

ACTION

20

*Pres file*

Sunday, December 17, 1967  
4:00 p. m.

Mr. President:

Herewith a proposed statement from you to  
Deputy Prime Minister McEwen.

Rather than the first paragraph, which  
repeats some of the language of your public  
statement, I would propose the following:

I have already tried to express our  
feeling on the passing of that courageous  
and farseeing leader Harold Holt.

The second paragraph would then follow as  
is.

W. W. Rostow

State draft acceptable ✓

Substitute suggested sentence for present  
first paragraph \_\_\_\_\_

Revise as follows \_\_\_\_\_

20a

DRAFT MESSAGE FROM THE PRESIDENT TO  
DEPUTY PRIME MINISTER MCEWEN

In Harold Holt's passing the free world has lost a courageous and far-seeing leader, and I have lost a comrade who was generous with the gift of a warm and wise heart. I found comfort in his friendship and strength in his partnership. He and the people for whom he spoke were always dependable and unshakable. Those blessings remain as eternal as the sea which has taken him away.

Please convey to the Australian people my deep sense of personal loss, and my continued total dedication to the goals of Australian-American friendship and world peace for which Harold Holt labored with such skill and devotion.

21

**Sunday, December 17, 1967  
2:30 p. m.**

*Pres file*

**Mr. President:**

**Just to make sure this is the way  
you dictated and wanted it.**

**W. W. Rostow**

**WWRostow:rla**

21a

T

Sunday, December 17, 1967 - 2:20 p. m.

Americans are proud of the friendship they enjoyed with Prime Minister Harold Holt. We mourn him with all the grief that Australians feel.

It is the cruelest tragedy that he has been taken from us by this accident. For so many of his days were devoted to guarding a nation and a world against hazard. His dream was to bring order and design to man's brightest hopes. He fought with rare courage, tenacity, and vision to assure that men would live safe from peril in the promise of freedom.

My personal loss is heavy. Harold Holt was generous with the gift of a warm and wise heart. I found comfort in his friendship and strength in his partnership. He and the people for whom he spoke were always dependable and unshakable. Those blessings of his example cannot be removed. They are as eternal as the sea that has taken this good and gallant champion away.

Mrs. Johnson and I -- and all Americans -- mourn his death.

INFORMATION

~~CONFIDENTIAL~~

Sunday, December 17, 1967 -- 2:40 p.m.

MEMORANDUM FOR THE PRESIDENT

*Pres file*

SUBJECT: CABRIOLET Meeting.

Mike Manatos reports that Sen. Pastore is in Rhode Island and Sen. Anderson is out of town. These are the key men on the Senate side.

Barefoot Sanders reports that Hollifield is in California; McCulloch is also away.

On the Democratic side, Aspinall and Young are in Washington; Price and Morris are probably also in town.

On the Republican side, Hosmer, Bates, and Anderson, of Illinois, are in town.

I presume we could get Pastore to come down for the meeting, if you wanted him.

W. W. Rostow

DECLASSIFIED  
E.O. 12958, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By *kg*, NARA, Date 12-23-91

WWRostow:rla

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Sunday, December 17, 1967 -- 2:30 p. m.

Mr. President:

*Pres file*

I spoke, as instructed, with Mac Bundy about the 27 Skyhawks for Israel, putting as lucidly as I could the case for postponement of the decision until Eshkol is here, as well as the contrary argument. Mac's view is the following.

1. It is not a great cosmic issue.
2. He used to believe that we would get a more forthcoming position from the Israelis by bargaining in terms of arms. He does not think this will be the case because Eshkol will know that he will not return empty handed; but his energies will be focused to make the strongest possible case for the aircraft, when he sees you.
3. Further, Mac thinks that between now and February the whole "New York crowd" will be ginned up to put maximum pressure on you; and it is even possible that Eshkol will increase his demand for aircraft beyond the present request.
4. Therefore, on the whole, he thinks that we would probably be in somewhat better shape if we moved on the 27 aircraft now.

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines

By *jm*, NARA, Date 5-18-98

W. W. Rostow

WWRostow:rla

~~CONFIDENTIAL~~

ACTION

Sunday, December 17, 1967  
12:45 p. m.

Mr. President:

Herewith the proposed statement,  
as redrafted here after I talked with  
Tom Johnson and he had talked with you.

I have left a copy in the Situation  
Room. We shall be holding it, of course,  
until we have authoritative word from  
Australia.

*Pres file*

W. W. Rostow

Approved \_\_\_\_\_

Approved as modified \_\_\_\_\_

WWRostow:rla

24a

December 17, 1967

Americans were proud to claim Harold Holt as one of their own.

It is a cruel tragedy that he has been taken from us by this accident. He fought with rare courage to assure that men would live safe from peril in the promise of freedom. His dream was to help bring order and design to the brightest of men's hopes.

My personal loss is heavy. Harold Holt was generous with the gift of a warm and wise heart. I found comfort in his friendship and strength in his partnership. These blessings remain as eternal as the sea that has taken him away.

Mrs. Johnson and I -- and all Americans -- mourn his death with the same grief Australians feel.

