

~~TOP SECRET-SENSITIVE~~

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We have too often failed to make this clear. We have talked about honoring our commitments without defining or qualifying them. We have talked about giving the military "what they need to do the job" without defining the job they are doing. We have emphasized that we have a vital national security interest in Viet-Nam without qualifying the nature of that interest. Almost every time there has been a public statement which suggested limitations, those limitations have been overtaken by events. Our statements from the outset on the presence and level of US troops, our many statements on bombing policy, our statements on strategy and its justification, our different statements of objectives--all these have raised questions as to where the limits are and whether limits really exist.

How sure are the American people that: (a) We do not want to invade North Viet-Nam? (b) We will not seek to destroy North Viet-Nam by indiscriminate bombing? (c) We will not invade Laos or Cambodia? (d) We will not mine Haiphong Harbor or bomb Soviet shipping? (e) We will not bomb Chinese airfields in which DRV MIGs are seeking sanctuary?

5. Finally, we should re-examine our bombing policy. We pay a huge price for our bombing policy at home and abroad with very little to show for it in South Viet-Nam. Its supporters maintain that the present costs in terms of domestic and foreign support for the United States is a small price when compared to the future payoff. Unfortunately, that payoff remains in the future and my guess is that it always will. Indeed, the very fact that those who have access to all relevant intelligence continually disagree about its value should be proof at least that its value is dubious.

I do not say that our bombing of the North was a mistake when you authorized it. I would have supported it then, but it is time now that we put it into a new

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perspective. Nobody really believes that the war can be won with bombs in the North. We may lose it with bombs-- here in the United States. (And we lose other objectives abroad as well).

It is very difficult to rationally justify our present bombing policy. I doubt it can convincingly be squared with our stated objectives. This will become increasingly true as pressure mounts for more and more targets in more and more sensitive areas. More people will be killed; more pilots will be lost; more headlines will be made; more defections from our policy will take place. The war will continue to escalate when exactly the opposite should be our objective.

It is true that bombs make the DRV pay a price for its aggression. But, is there any evidence that this is the price they are unable or unwilling to pay?

My own preference would be for a qualified, but indefinite, halt in the bombing. It would be qualified in that I would have no hesitation in bombing visible efforts to expand resupply of the South as well as troop concentration in and north of the DMZ. Such bombing is never criticized and is clearly related to the big war.

There are clear political advantages to this course of action. It would not only remove the stigma of our present policy, but it should put most of the onus for continued war on the DRV. I think the military disadvantages are grossly overstated. It simply isn't possible to maintain that the military value of destroying the Doumer bridge for a few days outweighs the political cost of the headlines it makes. Nor is our policy viewed in terms of our stated objectives credible. We say we do not seek to destroy North Viet-Nam, but our aerial photographs

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show many residential areas destroyed. Continuous re-strikes of Hanoi and Haiphong come perilously close to straight population bombing. Nor is this avoidable when the targets, the SAMs and the anti-aircraft are located where they are.

I do not think a halt would lead to negotiations, but in time it might. But even if one thinks that the "peace pressures" would have little influence on Hanoi, these pressures would at least be off our back. (I think it would be difficult to resume full-scale bombing if the decision to do so were made, but I think we could manage this by doing it gradually in response to direct infiltration.)

Furthermore, we gain one blue chip. The DRV never knows when we might renew our extended bombing, and that threat may be worth as much as the fact.

If this policy is unacceptable, then I think we should at a minimum stay away from Hanoi, Haiphong, and other glamor targets such as thermal power plants. These get the publicity, cause the losses and accomplish little. If we put these off bounds bombing causes little attention and therefore little defection. But I think this half-a-loaf approach causes more criticism at home from the Hawks and gains less on the other side.

In short, I think the danger of loss of political support for the war by curbing the military is much less than the confidence which would be restored to the middle. And, in my judgment, those who press for a military solution are never going to be satisfied anyway.

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IV

Time is the crucial element at this stage of our involvement in Viet-Nam. Can the tortoise of progress in Viet-Nam stay ahead of the hare of dissent at home? All our present evidence points to the fact that progress in Viet-Nam will be steady but undramatic over next year. Yet slow and steady progress may not be enough if, as I suspect, the rate of US disenchantment with the war is growing rapidly. We must, it seems, find a way to change the pace at which events move on the two fronts--Viet-Nam and the United States.

The hope that this change can be accomplished by a rapid acceleration of our progress in Viet-Nam is a slim one. Even if we progressively remove the limits we have imposed on how and where we fight, there is little reason to believe that the end of the road would be significantly nearer. But it is certain that taking such action would greatly increase the volume of dissent at home and thus further encourage North Vietnamese hopes for an early US withdrawal.

Winston Churchill, speaking of traditional frontal conflicts, once said that in war "nothing succeeds like excess." Hanoi is relying on our following that strategy in the very different context of Viet-Nam--a war which has as a principal battleground the minds of the American and Vietnamese people and in which the enemy has the power to deny us the opportunity to show to the public an end to the struggle. In this situation, excessive expenditures of men and money--which will not measurably shorten the war--are the surest route to failure, not to success.

If we can't speed up the tortoise of demonstrable success in the field we must concentrate on slowing down the hare of dissent at home. At pages 7 - 11 above I have set forth in some detail the five general ways in which we could move in this direction. By way of conclusion I want only to suggest five specific measures.

1. We should clarify our objective in South Viet-Nam by updating NSAM 288 of March, 1964. This NSAM, which is

~~TOP SECRET-SENSITIVE~~



still used by our military commanders, states our objective in the following general terms: "We seek an independent non-Communist South Viet-Nam." From this general statement, the JCS and CINCPAC have derived the following specific mission and tasks for MACV:

a. "To make it as difficult and costly as possible for NVN to continue effective support of the Viet Cong and to cause NVN to cease direction of the Viet Cong insurgency."

b. "To defeat decisively the Viet Cong and NVN in South Viet-Nam and force the withdrawal of NVN forces."

c. "To extend GVN dominion, direction and control over South Viet-Nam." (underlining added)

If I were given this mission I would follow the same strategy as General Westmoreland. But this mission overshoots our real objectives in SEA: to provide the military cover and non-military assistance needed to enable the GVN to grow in capacity and popular support to the point where it can survive and, over a period of years, deal with what will remain a continuing and serious Communist problem.

Unless we help General Westmoreland off the hook by writing a statement of objectives from which a more realistic and attainable mission can be derived, we will continually be faced by "thin edge of the wedge" requests from the military for expansion of the war.

2. Instruct our field commanders, including Ambassador Bunker, to adjust their strategy and tactics to the revised objective.

No one in Washington can second-guess the field on the details of strategy, at least not successfully. Therefore, in the first instance, I think we should ask Ambassador Bunker and General Westmoreland for their proposals, which we could then review in Washington to make sure they meet our requirements.

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In rough outline, I would anticipate that such a change in objective and mission should mean that MACV would deploy its forces so as to minimize their involvement with the population, and to reduce substantially American involvement in those measures which should be the GVN's responsibility. It would probably mean:

- a rigorous review of free bombing zones,
- a policy on refugees which would sharply reduce our vulnerabilities at home and around the world on this festering sore point,
- dramatic new efforts to reduce civilian casualties,
- and an end to the continual military requests for incremental expansions of the war into Laos, Cambodia and North Viet-Nam.

These steps, while controversial with the military, are not radical departures, and would not prevent General Westmoreland from achieving the mission and objective which we have set forth.

3. Demand more of the GVN--not only in the traditional ways, but also in seeking contact and accommodation with the NLF.

I am, of course, wholeheartedly in favor of the current drive to get the ARVN to assume a larger part of the war, the anti-corruption drive, and our other efforts to improve the GVN across the board. I would go further than we have yet gone and tell Thieu and Ky frankly that there are time limits on our commitment at its present level and that they had better face up to that fact and plan accordingly.

At the same time, I would like to see Ellsworth intensify his efforts to get the GVN into contact with the NLF. The risks are obvious, and only Ellsworth can determine the exact pace at which to move. But I feel

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strongly that we should look toward an accommodation and that Ellsworth can prod the GVN harder in this direction. Both these actions with regard to the GVN are implicit in the restatement of our objective which is discussed above.

4. Stop bombing targets in the Hanoi-Haiphong area. While, in the main body of this paper, I have advocated a qualified but indefinite halt in the bombing, I recognize that this is a special problem and not necessarily derivable from a restatement of objectives. I do feel, however, that we must at a minimum bring our target system into line with our objectives. Therefore, we should avoid targets which raise doubts as to our often stated position that we are not seeking to destroy the DRV.

5. To tie all these themes together, develop over a period of weeks a public posture which rebuilds the confidence of the American center in our objectives and methods in Viet-Nam.

Such a public policy would entail

- major but not dramatic statements by you and your principal deputies, including General Westmoreland, taking advantage of reports on recent progress;
- public statements by Thieu and Ky re-emphasizing their hope to see peace and the eventual control of South Viet-Nam by Southvietnamese without large numbers of Americans.
- and acts visible to the world showing that our rhetoric is matched by our deeds. The visible acts would be derived from points 2, 3 and 4 above.

  
Nicholas deB. Katzenbach

~~SECRET-SENSITIVE~~

Friday, November 17, 1967

Mr. President:

*Pres file*

Gen. Wheeler has provided the following account on the bombing in the vicinity of Hanoi last night.

Bac Mai airfield was struck. It is 2.7 nautical miles from the Embassy area in Hanoi. It is 2.4 nautical miles from the ICC office in Hanoi. There were two strikes made on this target. One at 1956 hours EST, 16 November. One at 2006 hours EST, 16 November. There were 12 aircraft scheduled on each strike.

The second target was Hanoi Thuong shipyard. It is 4.4 nautical miles from the Embassy area and 3.1 nautical miles from the ICC office. It was struck at 2256 hours EST 16 November by 4 aircraft. There were numerous surface to air missiles sighted. Approximately 25 to 30 in the Hanoi area. There was heavy enemy flak in the Hanoi area. In fact, we lost 2 U.S. aircraft in the area. There were some flak suppression aircraft supporting the aircraft. I do not have the information as to how many.

Sec. Rusk and Sec. McNamara believe we should not, at this point, go beyond a simple statement that we have noted these reports and are urgently looking into them.

There appears to be a high probability of some responsibility on our part and even an implication of falling SAMs and antiaircraft fire might redound against us. There undoubtedly will be other third country reports and, in the absence of more detailed information, we should not start tilting with these reports.

Proposed answer: We are looking into these reports. As always our pilots were under orders to exercise extreme care to avoid civilian areas. Unfortunately, in a situation of this sort there is always a risk of unintended civilian casualty. Our pilots have reported that their ordinance was on targets and that there was heavy antiaircraft fire over the Hanoi area. If there was damage to civilian areas as a result of our action, it was inadvertent and regretted. Whenever heavy antiaircraft fire is present -- as it was in this instance -- the probability of damage from falling missiles and expended projectiles is very great.

W. W. Rostow



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LITERALLY EYES ONLY

Friday, November 17, 1967

*Pres file*

Mr. President:

At 1:00 p.m. this afternoon the attached message was delivered to Sec. Fowler from Callaghan of the Exchequer. As you see:

- They plan to announce tomorrow at 5:30 p.m. our time a 14.3% devaluation of the British pound;
- A bank holiday will be declared for next Monday in the U. K. ;
- A series of further austerity measures will be simultaneously announced by Wilson in order to make the devaluation effective;
- Callaghan "feels sure" that a 14.3% devaluation will not lead others to devalue; but to assure that is the heart of the contingency plan we shall be setting into motion;
- The British will be approaching the IMF for a standby of \$1.4 billion.

