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FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67764

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SEPTEMBER 7, 1967

FROM WALT ROSTOW
FOR THE PRESIDENT

THIS LIVELY MEMORANDUM TO ME FROM COVEY OLIVER ON COUNTERINSURGENCY DEVELOPMENTS IN LATIN AMERICA WILL GIVE YOU SOME SATISFACTION.

QUOTE

AS YOU KNOW, WE AND THE LATINOS HAVE OUR UPS AND DOWNS IN THE COUNTERINSURGENCY BUSINESS. BUT I WANT TO CALL TO YOUR ATTENTION AN UNUSUAL SERIES OF SUCCESSES WHICH HAVE TAKEN PLACE IN THREE LATIN AMERICAN COUNTRIES DURING THE PAST FEW WEEKS. THEY ARE PARTICULARLY SIGNIFICANT IN THAT THEY FOLLOW CLOSE ON THE HEELS OF THE MILITANT AND OPTIMISTIC PRONOUNCEMENTS BY CASTRO AND HIS FELLOW LATIN AMERICAN REVOLUTIONARIES AT THE RECENT HAVANA MEETING OF THE LATIN AMERICAN SOLIDARITY ORGANIZATION (LASO).

1. BOLIVIA:

A. AN IMPORTANT CACHE OF PASSPORTS, SIGNAL PLANS AND OTHER DOCUMENTS WAS DISCOVERED BY A BOLIVIAN ARMY ELEMENT. INTER ALIA, THE DOCUMENTS PROVIDE SOLID EVIDENCE THAT CHE GUEVARA EARLIER THIS YEAR WAS IN BOLIVIA OPERATING WITH THE GUERRILLAS.

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E.O. 12356, Sec. 3.4
NJ 94-364
By WJ, NARA, Date 7-13-95

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B. ON AUGUST 31, A BOLIVIAN ARMY PATROL EXECUTED AN IMAGINATIVE AND SOPHISTICATED AMBUSH OF THE GUERRILLA REARGUARD, KILLING SEVERAL KEY CUBANS AND BOLIVIANS, AND TAKING PRISONER A KNOWLEDGEABLE BOLIVIAN WHO IS COOPERATING WELL UNDER INTERROGATION.

2. VENEZUELA:

IN EARLY AUGUST, VENEZUELAN POLICE LEARNED THAT THE PRINCIPAL ACTION ARM OF THE COMMUNIST SUBVERSIVES IN CARACAS WAS A 50-MAN TERRORIST UNIT CALLED STRATEGIC SABOTAGE COMMAND. SINCE THAT TIME, THE UNIT HAS BEEN "DECAPITATED." THE COMMANDER WAS CAPTURED AND HIS FOUR LIEUTENANTS KILLED IN A SERIES OF POLICE RAIDS. A ROUNDUP OF THE LOWER ECHELONS IS NOW UNDERWAY.

3. NICARAQUA:

ON AUGUST 12 THE GUARDIA NACIONAL BEGAN A SWEEP OF AN AREA OF NORTH CENTRAL NICARAQUA ON THE BASIS OF FRAGMENTARY REPORTS OF GUERRILLA TRAINING CAMPS. INSURGENT BASECAMPS WERE LOCATED AND WE ESTIMATE THAT IN A SUBSEQUENT SERIES OF FIREFIGHTS AT LEAST 14 CASTRO-ORIENTED GUERRILLAS WERE WIPED OUT. THE SURVIVORS ARE REPORTED FLEEING THE AREA ON AN "EVERY-MAN-FOR-HIMSELF" BASIS.

THE SITUATION IN GUATEMALA CONTINUES TO IMPROVE, WHILE IN COLOMBIA THERE HAVE BEEN NO SIGNIFICANT CONTACTS BETWEEN GOVERNMENT FORCES AND INSURGENTS RECENTLY.

ALL IN ALL, WHILE ONE SWALLOW DOESN'T MAKE A SUMMER, AUGUST 1967 HAS BEEN A VINTAGE MONTH FOR THE COIN FORCES IN LATIN AMERICA.

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By 100, NARA, Date 12-15-94

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FROM: WALT ROSTOW
TO : THE PRESIDENT
CITE: CAP67749

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FOR THE PRESIDENT FROM BUNKER (SAIGON, 5060)

HEREWITH MY NINETEENTH WEEKLY TELEGRAM:

A. GENERAL

1. SINCE THE CAMPAIGN AND ESPECIALLY THE ELECTION ITSELF HAVE BEEN REPORTED ON IN GREAT DETAIL AND WILL BE COVERED FURTHER IN THE POLITICAL SECTION, I SHALL ONLY MAKE A FEW GENERAL OBSERVATIONS ABOUT THEM HERE.

2. THE FIRST IS THAT AN OUT-TURN OF 83 PERCENT OF THE REGISTERED VOTERS IN THE FACE OF MASSIVE AND DETERMINED EFFORTS BY THE VIET CONG TO DISRUPT THE ELECTIONS BY TERROR AND INTIMIDATION SURPRISED EVERYONE. IT IS A RARE TRIBUTE TO THE COURAGE OF THE VIETNAMESE PEOPLE AND EVIDENCE OF THEIR GREAT INTEREST IN THE ESTABLISHMENT OF DEMOCRATIC INSTITUTIONS AND OF THEIR DETERMINATION TO REGISTER THEIR CONVICTIONS. THAT THE VIET CONG WERE NOT MORE SUCCESSFUL IN THEIR TERRORIST ATTACKS WAS DUE IN GREAT MEASURE TO THE SECURITY PROVISIONS PUT INTO EFFECT BY OUR OWN AND VIETNAMESE FORCES. GENERAL THIEU HAS PAID TRIBUTE TO THE CONTRIBUTION MADE TO SECURITY DURING THE ELECTION BY THE ALLIED FORCES. GENERAL WESTMORELAND HAS BEEN EQUALLY COMPLIMENTARY ABOUT THE SECURITY PLANS WORKED OUT BY THE VIETNAMESE ARMED FORCES AND THEIR EFFECTIVE IMPLEMENTATION. HE REPORTS THAT ESSENTIALLY A THREE-RING SECURITY CONCEPT WAS EMPLOYED. POLICE AND POPULAR FORCES COMPRISED THE CLOSE-IN SECURITY IN AND ADJACENT TO THE POLLING STATIONS. ARMY OF THE REPUBLIC OF VIET NAM UNITS AND REGIONAL FORCES ESTABLISHED A CENTRAL SECURITY BELT ABOUT THE HAMLETS, VILLAGES AND CITIES. THE OUTER-RING OF SECURITY OPERATIONS WAS ACCOMPLISHED BY MAIN ARMY OF THE REPUBLIC OF VIET NAM ELEMENTS. MAJOR EMPHASIS WAS PLACED UPON THE ROADS AND WATERWAYS OVER WHICH THE VOTERS TRAVELLED TO THE POLLS. IN SAIGON, POLICE AND SUPPORTING ARMY OF THE REPUBLIC OF VIET NAM UNITS COVERED THE CITY SO COMPLETELY AND EFFECTIVELY THAT ELECTION DAY INCIDENTS WERE TOO SCATTERED, INFREQUENT AND INSIGNIFICANT TO WARRANT MORE THAN PASSING NOTICE. THE SECURITY PLAN FOR SAIGON WAS CLASSIC IN BOTH ITS DETAIL AND IMPLEMENTATION.

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3. THE SECOND POINT TO BE NOTED IS THE EFFECTIVE ORGANIZATION OF THE POLLING. THINK ALL OF OUR OBSERVERS AND CERTAINLY THE EXPERTS WHO ACCOMPANIED THEM, MESSRS. SCAMMON, HERZBERG, AND PENNIMAN, WERE GREATLY IMPRESSED BY THE WAY IN WHICH THE ELECTIONS HAD BEEN ORGANIZED AND THE SMOOTHNESS WITH WHICH THE MACHINERY WORKED. CONSIDERABLE EFFORT HAD GONE INTO INSTRUCTING THE PEOPLE HOW TO VOTE AND THE ACTUAL PROCESS OF VOTING PROCEEDED MUCH MORE RAPIDLY THAN WE HAD ANTICIPATED. DR. SCAMMON TOLD ME THAT THEY HAD TIMED A SUBSTANTIAL NUMBER OF VOTERS AND FOUND THAT THE BALLOTING TIME VARIED FROM THIRTY SECONDS TO TWO MINUTES AND FORTY SECONDS. GENERAL THIEU, HOWEVER, CONFESSED TO ME THAT IT TOOK HIM FOUR MINUTES TO VOTE HIS SENATE LIST BECAUSE HE HAD LEFT THE PAPER WITH THE NUMBERS HE WANTED TO VOTE FOR AT HOME. BUT I THINK IT IS A TRIBUTE TO THE CAREFUL PREPARATION AND ORGANIZATIONAL ABILITY OF THE GOVERNMENT THAT SUCH A LARGE NUMBER OF VOTES COULD HAVE BEEN REGISTERED BETWEEN 7:00 A.M. AND 4:00 P.M.

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4. THE THIRD POINT, WHICH I MENTIONED ALSO IN MY LAST WEEK'S MESSAGE, IS THAT THERE WAS COMPLETE FREEDOM OF SPEECH AND FREEDOM OF THE PRESS. THE GOVERNMENT WAS SUBJECTED TO A CONTINUOUS AND HEAVY BARRAGE OF CRITICISM BY ALL THE CIVILIAN CANDIDATES AND EDITORIALY BY A SUBSTANTIAL PORTION OF THE PRESS. ALL OF IT WAS FREELY PRINTED. IN FACT, I THINK DZU'S STRONG SHOWING, WHICH SURPRISED EVERYONE, WAS DUE IN PART TO THE FACT THAT HE WAS THE MOST ARTICULATE AND VOCIFEROUS CRITIC OF THE GOVERNMENT. THERE IS ALWAYS A PORTION OF THE ELECTORATE WHO ARE "AGAINST THE GOVERNMENT" AND NO DOUBT HE MADE A STRONG APPEAL TO THEM. HIS SIMPLISTIC AND INSISTENT EXPLOITATION OF THE PEACE THEME UNDOUBTEDLY ALSO HAD A STRONG APPEAL.

5. BY AND LARGE IT WAS A FREE SWINGING CAMPAIGN, CARRIED ON IN DEAD EARNEST AND NOT RELIEVED BY MUCH HUMOR. ONE EXCEPTION WAS SUU'S VICE PRESIDENTIAL RUNNING MATE, DR. DAN, WHO HAD A LIGHTER TOUCH. IN HIS SPEECH IN CHOLON, IN WHICH HE WAS CRITICAL OF THE STATE OF AFFAIRS IN SAIGON, HE SAID "TO TAKE A TAXI OR PEDICAB, THE COST IS PROHIBITIVE. THERE ARE NO PUBLIC LAVATORIES AND YET IT IS AGAINST THE LAW TO URINATE IN THE STREET. I SUGGEST YOU JUST URINATE IN YOUR "PANTS".

6. THE FOURTH POINT IS THAT IN THE VIEW NOT ONLY OF MOST OF OUR OWN OBSERVERS AND THE EXPERTS WHO ACCOMPANIED THEM, BUT ALSO IN THE VIEW OF OBSERVERS FROM OTHER COUNTRIES AS WELL, THERE WAS LITTLE EVIDENCE OF IRREGULARITIES. MANY OF THEM EXPRESSED THE VIEW TO ME THAT THE ELECTIONS HERE DID NOT SUFFER FROM COMPARISON WITH OUR OWN. AFTER MAKING A THOROUGH STUDY OF THE PREPARATIONS FOR THE ELECTIONS AND OBSERVING THE VOTING IN A LARGE NUMBER OF POLLING PLACES IN SAIGON, TAY NINH, AND AN XUYEN, MESSRS. SCAMMON, HERZBERG, AND PENNIMAN SAID TO ME FRANKLY THEY HAD NEVER SEEN A BETTER ELECTION. WHILE I HAVE SEEN ONLY A FEW REPORTS OF OPINIONS EXPRESSED BY THE OBSERVER GROUP ON REACHING HONOLULU, A NUMBER OF THEM SAID TO ME ON LEAVING THAT THEY THOUGHT THE ELECTIONS HAD GONE EXTREMELY WELL AND HAD BEEN CARRIED OUT FAIRLY AND IN A HIGHLY CREDITABLE FASHION.

7. THE AUSTRALIAN AMBASSADOR HAS TOLD ME THAT IN HIS OPINION THE ELECTIONS HAD BEEN WELL ORGANIZED, THAT THE BALLOTING WENT EXTREMELY WELL, AND THAT IN HIS VIEW THE ELECTION WAS FREE AND FAIR. THE NEW ZEALAND AMBASSADOR, WHO WAS AN OBSERVER FOR HIS GOVERNMENT, CAME TO SEE ME THIS MORNING, AND SAID THAT HE HAD REPORTED TO HIS GOVERNMENT THAT HE THOUGHT THE ELECTIONS WERE "FIRST RATE". TWO OTHER UNOFFICIAL AMERICAN OBSERVERS HAVE REPORTED THEIR FINDINGS. PROFESSOR OF DIPLOMACY AND WORLD AFFAIRS EDWARD W. MILL AT OCCIDENTAL COLLEGE SPENT 10 DAYS HERE ON HIS OWN TO OBSERVE THE ELECTORAL PROCESS. HE CAME TO SEE ME THIS MORNING AND TOLD ME THAT HE HAD BEEN BOTH SURPRISED AND PLEASED TO SEE THE EFFICIENCY WITH WHICH THE ELECTIONS HAD BEEN ORGANIZED AND WITH WHICH THE BALLOTING WAS CARRIED OUT. HE SAID THAT HE SAW NO EVIDENCE TO SUBSTANTIATE THE CHARGES OF IRREGULARITIES BEING MADE BY SOME OF THE CANDIDATES, AND HE FELT THAT THE WHOLE PROCESS HAD REALLY BEEN A SPLENDID PERFORMANCE. CONGRESSMAN WOLFF WHO CAME HERE AS A SKEPTIC, AND WITH WHOM I HAD A LONG TALK ON HIS ARRIVAL, HAS REPORTED FROM BANGKOK ON HIS OBSERVATIONS HERE. HE IS QUOTED AS SAYING, "I CANNOT PUT A STAMP OF COMPLETE AND UNALTERABLE FREEDOM AND HONESTY ON THE ENTIRE ELECTION BUT I CAN SAY WHAT I DID SEE AND SPOT CHECK WAS FREE. I HAVE THE VISUAL AND AUDIO EVIDENCE TO SUPPORT MY FINDINGS. WHAT I DID SEE AND SPOT CHECKED HAD TWO MANY BUILT IN SAFEGUARDS. IT IS ALMOST IMPOSSIBLE TO BELIEVE ANYONE COULD HAVE "STOLEN" THE ELECTION EXCEPT BY A BLATANT EFFORT AND COMPLETE DISREGARD FOR CONVENTION THAT COULD NOT HAVE ESCAPED THE ATTENTION OF THE 20 ODD NATIONAL OBSERVER TEAMS AND THE HUNDREDS OF NEWSMEN HERE FOR THE ELECTION." HE ADDED, "A VERY SIGNIFICANT STEP HAS BEEN TAKEN; A MOST IMPORTANT OBJECTIVE REACHED. IN LIGHT OF THIS IT IS NOW TIME TO REAPPRAISE OUR PLANS FOR THE FUTURE."

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8. I AM EXTREMELY HAPPY THAT YOU WERE ABLE TO PERSUADE SUCH A HIGH CALIBER AND BROADLY REPRESENTATIVE OBSERVER GROUP TO COME HERE. I THINK THEY PERFORMED A MOST USEFUL FUNCTION. WE TRIED TO ORGANIZE THEIR VISIT SO AS TO GIVE THEM MAXIMUM FREEDOM, EACH INDIVIDUAL HAVING A HIGH LEVEL ESCORT AND INDIVIDUAL TRANSPORTATION. IN WELCOMING THEM, I SAID THAT WHILE WE HAD WORKED OUT A PROGRAM FOR THEM, THEY WERE TO FEEL COMPLETELY FREE TO DISREGARD THE PROGRAM, TO GO WHERE THEY WISHED, EITHER SINGLY OR IN GROUPS, AND TO TALK WITH WHOMEVER THEY WISHED. THEY SEEMED PLEASED BY THIS AND REALLY TOOK ADVANTAGE OF IT. MANY OF THEM MADE THEIR OWN PLANS AND IN THE FOUR DAYS THROUGH ELECTIONS WORKED EXTREMELY HARD AND COVERED MUCH OF THE COUNTRY. WE GAVE THEM FACTUAL BRIEFINGS, MADE NO ATTEMPTS TO INFLUENCE THEM, AND LET THEM FORM THEIR OWN OPINIONS. MANY OF THEM TALKED TO A GOOD MANY MEMBERS OF THE PRESS AND I FOUND THAT QUITE A NUMBER OF THE OBSERVERS WERE SURPRISED AND RESENTFUL AT WHAT THEY CONSIDERED THE BIASED AND CRITICAL ATTITUDE OF SOME OF THE PRESS HERE. I BELIEVE THE EXERCISE ALSO RESOLVED DOUBTS IN THE MINDS OF SOME OF THE GROUP WHICH HAD BEEN TROUBLING THEM BEFORE THEY ARRIVED HERE AND THAT IT HAS BEEN EXTREMELY WORTHWHILE.

9. NOW WE ARE FACED WITH NEW PROBLEMS HAVING NEW DIMENSIONS. BUT IF WE CAN PERSUADE THIEU AND KY AS A BEGINNING, AND AS I BELIEVE WE CAN, TO PUT TOGETHER A BROADLY BASED GOVERNMENT REPRESENTING A WIDE POLITICAL SPECTRUM, I THINK WE SHALL HAVE TAKEN A LONG STRIDE FORWARD IN THE ESTABLISHMENT OF REPRESENTATIVE DEMOCRACY IN VIETNAM.

10. THE FIRST THING WE NEED TO DO, I THINK, IS TO USE OUR INFLUENCE TO SEE THAT THE ADMINISTRATION IS BOTH BROADLY BASED AND COMPETENT. I HAD A PRELIMINARY TALK WITH THIEU ABOUT THIS LAST NIGHT, ESPECIALLY ABOUT THE APPOINTMENT OF THE PRIME MINISTER. HE SAID THAT HE THOUGHT IT WOULD BE VERY DESIRABLE TO HAVE A SOUTHERNER IN THIS POST SINCE HE IS A CENTRALIST AND KY A NORTHERNER, AND WAS THINKING OF NGUYEN LUU VIEN, THE PRESENT DEPUTY PRIME MINISTER, BECAUSE OF HIS HIGH REPUTATION FOR HONESTY AND COMPETENCE. I SUGGESTED TO HIM THAT HE MIGHT ALSO WANT TO THINK OF NGUYEN HUU HANH, GOVERNOR OF THE NATIONAL BANK OF VIETNAM, AND MINISTER FOR ECONOMY AND FINANCE, WHO ALTHOUGH FROM CENTRAL VIETNAM IS PROBABLY THE ABLEST MAN IN THE GOVERNMENT TODAY. THIEU SAID HE THOUGHT HANH WOULD ALSO BE AN EXCELLENT CHOICE SINCE HE BELIEVES THAT THE PRIME MINISTER SHOULD HAVE COMPETENCE IN ECONOMICS AND ADMINISTRATION AS HE AND KY WOULD PROBABLY BE DEVOTING MUCH OF THEIR ATTENTION TO THE CONDUCT OF THE WAR, THE ARMED FORCES, AND PACIFICATION. I ALSO ASKED HIM HIS VIEW AS TO THE DESIRABILITY OF OFFERING THE PRIME MINISTERSHIP TO HUONG. HE SAID HE DID NOT BELIEVE HUONG'S HEALTH COULD WITHSTAND THE RIGOROUS DUTIES OF THE OFFICE AND HE THOUGHT ALSO THAT THEY WOULD FIND HIM DIFFICULT TO WORK WITH. HE WAS, HOWEVER, CONTEMPLATING OFFERING BOTH HUONG AND SUU POSITIONS IN THE GOVERNMENT, PERHAPS ON THE SUPREME COURT PROVIDED FOR IN THE CONSTITUTION. HOWEVER AS I INTERPRET PROVISIONS OF THE CONSTITUTION (ARTICLE 30) I DOUBT THAT THIS PARTICULAR APPOINTMENT WOULD BE POSSIBLE.