~~CONFIDENTIAL~~

December 17, 1967

Send LDX to S/S, State, from Walt Rostow

*Pres file*

On strictly contingency basis this Presidential statement should be despatched to all posts -- confidential -- awaiting its issuance from the White House.

The White House statement will, of course, be made only if and when the Australian government announces it is proceeding on the assumption that Prime Minister Holt was lost.

~~CONFIDENTIAL~~

WWRostow:rln

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By *ng*, NARA, Date 12-23-91

Sunday, December 17, 1967 - 2:20 p. m.

Americans are proud of the friendship they enjoyed with Prime Minister Harold Holt. We mourn him with all the grief that Australians feel.

It is the cruelest tragedy that he has been taken from us by this accident. For so many of his days were devoted to guarding a nation and a world against hazard. His dream was to bring order and design to man's brightest hopes. He fought with rare courage, tenacity, and vision to assure that men would live safe from peril in the promise of freedom.

My personal loss is heavy. Harold Holt was generous with the gift of a warm and wise heart. I found comfort in his friendship and strength in his partnership. He and the people for whom he spoke were always dependable and unshakable. Those blessings of his example cannot be removed. They are as eternal as the sea that has taken this good and gallant champion away.

Mrs. Johnson and I -- and all Americans -- mourn his death.

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7  
**December 17, 1967**

**Send LDX to S/S, State from Walt Rostow**

**Please send following message for delivery to Mrs. Holt:**

**The world is a lonelier place today. Our hearts and  
our thoughts are with you. We are praying.**

**Lady Bird and Lyndon Johnson**

**LBJ:WWR:rln**

INFORMATION

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Saturday, December 16, 1967  
6:00 p. m.

Mr. President:

If all goes well, the attached letter, now being signed by Sec. Rusk at his house, will be on the wire by about 6:30 p. m. tonight.

*Pres file*

W. W. Rostow

WWRostow:rla

THE SECRETARY OF STATE  
WASHINGTON

<del>RS</del>
<del>S</del>
<del>U</del>
<del>M</del>
<del>G</del>

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27a

Dear Congressmen Moss and Reid:

This will acknowledge receipt of your letter of December 14 regarding problems of land reform in Viet-Nam. I welcome the expression of your views. We, too, are looking forward to further action by the Government of South Viet-Nam with respect to land matters, and in fact in the whole broader field of agricultural development and reform.

The new Government of South Viet-Nam, inaugurated October 31, has made it clear that it intends to take further action in this field. For example, Prime Minister Loc, in the "Action Program" he outlined for his Government on November 15, said:

"The Government will distribute public lands to peasants, re-establish 500,000 expired land leases, and issue ownership certificates to 110,500 peasants who have purchased expropriated rice fields."

He also stated, in regard to the problem of lands in areas newly secured, his Government would assure the strict application of the land statute which gives farmers the right to continue tilling the land on which they are working and to purchase the land on a priority basis.

I believe you would agree that the above is an encouraging statement of intent on the part of a Government only just beginning to operate under a newly-established constitutional system. As the new regime begins to take action on its stated program, we will, of course, assist and support these measures.

The Honorable John E. Moss and  
The Honorable Ogden R. Reid,  
The House of Representatives,  
Washington, D.C.

There are certain statements in your letter which do not fully reflect the land situation in South Viet-Nam as it is known to us. My staff has not had an opportunity to see the study conducted by the GAO which you say supports your findings and we, of course, would be pleased to comment on it if you wish.

Sincerely,

Dean Rusk

⑤  
THE WHITE HOUSE

WASHINGTON

Saturday, December 16, 1967 -- 3:15 p.m.

Rec'd 3:50 P

MEMORANDUM FOR THE PRESIDENT:

SUBJECT: ~~Are the Next Four Months Decisive?~~

I asked Saigon to collect and analyze all the captured documents they have on the present winter-spring offensive and negotiations, including the coalition government.

They did a good, long paper.

I then asked CIA to reproduce it and comment on it. The comment and the Saigon paper are attached.

~~Taken together, they reveal an interesting difference of emphasis and judgment between Saigon and CIA Washington.~~

~~The Saigon people read these documents as saying (see p. II, 5-8, paper clipped):~~

-- the Communists are simultaneously making a maximum military effort and preparing their people for an early negotiation;

-- if they achieve some tactical success, they are likely to negotiate in the late winter or spring;

-- if they do not, they are likely to scale down the war;

-- "the war is probably nearing a turning point and the outcome of the 1967-68 winter-spring campaign will in all likelihood determine the future direction of the war."

Our CIA people (as you can see in the marked passages of the covering note) are inclined to believe the present military campaign, combined with emphasis on a negotiated coalition government, is less "decisive" than Saigon. They see the war going on for several years.

At the end, however, they accept an important point: having gotten the Viet Cong to accept these months as "decisive" and moving towards peace and victory "this situation could have serious effects on Viet Cong morale and lead to a substantial increase in defections" if the campaign fails.

In any case, I thought you'd like to know the terms in which experts are debating the present evidence.

