

INFORMATION

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Pres file

Monday, November 20, 1967
8:00 a. m.

Mr. President:

This historical paper by an MIT colleague who has lost neither his sense of perspective nor of humor, will interest you when you have a chance to read it -- notably his punch line at the end.

W. W. Rostow

WWRostow:rln

60a

To: All who feel the need for historical perspective on our troubled days
From: Lucian W. Pye
Subject: Where did I hear this all before?

The other day I happened upon a charity book sale where, since in our culture there is such a taboo against burning books, there were great mounds of books that should have long been destroyed. There, in the midst of it all, I did find one book that deserves to be historically preserved. If it wasn't that the thing is so wonderfully priceless, I would gladly share it with you all; as it is, what I will do is to give you some good long quotes from it.

The book is Charles A. Beard's, Giddy Minds and Foreign Quarrels, published in 1939 and it totals only 87 small pages. I had completely forgotten how much wittier, livelier, and more compassionate the old American Firsters were than the current "overextended-in-Vietnamese" are even when advancing essentially similar arguments.

Beard is off and flying from his opening paragraph:
"Since the foundation of the American Republic there has been an endless procession of foreign quarrels with which giddy minds could have been busied. The following brief citations from the record hint at the thousands of possibilities scattered through the days and years from George Washington's Administration to the advent of Theodore Roosevelt:"

Then comes a three and a half page list that covers nearly every year and typically includes such events as:

- 1817 Popular outburst at Wartburg
- 1822 "Triumph" of Holy Alliance over democratic movements
- 1827 English, Russian and French fleets crush the Sultans' fleet at Navarino
- 1831 Insurrections in central Italy
- 1838-42 British war on Afghanistan
- 1845 British war in the Punjab
- 1851 Louis Napoleon makes a coup d'etat in France
- 1853 T'ai-p'ing rebellion starts in China; millions killed; great cities destroyed.
- 1857 Sepoy mutiny in India; vigorous suppression
- 1862 Insurrection in Poland
- 1867 Insurrection in Spain; Fenian uprisings in Ireland
- 1876 Palace revolution in Turkey and Bulgarian atrocities
- 1881 France finishes conquest of Tunis
- 1889 Boulangism flares up and bursts in France
- 1898 Bloody uprising in Milan, British reconquer the Sudan
- 1901 Peaceful era of Queen Victoria closes

A little bit staggered by this list of violence and folly throughout the world, we are now ready for Beard's vigorously sardonic prose.

"Until near the end of that "wonderful" century of "peace, religion, and international good faith" the Government of the United States kept aloof from the aggressions, wars, and quarrels of Europe. It proposed no world conferences for correcting the wicked, settling conflicts, and curing unrest in the four corners of the earth. From time to time, it is

true, groups of American people held meetings in favor of one country or party or another, but even they did not try to force their Government to play the role of universal preceptor and manufacturer of rules for settling everybody and everything under threats of armed intervention. Only in relatively recent times has wholesale interference with foreign quarrels and disturbances become a major concern of the intelligentsia, the press, and professional politicians in the United States."

What is truly startling to one who has easily fallen into the habit of thinking that scholarship only became relevant to the problems of the day with the Ford Foundation, and that professors only mixed with officials during the Thousand Days of Kennedy, is to suddenly discover that Beard was battling the trend way back then. For as he says:

"But frenetic preoccupation with foreign quarrels has now reached the proportion of a heavy industry in this country. All our universities have funds and endowments for teaching what is called "international relations," and since about 1915 a large part of this instruction has been stripped of all scientific pretensions and has been little more than propaganda for the League of Nations, collective security, collaboration with Great Britain

and France, or some kind of regularized intervention by the United States Government in foreign controversies everywhere, except perhaps at Amritsar or in Syria. Hundreds of professors, instructors, and assistants, sustained by endowments, lecture to students, forums, women's clubs, academies, and dinner parties on their favorite theme - the duty of the United States to set the world aright. Peace-societies, associations for the "study" of foreign affairs, councils, leagues, and committees for this and that, with millions of dollars at their disposal, are engaged in the same kind of propaganda, openly or under the guise of contemporary "scholarship."

In fact, advocacy of American interventionism and adventurism abroad has become a huge vested interest. The daily press and the radio, thriving on hourly sensations, do their best to inflame readers, listeners, and look with a passion for putting down the wicked abroad. Foreign propagandists, often well paid by American audiences, play the same game. And brash young tom-tom beaters in journalism, who know no history beyond a few days ago, write books on the "inside" of this or that, all directed profitably to the same end. How did we get this way? This is the fundamental question for all of us who are trying to take bearings."

Now Beard is set to give us his account of American history from the turn of the century. It is a wonderfully vital account, full of asses with too much energy for the good of the country. We can only give you a taste of what it is like by quoting the first pages:

"The era of universal American jitters over foreign affairs of no vital interest to the United States was opened in full blast about 1890 by four of the most powerful agitators that ever afflicted any nation: Alfred Thayer Mahan, Theodore Roosevelt, Henry Cabot Lodge, and Albert J. Beveridge. These were the chief manufacturers of the new doctrine correctly characterized as "imperialism for America," and all of them were primarily phrase-makers, not men of hard economic experience.

The ideology for this adventure was cooked up by the bookish Mahan and was promulgated by politicians. It was "sold" to the country amid the great fright induced by the specter of Bryanism, and amid the din of the wars on Spain and the Filipinos. As the British agent who framed a portion of the new gospel for John Hay, Secretary of State presumably for the United States, shrewdly observed, this was one way of smashing the populist uprising and getting the country in hand. It was not Woodrow Wilson, the

schoolmaster, who first invented the policy of running out and telling the whole world just the right thing to do. It was the new men of imperialism.

The heady ideology put forth to sustain the imperialist policy may be summarized as follows: America has grown up, has acquired man's stature and put on long pants; the frontier has passed; the continent has been rounded out; America must put aside childish things, become a great big world power, follow the example of Great Britain, France, and Germany, build a monster navy, grab colonies, sea bases, and trading posts throughout the world, plunge into every big dispute among European powers, and carry "civilization" to "backward" races.

For this creed of lunging and plunging Alfred Thayer Mahan caught the claw from Mommsen's history of Rome and furnished the sea-power slogans. An army of literary artists supplied sentimental prose and poetry. Clergymen did their bit by citing the rich opportunity to "Christianize" the heathen. Steel makers and other naval merchants put sinews of war into the propaganda chest of the Navy League and pronounced it good for business - their business, at least. Shipyard constituencies whipped up political support. The middle classes, terrorized by populism, applauded.

Albert J. Beveridge provided the eloquence:

"American factories are making more than the American people can use; American soil is producing more than they can consume. Fate has written our policy for us; the trade of the world must and shall be ours. And we shall get it as our mother England has told us how. We will establish trading posts through the world. We will cover the ocean with our merchant marine. We will build a navy to the measure of our greatness. Great colonies governing themselves, flying our flag and trading with us will grow about our posts of trade. Our institutions will follow our flag on the wings of our commerce. And American law, American order, American civilization, and the American flag will plant themselves on shores hitherto bloody and benighted, but by those agencies of God henceforth to be made beautiful and bright." Cheers, cheers, cheers. And mighty men among the intelligentsia joined the Mahan-Lodge-Roosevelt-Beveridge storm troops in full cry, shouting for the new gospel, while denning Bryan as a fool, Altgeld as an anarchist, and opponents of imperialism as "white-livered cowards" and "little Americans." What a Roman holiday!

The story does not need further telling. You know how it all comes out: we must return to the advice of George Washington's Farewell Address. But wait, it doesn't actually end on that note. No, Beard has to have his last fling at attacking the one American whom he feels is still the most vigorous fool in championing unlimited American involvement in world affairs, Walter Lippmann:

"Some of our fellow-citizens of course do not believe that America can deny or refuse to accept the obligation of directing world destiny. Mr. Walter Lippmann is among them. "Our foreign policy," he has recently said in a tone of contempt, "is regulated finally by an attempt to neutralize the fact that America has preponderant power and decisive influence in the affairs of the world ... What Rome was to the ancient world, what Great Britain has been to the modern world, America is to be to the world of tomorrow ... We cling to the mentality of a little nation on the frontiers of the civilized world, though we have the opportunity, the power, and the responsibilities of a very great nation at the center of the civilized world." These are ornate, glistening, masculine words, but are they true words and what do they mean in terms of action?

America has "preponderant power." According to the most encyclopaedic dictionary of the English language, "preponderant" means "surpassing in weight, outweighing, heavier; surpassing in influence, power, or importance." It is a word of comparison. If Mr. Lippmann's statement has a meaning that corresponds to exact usage, it means that America outweighs the rest of the world, surpasses it in influence and power. This, I submit, is false. Mr. Lippmann's "fact" is not a "fact." It is an illusion. America has power in the world, but it is not preponderant anywhere outside of this hemisphere. A lust for unattainable preponderance and a lack of sense for the limitations of power have probably done more damage to nations and the world than any other psychological force in history.

The same may be said of Mr. Lippmann's "decisive influence." Decisive means having the quality that determines a contest. There are some conceivable contests in which America could presumably exercise a determining power. Give the status of things in 1917, America probably did determine the combat outcome of the World War. But, in fact, America did not determine the larger outcome of the World War, either the little phase at Versailles or the

multitudinous results that flowed from it.

America certainly has influence in the world.

Within its competence it may exercise a decisive influence in particular contests. But America does not have a decisive influence on the larger course of European and Asiatic history

Mr. Lippmann says that America is to be "what Rome was to the ancient world." That sounds big, but the test of facts bursts the bubble. Rome conquered, ruled, and robbed other peoples from the frontier in Scotland to the sands of Arabia, from the Rhine to the Sahara, and then crumbled to ruins. Does anybody in his right mind really believe that the United States can or ought to play that role in the future, or anything akin to it? America is to be "what Great Britain has been to the modern world." Well, what has Great Britain been to the modern world? Many fine and good things, no doubt. But in terms of foreign policy, Britain swept the Spanish, the Dutch, the French, and the Germans from the surface of the seven seas. During the past three hundred years Britain has waged numerous wars on the Continent to maintain, among other things, the balance of power. Britain has wrested colonies from the Spanish, the Dutch, the French, and the Germans, has conquered, ruled, and dictated to a large part of the globe. Does anyone really believe that the United States can or ought to do all these things, or anything akin to them?"

From this point on, Mr. Charles A. Beard gets hotter and hotter under the collar, and most readers will have the instinctive reaction of wanting to rush to Mr. Lippmann's defense and say, of course, we are no where nearly overextended, and, of course, Mr. Lippmann you are right when you say that we have power in abundance to meet both our foreign commitments and our domestic obligations.

When you finish you have that strange feeling that the issues never change, it is only some of the actors who slip from one side to the other, and clearly they are more brilliant when they are on their "natural" side: the Walter Lippmann of today cannot adequately step into the shoes of the Charles A. Beard of yesteryear -- he was Beard's match only when he was his opponent.

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INFORMATION

~~TOP SECRET~~

Sunday, November 19, 1967
11:50 a.m.

Mr. President:

Pres. file

Herewith the full U. S. Intelligence Board estimate.

I recommend you read at least the conclusions, as summarized, pp. 2-3, plus paragraphs 64-69, pp. 24-25.

W. W. Rostow

~~TOP SECRET~~

Cy 1, TS 186035

SNIE 14.3-67

13 November 1967

Capabilities of the Vietnamese Communists for Fighting in South Vietnam.

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1984
By rlg, NARA, Date 12-3-91

THE WHITE HOUSE
WASHINGTON

62
Nov 19, 1967

Mr. President:

Herewith the statements made today by Joe Fowler and Bill Martin - both the statements and the increase in the Feds' rediscount rate to 4 1/2 percent are designed to put us in the best possible position for tomorrow.

Pres file

- We shall be watching:
- the Zurich and Paris gold markets for speculation on the price of gold, and operating to hold the price in Zurich which, by definition, should also hold the price in Paris.

 - the dollar markets to see if other countries start accumulating dollars, as a result of speculation on U. S. devaluation, having worked out arrangements for offsetting swap arrangements if necessary.

Thus far the French do not appear mischievous.

WWR

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To emphasize her determination to reach equilibrium, the U.K. Government has announced a series of new domestic measures designed to resolve her balance of payments problem.

The United States is confident that with this broad understanding and the actions cited above the United Kingdom will achieve its objectives. As the President said yesterday:

"I believe the United Kingdom will -- at the new parity -- achieve the needed improvement in its ability to compete in world markets. The attainment of equilibrium by the United Kingdom will be a healthy and constructive development in international financial markets."

Thus the nations of the Free World have demonstrated again that they have the will and the means to work together, in the framework of the International Monetary Fund and other international cooperative arrangements, to assure the continued healthy functioning of the international monetary system.

The United States, with all of its productive strength, stands firmly committed to joining with others in the international task of maintaining a sound world monetary system.

o o o



For immediate release.

November 19, 1967.

In the light of the action of the British Government to change the parity of the pound, the Federal Reserve System announced today that it had taken actions to assure the continued orderly functioning of U.S. financial markets and to maintain the availability of reserves to the banking system on terms and conditions that will foster sustainable economic growth at home and a sound international position for the dollar.

The Board of Governors unanimously approved actions by the directors of the Federal Reserve Banks of Boston, New York, Cleveland, Richmond, Atlanta, Chicago, Minneapolis, Kansas City, Dallas, and San Francisco, increasing the discount rates at those banks to 4-1/2 per cent, from 4 per cent, effective Monday, November 20, 1967. In addition, the Board affirmed that borrowing by member banks for purposes of making adjustments to market pressures is an appropriate use of the discount mechanism.

At the same time the Federal Reserve Board expressed its confidence in the basic economic and financial strength of the United States and pledged to do its full share in maintaining the soundness of the dollar both domestically and internationally.

INFORMATION

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Saturday, November 18, 1967
5:15 p. m.

Mr. President:

Cabot Lodge forwards this well-balanced report by Stanford Smith on Vietnam: the press and the election in Vietnam.

Pres file

W. W. Rostow

WWRostow:rlh

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Report to ANPA Members:

November 14, 1967

Vietnam

About This Report

The ANPA Board of Directors asked me to prepare a report to all ANPA members about my two trips to Vietnam. This is the report. Nothing in it is confidential. You may use it for any purpose you wish.

*Stanford Smith
General Manager*

As Vietnam presents a dilemma to the American people, so it presents a challenge to the American press.

How well the press is meeting that challenge emerged as a subject of great interest and some debate on both of my trips to Vietnam. As in all past controversial public issues, those with the most polarized opinions tend to view the performance of the press through their own prejudices of how the press ought to report, analyze and editorialize. Some with the strongest opinions about performance of "the press" read the fewest number of newspapers and frequently direct their most violent objections to a few individual television documentaries or to some single printed publication.