11. I SAID THAT I THOUGHT IT WOULD BE WISE IN OFFERING POSTS TO THE OPPOSITION CANDIDATES OR THEIR REPRESENTATIVES TO MOVE AHEAD RAPIDLY IN ORDER TO UNDERCUT POSSIBLE CHARGES ON THEIR PART OF ELECTION IRREGULARITIES. WE HAVE HAD REPORTS THAT DZU IS TRYING TO ARRANGE A UNITED FRONT OF THE CIVILIAN CANDIDATES IN PRESENTING CHARGES OF FRAUD IN THE ELECTIONS.

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12. I ALSO MENTIONED TO THINK THE DESIRABILITY OF COMING FORWARD SOON WITH A DYNAMIC PROGRAM WHICH WOULD ENGAGE THE ENTHUSIASM OF THE PEOPLE AND LET THEM FEEL THAT A NEW DAY HAD INDEED DAWNED. THIS WOULD HAVE THE ADVANTAGE ALSO OF TAKING THE SPOTLIGHT AWAY FROM DZU, HIS CHARGES OF IRREGULARITIES, AND HIS ADVOCACY OF HIS SIMPLISTIC APPROACH TOWARD PEACE NEGOTIATIONS. WE AGREED THAT THIS WAS IMPORTANT AND SAID THAT THEY WERE WORKING ON SUCH A DECLARATION. I THINK WE CAN BE HELPFUL IN PROVIDING SUGGESTIONS AND ARE WORKING ON A MEMORANDUM ALONG THESE LINES. OUR VIEWS OUTLINING THE POLICIES THAT WE BELIEVE WE OURSELVES SHOULD TRY TO FOLLOW IN THE MONTHS AHEAD, AND THE POLICIES WE FEEL THAT WE SHOULD TRY TO GET THE GOVERNMENT OF VIET NAM TO ADOPT ARE OUTLINED IN THE "BLUEPRINT FOR VIETNAM" WHICH I HAVE FORWARDED TO YOU, TO SECRETARY RUSK, AND TO SECRETARY MCNAMARA. AMBASSADOR LOCKE WILL BE DISCUSSING THESE AND OTHER MATTERS DURING HIS CONSULTATIONS IN WASHINGTON.

B. POLITICAL:

13. ON ELECTION DAY ITSELF, SEPT. 3, THE PEOPLE OF SOUTH VIETNAM TROOPED ONCE AGAIN TO THE POLLS IN LARGE NUMBER, 83 PERCENT OF THE REGISTERED VOTERS RECORDED AS PARTICIPATING, COMPARED TO 80.8 PERCENT IN THE CONSTITUENT ASSEMBLY ELECTIONS OF SEPT 1966.

14. THEIR MOOD ON THE WHOLE APPEARED SOBER AND CALM, THOUGH THERE WAS A FESTIVE ATMOSPHERE ABOUT MANY OF THE POLLING PLACES MISSION PERSONNEL AND OTHER U.S. OBSERVERS VISITED. THE VIETNAMESE ELECTION MACHINERY IS FAIRLY WELL-CILED BY NOW, AND THE STAFF WAS PREPARED FOR THE VOTERS. AT A POLLING STATION VISITED BY ONE OF THE OFFICIAL U.S. OBSERVERS, PROFESSOR SCAMMON, PREPARATIONS APPEARED TO HIM TO BE BETTER IN HAND THAN AT MANY POLLING STATIONS IN THE UNITED STATES AT OPENING TIME.

15. WHILE THE ELECTION STATISTICS DO NOT REFLECT VOTING BY SEX, THERE WAS EVIDENTLY A LARGE TURNOUT OF WOMEN VOTERS, BOTH IN THE CITIES AS WELL AS IN THE COUNTRYSIDE. AT ONE POLLING PLACE IN SAIGON THE FIRST VOTER WAS A TINY, OLDER LADY OF ABOUT 65, WHO EXPRESSED SOME ANNOYANCE THAT ALL WAS NOT IMMEDIATELY READY WHEN SHE ARRIVED TO VOTE AT 7:00 A.M. SHE LOOKED THINGS OVER, GAVE THE VOTING OFFICIALS INSTRUCTIONS ON HOW THEY OUGHT TO ASSEMBLE THE BALLOTS, QUICKLY VOTED WHEN SHE OBTAINED HER BALLOTS, AND TRIUMPHANTLY DEPARTED. IN FEW CASES IN THE COUNTRYSIDE WOMEN ARRIVED WITH TWO VOTING CARDS-- FOR THEMSELVES AND FOR THEIR HUSBANDS--AND WERE PERMITTED TO VOTE, THOUGH THIS IS A TECHNICAL VIOLATION OF THE LAW. NO DOUBT THEIR HUSBANDS WERE WORKING IN THE FIELDS. NOT EVEN AN ELECTION CAN ENTIRELY DISRUPT THE RHYTHMS OF RURAL VIETNAMESE LIFE.

16. THE THIEU-KY VICTORY IN THE ELECTIONS WAS DECISIVE, THOUGH THEIR PERCENTAGE OF THE VOTE WAS 34.8 PERCENT ACCORDING TO REVISED FIGURES RELEASED BY THE NATIONAL ASSEMBLY SEPT 5. THEIR NEAREST RIVAL, THE DZU-CHIEU TICKET (WHICH HEAVILY PLUGGED THE "PEACE" THEME AND MAY POSSIBLY HAVE HAD COVERT SUPPORT), OBTAINED 17.2 PERCENT OF THE VOTE. THE NEXT TWO TEAMS WERE SUU-DAN (10.8 PERCENT) AND HUONG-TRUYEN (10.8 PERCENT). THE REMAINING TICKETS, AND THEIR APPROXIMATE PERCENTAGES OF THE VOTE WERE AS FOLLOWS: KY-DINH (7.3 PERCENT), QUAT-CHAN (6.2 PERCENT), HIEP-TRUYEN (3.5 PERCENT), KHANH-DONG (3.2 PERCENT), BINH-KHINH (2.9 PERCENT, CO-SINH (2.2 PERCENT), AND LY-DUONG (1.9 PERCENT).

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17. FAILURE OF SEVEN OF THE ELEVEN LISTS TO OBTAIN 10 PERCENT OF THE EFFECTIVE TOTAL VOTE OF 4,735,404 VOTES LEAVES THEM LIABLE TO REPAY THE VIETNAMESE TREASURY FOR THE MONEY ADVANCED TO THEM FOR PRINTING LEAFLETS AND POSTERS (AN AVERAGE OF AROUND ONE MILLION PIASTERS EACH, OR CLOSE TO \$10,000). THE TRAN VAN HUONG SLATE NARROWLY MISSED BEING PLACED IN THIS CATEGORY, RECEIVING 600 MORE VOTES THAN THE MINIMUM OF 10 PERCENT REQUIRED TO ESCAPE THE APPLICATION OF THIS PROVISION OF THE PRESIDENTIAL ELECTIONS LAW.

18. NOT SURPRISINGLY, THE FOUR LEADING SLATES HAD POCKETS OF STRENGTH AND WEAKNESS THROUGHOUT THE COUNTRY, ALTHOUGH ALL OF THEM WERE STRONG CONTENDERS ON A NATION-WIDE BASIS. THEIU AND KY BENEFITED FROM BEING FAIRLY WELL-KNOWN PARTICULARLY KY, WHO IN SOME RURAL PLACES IS KNOWN AS "MR. MOUSTACHE". THEIU AND KY WERE STRONG IN THE LARGER CITIES (RUNNING A STRONG SECOND IN BOTH SAIGON AND HUE) AND WERE FIRST IN EACH OF THE FOUR CORPS AREAS. SURPRISINGLY, THE THIEU-KY SLATE DID LESS WELL THAN HAD BEEN EXPECTED IN CHOLON, WHICH IS PREDOMINANTLY CHINESE. THERE MAY STILL BE LINGERING RESENTMENT THERE OVER THE SUMMARY TRIAL AND EXECUTION IN 1966 OF TA VINH, A WEALTHY CHINESE BUSINESSMAN, ON A CHARGE OF CORRUPTION. THIEU AND KY DID QUITE WELL IN II CORPS, PARTICULARLY IN THE HIGHLAND PROVINCES, WHERE THE RECENT PROMULGATION OF THE SPECIAL STATUTE FOR THE MONTAGNARDS CERTAINLY DID THEM NO HARM. THE CAMPAIGN WAS EVIDENTLY NEITHER LONG ENOUGH NOR INTENSIVE ENOUGH FOR THE OTHER CANDIDATES TO ERASE THE INCUMBENTS' ADVANTAGES POSSESSED BY THEIU AND KY.

19. THE PRINCIPAL SURPRISE IN THE CAMPAIGN WAS THE STRONG SHOWING MADE BY TRUONG DINH DZU. DZU, AN EXPERIENCED LAWYER AND A GIFTED PUBLIC SPEAKER, WAS PARTICULARLY EFFECTIVE IN THE JOINT APPEARANCES OF THE PRESIDENTIAL CANDIDATES, WHERE HIS ORATORICAL SKILL, MIXED WITH A SKILLFUL USE OF INVECTIVE DIRECTED AGAINST THE GOVERNMENT, WON CONSIDERABLE APPLAUSE FROM HIS AUDIENCES. HOWEVER, DZU ALSO DID WELL IN AREAS OF THE COUNTRY WHERE HE NEVER APPEARED PERSONALLY, ALTHOUGH IN SOME OF THESE LOCALITIES HE COULD BE SEEN OR HEARD ON TELEVISION OR ON RADIO. DZU UNDOUBTEDLY BENEFITED FROM HIS SKILLFUL EXPLOITATION OF THE "PEACE" ISSUE. IN HIS INITIAL SPEECHES IN THE CAMPAIGN HE APPEARED NO MORE DEDICATED TO "PEACE" THAN OTHER CANDIDATES, ALTHOUGH HE HAD CHOSEN THE DOVE AS HIS ELECTION SYMBOL. DZU MADE THIS ISSUE THE CENTRAL PART OF HIS CAMPAIGN. BY NO MEANS A COMMUNIST, EITHER OVERTLY OR COVERTLY, DZU QUICKLY SENSED THE RECEPTIVITY OF HIS AUDIENCES TO A CAMPAIGN AIMED AT "PEACE" AND REAPED SUBSTANTIAL BENEFIT FROM THIS APPROACH. HE DID NOT DEVELOP A DETAILED "PEACE PROGRAM" UNTIL LATE IN THE CAMPAIGN.

20. SPECIFICALLY, DZU'S "PEACE PLAN" INVOLVES PROPOSING TO THE UNITED STATES AN UNCONDITIONAL HALT TO THE BOMBING OF NORTH VIET-NAM; PROPOSING TO HANOI A CEASE-FIRE WHICH WOULD INVOLVE AN END TO ALL MILITARY ACTIVITIES IN VIET-NAM; TALKS BETWEEN THE GOVERNMENT OF VIET NAM AND HANOI AIMED AT HALTING THE INFILTRATION OF MEN AND EQUIPMENT FROM NORTH TO SOUTH AND THE WITHDRAWAL OF NORTH VIETNAMESE TROOPS FROM THE SOUTH; TALKS WITH THE UNITED STATES AND OTHER ALLIED GOVERNMENTS TO REACH AGREEMENTS ON TROOP LEVELS, THE PERIOD DURING WHICH ALLIED TROOPS WOULD BE STATIONED IN VIET-NAM, AND TIMING OF ULTIMATE WITHDRAWAL; TALKS WITH THE LIBERATION FRONT "TO FIND OUT THE ASPIRATIONS OF THE LIBERATION FRONT" AND "TO EXCHANGE RATIONAL PROPOSALS WITH THE LIBERATION FRONT"; AND NEGOTIATION OF AN INTERNATIONAL GUARANTEE THROUGH A RECONVENED GENEVA CONFERENCE TO SUPPORT THE ARRANGEMENTS REACHED DIRECTLY BETWEEN THE PARTIES CONCERNED. DZU HAD NOT PREVIOUSLY SHOWN A GREAT DEAL OF INTEREST IN THE "PEACE" ISSUE, AND THE ABOVE "PLAN" IS ESSENTIALLY A FIRST CUT AT A PROBLEM MUCH MORE COMPLICATED THAN HE PROBABLY REALIZES. HIS UNSAVORY REPUTATION-STAINED IN RECENT YEARS BY VIOLATIONS OF CURRENCY CONTROL REGULATIONS AND FLEEING LAW CLIENTS EVIDENTLY DID NOT IMPRESS THE VOTERS AS MUCH AS HIS SIMPLISTIC PEACE APPEAL AND HIS HARSH ATTACKS ON THE GOVERNMENT.

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21. THE SUU-DAN TICKET CARRIED HUE AND WAS SECOND IN I CORPS. HOWEVER, SUU RAN FOURTH IN SAIGON AND IN THE POPULOUS III AND IV CORPS. ULTIMATELY, SUU WAS NEVER ABLE TO ESCAPE FROM THE WIDELY -HELD FEELING THAT HE IS AN OLD AND RATHER WEAK MAN WITH LITTLE NEW TO OFFER THE COUNTRY. EVEN DAN'S IMAGINATIVE LAND REFORM PROGRAM, AN IMPORTANT PART OF THE SUU-DAN PLATFORM, ATTRACTED LITTLE ATTENTION. THIS SUGGESTS THAT LAND REFORM, HOWEVER DESIRABLE AND NECESSARY, IS PROBABLY NOT A POLITICALLY POWERFUL ISSUE AT THIS TIME. NONE OF THE OTHER CANDIDATES MADE MORE THAN PASSING REFERENCE TO LAND REFORM, AND THE ISSUE APPEARED TO GENERATE LITTLE REAL INTEREST.

22. TRAN VAN HUONG CARRIED SAIGON, WHERE HE HAD BEEN AN EFFECTIVE AND POPULAR MAYOR, BUT HIS PERFORMANCE ELSEWHERE WAS WEAK. HE RAN FIFTH IN I AND II CORPS, WHERE HIS TROUBLES WITH THE BUDDHISTS IN 1964-5 ALMOST CERTAINLY HURT HIM, BUT HE ALSO RAN ONLY THIRD IN III AND IV CORPS, WHERE HE WAS EXPECTED TO DO MUCH BETTER. EVEN IN DEFEAT HE REMAINS A STRONG AND TOUGH-MINDED POLITICAL FIGURE, AND IT MAY BE THAT HE HAS NOT DEFINITELY ABANDONED ANY POSSIBILITY OF HOLDING OFFICE UNDER THIEU AND KY. HE WOULD ADD STRENGTH TO THE GOVERNMENT OF VIET NAM IF A SUITABLE PLACE CAN BE FOUND FOR HIM.

23. THE RETURNS FROM THE SENATE ELECTIONS, WHICH WERE HELD SIMULTANEOUSLY, HAVE BEEN MUCH SLOWER COMING IN, AN INEVITABLE RESULT OF THE FACT THAT THERE ARE 48 SENATE LISTS FOR WHICH TOTALS MUST BE COMPUTED IN EVERY ONE OF THE 8,824 POLLING STATIONS THROUGHOUT THE COUNTRY. FROM INITIAL INDICATIONS, IT APPEARS THAT SENATE LIST 13 (HEADED BY RETIRED GEN TRAN VAN DON AND CONSISTING OF A BALANCED GROUP OF MILITARY AND CIVILIAN FIGURES, INCLUDING A MONTAGNARD FROM PHU BON PROVINCE) IS DOING WELL AND WILL PROBABLY BE ONE OF THE WINNERS. THE OTHER SLATES ARE WELL SPREAD OUT, AND WE DON'T EXPECT TO KNOW THE PATTERN FOR PERHAPS ANOTHER DAY. IT IS CLEAR THAT THE SENATE VOTE HAS BEEN MUCH AFFECTED BY RANDOM VOTING. MANY VOTERS HAVE TOLD US THAT, AFTER SELECTING ONE OR TWO LISTS THEY PARTICULARLY WANTED, THEY PULLED OUT SEVERAL OTHER LISTS AT RANDOM TO MAKE UP A TOTAL OF SIX LISTS, AS PROVIDED IN THE ELECTION LAW.

24. ONE FAIRLY WELL-EDUCATED YOUNG LADY TOLD US THAT SHE HAD VOTED FOR ONE SENATE LIST BECAUSE IT WAS HEADED BY A NEIGHBOR AND FOR ANOTHER BECAUSE IT INCLUDED A RELATIVE. THE OTHER FOUR LISTS SHE PULLED OUT AT RANDOM FROM THE SHEAF OF 48 LISTS GIVEN TO HER IN THE POLLING PLACE. THE FIRST LIST SHE DREW AT RANDOM WAS HEADED BY A WOMAN, WHICH SHE REJECTED BECAUSE SHE FELT WOMEN SHOULD NOT BE ACTIVE IN POLITICS. SHE SAID SHE COULD NOT REMEMBER WHICH OF THE FOUR LISTS DRAWN AT RANDOM SHE FINALLY DEPOSITED IN THE BALLOT BOX.

25. THE PRESIDENTIAL ELECTION RESULTS SPEAK FOR THEMSELVES AND WILL GO FAR TO ANSWER THE EARLIER CHARGES THAT THE GOVERNMENT WAS GUILTY OF IMPROPER ACTIVITIES DURING THE CAMPAIGN AND WOULD MANIPULATE THE RESULTS. WE OBSERVED SOME MINOR IRREGULARITIES. THE IDENTIFICATION PROCEDURES AT THE POLLING PLACES WERE RATHER HAPHAZARD. VOTERS SIMPLY PRESENTED THEIR IDENTITY CARDS AND THEIR VOTER'S CARD AND, AFTER A CURSORY EXAMINATION TO ESTABLISH THAT THEY WERE THE PERSON INVOLVED, THEY WERE GIVEN THEIR BALLOTS. WE KNOW OF A NUMBER OF CASES WHERE PEOPLE VOTED OTHER THAN IN THE PRECINCTS NEAR THEIR RESIDENCES. IN A FEW CASES POLLING STATIONS RAN OUT OF BALLOTS FOR GIVEN CANDIDATES. ONE OF TRAN VAN HUONG'S SUPPORTERS STATED THAT SEVERAL POLLING PLACES IN SAIGON HAD RUN OUT OF HUONG BALLOTS. HOWEVER, WE DO NOT FEEL THAT THE IRREGULARITIES WHICH OCCURRED WERE OF SUCH NATURE AS TO CHANGE THE OUTCOME. WE DOUBT THAT MUCH DOUBLE VOTING OCCURRED, AND VERY FEW HAVE ALLEGED THAT THEY COULD NOT OBTAIN BALLOTS FOR THE CANDIDATE OF THEIR CHOICE.