DECLASSIFIED

Authority NLS-CBS 19By is, NARS, Date 6-22-84~~SECRET~~

W. A. Rostow

~~SECRET~~

28a



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

15 December 1967

MEMORANDUM FOR: The Honorable Walt W. Rostow  
Special Assistant to the President

SUBJECT : Papers on Viet Cong Strategy

1. Per your request, we are sending you the attached clean copies of three papers recently prepared by the Saigon Station:

- (1) "Overview of Viet Cong Strategy"
- (2) "The Viet Cong/North Vietnamese Winter-Spring Campaign"
- (3) "The Viet Cong/North Vietnamese Position on Coalition Government"

We understand that these papers were written at Ambassador Locke's request and constitute, in effect, his response to a personal request you levied on him.

2. The attached papers constitute a field study and should not be read as the considered opinion of this Agency. Although these papers provide a useful and provocative preliminary analysis of a number of recently captured documents and intelligence reports, they omit reference to other important materials bearing on the subject. Moreover, the basic thrust of the papers is predicated on certain assumptions whose validity seems questionable from our perspective here in Washington. For these reasons, we are inclined to draw interpretations which differ somewhat on major points with those of our colleagues in Saigon.

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Authority NLS/CBS 1  
By ics, NARS, Date 5-7-84

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3. In sum, while we agree that there has been a recent upsurge in Communist military activity -- a new tactical departure -- we do not find it inexplicable or mysterious. The current activity pattern follows the strategic line laid down in the 1967 Truong Son and Giap articles and is very similar to the Communist activity pattern of 1963 and, again, of early 1965. We agree that there is a renewed emphasis on coalition government. We also consider reasonable the hypothesis that the Communists plan a period of intense military activity, designed to increase US frustration, and then to follow this with a play for negotiations and a "coalition" settlement, i.e., dangling bait which the Communists feel the US will find tempting in an election year. Our main point, however, is that one can subscribe to this explanation of near-term Communist strategy without adopting or accepting the additional hypothesis that this strategy (quite a sensible one) is necessarily a last-ditch desperation gamble or proves that the Communists are on the verge of collapse.

4. Among the principal reasons for our drawing conclusions different from those of our Saigon colleagues is the fact that our reading of captured documents on Viet Cong strategy and attitudes on negotiations and a coalition government is conditioned by other evidence on Hanoi's outlook. This evidence is contained in diplomatic reports -- many of them sensitive and thus perhaps not available to analysts in Saigon -- and in other materials which reflect Hanoi's official policies and viewpoints. These materials provide the essential context within which the fragmentary information contained in captured documents must be interpreted. Most captured documents contain doctrinal jargon whose wording cannot always be taken literally, particularly when couched in what may be imperfect translations. Moreover, many are no more than handwritten notes taken by students at low-level political indoctrination courses, which often simply amplify basic policy lines already available to us in more comprehensive form from other sources. Where several such documents agree on certain points, we can be reasonably sure that they validly reflect the

basic Viet Cong line. When they contradict each other on key matters, however, or when some contain nuances not reflected in others, we cannot be sure whether these represent basic policies, or merely local elaborations by political cadre, or embellishments or misinterpretations on the part of the note-taker. In any event, any such deviations or embellishments not supported by other evidence must be analyzed with caution. Unfortunately, some of the more dramatic points cited in the attached papers represent such unsupported elaborations on what we otherwise know to be basic enemy policy.

5. Substantively, we question the thesis that the Communists may be about to make "crucial" new decisions on the course of the war. We believe their basic course has been set since early 1966, when Hanoi realized that an early military victory was no longer feasible, and therefore shifted to a policy of eroding our will to pursue a protracted war. We believe the factors cited in the first paper as evidence that Communist strategy may be in a state of flux -- i.e., the new Liberation Front program, the documentary references to negotiations and a coalition government, and the current winter-spring campaign -- are instead manifestations of basic decisions already made. We believe Hanoi's fundamental aim in the current winter-spring campaign is not to "alter the balance of forces" in an absolute sense, but rather to demonstrate "decisively" that they can frustrate what they construe to be our basic goals -- destruction of Communist main forces and pacification of rural areas. The Communists are confident that by checking our momentum, they will create conditions favorable for political-psychological maneuvers, both within Vietnam and within the United States, which might end the war on their terms.

6. It is in this context that they are giving new emphasis to preparing the groundwork for the contingency of negotiations through which they would seek to gain their interim objectives -- withdrawal of U.S. troops and creation of a Front-dominated coalition government. As the field

papers correctly point out, the Communists view the South Vietnamese political situation as being still quite fragile and offering new possibilities for political agitation and subversion. Moreover, although they seem to be uncertain about the impact of the war on the coming U.S. elections, they apparently hope to be ready to exploit any favorable opportunities which might arise from them. Their apparent readiness to negotiate does not imply any change in their basic aims; there is ample evidence that they intend to negotiate only when and if we are ready to compromise on their terms.