W. W. Rostow

WWRostow:rlh

Nov. 17, 1967

P file

91

Possible key questions for 11:00 a. m.

1. Q. General Westmoreland said we could begin to bring troops home in two years. Do you agree?

A. What Ambassador Bunker, General Westmoreland, and Ambassador Komer told me was:

- We are making progress on all fronts;
- The Vietnamese have the desire and the capacity to carry an increasing part of the burden of defending their country and building a nation;
- And, in General Westmoreland's view, within two years we might see some of our forces withdrawn from Viet Nam.

He is the man best equipped to make such an estimate. I was interested in it; and I am sure the American people are interested in it.

2. Q. If we are making such progress, why are more U. S. troops needed in Viet Nam?

A. U. S. forces are needed to help hold the North Vietnamese thrusts across the DMZ and near the Cambodian frontier. They are also needed to deal with the Viet Cong and North Vietnamese forces in the provinces so that the South Vietnamese can carry forward more rapidly their Revolutionary Development program.

In short, Our additional forces, plus those of South Vietnam, Australia, Thailand, and the other fighting allies, will help shorten the war.

3. Q. Reports today are that there has been a heavy movement against the pound in financial centers. Do you have any comment?

A. I have nothing to add to Secretary Fowler's statement of yesterday.

4. Q. There are reports that we bombed diplomatic installations in Hanoi last night. Did we?

A. Our two targets near Hanoi last night were 2-1/2 and 3 miles away from the area of reported damage. We know there was very heavy anti-aircraft and surface-to-air missile fire against our planes. Beyond that I have no information or comment at this time.

Mr. Rostow said he has a better reply than above,



5. Q. Senator Robert Kennedy has said we passed up important opportunities to negotiate peace in Viet Nam last winter. What is your comment?

A. The information available to the President is inevitably greater than that available to a Senator. I can assure you that at no time have responsible officials in Hanoi offered to this government any formula for negotiation in private or in public other than that contained in Ho Chi Minh's letter to me of February 15.

The reasons why that formula is unacceptable are, I am sure, quite apparent.

6. Q. What is the purpose of the consultations with Ambassador Bunker, General Westmoreland, and Ambassador Komer?

A. (see attached memorandum)

9/a

INFORMATION

Thursday, November 16, 1967 -- 8:00 p.m.

Mr. President:

I have been asked to summarize for your press conference tomorrow your meetings with the Saigon team. I would make the following points.

1. This is a routine meeting to take stock after 6 months' experience by the new team in Saigon and after the formation of the newly elected Vietnamese government.

2. There are no new great decisions before us because our policy in Vietnam is firmly established; and we are making progress in military, political, and economic terms.

3. We are examining how we can accelerate forward movement within an agreed strategy in the light of the priorities set by the South Vietnamese government and in the light of our own military operations.

4. We are heartened by the steps already taken by the new South Vietnamese government with respect to:

- corruption;
- the new responsibilities passed to elected local governments with respect to the collection and use of land taxes;
- the enlargement by 65,000 of the armed forces of South Vietnam;
- the program to assist the regional and popular forces;
- and in other fields.

We know the new government plans to take further steps in these and other areas and we want to be sure we can be of maximum assistance to it.

5. I have had long sessions individually with Amb. Bunker, Gen. Westmoreland and Amb. Komer. They each bring to me a story of solid progress in the right directions. They are each confident in our basic strategy. That strategy has our support here in Washington. We are simply discussing ways of moving forward more effectively within that strategy.

W. W. Rostow

WWRostow:rlm

November 16, 1967

Profile

Mr. President:

This is a report of my first week's execution of your instruction with respect to the press. I have set up regular hours for: Boyd France of BUSINESS WEEK; Mel Elfin of NEWSWEEK; John Steele or Hugh Sidey of TIME; Richard L. Wilson; Jack Sutherland of U.S. NEWS AND WORLD REPORT.

I told Carl Rowan that I would be available regularly to him. I am in exceedingly close touch with Joe Alsop. I talked with Roscoe Drummond on the phone. He was going out of town briefly but I plan to set up a regular arrangement with him.

I see Bill White tomorrow, but here are those with whom I talked and what I took up with them.

Boyd France, BUSINESS WEEK, November 14 and 15. As with most of the others, I took up the significance of the Sato visit; the support we have in Asia; and the Bunker-Westmoreland visit. The latter I dealt with in terms of two themes:

-- This is a routine stocktaking session after the formation of the new government. We are gathering to make sure that we are doing all we can to back the priority of the new government of South Vietnam. We are confident of our basic strategy. The task is to make sure that everything is done efficiently to move it forward.

-- This is not stalemate but progress, although we cannot set a date for victory.

I went through basically these propositions with William Stringer, Christian Science Monitor, on November 15, and with the following on Thursday, November 16: John Steele, Richard Wilson, Mel Elfin, and Jack Sutherland.

In addition, in an effort to plant the right questions at the National Press Club, I spoke to the following: Tom Lambert, William S. White, Roscoe Drummond, and Boyd France. In each case, in addition to planting the question (which did surface) on: Should the U.S. get out of Vietnam? I took the occasion to underline the importance and general significance of Prime Minister Sato's National Press Club speech.

In this connection, I also telephoned David Lawrence. He was much interested and plans to write something about the Sato visit. He raised with me an old idea of his; namely, that at some stage we should apologize for bombing Hiroshima and Nagasaki, and the Japanese should apologize for



bombing Pearl Harbor.

At dinner at Joe Alsop's on November 15 I got him interested in the Sato speech and the widespread support we have in Asia. He said he would think of doing a column on this.

Following your instruction, I talked with Carl Rowan about the scale and effectiveness of your contacts with chiefs of governments. He asked for an illustration of how you worked. I chose to give him an account of your discussion with Thieu and Ky in Manila, in which you told them how you had come to enter politics -- in order to help in the most effective way those who needed education, medical care, food; why we were interested in Asia; where the biggest impact in these terms could be achieved. Rowan seemed interested; but we shall see what he writes.

In addition, I saw Andre Fontaine and Alain Clements of Le Monde on Tuesday, November 14. We discussed the situation in Vietnam and the ineffectiveness of Europe on the world scene due to the failure to move forward in European integration.

At George Christian's suggestion, I did a tape for Japanese television on your visit with Prime Minister Sato. They pushed me hard on the Ryukyus; but I stuck closely to the communique but elaborated on the meaning of U. S. -Japanese partnership.

Finally, I did a short television tape for Mrs. Julia Child on the substantive aspects of a state visit, emphasizing the critical importance of the private meetings between those who actually bear political responsibility in their countries, as opposed to the technicians.

W. W. Rostow

*P.S. I can't - or wouldn't - claim it all; but my first identifiable salesmen's return is attached.*

*W*

WWRostow:rlh

RICHARD WILSON

## Johnson Told Vietnam Progress Slow, Steady

The behind-the-scenes reports on Vietnam are about the same as those on the public record. We are making slow and steady progress on the battlefield, in pacification and in building a nation which can carry on after we withdraw.

These are the reports brought to President Johnson by Gen. William C. Westmoreland and Ambassador Ellsworth Bunker. They are accompanied by reports that in spite of all this there is no weakening of the North Vietnam will, infiltration still continues at 6,500 per month, Ho Chi Minh does not wish to negotiate, the Russians would like to see an early end of the war, but the Chinese would not, and neither victory nor negotiation is within visible range.

What are we to make of this

seeming contradiction? Another escalation of the war? In all probability, yes. But beyond that nothing but years more of relatively low-scale conventional and guerilla warfare, accompanied by very heavy bombing continuing indefinitely in the South if not in the north.

This is the whole weight of the discussions President Johnson has been having with the diplomatic and military leaders of the Vietnam expedition. There is no attempt to gloss over this one point, although statistics are being offered to show that the Viet Cong hold in South Vietnam is weakening. Both Westmoreland and Bunker have done this publicly and there are other studies going on to provide the President with new data on progress when he

appears before Congress in January.

The President's attention is arrested by several points:

1. The positive acts by the Thieu government in stepping up mobilization, a shift of land-tax collection to local government, moves against corruption, and screening new personnel for province and deputy province chief jobs.

2. The indications that the Thieu government is willing to deal directly with individuals in the National Liberation Front and in Hanoi.

3. Future actions which may be taken on land reform and other measures which would make the Thieu-Ky government expressive of and responsive to the popular will.

All these matters go to the two basic questions in Vietnam. Will we have the patience to continue applying

limited military pressure? Will the new government have the will and ability to command popular support?

The President seems to have little doubt that we will have the patience. At least, he has the patience. The larger question is whether or not the Thieu government can succeed. If it cannot, if this duly elected government fails, the consequences are likely to be very great. We would undoubtedly see U.S. public patience approaching even closer to exhaustion than it is now.

The testing time for the Thieu-Ky government goes along with another important fact. The American military buildup in Vietnam, not even yet complete as planned, has the potential of substantially increasing the military pressure on both the Viet Cong and North Vietnam. Westmoreland can finally use his forces according to plan.

A conjunction of events therefore could be favorable before the elections next year. The Thieu-Ky government might begin to prove itself, and General Westmoreland's present optimistic mood might be proved out.

If this is the case, the outlook might be substantially improved by election time next year. This at least is the hopeful expectation upon which current actions are based. Such expectations may be as illusory as in the past.

If they prove to be illusory, there still is no answer except the long continuation of the Vietnam involvement so far as the Johnson administration is concerned.

The President appears to be at peace with himself and settled in his mind on that point, and no longer so exasperated by his inability to convince the doubters and protestors.

~~TOP SECRET~~

Thursday, November 16, 1967 -- 8:00 p.m.

Mr. President:

I have read now the Helms piece on the organization of the U.S. Peace Groups.

Two things stand out:

- a handful of people run the show;
- they are closely tied to Hanoi.

I believe we should think of finding a young, able, trusted journalist, anxious to make his reputation; making these leads available to him; and then letting him go out to earn a Pulitzer prize -- perhaps someone on the Los Angeles Times. Maybe Tom Lambert -- although a bit older -- would do it.

W. W. Rostow

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Authority RAC 16630  
By is NARA, Date 3-16-98

WWRostow:rlh

~~TOP SECRET~~



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*Pres file*

INFORMATION

Thursday, November 16, 1967 -- 8:00 p.m.

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3. We are examining how we can accelerate forward movement within an agreed strategy in the light of the priorities set by the South Vietnamese government and in the light of our own military operations.

4. We are heartened by the steps already taken by the new South Vietnamese government with respect to:

- corruption;
- the new responsibilities passed to elected local governments with respect to the collection and use of land taxes;
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- the program to assist the regional and popular forces;
- and in other fields.

We know the new government plans to take further steps in these and other areas and we want to be sure we can be of maximum assistance to it.

5. I have had long sessions individually with Amb. Bunker, Gen. Westmoreland and Amb. Komer. They each bring to me a story of solid progress in the right directions. They are each confident in our basic strategy. That strategy has our support here in Washington. We are simply discussing ways of moving forward more effectively within that strategy.

W. W. Rostow

WWRostow:rlh

~~CONFIDENTIAL~~Thursda., Nov. 16, 1967  
5:30 p. m.

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: US Mission to the OAS

Pres file

We have looked into who might have prompted AP correspondent Doug Cornell to ask the leading question at Tuesday afternoon's press briefing about upgrading Sol Linowitz' office and the Ben Welles story in yesterday's New York Times.

We have no leads on the Cornell query, but we know the background to the Welles report. Sol Linowitz' office (I get conflicting accounts as to whether it was Sol himself or one of his aides at Sol's instructions) briefed Welles late last week on the US Mission announcement with the understanding that nothing would be published until the announcement was made.