This is true in both the military and civilian aspects of Vietnam. My first trip to Vietnam was strictly military, since I accomplished my annual two weeks of active Army duty as a reserve officer by going to Vietnam in July on Department of Defense orders. My second trip was strictly civilian, since I was one of 22 citizens appointed by President Johnson to observe the South Vietnam elections on September 3.

Two trips of such short duration do not in any way qualify me as an expert. This report is not an analysis; instead it attempts to record a few experiences and observations which may be helpful

in analyzing some complexities of the Vietnam problem.

It will be divided into three parts—to deal with (1) relations between U. S. military and the press, (2) the election observer mission, and (3) the state of the South Vietnamese press itself.

On both trips I was told on arrival in Vietnam that I would be accorded freedom to go anywhere I wished within the country and to talk with anybody I wished, American or Vietnamese. Transportation would be supplied. Appointments would be made for me, or I could make them myself.

I took advantage of all these offers. I traveled throughout the country—as far north as Marine units north of DaNang, as far west as an infantry rifle company about 10 miles from the Cambodian border, and as far south as several military and civilian installations in the Mekong Delta. I used local interpreters whenever necessary.

The U. S. Military and the News Media

The extremes on this subject are these views: (1) that the military is engaged in a massive plot to mislead the public or at least withhold information for non-security reasons; vs. (2) that the press is cynical and superficial, exaggerating the bad news and ignoring positive accomplishments.

My experience included first-hand evidence that both views are unjustified.

As for the military, I had access to classified and unclassified information and met U. S. information officers at all levels of the Vietnam command throughout the country. I watched them work, sometimes when they did not know my civilian identity. I saw them preparing for the daily briefing sessions with the press by doing these things: sorting the classified from the unclassified information, sometimes questioning the validity of the classification; anticipating questions reporters would probably ask, then trying (not always successfully) to get the missing information through an over-saturated communications system.

I do not believe there has ever been a war in which any country's military command set up such a massive program of public information. The physical facilities for accommodating reporters at various headquarters throughout the country are excellent. The military runs daily C-130 passenger plane flights throughout the country and accords a standing reservation of 15 seats for the press on every plane at no charge. Without these aircraft it would be impossible for reporters to get around the country. From landing fields handling the C-130's, reports, almost without exception, can get transportation by helicopter or jeep to units in more forward areas. There are almost no reporter complaints about physical facilities.

The establishment of a massive information program is no guarantee of a good working program. In the case of Vietnam, part of the problem lies in the fact that the program is so big. This means scores of information officers to deal with about 500 news correspondents in Vietnam. With that many persons involved, controversy is inevitable. However, it is to the credit of the correspondents and the military alike that most of the controversy relates to emphasis on various facets of "what happened in Vietnam today." Seldom is there a controversy over access to a combat area. Reporters are free to travel and free to interview U. S. military personnel. This takes place every day. There is no censorship. One practical difficulty, however, lies in the fact that nobody knows from one day to the next where the action will take place the next day. It is almost a daily guessing game for reporters who want to be on the key spot at the key time.

The daily briefing session for the press in Sai-

gon takes place at 4:45 p.m. and is popularly called the "Five O'Clock Follies." The briefing officers are trying hard with a difficult assignment. The daily briefing, however, is no substitute for getting "out with the troops," as all the best reporters in Vietnam frequently do.

In summary, no war has ever been so thoroughly "briefed" for the press by military information officers, no war has ever been so thoroughly covered in person by the world's press, and no war has had such a controversial collision of public opinion. The reason: no war was ever quite so complex in terms of the combatants, their backers and supporters, restricted territories, combat terrain, and political implications.

The Vietnam Election Observer Mission

When President Johnson appointed 22 citizens to serve as official U. S. "observers" of the elections in South Vietnam, many persons (including some of the "observers") questioned whether such a delegation could accomplish anything. It was plain that we carried no authority in South Vietnam and we were not responsible for making any group determination about the fairness of the election. We were appointed in response to an invitation from the Government of Vietnam and we were free to observe whatever and wherever we desired. We were also informed in advance that we would be free to say or not to say whatever we chose individually after we returned to the United States.

Under these conditions I felt that I had a responsibility to accept President Johnson's invitation to be a member of the group. The ANPA officers concurred.

After appropriate briefings by U. S. and Vietnamese officials shortly after arrival in Saigon, we were assured that each observer could map his own itinerary and arrange interviews as he saw fit.

I talked to some Vietnamese newspaper editors who opposed the Thieu-Ky ticket. I also talked to Associated Press and United Press International bureau chiefs and to experienced reporters representing individual U. S. newspapers in Vietnam. Naturally, I found a variety of opinions about organization and conduct of the political campaign.

On election day I observed balloting at about 25 different polling places in the Mekong Delta. All were conducted in substantially the same man-

ner. Some problems arose about the supply of ballots in a few places but these were solved, apparently to the satisfaction of poll-watchers for various candidates. I talked during the day to about 35 poll-watchers for candidates opposing Thieu and Ky. None complained about fairness of the conduct of the balloting on election day.

Some Vietnamese newspaper editors told me that unfairness in the election had been established by procedures instituted long before we arrived, notably exclusion of certain candidates. However, some of these charges lost much conviction when I noticed that all who offered to "prove" that duplicate voting cards were being used gave out the same photostat. If there were indeed thousands of examples of duplicate voting cards, why did all the dissidents offer the same example as their "proof"?

The handling of the voting cards, ballots and other paraphernalia in the polling places was just as efficient as in some U. S. elections which I covered as a reporter 20 years ago.

My own impression of the election can be summarized this way:

1. The presence of 1,000 election observers from 24 countries undoubtedly served a useful purpose, since their very presence encouraged the Vietnamese people to participate in the election and discouraged over-zealous officials from engaging in the "tricks" which add up to election fraud.

2. The election itself was fair and honorably conducted by any standards we could reasonably expect in a country with a long history of authoritarian government now involved in a war of enormous complexity.

3. The existence of irregularities in various parts of the country could be expected in any election and certainly in one conducted under these conditions. That the election was not a "national fraud" was proved to my satisfaction. The Thieu-Ky military ticket received only one-third of the votes.

4. The fact that "peace candidate" Dzu (whose reputation is at least subject to question) came in second resulted primarily from his simplistic use of the "peace" theme without saying how he would accomplish this. It does not lead me to any conclusions whatever about continued willingness of the South Vietnamese to bear the sacrifices of war.

5. The greatest election victory was achieved

over the Viet Cong which plotted massive terrorism to keep people away from the polls. Actually, 83% of the registered voters cast ballots.

6. Lastly, monitoring the electoral process is a task that can be performed effectively only by the press. In Vietnam the press of the world representing all points of view is constantly present, and public opinion will be able to judge not only the electoral process but the conduct of the new Government of Vietnam in the days ahead. The ability of the Vietnamese press to carry out its function in this field is the subject of the last part of this report.

The State of the South Vietnamese Press

If freedom of the press is subject to rating on a scale, South Vietnam rates extremely low on the scale.

At the beginning of the political campaign, the Ky government lifted its long-standing rules of censorship under which page proofs of newspapers had to be submitted to the government for clearance. Great areas of white space often appeared on front pages of Saigon newspapers. The lifting of formal censorship was hailed as the advent of freedom of the press in South Vietnam.

It did not turn out that way.

Although the election campaign did produce many violent criticisms of the Ky government in opposition newspapers, the end of the political campaign brought retaliation which several opposition editors freely predicted in conversations with me.

The editor of the daily Thoi Dai tipped me off on election eve about the government-ordered suspension of two other dailies (Than Chung and Sang) and freely predicted that his newspaper would meet the same fate. I thought he was wrong, particularly when the Government in its "explanation" of its closing order bragged that other newspapers which had violently criticized the military candidates were "enjoying untrammelled freedom of expression with no restrictions of any kind."

However, on September 26 my editor acquaintance was proved right. His paper was suspended by the Government. The same fate had already befallen another paper, the Saigon Bao, on September 21.

The root of the trouble lies in the new constitution of South Vietnam which also offers the

only hope of any lasting liberty of speech and press in Vietnam.

The constitutional "guarantee" of freedom of speech and press is embodied in Article 12, as follows:

(1) The State recognizes freedom of thought, speech, press and publishing as long as it does not harm personal honor, national security or good morals.

(2) Censorship is abolished except for motion pictures and plays.

(3) Press regulations will be prescribed by law.

Aside from the fact that few Americans would accept the above language as any guarantee at all, it seems to offer a possibility if the new Government of Vietnam will make it a priority order of business to enact a suitable press law. Many other countries without a basic constitutional guarantee have in fact assured press freedom by the enactment of a strong press law. It can be done in Vietnam. It depends on the attitude of the new government.

The International Federation of Newspaper Publishers at its meeting in Tel Aviv in September accepted the applications of seven Vietnamese newspapers for associate membership. At the same time, the meeting adopted a resolution in which the F.I.E.J. —

... views with serious concern the continued suspension of some newspapers by government decree (in South Vietnam) and the forced closure of two newspapers on the night before the recent national election;

—therefore, this F.I.E.J. Congress offers its full encouragement to our newspaper colleagues in Vietnam to continue their legal struggle for true freedom of the press in Vietnam

—and urges the new government of South Vietnam to give high priority to the fulfillment of its constitutional responsibility to enact a press law which will make it impossible for any authoritarian government to control the press in any fashion.

If this is accomplished, the new Government in Vietnam has a chance to win the confidence of public opinion in many countries. If no suitable press law is enacted soon, the faith of the free

world in the new Government will be severely shaken.

Top U. S. Embassy personnel in Vietnam fully understand this problem which requires the utmost in tact and diplomacy in influencing the new Vietnamese government to move in the direction of greater freedom of speech and press.

Conclusion

A few general comments —

A visitor to Vietnam inevitably returns with a feeling of great admiration for the young Americans, military and civilian, who are carrying out enormously difficult and complex assignments. In addition to fighting in mud, monsoon and mountains, the military is carrying out a tremendous humanitarian effort now fully integrated with the U. S. civilian personnel in Vietnam.

Conversations with many enlisted men confirmed what many previous Vietnam visitors have said about the high state of morale. I assess the reasons as (1) a known rotation policy strictly followed, (2) confidence in their officers, NCO's and weapons, and (3) the massive troop information program to keep all personnel informed.

If some way could be found to establish two-way communication between these young Americans in Vietnam and their counterparts on college campuses today—it might go far toward reconciling divergent points of view. Future leadership of America will be found in both groups.

The greatest difficulty facing the press is in reporting daily developments in Vietnam to a public which lacks simple reference points. This war is unlike any previous war. It cannot be plotted each day on a map or chart.

Americans who contend it is impossible for them to understand what is happening in Vietnam are taking the easy way out. Newspapers and other media are reporting in volume and depth. The fact that some single broadcast documentary or newspaper analysis might be superficial or inaccurate is no indictment of the press and no excuse for ignorance.

There are none so blind as those who will not see.

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November 18, 1967

~~SECRET~~ PRESIDENTIAL STATEMENT

The Government of the United Kingdom today announced its decision to change the par value of the pound sterling from \$2.80 to \$2.40. I know this decision was made with great reluctance, and I understand the powerful reasons that made it necessary under the circumstances.

The nations of the Free World are united in their determination to keep the international monetary system strong.

The United States will continue to meet its international monetary responsibilities. I reaffirm unequivocally the commitment of the United States to buy and sell gold at the existing price of \$35 an ounce.

The British have worked hard over a number of years to correct their trade deficit. It has now become clear to the British authorities and the International Monetary Fund that the United Kingdom was faced with a fundamental imbalance which called for an adjustment in the exchange rate. This has now been carried out in accordance with the regular procedures of the International Monetary Fund.

I believe the United Kingdom will -- at the new parity -- achieve the needed improvement in its ability to compete in world markets. The attainment of equilibrium by the United Kingdom will be a healthy and constructive development in international financial markets.

INFORMATION

65

~~CONFIDENTIAL~~

Saturday, November 18, 1967
4:25 p.m.

Pres file

Mr. President:

Probably nothing in it -- but worth noting.

As we know, \$700 million plus in annual foreign aid for one country is serious business.

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

W. W. Rostow

Rome 2642

~~CONFIDENTIAL~~

WWRostow:rlm

N65a

CONFIDENTIAL

November 18, 1967

TEXT OF CABLE FROM ROME (2642)

SUBJECT: Soviet Position on Vietnam

25X1A

[redacted] (protect source), who was in Moscow for the Soviet anniversary celebrations, tells us that a journalist member of the Italian Communist delegation there told him he believed the Soviets were likely to change their stand on Vietnam within several months and take steps to bring an end to the conflict, supposedly because the Soviet aid burden was onerous. The communist told [redacted] that the PCI (Italian Communist Party) was concerned about the possibility, since the Vietnam war is a main element in their present campaigning.

A9

A9

25X1A

The only PCI journalist we know of who was in Moscow specially for the celebrations is Maurizio Ferrara, Director of "L'Unita", who presumably is well keyed in to PCI top leaders' thinking.

25X1A

We understand [redacted] that the Soviets have frequently impressed on visiting delegations how much they are doing for Hanoi. Whether such declarations are all that is behind the PCI journalist's statement, we do not know, but in any event it is interesting that the PCI is apparently worried about possibilities of Vietnam peace.

SANITIZED
Authority NLT 019-025-3-1
By [signature], NARA, Date 1-7-02

CONFIDENTIAL

W.W. Rostow
66
~~*1 copy*~~
2 Pres files

Saturday, November 18, 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Thai Message of Condolence on the Death of Former
Vice President Garner

Thai Prime Minister Thanom has offered condolences on the death of former Vice President Garner. He asked that these condolences be conveyed to the bereaved family. (TAB A)

State recommends that the enclosed reply be sent to the Prime Minister. The reference to his own bereavement reflects the fact that his mother died only last week. (TAB B)

Also attached is a suggested letter to Mr. Garner's surviving son conveying the message from Thai Prime Minister. (TAB C)

W. W. Rostow

Atts.

66a

November 18, 1967

Dear Mr. Prime Minister:

Your kind expression of sympathy on the passing away of our former Vice President John Nance Garner was especially touching to me coming at a time when you yourself have suffered a grievous bereavement. While we mourn his passing, we are comforted by our memories of his long and useful life and of the constancy of friends at home and overseas who remember him.

I have conveyed your message of condolence to Mr. Garner's surviving son.