7. ~~The field papers are predicated on the assumptions that the present rate of attrition is not acceptable to the Communists, and that they are incapable of checking or reversing the basic trends in the war. We question the validity of these assumptions. In our 8 December review of the situation in Vietnam, we concluded that despite manpower difficulties, the Communists remain capable of replacing their losses and of maintaining the basic military force structure in the south at roughly its present strength. Although Communist losses this year have reached record levels, we believe Hanoi is prepared to pay this price in an effort to reverse the unfavorable trends of the past two years. We see little likelihood that they will change their minds over the next year or so.~~

8. We believe the situation has developed unevenly this year, with both sides experiencing successes and failures. Our military offensives have lost some momentum over the past six months, and the Communists have regained the initiative in some key areas. While our forces almost certainly will continue to inflict disproportionately heavy losses on the enemy and deny him tactical victories in almost every case, we do not perceive any decisive weakening of the Communist military potential in the coming year. We do expect some slow progress in pacification, and hence some further decline in the enemy's position, ~~but no early turning point seems likely.~~

9. In the final analysis, we believe the Communists view their military effort in a political-psychological context that is not always compatible with Western precepts. "Victory" for them can be simply avoidance of defeat, if by doing so they frustrate -- and thereby "defeat" -- the aims of their opponent. They believe that if they can demonstrate that the war is in an indecisive stage -- and this is their aim -- this will open new possibilities for political instability in South Vietnam and the United States. While their confidence may be misplaced, in their eyes it is based on historical precedents, and ~~it should not be underrated.~~

10. ~~If the Viet Cong fail completely in their objectives, and the current campaign ends without their being able to claim that they have effectively checked our momentum and hence have imposed a conditional stalemate, they will be extremely vulnerable to psychological attack. It is evident that some local Viet Cong cadre may have embellished the basic party line by promising an early "decisive" and victorious end to the war. If this fails to materialize, a major psychological campaign exploiting this situation could have serious effects on Viet Cong morale and lead to a substantial increase in defections. In this sense, the Communists are taking a potentially serious risk in gambling for major near-term gains.~~

*George A. Carver, Sr.*

George A. Carver, Sr.  
Special Assistant for Vietnamese Affairs

8 December 1967

I. OVERVIEW OF VIET CONG STRATEGY

1. Viet Cong (VC) and North Vietnamese (NVN) strategy appears to be approaching a crucial period where basic decisions concerning the future conduct of the war must be made. This is evidenced by the promulgation of the new program of the National Front for the Liberation of South Vietnam (NFLSV) on 20 August 1967, by increasing references in captured enemy documents to the necessity of establishing a "coalition government" and the possibility of negotiations, and by VC/NVN plans for launching an all-out military and political offensive during the 1967-68 "winter-spring campaign" designed to gain decisive victory.

2. The VC/NVN position in South Vietnam has steadily deteriorated over the past two years, and so far the VC have shown no signs of being able to reverse this trend. They have, however, successfully maintained their basic organizational integrity, militarily, politically and economically, in the face of very heavy allied pressure. Nevertheless, it is doubtful that at present rates of attrition the VC/NVN will be able to maintain the present scale of the conflict for very much longer without a radical change in the balance of forces.

3. Since the promulgation of the 12th resolution of the NVN Lao Dong party in December 1965, the war in South Vietnam has been characterized by the VC/NVN leadership as a "local" war which is to be fought by a combination of military, political and economic means designed to result in "victory in the shortest possible time" if feasible, or to be conducted as a "protracted" war lasting 10-15 or 20 years if necessary. The ultimate objective remains the forcible takeover of South Vietnam by VC/NVN forces, leading finally to communization of the South and reunification with the North.

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By ica, NARS, Date 5-7-84

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4. The possibility of an interim solution to the war, involving the establishment of a so-called "coalition government" in South Vietnam between the VC/NVN forces and some non-Communist elements was recognized in the original program proclaimed by the NFLSV in 1960 and was stated though not stressed in the 12th resolution. This particular solution is viewed as a tactic designed to ease the way towards final Communist takeover and is not regarded as a final solution. In VC terms it is defined as a "decisive victory" and a step short of "complete victory."

5. The new program of the NFLSV promulgated on 20 August 1967 calls for all major elements of Vietnamese society to join together in driving out the Americans and overthrowing the current Government of Vietnam (GVN). While the text of the front program does not specifically call for the establishment of a coalition government as such, it is very strongly implied. And the communiqué accompanying the text of the new Front program does call for a coalition government.

6. In order to bring about this "coalition," the possibility of negotiating or "talking" with the Allies was recognized by the VC/NVN as a possible tactic to be undertaken provided the VC/NVN could do so from a position of sufficient strength. This position of strength however could only be achieved by victories on the battlefield.

7. Since the beginning of the year, and especially within the last two months, the VC/NVN have been talking more and more frequently in their internal documents about the possibility of the "coalition government," even though they do not possess the position of strength they require to impose such a government.

8. The 1967-68 winter-spring campaign as described in enemy documents is intended to bring about a fundamental change in the balance

of forces in South Vietnam. The winter-spring campaign is apparently an attempt to win decisive victory "in the shortest possible time" and is intended to result in the withdrawal of American forces from South Vietnam and the establishment of a so-called "coalition government" which will, in effect, be under VC/NVN control.

9. The goals established by the VC/NVA for the winter-spring campaign are clearly far beyond their capability to accomplish, and it is doubtful if the VC/NVN leadership seriously expects to be able to achieve all that they have promised their troops. From this standpoint, the real objectives of the campaign are still obscure, and several explanations for VC actions are possible. One is that the VC are trying to establish as strong a negotiating position as possible before talks begin.