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H26. THE VERY FACT THAT THIEU-KY GOT JUST UNDER 35 PERCENT OF THE VOTE, WHILE THE DZU-CHIEU TICKET (WHICH HAD ATTACKED THE GOVERNMENT IN VIGOROUS AND FREQUENTLY SCATHING TERMS) GOT 17.2 PERCENT OF THE VOTE, IS THE BEST ANSWER TO ANY SPECULATION THAT THE RESULTS WERE MANIPULATED. WHEN WE RECALL THAT PRESIDENT DIEM WAS OFFICIALLY RECORDED AS HAVING OBTAINED 89.9 PERCENT OF THE VOTE IN THE 1961 PRESIDENTIAL ELECTION, WE CAN SEE HOW FAR THE GOVERNMENT OF VIET NAM HAS COME IN CONDUCTING A GENERALLY FAIR ELECTION AND IN THE COMPILATION OF THE RESULTS.

27. THE US OBSERVER MISSION DID AN ENERGETIC AND INTELLIGENT JOB OF GETTING AROUND THE COUNTRY, ACCEPTING SOME OF THE HAZARDS INVOLVED (SEN MURPHY OF CALIF AND GOV GUY OF NORTH DAKOTA CAME CLOSE TO BEING PRESENT AT A POLLING STATION IN PHU YEN PROVINCE WHEN A BOMB EXPLODED THERE ON ELECTION DAY), AND I BELIEVE THEY WERE GENERALLY SATISFIED THAT THE ELECTIONS WERE FAIRLY AND PROPERLY CONDUCTED. THE CIRCUMSTANCES OF THEIR MOVEMENTS LEFT US WITH LITTLE OPPORTUNITY TO TALK TO THEM AT LENGTH, BUT THE OVERALL IMPRESSION WE HAVE IS THAT THEY WERE SATISFIED WITH THE OUTCOME. THE OBSERVER MISSION WAS WELL WORTH THE TIME AND EFFORT REQUIRED TO PUT IT TOGETHER IN THE UNITED STATES AND TO SUPPORT IT HERE IN VIETNAM. I BELIEVE MUCH THE SAME IMPRESSION WAS SHARED BY THE OBSERVER GROUPS FROM OTHER NATIONS.

28. WE HAVE NOT YET SEEN THE PLAYBACK OF ALL OF THE STORIES WRITTEN BY THE AMERICAN CORRESPONDENTS HERE, BUT IT APPEARS THAT THEY ARE DISPLAYING MAJOR INTEREST IN TRUONG DINH DZU, ESTIMATING HIS STRENGTH, LOOKING INTO HIS PROGRAMS AND OUTLOOKS, AND SPECULATING ON WHAT HIS FUTURE PROSPECTS ARE. WHILE WE WILL UNDOUBTEDLY HEAR A GREAT DEAL MORE ABOUT THIS, I AM ENCOURAGED AT THIS LINE, SINCE IT IMPLICITLY SEEMS TO ACCEPT THE ESSENTIAL FAIRNESS OF THE ELECTIONS. THE COMPARATIVE CLOSENESS OF THE PERCENTAGE RESULTS HAS ALSO HELPED. A FEW WEEKS AGO IT WAS HARD TO BELIEVE THAT THE AMERICAN CORRESPONDENTS HERE WOULD EVER ACCEPT A THEIU-KY VICTORY AS ANYTHING BUT EVIDENCE OF A RIGGED ELECTION.

29. IN TERMS OF THE EFFECT ON THE VIETNAMESE THEMSELVES, WE JUDGE THAT THEY ARE PLEASED AT THE ORDERLY WAY IN WHICH THE ELECTION WAS CONDUCTED. AT THE POLLING PLACES THERE WAS A HOLIDAY MOOD, THE CROWDS WERE ORDERLY, AND, APART FROM VIET CONG INSPIRED VIOLENCE, THERE WERE NO PARTICULAR PROBLEMS REPORTED. THE SAIGON PRESS HAS EXPRESSED CAUTIOUS SATISFACTION WITH THE CONDUCT OF THE VOTE-COUNTING, REPORTING THE PROGRESS OF THE VOTE COUNT AS IT IS RELEASED BY THE NATIONAL ASSEMBLY.

30. NOT SURPRISINGLY, TRUONG DINH DZU HAS DENOUNCED THE ELECTIONS AS FRAUDULENT, AND HE PROBABLY CAN BE EXPECTED TO PURSUE THIS THEME WITH HIS CUSTOMARY VIGOR WHEN THE CERTIFICATION OF THE ELECTION RESULTS COMES UP BEFORE THE CENTRAL ELECTION COUNCIL AND THE NATIONAL ASSEMBLY. MORE IMMEDIATELY, DZU HAS TOLD DENIS WARNER, THE AUSTRALIAN JOURNALIST, THAT HE HAS AGREED WITH THE SUU-DAN AND HUONG-TRUYEN SLATES, AS WELL AS WITH THE EXTREMIST BUDDHIST MONK, THICH TRI QUANG, TO HOLD A PRESS CONFERENCE SEPT 7 AT WHICH THEY WILL DENOUNCE THE GOVERNMENT'S CONDUCT OF THE ELECTION. DZU SAID THEY WOULD ASK THE GOVERNMENT FOR PERMISSION TO HOLD, AT AN UNDETERMINED DATE, A PEACEFUL DEMONSTRATION TO PUBLICIZE THEIR CHARGES THAT THE GOVERNMENT RIGGED THE ELECTIONS. DZU SAID THAT IF THE GOVERNMENT DID NOT TAKE ACTION (WHICH HE DID NOT SPECIFY). HE WOULD CONSIDER A COUP D'ETAT. WARNER, A RELIABLE AND RESPECTED JOURNALIST WHO HAS COVERED VIETNAM SINCE THE INDO CHINA WAR AGAINST THE FRENCH AND WHO HAS KNOWN DZU FOR YEARS, COMMENTED LATER THAT HE DID NOT KNOW WHETHER TO CONCLUDE THAT DZU IS MAD OR BAD."

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31. WHILE DZU EVIDENTLY INTENDS TO WALLOW IN THE PUBLICITY AND ATTENTION HE CAN ATTRACT OVER THE NEXT FEW WEEKS, IT IS NOT SO CLEAR WHETHER THE OTHER DEFEATED CANDIDATES ARE WILLING TO ALLOW HIM TO EXPLOIT THEM FOR PURPOSES STILL NOT FULLY CLEAR. I ASKED THEIU ABOUT THEM LAST NIGHT AND HE SAID THAT HE DID NOT THINK SUU OR HUONG COULD WANT TO IDENTIFY THEMSELVES WITH ANYONE OF DZU'S UNSAVORY REPUTATION. WE WILL BE IN CLOSE TOUCH WITH THE DEFEATED CIVILIAN CANDIDATES AND, WHEN APPROPRIATE, WILL BE IN TOUCH WITH DZU, ALSO. HE HAS NOT SO FAR TAKEN AN ANTI-AMERICAN STANCE AND, INDEED, ENJOYED FAIRLY CLOSE AND FRIENDLY RELATIONS WITH AMERICANS IN THE PAST, THOUGH NOT IN THE LAST YEAR OR SO. THE PRESS CONFERENCE SCHEDULED FOR SEPT 7 WILL INDICATE MORE CLEARLY HOW FAR DZU PLANS TO GO AND, MORE IMPORTANTLY, HOW FAR THE OTHER CIVILIAN CANDIDATES ARE PREPARED TO SUPPORT HIM.

32. SO FAR WE HAVE ONLY FRAGMENTARY EVIDENCE OF THE ATTITUDE OF THE OTHER DEFEATED CANDIDATES. PHAN CUANG DAN, SUU'S RUNNING MATE, TOLD AN EMBASSY OFFICER SEPT 5 THAT HE FELT THE ELECTION HAD BEEN VERY FREE AND THAT THE FEW INDICATIONS OF ELECTION FRAUD WERE AN INSIGNIFICANT FACTOR IN THE THIEU-KY VICTORY. HE SAID HE WOULD NOT TAKE PART IN ANY ATTEMPT TO DISCREDIT THE ELECTION, THOUGH HE SAID THAT SUU, HA THUC KY, HUONG AND DZU WERE PLANNING TO PROTEST THE RESULTS AND HOPE TO GET THE NATIONAL ASSEMBLY TO DECLARE THE ELECTION INVALID. DAN SAID THROWING OUT THE ELECTION WOULD BE A SENSELESS, UNJUSTIFIABLE, AND DISASTROUS ACT. DAN IS CLEARLY ANGLING FOR A GOVERNMENT POST (HE HAS KIND WORDS TO SAY FOR GENERAL THIEU, THOUGH HE DISLIKES GENERAL KY) AND MAY HAVE TAILORED HIS REMARKS IN THESE TERMS. HOWEVER, HIS REMARKS ABOUT DZU AND SOME OTHER OPPOSITION FIGURES ARE TIMELY WARNING OF WHAT WOULD CERTAINLY BE AN UNFORTUNATE TREND OF EVENTS. HA THUC KY, CLEARLY A POOR LOSER, DENOUNCED THE CONDUCT OF THE ELECTIONS IN BITTER TERMS SEPT 5 IN A CONVERSATION WITH AN EMBASSY OFFICER. HE CHARGED THAT THE GOVERNMENT OF VIET NAM ITSELF HAD SELECTED TROUNG DINH DZU TO COME OUT IN SECOND-PLACE AND COMPLETELY DISCOUNTED THE CREDIBILITY OF THE PUBLISHED ELECTION RESULTS. HOWEVER, HE APPEARED RESIGNED TO THE BELIEF THAT A PROTEST WOULD PROBABLY GET NOWHERE. HE CLAIMED THAT NEITHER HE, TRAN VAN HUONG, NOR PHAN KHAC SUU WOULD ACCEPT ANY POST IN THE THIEU GOVERNMENT.

33. THE VIET CONG REACTION TO THE ELECTIONS DURING THE PAST WEEK HAS CONTINUED TO REFLECT, ON THE WHOLE, THE SAME NEGATIVE AND DESTRUCTIVE ATTITUDE SHOWN IN THE PAST. THERE WAS A DRAMATIC UPSWING IN THE NUMBER OF TERRORIST INCIDENTS DIRECTED AGAINST THE VIETNAMESE CIVILIAN POPULATION DURING THE WEEK ENDING SEPT 2 WITH THE INCREASE PARTICULARLY NOTEWORTHY DURING THE DAYS IMMEDIATELY BEFORE THE ELECTIONS. THE VIET CONG ATTACKED POLLING PLACES, MINED ROADS AND STAGED MASS KIDNAPPINGS IN AN OBVIOUS EFFORT TO PREVENT VOTERS FROM CASTING THEIR BALLOTS. DURING THE PERIOD FROM 6 P.M. SEPT 2 TO MIDNIGHT SEPT 3 ALONE, INCIDENTS AGAINST CIVILIANS TOOK A TOLL OF 461 (23 KILLED, 160 WOUNDED, AND 278 KIDNAPPED) IN ELECTION-RELATED INCIDENTS.

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34. VIET CONG ACTIVITY AGAINST THE ELECTIONS WAS NOT CONFINED TO TERRORISM, HOWEVER. IT IS ESTIMATED THAT AROUND 50 PERCENT OF CURRENT VIET CONG RADIO OUTPUT WAS DEDICATED TO DENOUNCING THE ELECTIONS DURING THE PAST WEEK, MOSTLY CALLING ON THE PEOPLE TO BOYCOTT THE ELECTIONS. VIET CONG POLITICAL COMMENTARIES DENOUNCED ALL THE PRESIDENTIAL CANDIDATES, MILITARY AS WELL AS CIVILIAN, ALTHOUGH THERE IS SOME INCONCLUSIVE EVIDENCE THAT THEY MAY HAVE GIVEN COVERT SUPPORT TO THE TRUONG DINH DZU PRESIDENTIAL SLATE. CERTAINLY, IN SOME OF THE PROVINCES WHICH DZU CARRIED (HAU NGHIA, KIEN PHONG, BINH DUONG, AND TAY NINH) SECURITY CONDITIONS ARE POOR, AND THE MOST INSECURE DISTRICTS ARE THOSE WHICH DZU CARRIED BY THE LARGEST MAJORITIES. BUT, IN AN GIANG PROVINCE DZU ALSO DID WELL, AND SECURITY THERE IS GOOD. MOREOVER, IN PARTICULARLY BAD PROVINCES, SUCH AS AN XUYEN AND CHUONG THIEN, THIEU-KY DID MUCH BETTER THAN DZU.

35. IN WHAT WAS CLEARLY AIMED AT THE ELECTIONS, THE NATIONAL LIBERATION FRONT ISSUED A REVISION OF ITS POLITICAL PROGRAM ON SEPTEMBER 2. THIS IS PARTICULARLY SIGNIFICANT, FOR THE THIRD OF HANOI'S WELL-KNOWN FOUR POINTS FOR PEACE INVOLVES ACCEPTANCE OF THE PROGRAM OF THE LIBERATION FRONT. THE PROGRAM OF THE FRONT, ORIGINALLY ISSUED IN JANUARY, 1961 BUT BEARING THE DATE OF DECEMBER 20, 1960, REMAINED UNCHANGED FOR SIX AND ONE-HALF YEARS, ALTHOUGH PORTIONS OF IT (SUCH AS THE CALL FOR THE OVERTHROW OF THE DIEM GOVERNMENT) HAVE BEEN OBSOLETE FOR WELL OVER THREE YEARS. THE REVISION OF THE PROGRAM AT THIS TIME MAY ANTICIPATE NEGOTIATIONS IN THE NEXT YEAR OR SO, OR IT MAY ONLY REFLECT CONCERN AT THE PROCESS OF POLITICAL CONSOLIDATION BY THE GOVERNMENT OF VIET NAM.

36. THE PRINCIPAL POINTS IN THE REVISED PROGRAM, ASIDE FROM THE USUAL INVECTIVE AGAINST THE US, STRIPPED OF THE CLOUDS OF COMMUNIST VERBIAGE WHICH OVERLAY THEM, ARE: (1) ACHIEVE A BROAD AND PROGRESSIVE DEMOCRATIC REGIME; (2) BUILD AN INDEPENDENT AND SELF SUPPORTING ECONOMY TO IMPROVE THE PEOPLE'S LIVING CONDITIONS; (3) ENACT A LAND POLICY EMBODYING THE SLOGAN "LAND TO THE TILLERS"; (4) BUILD A NATIONAL DEMOCRATIC CULTURE AND EDUCATIONAL STRUCTURE; (5) DEVELOP A NATIONAL HEALTH SERVICE; (6) BUILD THE LIBERATION ARMED FORCES TO LIBERATE THE PEOPLE AND DEFEND THE FATHERLAND; (7) REWARD THE FIGHTERS AND COMPATRIOTS WHO HAVE FOUGHT AGAINST "US AGGRESSION"; (8) ORGANIZE PROGRAMS OF SOCIAL RELIEF TO HELP THOSE AFFECTED BY HOSTILITIES; (9) IMPLEMENT FULL EQUALITY BETWEEN MEN AND WOMEN; (10) DEVELOP UNITY AND PRACTICE EQUALITY AMONG THE VARIOUS MINORITY GROUPS; (11) RESPECT FREEDOM OF RELIGION; (12) WELCOME "PUPPET OFFICERS AND MEN AND PUPPET OFFICIALS" WHO RALLY TO THE FRONT; (13) PROTECT THE RIGHTS AND INTERESTS OF VIETNAMESE OVERSEAS; (14) PROTECT "THE LEGITIMATE RIGHTS AND INTERESTS OF FOREIGN RESIDENTS IN SOUTH VIET-NAM."

37. WHILE SOME OF THESE ARE FAIR WORDS, THE REVISED PROGRAM AS A WHOLE REMAINS A BLUEPRINT FOR COMMUNISTS TAKEOVER OF ALL OF VIETNAM. THE OVERALL IMPRESSION WE HAVE OF THE REVISED PROGRAM ON THE ISSUE OF PEACEFUL SETTLEMENT OF THE WAR IS THAT THE HANOI/VC POSITION HAS NOT CHANGED SIGNIFICANTLY, AN IMPRESSION STRENGTHENED BY THE UNCOMPROMISING TONE OF THE NATIONAL DAY SPEECH OF THE DEMOCRATIC REPUBLIC OF VIET NAM PRIME MINISTER PHAM VAN DONG ON AUGUST 31. DONG SAID THE "ONLY WAY TO PEACE IN VIETNAM" IS FOR THE U.S. TO CEASE THE BOMBING, WITHDRAW ITS TROOPS, RECOGNIZE THE FRONT, AND LET THE VIETNAMESE SETTLE THEIR OWN AFFAIRS. DONG MADE IT CLEAR THAT THE INITIATION OF TALKS DEPENDS ONLY ON CESSATION OF THE BOMBING, AND NOT ON U.S. ACCEPTANCE OF THE FOUR POINTS OF HANOI OR THE VIET CONG FIVE POINT STATEMENT. THE LATTER REMAIN, HOWEVER, INTEGRAL TO ANY GENERAL SETTLEMENT OF THE CONFLICT IN THE SOUTH.

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38. ONE OF THE URGENT TASKS BEFORE THE GOVERNMENT OF NORTH VIET NAM IN THE NEXT FEW WEEKS WILL BE THE FORMATION OF THE NEW GOVERNMENT. GENERALS THIEU AND KY HAVE A RESPECTABLE VICTORY IN THEIR HANDS, AND THEY CAN AFFORD TO BE GENEROUS IN SEEKING TO BRING SOME OF THE DEFEATED CIVILIAN CANDIDATES INTO SOME KIND OF SATISFACTORY RELATIONSHIP WITH THEM. THIS COULD TAKE THE FORM OF CABINET MEMBERSHIP, APPOINTMENT TO ONE OF THE HIGH-LEVEL ECONOMIC OR SOCIAL COUNCILS TO BE FORMED UNDER THE CONSTITUTION, OR SOME LESS FORMAL ASSOCIATION. AS I HAVE MENTIONED, I HAVE ALREADY BEGUN TALKS WITH THIEU ON THIS AND I WILL CONTINUE TO URGE THEM TO TAKE ACTION OF THIS KIND, IN ORDER TO BROADEN THE BASE OF THE GOVERNMENT. MORE IMMEDIATELY, I WILL BE URGING THEM TO TAKE NO LEGAL OR OTHER ACTION AGAINST TRUONG DINH DZU IN RETALIATION FOR HIS SHARP ATTACKS ON THE GOVERNMENT DURING THE CAMPAIGN AND ON GENERAL KY IN PARTICULAR. WITHHOLDING LEGAL OR OTHER ACTION AGAINST DZU WILL INVOLVE A CONSIDERABLE EXERCISE IN PATIENCE FOR THIEU AND KY, PARTICULARLY IF DZU CONTINUES THE INTEMPERATE AND FREQUENTLY VICIOUS ATTACKS HE HAS LAUNCHED AGAINST THE GOVERNMENT. HOWEVER, I FEAR TAKING ACTION AGAINST HIM WOULD SIMPLY PLAY INTO HIS HANDS AND BE READY BY INTERNATIONAL OPINION (BUT PERHAPS LESS SO BY VIETNAMESE OPINION) AS SIMPLE PERSECUTION OF A DEFEATED OPPONENT. THE FACT THAT DZU HAS EVIDENTLY ENGAGED IN EXTORTION AND PROHIBITED FOREIGN EXCHANGE TRANSACTIONS, AND HAS PROBABLY BEEN GUILTY OF UNETHICAL CONDUCT AS A LAWYER--ACTIONS WHICH GIVE THE GOVERNMENT AND THE BAR ASSOCIATION GROUNDS FOR MOVING AGAINST HIM WITH SOME ISSUE OF PROPRIETY--IS NOT LIKELY TO IMPRESS FOREIGN OPINION AS MUCH AS HIS SHOWING AT THE POLLS.