On Tuesday afternoon, you had an on-the-record appointment with Sol. At the 4 o'clock briefing, George Christian got the Cornell query. Welles thought that the question had elicited a response which justified his moving the story. So he went with it in Wednesday's edition.

I find that while Covey Oliver had agreed to the establishment of a US Mission to the OAS, he was not consulted either on the text of the announcement or the venue for its release. Sol consulted Secretary Rusk directly on the text of the announcement, otherwise he handled it outside of channels, including my own office.

I have told State to hold up any further action on the Mission proposal. They are also stonewalling any questions about it.

This leaves the question of where we go from here. The alternatives are:

1. Put the proposal on the shelf indefinitely.
2. Tell State to go ahead with it after a suitable delay (say, 3 weeks) and make a routine announcement from there which Covey Oliver has seen and approved, and which is consistent with the mandate you gave Covey when he took office.

The first alternative might provoke Sol to do something rash, such as resigning, which would hurt everybody.

The second alternative permits a generally sound concept to be carried out; but at the same time carries an object lesson on how you like to do business.

Put the proposal on the shelf indefinitely \_\_\_\_\_

W. W. Rostow

Let State go ahead after a suitable wait \_\_\_\_\_

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-479  
By CL, NARA, Date 4-5-95



INFORMATION

96

~~SECRET~~

Thursday, November 16, 1967  
4:50 p.m.

*Pres file*

Mr. President:

This Situation Report, as of this afternoon, indicates that we are the closest we have come in New York to movement on the Middle East.

It poses an issue which you may have to decide tomorrow -- or, even, less likely, today.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-479  
By cl, NARA, Date 4-5-95

W. W. Rostow

~~SECRET~~

WWRostow:rlh

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

96a

~~SECRET~~

November 16, 1967

MEMORANDUM FOR MR. W.W. ROSTOW

SUBJECT: The Situation in New York, November 16, 3:30 P.M.

Lord Caradon has just tabled his resolution (attached). He met with five Arabs this morning and got support from all of them (the "Steering Group" consisting of Morocco, Lebanon, Iraq and Jordan) except the UAR. The UAR asked him to make two changes (marked on your copy) which he refused to do. The UAR is still considering its position.

The Israelis don't like the text -- but it is better than the Latin American one (which the Latin Americans have not yet submitted and may hold off on). The real question is whether the Israelis will state their objections but agree to cooperate with the representative, or whether they will announce that they will not cooperate.

If the Israelis go into full opposition we shall have a difficult choice in deciding what to do ourselves -- vote in favor, abstain or veto. It is possible that this decision could come as early as tomorrow, but we are not likely to be on the spot today.

Goldberg is seeing Riad at Riad's request right now. The Security Council meets at 4:00 p.m. (probably a half an hour late, so better say 4:30 p.m.) and Caradon is the only one presently listed to speak.

*ND*  
Nathaniel Davis

cc: Mr. Saunders

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 94-479  
By cg, NARA, Date 4-5-95



# Department of State

# TELEGRAM

96b

~~CONFIDENTIAL~~

PAGE 02 USUN N 02296 160537Z

AMEMBASSY KUWAIT 175  
AMCONSUL JERUSALEM 599  
CAIRO 682

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-480  
By CB, NARA, Date 1-17-95

~~CONFIDENTIAL~~ USUN 2296

SUBJ: ME:UK DRAFT RES

FOL TEXT OF LATEST REVISION UK DRAFT RES AS OF

15 NOVEMBER:

THE SECURITY COUNCIL,

(1) EXPRESSING ITS CONTINUING CONCERN WITH THE GRAVE  
SITUATION IN THE ME,

(2) EMPHASISING THE INADMISSIBILITY OF THE ACQUISITION  
OF TERRITORY BY WAR AND THE NEED TO WORK FOR A JUST AND LASTING  
PEACE IN WHICH EVERY STATE IN THE AREA CAN LIVE IN SECURITY,

(3) EMPHASISING FURTHER THAT ALL MEMBER STATES IN THEIR  
ACCEPTANCE OF THE CHARTER OF THE UNITED NATIONS HAVE UNDERTAKEN  
A COMMITMENT TO ACT IN ACCORDANCE WITH ARTICLE 2 OF THE CHARTER,

I. AFFIRMS THAT THE FULFILMENT OF CHARTER PRINCIPLES REQUIRES  
THE ESTABLISHMENT OF A JUST AND LASTING PEACE IN THE MIDDLE EAST  
WHICH SHOULD INCLUDE THE APPLICATION OF BOTH THE FOLLOWING  
PRINCIPLES:

PAGE THREE RUEHDT 2296 ~~CONFIDENTIAL~~

(I) WITHDRAWAL OF ISRAELI ARMED FORCES FROM TERRITORIES  
OCCUPIED IN THE RECENT CONFLICT;

(UAR wanted to insert "THE")

(II) TERMINATION OF ALL CLAIMS OR STATES OF BELLIGERENCY  
AND RESPECT FOR AND ACKNOWLEDGEMENT OF THE SOVEREIGNTY,  
TERRITORIAL INTEGRITY AND POLITICAL INDEPENDENCE OF EVERY  
STATE IN THE AREA AND THEIR RIGHT TO LIVE IN PEACE WITHIN

~~CONFIDENTIAL~~





~~CONFIDENTIAL~~

PAGE 03 USUN N 02296 160537Z

SECURE AND RECOGNISED BOUNDARIES FREE FROM THREATS OR ACTS OF FORCE;

2. AFFIRMS FURTHER THE NECESSITY

(A) FOR GUARANTEEING FREEDOM OF NAVIGATION THROUGH INTERNATIONAL WATERWAYS IN THE AREA;

(B) FOR ACHIEVING A JUST SETTLEMENT OF THE REFUGEE PROBLEM;

(C) FOR GUARANTEEING THE TERRITORIAL INVIOABILITY AND POLITICAL INDEPENDENCE OF EVERY STATE IN THE AREA, THROUGH MEASURES INCLUDING THE ESTABLISHMENT OF DEMILITARIZED ZONES;

PAGE FOUR RUEHDT 2296 ~~CONFIDENTIAL~~

3. REQUESTS THE SECRETARY-GENERAL TO DESIGNATE A SPECIAL REPRESENTATIVE TO PROCEED TO THE ME TO ESTABLISH AND MAINTAIN CONTACTS WITH THE STATES CONCERNED IN ORDER TO PROMOTE AGREEMENT AND ASSIST EFFORTS TO ACHIEVE A PEACEFUL AND ACCEPTED SETTLEMENT IN ACCORDANCE WITH THE PROVISIONS AND PRINCIPLES IN THIS RESOLUTION;

4. REQUESTS THE SECRETARY-GENERAL TO REPORT TO THE SECURITY COUNCIL ON THE PROGRESS OF THE EFFORTS OF THE SPECIAL REPRESENTATIVE AS SOON AS POSSIBLE.

GP-4

GOLDBERG

*VAR wanted  
to delete*

~~CONFIDENTIAL~~



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Pres file

Thursday, November 16, 1967 -- 4:00 PM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: New York Times Article on Canadian-U.S. Wheat Problems

You asked for an analysis of the attached article on Canadian grumbling over our low wheat prices. The Times says the Canadians are angry because we are (a) pricing them out of their export markets, (b) going back on the world grains agreement signed last summer, and (c) generally engaging in "cut-throat" competition which hurts our wheat-growing friends -- Canada, Argentina and Australia -- just when we're asking their help in trade, Vietnam, etc.

The Canadians are not attacking us on this officially. Their Minister of Trade and Commerce was here only a few days ago for talks at Treasury and State. He mentioned their wheat price problem only in an offhand way. There are good reasons why he didn't say more. Canadian economists know that (1) the current competitive situation in wheat is not unusual, even in a bumper year for both countries, and (2) the complaints aired in this Times article can be strongly rebutted point by point:

1. Complaint: Low U. S. prices are the main reason why Canada is not exporting enough wheat this year.

Rebuttal: The Canadians are victims of their own long-range export policies. They decided in the early 1960's to concentrate their wheat sales in the Soviet and Communist Chinese markets -- notoriously unreliable customers for political as well as economic reasons. The hard truth is that Russia and China aren't buying much this year from Canada. And they're happy to see wheat prices take a nosedive before they do make a bid.

2. Complaint: The U. S. was "foolish" to increase this year's acreage allotment.

Rebuttal: We raised allotments this year largely because we faced a second successive year of the worst drought in South Asia in the century. Our 1967 policy has been a blend of generosity and toughness, both of which have benefitted Canada:

-- We were generous enough to supply South Asia with almost nine million tons of wheat on soft terms, compared to about one million tons from Canada. If we had carried less of this load, Canada would have been under pressure to carry more, which would have cut into the wheat they could sell commercially.

-- We were tough enough to limit our PL 480 wheats to ~~an~~ amounts which left the Indians to buy almost 1.5 million tons on the commercial market, half again as much as they had ever bought before. As a major wheat supplier, Canada benefitted.

3. Complaint: We're hurting our other wheat-growing friends -- Argentina and Australia.

Rebuttal: First, it's not yet clear what impact our export drive will have on Argentina and Australia. Their main crops don't come in until January - February 1968. The betting in the trade is that the Argentines stand to get their usual good share of the West European market. It also looks as if the Chinese (though they're ignoring Canada) will be able and eager to buy a healthy 5-6 million tons from Australia. There will be a touchy price situation when the Argentine and Australian crops hit the silos after the first of the year. But it's still too early -- and the signs are too uncertain -- to predict they're going to be hurt by our big harvest.

4. Complaint: Our low prices mean we're going back on the world wheat agreement establishing a commercial price floor.

Rebuttal: In none of the various wheat categories (i. e., hard winter, Mexican, etc.) are we below the agreed price floors. We are exercising price restraint. (By the way, the Canadians could help their own prices in the same way if they were to put <sup>up</sup> more than the one million tons they now plan for India this year. They could double that. The Indians would use it gladly to rebuild stocks, and an extra million from Canada wouldn't jeopardize our moving 3.5 million tons to India. But so far Ottawa is holding out for hard cash. It's their gamble.)

5. Complaint: We're engaging in cut-throat competition -- pitting the U. S. Treasury against helpless Canadian farmers.

Rebuttal: This is the weakest reed of all. Without U. S. government intervention in American wheat growth and sales, our enormously efficient farmers would very soon run the Canadians (and others) out of business. The Canadian wheat farmer couldn't survive without the U. S. Treasury.



Monday, November 13, 1967

# U.S. Scolded Over Canadians' Wheat Glut

## Washington's Policy of Cutting Prices Termed 'Stupid'

By EDWARD COWAN

STE. AGATHE, Manitoba—Paul Lemoine put his whole body into pushing the granary door open on its rusted rails. Inside, the autumn wheat lay heaped almost to the roof.

"I got 3,000 bushels of wheat in these bins," Mr. Lemoine said, trickling the hard, dull yellow grains through his fingers. It was a complaint, not a boast.

Mr. Lemoine, who is 47 years old and has six children, was supposed to make a \$920 annual mortgage payment on Nov. 1. He didn't. He couldn't.

Paul Lemoine and every other wheat farmer in Canada is long on stored wheat and short of cash these days. The world's second bumper crop in a row, more than 10 billion bushels, has glutted export markets.

### Monopoly Buyer

The Canadian Wheat Board, the country's monopoly buyer, so far has bought very little of this year's crop, which was bountiful despite a dry summer.

The crop came to nearly 600 million bushels, as against last year's record 827 million.

The abundance of wheat this autumn has led to friction between Canada and the United States. The Wheat Board, in near-by Winnipeg, asserts that price-cutting in export markets by the United States Department of Agriculture is "stupid" because it forces other suppliers to cut prices, too. The net result, the Canadians argue, is no more wheat sold and a lot less income from it.