10. It seems unlikely, however, that the VC/NVN would agree to serious negotiations without having achieved the position of strength they have established as their goal for the winter-spring campaign. In this event it is more likely that this campaign represents a supreme effort by the VC/NVN high command to make use of what assets remain to them, both military and political, to reverse current trends before being forced to reduce the level of intensity of the conflict.

28c

8 December 1967

II. The Viet Cong/North Vietnamese Winter-Spring Campaign

1. Numerous recently captured documents have brought into focus Viet Cong (VC) and North Vietnamese (NVN) plans and ambitions for their 1967-68 winter-spring campaign. This campaign is to consist of three phases: a first phase from October to December, 1967; a second phase from January to March 1968; and a third phase from April to June 1968. (CDEC 11-2436-67) The campaign entails military and political ambitions which surpass anything previously attempted in such a relatively short period of time by the VC/NVN in South Vietnam. Moreover, thus far VC/NVN activity indicates that they are indeed attempting to implement these plans at their intended levels of intensity. For example, there has been a definite increase in coordinated attacks on GVN and Allied installations. The most notable of these thus far have been at Loc Ninh and Dak To. In these attacks, the VC mounted sustained assaults despite very heavy casualties, and apparently with less preparation than is normal for VC operations of such size, in an only partially successful attempt to "coordinate" the two attacks. In brief, the 1967-68 winter-spring campaign is described by the VC/NVN as the "decisive" phase of the war, crucial to its ultimate outcome.

2. In their assessments of the current situation, the VC state that they are in a very favorable position. Strategically, the American military forces are described as having been forced into a defensive posture as a result of the widespread VC/NVN attacks, especially in the DMZ. Moreover, according to the VC/NVN, the combat strength of the U.S. forces has been reduced and their attacking power limited, thereby leaving the over-all U.S. position weakened. (CDEC 11-1206-67) In addition, the U.S. is viewed as being increasingly isolated politically abroad and torn by mounting dissension from within. The VC/NVN state that the present U.S. administration feels itself under pressure

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By           , NARA, Date 1/11/02

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to end the war before the 1968 elections in order to guarantee its political survival. [REDACTED]  
(CDEC 10-2255-67)

EO 12958 3.4(b)(1)-25  
(C)

3. Within South Vietnam, the VC/NVN also view their position optimistically. They describe the Government of Vietnam (GVN) as corrupt, increasingly unpopular, and inefficient. They also apparently believe that the GVN is becoming weakened by internal disagreements within the Vietnamese society, such as those represented by the militant Buddhists and the disgruntled candidates in the recent national elections. Furthermore, the GVN military forces are now described by the VC/NVN as playing only a minor role in the war, a situation that the VC/NVN believe will lead to increased anti-U.S. sentiment in the GVN armed forces and in the Vietnamese body politic as a whole. In any event, the VC/NVN consider these forces as incapable of fighting effectively, as having failed to protect the pacification program, and, most important, as incapable of being improved. (CDEC 11-1206-67)

4. The VC, on the other hand, consider themselves in a strategically offensive posture with the initiative firmly in their hands. While admitting "certain difficulties" such as recruitment and manpower problems, food shortages, and war-weariness, which have given rise to hopes or "illusions" of peace among "some" troops, (CDEC 11-1591-67) the VC/NVN describe the over-all situation as offering a significant opportunity for gaining great military and political victories in the forthcoming winter-spring campaign. (CDEC 11-1206-67)

5. Viet Cong pronouncements concerning the significance of upcoming periods of activity (winter-spring, summer-autumn, etc.) traditionally stress the importance of impending campaigns. Descriptions of the current 1967-68 winter-spring campaign, however, are placing unusually heavy emphasis on its historic significance and decisive nature. A letter, dated 31 August 1967 from the Central Office for South Vietnam to party chapters and members throughout South Vietnam exhorts its addressees to "make all-out efforts to achieve unusual and historical

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successes during the 1967-68 winter-spring campaign." (CDEC 10-2038-67) A letter dated 18 September 1967 from one military cadre to another in Long Khanh Province states that "the period of late 1967-early 1968 is being regarded as a "historical phase." (CDEC 10-1558-67) A directive outlining the missions and objectives of the winter-spring campaign issued by the current affairs section of VC Military Region 3, dated 21 October 1967 and classified Top Secret, describes VC/NVN missions in the 1967-68 winter-spring campaign as "militarily and politically decisive to the achievement of our (VC/NVN) objectives." (CDEC 11-1206-67) Numerous other references to the decisive nature of this winter-spring campaign have been noted in enemy documents, circulars, notebooks and letters.

6. These same documents call for all-out, coordinated attacks throughout South Vietnam utilizing both military and political means to achieve "ultimate victory" in the near future. (CDEC 10-2038-67) Although the exact date by which this "ultimate victory" is to be achieved is not specified, it is strongly implied that it will be some time in 1968.