Sincerely,

15/ Lyndon B Johnson

His Excellency
Field Marshal Thanom Kittikachorn
Prime Minister of Thailand
Bangkok

LBJ:WJJorden:pas 11/18/67

le6 b

November 18, 1967

Dear Mr. Garner:

The Prime Minister of Thailand, Field Marshal Thanom Kittikachorn, has asked me to forward to you the enclosed letter of condolence on the passing away of your father. I hope his expressions of sympathy for you on your bereavement will be of some comfort to you.

Sincerely,

LBJ
Lyndon B. Johnson

Mr. Tully Garner
409 North Park Street
Uvalde, Texas

LBJ:WJJorden:pas 11/18/67

6/2 c

I was deeply distressed to learn of the passing away of His Excellency Mr. John Nance Garner, former Vice President of the United States of America.

On behalf of His Majesty's Government and that of my own, I wish to express to Your Excellency and, through you, to the Government and people of the United States and the bereaved family our sincere condolences and deepest sympathy on the grievous loss sustained by them.

Field Marshal Thanom Kittikachorn
Prime Minister of Thailand

INFORMATION

67

~~CONFIDENTIAL~~

Saturday, November 18, 1967
4:20 p. m.

Mr. President:

As requested, herewith a situation report on third country troops and prospects.

Pres file

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 12-3-91

67a

~~SECRET~~

Number of Third Country Troops Now in Viet-Nam is approx. 60,000

Breakdown by Country:

Korea	48,800
Australia	6,300
New Zealand	376
Thailand	2,200
Philippines	2,100

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJ 74-479
 By cl, NARA, Date 4-5-95

Estimated Additional Troops:

- Australia 1,700 to arrive by end of '67 -- total 8,000
- New Zealand 170 to arrive late Nov or Dec 67 -- total 546
- Thailand Increased by a Division of volunteer troops; new div. is expected to consist of approx. 10,600. (However, a precise figure has never been announced by the Thai Government to the knowledge of Miss Hallquist.) Best guess is that the troops would not be ready for actual arrival in Viet-Nam before 3-6 months.
- Philippines There have been discussions of 2,000 combat engineers but this is most uncertain at the moment. (SECRET)
- Korea The current status on additional troops is in the hands of the Korean Government. While figures have been mentioned, they are most uncertain. The Korean Ministry of national defense has a study underway regarding what they can do and how much it will cost.

68

Saturday, November 18, 1967
2:40 p. m.

Pres file

Mr. President:

Attached is a draft Presidential statement on the British devaluation, prepared and approved by Sec. Fowler and his special group (Bill Martin, Okun, Tony Solomon, Bator and Fried).

The British will announce their move at 4:30 pm. Amb. Dean, you recall, asked for a statement from you. We would hope to issue it at 4:45 p. m. Prime Minister Wilson would like to refer to your statement when he speaks on this subject at 5:05 pm our time.

W. W. Rostow
Edward Fried

68a

November 18, 1967

DRAFT PRESIDENTIAL STATEMENT

The government of the United Kingdom today announced its decision to change the par value of the pound sterling from \$2.80 to \$2.40. I know this decision was made with great reluctance, and I understand the powerful reasons that made it necessary and desirable under the circumstances.

The nations of the Free World are united in their determination to keep the international monetary system strong.

The United States will continue to meet its international monetary responsibilities. I reaffirm unequivocally the commitment of the United States to buy and sell gold at the existing price of \$35 an ounce.

The British have worked hard over a number of years to correct their trade deficit. It has now become clear to the British authorities and the International Monetary Fund that the United Kingdom was faced with a "fundamental disequilibrium" which called for an adjustment in the exchange rate. This has now been carried out in accordance with the regular procedures of the International Monetary Fund.

I am confident the United Kingdom will --- at the new parity --- achieve the needed improvement in its ability to compete in world markets. The attainment of equilibrium by the United Kingdom will be a healthy and constructive development in international financial markets.

ACTION

69

~~SECRET~~

Free file

Saturday, November 18, 1967
12:30 p. m.

Mr. President:

Quite unsolicited, Max Taylor has written the attached memorandum to you after reading my summary of suggestions for action in the wake of the Advisory Group meeting of November 2 (also attached).

You may wish to go down the list and check the items -- if any -- on which you wish me to follow through.

My general impression is that we have made big strides in the directions indicated during the past week:

-- Above all, by your press conference with its projection of confidence, moderate progress, and a will to sustain the effort;

-- By the emergence of two fresh faces in the debate: Bunker and Westmoreland;

-- By Westy's vision of the beginning of a U. S. troop withdrawal within two years as the ARVN build up.

Nevertheless, evidently, the job is not done; and, if you agree with Gen. Taylor, I would be glad to try to make more happen.

W. W. Rostow

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

WWRostow:rla

~~SECRET~~

69a

THE WHITE HOUSE
WASHINGTON

November 17, 1967

~~CONFIDENTIAL~~

Mr. President:

In reading Walt Rostow's memo of record of the meeting in the Cabinet Room on November 2nd (Acheson, Dean, Lodge, Murphy, etc.), I am impressed by the unanimity of feeling that we must take far more vigorous action to stabilize public support for our policy in Vietnam. There were several specific suggestions advanced at that meeting, all of which seemed to me worthy of serious consideration.

So far as I know, there has been no follow-up on these suggestions and this is what occasions this memorandum. In spite of your great personal exertions, I do not see organized action taking shape to give you the kind of country-wide back-up support which I think you will need on a continuing basis. Someone needs to be put in charge of the formulation of a comprehensive plan and then of its implementation after your approval.

Such a plan would be for the purpose of informing and keeping informed important sectors of domestic and international public opinion with regard to the objectives of U.S. policy in Vietnam, the global significance of that policy, the progress being made toward its objectives, the possible alternatives to this policy and their pros and cons. The sectors serving as targets for this informational effort should include:

- a. The policy-makers of press, radio, T.V.
- b. Leading teachers, ministers, columnists, broadcasters.
- c. Political leaders and candidates of both parties.
- d. Business leaders.
- e. General U.S. public.
- f. Selected targets abroad.

The means used to address these targets could include a wide variety of devices such as the usual speeches, news conferences and T.V. appearances of U.S. officials; citizens committees in large cities supported from Washington by speakers and literature; White House briefings of big shots of the political, business and publicity media worlds; trips to Vietnam by senior citizens on the model of the Election Observer trip; visits to the United States by Asian leaders with a stake in the outcome in Vietnam; a government sponsored T.V. program to answer citizens' questions bearing on Vietnam; a Central Vietnam Information Center involving State, Defense, JCS, AID and USIS representatives to

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 86-166

By *ij*, NARA, Date 1-26-88

serve the working press in Washington; aggressive publicity by U.S. embassies abroad; special Presidential missions to international leaders whose support is sought for our Vietnam policy.

The practical question is (1) how to get such a plan put together and (2) then how to get it carried out effectively.

The plan could be drawn up by Walt Rostow and his assistants, by a sub-committee of the members of the November 2nd meeting, by a sub-committee of the Citizens Committee for Peace with Freedom in Vietnam (the Douglas Committee which includes former Presidents Truman and Eisenhower), by the Senior Interdepartmental Group (SIG), or by any individual you may wish to appoint. It could be implemented by a White House appointee with Presidential authority to call for help throughout government, by an executive director working under the SIG or by an executive director under the Citizens Committee. There are probably other alternatives which could be thought up.

Personally, I am not sure how is the best way to proceed at this juncture but I am sure that an effort needs to be organized in a way that will produce continuing results. If you are in general agreement with the thrust of this paper, I suggest that you ask Walt Rostow to start people and things moving in the general direction outlined above.

MDT
M. D. T.

69b

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

November 17, 1967

Mr. President:

In reading Walt Rostow's memo of record of the meeting in the Cabinet Room on November 2nd (Acheson, Dean, Lodge, Murphy, etc.), I am impressed by the unanimity of feeling that we must take far more vigorous action to stabilize public support for our policy in Vietnam. There were several specific suggestions advanced at that meeting, all of which seemed to me worthy of serious consideration.

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~~CONFIDENTIAL~~

DECLASSIFIED

Authority PL 86-166
By ajh/ajp, NARA, Date 12-3-91

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Personally, I am not sure how is the best way to proceed at this juncture but I am sure that an effort needs to be organized in a way that will produce continuing results. If you are in general agreement with the thrust of this paper, I suggest that you ask Walt Rostow to start people and things moving in the general direction outlined above.

MDT
M. D. T.

MR. PRESIDENT:

I did not take full notes in yesterday's advisory meeting; but I did try to list suggestions for action.

Here is my list.

Dean Acheson:

- organize citizen's committees in all cities over 100,000;
- get fresh faces to defend our Viet Nam policy.

McGeorge Bundy:

- cool attention to bombing: make it routine;
- reward in White House ceremonies those who have done great work in the provinces, military and civilians;
- assure that military men on advisory duty in pacification are promoted on same basis as those in combat;
- develop publicity that Vietnamese are doing more, and make sure they do;
- shift our stance on negotiations to one of not expecting negotiations until after November 1968;
- dramatize that we have already won a great strategic victory in Asia: lift people's eyes from Viet Nam to the whole scene;
- brief the key editors and communicators just as the group was briefed (Dick Helms has no objection to using Carver when it's off-the-record and no public attribution);
- let good news speak for itself: don't strain publicly to convince people progress is being made.

Douglas Dillon:

- spend time not on how we got into Viet Nam, but on position we're in and real choices we face;
- clarify what we are doing on the ground and in bombing;

DECLASSIFIED

Authority 7129 84-39

By ag/ks, NARA, Date 12-8-91

Nov. 3, 1967

Douglas Dillon (cont'd)

- develop sense of progress: sense of stalemate is what invites extreme doves and hawks; let events speak for themselves, but there are ways of getting good news out;
- have Bunker -- a fresh and trusted voice -- report to the nation;
- the President should brief top college presidents and deans as Advisory Group was briefed.

Arthur Dean:

- clarify our "get out of Viet Nam" position: if we're really going to get out, why spend all this blood and treasure?
- explain critical importance of Viet Nam to our Asia and Pacific positions: people don't understand implications for U. S. national interest of loss of Viet Nam;
- avoid another Panmunjom.

Cabot Lodge:

- an independent audit of the pace and success of the revamping and re-orientation of the ARVN;
- limit U. S. casualties by diminishing "search and destroy" operations, substituting a doctrine of "split up and keep off balance";
- encourage a "true revolution" in South Viet Nam by throwing our weight behind private cooperative institutions such as farmers' unions, marketing organizations, which would stimulate, agitate, and engage the people themselves and begin to push the French and Chinese middlemen to the wall. (WWR comment: the French and Chinese businessmen ought to be moving into light industry at this stage of Vietnamese development.)
- agreed with Acheson on a no-bombing versus DMZ deal;
- urged that Bunker and his views be given maximum exposure.

Robert Murphy:

- sharpen focus and action against small group of Hanoi villains: we have no target for hate in this, as opposed to other wars.

General Omar Bradley:

- talk less about negotiations: Hanoi takes it as a sign of weakness;
- use "Patience" as a slogan;

General Maxwell Taylor:

- questions close-in defense of DMZ;
- decide what we are prepared to offer the VC; that is a major gap in our policy and ought to be filled;
- bombing should not be traded against DMZ pressure but against level of VC incidents in the South: bombing is our equivalent of guerrilla warfare;
- organize nationwide, continuous campaign of speeches in support of policy;
- organize an hour TV program regularly: government replies to its citizens on Viet Nam, answering questions.

George Ball:

- stop bombing, except across the DMZ, to create climate for negotiation.

Abe Fortas:

- get George Carver to briefing on television. (Dean Acheson, Dick Helms, and others objected to using Carver in public.)

Nov. 3, 1967

Clark Clifford:

-- bring Thieu to the United States (Nick Katzenback^h implied we should make sure his political base in Saigon would be safe during such a tour).

W. W. R.

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THE WHITE HOUSE
WASHINGTON

~~SECRET~~

November 18, 1967

Pres file

Mr. President:

All I have to add to the attached SitRep are a few reflections on the US role in the crisis. We have applied a good deal of pressure to all parties, and I think this pressure has been an important factor in keeping the lid on. We have played a part in such things as the Turkish decision not to bomb the island, and Athens' recall orders to Grivas.

All parties are now so suspicious of each other that probably the most we can expect in the immediate future from continued pressure is to keep everyone from doing things to make the situation even worse.

W. R.

Att: Situation Report from CIA

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 98-274
By cb, NARA Date 8-26-99

70a

November 18, 1967

The situation remains highly volatile. Two firing incidents occurred in Nicosia today, and both the Turkish and Greek governments are preparing for possible overt military action. Both sides are in a state of high emotion, and there is some possibility that either one might launch a surprise attack on the other.

Nicosia radio charges that Turkish Cypriot terrorists carried out "serious provocations" in opening fire at two points on the Green Line in Nicosia this morning. Three Greeks were reported wounded in the exchanges, one of them seriously.

At least five Turkish F-84 fighter aircraft overflew Nicosia earlier today, apparently on reconnaissance missions. The Greek Cypriot radio claims Turkish planes have "violated Cyprus air space" five times so far today.

In Turkey, military preparations continue apace. The U.S. Defense attache reports there have been heavy troop movements toward the southern coast opposite Cyprus. One convoy was "at least five miles long". There also is increased military activity in the Ankara area. Anti-aircraft guns have been dispersed around the capital.

In Athens, the ruling junta is split over the question of whether preemptive action should be taken before Turkey attacks Greece, [REDACTED]

1.3(a)(4)

[REDACTED] In addition to Prime Minister Kollias, Army General Staff Chief Lt. Gen. Angelis, Interior Minister Brig. Pattakos, and Defense Minister Lt. Gen. Spandidakis are said to be pressing for some form of action against Turkey. Thus far, junta leader Papadopoulos reportedly is among those who oppose attacking Turkey at this time. Under discussion is a study which has been drawn up by the Greek military which concludes that, in as much as Greece cannot afford a long war, the situation "logically advocated a Greek surprise attack".

[REDACTED] the junta leadership is unanimously agreed that General Grivas overstepped his authority in precipitating the fighting that broke out at Ayios Theodoros on 15 November. All of the Greek leaders reportedly wanted Grivas removed from Cyprus, mainly because he does not obey orders.

1.3(a)(4)

SANITIZED
Authority NLT 019-025-3-3
By 9 NARA Date 1/7/02

APPROVED FOR RELEASE
MAR 1965

Grivas' present whereabouts as yet are unclear. A UPI report from Athens quotes "informed sources" as saying he arrived there at noon Athens' time and was whisked to an unknown destination. Earlier, however, Ambassador Belcher in Nicosia reported that Grivas did not leave on the morning plane and was expected instead to depart tomorrow.

