undoubtedly repudiate any articles which suited their purpose. Sooner or later one of delegations would throw up its hands and quit or one of parties would ask International Commission to leave as of little value to party.

3. If International Commission were forced to leave the greatest danger would be vacuum created in (group corrupt). Undoubtedly both parties would wish to fill in, possibly sparking a conflagration.

4. USA view as presented by Nolting seemed oblivious of likelihood that at least some countries in this area, e.g. India, Cambodia, Indonesia would look unfavourably of repudiation of 16 and 17 on the unproven grounds North had violated Geneva Agreements.

5. In connection with 16 and 17 Article 24 is vital to subversion policy issue. It would be most unfortunate if Americans who have pressed Indians on this issue were to sabotage effort