7. VC/NVN strategy for this campaign is described as an "all-out attack." This is a departure from the traditional VC/NVN three-phase strategy "of resistance, general offensive, and general uprising." (CDEC 11-1209-67) The immediate objective is to step up military and political offensives "on all battlefronts" and to create favorable conditions for a "turning point" which will result in "a general counter-offensive and general uprising." (CDEC 11-1206-67) A notebook captured in Kontum states that "we must carry out large-scale and continuous attacks" and "coordinate activities with other areas of operations throughout South Vietnam." (CDEC 11-1421-67) A directive captured in Dinh Tuong Province describes the winter-spring campaign as a "campaign of large-scale and continuous attacks conducted evenly on all battlefields (in South Vietnam)." (CDEC 11-1501-67)

8. Viet Cong/North Vietnamese military and political missions for the winter-spring campaign can be broken down as follows--

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A. Military:

- (1) Conduct large-scale continuous, coordinated attacks by main force units, primarily in mountainous areas close to border sanctuaries.
- (2) Conduct widespread guerrilla attacks on large U.S./GVN units in rural/heavily populated areas.
- (3) Attack key U.S./GVN agencies and rear service bases.
- (4) Destroy lines of communications.
- (5) Conduct terrorist activities in the cities by special action and sapper units. (CDEC 11-1501-67)

B. Political:

- (1) Consolidate and strengthen VC/NVN organizations at province, district, and village levels throughout South Vietnam.
- (2) Coordinate military actions with political activities to promote political turmoil and struggle movements.

9. Through these tactics, the VC/NVN hope to force the redeployment of major Allied military units to the border areas where the VC/NVN enjoy sanctuary and will be able to inflict heavy casualties on them. According to the VC/NVN plan, this will tie the Allied forces down in static defensive positions and, equally important, will relieve the pressure on the VC/NVN activities in the populated areas. Elsewhere, the VC/NVN intend to accomplish the systematic destruction of the GVN's administrative apparatus in the rural areas, and to "liberate" most of these areas. A final goal of the VC/NVN is to launch the long-promised "general uprising." To accomplish this, the VC/NVN have set themselves the task of occupying

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and holding some urban centers in South Vietnam and of isolating many others.

10. The VC/NVN state that if they are successful in the above activities, the conditions will have been created for the overthrow of the present GVN and its replacement by a regime which will consent to form a coalition government with the National Front for the Liberation of South Vietnam (NFLSV) and will follow the program of the NFLSV. Moreover, in these circumstances, the VC/NVN state that they would assume control of the country's armed forces and would ensure that they exercised control at the local administrative level. (CDEC 10-1811-67) The second major expectation on the part of the VC/NVN is that if they are successful, this will break the "aggressive will" of the Americans and force them to agree to withdraw from South Vietnam in a short period of time. (CDEC 10-2038-67 and 10-1558-67)

#### Conclusions

11. VC/NVN strategy toward the war appears to have reached a crucial phase in which changes in the tempo and scale of the war are envisioned. In which direction these changes will go probably depends very much on the success or lack thereof of VC/NVN efforts during the next few months. Based on the position that the VC/NVN have taken in this campaign so far, they appear to have committed themselves to unattainable ends within a very specific and short period of time.

12. Despite the apparent lack of realism in their goals, it would be illusory to assume that the higher VC/NVN echelons have no realistic objectives in this campaign. These real objectives are still obscure, but based on present information, it appears that VC/NVN strategy in the winter-spring campaign involves the following three related strategic options--

- A. A serious effort to inflict unacceptable military and political losses on the Allies regardless of VC casualties during a U.S. election year, in the

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hopes that the U.S. will be forced to yield to resulting domestic and international political pressure and withdraw from South Vietnam. This would probably involve the commitment of at least some elements of the NVA's reserves to South Vietnam.

- B. Negotiations after a major military and political effort to place themselves in as advantageous a position as possible.
- C. Reversion to a relatively low-intensity stage of warfare after having inflicted maximum casualties on the Allies and pre-empting any major allied offensive campaign.

These options are not necessarily mutually exclusive, but the degree of success attained by the VC/NVN in the winter-spring campaign will probably determine which strategy will be emphasized.

13. In this context, the winter-spring campaign appears to be an attempt to utilize to the maximum possible extent current VC/NVN resources in North and South Vietnam in an attempt to place maximum pressure on the Allies to come to an agreement on terms favorable to the Vietnamese Communists. It is doubtful if the higher VC/NVN echelons seriously expect to be able to accomplish all of the tasks they have enumerated for their troops. They may feel, however, that at current rates of attrition the present scale of the conflict cannot be continued for much longer in any event, and that a retrenchment to a lower-intensity form of struggle will probably be inevitable unless there is a major change in the situation. Any such retrenchment would probably involve the dismantling or scaling down of many present VC/NVN organizational components -- military, political and economic -- since they would not be necessary for support of a much reduced level of activity.

14. If the VC/NVN view the situation in this light, it is probably to their advantage to use their

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present apparatus to the fullest extent in hopes of fundamentally reversing current trends before attrition renders such an attempt impossible. This could explain the risk they are taking in promising their followers and cadres victory within a short period of time. This tack has the effect of bolstering morale in the short run for an all-out effort. It does, however, run a high risk of engendering serious disillusionment and disaffection among the VC/NVN rank and file when the promises are not fulfilled. Even if the VC/NVN fail in this endeavor, however -- so the reasoning goes -- they would hopefully have at least inflicted serious damage to Allied military units and the GVN infrastructure, pre-empted any major offensive plans the Allies may have had for the current dry-season, and placed themselves in a better position to continue a long-range struggle with a reduced force. The cost to themselves would be substantial, but one they would ultimately have to pay anyway.