It is now reasonably clear that the Turkish military have been given authority to act without further political consultation if they should decide the situation required it. Other reports that Turkey has issued an ultimatum to Greece, requiring that Greek government forces be removed from Cyprus, that General Grivas be recalled, and that reparations be paid for the attacks on the villages earlier this week, have not been confirmed. If such an ultimatum has been issued, the prospects for maintaining peace between Greece and Turkey are poor.

ACTION 71

Saturday, November 18, 1967

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Letter to Thai Prime Minister

Pres file

As you know, the Thai Government has announced its intention to send a full division to Viet-Nam. In view of your personal role in encouraging this increase, Ambassador Unger has suggested that a personal message from you to Prime Minister Thanom would be appropriate. I agree.

Suggested text, approved by State, is attached. We would leave it up to the Prime Minister to decide whether he wants to release the text or not.

W. W. Rostow

Att.

Text approved _____

Text revised _____

Disapproved _____

See me _____

DECLASSIFIED
 E.O. 12958, Sec. 3.4(b)
 White House Guidelines, Feb. 24, 1983
 By 124, NARA, Date 12-11-91

WWR:WJJ:pas 11/18/67

CONFIDENTIAL

7/a

DEPARTMENT OF STATE

Suggested Reply

Dear Mr. Prime Minister:

I have learned with great satisfaction of your Government's decision to send a division of Thai troops to Viet-Nam. In your letter to me of September 21, you noted that Thailand had never felt more conscious of its responsibilities for the maintenance of peace and stability in Southeast Asia. I congratulate you on your Government's present action, which demonstrates to the world how seriously Thailand regards its responsibilities. It also shows that Thailand recognizes the aggression against South Viet-Nam as a threat to Thailand and to the entire region of Southeast Asia.

I am aware of your concern over the threat to your security from Communist activities within your borders. As you know, we are continuing to seek ways to assist you in meeting this problem.

Sincerely,

Lyndon B. Johnson

His Excellency
Field Marshal Thanom Kittikachorn,
Prime Minister of Thailand,
Government House,
Bangkok.

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INFORMATION

Saturday,
November 18, 1967

CONFIDENTIAL

Per file

MEMO FOR THE PRESIDENT

Mr. President:

Attached is a Viet-Nam situation report. It describes the "action program" of the new Government headed by Prime Minister Loc. It looks thorough and thoughtful. Ambassador Bunker will be urging the Vietnamese to ~~move~~ forward on all these fronts.

move

W. W. Rostow

Att.

CONFIDENTIAL

DECLASSIFIED
E.O. 12958, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By RSJ, NARA, Date 12-4-91

WJ:pas:11/18/67

72a

~~CONFIDENTIAL~~

Viet-Nam Political Situation Report

November 18, 1967

Prime Minister Loc has announced his "Action Program". It represents an omnibus attack upon a wide range of social ills and governmental deficiencies. Analysis of South Viet-Nam's current problems is exceptionally candid and searching; in contrast, the proposed remedies and lines of action are generally moderate and cautiously stated. There is an emphasis upon austerity and service. The sole proposal for specific legislative action involves preparation of press and political party laws.

A greatly abridged summary of major program features follows:

- a) Foreign Affairs - improvement of information programs and diplomatic representation;
- b) Reconciliation - welcome and opportunities for exiles and Viet Cong; NVN is asked for "sympathy" and an end to violence;
- c) Military Affairs - tightened discipline (to end "bribery, favoritism, and abuse of power") and improved benefits for servicemen, veterans, and dependents, so as to "improve combat capability";
- d) Revolutionary Development - to occupy "first place among GVN activities", with increased RVNAF support;
- e) Agriculture - detailed programs include restoring 500,000 expired land leases, issuance of 110,500 titles to purchasers of expropriated lands; formation of cooperatives and pilot centers, emphasis upon augmented production, rural credit, etc.;
- f) Economic Affairs - within the context of "people's capitalism", a variety of measures to regularize supply, stabilize prices, and increase productivity includes encouragement of handicrafts and consumer industries and sale of stock in public enterprises;
- g) Labor - a pledge to rationalize manpower allocation is matched by promises of support for trade union growth

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12336, Sec. 3.4
NJ 94-480
By CG, NARA, Date 1-17-95

and worker training; man-operated vehicles (cyclos, etc.) are to be phased out and workers relocated in other jobs -- a politically sensitive item;

- h) Social Services - education is to be reorganized, diversified, and standardized; hospital beds are to be doubled and rural health programs pursued; refugees and ethnic minorities provided special opportunities.

Much of the speech deals with governmental reform, acknowledging past ineffectual performance with stark frankness. While the only promises of formal institutional change concern codification of laws and administrative practice and reorganization of the judiciary, the program calls for a revolutionary psychological reorientation of the GVN. Thus the GVN's "guiding principle" is to be public service, not "demagogic slogans" or cunning methods"; procedures are to be simplified and rationalized; maximum time limits will be set for every service rendered by a GVN agency; and discipline is to be tightened. The aim is to "eliminate opportunities for government officials and civil servants to cause trouble to the people".

The program also addresses two areas of current popular discontent over urban conditions and the erosion of social values. It deals with these by, first, proposing massive urban public services and programs, and, second, by restoring social discipline in the schools, over all youth, in cities, etc. The speech identifies the foreign presence as a threat to Vietnamese culture and society necessitated by the war.

In sum, the program is notable for its sober tone, if not for precision or specifics. It says the right things to calm domestic and foreign uneasiness about the character of the new Government and does not pre-empt the legislative prerogatives of the National Assembly. Perhaps its greatest usefulness lies in promising actions with which each respective criteria by which to measure governmental performance. However, a skeptical Vietnamese populace will undoubtedly wait to judge the government by its specific accomplishments rather than by its public statements.

ACTION 73

Saturday, November 18, 1967

from file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Death of Cantinflas' Father

Our Embassy in Mexico reports that Cantinflas' father died Thursday night.

You might want to send him a personal message of condolence along the following lines:

To: Mario Moreno
2402 Paseo de la Reforma
Mexico, D.F.

Dear Cantinflas:

I have just learned of the death of your father on Thursday night.

Lady Bird and I share your sorrow at his passing. Please extend our deepest sympathy to all the members of your family.

Sincerely,

Lyndon B. Johnson

W. W. Rostow

Approve _____

See me @ _____

WGBOWDLER

24

INFORMATION

SECRET

Saturday, November 18, 1967
7:50 a. m.

Pres file

Mr. President:

Herewith a hard-pressed Prime Minister thanks you for your response of yesterday.

We shall be getting up for you during the morning a draft statement whose release here should be timed to certain other actions and statements. Release time should come about 6:00 p. m. today.

W. W. Rostow

Message to the President from Prime Minister Wilson (time 11.45 GMT)

~~SECRET~~

WWRostow:rlm

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 25, NARA, Date 12-1-91

PMUK 441/18

74a

~~SECRET~~

RECEIVED
WHCA

IMMEDIATE

MESSAGE TO THE PRESIDENT FROM THE PRIME MINISTER

1967 NOV 18 11 52

TIME 11.45 G M T

PAT DEAN HAS TOLD ME OF THE CHARACTERISTICALLY OPEN-HEARTED WAY IN WHICH YOU RESPONDED TO MY MESSAGE AND TO THE ACCOUNT HE WAS ABLE TO GIVE YOU OF THE BACKGROUND TO IT. I JUST WANT TO SAY HOW GREATLY I APPRECIATE THIS. IT WILL BE A SOURCE OF STRENGTH TO ME OVER THE COMING DIFFICULT DAYS.

I HOPE WE CAN INDEED ARRANGE TO MEET SOON, THOUGH I FULLY REALISE YOUR MANY PRE-OCCUPATIONS AT PRESENT. OF COURSE I ENTIRELY AGREE WITH YOU THAT, IF WE CAN FIND A MUTUALLY CONVENIENT TIME, IT SHOULD BE ANNOUNCED AND TREATED AS A MEETING TO DISCUSS WORLD PROBLEMS AS A WHOLE.

MANY THANKS AGAIN AND BEST REGARDS.

HAROLD

NOVEMBER 18, 1967

MESSAGE ENDS.

DECLASSIFIED

Authority UK Guidelines

By pd, NARA, Date 5-14-98

QUESTIONS THAT MAY BE RAISED BY THE PRESS

General Westmoreland

11/18/67 75
drafted by
Wm Jorder

1. At the present rate, when do you estimate the war in Viet-Nam will end? One year? Two years? Five?
2. Isn't it true that the Viet Cong can today do pretty much what they have been able to do for a long time--cut any road, hit any airfield, bombard any U. S. or Vietnamese base? Can't they overrun practically any village in the country if they really want to? If so, how meaningful is the so-called "progress" we hear about?
3. Officials in Saigon have talked often about progress. But the press corps out there which is covering every aspect of the war just doesn't share this opinion. How do you account for this sharp difference?
4. Many reports from Vietnam describe the Vietnamese Army as poorly trained, poorly motivated, poorly led. This has been true for six years at least. Why have the Vietnamese made such slow progress in developing an effective fighting force if they really want to defend their country?
5. Isn't it true that many generals and other high officers in the Vietnamese forces are corrupt and have used their positions to build personal fortunes? How can we expect the ordinary soldier to fight well when he knows this perfectly well?
6. Is anything serious being done to eliminate corruption in the Vietnamese Army and Government?
7. If we thought that stopping the bombing of the North would probably result in negotiations, wouldn't it be worth the risk?
8. Isn't it true that sanctuaries north of the DMZ, in Laos, and in Cambodia have added to VC and North Vietnamese effectiveness? If so, why don't we do something about those sanctuaries? What would be the difference between hitting them and bombing the North?
9. If you could have twice as many men as you now have--and a free hand to do what you wanted--by how much would it shorten the war? Shouldn't we make such an all-out effort?
10. How much is bombing of the North doing to limit the effectiveness of the VC and NVA in the South?
11. If bombing of the North is useful, why don't we step it up? do more than we now are doing?

12. Shouldn't we lift some of the restrictions under which our pilots now operate in bombing the North?
13. Wouldn't it help the military effort if we mined or blockaded all major North Vietnamese ports? Why don't we do it?
14. Would you be in favor of closing the port of Haiphong by whatever means?
15. General Gavin was recently in Vietnam. Did he change his mind about using "enclaves"? Or did he change your mind?
16. What is the effect on our soldiers' morale when they read about anti-war demonstrations in this country? Are they really affected in any way?
17. There are reports of increasing friction between Vietnamese and American forces, that the Vietnamese are also getting tired of so much American advice? Is there any evidence of this? Are you doing anything to counter it?
18. It is reported that you have not this time asked for additional forces-- but that you want those already authorized to arrive sooner. Are you going to reach 525,000 sooner than originally planned?
19. Are any major changes going to be made in our actions as a result of your present consultations?
20. You have been quoted as saying we could begin to reduce the size of our forces in Vietnam in two years. Secretary McNamara made a similar forecast in 1963. Why do you think your estimate is better?
21. How long do you think it will take before we can withdraw all U.S. forces in Vietnam?
22. Don't most of our estimates of the Vietnamese Army come from American advisers who don't want to admit failure--who want you and other superiors to think they are doing a good job?
23. Isn't it true that despite heavy losses, despite repeated defeats, despite reports of morale problems and the like, that the size of the VC and North Vietnamese main force is about what it has been for the last year or two-- and that they fight just as hard and as skillfully?

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QUESTIONS THAT MAY BE RAISED BY THE PRESS

Ambassador Bunker

1. How long do you expect the war to last? Is there an end in sight -- or can we anticipate continued fighting for 5 or 10 years?
2. There has been some speculation that you, General Westmoreland and Bob Komer came home primarily to convince the American people that things are better in Viet-Nam -- that this was more important than talks with government officials. Is there any truth in that claim?
3. You have said we are making progress. But if the present rate of progress is maintained, when will the war end?
4. Many reports from Saigon indicate that progress in pacification is slow. Why is that? Don't we control only about one-third of the hamlets in Viet-Nam?
5. There is a strong impression here that the Vietnamese want the Americans to do most of the fighting -- that nothing gets done unless we do it. Why are the Vietnamese so slow and so lacking in purpose as far as helping themselves is concerned?
6. Isn't there widespread corruption in the Vietnamese Government and Army? How can the people be expected to make sacrifices when they know this?
7. Isn't anti-American feeling growing significantly among Vietnamese -- in Government and out?
8. Aren't many Vietnamese unhappy about having their country torn apart, bombed and fought over? Wouldn't they welcome a fast solution -- even if it meant making some concessions to the Liberation Front?
9. What would be our reaction if Saigon and Hanoi entered into private talks?
10. Why are the Vietnamese officials and government so little interested in land reform and other social and economic reforms? Isn't it true that the government -- including the new legislature -- is largely dominated by landlords?
11. Do you think that Viet Cong sanctuaries in Laos and Cambodia should be immune from attack? Wouldn't it shorten the war if we hit them?
12. General Gavin said recently that the United States was clearly planning to remain in Southeast Asia indefinitely. Is he right?

13. Isn't it true that we have given poor attention to the needs of refugees and of civilians wounded by military action? Why can't we do more for these people?
14. Would it not be worth the effort to put pressure on the British and others to stop all trade with North Viet-Nam? Why should our so-called allies be doing business with our enemy in time of war?
15. What is the effect on the morale of Americans in Viet-Nam of antiwar demonstrations here?
16. What effect do you think these demonstrations and other forms of opposition to our policy have on the men in Hanoi?
17. If there is a chance that a halt in bombing would produce negotiations with Hanoi, wouldn't it be worth a good deal of risk?
18. Have you discussed the possibility of a bombing halt with President Johnson?
19. There seems to be a good deal of friction and suspicion between President Thieu and Vice President Ky. Is there anything you can do to ease it? How serious is this?
20. There has been a good deal of talk about the recent elections for President. But how valid were they when men like General Minh and former Minister Au Truong Thanh were not even permitted to run?
21. Isn't it something of a disappointment to us that the new Vietnamese cabinet doesn't contain one leading opposition figure? We said we hoped it would be broadly based and represent a wide spectrum of Vietnamese politics and it clearly does not. Wasn't it a disappointment to the Vietnamese themselves?
22. Isn't there going to be a good deal of friction between the Government and the new Assembly? Can anything be done to get the Vietnamese to work better together?
23. Why won't the Vietnamese Government talk directly with the Liberation Front? Why wouldn't some kind of coalition government be a good solution?
24. Isn't it true that there are many non-Communist elements in the Liberation Front who might be willing to cooperate with the Saigon government under the right conditions? Are we encouraging this?

Presfile

Friday, November 17, 1967

Mr. President:

Attached, for your approval,
is a proposed birthday greeting to
Indian Prime Minister Gandhi.

She'll be 50 on Sunday.