But some Canadian grain dealers are more sympathetic



Paul Lemoine, a farmer of Ste. Agathe, Manitoba, with some of 3,000 bushels of wheat he has been forced to store. Canadian Wheat Board is buying little of summer's crop.

to Washington, whose price-cutting they see as a business-like response to the supply-demand picture.

The Wheat Board also feels that Washington was foolish to increase this year's acreage allotment. The board sees its view confirmed in the acreage reduction planned for next year.

Broadening the argument, the

board contends that Washington's drive to expand American wheat exports hurts America's wheat-growing friends—Canada, Argentina, Australia—just when Washington is wooing them to make common cause in other areas—free trade, the Alliance for Progress, Vietnam. American price cutting, Canadian officials fear, may jeop-

## Acreage Allotments and Export Drive Draw Criticism

ardize ratification by importing nations of the world wheat agreement negotiated last summer, including its food-aid provision and its higher commercial-price floor and ceiling. It is to become effective next July 1.

At present, no agreement is in effect. For the interim, the Canadian government has guaranteed to the Wheat Board the proposed new world floor price of \$1.95½ a bushel on exports.

### More Per Bushel

That would mean more per bushel to Canadian farmers if the Wheat Board were buying their crop. But, unwilling to initiate price cuts, the board is selling, and buying, very little wheat just now.

Unlike the American Department of Agriculture, the board has no obligation to buy wheat laid on its doorstep. That leads to the charge that Washington is engaging in "cut-throat competition" because "it is unfair for our Western farmer to compete with the United States Treasury."

These criticisms are voiced without rancor and with the expressed hope that Canada and America will always be good friends. But there is a hint that unless Washington mends its ways, the feelings of Canadian wheat farmers may be controlling in policy-making in Ottawa.

### Criticism Causes Surprise

Special to The New York Times

WASHINGTON, Nov. 12—United States farm officials were surprised at Canadian criticisms because of the close working relationship maintained on common problems.

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INFORMATION/ACTION

~~SECRET~~

Thursday, November 16, 1967  
3:05 p.m.

*Pres file*

Mr. President:

As you can see from the attached

-- Amb. Bruce now recommends against  
the Vice President going to London;

-- He underlines the Prime Minister's desire  
to see you "for a short conversation in December"  
and joins in recommending it.

Sec. Rusk wished me to say: State will cleanly  
separate the two matters in their response to  
Bruce; he is sure you can respond to Wilson and  
Bruce's suggestion about December without  
guidance from him.

The final paragraph gives us an accurate,  
sad picture of the state of England.

W. W. Rostow

London 3905

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 93-291  
By *JW*, NARA, Date *7-14-94*

WWRostow:rlh

~~SECRET~~/NODIS

Thursday, November 16, 1967

TEXT OF CABLE FROM AMBASSADOR BRUCE (London, 3905)

With regret I feel obliged to revise my original favorable recommendation of September 15 and my following one of November 12 concerning the Vice President coming to London to address the Churchill banquet gathering on November 30.

Although I have not taken up the question of the security aspects of this trip with Scotland Yard, I feel sure their response if queried would be that they would insure full physical protection for him. Of course, no matter what similar case can never be entirely valid. I feel, however, the Vice President would certainly be as safe in London as he would be, for instance, if faced with hostile demonstrations in one of the great cities of our own country.

What concerns me and has altered my previous views is not the matter of physical security but the political repercussions in the event which I now deem almost certain that his visit would be seized upon as an excuse for violent and widespread demonstrations of anti-Americanism centering upon the Vietnamese war.

My opinion in this respect is founded in some degree on my own experience the night before last in Cambridge, where I went to address the Socratic Society of Churchill College. A student mob, reinforced by ruffians from London, surrounded the hall where the meeting was held and tried to prevent me from entering and leaving. Had it not been for the authorities sending for police reinforcements, I doubt whether I would have emerged from the occasion without serious bodily harm.

The significant thing about the above is not what happened to me on this particular occasion, but the consensus arrived at by the local police and constables that this event had been prepared for and directed from London. I am inclined to believe that a pattern has now been formed, evident first in the attack on our Embassy by some three thousand or more people on Sunday, October 22, and the treatment of the Prime Minister on Sunday, October 29, during a visit to Cambridge, in the course of which eggs and tomatoes were thrown at him, and cries of "Right Wing Bastard" and "Vietnam murderer" were uttered. His car

~~SECRET~~/NODIS



was kicked, thumped and beaten upon, its roof dented, the radio aerial smashed, and he was only extricated by the efforts of the police. Consequently, some of the more knowledgeable authorities here now believe such operations are being masterminded by a group in England which is probably working in close association with similar ones in Sweden and elsewhere, consolidating their efforts on variations of the slogan of "Americans stop your war in Vietnam."

I now believe that given the apparent extent and determined character of organized and violent demonstrations here against American policy in Vietnam, the net effect of them in the absence of any injury to the Vice President would be politically adverse to us. They would be construed as representing a larger sentiment amongst the British population opposed to the Prime Minister's policy on this subject than really exists, and would be used, especially by opponents in his own party, as a further reason to demand a governmental change of policy.

The Prime Minister was infinitely more interested in having a personal and confidential talk with the Vice President than in having the latter appear at the Churchill banquet.

I would suggest, therefore, the cancellation of the trip, and that the Vice President inform the Prime Minister and the English Speaking Union (the sponsors of the banquet) that engagements at home have made a change in his plans imperative. This would go down easily here (with the exception of the Prime Minister), since the above possibility was stated by the Vice President when he tentatively accepted the invitation.

One aspect of such a change of plan does, however, gravely worry me. The Prime Minister has obviously anticipated using a conversation with the Vice President as a lever to pry open for himself an opening for a trip to the United States to see the President. He will be bitterly disappointed, if the Vice President cancels out. I recommend that simultaneously with a notification to the Prime Minister (if this is decided upon) of the Vice President's inability to accept the engagement, the President agree to receive him in Washington for a short conversation in December. I emphatically divorce myself from any charge of being influenced by the Prime Minister's representations on this account.

I hope I am mistaken in believing that seldom, if ever, in recent times have the domestic pressures in Britain been as great as they now are against the Government's various actions which involve close cooperation with the



United States in support for the most part of our major policies. What has held the situation to date has been the firmness of the Prime Minister in resisting proposals for drastic changes. Newspaper accounts and political gossip have been rampant for months here to the effect that Wilson has forfeited the confidence of President Johnson. I am convinced it would be salutary, and in our national interest, if this meeting so ardently desired by the Prime Minister could take place.

I have, as you know, been for a long time quite pessimistic about the British economic situation. I must now add to that estimate the fear of what I think is an appreciable political deterioration, the consequences of which it is impossible to foretell. No government of either party could, I believe, quickly remedy present ills, and we must, perhaps for a long time, rely as far as we are concerned in these affairs on cooperation with us by the present Prime Minister. It would I am sure be productive and helpful to have him personally explain to the President the nature of his problems, and how he proposes to deal with them. It is certain that the President's views would be of great importance in shaping his tactics.

INFORMATION

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Thursday, November 16, 1967  
1:25 p. m.

Mr. President:

I have marked up key passages in  
this careful State analysis of  
Sen. R. F. Kennedy's LOOK article.

*Pres file*

W. W. Rostow

WWRostow:rlh

99a

UNCLASSIFIED

M E M O R A N D U M

ANALYSIS OF SENATOR ROBERT KENNEDY'S ARTICLE  
ON VIET-NAM IN LOOK

A. Major Differences with Administration Policy.

1. Senator Kennedy's position differs from Administration policy essentially on three points:
  - a) He favors a halt of the bombing, unconditionally. (It is less clear whether he favors a permanent cessation.)
  - b) He believes we and the GVN should be prepared to negotiate with the NLF.
  - c) He favors a "compromise" settlement in South Viet-Nam which would give the NLF, as well as all other South Vietnamese, "the opportunity to seek peacefully a share of power and responsibility, preferably through free elections."
2. On some important points, he agrees with the Administration, e.g. that withdrawal and a purely military solution are not acceptable policy alternatives.
3. The article also includes some misstatements of fact or interpretation, particularly concerning our past negotiating efforts and positions, but also including our military objectives and the course of political developments in the South.

B. Military Situation.

1. Senator Kennedy paints a gloomy picture of the prospects for victory in Viet-Nam. He says that despite the brave and dedicated efforts of American troops, enemy forces continue to grow; that the pursuit of victory would require a massive new expansion of the war (a million or more American fighting men would be required); and that the South Vietnamese army assumes less and less of the burden requiring us to run harder just to prevent further deterioration.

UNCLASSIFIED

2. Our assessment is, of course, quite different. We believe that the current rate of progress in the military sphere and projected increases of GVN/US troop strength (525,000 US; 765,000 SVN) will quicken the current momentum. Furthermore, far from seeing enemy capabilities continuing to grow, we are witnessing a slow but steady enemy decline. Local recruitment has fallen off significantly compared with last year. Total enemy strength has remained essentially static during 1967 and quality has declined appreciably. Youths of sixteen and under have been encountered frequently in the Viet Cong ranks and women are being pressed into service in increasing numbers. Our information on these points is very specific, having been derived from captured documents, interrogations of prisoners, and battlefield encounters. But the best indicator is enemy performance in battle which has failed to produce a single major victory in eighteen months. All this is not to say that victory is just over the horizon, but it does suggest that effective military security, the vital ingredient in building a strong South Vietnamese governmental and social structure, is being provided. This is the combination which we believe will lead to the achievement of our objectives in Viet-Nam.

3. As for Senator Kennedy's assertion that the South Vietnamese military are doing less and less while we do more and more, the evidence clearly shows that this is not the case. Under the newly approved mobilization decree effective January 1, 1968, the Vietnamese armed forces will be increased in strength by about 65,000 men and the mobilization base will be broadened. (A summary of the principal features of the new decree is attached. Later in his discussion Senator Kennedy specifically criticizes GVN mobilization policies.)

4. On the battlefield South Vietnamese performance is improving, not slipping. Just one indicator is the fact that their rate of enemy contacts has risen 30 percent in the past year, reflecting a renewed confidence in their ability to close in combat with the enemy. Under the new Vietnamese government, a vigorous effort is being planned to improve further the fighting efficiency of the Vietnamese armed forces.

5. Other specific points made by Senator Kennedy which merit rebuttal are:



a) When we began bombing the North in February 1965 there was one battalion of North Vietnamese regulars confirmed as fighting in South Viet-Nam.

Actually we knew that one North Vietnamese regiment had entered South Viet-Nam in December 1964 and there were strong intelligence indications in early 1965 that others had entered, or were on the way. Senator Kennedy's point is that the North Vietnamese raised their commitment above one battalion only after we began our air attacks on NVN. Reconstructing the schedule of infiltration of North Vietnamese regulars into South Viet-Nam beginning in December 1964 and allowing lead time for assembling and training units and moving them down the trails, it is apparent that a decision to introduce NVA forces on a large scale must have been taken some time before the middle of 1964.

b) In the winter of 1966-67 important US officials felt we were on the brink of military victory.... Therefore, they thought, we could afford to stiffen our position. And we did.

No one in authority thought we were on the brink of military victory in the winter of 1966-67, although the allied position was obviously vastly improved over that of 1965. We are not even claiming to be on the brink of victory now, even with the further improvement which has occurred since last winter.

c) Now almost every target [in NVN] worth a bomb or a rocket has been struck.