39. WHILE THE PRESIDENTIAL AND SENATE ELECTIONS HAVE ENGAGED OUR ATTENTIONS, PREPARATIONS FOR THE LOWER HOUSE ELECTIONS HAVE GONE FORWARD, LOOKING TOWARDS ELECTION DAY OCT 22. MORE THAN 1500 CANDIDATES ARE EXPECTED TO CONTEST THE 137 SEATS TO BE FILLED, INCLUDING A SUBSTANTIAL NUMBER OF DEFEATED SENATE CANDIDATES. THE LOWER HOUSE ELECTIONS WILL BE CONTESTED IN THE 53 CONSTITUENCIES INTO WHICH THE COUNTRY HAS BEEN DIVIDED. THE CAMPAIGN WILL BE CONDUCTED ESSENTIALLY ON A LOCAL BASIS AND PROBABLY ON LOCAL ISSUES, AVOIDING MANY OF THE LOGISTICAL AND OTHER PROBLEMS ENCOUNTERED IN THE PRESIDENTIAL AND SENATE ELECTIONS, WHICH WERE CONDUCTED AT LARGE. HOWEVER, IF TRUCNG DINH DZU CONTINUES TO PRESS ON THE "PEACE" ISSUE, IT IS LIKELY THAT THIS MATTER WILL BE EXPLORED FURTHER IN THE LOWER HOUSE CAMPAIGN.

40. WITH THE ADVENT OF A FULLY-ELECTED GOVERNMENT, OUR WORKING RELATIONSHIPS WITH THE GOVERNMENT WILL UNDERGO SOME CHANGE. PREVIOUSLY, WHEN WE CONVINCED THIEU AND KY THAT ACTION IN A GIVEN FIELD WAS NECESSARY AND DESIRABLE, THEY WERE IN A POSITION TO ISSUE A DECREE TO IMPLEMENT THE ACTION. NOW, HOWEVER, THIEU AND KY WILL BE OPERATING WITHIN THE FRAME WORK OF A CONSTITUTION WHICH DEFINES THEIR POWERS AND ALSO DEFINES THE POWERS OF THE TWO HOUSES OF THE NATIONAL ASSEMBLY.

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41. ON PAPER, THIEU AND KY WILL HAVE CONSIDERABLY LESS POWER THAN THEY PREVIOUSLY HAD, THOUGH IT REMAINS TO BE DETERMINED TO WHAT EXTENT THEY CAN INFLUENCE THE ASSEMBLY TO TAKE ACTION. GETTING LEGISLATION THROUGH THE NATIONAL ASSEMBLY WILL PROBABLY BE AS COMPLEX A JOB AS GETTING LEGISLATION THROUGH OTHER ELECTED PARLIAMENTS. INITIALLY, IT MAY BE EVEN MORE COMPLICATED HERE, BECAUSE THERE PROBABLY WILL BE NO WELL-DEFINED POLITICAL PARTIES AND GROUPS IN THE NATIONAL ASSEMBLY. HENCE, DISCIPLINE WITHIN THE ASSEMBLY IS A POTENTIAL PROBLEM.

42. ONE OF THE FIRST ORDERS OF BUSINESS FOR THE ASSEMBLY WILL BE THE BUDGET FOR CALENDAR YEAR 1963, WHICH, ACCORDING TO THE CONSTITUTION, IS TO BE APPROVED PRIOR TO THE END OF 1967. SINCE THE ELECTED NATIONAL ASSEMBLY WILL NOT BE FULLY CONSTITUTED UNTIL NOVEMBER 1, THIS LEAVES ENOUGH BUT NOT TOO MUCH TIME TO COMPLETE LEGISLATIVE ACTION ON THE BUDGET. WE WILL HAVE A CLEARER IDEA OF HOW THE NATIONAL ASSEMBLY WILL WORK AFTER COMPLETION OF THE BUDGET.

43. AS A GENERAL REFLECTION, IT SEEMS TO ME THAT WE WILL NEED TO EXERCISE SOME PATIENCE WHERE ACTION BY THE NATIONAL ASSEMBLY IS CONCERNED. THE MEMBERS OF THE ASSEMBLY, NATURALLY ENOUGH, WILL FEEL THEY HAVE A MANDATE FROM THE PEOPLE TO CARRY OUT VARIOUS COURSES OF ACTION IN WHICH THE MEMBERS HAVE LONG BEEN INTERESTED. WHILE MOST MEMBERS OF THE ASSEMBLY WILL PROBABLY BE INCLINED TO CLOSE RELATIONS AND COOPERATION WITH THE U.S., THEY WILL PROBABLY BE MORE SENSITIVE ABOUT VIETNAMESE SOVEREIGNTY THAN THE MILITARY LEADERS WE HAVE BEEN WORKING WITH OVER THE PAST FEW YEARS. THEY MAY ALSO RAISE UNPALATABLE ISSUES. PHO DA LONG, ONE OF THE CANDIDATES ON A SENATE LIST WHICH IS DOING FAIRLY WELL SO FAR IN THE BALLOT COUNTING, TOLD AN EMBASSY OFFICER IN JULY THAT HE THOUGHT VIET NAM SHOULD HAVE A PUBLISHED STATUS OF FORCES AGREEMENT WITH ALL OF THE FREE WORLD COUNTRIES HAVING ARMED FORCES IN VIET NAM. HE EVIDENTLY FELT THESE WOULD BE HELPFUL IN NEGOTIATIONS WITH THE NORTH VIETNAMESE, AS AN ANSWER TO EXPECTED COMMUNIST CHARGES THAT THE REPUBLIC OF VIET NAM IS A PUPPET OF FOREIGN POWERS. OTHERS HAVE EXPRESSED SIMILAR IDEAS. AN INTEREST IN THE TERMS UNDER WHICH THE U.S. AND OTHER ALLIED FORCES OPERATE IN VIET NAM IS ALSO EXPRESSED IN TRUONG DINH DZU'S "PEACE PLAN" DISCUSSED ABOVE.

44. ALL IN ALL, WHILE THE ELECTIONS HAVE TAKEN US A CONSIDERABLE STEP FURTHER DOWN THE ROAD, THERE ARE STILL PLENTY OF POTHOLES AHEAD. THE ELECTIONS THUS CONSTITUTE THE SUCCESSFUL END OF ONE PROCESS AND THE BEGINNING OF ANOTHER IMPORTANT ONE, NAMELY, THE SUCCESSFUL PROSECUTION OF THE WAR AND CONCLUSION OF AN ACCEPTABLE SETTLEMENT.

45. THE SAIGON RETAIL PRICE INDEX DROPPED SLIGHTLY FROM 297 TO 295. RICE AND BREAD PRICES WERE STEADY, AND OTHER FOOD ITEMS FLUCTUATED WITHIN NARROW LIMITS. THE IMPORTED COMMODITY INDEX IS NOW 225, UP THREE POINTS OVER LAST WEEK'S 222. MOST IRON AND STEEL PRODUCTS INCREASED SLIGHTLY IN PRICE, THOUGH CEMENT AND FERTILIZERS REMAINED UNCHANGED.

46. SEVEN STANFORD RESEARCH SCIENTISTS BEGAN LAND-USE STUDIES IN DALAT AND THE PROVINCES OF CENTRAL VIET NAM TO DETERMINE THE ADVISABILITY OF DEVELOPING NEW POLICY GUIDELINES FOR VIETNAMESE LAND TENURE PATTERNS. THEY WILL REVIEW AND EVALUATE ALL PREVIOUS LAND TENURE WORK DONE IN VIET NAM, IN RELATION TO THE PACIFICATION AND REVOLUTIONARY DEVELOPMENT PROGRAMS.

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47. TWENTY NEW KOREAN-BUILT BUSES, PROCURED WITH GOVERNMENT RESOURCES, WERE ADDED TO THE SAIGON BUS SYSTEM. WITHIN THE FIRST SEVEN DAYS OF THEIR OPERATION, THE SYSTEM RECORDED A 63.7 PERCENT INCREASE IN PASSENGER REVENUES. INCREASED PASSENGER SERVICE IS EXPECTED TO REDUCE LAST YEAR'S OPERATING DEFICIT OF VNS7 MILLION TO LESS THAN VNS1 MILLION THIS YEAR.

48. ON SEPTEMBER 2 WE FORMALLY CONCLUDED AN AGREEMENT WITH THE GOVERNMENT ESTABLISHING THAT THEY WILL, ON OCTOBER 1, START PROVIDING US 118 PIASTERS PER \$1 FOR OFFICIAL PURCHASES WHICH WE MAKE OF PIASTERS IN SUPPORT OF FREE WORLD FORCES EFFORTS IN VIET NAM. PRIOR TO THIS AGREEMENT THE RATE AT WHICH WE RECEIVED PIASTERS WAS 30 TO \$1. THE PRINCIPAL CONCESSIONS WHICH WE GAVE ON OUR SIDE TO OBTAIN THIS AGREEMENT WERE:

(A) THAT WE WOULD PROVIDE 400,000 TONS OF RICE ON 20 PERCENT U.S. USES BASIS DURING 1963 AND THAT WE WOULD DISCUSS WITH THE GOVERNMENT ADDITIONAL PL 400 RICE SHIPMENTS FOR 1963 ON A 20 PERCENT U.S. USES BASIS WHEN WE HAD BETTER INFORMATION ON THE U.S. CROP THIS YEAR-- PROBABLY OCTOBER OR NOVEMBER; AND,

(B) THAT WE WOULD ADJUST OUR COMMODITY IMPORT PROGRAM AS MIGHT BE NECESSARY TO ENABLE THE GVN TO CONTINUE ITS LIBERAL IMPORT POLICIES WHILE MAINTAINING THE FOREIGN EXCHANGE RESERVE LEVEL OF ABOUT 300 MILLION, EVEN THOUGH IT WOULD NO LONGER EARN THE SAME AMOUNT OF FOREIGN EXCHANGE FROM ITS SALE OF PIASTERS TO US. OUR ESTIMATE OF THE LOSS TO THE GVN FROM THIS CHANGE FROM 30 TO 118 PIASTERS PER \$1 IS ABOUT \$100 MILLION.

D. CHIEU HOI

49. RETURNEES DURING THE REPORTING PERIOD TOTALED 472. THIS MAY BE COMPARED WITH 262 DURING THE SAME PERIOD LAST YEAR. THE YEAR'S TOTAL TO DATE IS 21,837.

3. AMERICANS AND VIETNAMESE KILLED:

50. DURING THE WEEK ENDING SEPT 2 THE ENEMY KILLED 190 VIETNAMESE CIVILIANS, WOUNDED 426, AND KIDNAPPED 237. THE DEAD INCLUDED 36 REVOLUTIONARY DEVELOPMENT WORKERS, FIVE HAMLET CHIEFS, AND SIX POLICEMEN. SINCE JAN 1, 1967, THE VIET CONG HAVE KILLED A TOTAL OF 2,277 VIETNAMESE CIVILIANS, WOUNDED 4,196 AND KIDNAPPED 3,081.

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Sept. 7, 1967

Letter from the President to Chairman Thieu 31

Dear Mr. Chairman:

I extend my warm congratulations to you and to Prime Minister Ky on your victory in the election of a President and Vice President.

I have just received a detailed and most moving account of your election from the distinguished Americans whom you invited to Viet-Nam as observers. They returned believing in the fairness of the procedures and observed the intense interest of the Vietnamese people in this major step toward creating your own popularly chosen and constitutionally based government.

Their individual reports were a testimonial to the courage and determination of the Vietnamese people to remain free and to create their own political institutions in their own way.

The election was a milestone along the path toward the goal you have set for yourselves -- a free, secure and peaceful Viet-Nam. But it is not the end of the journey. Many hard tasks remain. Not the least of these now is the creation of a strong, effective and broadly-based government that will help you and your country achieve the objectives you set forth in your campaign.

The American Government and I, personally, look forward to continued close cooperation with you and your colleagues in the days and months ahead. I am confident that our efforts -- joined with those of our other allies -- will be crowned with success and that under your leadership, a peaceful, democratic, strong and prosperous Viet-Nam will emerge.

Sincerely,

Lyndon B. Johnson

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-364
By 120, NARA, Date 6-23-95

Sept. 7, 1967

38

FOR THE PRESIDENT FROM WALT ROSTOW

THRU: JIM JONES

Pres file

Cy Sulzberger called. ~~He says~~ ^{He} has a letter from you to him
telling him to arrange an interview with you when he is next in Washington.

He will be in Washington next Wednesday, Thursday, or Friday,
September 13-15.

He will be grateful if it proves possible for you to set a time to see him.
He will organize his time in Washington around that appointment if it is
acceptable to you.

Will see him _____

No _____

See me _____

Thursday,
September 7, 1967

~~SECRET~~

FOR: THE PRESIDENT

FROM: WALT ROSTOW

Mr. President:

Today's situation report on
Vietnamese politics follows:

~~SECRET~~ ~~Attn~~

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 9-13-91

~~SECRET~~

39a

Viet-Nam Political Situation Report

September 7, 1967

Upper House Elections

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-365
By 108, NARA, Date 12-15-94

On the basis of recalculated figures, the winning Senate slates now seem to be:

List #13	Tran Van Don	971,477 votes
List #40	Nguyen Van Huyen	610,363 votes
List #8	Nguyen Gia Hien	598,768 votes
List #31	Huynh Van Cao	568,522 votes
List #10	Pham Ba Cam	563,408 votes
List #21	Nguyen Ngoc Ky	551,446 votes

This Senate-elect is somewhat more balanced than the original "near-final" one announced yesterday. The deletion of the "Diemist" list and the addition of slate #10 brings in more Southern and Hoa Hao representation and reduces the Catholic/Diemist/Northern influence somewhat. However, the Catholics are still heavily over-represented. The Ky-backed slates are not included (except for one Northern Catholic list).

The Buddhists still appear under-represented, though there have been reports that at one time the militant Buddhists favored Don's and Cam's slates.

Election Complaints and Possible Protests

At an impromptu press conference yesterday, six of the defeated candidates issued a signed statement denouncing the elections as fraudulent and calling upon the National Assembly to invalidate them. Neither Huong nor Ha Thuc Ky signed the statement or a separate letter of complaint sent to the National Assembly September 5 by the eight other defeated candidates.

Tran Van Chieu, Dzu's running mate, told an Embassy officer yesterday that he and Dzu would not resort to illegal means to

~~SECRET~~

protest alleged election fraud. He did express concern that the militant Buddhists might seize upon Dzu's charges to foment disorder, but he denied Dzu was collaborating with the Buddhists. According to another report, Dzu is attempting to form a coalition of opposition civilian candidates to discredit the Thieu-Ky slate and force the US to disavow the Thieu government. The militant Buddhists are reportedly awaiting the results of Dzu's efforts before mounting demonstrations.

Meanwhile, Huong's campaign manager told an Embassy officer that Huong does not plan to lodge any formal complaints about the election. He implied that cooperation between the Huong camp and Thieu was possible but expressed doubt about Ky's willingness to go along.

VZCZCEEA374
CC WTE13
DE WTE 1873

~~CONFIDENTIAL~~

RECEIVED
WHCA

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP67752

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-364

1967 SEP 7 20

~~CONFIDENTIAL~~

By lip, NARA, Date 6-23-95

SEPTEMBER 7, 1967

NOW THAT THE RETURNS ARE IN AND THE OBSERVERS HAVE REPORTED,
A MESSAGE OF CONGRATULATIONS TO THIEU AND KY SEEMS IN ORDER.

I SUGGEST WE TRANSMIT THE MESSAGE TO AMBASSADOR BUNKER
AUTHORIZING HIM TO DELIVER IT PERSONALLY TO THIEU.

THIEU WOULD BE TOLD HE COULD RELEASE THE TEXT TO THE PRESS
IF HE WISHED TO DO SO. SEC RUSK APPROVES.

A SUGGESTED TEXT FOLLOWS.

DRAFT

LETTER FROM THE PRESIDENT TO CHAIRMAN THIEU

DEAR MR. CHAIRMAN:

I EXTEND MY WARM CONGRATULATIONS TO YOU AND TO PRIME
MINISTER KY ON YOUR VICTORY IN THE ELECTION OF A
PRESIDENT AND VICE PRESIDENT.

I HAVE JUST RECEIVED A DETAILED AND MOST MOVING ACCOUNT
OF YOUR ELECTION FROM THE DISTINGUISHED AMERICANS WHOM YOU
INVITED TO VIET-NAM AS OBSERVERS. THEY RETURNED FULL OF
PRAISE FOR THE FAIRNESS OF THE PROCEDURES AND FOR THE
INTENSE INTEREST OF THE VIETNAMESE PEOPLE IN THIS MAJOR
STEP TOWARD CREATING YOUR OWN POPULARLY CHOSEN AND CONSTI-
TUTIONALLY BASED GOVERNMENT.

THEIR INDIVIDUAL REPORTS WERE A STIRRING TESTIMONIAL TO
THE COURAGE AND DETERMINATION OF THE VIETNAMESE PEOPLE
TO REMAIN FREE AND TO CREATE THEIR OWN POLITICAL INSTITUTIONS
IN THEIR OWN WAY.

THE ELECTION WAS A MILESTONE ALONG THE PATH TOWARD
THE GOAL YOU HAVE SET FOR YOURSELVES -- A FREE, SECURE
AND PEACEFUL VIET-NAM. BUT IT IS NOT THE END OF THE JOURNEY.
MANY HARD TASKS REMAIN. NOT THE LEAST OF THESE NOW IS
THE CREATION OF A STRONG, EFFECTIVE AND BROADLY-BASED
GOVERNMENT THAT WILL HELP YOU AND YOUR COUNTRY ACHIEVE
THE OBJECTIVES YOU SET FORTH IN YOUR CAMPAIGN.

THE AMERICAN GOVERNMENT AND I, PERSONALLY, LOOK FORWARD
TO CONTINUED CLOSE COOPERATION WITH YOU AND YOUR COLLEAGUES
IN THE DAYS AND MONTHS AHEAD. I AM CONFIDENT THAT OUR
EFFORTS - JOINED WITH THOSE OF OUR OTHER ALLIES - WILL BE
CROWNED WITH SUCCESS AND THAT UNDER YOUR LEADERSHIP,
A PEACEFUL, DEMOCRATIC, STRONG AND PROSPEROUS VIET-NAM
WILL EMERGE.

SINCERELY,

DTG 071924Z SEPT 1967

~~CONFIDENTIAL~~

40
free file
THURSDAY
SEP 7 PM 4:15

41

~~TOP SECRET~~

Thursday, September 7, 1967
5:55 p.m.

Pres file

Mr. President:

Herewith Dick Helms' personal
evaluation of the Kissinger project.

The latest we have on it as of
9:00 a.m., September 7, is that there
is still no reply from Bo.

W. W. Rostow

~~TOP SECRET~~

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-154
By fw, NARA, Date 6-16-94

~~TOP SECRET~~

41a

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 94-153
By fw, NARA, Date 5-26-94

7 September 1967

MEMORANDUM FOR: The President
The White House

SUBJECT : The Kissinger Project

The Exchanges with Hanoi

1. The approach to Hanoi through Kissinger's contacts in France was made in two phases. The proposal was first broached informally during a visit to Hanoi on 24 and 25 July by two French intermediaries, who carried a general message of US interest in negotiations. The approach was intended to assure the North Vietnamese leaders of our willingness to stop bombing the North in return for some assurance that Communist forces in the South would not be reinforced. The North Vietnamese premier expressed interest and told the intermediaries that an unconditional end to the bombing would lead promptly to negotiations. He said Hanoi would prefer a public statement but would "settle for" a de facto cessation. The premier did not commit himself on the issue of resupply of Communist forces in the South.