W. W. Rostow

Approve _____
Disapprove _____
See Me _____

RPM:EKH:hg

77a

PROPOSED BIRTHDAY GREETING TO PRIME MINISTER
INDIRA GANDHI OF INDIA

Dear Madam Prime Minister:

Mrs. Johnson and I are pleased to extend our warmest wishes on your birthday. As leader of the world's largest democracy, you and your great nation are ever in the thoughts of all Americans.

India faces many difficult tasks. But there are, also heartening signs of new hope. All free men look forward to working with you and the people of India to build progress and prosperity in the years ahead.

With best personal regards,

Sincerely,

LBJ:RPM:hg

et
Pres file

Friday, November 17, 1967

Mr. President:

Attached, for your approval,
is a proposed birthday greeting to
President Tubman of Liberia.

W. W. Rostow

Approve _____

Disapprove _____

See Me _____

EKH:hg

78a

PROPOSED BIRTHDAY MESSAGE TO PRESIDENT TUBMAN
OF LIBERIA

Dear Mr. President:

I am pleased to join your many friends throughout the world in sending best wishes on the occasion of your birthday. It will be a day of joy and celebration not only in your beloved Liberia, but everywhere men cherish independence, perseverance, and dedication.

With warm personal regards.

Sincerely,

His Excellency
President William V. S. Tubman
The Executive Mansion
Monrovia, Liberia

LBJ:RPM:EKH:hg

Friday, November 17, 1967

Pres file

Mr. President:

Attached, for your approval, is a routine reply to a formal letter from Pakistani President Ayub. Ayub wrote you merely to name Pakistani's representative on a Special Mission preparing for UNCTAD II.

The prose of your reply is ordinary because we do not want to warm up this exchange to the point where the Pakistani representative will ask to see you personally-- we don't have yet much of a positive nature to offer at UNCTAD II. Ayub won't take amiss the formality of the message; it matches his. This is only a ritual dance carried on by our two foreign ministries. Ayub isn't likely to see your reply at all.

W. W. Rostow

Approved _____

Disapproved _____

See Me _____

RPM:hg

PROPOSED MESSAGE TO PRESIDENT AYUB OF PAKISTAN

Dear Mr. President:

Thank you for informing me that Mr. Syed Amjad Ali will represent Pakistan on the Special Ministerial Mission preparing for the Second Session of the United Nations Conference on Trade and Development.

The success of this Conference is the urgent business of every nation. The United States Government will be most pleased to consult with the Special Mission on the aims and problems of the developing countries.

With warmest personal regards,

Sincerely,

CONFIDENTIAL

Friday, November 17, 1967

MEMORANDUM FOR THE PRESIDENT

*1. Susp
2. Profile*

SUBJECT: Aid to Indonesia in 1968

In the attached, Messrs. Gaud, Schnittker, and Schultze recommend that you approve a U. S. pledge of one-third (up to \$110 million) of the aid provided to Indonesia in 1968 by the nine-nation consortium. (This is the same percentage share we are providing this year, although it only amounts to \$65 million in 1967.) The Vice President and Secretary Fowler have also reviewed and approved this recommendation.

Schultze's memorandum (Tab A) will give you a good summary of the proposed conditions and negotiating strategy. It boils down to this:

- If Suharto is to stay afloat, he must have about \$325 million in aid next year. (This number will be blessed by the World Bank and the IMF.)
- We won't get \$325 million unless we propose now to continue carrying our 1/3 share -- \$110 million. Even then, it will be tough.
- We can do most of our share, perhaps more than \$100 million, in PL 480 rice, cotton, cotton yarn, and wheat. Even if Indonesia can't absorb as much of these commodities as we hope, Bill Gaud promises he can make up any shortfall in 1968 and 1969 AID money.
- Thus, when the consortium meets at Amsterdam on Tuesday, we would propose to start the 1968 ball rolling by stating our willingness to contribute 1/3 of the overall aid requirement the Bank and Fund certify. This will put maximum pressure on the other donors -- and stimulate the Indonesians to keep the pressure on.

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Authority 71983-0.3
By sz/ies, NARA, Date 12-5-91

CONFIDENTIAL

CONFIDENTIAL

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-- If the other donors failed to raise their 2/3 of the total, we would come back to you for guidance.

I recommend you approve.

W. W. Rostow

Att.

Approve package _____

Disapprove _____

See Me _____

EKH:hg

CONFIDENTIAL

~~CONFIDENTIAL~~

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

NOV 15 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Aid to Indonesia in CY 1968

Bill Gaud and John Schnittker request your approval to make a pledge of U. S. assistance to Indonesia for CY 1968 at the upcoming meeting of the Inter-Governmental Group (IGG) in Amsterdam on November 21.

At the meeting the IGG will consider an Indonesian request for \$325 million in aid for CY 1968 - \$250 million for balance-of-payments support for the stabilization program and \$75 million for development projects. Gaud and Schnittker recommend that the U. S. delegation be prepared to support a total IGG figure up to \$325 million and that the U. S. indicate its willingness to provide one-third of this amount, \$110 million, if other nations match us by providing two-thirds of the requirement. Our pledge would be subject to the following additional conditions:

- . IMF-IBRD support of the \$325 million total requested by the Indonesians (it is likely that the IMF-IBRD will support this figure at the upcoming IGG meeting; however, if they support a lower figure we would endorse that instead).
- . Continued satisfactory performance by the Indonesians, as measured by the IMF-IBRD (their marks are high thus far).
- . The ability of the Indonesian economy to absorb P. L. 480 commodities (since a large portion of our pledge would have to come from this source).
- . The availability of funds from the Congress.

We would return to you if any of the above conditions changed.

The upcoming meeting is to discuss Indonesia's aid requirements. It is not technically a pledging session. Most pledges will be made at a subsequent meeting in February 1968. By indicating our willingness to pledge a one-third share of the total requirement early in the game, we hope to make it clear that other potential donors must do their share and that the Indonesians must mount a maximum effort to get them to do so. General Suharto has asked the Vice President and Ambassador Green for a CY 1968 U. S. contribution of \$150 million - to cover one-half of the stabilization requirement and one-third of project aid.

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Authority MLG 82-292

By ig/ica, NARA, Date 12-7-91

~~CONFIDENTIAL~~

As we now see it, a CY 1968 contribution of \$110 million would be met roughly as follows:

- . \$65 million from P. L. 480.
- . \$45 million from AID funds, roughly half from FY 1968 and half from FY 1969.

It may be difficult to meet the AID portion within realistic AID appropriation levels for FY 1968 and FY 1969. Assuming the P. L. 480 portion holds up - or can be made larger - we can accommodate a \$110 million level, given the high priority of this program. The difficulties on the AID side would increase substantially if we had to increase our contribution above \$110 million.

The Suharto government is firmly committed to policies that strip away inefficient government intervention in the economy and continues to be successful in stemming the runaway inflation that was a principal legacy of the Sukarno era. It is likely that inflation in CY 1967 will be held to 65 percent - a tenfold reduction from CY 1966. For the first time, the new aid furnished in CY 1968 will include an amount for high priority development projects that will help the Indonesians move toward economic development and away from a program of economic stabilization only.

Balance of payments

All funds made available under this commitment will be used to purchase goods and services in the United States. AID, in cooperation with Treasury, is attempting to work out with the Indonesians acceptable measures to assure additionality prior to obligation of funds under our CY 1968 commitments.

5-1-
Hitt

Recommendation

I believe the investment we are making in Indonesia's future is an important use of our aid. I recommend that you approve this negotiating posture.

Charles L. Schultz

Attachment

Approve _____

Disapprove _____

Charles L. Schultz
Director

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NOV 14 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U.S. Position at November 21 Inter-Governmental Group (IGG) Meeting on Indonesia

Indonesia has requested \$325 million in aid from the IGG for CY 1968. The IGG agreed that \$200 million represented Indonesia's stabilization needs for 1967. In fact, \$210 million was committed, of which the U.S. provided \$65 million. In 1968, the Indonesians intend to continue their fight against inflation, and in addition to begin rehabilitation of their nearly wrecked physical plant.

The November 21 meeting, in Amsterdam, will receive assessments from the IMF and the IBRD of Indonesia's need for and capacity to use the requested \$325 million, on the basis of which the IGG will attempt to establish a target for Indonesian aid for CY 1968.

The Amsterdam meeting will be a critical test of the multilateral approach to Indonesia's problems. Suharto's government has been remarkably successful in reducing a runaway inflation, but the austerity this has entailed, combined with recent sharp increases in vital rice prices (50% in the last month), have created a crisis of confidence in his ability to deliver a better standard of living than Sukarno. If the economists who have been responsible for the stabilization program fail to come away from Amsterdam with an internationally agreed upon target, this crisis will deepen, with unpredictable repercussions within Indonesia and on Indonesia's willingness to work with us in a multilateral framework.

We want to use the Amsterdam meeting to bolster Indonesian confidence and to maintain the momentum of the multilateral approach. We do not expect other countries to be in a position to make specific pledges -- that will probably come at a February meeting in conjunction with an IMF standby. The Japanese may be willing to do as much as one-third, but it is very unlikely that all other donors will provide the remaining third. However,

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to keep the pressure on others until the February pledging session, we want to limit ourselves to one-third at this time. We may have to increase this share when we see what others come up with; if this becomes necessary, we will seek a new authorization from you prior to the February meeting.

If the IGG endorses \$325 million, the minimum expected from us would be \$110 million (Suharto has asked the Vice President and Ambassador Green for \$150 million), which will be difficult to find, in view of our reduced A.I.D. budget and uncertainties surrounding Indonesia's requests for P.L. 480. But we believe we should make the maximum effort to meet Indonesia's legitimate needs.

The bulk of our aid can be provided through P.L. 480. Assuming several favorable breaks, the following P.L. 480 commodities which the GOI has requested could be made available during 1968.

200,000 Metric tons Rice	-	\$ 38.4 million
150,000 Bales Raw Cotton	-	22.0 million
150,000 Bales Cotton Yarn	-	40.0 million
25,000 Metric tons Bulgur	-	<u>3.0 million</u>

Total \$103.4 million

Edible vegetable oil, tallow and tobacco, which we believe the Indonesians may want but which they have not requested despite their knowledge of its availability, could total an additional \$5 million.

The GOI request for 300,000 bales equivalent of cotton is equal to the average level of their imports of cotton and cotton yarn over the past five years, much of it from Japan, Taiwan and Hong Kong. For Indonesia to meet all her needs from the U.S. would require import restrictions the GOI may be unwilling to impose; it will also require consultations with Japan and Taiwan. Furthermore, it is not clear that all of the cotton yarn could be used in 1968. The rice request, which would come from the fall 1968 crop, must compete with Vietnam's needs, but is possible if we have the bigger crop now proposed by USDA.

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LIMITED OFFICIAL USE

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Because of these uncertainties, we should not count at this time on more than about \$65 million in total P.L. 480 delivery contracts applicable to the U.S. share of the IGG stabilization/rehabilitation aid program for CY 1968.

On the assumption of an IGG endorsed \$325 million, with \$110 million from the U.S., \$65 million of which is met by P.L. 480, \$45 million would remain to be met by FY 1968 and 1969 A.I.D. Development Loan funds. This could be reduced somewhat if P.L. 480 exceeds \$65 million.

We have already obligated \$7.5 million of FY 68 A.I.D. funds to meet our 1967 pledge, and believe \$25 million more of FY 68 A.I.D. loans should be made available for Indonesia's CY 1968 requirements -- for a total of \$32.5 million. In our A.I.D. Congressional Presentation for FY 1968 we showed \$20 million for loans to Indonesia; in view of the deep Congressional cut, assigning \$32.5 million to Indonesia will entail sacrifice of our objectives elsewhere, but ones we believe must be made in view of the importance to the U.S. of meeting Indonesia's internationally endorsed needs. (If the House appropriation figure is not increased in the Senate, we may be unable to provide more than \$27.5 million.)

The remaining \$20 million -- reduced by any increase in P.L. 480 delivery contracts over \$65 million -- would have to come out of FY 1969 funds when they become available.

All funds will be spent in the U.S. and A.I.D. has agreed with the Treasury Department to attempt to work out measures with the GOI to assure that our DL does not substitute for commercial imports from the U.S. In view of the low level of commercial exports to Indonesia prior to resumption of A.I.D. lending, it may be that A.I.D.-financed imports are already "additional" and that more vigorous export promotion by U.S. firms would be more effective in increasing U.S. commercial exports than special "additionality" arrangements. Restrictions on the import list to force purchase of uncompetitive U.S. goods have been rejected by the GOI on the grounds that it would disrupt Indonesia's liberalized foreign exchange system, which is central to Suharto's efforts to free the economy from the bureaucratic and corrupt controls of the Sukarno era. A.I.D. is working with Treasury and the Commerce Department to see how greater interest in the Indonesian market can be awakened among U.S. firms.

In addition to inflation and rice scarcity, Indonesia has myriad problems, which are outlined in Tab A. In attacking these problems, we expect Indonesia will rely heavily on the advice of the IMF-IBRD, as it has this year in dealing with its budget, foreign exchange system and rehabilitation plans.

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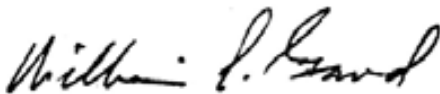
- 4 -

Recommendations: That within the above context, you authorize

- (1) The U.S. Delegation at Amsterdam to join in endorsing the \$325 million requested by Indonesia, if supported by the IMF-IBRD. If the IMF-IBRD supports a lower figure, we would endorse that.
- (2) The U.S. Delegation to state to other IGG participants that, subject to U.S. Congressional appropriations, rice availabilities and Indonesian market demand, the U.S. expects to be able to provide one-third of the agreed figure, the major portion of which would be P.L. 480, provided:
 - (a) Other donors make commitments satisfactory both as to amounts and terms.
 - (b) The IMF and IBRD continue to report satisfactory performance by Indonesia both in its stabilization program and in using aid effectively.

If this one-third share has to be increased after efforts to obtain the entire balance from others have been exhausted, we will seek your authorization before pledging a larger amount or share.

- (3) The U.S. Delegation to inform the Indonesians that 100,000 to 200,000 metric tons of rice, 150,000 bales of raw cotton, 150,000 bales equivalent of cotton yarn and 25,000 metric tons of bulgur, together with vegetable oil, tallow, tobacco, and possibly flour and cornmeal will be available during CY 1968, and that our ability to provide one-third of the IGG endorsed figure will depend on Indonesia's ability to use these commodities.



William S. Gaud
Administrator
Agency for International Development



John A. Schnittker
Under Secretary
U. S. Department of Agriculture

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INDONESIAN ECONOMIC PROBLEMS AND PROGRAMS

Indonesia is engaged in a conscientious effort to overcome the legacy of long years of Sukarno economic mismanagement. Among the consequences of this misrule were huge foreign exchange deficits, stagnation in the key export sectors, hyperinflation, serious deterioration of the nation's infrastructure, high unemployment levels, deterioration of skills and technology, and substantial waste of Indonesian resources on ill-considered military adventures and wasteful, uneconomic projects.