15. If this speculation is correct, then opportunities for negotiations would be most likely if the winter-spring campaign enjoyed unexpected successes and would be designed largely to facilitate acceptance by the Allies of the VC/NVN's major objectives -- withdrawal of U.S. troops and organization of a so-called "coalition government" under the control of the NFLSV. Barring this, the prospects of negotiations to settle the war would depend on the situation prevailing at the particular time, and the VC/NVN assessment of it. We are unable to estimate what this might entail, but both external and internal factors would be involved. We do believe, however, that it is unlikely that the VC/NVN would opt to negotiate unless they could do so with some aura of success, or at least the semblance thereof, to place before the world and their followers. They have already paid too high a price to negotiate a defeat. We believe that they would prefer instead to let things drag on and on at reduced levels, rather than to negotiate under such adverse conditions.

16. In sum, the one conclusion that can be drawn from all of this is that the war is probably

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nearing a turning point and that the outcome of the 1967-68 winter-spring campaign will in all likelihood determine the future direction of the war.

\*17. Sources used in the preparation of this report, in addition to those cited in the text, included the following: (CDEC numbers unless otherwise specified)

10-1698-67, 10-1282-67, 11-1353-67, 11-1375-67, 11-1426-67, 11-1563-67, 11-1543-67, 11-1613-67, 11-1608,67, 09-1983-67, 11-1754-67, 11-1690-67, (C) EO 12958 3.4(b)(1)>25Yrs  
11-1959-67, 11-1935-67, 11-2036-67, 11-1794-67, 11-2152-67, 11-2272-67, 11-1365-67, 11-1761-67, 11-1728-67, NIC No. 1275/67, NIC No. 1276/67, [REDACTED] and 11-2552-67.

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SANITIZED  
E.O. 12958, Sec. 3.6  
NLJ 98-305  
By CB, NARA Date 9-16-99

28d

8 December 1967

### III. The Viet Cong/North Vietnamese Position On Coalition Government

1. The National Front for the Liberation of South Vietnam (NFLSV) called for the creation of a coalition government in its original 10-point manifesto at the time of its creation in 1960. At the beginning of 1962, the Communist Lao Dong Party renamed its component in South Vietnam the People's Revolutionary Party (PRP) and stated that the immediate task of the PRP was to unite the forces struggling to liberate Vietnam and "to set up a broad democratic coalition government that will achieve national independence and democratic freedom."<sup>(1)</sup> Although the emphasis on coalition government waxed and waned during 1963, immediately prior to and following the fall of the Diem regime the coalition theme was again stressed. On 11 September 1963, for example, the NFLSV sent a three-point peace plan to the United Nations which called for "an end to American military assistance, withdrawal of American forces, and a coalition government of political and religious organizations."<sup>(2)</sup>

2. In retrospect, it appears that Hanoi read the failure of the NFLSV to take over South Vietnam at the time of Diem's overthrow as the failure of political and diplomatic tactics. The "general uprising" and "coalition" government themes went into eclipse, and the military road was taken. Hoc Tap, North Vietnam's authoritative army journal, stated in July 1964: "It is necessary to smash the administrative machinery...This revolution can and should be settled only by the use of revolutionary acts and the force of the masses to defeat enemy force. It absolutely cannot be settled by treaties and accords...It is impossible to count on 'talks' and 'negotiations' as advocated by the modern revisionists."<sup>(3)</sup>

1. Douglas Pike: Viet Cong--The Organization and Techniques of the National Liberation Front of South Vietnam.
2. Ibid.
3. Ibid.

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3. In 1965, however, U.S. military support for South Vietnam changed the character of the war. The 1966 resolution of the Central Office for South Vietnam (COSVN) -- the Lao Dong 12th Resolution -- while emphasizing protracted military struggle, kept the "coalition" option open in its references to the need to intensify "the front for national unity" and by calling for a struggle to "demand the withdrawal of American troops, to overthrow the lackey regime, and to establish a national democratic coalition government." (4) As early as October 1966, there were reports of interest in reviving the democratic party in anticipation of a general attack and a general revolt, then scheduled for early 1967, which would result in the formation of a coalition government in liberated provinces. (5) Courses on the 12th Resolution for North Vietnamese Army personnel in September 1966 in Quang Ngai Province included the disclosure by a lieutenant colonel, political officer for the school, that "If combat did not result in a complete VC/NVN victory, it would at least give the VC/NVN an upper hand when entering negotiations for a coalition government, to be held in 1967." (6)

4.

[REDACTED] explained that the PRP had abandoned the notion of forming a resistance government and, instead, was concentrating on a coalition government which would depend to a large extent on the cooperation of sympathetic individuals outside of the NPLSV. He claimed that the idea of a coalition government mentioned in the 1966 PRP central committee resolution was disseminated to all levels from province committee up, but was not mentioned to lower levels. [REDACTED] said that the policy of neutralist peace was, according to the VC/NVN "in keeping with the balance of forces in the world and in the country between the two parties." He also added that the

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

4. CDEC 02-1854-67 and 04-3379-67.

5.