Senator Kennedy's argument here is that having finished off all the important targets in North Viet-Nam our bombing can be terminated with little adverse military effect. The fact is that 90 percent of our bombing effort is directed at lines of communication, regenerative targets (reconstructed bridges, etc.), sea and land vehicles and military targets of opportunity such as gun positions near the DMZ, radar sites and so forth. These targets will continue to exist as long as North Viet-Nam continues to mount its military supply effort. Not attacking them would raise the burden on allied forces in the South.

d) Only one-fifth of North Viet-Nam's army is committed to combat.

The implication here is that another 200,000 NVA troops could be thrown into the fray in SVN if Hanoi chose to commit them.

Obviously this assertion is highly exaggerated. Much of the North Vietnamese army is tied up in the training and logistic effort in North Viet-Nam and Laos. Army forces are helping with home defense and keeping lines of communications in North Viet-Nam functioning as effectively as possible in the face of our bombing attacks. And above all the North Vietnamese army must be prepared to defend the homeland against an allied attack which they can never rule out completely. The fact that NVA strength in South Viet-Nam has not risen much above what it was at the beginning of the year is consistent with an assessment that a good part of the army is needed to perform functions in North Viet-Nam and Laos.

## C. Political Situation

### 1. Assessment of Elections

With all the advantages of incumbency, with the support and votes of the armed forces, with their strongest rivals excluded from the contest, running against candidates who themselves did not represent social change or identification with the peasantry -- with all this, the military ticket could still win only 34 percent of the vote of three-fifths of the nation.

The presidential election system was not designed by the military candidates, but by the popularly elected Constituent Assembly. The Assembly enacted the election law, established the qualifications for candidates, determined the eligibility or ineligibility of prospective candidates, and monitored the campaigns. The Assembly also reviewed complaints and ruled on the validity of the entire election.

The eleven presidential candidates proved strong contestants. They campaigned vigorously and shared equal exposure to the nation over the media of communications. Their views were divergent, but each addressed himself to the aspirations of the population, both rural and urban. General Thieu's ticket received a plurality, 34.8% of the votes cast, or twice as much as the runner-up and nearly as much as the top three runners-up combined. The elections were reasonably free and reasonably fair, as attested officially by the Constituent Assembly, which validated the voting after detailed and sometimes controversial debate, and unofficially by the many foreign observers and correspondents present during the elections. These elections marked a major progression in Viet-Nam's political evolution, progress with which the 1172 candidates for 137 Lower House seats associated themselves by running in the elections held six weeks afterwards.



## 2. US Support for GVN in Relation to Reform

Continued support of a government that, after this long history and our patient effort, still refuses reform is not pragmatic or tough-minded. It is ideological self-deception and a surrender of American interests to a government that without our support would not survive a month.

It would beg the point to ask how long the Viet Cong would survive were Hanoi to cease direction of their activities, or to desist from providing materiel and regular army units to bolster them. Reform is difficult in any traditionalist society. It is especially difficult when subjected to continual harassment and terrorism. Despite these obstructions South Viet-Nam has made these reforms, inter alia: the transition to elected local and national government; extension of health services; construction of thousands of classrooms, and the provision of teachers; expansion of the university system; fostering of trade union organization and growth; redistribution of land and award of titles to squatters, etc. The at times overwhelming hindrance to reform in South Viet-Nam is now and has been the Viet Cong and the Hanoi regime. They have sought to frustrate every governmental effort directed towards progress and reform, including even such politically innocuous programs as malaria eradication activities. Numerous ralliers from the Viet Cong ranks have described the crisis of conscience they experienced with the realization that reform activities such as dispensaries and land distribution were specified targets of terrorism.

## 3. Restoration of Rural Democracy

With such an attitude [i.e. of reassessment] we would work to end harassment by the military and secret police and restore the village and hamlet democracy. This process would begin by ensuring that district and province chiefs are locally elected and responsible to the people, ending the system of military appointment of these officials that is central to the network of corruption and misgovernment in the countryside.

Restoration of liberty and security in the countryside is a matter of concern to all South Vietnamese on the

nationalist side. There is reflection of this concern in the constitutional guarantees of personal and civil rights, as well as in the provision that "heads . . . of local administrative units will be popularly elected" (Article 71). In coming months the National Assembly will no doubt enact legislation to implement these rights. Popular election of village and hamlet officials has already taken place in the more secure areas and comes into effect in additional localities as security improves. Nevertheless, the framers of the Constitution recognized the limitations imposed by the Viet Cong threat to local government providing that "During the first presidential term, the President may appoint province chiefs" (Article 114). Corruption is too prevalent and it is a prime target of the new government. Removals from office and severe punishments have been administered to offenders. Corruption is not simply the product of the appointment system but an ancient social evil made acute by the instability of wartime, inflationary conditions. The Vietnamese government is struggling to remedy these conditions as well as to eradicate the corruption they foster.

#### 4. Broadening of Political Base

We must recognize that the struggle in the South is just that -- a struggle in the South. Such a reassessment would reach, at the outset, to the question of the Saigon government: ensuring its broadening to include now-unrepresented elements of the South Vietnamese people, such as Buddhist organizationa, labor unions, intellectuals, and civilian political leaders.

Events -- such as the elections of September 3 and October 22 -- have overtaken this statement. Each major non-communist group in Viet-Nam presented candidates in these elections. Out of 1834 candidates 197 were elected to the National Assembly. Among the winners are notables representative of each of the elements listed. The Cabinet named November 9 includes leaders associated with each of these elements. Moreover, the 14,000 local officials elected this year include numerous persons from each of these groups. While the respective degree of electoral success achieved by these groups varied considerably, none was excluded from participation in the elections and none has gone unrepresented at the several levels of government.

D. Negotiations and Settlement.

1. In charging that the United States "cast away what well may have been the last best chance to go to the negotiating table on terms we clearly would have accepted before," Senator Kennedy relies on an over-generous interpretation and an incomplete citation of the January 28 Trinh/Burchett interview. The complete Trinh interview makes the following points:

a) There must be an unconditional bombing cessation; suspension was never mentioned, and was implicitly ruled out.

b) Trinh never at any point mentioned negotiations, but only "talks," and nothing was said about either the timing or the scope of these talks;

c) Trinh gave no indication as to whether Hanoi would actually agree to begin talks following an unconditional bombing cessation. The carefully ambiguous second part of the Trinh formulation, which Senator Kennedy does not cite in his article, states: "It is only after the unconditional cessation of US bombing and all other acts of war against the DRV that there could be talks between the DRV and the United States" (emphasis added).

d) Contrary to the Senator, by early 1967 Hanoi's Four Points had not become "only bargaining points." Trinh explicitly said that "the Four Point stand and the correct attitude of the DRV Government enjoy, we are sure, ever stronger approval and support..." Accompanying DRV commentaries made this point even more categorical, as did the Ho letters of February 13 to the Pope and February 15 to President Johnson. Pham Van Dong in his January 2 interview with Harrison Salisbury said that a solution would have to be based on the Four Points.

e) Additional statements by North Vietnamese officials indicated that the US would have to make a formal declaration that the bombing halt was permanent and unconditional. They also indicated that Hanoi would attach additional conditions before starting negotiations (Mai Van Bo interview of January 24 with New York Times correspondent).

f) Senator Kennedy quotes Foreign Minister Trinh as saying: "If the bombing ceases completely, good and favorable conditions will be created for the talks. President Johnson said he was only awaiting a sign. Well, he's had the sign." This alleged Trinh statement does not appear in the official text of the interview as broadcast by Hanoi in English on January 28.



2. Senator Kennedy poses the question why we did not try a bombing halt in 1967 when in 1965-66, "we suspended the bombing for 37 days without asking for any prior act, signal, statement in return." To pose the question in this way ignores basic differences between our initiative in the winter of 1965-66 and efforts a year later. The 37-day suspension was undertaken in response to specific indications from Eastern European nations that if we suspended the bombing, this would create the conditions for some meaningful move toward peace. We halted bombing for three times as long a period as had been privately suggested that we do, and in return received no response except a harsh reiteration of Hanoi's position in Ho Chi Minh's letter broadcast on January 28, 1966. This letter included what constituted in effect a fifth point, that we recognize and deal directly with the NLF as "sole genuine representative" of the South Vietnamese people. Despite all our efforts and those of many third parties, Hanoi failed to use this period for any move toward peace and, on the contrary, utilized the period to accelerate the dispatch of men and materiel to the South. In early 1967 we were interested in essentially the same things as we had been a year before -- either an indication of Hanoi's willingness to undertake meaningful negotiations or an indication that Hanoi would agree to some form of mutual restraint that would scale down military operations and thus improve the atmosphere for negotiations. The Trinh formula and Hanoi's accompanying military actions and dispositions, which indicated an intensive buildup along the DMZ, gave no assurances on either score. Kosygin in London tried to put the most favorable interpretation upon the Trinh formulation by using a phrase "negotiations," whereas Trinh had explicitly limited himself to the word "talks." Even Kosygin, however, could not go very far in indicating what these negotiations might achieve and he spoke only of "exploring avenues of a political solution." In this context, it is an extreme understatement for Senator Kennedy to say that "The United States could not be absolutely certain that Hanoi and Moscow would negotiate if the bombing were stopped." Contrary to Senator Kennedy, the North Vietnamese statements in early 1967 did not show "a firm intention to come to the conference table once the bombing of North Viet-Nam was suspended." Given Hanoi's continued ambiguity ever since that time as to whether, when, and for what purpose "talks" might actually occur following an unconditional bombing cessation (as that might be defined by Hanoi), the Senator has imputed to Hanoi a more genuinely conciliatory posture than objective analysis of the official statements would sustain.

3. Senator Kennedy refers to President Kennedy's handling of two conflicting messages from Khrushchev during the Cuban missile crisis, ignoring the second unacceptable message and announcing his agreement to the first. "Such a technique might have yielded fruitful results in 1967," writes the Senator. He does not explain how the Kosygin version of Hanoi's statements was sufficiently different than what Hanoi had said to warrant an attempt to apply this technique. In any case, the Soviet Union had consistently made clear that it could in no sense negotiate on Hanoi's behalf and that only Hanoi itself could set forth its position on negotiations and settlement with final authority. Trinh himself had referred to the Four Points in unyielding terms as the basis for the "most correct political solution to the Viet-Nam problem," and he had also referred to the five point statement of the NLF, which he again described as "the only genuine representative of South Viet-Nam."

4. Senator Kennedy maintains that President Johnson's February 8 letter to Ho Chi Minh was in effect a "demand for the North Vietnamese to withdraw their forces, to abandon the Viet Cong in the South." He asserts that important US officials felt we were on the brink of military victory and that we could therefore afford to stiffen our position and did so. In point of fact, the President's February 8 letter included a new offer which represented a modification of the Goldberg proposals of September 1966 which had linked a bombing stop with advance assurances of corresponding actions of de-escalation -- namely, the offer to stop further augmentation of US forces in South Viet-Nam. That this did represent an important step forward, was generally recognized at the time the Johnson/Ho exchange was made public in March.

5. The Senator's definition of South Viet-Nam's "minimum goals" is both misleading and incomplete. Misleading because neither ourselves nor the GVN have put forward aims of the kind which he imputes to us, and at the Manila Conference and elsewhere we have jointly and separately endorsed the principles that there should be eventual peaceful reunification on terms acceptable to the South Vietnamese people, that there is a policy of national reconciliation with all Vietnamese, that economic relations with the North following hostilities should take place, and that US forces will be withdrawn on a definite timetable related to North Vietnamese withdrawal of forces. The Senator's definition is incomplete because it fails to take account of what Hanoi and the NLF proclaim as their own minimum goal,

namely, the "liberation" of all of South Viet-Nam, the destruction of the legally constituted government of Viet-Nam, and the expulsion of US forces. In fact, Hanoi's minimum goal could more accurately be described as the precise opposite of the minimum goal which Senator describes as ours, that we "will not abandon South Viet-Nam to forcible take-over by a minority." It is precisely this forcible take-over that Hanoi and the Viet Cong are bending every effort to achieve, in disregard of a genuine approach to a political solution.