In September 1966, the GOI initiated the implementation of an IMF-endorsed stabilization program and rehabilitation program which has to date involved the following measures:

1. Indonesia has rejected the former bureaucratic domination of the economy in favor of reliance on the operation of market forces. Instead of the earlier "guided economy" with its ineffectual and frequently corrupt direct government intervention, the new Indonesian Government has now established a system in which market factors play a much more prominent role.
2. The Government has instituted a substantially balanced budget to succeed the grossly imbalanced budgets of the past which constituted the chief source of the galloping inflation. This reform has entailed major reduction in budgetary expenditures along with significant increases in revenues.
3. Stringent bank credit policies have been adopted which have sharply reduced the volume of money in circulation. The Indonesian Government is attempting to hold the rate of inflation in 1967 to approximately 65%, as compared with some 650% in 1966.
4. The Government has drastically reduced government budget subsidies to state enterprises. More realistic prices have been adopted for such key consumer items as rail passenger fares, electricity, and gasoline.
5. Improvement in Indonesia's foreign exchange earnings has taken place and further progress is being sought by means of selective credit, tariff and exchange measures. The Inter-Governmental Group on Indonesia has provided \$210 million to meet Indonesia's balance of payments gap during 1967. This assistance has been extended to tide Indonesia over this difficult period and to give it time to develop new sources of foreign exchange earnings and budget resources. Indonesia's foreign exchange requirements for 1968, for the first time under the Suharto government, will include provision for new economic development projects. These requirements will be examined by the IGG at next week's meeting.

6. Active steps have been taken to attract private foreign investment to speed the development of Indonesia's promising industrial and natural resources. These measures consist of a variety of incentives including an enlightened private Foreign Investment Law and an investment guaranty agreement with the U.S. Government.

7. The principal Free World creditor nations reached agreement at Paris in December 1966 to reschedule Indonesia's grossly excessive foreign debts. Principal and interest payments due from July 1, 1966 through December 31, 1967 on part of Indonesia's \$2.4 billion foreign debt (almost half of which was incurred to finance military equipment purchases from the USSR and other Communist countries for use in the confrontation with Malaysia) were rescheduled. A new rescheduling arrangement for principal and interest payments due in 1968 was agreed to in Paris in October 1967.

8. Having resumed membership in various international and regional organizations, Indonesia is now relying on the IMF, IBRD, ADB, and the UN to provide needed general economic policy advice as well as technical advisory services and sectoral studies. Indonesia is also expected to play an increasingly active role in regional cooperation activities.

9. The IBRD has been engaged in making a comprehensive survey of the economy, identifying priority fields of investment opportunity, and indicating where detailed feasibility studies are needed. The IBRD is expected to assist in the coordination of the economic development activities of the IGG countries.

10. BAPPENAS, Indonesia's National Planning Board, is in the process of reorganization and restaffing to help it formulate and direct more expeditiously Indonesia's economic rehabilitation efforts.

11. The Indonesian Government is prosecuting a number of programs (including rationalization of the price structure) to increase agricultural production both for domestic consumption and for export. In particular, the BIMAS project, a program initially supported by the U.S., designed to increase rice production, has proved quite successful and is now being expanded.

12. The Indonesian Government is informally supporting private programs in family planning which look toward stemming the prevailing rapid population growth. The U.S. Government, private organizations, and others will be assisting in this endeavor.

13. The Government of Indonesia has committed itself to the adoption of policies to combat corruption and smuggling.

INFORMATION

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~~SECRET~~

Friday, November 17, 1967
5:10 p.m.

Pres file

Mr. President:

This is not required reading.

But, if you have time, you might be interested in some follow-on questions we put to Maurer on his Hanoi trip, and his answers.

W. W. Rostow

Romania 718

~~SECRET~~

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By 29, NARA, Date 12-4-91

8/a

November 15, 1967

Bucharest, Romania, 718

To the Secretary from Ambassador Richard H. Davis

Prime Minister Maurer received me for 2 hours on the morning of November 15. Also present were Acting Foreign Minister Macovescu and an interpreter. Maurer had before him the handwritten paper containing questions I had handed Mascovescu on November 5.

Maurer read and answered questions seriatim.

Question: Did Hanoi ask for cessation of bombardment?

Answer: Yes and no. In explanation, Maurer went on to say that both in his talks with Hanoi and on other occasions, Hanoi has said that permanent and unconditional cessation of bombardment is necessary before talks can start. This is also the Rumanian viewpoint. He left Vietnam convinced that this was Hanoi's view. Hanoi more or less presented this view in the statement by their Foreign Minister in January 1966 although it was "more hazily" expressed in this statement and more linked with other things. Maurer continued that the objective of his discussions was that cessation of bombardment must lead to negotiations without interrupting armed actions in South Vietnam. Obviously, there existed the possibility of reaching a solution because essential points of the North Vietnamese position are based on the 1954 Geneva accords, just as the essential points of President Johnson's position are based on Geneva. Thus, there is a basis for discussions. Certainly there may be certain nuances how one side or the other understands provisions of the Geneva accords, but this is why talks should be held to bring all aspects to a common denominator.

Maurer said this justified his first assertion that the reply was "yes". "But why," Maurer asked, "did I also say "no"? Because during these discussions there was not one single moment when the people to whom we talked referred to this as their desire -- only a necessity resulting from respect for international norms, for sovereignty of North Vietnam and it was presented as a practical possibility to bring matters to discussion. Maurer concluded this is why his reply was made in such a "circumstantial manner, because I want my reply to be clear and definite."

~~SECRET~~

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

Question: Did Hanoi use the words permanently or unconditionally?

Answer: Yes. Maurer said the French word "definitivement" had been used for "permanent".

Question: Did Hanoi differentiate (as it has in the past) among contacts, talks and negotiations and which word did they use to describe the discussions that would take place after the stopping of the bombing?

Answer: Maurer replied this was not touched upon in Hanoi. He only touched upon subjects of discussions which would lead, if possible, to a cessation of war and settlement of the conflict in Vietnam. No differentiation was made between these words. The only reference was to discussions which would lead to a solution of conflict and "I did not notice any nuances" in the position of North Vietnam. The goal is political settlement based on essential points of the Vietnamese and, "as I understand it, President Johnson's viewpoint" that the right of the South Vietnamese people to determine freely and of their own accord their destiny must be recognized.

Question: Was it clear that the stopping of bombing would be followed by talks within a short time?

Answer: Maurer replied that there was a rather longer discussion on this point because North Vietnam's viewpoint was that a "certain lapse of time" should pass between cessation of bombardment and the start of discussions. He said, "We tried to show them that it was not quite necessary for this lapse of time. I should like to say in this regard that my impression is that at the end of our talks, North Vietnam adhered to their original viewpoint, i. e., a certain lapse of time should ensue. We talked quite a lot about this. Perhaps they have certain reasons better understood by them than by us."

Here Maurer said he would like to interject his own opinion. Should North Vietnam adhere to this position, nevertheless, cessation of bombing would constitute a start of friendly actions upon North Vietnam in order to make this interval as short as possible. "I think there would be many states, not only Rumania, and not only socialist countries, who would be ready to exert pressure by friendly advice on North Vietnam to follow cessation of bombing by something to shorten interval between this and the start of discussion." Maurer concluded that though this was personal reflections, he wished to emphasize that there were many socialist and other countries who could have a certain influence on North Vietnam.

Question: What indications were there of the matters that would be taken up at the talks?

Answer: "None. I avoided discussing such subjects and I continue to do so. I am not mandatory of either North Vietnam or the U. S. In doing what I did, I did not defend either the U. S. (which doesn't need it) or North Vietnam (though I wish to defend it): What made us go to Hanoi? Our friendly relations with Hanoi are quite obvious and our friendship grows greater so long as those events go on and on. So we decided to go to Hanoi to discuss these events as I described to you last time. We agreed we should meet from time to time to consult each other. Moreover, I had the advantage of talks with President Johnson and Secretary Rusk. I thought I noted something very positive in these discussions which led me to the following absurd conclusion."

Maurer continued, "Here are two people who are in 75 percent agreement and yet are fighting to the death on a question on which they are actually in agreement. I told myself when there is such a wide basis for discussion, it is better to think of Talus rather than rely on weapons to remove things which they are not yet in agreement upon. I presented the American position as described to me by President Johnson and Secretary Rusk and I showed this accorded essentially with the 1954 Geneva agreements, i. e., to insure for the South Vietnamese people the right to decide absolutely freely their destiny. I know the North Vietnamese stand was exactly the same and thought this provided a wide basis for discussions. Certainly there are nuances of difference -- the way Americans think South Vietnam should decide their own destiny and the way North Vietnam thinks. But discussions are really meant to clear up these nuances. Existence of such a wide basis for discussions entitles one to think more of a political solution than a military solution".

Continuing, Maurer said, "I argued with myself that 'certainly one can say the Americans are lying and would not actually act as they say'. I argued with myself: 'This may be so, though there is no reason to believe so. On the contrary, I may have reasons that are otherwise, i. e., to give credit to the leader of such a great state as the U. S.' But again, reasoning absurdly: 'Americans may have lied to me, but what is the best way to check whether it is true or untrue? This way is to begin discussions.'"

Question: What was Hanoi's reaction to Maurer's request that it "categorically" declare its readiness to begin talks after the stopping of the bombing? (Usual Democratic Republic of Vietnam formulation is that talk "could" follow bombing halt.)

Answer: Maurer replied that their discussions on this topic were rather long and they ended with a North Vietnamese statement that it seemed to them a "Rumanian point of view as presented was a logical one and they would think about it and how it could be practically implemented". Maurer also said they had not been so punctilious about certain words, but his idea as presented to Hanoi was that it should state clearly that if bombing ceases, then talks would start. "Since it and North Vietnam said 'your stand is a logical one', I can only understand that such a statement must be made from North Vietnam's own words. I did not think of formulation for such a declaration because of the nature of our discussions. Moreover, there was no evidence that North Vietnam had thought of formulation. We discussed certain ideas and the result is that North Vietnam understood the necessity of assertion of a clear stand in regard to negotiations."

Question: Is the expectation that fighting will continue in South Vietnam concurrently with negotiations Rumanian or North Vietnamese and, if North Vietnamese, what is the reasoning behind their expectation?

Answer: Maurer asserted he did not discuss reasoning for common acceptance of this expectation but remarked that North Vietnam's standpoint might have some different nuances as compared with his own. His own viewpoint is that while it is easy for the U.S. to mobilize or disband great military force in Vietnam, on the side of the North Vietnamese, this is completely different. They need more than 48 hours to mobilize or disband their forces. This was no secret. This was not the first time 'strategy' of popular war is being discussed. Maurer asserted that it was quite logical that military actions would be ended only when discussions created for both sides certainty of mutually acceptable conditions. "This is reason why I believe military actions and political discussions will continue in parallel."

Question: Is North Vietnam agreed with Rumania that the basic provisions of the 1954 Geneva Accords provided real basis for discussions? If so, can Maurer provide any specific indication of how the North Vietnamese view basic provisions?

Answer: Maurer stated that North Vietnam has always asserted that the 1954 Geneva Accords provide real basis for negotiations. This is something which constantly appears in statements issued by leaders of North Vietnam and the National Liberation Front. "Deliberately we did not discuss any subject which might be the subject of negotiations between the two sides. This is for the Vietnamese and Americans."

Question: What did Hanoi indicate as its conception of conditions under which South Vietnamese people could decide their own destiny?

Answer: Maurer said he did not ask, as he did not ask President Johnson, about U. S. conceptions. (Comment: Here for the first and last time he mentioned the name of North Vietnamese Prime Minister Phan Van Dong as a participant in talks.)

Question: What "special ties" between South Vietnam and the U. S. did North Vietnam see as possibly emerging as a result of talks ending conflict?

Answer: Maurer said that if South Vietnam decided to remain a separate state, this would mean it could establish not only diplomatic but economic, cultural, etc., ties with many states of its own choosing, including the U. S.

Question: What is the basis for Maurer's distinction between the North Vietnamese leaders who use their own brains and those who make judgments under Chinese influence? What underlies his judgment that Chinese influence on North Vietnam "from war viewpoint" is diminishing? What "elasticity" in the position of the U. S. Government does Maurer suggest would strengthen independent elements in North Vietnam?

Answer: Replying, Maurer said, "I am basing myself on 65 years' experience of life." He continued that there was complete unity of North Vietnamese leadership concerning securing for the South Vietnamese people the right to decide their own destiny, but he thought it logical there would be nuances in their way of thinking which would be determined by the fact that "some of them have wider liberty in their thinking while others have a more influenced pattern of thinking."

Here, Maurer paused and said he would like to say something very important, though he was aware of the risk in imparting to us his views: "My firm impression is that at present in North Vietnam there are men in the leadership holding the most responsible positions who enjoy great liberty in their thinking." At this juncture, Maurer, with a somewhat wry smile, remarked "What would Chou En Lai say if he knew what I told you? What would the North Vietnamese leadership say? What would happen to relations between Rumania, China, and North Vietnam if they knew?"

As regards what underlies Maurer's judgment that Chinese influence on North Vietnam "from war viewpoint" is diminishing, Maurer said he would prefer not to answer; there was great risk for Rumanian Government policy here and exclaimed "Think what would happen if China or North Vietnam knew I admitted this affirmation. But I said this and I stick to it. Why did I tell you this?"

Because I think this is a 'commanding' thing on the part of he who wishes to obtain certain results. For this reason I said it was logical that the U. S. should heed this fact; that policy should be flexible enough in order to allow free thinking people to develop willingness to adhere to such ways of thinking."

To the question of what "elasticity" in the position of the U. S. Government does Maurer suggest would strengthen independent elements in North Vietnam, Maurer replied that cessation of bombing is cried out everywhere. It would constitute an act of great political wisdom. Maurer said also he was not taking the liberty of trying to give lessons to leaders of the U. S., but he thought it was good to say what he had told us frankly and openly. He believed leaders of the U. S. have wisdom and insight to see what in his thinking might contribute to peace and interests of the U. S. itself.

Question: What further information can Maurer provide as to North Vietnam's views on reunification of Vietnam?

Answer: Maurer simply replied he had nothing to add to what he had already said on this subject.

Question: To what extent did North Vietnam leaders authorize Maurer to give report to the U. S. Government?