~~TS No.~~
~~Cy No.~~ *mt*

~~TOP SECRET~~

~~TOP SECRET~~

2. In August a more precisely worded message was formulated in consultation with Washington and was presented by the same intermediaries to Hanoi's diplomatic representative in Paris. This second message, which was cabled by the North Vietnamese to Hanoi on 25 August, expressed US willingness to halt the bombing "with the understanding" that this would lead quickly to productive talks, either in secret or publicly announced. It also stated our "assumption" that Hanoi would not take advantage of the cessation of airstrikes. The message further suggested that if Hanoi wanted to preserve the secrecy of negotiations, it might prefer that bombing operations be reduced rather than ended abruptly. To lend authenticity to the message, it was accompanied by an assurance that the immediate Hanoi area would not be bombed for a period of ten days--24 August to 4 September.

3. When the bombing restriction expired on 4 September, no response had been received from Hanoi, either to the US message or to the request of the French intermediaries to return to North Vietnam for further discussion. Hanoi's Paris representative asked the intermediaries to contact him again on 6 September

-2-

~~TOP SECRET~~

~~TOP SECRET~~

for further word. The bombing restriction meanwhile was extended through 7 September.

Analysis of Hanoi's Reaction

4. Hanoi may not have taken seriously the first approach through this channel in view of its "unofficial" character. The authenticity of the second message, however, can hardly have been mistaken. There are several possible reasons for the North Vietnamese delay in making a clear-cut response to the US proposal. Hanoi may well have concluded that the message signified no real movement in our position toward its requirements of an unconditional halt to the bombing. The reference to our "assumption" that Hanoi would not capitalize on the cessation to reinforce Communists in the South may have been misconstrued as a condition or as a demand for reciprocal action. Moreover, the suggestion that a limited de-escalation of the bombing would preserve secrecy more effectively than a sudden cessation could have been interpreted by Hanoi as a US "trick" to sidestep the North Vietnamese demand for unconditional action.

5. Another reason for Hanoi's silence so far may relate to timing. The second message came shortly

~~TOP SECRET~~

~~TOP SECRET~~

after an intensified bombing effort against Hanoi, was delivered during an unofficially declared lull in such strikes, and carried the implication of renewed attacks at the end of ten days. North Vietnamese leaders may have viewed this sequence as a not too subtle attempt by the US to apply the carrot-and-stick technique. In addition, much has been going on during this period, including the North Vietnamese national anniversary celebrations and the elections in South Vietnam. These distractions, added to the difficulties of making a collective decision on so controversial an issue as negotiations, could have made ten days look like a short time to the Hanoi leaders. It is worth noting that in the Tet bombing pause last February, Hanoi complained vigorously about the limited amount of time it was given to answer President Johnson's message. In any case, the setting of a deadline for acceptance would be likely to have a counterproductive psychological impact on an antagonist who is confident of his ability to outlast his adversary.

-4-

~~TOP SECRET~~

~~TOP SECRET~~

Conclusion

6. Hanoi's failure to date to respond to the US initiative could well be related to a combination of factors of timing and interpretation, reinforced by its deep-seated distrust of US motives in the area. The tone of the premier's remarks to the intermediaries in July suggests a greater interest in getting talks started than we have noted in the past. This may represent merely a tactical shift, however, for we see nothing in his private statements or in his recent public pronouncements indicating a significant change in Hanoi's position. North Vietnamese leaders continue to insist on an unconditional stop to the bombing and a settlement based on their "four points." They show no sign yet of any readiness to compromise these objectives.

Dick

~~TOP SECRET~~

~~CONFIDENTIAL~~

Thursday - September 7, 1967
11:30 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Asuncion Meeting on Latin American Economic Integration

Bill Bowdler met with Covey Oliver and his Latin American Common Market experts to review the results of the Asuncion meeting which the press has reported as a failure.

Two things emerged:

- until we have a fuller picture of what took place at the LAFTA (South American countries, plus Mexico) session, where we do not have observer status, it is premature to draw conclusions about the lack of success at Asuncion and what country was responsible.
- despite inability of LAFTA to reach agreement on the first try on certain key issues, interest in the economic integration movement has not slackened and the timetable agreed at Punta del Este has not been irretrievably upset.

The Asuncion Goals

We had hoped the Asuncion meeting would agree on three major issues:

- programmed tariff reductions among LAFTA members.
- preparations by LAFTA members for a common external tariff.
- mechanism for joint LAFTA-CACM exploration of gradual merger into a Latin American Common Market.

Up until the last two days of the meeting, it seemed that agreement would be reached on the first two points based on a compromise formula which would give the poorest countries (Bolivia, Ecuador and Paraguay) free access to the markets of all the other LAFTA members in five years.

~~CONFIDENTIAL~~

At the last moment, Peru asked to receive similar treatment as the poor countries. The other LAFTA members balked, and Peru's continued refusal to drop its request worked as a veto. This, in turn, seems to have triggered a veto by Paraguay of other decisions relating to programmed tariff cuts and preparations for a common external tariff.

We do not know why Peru took this inflexible position. It had not been enthusiastic about a common market from the start, and recent financial problems probably compounded its fears about competition from other countries. Significantly, none of the big three -- Argentina, Brazil, Mexico -- opposed the concessions to the poor countries. They would have been harder to turn around than Peru.

The Asuncion Round in Perspective

Disappointing as the results were, it is important to look at the Asuncion round in perspective:

- the meeting showed that most of the LAFTA countries are prepared to move rapidly toward a common market.
- LAFTA gave its blessing to the formation of an Andean subregional group (Venezuela, Colombia, Ecuador, Peru, Bolivia and Chile) which plans to reduce trade barriers among themselves at a faster pace than provided in the Presidents' timetable.
- at the joint LAFTA-CACM meeting the Foreign Ministers agreed to recommend annual meetings to consider acceleration of execution of the Punta del Este decisions and decided to establish a Coordinating Committee to study on a priority basis five key aspects of the merger of the two groups.
- the Meeting of Presidents envisaged an 18-month period or more for the Latin Americans to negotiate all the specific arrangements leading toward a common market.
- LAFTA members, while disappointed at ^{the} inability to reach agreement on all issues, do not look upon the meeting as a failure. This is reflected in public statements by the Argentine and Colombia Foreign Ministers.

- the European economic integration movement faced several complex negotiating sessions before basic obstacles were removed.

What Needs to be Done

To keep the momentum of the movement going, two things must be done:

- get Peru turned around.
- have the LAFTA Foreign Ministers renew negotiations as rapidly as possible, preferably before the second quarter of 1968 which they have set for their next meeting.

Among the opportunities we will have to use our influence with the LAFTA group are:

- the Meeting of Foreign Ministers in Washington on September 22-23 to consider Venezuela's complaint against Cuba.
- the World Bank and Fund meetings in Rio de Janeiro in mid-September. Tony Solomon and Don Palmer (Covey Oliver's Common Market man) will attend.
- a special CIAP meeting in Rio at the end of September to consider the financial aspects of economic integration.
- Tony Solomon is going to Peru after the Rio Bank-IMF meeting to address a group of Peruvian businessmen. He will speak on the advantages of economic integration. He will also be able to talk to Belaunde about the Peruvian attitude.
- We may help Peru overcome its integration fears by supporting the Andean subregional group, with necessary adjustment assistance if they take specific action cutting tariffs among themselves.

Before deciding how to use these opportunities, we need a full reading of what took place at the LAFTA meeting. State has asked our Embassies for this assessment.

W. W. Rostow

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~+ suspense~~
2-8 file
44

Wednesday, Sept. 6, 1967
12:50 p.m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

Herewith, as requested, Ed Hamilton's memo to me on how we might move promptly additional agricultural exports under PL 480 agreements.

DeVier Pierson was on leave; but Ed Hamilton has cleared this with him and he agrees. Ed's memo outlines both the possibilities and the risks involved.

Incidentally, one of the "see me" items we haven't got to is the Ecuadorian PL 480 agreement (attachment A).

As a cable which came in today indicates, our Ambassador feels there is some urgency about this particular agreement (Tab B).

Your guidance is requested.

W.W.R.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-364
By isp, NARA, Date 6-23-95

9/7/67 - Jim Jones telephoned Mr Rostow: President read it on plane; said he didn't want to agree to that; hold up on it. They can argue with me about this. I haven't forgotten Punta del Este.
LN

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Tuesday, September 5, 1967

~~CONFIDENTIAL/SENSITIVE~~

WWR:

SUBJECT: Moving Commodities through PL 480

442
DECLASSIFIED
E.O. 12356, Sec. 3.4
NLJ 93-351
By CL, NARA, Date 5-25-95

As the President asked, I have looked (quietly) into what we can move this week in terms of new PL 480 agreements. With only a relatively gentle push on the bureaucracy, I can get about \$37 million in new agreements before the President for decision this week, as follows:

<u>Recipient</u>	<u>Commodities</u>	<u>\$ Value</u>
Ecuador	tobacco	1.2
Chile	wheat, corn, tobacco, milk, oil	17.7
Ceylon	flour, corn, tobacco, cotton	11.5
Paraguay	flour	2.5
Guinea	flour, cotton, tobacco, milk, oil	3.7
<u>Total</u>		<u>36.6</u>

With a harder push -- and a correspondingly higher risk of a Felix Belair article that we are pushing -- I might also get up to \$75 million more:

<u>Recipient</u>	<u>Commodities</u>	<u>\$ Value</u>
Morocco	wheat, cotton	40.0
Tunisia	cotton, wheat, corn, and (maybe) oil	14.7
Bolivia	wheat, cotton	9.0
Indonesia	bulgar, tallow, oil	4.0
Vietnam	corn, (maybe) milk	4.5
Ghana	tobacco, tallow, cotton (maybe) wheat	2.3
<u>Total</u>		<u>74.5</u>

In addition, I think we can get agreements for another 500,000 tons of wheat (value: \$32 million) to Pakistan within a week of whenever we want to say the word -- this week if we wish. The Paks have already requested 750,000 tons, and are planning to send M. M. Ahmed here to negotiate it in early October. Agriculture would argue that the usual marketing numbers simply won't support as much as 750,000 tons, but they would go along immediately with 500,000 tons. The only question is whether we want to make a point of speeding up the process in order to sign the agreement in September instead of October. It would add to the warm glow of our current relations with Ayub -- and make Ben Oehlert's life easier -- but it would also make the Paks aware that we are anxious to move commodities, with or perhaps even without self-help conditions.

In summary:

- we can manage \$37 million this week with only a gentle push.
- we might get up to \$75 million more with a hard push.
- we can get an additional \$32 million in wheat to Pakistan quickly if we really want it.

The President should be aware, however, that PL 480 involves a big inter-agency bureaucracy which leaks like a sieve. If we apply the lash, the press will find out. From my seat, that doesn't look like a disaster -- it might even help him. But he should know that even if I hold my own conversations to Freeman and Gaud, there will be some public splash.



Ed Hamilton

Go ahead with

gentle push _____
hard push _____
Pakistan wheat immediately _____

Speak to me _____

MEMORANDUM

(33)
THE WHITE HOUSE
WASHINGTON

44b

(A)

~~CONFIDENTIAL~~

August 29, 1967

Mr. President:

Herewith a recommendation from Agriculture and AID, concurred in by State, Treasury and BoB, that you authorize a \$2.2 million P.L. 480 sale to Ecuador for small quantities of wheat and tobacco.

Despite Arosemena's unhelpful performance at Punta del Este and doubts regarding the economic justification for P.L. 480 help, I favor this modest assistance:

- Arosemena has pulled back a considerable way from his Summit obstreperousness, joining with our Ambassador on August 17 in a public celebration of the 6th anniversary of the Alliance for Progress.
- The local currency proceeds will be used to encourage much-needed improvements in agriculture -- a key Summit objective.
- Arosemena has made considerable progress during 1967 in getting Ecuador's budgetary and balance of payments situation straightened out.
- We have a stake in continued political stability in Ecuador which Arosemena has achieved while returning the country to constitutionality via elections scheduled for next June.

Walt Rostow

Approve _____
Disapprove ✓ 7.
See me ✓

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-364
By lig, NARA, Date 6-23-95

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3281

44c

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

AUG 24 1967

MEMORANDUM FOR THE PRESIDENT

Subject: P. L. 480 Agreement with Ecuador

Orville Freeman and Bill Gaud request your authority to negotiate a \$2.2 million P. L. 480 sale to Ecuador for 15,000 tons of wheat and 582 tons of tobacco and tobacco products. (The tobacco has been added since the attached memo was written.) The dollar credit will be repayable in 20 years, with two years' grace after payment of five percent on delivery.

This agreement has little merit in terms of immediate need or self-help. Ecuador's foreign exchange position is reasonably sound, at least for the near term, and the Government's commitment to self-help is far from clear. However, there appears to be some political justification for a small P. L. 480 program.

This would be the first commodity aid to Ecuador since AID cancelled the balance of its 1967 budget support loan last December. At that time,

- The Government was unwilling to take revenue measures to reduce the large 1967 budget deficit.
- The services of an Internal Revenue Service technical assistance team were abruptly cancelled.
- Government financial support of agrarian reform was withdrawn.

Since then, the Government has made substantial progress in stabilizing its financial position.

- The budget deficit has been reduced through increased tax collections of 17%, and new tax measures have been enacted.
- The balance of payments position is much stronger as a result of several measures to reduce imports and expand exports.
- The Government has pledged funds for the agrarian reform program.

Although they are somewhat vague, the self-help efforts outlined by Freeman and Gaud are designed to encourage much-needed improvements in Ecuador's agricultural development program.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NHJ 94-364

By lip, NARA, Date 6-23-95

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

Since the low point in our relations, when President Arosemena attacked the U. S. at Punta del Este last spring, he has gone out of his way to praise this country. Although the Ecuadorians continue to board and fine U. S. fishing vessels within their 200-mile limit, State and AID feel we should acknowledge the economic and political progress made and reaffirm our support by offering P. L. 480 assistance. No new AID lending is planned, however, until we are more convinced of the Government's commitment to a sound development program.

As part of this agreement, Ecuador would be required to buy commercially 44,000 tons of wheat from free world sources during calendar year 1967 and 442 tons of tobacco from the U. S. during fiscal year 1968.

Recommendation

Since this agreement is relatively small and since it appears to have some political benefits, I recommend your approval.

Charles L. Schultze

Charles L. Schultze
Director

Attachment

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

442
AUG 2 1 1967

To: The President

Subject: Public Law 480 Program with Ecuador

We recommend that you authorize us to negotiate a PL 480 sales agreement with Ecuador to provide approximately 15,000 tons of wheat, having a current export market value of \$1.0 million (including certain ocean transportation costs). The proposed terms are payment in dollars of 5 percent on delivery and the balance over 18 years, with 1 percent interest during the 2-year grace period and 2½ percent thereafter. The Departments of State and Treasury concur in this recommendation.

Need for Program

Ecuador has faced a chronic shortage of wheat, and scarce foreign exchange has been used to purchase it annually from abroad.

Since March 1966, Ecuador has moved from a de facto military government to a constitutional one. We believe that the United States must fully support Ecuador's effort to return to constitutionality. Moreover, the Government of Ecuador has made commendable progress during the past year in stabilizing its financial position -- progress which we wish to acknowledge and support.

Basis for Usual Marketing Requirement

The usual marketing requirement of 44,000 tons is based on the 1963-66 average of Ecuador's commercial imports of wheat.

Self-Help

In 1967 the Government of Ecuador has increased tax collections by 17 percent over the comparable period in 1966, and enacted new taxes designed to raise 253 million sucres (\$12.65 million at 20 sucres to \$1.00) in 1967. These measures made possible an increased development budget 22 percent larger than in 1966. While narrowed, the budgetary gap has not been entirely closed. The proposed agreement would both recognize the government's self-help fiscal measures, and assist Ecuador's effort to increase agricultural output through use of the local currency generated.

Since the Ministry of Agriculture was established in 1964, its budget has been increased from 71 million sucres to an allocated figure of 230 million sucres in 1967. In addition, during the past 5 years total bank credit to the agricultural sector has more than doubled, increasing from 428 million sucres in 1960 to 905 million sucres in 1965.

During 1966 political instability and financial stringency limited the government's ability to pursue self-help measures. The same factors, together with unsatisfactory working relationships caused USAID to cut back and reorient its agricultural

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96-275

By CG, NARA Date 6-30-99

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

assistance. However, the present government has now indicated that it will step up its agricultural diversification by transferring marginal banana acreage into the production of beef, rice, citrus, oilseeds and hard fibers. It has also pledged funds for loans through IERAC to settlers on state-owned haciendas, and for establishing an FAO/GOE training and research center. Funding is also expected for the establishment of water use and livestock pasture management and improved agricultural marketing systems.

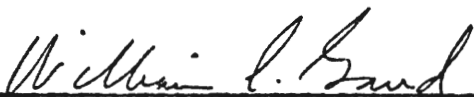
In the negotiation of this agreement we will seek commitments that the Government of Ecuador:

- (1) Use all local currencies generated through the sale of commodities under this agreement for the development of Ecuadoran agriculture, with serious consideration given to allocating a large proportion to the support of agrarian reform;
- (2) Improve the Extension Service of the Ministry of Agriculture through provision of adequate fiscal support, training of staff, and strengthening working relationships between the Extension Service and the semi-autonomous research organization, INIAP, to assure dissemination of research results to farmers;
- (3) Encourage private sector investment in agriculture through various endeavors including establishment of an agricultural development organization;
- (4) Support comprehensive regional development impact programs in areas of immediate agricultural potential;
- (5) Stimulate basic changes in the market system for livestock, dairy products, and specific crop commodities; and
- (6) Urge increased production of selected commodities including rice and cattle.

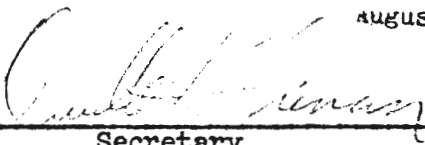
Recommendation

That you authorize us to proceed with the PL 480 sales agreement.

August 8 1967



Administrator
Agency for International Development



Secretary
Department of Agriculture

Approve: _____

Disapprove: _____

~~CONFIDENTIAL~~



Department of State

B
TELEGRAM
44e

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PAGE 01 QUITO 00855 052115Z

89

ACTION ARA 19

INFO RSR 01,SSO 00,NSCE 00,CCO 00,USIE 00,AGR 20,INR 07,RSC 01,

TRSY 08,NSAE 00,COM 08,CIA 04,E 19,FRB 02,XMB 06,AID 30,SS 35,

SP 02,L 03,H 02,P 04,IGA 02,NSC 10,183 W

O 052031Z SEP 67
FM AMEMBASSY QUITO
TO SECSTATE WASHDC IMMEDIATE 2666

LIMITED OFFICIAL USE QUITO 855

JOINT STATE/AID/AGRICULTURE MESSAGE

SUBJECT: PL-480 WHEAT PROGRAM FOR ECUADOR

REF: (A) QUITO 745; (B) AIDTO 81

1. DEVELOPMENTS OF PAST FEW DAYS HAVE MADE IT CLEAR THAT AUTHORIZATION FOR US TO NEGOTIATE PL-480 AGREEMENT FOR WHEAT FOR CY 1967, IF ANY SUCH AGREEMENT IS TO BE NEGOTIATED SHOULD BE RECEIVED IN TIME FOR US TO SO INFORM GOE NO LATER THAN C.O.B. FRIDAY, SEPTEMBER 8.