6. The Senator seeks to define the terms of political settlement and as a first step proposes that "the South Vietnamese Government, as well as other political elements not represented in it, begin its own discussions with the NLF." It is the NLF which has ruled out any dealings whatsoever with the GVN, which it continues to condemn as a "puppet". President Thieu has said he would welcome talks with individual NLF members.

7. Senator Kennedy writes that the "character of the 1967 elections is undoubtedly a handicap to fruitful peace talks," but he does not make clear why he believes that recent elections did not represent a free political process or why he refers to the duly elected government as "the present ruling group." The book appears to have been written without any reference to the extensive preparatory work for the September 3 elections for the President, Vice President and Upper House and the October 22 elections for the Lower House. Nor does it take into account the testimony of objective observers as to the fair conduct and representative character of those elections. Finally, the Senator ignores the important village and hamlet elections of March and April 1967.

8. Senator Kennedy recommends that free elections open to all be ultimately held and that those who won them would take office, and proposes the establishment of a "ruling structure in which both sides have confidence" to exercise power during the interim period between the end of hostilities and elections. The Senator does not explain what offices he thinks the free elections should be for, what kind of institutions should be the outcome of these elections, or what political structure should result. Agreement on a constitutional framework would seem to be at least one of the prior requirements. Nor does the Senator make clear how any single ruling structure could be devised which could command the confidence of both sides, since each side has totally irreconcilable



objectives. It is not enough to dispose of the matter by saying, "Details of an exact formula must await actual negotiations." It is easy to declare that "The important thing is that it provide enforceable and unbreakable guarantees against fraudulent elections and any attempt, by either side, to take power without or despite the elections." The Viet Cong have made clear their contempt for any international supervision of elections and their intention to run any elections that might take place by themselves. The Senator does not explain why it would be justified to give the Viet Cong participation in an "interim government structure" before elections determined whether and in what degree the Viet Cong had any popular mandate for assuming such participation. He would, therefore, equate the Viet Cong, which has never been elected to anything, with officials of a government which has been freely elected through representative and fair elections. Such a formula has little in common with the Senator's observation that a negotiated settlement must be "less than a victory for either side" and that a settlement should be peaceful and honorable.

### E. Summary Observations

1. The Administration agrees with Senator Kennedy's objective: to bring an honorable and lasting peace to Viet-Nam and to bring American troops home. We are gratified that Senator Kennedy agrees with the basic judgments which have led the Administration to reject military victory or withdrawal as unacceptable alternatives and instead to seek a negotiated settlement. This is the only alternative for reasonable men -- Vietnamese and Americans alike -- to pursue. The Administration has been energetically pursuing this alternative and will continue to do so.

2. But so far our pursuit has not succeeded. It has not succeeded because Hanoi has not yet come to see that its own best interests lie in joining us in the search for an honorable negotiated settlement.

3. Much of the debate about Viet-Nam, including Senator Kennedy's article, overlooks some basic facts:

a. It was in April 1965 -- two and a half years ago -- that the President publicly offered to meet for unconditional discussions. This was not Hanoi's offer; this was our offer. It still stands. It refers to discussions without any conditions laid down by either side. It does not require cessation or reduction of infiltration from North Viet-Nam; it does not require a cessation or reduction of terrorism against South Vietnamese civilians; it does not require a cessation or reduction of American casualties; it does not require a cessation or reduction of resupply operations from North Viet-Nam. In contrast, Hanoi has always posed conditions to negotiations that might be subject to negotiation, but which cannot reasonably be accepted in themselves even before discussions begin.

b. Since April 1965 we have been willing to discuss the positions -- whether four points, five points, fourteen points or more -- of any or all parties to the conflict. Hanoi has consistently insisted that its four points either had to be agreed to in principle in advance at least as the agenda if not the substance of the settlement.

c. Since April 1965, we have accepted in principle the participation of the Viet Cong in talks and negotiations.

We have said it two ways: The presence of the Viet Cong at the negotiating table would not present an insurmountable obstacle; the Viet Cong could be a part of the Hanoi delegation. We have recently indicated that we would interpose no obstacle if a majority of the Security Council wished to have the NLF appear and present its views under the terms of Article 39. Hanoi has always explicitly excluded the Vietnamese Government from negotiations or talks.

d. Since April 1965 we have engaged in several bombing pauses in an effort to see whether an atmosphere for talks could be created. Hanoi has never assisted in contributing to that atmosphere by responding in any meaningful way: It has not responded reciprocally with military restraints of any kind -- indeed, just the opposite. It has never given any authoritative sign of a willingness to engage in productive discussions.

e. We have even said -- over a year ago -- that we would stop the bombing if we had just prior assurances that such an action would produce reciprocal restraints. Two months ago the President said we would stop the bombing if there were assurances that it would promptly lead to productive discussion, and that in such circumstances we assumed that while discussions proceed North Viet-Nam would not take advantage of the cessation or limitation. In response to these offers, Hanoi has shown only a negative attitude.

4. Our record of willingness -- even concessions -- to get negotiations started is consistent and needs no apologies. It is fitting that the world's greatest power should responsibly explore every possible avenue in order to end this war and begin the process of building a durable peace.



99h

New Mobilization Decree

The GVN has issued a decree-law calling for partial mobilization of the nation's human resources and requisition of national resources in order to meet national defense requirements. The decree, which becomes effective January 1, 1968, stipulates that youths from the ages of 18 to 33 will be placed in a state of partial mobilization. Other provisions are:

- A. Conscription of youth from ages 18 to 33;
- B. Requisition of experts (technicians) of all kinds between ages of 34 and 45;
- C. Recall of veterans within the age limits prescribed by partial mobilization unless they were discharged for reasons of discipline or health;
- D. Personnel on active duty who have passed the age limit will be demobilized upon completion of two years of legal military service.
- E. Veterans who are recalled to service and who pass the age limit of partial mobilization will be demobilized after one year of service;
- F. Deferments and exemptions for occupational reasons except for those granted to personnel of National Police and Revolutionary Development cadre will be abolished. Educational and religious deferments will be limited as will be those granted for travel abroad.
- G. Technicians within age limits of partial mobilization can be mobilized on the spot if they perform functions of prime necessity and are working for agencies or enterprises essential to national security or national construction.

Drafted by:  
EA/VN:CCFlowerree

Cleared by:  
EA/VN-Mr. Miller

LIMITED OFFICIAL USE

INFORMATION

Thursday, November 16, 1967  
1:25 p.m.

Mr. President:

You may be interested in  
Cong. Resnick's plan to ask Ho to let  
him visit North Vietnam.

W. W. Rostow

WWRostow:rlh

100

for file

100a

THE WHITE HOUSE  
WASHINGTON

Nov. 16, 1967

MEMO FOR MR. ROSTOW

For information--

I have learned that Congressman Resnick of N.Y. plans to send a telegram to Ho Chi Minh--probably today. He will note his earlier visit to South Viet-Nam and ask if he may be allowed to visit North Viet-Nam.

He has in mind getting to visit with U.S. prisoners, but it is not clear that this would be spelled out in his message.

He has not sought official blessing or advice. I presume we would not want to try to call this off--and it isn't clear we could if we wanted to.

In any case, I thought you should know of this and might want to notify the President.

We have no indication what Resnick plans by way of publicity of his move, but this may be in the public domain in the next 24 hours.

*Bill*  
WJJorden

INFORMATION

101

~~CONFIDENTIAL~~

Thursday, November 16, 1967  
1:15 p.m.

*Pres file*  
*HA*

Mr. President:

Herewith interesting notes from a captured Viet Cong political cadre on Communist view of coalition government tactics in South Vietnam.

Obviously we shall have to watch our step.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rlh

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By kg, NARA, Date 12-4-91



## THE WHITE HOUSE

WASHINGTON

10/2

CONFIDENTIAL

November 16, 1967

MEMORANDUM FOR MR. ROSTOW

SUBJECT: The NLF on the Coalition Government

A captured notebook which was evidently kept by a VC political cadre gives an interesting picture of COSVN thoughts on the establishment of a coalition government.

The first part of the notebook contains notes taken at a conference on February 15, 1967 which was convened to study the 1967 resolutions. In a section headed Determination of the Mission, he writes:

"The tactics remain unchanged. 'The People's national democratic revolution.' First of all, increase our military and political forces. Concentrate our forces to defeat the enemy in his limited war and force order to establish a people's democratic coalition government, with members of the Front as the nucleus. Why does the Party advocate this policy? The answer is given in the section on the present situation."

Further on, after a lengthy discussion of the present U.S. troop strength and the great number of successes which the VC have had in battles, he then quotes the policy of COSVN. Among these policies, he notes the following:

" - The people should be motivated to revolt. They should feel that the time for Revolution is imminent and that it will be 'now or never.' "

- In the process of this general uprising, there may be a coalition government. The U.S. troops must withdraw.

- The coalition government may include a non-revolutionary element as President. But he must follow the essential line of action as stipulated by the Front."

He then goes into an outline of what appears to have been a discussion session. In talking about long-range and immediate objectives, he states:

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DECLASSIFIED  
E.O. 12356, Sec 3.3  
DA Memo, Jan. 5, 1988  
By 128 NARA Date 12-4-91

"These must be considered as problems to be solved:

- Why not carry out the people's democratic revolution directly but via a coalition government? If a coalition government is formed and the Chairman is not a 'comrade' of ours, what will be the consequences?

Ideas put forth:

- The Front will be the core element.

The immediate objectives as set forth by the Party at this time are 'unsuitable,' because the Americans are being defeated and the Puppet (forces) are deteriorating. But we are not strong enough now to deal them a lethal blow. A coalition government opens the way to attaining our Revolutionary goals.

What is important is that we must have tight control over the government, the laborers and land workers. It does not matter if there are a few notables at the top. The main lines of the Front's policy must be followed.

Conclusions:

- Long-range objectives of the Revolution: the 'people's' and democratic revolution must not draw a line between its short-range objectives and its long-range ones, because neutrality is close at hand. From democratic Independence we move to Socialism. There seems to be no contradiction.

- Parallels drawn between our forces and the enemy forces: We are on the winning side whereas the Americans are on the losing one and are encountering many difficulties, even in the U.S. Consequently, we must take advantage of every opportunity to accelerate our victory. The sooner victory comes, the less blood will be shed. Anyway, we will certainly reach our ultimate goal.

- To all appearances, it is a coalition government but its real powers lie in our hands. And the government must be on the side of the Front's stand and follows the lines of the Revolution's policy.

We must take risks and form a coalition government (now) without having to wait until the Americans have completely pulled out of (Vietnam):"

Later in the document, he puts down what appears to be reflections on the discussion session. In speaking of the cadre, he states that, "At first"


~~CONFIDENTIAL~~

-3-

they felt anxious when hearing about the Coalition Government; but after the study, they became aware of (its importance) and appeared to be full of confidence."

He finishes up with his personal summary of what this means and how the cadre can be reassured. He says:

"In regards to the Coalition Government, our Party will exercise overall control over it, and if our agents are firmly established and if they properly carry out the principal lines of action of the Front, (the Party) will lead the Revolution to the final objective."



Art McCafferty

~~CONFIDENTIAL~~

INFORMATION

182

~~CONFIDENTIAL~~

Thursday, November 16, 1967  
1:10 p.m.

*For file*

Mr. President:

Herewith the response from Locke to your instruction to explore the substitution of wheat for rice in the Vietnamese diet.