Answer: "Absolutely none", Maurer replied. "It was my own exclusive responsibility." Maurer then explained at some length why he had done this. Essentially, because he believed there exist conditions which can lead to political solution. Existence of conflict, troubles, many important things in which Rumania is interested. Especially after New York and Washington discussions, Maurer was confident the U. S. Government was interested in a solution.

He went to Hanoi to explain that a common basis existed for discussions to end hostilities. He was far from thinking in Hanoi that he would inform the U. S. Government of his discussions there, but in the end and upon further reflection, he thought it important to move this unhappy situation toward a more reasonable solution. He was not pushed by North Vietnam but acted solely on his own initiative. It might be that North Vietnam would reproach him greatly for this, but objectively, he believes a reasonable solution is near.

Maurer stated that subsequent to his visit in Hanoi, the Rumanian Government has not received any indication of Hanoi's reaction to the President's September 29 San Antonio formulation. In answer to my question, he stated flatly that Rumanians had not participated in discussions on Vietnam during their recent visit to Moscow.

Maurer wished to thank the President for the information given him. As regards figure of 50,000 regular soldiers of the North Vietnamese Army in South Vietnam, he remarked somewhat humorously that he appreciated objectivity of this information and now at least he knows they were ten times less in numbers than Americans in South Vietnam. He added that perhaps there are some North Vietnamese regular troops, maybe 50,000, 150,000, or over.

At the conclusion, Maurer spoke again at some length about the risk taken in imparting this information to the U. S. Government. With particular reference to the forthcoming Harriman talks, he said if conversations were not in complete sincerity, then their value would be diminished. He conceded that these conversations could be publicly defended but nevertheless, there was a risk that they could be used against Rumania. He was not concerned particularly with his own personal standing.

Note: I did not pose the query of what further role Maurer anticipates for Rumania as I thought this might best be discussed during Harriman visit.

~~SECRET~~

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

82

Pres file

Friday, November 17, 1967 -- 5:10 p. m.

Mr. President:

Herewith Sec. Rusk's recommendation -- about which I talked with him on the phone -- that the Alsop material be included in a Bill Bundy speech on negotiations.

He fears that surfacing the material alone would indicate we are drawing back from negotiations.

The Bill Bundy idea is quite good; but Joe will be sore as a boil if we do it that way. Joe does recognize, however, that you can't say anything about these documents until there is negotiating talk -- say, at Christmas.

Therefore, I recommend that Bundy do a speech; and at some appropriate time you say:

- We want a negotiated peace;
- But we should not be naive and be aware of Communist attitudes towards negotiations -- referring to documents;
- And, above all, we should not confuse negotiations themselves with peace.

W. W. Rostow

WWRostow:rln

~~SECRET~~

826



DEPARTMENT OF STATE

Washington, D.C. 20520

~~SECRET~~
S/S 19322

November 16, 1967

MEMORANDUM FOR MR. WALT W. ROSTOW ←
THE WHITE HOUSE

SUBJECT: Secretary Rusk's Views on Joe Alsop's
Proposal for a Presidential Statement
Based on Captured Documents Outlining
Hanoi's Tough Negotiating Position

Your note of November 9 informed Secretary Rusk that the President wished his views on Joe Alsop's proposal for a Presidential statement based on captured documents outlining Hanoi's tough negotiating position.

The Secretary concurs with Mr. Alsop's objective of bringing home to the American people what a really tough and dedicated bunch the leaders in Hanoi are, and particularly their comments on "fighting while negotiating."

But the Secretary does not believe that a statement on the proposed lines should be made by the President, since this kind of statement would be interpreted as a harsh and negative position on our part and newspaper comment would be apt to emphasize that we have rejected a bombing pause under any circumstances. Instead, the Secretary believes that an Administration official, possibly Bill Bundy, should give a considerably longer speech in the near future on the whole negotiating history. We now have the documents and other materials to say a lot more than we have yet said about Hanoi's attitude at different stages. We need basic material of this sort for wide use, including the activities of the Douglas/Bradley Committee. While the record is largely there for anyone who digs for it, the fact is that it is not pulled together in any one place and that the captured documents in particular have not registered.

~~SECRET~~

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

SECRET

-2-

A fair review of the record going back to the beginning of our negotiating efforts would go far to clear the air and put the DRV views as reflected in the captured documents into wider focus while avoiding some of the negative interpretation that might be drawn from the shorter kind of statement Alsop has drafted.

BHR

Benjamin H. Read
Executive Secretary

For the President to emphasize the captured documents would be interpreted by many a pretext for pulling away from our own position on negotiations.

BHR

SECRET

ACTION

83

Friday, November 17, 1967
4:50 p. m.

1 copy
2 Prentice

Mr. President:

The Congressional demand for the Vietnam statistics is lively.

This is the draft memorandum I would propose to distribute with each copy, if you approve.

W. W. Rostow

Approve _____
Disapprove _____
See me _____

WWRostow:rln

83a

MEMORANDUM

These statistics were compiled at the headquarters of Military Assistance Command Viet-nam (MACV), *in Saigon*

They represent the best data available to our field commanders on the movement of the war in Viet-nam in the period from the third quarter of 1965, when substantial U.S. forces were committed to Viet-nam, to the third quarter of 1967.

They formed part of the briefing given the President by Ambassador Bunker and General Westmoreland in November, 1967.

They emphasized--and it is important to note--that these working estimates are only part of the data on which their judgments are formed.

The evidence of progress these statistics demonstrate are confirmed by captured documents, prisoner interrogations, estimates of field commanders, and from other sources.

W. W. Rostow

Friday, November 17, 1967 -- 4:40 p.m.

Mr. President:

Pres. file

I called Mr. Frank Carr, head of NBC radio here in Washington, yesterday. I told him the facts. I made no accusation; but I did point out this is a sensitive issue and that the South Vietnamese were unfairly being accused of not taking their share of casualties.

He said he would look into it and call me back.

Today, November 17, Bill Monroe, Carr's boss, called me back. He had looked into it and found that the South Vietnamese casualties had been given at the 8:00 a.m. news as well as on the TODAY show.

I took the occasion to explain to him that as thoughtful and dispassionately an observer as Ellsworth Bunker felt the South Vietnamese were being given a raw deal in terms of both the burden of the war they are bearing and in improvement in the ARVN.

Monroe invited me around to talk to the NBC people here in town. Inaccepted.

W. W. Rostow

WWRostow:rln

INFORMATION

85

Friday, November 17, 1967
3:15 p.m.

Pres file

Mr. President:

This material from Leonard
Marks will interest you.

Unless instructed to the contrary,
I shall give it to Bill White this afternoon.

W. W. Rostow

WWRostow:rln



UNITED STATES INFORMATION AGENCY
WASHINGTON

DIRECTOR

November 16, 1967

MEMORANDUM FOR: The Honorable
Walt Rostow
The White House

On occasions spokesmen supporting Administration policy in Viet-Nam have referred to the encouragement given Hanoi by those protesting U.S. policy.

The enclosed memorandum contains quotations from North Viet-Nam newspapers, the Viet-Nam News Agency and other sources supporting the position that the dissent within the U.S. has given encouragement to Hanoi.

The comment of the London Daily Telegraph to this effect follows:

"Unfortunately, what they are doing is to harden the North Vietnamese Government in its refusal to negotiate.... Hanoi's latest hope is that civilian morale in America will crack under a small dent in affluent living and the irksome realities of responsibility, before the morale of hunted, starving, outnumbered, battered and decimated Viet Cong and North Vietnamese.

"The sooner Ho realizes that he cannot win on American campuses and boulevards the war he is losing in Viet-Nam, the sooner he will come to the conference table."

Leonard H. Marks

November 12, 1967

WAR PROTESTS IN U.S. ENCOURAGE HANOI
TO REJECT PEACE-TALK PROPOSALS

Hanoi's officially controlled press and radio have made it clear that North Viet-Nam's Communist regime welcomes and places high value on U.S. anti-war protests and demonstrations. They welcome the demonstrators not as fellow seekers of peace but more as American allies of the Viet Cong, encouraging them to persist in "their just struggle" for "complete victory."

Immediately after the big anti-war demonstration at the Pentagon, Hanoi poured out a stream of press and radio commentaries to exploit the occasion. In fact, Hanoi media reacted far more promptly and fully than those in any other part of the world.

Hanoi's official Communist Party paper, Nhan Dan, on October 22, the day after the Pentagon demonstration, ran a long, lurid account of the event and its significance. The editorial concluded:

"The Vietnamese people highly value the American people's movement and regard it as a valuable support to their fight against U.S. aggression.... In the end, it will completely defeat the U.S. aggressive war in Viet-Nam."

In the same vein, the Viet-Nam News Agency declared:

"The Vietnamese people as a whole are determined to persist in their protracted and hard patriotic war and firmly believe that they will win complete victory.... They thank their friends in America who support their just struggle."

Hanoi Hails Support in U.S.

Hanoi radio hailed and enlarged upon the protest movement in the U.S. in another broadcast which said "the Vietnamese people... highly appreciate the American people's movement to end the Johnson war in Viet-Nam."

"The self-immolations by a number of American citizens, the burning of draft cards by American youths, the war

protest by GI's in South Viet-Nam, the strikes by American workers who refuse to produce weapons for the Viet-Nam war, the black uprising combined with the fight for peace in Viet-Nam -- all these are diversified forms of the American people's resolute struggle against the U.S. war escalation."

Calls for More Vigorous Action

Hanoi's clandestine "liberation radio" on October 22 interpreted the demonstrations as "your sympathy for our struggle" and expressed hope for more vigorous action.

"We hope that you will act more vigorously so that your voice in defending justice, human dignity, and democracy in the U.S. will be strong enough to force the warmongers in the Pentagon and the White House to put an end to their cruel and dirty war in our country."

London: "Hanoi's Latest Hope"

Commentators in many other countries believed that anti-war demonstrations would simply "harden" Hanoi's refusal to negotiate.

London's Daily Telegraph said:

"Unfortunately, what they are doing is to harden the North Vietnamese Government in its refusal to negotiate.... Hanoi's latest hope is that civilian morale in America will crack under a small dent in affluent living and the irksome realities of responsibility, before the morale of hunted, starving, outnumbered, battered and decimated Viet Cong and North Vietnamese.

"The sooner Ho realizes that he cannot win on American campuses and boulevards the war he is losing in Viet-Nam, the sooner he will come to the conference table."

Paris: "Disservice to Their Own Cause"

Paris' conservative Figaro declared:

"Doing a disservice to the cause they wished to serve, the demonstrators at the Pentagon have actually started an anti-pacifist movement."

Financial Les Echos of Paris said:

"Foreign adversaries of U.S. Viet-Nam policy are gambling that the U.S. domestic front will crumble.... Indeed, they are not entirely wrong."

In Germany, independent Stuttgarter Zeitung said the "worldwide" demonstrations "have prolonged the war.... Ho will feel encouraged to continue the war."

Switzerland's center-oriented Der Bund said the demonstrations were "calculated to revive illusions in Hanoi of an imminent collapse of the American war effort."

In Tehran, influential Ettela'at said:

"The Communists are taking the demonstrations in Europe and the U.S. as a good omen. They hopefully believe that demonstrations in the U.S. are indications of the American people's dissatisfaction with the way the war is being conducted in Viet-Nam and their weariness with the great burden war is imposing upon them."

Seoul: "Aiding Our Adversaries"

South Korea's Joongang Ilbo declared that one of the great advantages of an open and democratic society was that anyone could express his free will. However, as far as the Viet-Nam war was concerned, it said:

"The misuse of this advantage is leading the Communists to a dangerous miscalculation and is aiding our adversaries. In this respect we deeply regret these demonstrations and even feel pity for the demonstrators' ignorance of what Communism really means."

In Hong Kong, the South China Morning Post advised:

"North Viet-Nam would be wise not to place too much confidence in anti-war demonstrations in the U.S."

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Friday, November 17, 1967
1:20 p. m.

~~SECRET~~/SENSITIVE

MEMORANDUM FOR MARVIN WATSON

There is a strong possibility the UK will announce devaluation of the pound. We should know within an hour or so.

If the UK does devalue, Secretary Fowler would like to meet with the President to outline the situation and what we plan to do. He wants Bill Martin along with John Petty of his staff, Fried and myself.*

Could you arrange an appointment at 4:00 p. m. today on the basis of this contingency.

*I suggest Okun and Tony Solomon should also be there.

W. W. Rostow

ERF:mst

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

~~SECRET~~/SENSITIVE

INFORMATION

~~TOP SECRET~~

Tuesday, November 21, 1967
12:15 p. m.

Mr. President:

Dick Helms wants you to know
of the existence of this Soviet
"Monster": half bird, half fish --
function unknown.

W. W. Rostow

~~TOP SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-481
By lip, NARA, Date 1-24-96

WWRostow:rln

INFORMATION

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~~TOP SECRET-SENSITIVE~~

Friday, November 17, 1967
8:30 a. m.

Pres file

Mr. President:

Herewith Nick Katzenbach sets down his personal view on an appropriate strategy for Vietnam.

W. W. Rostow

~~TOP SECRET~~

WWRostow:rln

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

88a

THE UNDER SECRETARY OF STATE
WASHINGTON

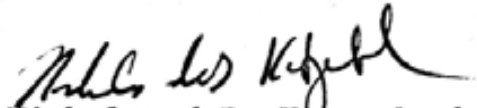
November 16, 1967

Dear Mr. President:

The enclosed memorandum on Viet-Nam represents my personal views which may not be shared by you or by my colleagues in the Administration. For this reason I am sending it directly to you for your consideration.

Only Secretary Rusk, with whom I have not discussed this memorandum, has a copy.

Respectfully,


Nicholas deB. Katzenbach

Enclosure.

The President
The White House.

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THE UNDER SECRETARY OF STATE
WASHINGTON

November 16, 1967

~~TOP SECRET~~
SENSITIVE

MEMORANDUM FOR THE PRESIDENT

Subject: Viet-Nam

Since you are now in the process of reviewing the situation in Viet-Nam, I want to take this opportunity to express my personal views.

I.

Until we can build the GVN as a government and as a fighting force to the point where it can, with moderate levels of outside assistance, both sustain itself and deal adequately with DRV-supported insurrection and terror, we must base our strategy on six fundamental premises:

1. The war is being actively fought on two fronts: One, in Viet-Nam with our military and civilian efforts; the other, in the United States with our efforts to maintain whatever level of popular and Congressional support is necessary to continue our efforts.

2. Hanoi's strategy is based on winning the war in the United States, not in Viet-Nam where our military might obviously forecloses that possibility.