PAGE TWO RUESOI 855 ~~CONFIDENTIAL~~ LIMITED OFFICIAL USE

2. IMPORTERS HAVE BEEN BRINGING INCREASING PRESSURE TO BEAR AGAINST MINISTRIES OF AGRICULTURE AND FINANCE TO ISSUE IMPORT LICENSES TO COVER NEEDS FOR LAST QUARTER OF CY 67. THEY TOLD GOE LAST FRIDAY THAT THEY CAN NO LONGER POSTPONE MAKING ARRANGEMENTS TO MEET THESE REQUIREMENTS. THEY REPORTED THAT STOCKS OF

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Department of State

TELEGRAM

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PAGE 02 QUITO 00855 052115Z

FOREIGN WHEAT ARE VERY LOW AND THAT ANY FURTHER DELAY IN CONTRACTING FOR OCTOBER-DECEMBER DELIVERIES WILL RESULT IN CRITICAL SHORTAGES OF HIGH-PROTEIN SHEAT.

3. MINISTRIES CONCERNED ASKED IMPORTERS TO WAIT SHORT TIME LINGER. ON SEPTEMBER 5 OR 6 IMPORTERS WILL GIVE THEIR REPLY, WHICH MAY WELL BE THAT THEY CANNOT WAIT FURTHER. AT VERY BEST, THEY ARE UNLIKELY TO AGREE TO WAIT BEYOND END OF THIS WEEK.

4. WE URGENTLY REQUEST THAT WE RECEIVE AUTHORIZATION TO NEGOTIATE NO LATER THAN C.O.B. FRIDAY, SEPTEMBER 8. IF, ON FYI BASIS, DEPT CAN ASSURE US THAT CHANCES OF SO RECEIVING AUTHORIZATION ARE GOOD, WE WILL ENCOURAGE GOE TO STAND FIRM FOR FEW MORE DAYS AGAINST PRESSURE OF IMPORTERS. PLEASE REPLY

PAGE THREE RUE\$QT 855 ~~CONFIDENTIAL~~ LIMITED OFFICIAL USE BY PRIORITY CABLE.

EXEMPT. COERR

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~~CONFIDENTIAL/LIMDIS~~

55
sent to Ranch via wire
Wednesday, September 6, 1967 9/6/67

TEXT OF CABLE FROM AMBASSADOR BOWLES (New Delhi, 2835)

I attach great importance to the forthcoming visit of Deputy Prime Minister and Finance Minister Morarji Desai to the U.S. This will be his first visit to the U.S. in his present position and is one of a number of visits to foreign countries he has now embarked on in the present interval between Parliamentary sessions, the other countries being Japan, from whence he has just returned, and Britain and Canada which he will cover in the trip now being planned.

Morarji has emerged as the principal source of steady pragmatic thinking at the upper levels of the Indian Cabinet. He has been, by far, the most effective spokesman for the government in the Parliament and has been able to dominate the proceedings with authority and assurance, gaining the kind of respect Mrs. Gandhi thus far has been unable to achieve.

Everyone knows that Morarji would like to be Prime Minister, and almost everyone knows also that he disagrees with Mrs. Gandhi on several important matters, principally involving foreign policy. However, he has consistently maintained a loyal attitude, refusing to air his differences with the Prime Minister and conducting himself in accordance with the high ethical and moral standards on which he has always prided himself. Despite his frequent prickly character and occasional holier-than-thou attitude, Morarji is perhaps the one figure left over from the Nehru era who commands the full respect of the Indian public and whose personal probity and high principles are unquestioned. Should there be a serious crisis in internal Indian affairs (which we do not anticipate but which cannot be completely ruled out in view of the divisive forces at work both at the center and in many of the states), he might very well prove to be the rallying point for the cohesive forces in India to whom we and the rest of the free world would be looking to hold the country together.

On specifics, I think that you and the others he will be seeing will be able to talk frankly to Morarji and receive frank answers in return. He will not agree with everything you say to him, but his disagreements will be clear and open.

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 94-365
By King, NARA, Date 12-16-94

On foreign policy, Morarji believes very firmly that the hope of a stable Asia resides in a mutually beneficial understanding with Japan in both the political and economic sphere. His recent visit to Japan, in which he pursued this idea, was very successful and has already brought concrete results in terms of increased Japanese aid. Morarji did not agree with the Government of India's actions in the recent Middle East crisis, and I think you will find he has a much clearer notion of where India's real interests lie in that part of the world than official Indian actions would lead one to believe. Above all, Morarji is aware of what we are trying to do in Vietnam and of the importance to India of that effort.

I recommend that you spell out the difficulties which Chagla's and Mrs. Gandhi's poorly thought out positions cause us, but with a sensitive regard for his own intense loyalties even on subjects where he personally agrees with us. If we hit Mrs. Gandhi directly, he will defend her even though he believes she is entirely wrong.

As Finance Minister, in addition to being Deputy Prime Minister, Morarji has sought to hold the line against inflation and to bring about some order in the Indian budget. He will be intensely interested in sounding out the prospects for American aid, and he will urge strongly that full advantage should be taken of the brightening economic prospects resulting from this year's favorable monsoon to give India's economic development as much of a boost as possible. To the extent that his pleading of India's case might make a difference in the attitude of the Export-Import Bank or our Consortium attitudes, I hope he will be given full opportunity for a hearing.

There are clear indications that Indian Government officials concerned with food policy are beginning to recognize the opportunity afforded by the anticipated good crop for such constructive changes as the loosening of zonal restrictions, the creation of buffer stocks, and the other measures we have been urging for some time as necessary complements to the agricultural strategy which has taken hold here in the past two years. I would hope that Morarji can be exposed to a good dose of our thinking on these matters couched in terms of India's own interests. The need for high support prices to maintain and further encourage new production techniques should also be stressed.

I believe that Morarji will be seeking a simplification and a loosening of some of the restrictive features of our aid administration, particularly in the matter of limitations placed on non-project loans. He will want us to do every-

thing we can to make our aid more flexible and more easily adapted to Indian needs, but he will understand arguments based on our own balance of payments position, and I believe he will be ready to engage in a joint search for mutually acceptable devices to accommodate both parties.

Like other members of the Indian Government and officialdom with whom we have been talking these past weeks, Morarji is aware of the problems currently affecting the U.S. aid program and the intense difficulties and pressures under which the President is operating. As a realistic statesman, Morarji knows what it is to deal with Parliaments, and as Finance Minister, he is aware of the financial and economic problems confronting the U.S. This will be a critical and perhaps decisive year for India and for our relations with India. Morarji Desai's visit affords us an excellent opportunity to lay a solid base of understanding and cooperation.

46

Wednesday, September 6, 1967

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

FROM: WALT ROSTOW

*sent to Ranch
via wire*

Pres file

We have a report from Vientiane in which David Schoenbrun reports on his talk a few days ago with North Vietnamese Prime Minister Pham Van Dong.

Schoenbrun is totally unsympathetic to our policy in Viet-Nam, thinks we should stop bombing and get out. It is impossible to know how much his own attitude colors his reporting.

In any case, he reports no give whatsoever in Pham Van Dong's expressed views. Regarding peace talks, he said that if we stopped bombing unconditionally and refrained from other acts of war, talks would come about rapidly. Such talks must be with the Liberation Front. The only thing to negotiate was U.S. withdrawal from the South. There would be quote no reciprocity, no bargaining, no blackmail, no ransom paid to pirates. unquote

We would have to accept the Front's Four Points and its new program calling for new elections in the South and a new government that would quote negotiate the terms of reunification with the north unquote.

Dong was opposed to any secret talks but this element was deleted from the version approved for publication. Schoenbrun pictured Dong as distrustful of the U.S. and of secret negotiations. Dong was more rigid and tougher than Ho but latter remained in control.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-364
By 48, NARA, Date 6-23-95

~~SECRET~~

47

~~SECRET~~

September 6, 1967

FROM WALT ROSTOW
TO THE PRESIDENT

*sent Rostow
via wire
CAP 67753*

Herewith the daily situation report on Viet Nam political situation.

*1. ~~copy~~
2. Pres file*

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 129, NARA, Date 9-13-91

11/2

~~SECRET-EXD18~~

Viet-Nam Political Situation Report

September 6, 1967

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-365
By sig, NARA, Date 12-15-94

Bunker-Thieu Conversation

Thieu has told Bunker he expected his new government to be installed about the beginning of October, following the Assembly's validation of the election results.

Regarding a Prime Minister, Thieu said it would be advantageous to appoint a Southerner. Bunker stressed the importance of having a good administrator as Prime Minister. They discussed various possibilities for the position. Thieu indicated he was thinking of offering honorary positions, such as members of the Supreme Court, to both Huong and Suu. Thieu said that Loc, Ky's choice for Prime Minister, was probably not up to the job. Bunker agreed.

Thieu agreed on the desirability of broadening the government's base by inviting representatives of other candidates to participate. He said it would probably be necessary to have only two or three military officers in Cabinet positions.

Thieu agreed warmly when Bunker mentioned the need for a dynamic platform and program for the new government, and said that he would like to discuss this further with Bunker. In response to Bunker's query, Thieu said that he would take no initiatives regarding negotiations without further consultation with us. Bunker will follow up on this discussion and also intends to see Ky soon to get his reactions and thoughts. An Embassy officer meanwhile has stressed to an official close to Ky the importance of Ky and Thieu agreeing soon on broadening the government and related matters.

Dzu's Reported Protest Plans

Runner-up presidential candidate Dzu has claimed to Australian journalist Denis Warner that he had a large clandestine campaign organization behind him, that he had been sure of getting 1,800,000 votes (more than Thieu-Ky's 1,650,000), but that the Vietnamese Government had reduced

~~SECRET-EXD18~~

~~SECRET-EXD15~~

-2-

his total vote in various provinces before reporting it to Saigon. Dzu claimed also that Huong, Suu, Ha Thuc Ky, and Tri Quang agreed with his plans for a massive protest and that a press conference would be held on September 7 to detail charges against the government. Dzu also spoke of his willingness to mount a coup and claimed to have enough military support to do it. He asserted that his organization was not connected with the NLF, but said that it had NLF members in it and that the NLF may have supported him because of his peace platform. We have cabled for our Embassy's urgent comment and assessment of this information. In our view, Dzu is vastly exaggerating his strength and particularly his coup-making potential.

Senate Race

At present, with all but four electoral districts represented, it appears that the Senate will be fairly well balanced in its representation and will include many well known political figures. The leading list, headed by retired General Tran Van Don, seems assured of election. Except for one Catholic slate, which probably would have done well anyway, all reportedly GVN-backed slates are doing fairly badly.

~~SECRET-EXD15~~

~~CONFIDENTIAL~~

September 6, 1967

FOR THE PRESIDENT
FROM W. W. ROSTOW

48
sent to Rostow
via wire
about 7:15pm
CAP 67752

Following, for your approval, is a warm birthday message to
Roger Bonvin, President of Switzerland. He will be 60 on September 12.

1. Susp
2. Pres file

you approve the
If the message ~~is sent~~, we will tell the Swiss we don't plan to release
it here, but have no objection if they want to do so.

Quote:

Dear Mr. President:

All Americans join me in sending you warm congratulations
on your 60th birthday. You have our best wishes for a happy and
prosperous future.

Sincerely, " Unquote

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E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 9-13-91

49

Pres file

Wednesday, September 6, 1967
12:55 p.m.

Mr. President:

Herewith the text of Amb. Bunker's
press conference on the election.

W. W. Rostow

Saigon 5039

WWRostow:rlh

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PAGE 01 SAIGON 05039 011016Z

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TO SECSTATE WASHDC IMMEDIATE 6271
INFO USIA WASHDC 3307
DOD

Rostow

UNCLAS SAIGON 5039

FOLLOWING IS TEXT OF AMBASSADOR BUNKER'S NEWS CONFERENCE ON
THE ELECTIONS, GIVEN IN FRONT OF EMBASSY, PRINCIPALLY FOR ABC,
CBS, AND NBC, WEDNESDAY, SEPTEMBER 6, 0900. BEGIN TEXT:

QUESTION: COULD WE HAVE YOUR THOUGHTS, MR. AMBASSADOR,
ON THE ELECTIONS?

ANSWER: WELL, I THINK THE FACT THAT 83 PERCENT OF THE
REGISTERED VOTERS TURNED OUT AND VOTED WAS REALLY A REMARKABLE
PERFORMANCE IN THE LIGHT OF THE MASSIVE EFFORTS OF THE
VIET CONG -- NOT ONLY ON ELECTION DAY, BUT DURING THE WHOLE

~~PAGE 2 RUMJIP 5039 UNCLAS~~

PREVIOUS WEEK -- TO DISRUPT THE ELECTIONS. THIS IS A PERCENTAGE
WHICH EXCEEDS, CERTAINLY, ANY TURNOUT THAT WE'VE HAD IN THE
LAST ELECTION AND THE PREVIOUS ONE.

Q. HOW ABOUT THE RESULTS THEMSELVES? DO YOU HAVE ANY
COMMENT ON THOSE?

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PAGE 02 SAIGON 05039 011016Z

A. NO, I THINK THE RESULTS INDICATE THAT THIEU-KY HAVE NOW A DEMOCRATIC BASIS OF SUPPORT HERE AND CAN GO AHEAD WITH THEIR PROGRAMS. THE SHOWING OF THE SECOND CANDIDATE, DZU, WAS SOMETHING OF A SURPRISE, I THINK, TO EVERYONE.

Q. MR. AMBASSADOR, DO YOU INTERPRET THE SECOND SHOWING OF DZU AS A STRONG PEACE APPEAL ON THE PART OF THE PEOPLE OF VIET-NAM?

A. WELL, PEACE WAS ONE OF THE PRINCIPAL ISSUES IN THE CAMPAIGN AND EVERY CANDIDATE SPOKE TO THAT ISSUE. OBVIOUSLY, IT REPRESENTS THE DESIRE OF THE COUNTRY, OF EVERYONE, FOR PEACE.

Q. FROM THE RETURNS, TWO OUT OF EVERY THREE VOTERS VOTED AGAINST THE MILITARY. NOW, DOES THIS MAKE FOR A SHAKY REGIME, AS FAR AS THE MILITARY TAKING OVER NOW?

A. NO, I DON'T THINK SO. I THINK THE FACT THAT THE MILITARY VOTE WAS ABOUT 35 PERCENT IS A PRETTY GOOD INDICATION THAT THE VOTING WAS FAIR, FREE OF IRREGULARITIES, AND IT

~~PAGE 3 RUNJIR 5039 UNCLAS~~

DOES GIVE THEM, I THINK, AN OPPORTUNITY NOW TO BROADEN THE BASE OF THE GOVERNMENT AND TO GET AHEAD WITH THE PROBLEMS WHICH ARE NOW FACING THE COUNTRY.

Q. WHAT IS THEIR FIRST PROBLEM AHEAD?

A. THE COUNTRY, YOU KNOW, IS AT WAR. THAT IS THE MAJOR PROBLEM, OBVIOUSLY. THERE ARE OTHER PROBLEMS, OF COURSE, OF SOCIAL REFORM, OF PACIFICATION, OF GETTING ON WITH THE CONSTITUTIONAL PROCESS, THE FORMING OF THE GOVERNMENT, THE ELECTION OF THE LOWER HOUSE, THE ORGANIZATION OF THE ASSEMBLY.

Q. DOES THE ELECTION STRENGTHEN THE POSITION OF THE UNITED STATES HERE AT ALL, MR. AMBASSADOR?

A. THE ELECTION IS CERTAINLY, IN OUR VIEW, A LONG FORWARD STEP AND ONE OF THE OBJECTIVES THAT WE HOPED WOULD BE ACHIEVED HERE.

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PAGE 03 SAIGON 05039 011016Z

Q. LAWYER DZU, THE SECOND PLACE FINISHER, DIFFERED IN HIS PEACE PLANS ONLY IN THE FACT THAT HE CALLED FOR NEGOTIATIONS WITH THE NLF. HAS THE U.S. POSITION CHANGED ON THIS, OR WOULD YOU BE AMENABLE, OR IS THIS -- HIS SECOND SHOWING -- TAKEN AS A POSITIVE ENDORSEMENT OF DIRECT DEALINGS WITH THE NLF?

A. I'M NOT QUITE CLEAR WHAT HIS VIEWS ARE OR HOW HE WOULD PROCEED. I THINK WE'VE MADE OUR VIEWS VERY CLEAR -- THAT WE'RE

PAGE

~~4 RUMJIR 5039 UNCLAS~~

READY FOR NEGOTIATIONS WITHOUT CONDITIONS AT ANY TIME.

Q. MR. AMBASSADOR, TOMORROW, ON THURSDAY, SOME OF THE CIVILIAN CANDIDATES ARE SUPPOSED TO HOLD A PRESS CONFERENCE TO AIR CHARGES OF IRREGULARITIES. DO YOU THINK THAT THIS WILL IN ANY WAY JEOPARDIZE THE RESULTS?

A. ALL I CAN SAY IS THAT THERE ARE LEGAL MEANS FOR FILING PROTESTS, PROVIDED IN THE ELECTORAL LAWS AND IN THE CONSTITUTION, AND THAT THE ASSEMBLY WILL EVENTUALLY PASS ON THE VALIDITY OF THE ELECTIONS.

Q. DO THESE CHARGES OF FRAUD HURT THE UNITED STATES' POSITION THAT THEY'RE BACKING A LEGALLY-ELECTED GOVERNMENT?

A. I DON'T THINK THEY HURT OUR POSITION IN ANY WAY. CHARGES OF IRREGULARITIES IN ELECTIONS ARE NOT UNUSUAL IN ANY COUNTRY -- CERTAINLY NOT IN THE UNITED STATES.

Q. DO THE CHARGES OF FRAUD STAND UP -- FROM YOUR OBSERVATIONS AND YOUR PEOPLES' OBSERVATIONS?

A. OUR PEOPLES' OBSERVATIONS ARE THAT THE ELECTIONS WERE FREE, GENERALLY FREE, FROM IRREGULARITIES; THAT THEY WERE CARRIED ON EXCEEDINGLY WELL; THAT THEY WERE VERY WELL ORGANIZED, ORDERLY AND, TO THE BEST OF OUR KNOWLEDGE AND OBSERVATION, WENT VERY

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PAGE 04 SAIGON 05339 011016Z

~~PAGE 5 RUMJIR 5339 UNCLAS~~
WELL INDEED.

Q. HAVE YOU HEARD FROM THE PRESIDENT HIMSELF ABOUT THE ELECTION?
HAVE YOU TALKED TO CHIEF OF STATE THIEU ABOUT WHAT HIS
FEELINGS ARE NOW THAT HE IS PRESIDENT-ELECT?

A. I'VE HAD A CONVERSATION WITH THE PRESIDENT-ELECT.

Q. WHAT WAS HIS REACTION, IN GENERAL TERMS?

A. WELL, QUITE NATURALLY, HE WAS PLEASED WITH THE OUTCOME.

Q. DO YOU HAVE INDICATION FROM THE GENERALS THAT THEY ARE
GOING TO INCLUDE CIVILIANS IN THE NEW GOVERNMENT, BROADEN THE
BASE OF THE GOVERNMENT NOW?