As you will see (page 3) there are a number of actions which might be taken; although the increase in imports may not come about very rapidly.

We shall follow through.

W. W. Rostow

~~CONFIDENTIAL~~

Saigon 11200

WWRostow:rlm

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By kg, InfoA, Date 12-9-91



1026

~~CONFIDENTIAL~~

Thursday, November 16, 1967

TEXT OF CABLE FROM SAIGON (11200)

SUBJECT: Substitution of Wheat for Rice in Vietnamese Diet

In light of the many problems caused by continuing high-level rice import requirements, the Mission has been considering the possibility of substituting imported wheat which we understand is more readily available. This message presents our initial judgments about this subject.

In the short run, efforts to cut rice consumption and stimulate wheat consumption in Vietnam are unlikely to be successful on a significant scale. Preferences for rice are so marked and intractable that most Vietnamese would regard a forced substitution brought about, for instance, by raising the price of rice and lowering that of wheat, as a lowering of their standard of living, even though caloric intake were unchanged. There are, in addition, physical and logistical problems in the way of such a policy. The Vietnamese culture is organized around rice consumption in many details as storage facilities and cooking utensils. Therefore, an abrupt shift must be ruled out.

On the other hand, Vietnamese wheat consumption is likely to grow, and this growth can be stimulated. Imports of wheat flour have grown fairly steadily over the last ten years, from around 40,000 tons per year in 1957-59 to about 100,000 tons in 1966. Imports in 1967 are at about 1966 level. Increases in wheat flour imports have continued in the past three years despite rising prices. One kilo of bread costs between 11.0 and 14.8 piasters in the period from 1957 to 1964; price (annual average) rose to 15.4 piasters in 1965, 35.9 piasters in 1966 (pushed up by devaluation) and about 47 piasters in 1967. Rise in bread prices since January 1, 1965 has been greater than the increase in rice prices. Yet, consumption has gone up fairly sharply; based on import statistics, 50 per cent more bread was consumed in 1966 than in 1964.

This sharp increase in consumption does start from a low base. The National Institute of Statistics, in weighing its revised Consumer Price Indices after 1963 Saigon Family Budget Survey, estimated that middle class urban families bread expenditures were 0.6 per cent of the total; bread purchased by the working class urban families accounted for 0.5 per cent of their total expenditures. To use another measurement, flour consumption is currently about 4 per cent of total consumption of milled rice plus flour. In 1964 it was about 2 to 3 per cent.

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E.O. 12356, Sec. 3.4  
NIJ 94-480  
By Cb, NARA, Date 1-17-95

One can gather from the growing consumption of wheat flour despite rising prices that with growth in urban incomes, there is a tendency to purchase more bread. This is not too surprising, given the cultural connection of bread eating with the occident: bread eating is "sophisticated."

There is no reason to doubt that, if price of bread were reduced, consumption would increase. At present, there are schemes afoot to construct three flour mills with a total capacity of 125,000 tons annually (there are no flour mills in Vietnam at present). At present levels of consumption, this is over-capacity; but if consumption were to increase moderately, perhaps as the result of the application of subsidy to wheat imports, the capacity would exist to meet demand, without increasing flour imports, which are relatively difficult and costly to ship and store.

But these observations have reference to increasing wheat consumption upon existing base of bread consumption. Dramatic results cannot be expected from measures such as subsidized wheat prices. For one thing, subsidy applied to flour will have less effect on bread prices than rice subsidy has on rice prices. Even now, with flour unsubsidized, its landed cost in piasters is about 13,000 piasters per ton. Subsidized wholesale price of lowest quality of American rice is a little higher, 15,000 piasters. Yet, bread prices are much higher than rice prices; flour passes through more intermediaries and undergoes a transformation involving additional labor and capital costs before reaching the consumer. These additional costs would not be reduced by a subsidy on flour, and therefore, bread prices would not fall commensurately with the lowering of the cost of flour.

Wheat in forms other than wheat flour has not proven very acceptable in Vietnam -- not even when it is given away. The principal experience in this regard is refugee distribution of bulgur wheat. Refugees have tended to trade bulgur wheat for rice or other food or money. Bulgur is then fed to animals. It is an excellent but expensive feed.

Unfortunately, here as elsewhere, it is the lowest classes who are most conservative with regard to eating habits -- and who also usually lack physical means to turn new products, such as flour or other products, into edible form. And, unlike Indians or Chinese, up to now the Vietnamese have not been faced with famine conditions. Instead, they have, by what evidence is available, achieved extremely high levels of rice consumption -- about 40 per cent higher than in rice eating areas of India and Pakistan. (Furthermore, their protein and vegetable consumption is high by Asian standards.) Unless rice supplies are substantially reduced -- or rice prices rise to extremely high levels (to express the same problem differently) -- Vietnamese consumption of wheat does not seem likely to increase dramatically.

Nevertheless, there are measures that could be taken which would increase wheat consumption somewhat:

A. Wheat flour (and when flour mills are established, wheat) imports could be subsidized. This is a measure that would tend to benefit the more prosperous elements of the population, rather than the poorer, but it certainly would stimulate wheat consumption, not only in the form of bread, but also in noodles. At present, on the basis of caloric value, bread costs more than rice: one kilogram of bread has 2,700 calories, and costs 50 piasters, or 1.85 piasters per 100 calories. One kilogram of rice, with a value of 3,300 calories costs (principal qualities) from 19 to 33 piasters, or from .58 to 1.00 piasters per 100 calories. Considerable subsidy would be required to lower bread prices to the rice level.

B. Increased amounts of bread could be inserted in the Republic of Vietnam Armed Forces garrison rations replacing rice. It should be noted that this is likely to be deleterious to morale.

C. Republic of Vietnam Armed Forces field ration consists of dehydrated rice plus canned meat or fish. Wheat products such as hard tack might be substituted for rice, again with morale risks.

D. The Department of Defense has \$42 million in US money for supplying food products at low prices to the Republic of Vietnam Armed Forces members and dependents through the Republic of Vietnam Armed Forces commissary system. Wheat flour is not one of the items supplied. If wheat flour were offered for sale at prices that are somewhat below market price, fairly substantial quantities might be sold.

We are prepared to explore the feasibility and impact of these measures and any others you suggest.



~~SECRET~~

Thursday, November 16, 1967

*103*  
*Pres file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Sterling

No further hard news from Deming tonight on the sterling support operation. The British have not yet come in with a firm application to the IMF and this is the cause of some uncertainty. We should have a clear picture of where we stand by the weekend. Deming's sessions in Paris are over on Friday. He will try to see Chancellor Callaghan in London on his way back.

Should any questions on sterling come up in your press conference, Fowler recommends, and I concur, that you refer to his statement today (attached) and leave it at that.

W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 93-291  
By fw, NARA, Date 7-14-94

*nl*  
ERF:em

~~SECRET~~



TREASURY DEPARTMENT  
Washington

November 16, 1967

STATEMENT BY THE HONORABLE HENRY H. FOWLER  
SECRETARY OF THE TREASURY  
IN ANSWER TO QUESTIONS ON CREDITS  
TO THE  
UNITED KINGDOM

It is clearly inappropriate for me to comment in any way on the various stories which have been circulating concerning various financial packages and other matters relating to the United Kingdom.

The Prime Minister and Chancellor of the Exchequer have repeatedly made very strong statements on the subject of sterling, and have currently reaffirmed them in both word and deed. They have faced the issue with great determination and I have no doubt as to their success.

Against this background, in answer to any question concerning additional credits to the United Kingdom, I can only repeat what is already known to be established United States policy: this country has a consistent record of multilateral financial cooperation, a record which we intend to maintain.

~~SECRET~~

Thursday, November 16, 1967

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W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NJ 93-291  
By plw, NARA, Date 7/28/94

~~SECRET~~

ERF:em

104a

TREASURY DEPARTMENT  
Washington

November 16, 1967

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SECRETARY OF THE TREASURY  
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November 16, 1967

*Pres. file*

Mr. President:

Attached for signature is the proclamation required to complete action on an agreement we have made with Greece to bring our common estate tax practices up to date to conform with the Revenue Act of 1962.

The protocol itself was signed at Athens on February 12, 1964. The Senate gave its advice and consent to the ratification on June 23, 1964, and you signed the US instrument of ratification on July 7, 1964. The protocol was brought into force by the exchange of instruments of ratification in Athens on October 27, 1967. This is the final act in making the document official here.

W. W. Rostow





DEPARTMENT OF STATE  
WASHINGTON

4163  
1- *Phindus*  
2- *Riz.* 1050

S/S 18707

November 1, 1967

MEMORANDUM FOR MR. WALT W. ROSTOW  
THE WHITE HOUSE

Subject: Proclamation of supplementary estate-tax  
protocol with Greece

I enclose for the President's signature the proclamation of the protocol, signed at Athens on February 12, 1964, modifying and supplementing the convention of February 20, 1950 between the United States and Greece relating to taxes on income.

By resolution of June 23, 1964, the Senate gave its advice and consent to the ratification of the protocol. The U.S. instrument of ratification was signed by the President on July 7, 1964. The protocol was brought into force by the exchange of instruments of ratification at Athens on October 27, 1967.

The protocol contains one substantive article whereby the 1950 convention is modified by amending the title and preamble, deleting Article III, and amending Article IV. The modifications are for the purpose of bringing the convention into conformity with provisions of the Revenue Act of 1962 which alters the tax treatment for Federal estate tax purposes of real property situated abroad and owned by United States citizens or residents at the time of their death.

J.W.DAVIS for

Benjamin H. Read  
Executive Secretary

Enclosure:

Proclamation.

# DEPARTMENT OF STATE

November 13, 1967

## FOR THE PRESS

No. 257

1056

*Signature*  
7

### ENTRY INTO FORCE OF SUPPLEMENTARY ESTATE-TAX PROTOCOL WITH GREECE

On October 27, 1967 the American Ambassador at Athens and the Minister of Foreign Affairs of Greece exchanged the instruments of ratification of the protocol between the United States and Greece, signed at Athens on February 12, 1964, modifying and supplementing the convention of February 20, 1950 for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

The supplementary protocol was brought into force by that exchange of instruments of ratification.

The Revenue Act of 1962 (Public Law 87-834 approved October 16, 1962, 76 Stat. 960), among other provisions, altered the tax treatment for Federal estate tax purposes of real property situated abroad and owned by United States citizens or residents at the time of their death. Prior to that act, such property was exempt from Federal estate tax. The latter exemption rule was incorporated in Article III of the estate-tax convention of 1950 with Greece. At the time the 1950 convention was concluded with Greece there was no provision in the United States law allowing a credit against Federal estate taxes for estate and inheritance taxes imposed by a foreign country on property situated abroad and owned by a decedent who was a United States citizen or resident. Subsequently, the Federal estate tax provisions were revised to grant a credit against such taxes and inheritance levied by a foreign government.

The protocol of 1964 contains one substantive article whereby the convention is modified by amending the title and preamble, by deleting Article III, and by amending Article IV. The words "with respect to the estates of deceased persons" in the title and preamble of the 1950 convention are changed to read "with respect to the movable property estates of deceased persons." Paragraph (2) of Article IV is modified so that subparagraphs (a) to (i) become subparagraphs (b) to (j) and a new subparagraph (a) is inserted reading as follows:

"(a) The provisions of the present Convention shall be deemed as not applicable to immovable property situated in either the United States or Greece. Immovable property shall be deemed to be situated at the place where the land involved is located. The question whether any property or right in property constitutes immovable property shall be determined in accordance with the law of the place where the land involved is located."

The modifications in the protocol are for the purpose of bringing the convention into conformity with provisions of the Revenue Act of 1962.