The DRV strategy should not be analyzed in terms of phase 1, phase 2 warfare. Hanoi uses time the way the Russians used terrain before Napoleon's advance on Moscow, always retreating, losing every battle, but eventually creating conditions in which the enemy can no longer function. For Napoleon it was his long supply lines and the

~~TOP SECRET-SENSITIVE~~

DECLASSIFIED
Authority 71 LG 85-317
By ps/rap, NARA, Date 12-5-91

~~TOP SECRET-SENSITIVE~~

-2-

cold Russian winter; Hanoi hopes that for us it will be the mounting dissension, impatience, and frustration caused by a protracted war without fronts or other visible signs of success; a growing need to choose between guns and butter; and an increasing American repugnance at finding, for the first time, their own country cast as "the heavy" with massive fire power brought to bear against a "small Asian nation".

3. The war can be lost in the United States. There is considerable justification for Hanoi's belief that public and Congressional opinion will not permit the United States to keep meeting immense costs in men, money, and--above all--severe internal divisions for many more months without an end visibly in sight.

4. The military requirements of Hanoi's strategy are minimal and well within the DRV's capabilities. Even if it never wins a battle, the DRV can create the conditions of growing dissension in the United States merely by denying us crucial victories, inflicting (as well as taking) sizeable casualties and requiring us to maintain a large and expensive force in Viet-Nam. Unless we undertake a full-scale and unlimited war on the North--and almost certainly, even then--this will continue to be well within the DRV's capacities for years to come.

5. Hanoi will continue to fight, so long as it continues to believe it will win the South; and it will continue to believe it will win the South so long as dissension flourishes and grows in the United States. The additional costs we can still impose on North Viet-Nam without invading the DRV weigh far less in Hanoi's scales than the value of continuing a fight which they believe we will be prepared to abandon relatively soon. Unless and until they are persuaded that we are not going to abandon Viet-Nam, they thus have little incentive for negotiation.

~~TOP SECRET-SENSITIVE~~

6. While the position of the DRV/VC in the field may be weakened by increasing our commitment of men and money to the war and/or reducing our self-imposed restrictions as to how and where we fight, this result is by no means certain. What is certain is that these actions at the same time increase the level of dissent at home and thus bolster the sole basis for Hanoi's hopes.

These actions directly aggravate the four major grounds of domestic oppositions to the war in Viet-Nam.

Our critics think that:

a. We have set ourselves an objective which, despite immense costs, we have not achieved after several years of effort and which we cannot prove we are in the process of achieving. Many see no "light at the end of the tunnel". To some this means principally that our resources are being deflected from urgent domestic purposes. To others there is added the frustration of realizing that the immense power of the United States is unable to cope quickly and cleanly with an undesirable situation in a small, underdeveloped country.

b. There is a widely-held feeling that the GVN is not bearing its share of the responsibility and burden of the war. To this is added a feeling that the government does not deserve our support because of corruption or other reasons.

c. This idealistic country is, for perhaps the first time, cast in the role of "the heavy" in Viet-Nam. In part, this is traceable to the disparity in the size of the opponents and traditional sympathy for the underdog; in part, to what is viewed as an indiscriminate use of fire power in both South and North Viet-Nam and a popular view that we are indifferent to the welfare of the people of South Viet-Nam; and in part, to measuring success in body counts.

d. Finally, there is the fear, often unjustified, of expansion of the war in such a way as to invite Chinese or Soviet intervention.

II.

You have two broad strategic options before you.

1. You can increase the commitment of men and money and reduce the restrictions on how and where we fight in an effort to score a quick "knock-out" of enemy forces in Viet-Nam before dissent at home--which will be greatly increased by these actions--becomes overwhelming.

or

2. You can concentrate on adjusting the United States to a longer pull by gradually attacking the sources of at least much of the growing opposition to the war.

I do not underrate the difficulty of the latter strategy; nevertheless, I think it is the obvious choice for a single reason. The first strategy may let off steam, but it won't accomplish results. It will reinforce dissent--and thus Hanoi's hopes and determination--without destroying Hanoi's ability to continue the war.

By increasing the size of this war, in any one of a number of ways, we can pursue a strategy based on the assumption that Hanoi's forces in the South can be destroyed, and that Hanoi's will to continue the struggle will also end in a reasonable period of time. We should only follow this strategy if we believe that we can destroy the enemy's military forces, eliminate its infrastructure and destroy its will to persist well before American public opinion decides to wash its hands of the whole Viet-Nam problem.

If we believe this, if we believe that we do have this capability, then it would be logical to grant General Westmoreland a virtual carte blanche, authorizing an extension of the war into North Viet-Nam, Laos and Cambodia, remove all target restrictions in the North, make an all-out effort to increase other free world commitments in Viet-Nam, send US troops into the Mekong Delta in a major campaign, etc. (The only limitations would be those forced by international considerations, the danger of directly involving China or Russia.)

In effect, most of this General Westmoreland wants to do. He has been given an extremely difficult mission, and naturally seeks every possible military means with which to carry it out. If I were in his shoes I would do the same thing.

But General Westmoreland is careful not to predict how long the war will last at its present levels. After four years in Viet-Nam he is well aware of the tremendous resilience of the enemy, of their ability to absorb defeat after punishing defeat and still regroup and come back for more. My recollection is that at one of our Non-Group meetings Bus Wheeler, after outlining the dimension of the defeats the North Vietnamese are now suffering in the highlands, said that he thought the North Vietnamese would continue to commit their home army slowly over the next year in order to maintain a continuing military main force presence in South Viet-Nam--a view sharply at variance with the Alsop "end-of-the-main-force" war theory and hardly encouraging in its implications to any hopes for an early end to the war.

In short, the rub is that we can't in this way destroy the continuing capacity of the DRV/VC to inflict heavy casualties and to tie down large numbers of American troops so long as there is a sanctuary in North Viet-Nam, a reserve

of 400,000 troops, and a willingness of Communist allies to provide material support. And, if we cannot destroy the DRV's capacity to continue fighting, it will be our democratic will to fight on--not Hanoi's dictatorial will--that will suffer the harder blow. We will pay the costs of combining frustrated expectations of quick victory with heavy US losses both in men and in political support at home and abroad. Hanoi will at least enjoy the rewards of increased US dissent. Only from Hanoi's point of view is there much to recommend a strategy that promises greatly to increase dissension, impatience, and frustration within the United States without greatly reducing the capacity of the DRV to continue fighting.

III.

The alternative is to pursue a strategy whose principal purpose is to restore the center position here in the United States. If we cannot destroy North Viet-Nam's capacity to fight on without assuming unacceptable burdens and risks and if North Viet-Nam's will to fight on will continue as long as domestic dissent grow--then surely the focus of our attention should be on the front at home. Only in this way can we eliminate the basis for Hanoi's hope that we will abandon Viet-Nam before the GVN is able to withstand Communist pressures on its own.

The time is right for such a "shifting of gears". We have made progress in South Viet-Nam. We could easily maintain it now that we have arrived at a new stage of the war--just as we arrived at a new stage of the war in the spring of 1965. We can now take advantage of what we have accomplished to exercise policy options not previously available to us. How we choose--and what we say about it--will mean a difference both in Viet-Nam and in the United States.

Five steps are required to carry out this strategy for strengthening the center at home. Not one of them represents a radical innovation.

1. We must restate our objective in Viet-Nam with greater precision. Our objective should be:

a. 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 be a continuing and very serious Communist problem. (After it has reached this point we might, of course, continue to render military and non-military assistance at a sharply reduced level. Ideally, our troop strength over the long haul should bear a close relationship to the number of NVA in South Viet-Nam.)

This is a far more limited, far more attainable objective than an alternative formulation we sometimes suggest:

b. to eliminate all significant bases of Communist, anti-government power in South Viet-Nam and to convince North Viet-Nam to allow the South to follow an independent course without outside interference.

The differences are extremely significant. The first objective can be reached, whatever the perseverance of the DRV/VC. The second can be frustrated indefinitely by the enemy unless we alter radically the limits we have so far imposed on our actions (and, perhaps, even then). Progress toward the first is measured by growth of the GVN's capacity; progress toward the second, by body counts. The former recognizes the basic and continuing responsibility of the GVN; the latter does not. Only the former recognizes that there are areas of SVN that the VC have controlled for many years and may control for many more after we have left.

Most important, attaining the first is possible without occupying or destroying sanctuary areas in Southeast Asia; if the second could be accomplished at all, it might well require this dangerous step.

An analysis of the present strategy being followed in Indochina, including consideration of the incremental measures that General Westmoreland, Ambassador Bunker and the JCS are urging, leads me to the conclusion that--consciously or unconsciously--all these people are actively pursuing the second ("b") objective. The two objectives are significantly different. If, as I believe, our real objective is "a", then this must be made clear to all of us as well as the American people.

2. With this clarified objective in mind, we must progressively shift more of the weight of the war to the GVN. This would make it clear to all that our objective is a self-sustaining GVN. A progressive and visible shifting of responsibility is the only effective road to regaining public confidence in what we are doing. Even if the result is that the aggressiveness of our pursuit of the enemy is somewhat reduced, that price is worth the benefits.

Many of the dissenters accept the commitment of the United States to help the GVN fight Communist aggression. But they see this as an obligation to assist, not to do the job for the Vietnamese. When they see US casualties consistently higher than the ARVN, when they see the ARVN either unwilling or unable to fight, when they see dissension and corruption in the GVN, they ask whether what we are doing does not get well beyond any reasonable interpretation of our commitment. Many of them would also say that while it may be proper for the United States to use its own forces to hold external aggression, the job of fighting internal subversion should be exclusively that of the ARVN. They do not understand why we need 500,000 US troops to defend South Viet-Nam from 50,000-plus regular PAVN.

At the same time we must continue to press upon the GVN the importance of its responsibility for creating a broadly-based progressive government. The GVN should know that many Americans seriously question whether the present Thieu-Ky Government is worth supporting. They point to its many failures and say that the United States cannot bolster this Government to the point where it will gain sufficient support from its own people. They would argue that our military strategy, aimed at killing the opposition, supports this view. They argue that if the GVN is so much stronger than the NLF, why is it afraid to negotiate with them? In short, these people believe that given massive US support for a decade, the government that has not succeeded isn't likely to succeed, and that we are now throwing good money after bad and wasting American lives on a sure loser.

3. Closely related to the above, we should give renewed attention to the effects of our military actions on the civilian population of South Viet-Nam. For example, it is questionable whether the military gains of US operations in populated areas (such as the planned offensive in the Mekong Delta) or of tactics which generate large numbers of refugees outweigh the political losses even in Viet-Nam (except in those special cases like Ben Suc where the tactical gain is clear). But when the cost in domestic support is thrown in, the balance plainly tips.

Rightly or wrongly, too many people are appalled by the brutality of the war. They feel that to fight a war of insurgency with vastly superior fire power is immoral and counter-productive. We use artillery and air power against villages and hamlets which are refuges for the Viet Cong, destroying homes, killing civilians, and devastating whole areas. Some of this feeling may be a traditional sympathy for the underdog, but much of it is simply horror that

the United States would level a hamlet or village simply because a few Viet Cong are present. Some feeling (more abroad than in the United States) is based on a feeling that the United States is calloused where non-whites are concerned.

I don't think it is an adequate answer to point to Viet Cong terrorism for two reasons: First, Americans put, and should put, higher standards on their own conduct than they do on that of other people; and secondly, terrorism is more acceptable as a technique of revolution than of government. In modern history, the axe of the Israelis against the British, the French Maquis against the Nazis, the Algerians against the French, the Hungarian revolutionaries against the Soviets, won considerable support. What was morally reprehensible was the overpowering reaction of the legitimate government in each case. Hungarian students who threw home-made bombs at Soviet tanks were heroes, not villains.

Although we are obviously not equatable with the repressive regimes listed above, we do share with them a stigma: for the first time in our history, the United States is cast in the heavy role and this makes many Americans feel uncomfortable. There is much in our own tradition which would oppose inflicting suffering and death on innocent people in order to kill a few guilty ones.

4. We must make clear to the American people that our objective is defined in a way that can be attained without massive destruction of North Viet-Nam, without significant ground operations in any of the present sanctuary areas, and without any further increase in troop strength. Indeed, if I am right about the causes and strength of American dissent and the relevance of this dissent to Hanoi's willingness to continue fighting, we cannot attain our objective unless we restrict the nature and size of our operations as we have in the past.

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

~~TOP SECRET-SENSITIVE~~

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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 Doumier 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

~~TOP SECRET-SENSITIVE~~

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.

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

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.

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

SECRET-SENSITIVE

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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

Pres file

Mr. President:

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 rebound 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:rln

Nov. 17, 1967

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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

map

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:rlh

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Profile

November 16, 1967

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:rla

92a

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 isa NARA, Date 3-16-98

WWRostow:rln

~~TOP SECRET~~

INFORMATION

Profile

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

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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:rlh

~~CONFIDENTIAL~~

Thursday, 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.

W. W. Rostow

Put the proposal on the shelf indefinitely _____

Let State go ahead after a suitable wait _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 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 clr, 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 1605372

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: MEUK 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 RUEHOT 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 1605372

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 INVIOLABILITY AND POLITICAL INDEPENDENCE OF EVERY STATE IN THE AREA, THROUGH MEASURES INCLUDING THE ESTABLISHMENT OF DEMILITARIZED ZONES;

PAGE FOUR RUEHOT 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

VAK wanted to delete.

~~CONFIDENTIAL~~

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

97

Pres file

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 ^{up} 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
NIJ 93-291
By JW, NARA, Date 7-14-94

WWRostow:rlh

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~~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

99

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 in 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.

99b

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:rln

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
WJJordan

INFORMATION

101

~~CONFIDENTIAL~~

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

Pres file
MA

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:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By ky, NARA, E.O. 12491

THE WHITE HOUSE

WASHINGTON

10/a

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.

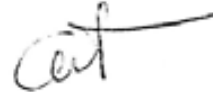
We must take risks and form a coalition government (now) without having to wait until the Americans have completely pulled out of (Vietnam):"

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"

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

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*, LHM/A, 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.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 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.

103

~~SECRET~~

Thursday, November 16, 1967

Press 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
NJ 93-291
By jw , 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 NARA, Date 7/28/94

ERF:em

~~SECRET~~

104a

TREASURY DEPARTMENT
Washington

November 16, 1967

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~~Mr. Rostow~~ 105

Pres. file

November 16, 1967

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



S/S 18707

DEPARTMENT OF STATE
WASHINGTON

November 1, 1967

4163
HS
1- President
2- Sec. 1050

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
S. J. Sanders
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.

* * * * *

Mr. Rostow 106

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.

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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.

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~~SECRET~~

ACTION

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

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 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

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.

Wily
William Leonhart

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 _____

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ACTION

~~CONFIDENTIAL~~

Thursday - November 16, 1967

Profile

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
WASHINGTON

~~SECRET~~ SENSITIVE

Thursday, November 16, 1967

Pres file

Mr. President:

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.

W. W. Rostow

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

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