A. WELL, I WOULD ASSUME SO, BUT THAT'S THEIR BUSINESS, NOT MINE.

Q. WILL IT BE EASIER FOR THE UNITED STATES OR HARDER FOR THE
UNITED STATES TO DEAL WITH THE GOVERNMENT NOW THAT THERE HAS
BEEN AN ELECTION?

A. I DON'T THINK IT WILL BE ANY MORE DIFFICULT TO DEAL WITH
THE GOVERNMENT -- NO.

Q. WILL IT BE EASIER?

A. WELL, I THINK THAT WHETHER IT WILL BE MORE DIFFICULT OR
WHETHER IT WILL BE EASIER IS HARD TO SAY. I HAVE ()

AS THEY HAVE BEEN, ON AN EXCEEDINGLY COOPERATIVE
AND FRIENDLY BASIS.

Q. DO YOU VIEW IT CRITICAL THAT CIVILIANS ARE INCLUDED IN
THIS GOVERNMENT?

A. WELL, THE FORMATION OF THE GOVERNMENT IS A MATTER --

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PAGE 05 SAIGON 05039 011016Z

DOMESTIC MATTER -- FOR THE VIETNAMESE THEMSELVES TO DETERMINE, AND I DON'T THINK IT'S PROPER FOR ME TO EXPRESS MY VIEWS OF THE GOVERNMENT, OF WHAT THE GOVERNMENT OUGHT TO BE. I THINK THAT THE GOVERNMENT WILL BE DETERMINED BY THOSE WHO ARE ELECTED AND IN AUTHORITY.

Q. MR. AMBASSADOR, DOES THE ELECTION OF THIS GOVERNMENT RAISE THE CHANCES OF PEACE?

A. I WOULD THINK SO -- YES. I WOULD THINK THAT A DEMOCRATICALLY-ELECTED GOVERNMENT WITH A SOLID BASE, A CONSTITUTIONALLY-FUNCTIONING GOVERNMENT, WOULD BE IN A BETTER POSITION TO PURSUE EFFORTS TOWARD PEACE.

A. MR. AMBASSADOR, SINCE YOU'VE TALKED WITH GENERAL THIEU, DID HE BRING UP THE SUBJECT OF THE BOMBING PAUSE HE SAID HE WOULD PROPOSE IF ELECTED.

A. NO.

THANK YOU, MR. AMBASSADOR.
END TEXT
BUNKER

NOTE: () OMISSION. CORRECTION TO FOLLOW.

UNCLASSIFIED

Wednesday, September 6, 1967
12:55 p.m.

Pres file

MR. PRESIDENT:

Herewith CINCPAC's report on the bombing
of North Viet Nam for the month of August.
I have marked the critical passages.

W. W. R.

~~TOP SECRET~~/LIMDIS attachment

50a

~~TOP SECRET/LIMDIS~~

Wednesday, September 6, 1967

CINCPAC MONTHLY ROLLING THUNDER SUMMARY, AUGUST, 1967

The primary effort during August was directed against the northeast rail lines, to the isolation of Haiphong from Hanoi and Hanoi-Haiphong from the rest of the country and against those lines of communication radiating southward to the Demilitarized Zone.

Almost 2800 attack sorties, or about 25 percent of the total attack sortie effort, struck targets in Route Package 6A and 6B. Weather prevented the planned level of 30 to 35 percent of the total sorties in these areas.

The rail interdiction campaign in the north was stimulated by the ROLLING THUNDER 57 follow-on authorization for attacks against selected line of communication targets in the buffer zone contiguous to China. Over 150 attack sorties were flown in this zone, resulting in significant attrition of rolling stock with approximately 250 pieces destroyed or damaged. Rolling stock sightings along the rail segments were about 50 percent less than July with nearly 80 percent of those sighted located within the 10-mile Hanoi circle and within the Chicom buffer zone.

Most of the remaining lucrative targets associated with the production, processing and transportation of war-making and war supporting materials are located within the Hanoi-Haiphong complex. The lines of communication segment extensions within the Hanoi and Haiphong 10-mile restricted areas, authorized by ROLLING THUNDER 57 plus the add-on targets, exposed approximately 135 additional targets to armed reconnaissance operations.

In the Hanoi circle, 24 fixed lines of communication target elements were attacked with over 300 sorties. Six such targets in the Haiphong circle were struck with about 50 sorties. These targets consisted primarily of railroad and highway bridges, bypasses and supply storage areas. Although the majority of these targets are not designated ROLLING THUNDER Alpha or CINCPAC Priority Targets, the cumulative effects, coupled with the high level of damage attained, further compound the problem of transshipment of vital supplies to the South.

~~TOP SECRET/LIMDIS~~

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E.O. 12958, Sec. 3.6

NLJ 96-183

By lip, NARA Date 7-11-96

Extensive armed reconnaissance was directed against the infiltration network into South Vietnam which is supplied from the Hanoi-Haiphong areas. Over 8000 sorties (about 74 percent of the attack sorties) against the network were flown in Route Packages 1 through 4 during August.

The ROLLING THUNDER 57 authority to operate against the lines of communication in the buffer zone plus the continued emphasis on interdiction of all of North Vietnam's rail lines and other lines of communication resulted in the following damaged/destroyed totals: rolling stock, over 285; motor vehicles, over 1300; and water craft, over 1640.

The period of favorable flying weather was about 20 percent less than July. However, the attack effort was over 11,500 sorties, which compares favorably with the previous three months. Six hundred sorties were flown against CINCPAC-directed ROLLING THUNDER Alpha targets. Because of numerous poor weather days, only 28 of the 46 assigned targets were struck. Although weather did influence the effort, a well-balanced campaign was maintained and numerous pre-planned secondary targets were struck.

Attack sortie distribution for August is compared with July in the following table:

<u>Month</u>	<u>Route Package Areas</u>						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6A</u>	<u>6B</u>
July	38%	8%	7%	9%	5%	15%	18%
August	47%	8%	10%	8%	2%	12%	13%

As a result of ROLLING THUNDER operations, the six rail lines with a potential aggregate of 186 operating days were either unserviceable or doubtful a total of 77 days. This had a telling effect upon the logistic capability of North Vietnam, and caused some shifts to less efficient and more arduous modes of transportation. A breakdown by individual rail line is as follows:

- A. Through traffic on the Northwest Line, Route Package 1, was doubtful 18 days.
- B. The Northeast Line, Route Package 2, was unserviceable to through traffic 13 days, and doubtful another 4 days.
- C. Route Package 3, Haiphong to Hanoi, was unserviceable August 24-27 inclusive.

D. Route Package 4, Hanoi to Vinh, was unserviceable 10 days, and doubtful another 4 days.

E. Route Package 5, Hanoi to Thai Nguyen, was unserviceable 10 days and doubtful for an additional 5 days.

F. Route Package 9, Thai Nguyen to Kep, was closed only on the 9th and had doubtful serviceability another 8 days.

SEA DRAGON forces continued to apply pressure against the enemy coastal installations and lines of communication throughout the assigned area of operations as over 1000 fixed and moving targets were taken under fire. Destruction and damage to waterborne logistic craft increased as detections rose significantly over July. Over 90 percent of the waterborne logistic craft detected were either beached or on inland waterways.

The Destructor MK-36 Weapon Program advanced at an increased rate with over 700 weapons seeded during the month. The majority of the weapons were utilized in the northeast sector and Route Package 1. To date, less than 10 percent of the planned employment in the northeast sector has occurred. Available assets increased at the end of the month.

Sixteen Walleye weapons were released during the month against a wide spectrum of targets, achieving outstanding results. Seventh Air Force made initial utilization of newly-acquired assets, dropping two spans of a bridge with the first two weapons. The weapons continue to demonstrate excellent accuracy. To date, a total of 59 Walleye have been expended in North Vietnam with 54 hits. Usage is still controlled because of the limited number expected to be available in the immediate future.

Summary of effects:

A. Air strikes against targets in the Hanoi and Haiphong restricted area precipitated the usual responses in North Vietnamese propaganda. Claims of flagrant escalation of the war were common as Hanoi sought to call attention to these strikes while almost completely ignoring strikes against targets in the border buffer zone. It was not until two U.S. aircraft were lost over China that Hanoi recognized the occurrence of these strikes.

B. Interdiction of the Doumer Bridge on August 11 is an example of the accuracy and effectiveness of our bombing efforts against key targets in North Vietnam. Two spans of this vital structure linking Hanoi to the northeast and

east were dropped in the water, effectively denying use of the arteries which come to a focus at this point. While of significant impact militarily, the psychological impact on the civil population must be viewed as being of very nearly equal importance. The Bridge long has been considered by Hanoi residents as a symbol of progress and their link to surrounding areas. Its loss must affect adversely their morale and their confidence in North Vietnamese ability to defend vital facilities. From the standpoint of future use, bombing of the Doumer Bridge caused major damage to the structural members which will require expensive repairs. Anticipated rising water levels in the Red River will seriously complicate repair of the Bridge and will limit the usefulness of pontoon bridges used as alternate crossings.

C. As a result of disruptions to the production of electrical power by damage to the thermal power plants, the North Vietnamese have resorted to fragmented power sources. Normally, the size of these substitute sources is very small and usually supply power directly to a specific consumer. In late August three internal combustion power plants of a size not heretofore noted were detected in Haiphong. These are believed to supply power to an emergency grid rather than to individual consumers. It is possible that the North Vietnamese have found the repair of certain thermal power plants to be too costly and time consuming in the light of recurring strikes and have elected to substitute smaller dispersed generators feeding into a grid system as a temporary measure.

D. A factor tending to maintain morale in North Vietnam is the continuing receipt of inflated combat reports from the South. Along with the vigorous propaganda campaign which carries the usual themes of "US aggression" and alleged violation of the Geneva Accords, these reports probably lead the Vietnamese people to believe their situation is improving. Radio Hanoi has continued to exhort the people to greater efforts in defeating the enemy while playing down their own losses and sacrifices. At the same time, results of U.S. air strikes are erroneously reported and U.S. aircraft losses grossly exaggerated.

E. The North Vietnamese air defense capability remains nearly the same with anti-aircraft artillery continuing to be the most effective element of the system. In August, 38 U.S. aircraft were downed over North Vietnam. MIG activity increased. Two U.S. aircraft were lost to MIG's during August and four MIG's were shot down by U.S. pilots. SAM firings reached a new high in August with approximately 440 sighted. Eight U.S. aircraft were lost to SAM's, a ratio of one loss to 55 SAM's fired as compared with the ratio for May through July of one to 49.

Future intentions for ROLLING THUNDER operations are to:

- A. Maintain emphasis on the isolation of Hanoi and Haiphong from the interior of North Vietnam.
- B. Achieve the desired damage level against those ROLLING THUNDER 57 and CINCPAC targets which still require initial strike or restrike.
- C. Reduce overland and seaborne imports by interdiction and destruction of lines of communication and materiel arriving from Chicom and Haiphong.
- D. Maintain pressure throughout North Vietnam with a balanced effort in all other Route Package areas.
- E. Interdict the operation of MIG's from North Vietnamese airfields when authority is received to do so.

51

Wednesday, September 6, 1967
12:50 p.m.

Mr. President:

Herewith the six slates which won
in the Vietnamese Senatorial race. We
will be forwarding an analysis to you
shortly.

Pres. file

W. W. Rostow

Saigon 5054

WWRostow:rlh

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AID 30, SAL 01, RSR 01, /140 W

O R 061030Z SEP 67 ZFF1
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC IMMEDIATE 6301
INFO AMEMBASSY BANGKOK 4132
CINCPAC
AMEMBASSY VIENTIANE 2438
AMEMBASSY SEOUL 748
AMCONSUL DANANG 901

LIMITED OFFICIAL USE SAIGON 5054

CINCPAC FOR POLAD

SEOUL FOR BURKE

SUBJ: VIETNAM ELECTION---UPPER HOUSE RETURNS

REF: A. SAIGON 5337
B. SAIGON A-162

1. WE HAVE JUST BEEN INFORMED BY TELEPHONE FROM THE
SPECIAL COMMISSARIAT FOR ADMINISTRATION THAT WITH INITIAL
RETURNS AVAILABLE FROM ALL 50 OF VIETNAM'S ELECTORAL

PAGE TWO RUMJIR 5054 ~~CONFIDENTIAL~~ LIMITED OFFICIAL USE

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PAGE 02 SAIGON 05054 061521Z

JURISDICTIONS, THEY ARE ACCEPTING THE SIX SLATES LISTED BELOW AS WINNERS. CENTRAL ELECTION COUNCIL HAS NOT YET ANNOUNCED INITIAL FINAL RESULTS.

2.	SLATES	NO. OF VOTES
	SLATE 13 (TRAN VAN DON)	1,062,932
	SLATE 40 (NGUYEN VAN HUYEN)	703,199
	SLATE 8 (NGUYEN GIA HIEN)	663,532
	SLATE 31 (HUYNH VAN CAO)	628,739
	SLATE 3 (TRAN VAN LAM)	575,943
	SLATE 21 (NGUYEN NGOC KY)	551,746

3. PROLIFERATION OF SLATES HAS RENDERED TABULATION OF RESULTS DIFFICULT. AFTER TOP FOUR SLATES THERE IS LITTLE DIFFERENCE BETWEEN ANNOUNCED TOTALS FOR NEXT SIX OR SEVEN SLATES, THUS WE ARE NOT CERTAIN THAT THIS RANK ORDER WILL HOLD UP. WE WILL REPORT CEC INITIAL FINAL RESULTS AS SOON AS WE OBTAIN THEM.

4. FOR BASIC ANALYSIS FOR ALL UPPER HOUSE SLATES SEE REFERENCE B.

WE WILL FORWARD DETAILED ANALYSIS OF WINNERS AS SOON AS WE HAVE CONFIRMATION WHO THEY ARE.

BUNKER

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~~CONFIDENTIAL~~

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THE WHITE HOUSE
WASHINGTON

~~SECRET~~

Wednesday, Sept. 6, 1967
10:00 a.m.

MR. PRESIDENT:

Draft cable 1 is the State Department draft responding to our lunch conversation about bringing the VC into the constitutional process.

Draft cable 2 is my suggested alternative. I have marked my suggested changes with yellow overlay. Article 4 of the South Vietnamese constitution is attached. at Tab A.

W.C.R.

~~SECRET~~ attachments

Sect. Rusk has now seen and approved Draft Cable 2

W.

Approve draft cable 1 _____

Approve draft cable 2 ✓

See me _____

DECLASSIFIED

E.O. 12356, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 9-13-91

~~SECRET~~

To: AmEmbassy SAIGON IMMEDIATE

FOR AMBASSADOR FROM SECRETARY

52a
DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-95
By cb, NARA Date 7-25-00

1. My separate cable gives you one idea that we believe you should discuss urgently with Thieu at the first opportunity.
2. More tentatively, if you think it wise, we believe you should explore with Thieu and Ky as soon as possible the question of either covert approaches or some possible offer to the Viet Cong relating to their entering into political life in SVN. We are aware of possibilities that discreet channels may be about to open up for covert approach and these channels -- if Thieu and Ky now know about them -- would be one possibility. A public offer might have its own merits and could be undertaken separately from covert and private approaches.
3. Any such approach or offer might get into the question of the right of the VC to form their own political party. We recognize that this is a bridge GVN has not yet been willing to cross, and it in particular may be more than is wise to put to them at the present time. However, we would like your judgment on question of putting this matter to them and including this feature. If you see no problem, you are authorized to go ahead as far as you like along these lines at your first contact.
4. As a variant of the above, one idea that has occurred to us here would be that of suggesting a local amnesty for the Viet Cong in selected areas, for example the IV Corps area. We recognize that this would involve more careful planning and an assessment of military factors, but would like your preliminary views.

END

526

(2)

~~SECRET~~

To: AmEmbassy SAIGON IMMEDIATE

FOR AMBASSADOR FROM SECRETARY

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-138
By ctm, NARA Date 3-29-01

1. My separate cable gives you one idea that we believe you should discuss urgently with Thieu at the first opportunity.

2. ~~In general, highest authority hopes that new government will be as forthcoming in effort to bring NLF into constitutional political process as it can be without excessive U.S. pressure and without threatening unity of government itself.~~

3. If you think it wise, we believe you should explore with Thieu and Ky as soon as possible the question of [REDACTED] some possible offer to the Viet Cong relating to their entering into political life in SVN under the constitution. ~~If Communism is interpreted as a technique for seeking power and governing by dictatorial one-party rule, acceptance of the Vietnamese constitution and organized political activity within it by Communists could be regarded as compatible with Article 41~~

4.

[REDACTED]
A public offer might have its own merits and could be undertaken separately from [REDACTED] private approaches.

5. Since any such approach or offer ~~raises~~ question of the right of the VC to form their own political party, we recognize that this is a bridge

EO 12958
3.4(b)(1)>25Yrs
(C)

EO 12958
3.4(b)(1)>25Yrs
(C)

~~SECRET~~

-2-

GVN has not yet been willing to cross, and it in particular may be more than is wise to put to them at the present time. However, we would like your judgment on question of putting this matter to them and including this feature. If you see no problem, you are authorized to go ahead as far as you like along these lines at your first contact.

6. As a variant ~~or~~ supplement to the above, one idea that has occurred to us here would be that of suggesting a local amnesty for the Viet Cong in selected areas, for example the IV Corps area. We recognize that this would involve more careful planning and an assessment of military factors, but would like your preliminary views.

###

Constitution of South Viet-Nam - Articles Pertaining to
Political Life

Article 4.

- (1) The Republic of Viet-Nam opposes Communism in any form.
- (2) Every activity designed to publicize or carry out Communism is prohibited.

A

~~SECRET~~

Wednesday, September 6, 1967
8:30 a.m.

Mr. President:

You will wish to read this report
from Amb. Porter on President Park's
general intent with respect to troops
for Viet Nam.

W. W. Rostow

WWRostow:rlh

53
Pres file

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 129, NARA, Date 9-13-91

530

~~SECRET/EXDIS~~

Tuesday, September 5, 1967

TEXT OF CABLE FROM AMBASSADOR PORTER (Seoul, 1120)

President Pak informed me on September 4 that he had given careful thought to the messages of his good friend President Johnson concerning the need to raise troop levels in Vietnam. He asked me to inform President Johnson that he fully agrees, and that Korea will render "maximum cooperation." He has instructed the Minister of National Defense to give him an early report as to methods of raising troops and about their number so that he can respond to President Johnson in specific terms. Pak added that when he sees the report he will himself decide whether it meets the requirements of the situation.

President Pak then said he knew President Johnson would understand the problem he is facing in this connection. The Korean people want to contribute to Vietnam where their American friends are doing so much. At the same time, they cannot help worrying about their own security in view of North Korean activities along the Demilitarized Zone and in infiltration of armed elements into various parts of the country. Public worry on this score is fanned by the opposition party, some members of the government party, and by some government officials.

President Pak said he must find some factor which will enable him to deal with this kind of sentiment among the people and the National Assembly. A good deal also depends on how the Ambassador's letter of March 4, 1966, is implemented, particularly in the field of modernization of Korean forces and anti-infiltration support.

In reply, I said he could be sure that President Johnson would appreciate the fact that he is moving toward the practical aspects of additional troop contribution through the

~~SECRET/EXDIS~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 93-367
By ing, NARA, Date 2-7-94

PRESERVATION COPY

Minister's report. My President, I added, would also understand his problem of public opinion and in the Assembly on the subject. To deal with the letter of March 4, 1966, we have set up a working group which will clarify the degree of implementation of that agreement and determine at an early date what remains to be done, after which I will urge my government to act with all possible dispatch. President Pak knew from my President's message, I said, that I am authorized to discuss other subjects with him, and this meant that we have very much in mind the problems he is facing and intend to assist him in dealing with them.