\* \* \* \* \*

ACTION

*Pres file*

LIMITED OFFICIAL USE

Thursday, November 16, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Congratulatory Message to King Hassan

Morocco celebrates on November 18 its Independence Day, the anniversary of King Mohammed V's return to Morocco from exile in 1955. We will be represented at the ceremonies this year by three General officers from our European Command. State Department recommends the following message from you to the King:

"On behalf of the people of the United States I extend to you and to the Moroccan people my warm congratulations on the occasion of the twelfth anniversary of the Independence of Morocco. It gives me great pleasure to mark with you at this time the continuing close friendship between our two nations."

W. W. Rostow

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

LIMITED OFFICIAL USE

Thursday, Nov. 16, 1967  
11:45 a. m.

107

MR. PRESIDENT:

Herewith some issues you may wish to raise at noon with General Westmoreland:

1. What will the military situation, in his judgment, look like:  
six months from now; a year from now?
2. What are his plans for moving in the delta:
  - what will be the consequences in the increased flow of refugees?
  - can we look after the refugees?
  - what will be the effect on rice production?
  - is there any better use for our forces in Viet Nam  
than in enlarging operations in the delta?
3. What about the body count:
  - how is it done?
  - are we overestimating enemy killed in action?
  - are we underestimating?
  - how can we make things more credible?
4. What problems does he wish to see settled while he is in Washington?
5. What would he do now if he were President?

W. W. R.



~~SECRET~~

ACTION

108

*Pres file*

Thursday, November 16, 1967  
9:50 a.m.

Mr. President:

It would mean a good deal to Bill Leonhart if you would have him in for a part, at least, of your talk with Robert Komer today at 1:30 p.m. 4:45

Leonhart has been doing his job well under difficult circumstances; and, as you can see from the attached, has some thoughtful ideas on the issues that we ought to get settled while Bunker, Westy, and Komer are in town.

W. W. Rostow

~~SECRET~~

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NLJ 86-166  
By isp, NARA, Date 1-26-88

WWRostow:rlh

THE WHITE HOUSE  
WASHINGTON

108a

~~SECRET~~

November 15, 1967

## MEMORANDUM FOR WALT ROSTOW

SUBJECT: This Week's Vietnam Discussions

As seen from this office, there are four major problems we should try to put in more manageable form during the week:

A. Military Construction and Civil/Military Priorities.

1. We do not have the full picture. But we know a serious shortage of money may exist and limit what we can do over the next six months.

2. As we understand it, DOD's original budget requests were \$55 million in the regular bill and \$200 million in a contingency construction fund. Initial Congress action cut the latter to \$50 million for a total of \$105 million. Meanwhile, endorsed Vietnam construction requirements rose to \$300 million.

3. We understand the House has restored an additional \$50 million in contingency. But if the Senate agreed, this would provide only \$155 million against \$300 million-plus of priority needs. (DOD has a \$400 million carry-over from previously appropriated construction funds--which it wishes to preserve to cover rapid alterations in the military environment--e.g. moves of airfields, troop bases areas, etc. This carry-over has been one reason for Congressional cuts in the new requests.)

4. Approved Program Five construction projects--contingent on the level of funding--include US troop cantonments, LOC improvements, civilian hospitals, RF/PF housing, ARVN dependent housing. Some of the CORDS or CORDS-related projects, such as additional Chieu Hoi or refugee facilities--and specifically detention centers--have such low priority that as matters now stand, they are unlikely to be completed in 1968.

5. Additionally, MACV's existing military construction effort is reportedly fully tasked for the next 19 months. The present budget estimates do not allow for the higher costs of retaining civilian contractor firms to replace over-programmed military construction units.

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E.O. 12356, Sec. 3.4

NIJ 86-166

By inf, NARA, Date 1-26-88

6. Action: What we need is a hard core list of construction requirements--which can be funded and completed in the next six months--to match our top operational priorities. Only DOD can produce this--but the determination of priority construction criteria should be discussed with Bunker, Westmoreland, and Komer.

If we are right to put our main emphases on ARVN improvement, anti-infrastructure, and LOCs--then civil/military construction priorities should relate. Highest priorities should continue for US troop essentials and civilian hospitals (to which we are committed to the Congress). But we need a listing of RVNAF needs, detention centers, and LOCs scaled to various levels of fund availabilities.

B. Delta Operation Plans and Civil Relations.

1. We do not know with precision Westmoreland's campaign plans for the Northern Delta (III Corps) or his intentions to schedule military operations in 1968 in the lower Delta (IV Corps). There are important military--and anti-infrastructure--advantages involved.

2. The Delta has symbolic as well as intrinsic importance--both in terms of Vietnamese population and US public opinion. Application of excessive military force or indiscriminate use of fire power in these populated areas by units not previously employed there could produce an adverse impact on the pacification program in general, particularly if these operations were accompanied by increased use of defoliants and herbicides aimed at exposing VC base areas and clearing military lines of communication to prevent VC ambush. Integration of military plans with refugee and Chieu Hoi programs is essential.

3. Action: Westmoreland should be asked to outline his Delta plans to the President. And ground rules of engagement in the Delta should be discussed with Bunker and Komer--particularly for air and artillery cover, and defoliant and herbicide use. To maximize the effect of successful military operations on US opinion--and to minimize adverse criticism, we should ensure that combat plans have taken into account:

- adequacy or expansion of facilities for civilian casualties
- additional facilities for refugee care and housing

- a GVN system of indemnities for damages to private property
- impact on rice production and transport to deficit areas (Saigon).

C. The Next Summit and the Image of the War.

1. Assuming a Summit Meeting next spring, its results will have much to do with shaping the US image of the war through the summer and fall.
2. We should seek to use it to emphasize the constructive, nation-building elements of our Vietnam policy--to get the stress off blood and bombs and killing. To do this we need new initiatives. We should start planning them now.
3. I think the theme should be the reconstruction of village life. And its centerpiece, in my view, should be the announcement of a joint quasi-autonomous US-GVN rural institution, patterned after the highly successful US-China Joint Commission on Rural Reconstruction (JCRR).
4. State-AID-and this office have strongly endorsed the project to Bunker, who has undertaken to discuss it with Thieu at an opportune time. We think a number of senior GVN officials favor it. I believe it should be pressed.
5. The Joint Board would be administered by five prestigious members--two from each country, plus a GVN chairman--all presidential appointees. AID is prepared to subscribe \$25 million (half in counterpart) as initial working capital for a multi-year period. It would not take over the functions of any GVN ministry but would fill needs of rural financing and technical assistance not now available in Vietnam.
6. Around the Board, we could wrap projects to: (a) spur action on land reform (by providing funds directly to villages to help finance local land purchases and redistribution) - (b) stimulate rural productivity - (c) strengthen non-government groups (such as co-ops, trade unions, farmers associations).
7. This emphasis on village reconstruction relates closely to many of our existing programs--universal elementary education, rice and pig productivity, community development and new life. We could use the Joint Board to stress the US-GVN commitment to support local self-government--building on local elections, the recent revolutionary decision



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- 4 -

to permit villages to levy and keep local taxes, and the proposed transfer of land reform administration to village councils. And it could be launched dramatically by a joint public announcement at highest levels in Washington and Saigon at the time of naming its presidential appointees.

8. But if we're to orchestrate these prospects for next spring--and use them in the following months--we should firm up the design now.

D. Washington Backstopping

1. The week's discussions should review the adequacy of present backstopping arrangements for the civil/military interface of CORDS operations in the field.

2. Contingency studies are now underway among the agencies concerned examining whether new budget and Congressional accountability arrangements should be recommended for the pacification program. Alternative suggestions include a defined CORDS appropriation to DOD or to the White House.

3. The President may wish the views of Bunker, Westy, and Bob Komer. We've been monitoring the inter-agency talks. Thus far I'm not persuaded the changes proposed would be advantageous to the President.

*W. L.*  
William Leonhart

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ACTION

Thursday, November 16, 1967

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: National Press Club Appearance

*Pres file*

The National Press Club has asked General Westmoreland to speak there next week. I understand you suggested it might be better to make it a joint appearance by Westy and Ambassador Bunker.

You may wish to reconsider this in light of the fact that:

-- The Ambassador will have had a good deal of exposure by early next week (White House news conference, Overseas Writers yesterday, major speech at Overseas Press Club on Friday, joint appearance with Westmoreland on national TV -- Meet the Press -- on Sunday, several "background" sessions);

-- the National Press Club appearance would offer a great opportunity for Westmoreland to hit hard some things that need hitting in depth (especially military progress and the performance of ARVN);

-- we have a proposal from ABC to put the Ambassador and Westmoreland on a TV program for network use immediately after their return to Saigon.

In short, we may be over-exposing Bunker and missing a good chance to call attention in depth to ARVN and other military measures of progress. State (Public Affairs and the EA bureau) and Defense (Public Affairs) agree with this assessment. I thought you should have this judgment before the Press Club appearance is finally locked up. George Christian is aware of these considerations. A footnote: some reporters are already claiming that Bunker and Westmoreland came back primarily for propaganda purposes.

W. W. Rostow

Westmoreland only at National  
Press Club \_\_\_\_\_

Prefer joint appearance at  
Press Club \_\_\_\_\_

See me \_\_\_\_\_

WWR;WJJ:pas:11/16

~~CONFIDENTIAL~~

Thursday - November 16, 1967

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ACTION

*Per file*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Castello Branco Scholarship

Last August you and President Costa e Silva agreed in principle to the establishment of a scholarship program for Brazilian students in the US in memory of President Castello Branco.

State and the Brazilian Foreign Office have now worked out the modalities of management, student selection and funding:

1. AID would make available \$100,000 from FY 1967 funds to the University of Texas which would manage the program.
2. This would cover three full scholarships per year for a five year period.
3. Selection of the students would be done by the Vargas Foundation of Brazil in accordance with criteria jointly worked out by the Embassy and the Foundation.
4. The scholarships would be at the post-graduate level in the economic development field (e.g., economics, finance, public administration, education administration, public health planning, agricultural planning and related social sciences.)

Covey Oliver is now prepared to approach the University of Texas with the proposal. Before doing so, he wanted to touch base with you. As soon as the University agrees, we will prepare an announcement to be released from here.

W. W. Rostow

Proceed \_\_\_\_\_  
Hold up, \_\_\_\_\_  
see me \_\_\_\_\_

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By RG, NARA, Date 12-4-91



MEMORANDUM

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INFORMATION

THE WHITE HOUSE

~~SECRET~~ SENSITIVE

WASHINGTON

Thursday, November 16, 1967

Mr. President:

*Pres file*

Fred Deming continues to report encouraging news from Paris on the sterling support operation. There is a general consensus on the need for an impressive package. The impression one gets is that the central bankers went to the brink and didn't like what they saw.

The Group of Ten countries seem to be on board in support of a UK \$1.4 billion IMF drawing or standby. We are looking into the possibilities of making it \$2 billion.

Deming's German and Italian counterparts are optimistic about their governments going along with us on a multilateral support operation. We should know soon whether it is nailed down. We do not yet know terms and amounts or what other countries are going to do.

If both parts work out right, the package should be between \$2.4 and \$3 billion -- and possibly more.

Deming also sounded out each of the Group of Ten countries on holding their rates should sterling be de-valued. It now looks as if they all would stand firm. The French representative said they would hold "until they were hurt".

The markets earlier this week were nervous and uncertain. But even with the announcement of the poor trade figures on Tuesday, the UK did not suffer serious exchange losses from support operations. The rumors of an additional support operation that broke in today's press strengthened the rate.

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-479  
By cb, NARA, Date 4-5-95

W. W. Rostow

*cert*  
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