~~SECRET/EXDIS~~

54

Wednesday, September 6, 1967
8:05 a.m.

Mr. President:

Herewith a draft response to
Amb. Clark's letter of resignation.

Pres file

W. W. Rostow

WWRostow:rlh

September 5, 1967

54a

Dear Ed:

Your letter of resignation of August 30 moved me, Ed, more than I can easily tell you.

The warmth of your loyalty, the quality of your competence and dedication are the greatest comfort a President can have.

You know, I think, the uniqueness of your contribution to U. S. - Australian relations at what historians may judge the most sensitive and important moment in their history. World War II was easier, because there was literally nothing else for the two countries to do but fight for their lives shoulder-to-shoulder. The adjustments to Viet Nam and the New Asia have been more complex. It was -- and is -- critical to success that the two countries operate as partners; it was not inevitable that it happen; it has happened; and Ed Clark played a great part in it.

Beyond that, I know the people of Australia will never forget you.

If I didn't feel confident you will be in a position to help me in the days ahead, I simply could not bring myself to accept your resignation. But I do, with heartfelt thanks for the job you've done, and already counting on the next one.

Lady Bird joins me in affectionate greetings to Anne as well as you.

Sincerely,

13/ Lyndon B. Johnson

Honorable Edward Clark
American Ambassador
Canberra, Australia

LBJ:WWR:mz

*John - What
to do - to do
do it right*

J

(J)

546

Canberra, Australia

August 30, 1967

Dear Mr. President:

The two-year term as Ambassador to Australia I accepted aboard the Sequoia in June 1965 has come to an end. These have been wonderful years, the happiest and most satisfying of my life, but as Holy Scripture says: "To everything there is a season and a time to every purpose under Heaven, a time to be born and a time to die."

I feel my most effective work is finished here, and the time has come for me to move on to some other field. You have already honored me beyond my desserts and I, in turn, have been honored to be in your service. I know that history will record you as a Great President, as I regard you as a friend. I pray that I may continue to serve you so as to lighten your burdens in any way that you need me, but now I would like to at least shorten my lines of communications.

Anne is now with her mother, past ninety--my mother is in her eighty-seventh year. My dear grandchildren are growing up--Leila and Doug are two good people and seem adequate to take care of themselves and their family. However, I would like to associate myself more closely with their affairs.

Please accept this as my reluctant resignation at your own pleasure and convenience, and remember me always as your most loyal and obedient servant.

With the greatest respect I am,

Always,



Edward Clark

American Ambassador to Australia

Wednesday, September 6, 1967

CONFIDENTIAL

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting with Ambassador Lodge

You have agreed to see Lodge after you have seen the observers.

You may wish to:

(1) thank him for his most effective role in briefing and guiding the observers in Viet-Nam. This was a highly useful exercise -- and much of its success rests on the way Lodge handled his end. It was an important public service.

(2) suggest that he get a little rest after the past arduous week, see his family, etc. But then you would be grateful if he would take some time to meet with the editorial boards and executives of some leading publications (TIME, NEWSWEEK, and others in the New York and Boston areas). The point would be to give them some feel for the progress being made in Viet-Nam and the significance of the developing political process.

(3) explain our plan to set up one or a few high-level, two-man teams who would visit key cities around the country. These would be off-the-record sessions with editorial boards and publishers, TV and radio news executives, and other opinion makers. The team would be composed of one leading civilian, one capable military officer. They would provide a solid explanation of what is happening in Viet-Nam, why we are there and where we are heading. We had thought of asking General Bill De Puy (DUH-PEW) to provide the military expertise in a team with Ambassador Lodge. Would he be willing to undertake this? We would arrange for the meetings to be planned by one leading publisher in a major city who would invite his colleagues from the surrounding area for these private sessions.

W. W. Rostow

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 13526,
SEC. 1.3 AND ARCHIVIST'S RECORD OF
MAR. 10, 1993.

BY tg ON 9-13-91

CONFIDENTIAL

56
Pres. file

Wednesday, September 6, 1967

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Election Observers

The election observers will arrive back from Viet-Nam this morning. They will call on you at 11:00 a.m.

A list (alphabetical) of the observers and others is attached.

You may wish to thank them for undertaking this arduous journey and for their notable and unselfish public service in observing the Vietnamese election. Their individual experiences and impressions were varied. But there can be no doubt that they were witnesses to an important historical event. Watching the birth of a nation has to be one of the most exciting things a man can experience.

Each of them will want to make known his observations and reactions in his own way. If all or any of them wish to meet with the White House press corps after the meeting, they should feel free to do so and arrangements will be made.

Your reason for inviting them in, however, was to give you a chance to hear personally from them what they saw and what they thought of it.

You may wish to go around the table for individual expressions of view.

In conclusion, you may wish to repeat your thanks for a job well done. You might assure them that their presence in Viet-Nam added a depth of understanding and a sense of the importance of the Vietnamese elections that might have been missing or at least much weaker if they had not been present. You hope they will share their unusual experience with as many fellow Americans as possible.

W. W. Rostow

Att.

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 13526
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 18, 1983.

BY RS ON 9-13-91

CONFIDENTIAL

OBSERVERS

James Antell	Junior Chamber of Commerce
Joseph Barr	Mayor of Pittsburgh
Dr. Edward L. R. Elson	National Presbyterian Church
Warner P. Gullander	National Association of Manufacturers
William Guy	Governor, North Dakota
Bourke B. Hickenlooper	
Richard Hughes	Governor, New Jersey
Eldon James	American Legion
John S. Knight	Knight Newspapers
Arch. Robert E. Lucey	San Antonio Diocese
Thomas McCall	Governor, Oregon
Theodore McKeldin	Mayor, Baltimore
Ed Munro	National Association of Counties
Edmund S. Muskie	
Eugene Patterson	Atlanta Constitution
Rabbi P. Rudin	Synagogue Council of America
Joseph Scerra	VFW
Stanford Smith	American Newspapers Publishers Assoc.
Dave Sullivan	AFL-CIO
Whitney Young	Urban League

OTHERS

Amb. Eugene Locke	
Amb. Henry Cabot Lodge	
Prof. Donald Herzberg	Rutgers University
Prof. Howard Penniman	Georgetown University

11:00 a.m. -- Meeting with President, Wednesday, September 6, 1967

Gov. Richard Hughes
Gov. Tom McCall
Gov. William L. Guy
Sen. Edmund S. Muskie
Sen. Burke Hickenlooper
Mayor Joseph Barr
Mayor Theodore McKeldin
Mr. Joseph Scerra
Mr. Eldon James
Mr. Dave Sullivan
Mr. James Antell
Mr. Warner P. Gullander
Archbishop Robert E. Lucey
Rabbi P. Rudin
Mr. John S. Knight
Mr. Stanford Smith
Mr. Eugene Patterson
Mr. Whitney Young
Dr. Edward L. R. Elson
Mr. Ed Munro
Professor Howard Penniman
Professor Donald Herzberg
Mr. Walter R. Hjelle
Ambassador Henry Cabot Lodge
Ambassador Eugene Locke
Mr. William Stinson

58

Tuesday, September 5, 1967, 8:00 P.M.

~~TOP SECRET~~

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your meeting with Ambassador Locke ^{at} 10:00 A.M.,
September 6

Ambassador Locke will talk about the Vietnamese elections but he also wants to tell you about the Blueprint for Vietnam contained in the attached notebook.

The Blueprint, endorsed by Ambassador Bunker, but not yet reviewed here, was prepared by members of our Embassy and MACV under Ambassador Locke's direction.

Ambassador Bunker, in a letter to you transmitting the Blueprint, expresses the hope that agreement can be reached on:

- a. the policies he recommends we follow in the months ahead,
- b. the actions we should endeavor to get the new Vietnamese government to take.

The Blueprint contains an assessment of the Vietnam situation which concludes that:

- a. progress in the war has been steady on all fronts since the spring of 1965;
- b. we can defeat the enemy by patient, continued, and concerted effort;
- c. there is no magic way to insure quick victory short of an unacceptable degree of risk of war with Communist China or the Soviet Union;

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 94-364

By WJP, NARA, Date 6-23-95

~~TOP SECRET~~

d. Current favorable circumstances in Vietnam may create a climate in which increased pressure could cause the enemy to reassess its position.

The Blueprint concludes that maximum pressure must be maintained on the enemy by:

- a. intensifying military activity in the South;
- b. developing new methods of interdicting infiltration;
- c. bombing all targets in the North connected with the enemy's war effort that do not result in an unacceptable risk of uncontrolled escalation;
- d. accelerating the program of pacification (including better security, more effective attacks on the infrastructure, stepped up National Reconciliation and Chieu Hoi programs, a greater involvement of the people in solving their own problems at the village and hamlet level);
- e. encouraging reforms in the government structure and continued improvement in the armed forces;
- f. attacking the problem of corruption;
- g. using influence to effect a strong, freely-elected government with political stability; and
- h. taking actions necessary to the continued growth and stability of the economy.

The six chapters which follow the general assessment give detailed recommendations:

Chapter 2 assesses the military situation and summarizes General Westmoreland's strategy for 1968.

Chapter 3 deals with pacification which is defined as the extension of South Vietnamese control in the countryside and the cementing of the allegiance of the people to the government.

Chapter 4 discusses national development which consists of policies and programs such as agriculture development, public health and medical care, education, land reform, improving job management, urban development, reforming the Vietnamese government and reducing corruption.

Chapter 5 deals with economic problems. The economic outlook in mid 1967 is reasonably favorable, a degree of stability has been reestablished and the economy today is in a far healthier position than it was a year ago. Specific economic objectives for FY 1968 are listed along with ways of achieving them.

Chapter 6 discusses progress toward democracy. The Blueprint concludes that the best hope for establishing a stable government supported by the people lies in fostering democratic institutions while not losing site of the political realities of the situation.

Chapter 7 assesses the Vietnamese manpower situation and spells out ways of using these resources more effectively.

Recommendation - Because the Blueprint has not yet been seen by any Washington official, I suggest you:

- a. Compliment Ambassador Locke on the initiative taken by the Saigon team,
- b. ask him to express your appreciation to Ambassador Bunker, and
- c. tell him you are asking Secretary Rusk and Secretary McNamara to review the Blueprint and to come back to you promptly with their recommendations on those issues requiring your decision.

W. W. Rostow

WWR:BKS:amc

~~SECRET~~

Tuesday
September 5, 1967 -- 7:30 p.m.

Pres file

Mr. President:

This is a [REDACTED] report of some
importance -- if true -- on the Arab
summit. [REDACTED]

EO 12958 3.4(b)(1)>25Yrs
(C)

What makes it impressive is that
it is not inconsistent with the other
report attached from Saudi Arabia.

In the latter you will be particularly
interested in Nasser's presentation of
the evolution of his relations with the
U.S.

W. W. Rostow

WWRostow:rla

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 00-139
By Sj, NARA, Date 9-18-01

~~SECRET~~
CENTRAL INTELLIGENCE AGENCY

OFFICE OF THE DIRECTOR

59a.
SANITIZED
E.O. 12958, Sec. 3.6
NLJ / RAC 00-138
By cbm, NARA Date 3-29-01

5 September 1967

MEMORANDUM FOR: The President

This is the message Secretary Rusk mentioned at lunch today.

EO 12958
3.4(b)(1)>25Yrs
EO 12958
3.4(b)(6)>25Yrs
(C)

I had requested permission from Secretary Rusk to disregard an instruction from the Ambassador that we not distribute this message, rather that we all await the Ambassador's own description of a conversation [REDACTED] into which this material would be incorporated.

EO 12958
3.4(b)(1)>25Yrs
EO 12958
3.4(b)(6)>25Yrs
(C)

The message is not in quotation marks, because it is our Station Chief's write-up of the main points [REDACTED] made to him.

Rich
Richard Helms

Attachment

~~SECRET~~

59-C

~~SECRET~~

Tuesday, September 5, 1967

TEXT OF CABLE FROM AMBASSADOR EILTS (Jidda, 896)

SUBJECT: Arab Summit

I talked last night and today with Rashad Pharaon and Saqqaf respectively about the Arab Summit. The following summarizes their comments:

From the Saudi standpoint, the meeting was a success for moderates and for the cause of realism. Nasser, obviously much chastened, had shown a great restraint. He had explained in a rational, logical fashion the UAR's past relations with the U.S. and events leading up to the Arab-Israeli conflict.

Reading from his notes on Nasser's presentation, Saqqaf (source to be protected) said Nasser first gave a lengthy account of the deterioration in US-UAR relations. He recalled the McCloy mission of 1963 and the PL-480 food program. The Americans had constantly urged him to settle with Israel. He had repeatedly refused for the sake of Arabs and Palestine, despite the problems this allegedly caused for him in his relations with the U.S. Finally, U.S. concessionary food aid had been cut off. Some Arab states had criticized his earlier failure to block the Straits of Aqaba. He had not wanted war. However, on hearing of Israeli plan to attack Syria, he had at once made the necessary deployment to meet the threat. This included ordering the withdrawal of the United Nations Emergency Forces and placing UAR forces in Sinai and on the border. He had taken these steps unilaterally as he had had to act unilaterally in 1956. Thereafter, President Johnson had sent him a personal message not to attack. Arrangements had been made for Vice President Humphrey to visit the UAR and for Zakariya Muhyiddin

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DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-95
By cb, NARA Date 7-25-00

to visit the U. S. in order to discuss the situation. The Soviets had also sent him urgent message not to attack Israel. While all these exchanges were taking place, Israel had launched a surprise attack on June 5. He did not explain why the UAR was so unprepared, but implied that Amer was mainly at fault. His losses had been enormous: 500 tanks, with crews, destroyed in Gaza, 1,100 officers dead, 500 officers captured, 10,000 troops killed or missing, most of his Air Force destroyed, etc. In three days of battle he had lost one billion dollars' worth of military equipment. He had indeed lost a battle, but noted this kind of thing has happened before and will happen again. He had also explained the "big lie" of U. S. collusion with Israel by referring to Hussein's telephone call and claiming that if Hussein's figures of attacking aircraft are correct, they exceeded UAR intelligence estimates of Israeli aircraft inventory. Aircraft, therefore, had to come from the Sixth Fleet. He now knew the UAR intelligence had underestimated Israeli air capability.

Following this explanation of past UAR actions, Nasser continued. He is not able to resume the fight now. Perhaps in one or two years' time this might again be possible and the Arabs are only likely to preserve their rights if they prepare themselves for a long pull. However, the UAR and other Arab states should first seek peaceful means to recover their lost territories. The Indian government had informed him that a senior U. S. official recently told the Indian Ambassador that Israel wants to internationalize Gaza, keep Jerusalem and demilitarize Sinai, the West Bank and the Golan Hills. This would be surrender to Israel and not acceptable. Great Britain had suggested the Saudis move 20 kilometers from the East Bank of Suez to allow the Canal to be reopened. He had not yet replied, but despite the heavy loss that the Canal's continued closure imposes on the UAR, he is not prepared to reopen it until all traces of "Israeli aggression" are removed. Meanwhile, the UAR is hungry. He has food to last only six months. If other Arabs can help, he would appreciate such help. If not, he will get along best as he can. He had read reports of the Foreign Ministers and Baghdad meetings. He did not want an oil embargo or withdrawal of Arab investments from the U. S. or U. K. as some had suggested. Arabs require these assets for their own welfare and to enable them to rebuild their economies and strength.

Nasser's speech reportedly made a very favorable impact. There was general agreement the other Arab states should help. One hundred thirty five million pound figure had earlier been estimated by the Arab Foreign Ministers (sitting as Finance Ministers) as the UAR's and Jordan's annual economic shortfalls under the present conditions. Faisal volunteered to give 30 percent of this amount, but later upped it to 50 million pounds. President Arif then proposed Kuwait should give 70 million pounds. Amir of Kuwait, who had earlier apparently expected to provide only 10 or 15 million pounds, gulped. After various parties had worked on him, he finally agreed to 55 million pounds and Libya offered 30 million pounds. (According to Rashad, Saudi payment will be 36 million pounds to the UAR and 14 million pounds to Jordan. Payments will be made directly to those governments. Once the Suez Canal is reopened, payments to the UAR will cease. Until this happens, they are to be paid annually on October 15.) Both Rashad and Saqqaf allege these funds are to be used for economic recovery purposes.

Nasser had at one point also suggested that Faisal mediate his differences with U. S. Faisal did not feel he alone could do this, but indicated he is in constant contact with the U. S. government. Nasser then explained that all states which have relations with the U. S. might help in this regard. He apparently did not spell out just what he had in mind.

As indicated in the Summit announcement, the Arabs are prepared to explore the possibility of finding some peaceful solution to the current problem. Nasser had noted even the Soviets agree on the existence of Israel. However, the Arabs are not prepared to (a) make formal peace, (b) enter direct negotiations, or (c) recognize Israel. Nevertheless, according to Saqqaf, each Arab state is now free to explore the possibility of arriving at some accommodation with the Israel subject only to aforementioned caveats. Saqqaf thought Hussein might already be doing so and the UAR also is ready to do so. He acknowledged that, in the case of UAR, transit of the Suez Canal, about which Nasser is adamant, is likely to be a stumbling block.

According to Saqqaf, Shuqairi had at one point insisted no Arab leader should go it alone. He had spoken of

the need for guerrilla warfare. Shuqairi's view was not accepted and he left in a huff. As a result, Saqqaf believes Shuqairi and Plo are finished.

I asked Rashad and Saqqaf where the foregoing leaves the linkage of formula of Israeli withdrawal and Arab renunciation of rights of belligerency. Rashad claimed the subject was not specifically discussed, but if renunciation of belligerency entails allowing Israeli vessels to transit the Suez Canal, he saw no prospects. Instead, the Summit Conferees felt that something along the lines of the Tito Plan should be urged, i.e., Israeli withdrawal as a pre-condition to a discussion of all other questions. Pre-June, 5 boundaries might then be guaranteed by four powers. Saqqaf has a slightly different version and noted that neither Foreign Ministers nor the Arab Summit announcement had made any reference to a "state of war" existing with Israel. He argued this was a deliberate omission implicit in which is renunciation of Arab rights of belligerency. However, it did not mean Arab agreement to Israeli transit of the Suez Canal. Freedom of passage in the Straits of Tiran and the Gulf of Aqaba is not contested.

The Summit had readily agreed the oil-producing states might lift the oil embargo and this is now done.

The Arabs had also agreed to revive Arab Solidarity Pact and conduct no hostile propaganda against each other.

Comment: Both Rashad and Saqqaf believe the Arab Summit was a great success. Not unexpectedly, they argue Faisal was the "star" of the show and that his moderating influence prevailed. In varying degrees, both were also impressed with Nasser's reasonableness. They are particularly gratified at Nasser's apparent willingness to settle Yemen problem. Both contend extremism and fanaticism suffered a serious setback. Even the Algerian Foreign Minister had been surprisingly moderate. Only remaining extremists are the Syrians who were not present, but no one seemed to be concerned about this. Saqqaf believes new political climate has been established in the Arab world on

~~SECRET~~

-5-

which the U.S. ought to capitalize to attempt to move forward toward an equitable settlement. He argues the U.S. can influence Israel if it wishes to do so and that this is time for the U.S. to take a more active role. If the U.S. presses for prior Israeli withdrawal, he believes satisfactory solutions can be found to all remaining problems. I told him I did not think this was saleable to Israel, but would of course report his view.

~~SECRET~~