6. NIC 680/67, 3 August 1967.

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

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NFLSV was no longer enough but would give way to a coalition front wider than the NFLSV which would back up the coalition government. The important problem for the VC/NVN, he emphasized, was to control the lower levels of government, especially "to tightly grasp the hamlet council which is the base." The line described by [redacted] referred to below as the 13th Resolution, was formulated in the fall of 1966 and discussed with the Soviet Union and Communist China in January 1967. It was disseminated to COSVN in February 1967. The major additional clarification of policy was that North Vietnam formalized its neutral stand in the Sino-Soviet dispute, and that volunteers would not be accepted from either the Soviets or the Chinese. [redacted], the Lao Dong delegation to Moscow gained immediate Soviet approval of the resolution, but the delegation to Peking ran into strong Chinese opposition to North Vietnam's acceptance of negotiation as a contingency policy.(?)

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

(C)

5. In May and June 1967, a series of political reorientation courses were held throughout South Vietnam on the 13th Resolution. At some of these, guarded references were made to negotiations and coalition government. There were also oblique references to the conditions under which the new policy would be implemented. A notebook captured in July 1967, for example, describing a study course held from 7 to 21 May 1967 at which the COSVN directive was discussed, indicated that the ultimate objective was a general counter-offensive and a general uprising. This would be done even if U.S. troop strength was raised to 600,000 men, but "changes will be made if the number of U.S. troops surpasses this limit." (8) Similarly, there was mention of coalition government, in the sense of local VC administration linked to non-VC administration in Saigon -- a common theme as is reflected in a captured VC/NVN notebook containing notes of a June 1967 training course: "Our

7. [redacted]  
8. CDEC 08-2684-67.

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

strategy involves the simultaneous conduct of war and negotiations....Victory will be achieved through a general offensive uprising....Despite the existence of a central government, the governmental infrastructure should be in our hands.... Even in the event of peace negotiations, our efforts must be directed toward creating military and political conditions which favor our subsequent general offensive and uprising. If a peace table materializes, our political attacks will be targeted at the U.S. and the puppet governments. Our efforts will then be devoted to the isolation of the U.S. and acquisition of the sympathy of the countries of the world. It is imperative that we hit the enemy harder before engaging in any negotiations." (9) A document captured on 27 August 1967, otherwise undated, stated: "There may be a turning point in 1967 because peace negotiations may take place....In order to come to peace negotiations and negotiate successfully, we should kill more enemy soldiers, coordinate the three-pronged attack, and increase diplomatic activities. That is the only way to obtain peace. On the other hand, we should admit the fact that negotiations by no means satisfied our basic purpose. We only regard it as a victory in diplomacy, a sort of stragem in support of our three-pronged attacks and activities of our legal agents...."(10)

6. The communiqué published by the extraordinary congress of the NFLSV, which adopted the new program of the NFLSV on 20 August 1967, called for a "National Democratic Coalition Government," and seems in retrospect to have initiated a new phase in the treatment of coalition government. The new program itself did not mention coalition government as such. In terms of ultimate goals, insisting on the absolute monopoly of the NFLSV, it is a "hard line" program, but it did attempt to broaden the appeal of the Front, with specific

9. CDEC 08-1744-67.

10. CDEC 09-1373-67.

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attention to the sensitivities of "capitalists," landlords, intellectuals, and religious communities. Ralliers questioned about its significance, however, found little that was new in the program, and internal, cadre-oriented propaganda concerning the program has been relatively low key in South Vietnam itself. The "reindoctrination" courses stress Party resolutions and directives. Documents captured in November 1967, dated 2 October 1967, still speak of "lack of complete information" on the new political program of the NFLSV.(11) According to these documents, however, the new program should be studied since it calls for an "anti-American struggle for national salvation," promotion of peace and neutrality, and confirmation of the NFLSV as the legitimate and sole representative of South Vietnam. These documents also refer to the mission of the NFLSV in establishing a democratic coalition government and state that the "NFLSV political platform" should be studied in preparation for the 1967-68 winter-spring campaign. In this regard, it is interesting to note the recent comments of NVN Premier Pham Van Dong to Le Nouvel Observateur concerning the requirements for negotiations. (12) Pham Van Dong stated that NVN's four points of April 1965 were still in effect, as a basis for a political settlement, and that unconditional cessation of all acts of war against NVN was the condition for initiating talks. To the question, "And what is the position of the Front?" he replied, "It has been expounded in a fundamental and comprehensive manner in its political program made public last August," and he referred to its effect on world opinion and to its mobilization of "all strata" in South Vietnam.

7. Beginning about September 1967, the concept of a coalition government has been heavily emphasized by the VC/NVN in the context of their impending "winter-spring campaign." The breadth of the appeal and the depth of the indoctrination concerning it seemed to make a qualitative leap. A letter dated 18 September 1967 (apparently between unit commanders -- commo-liaison, command,

11. CDEC 11-2062-67

12. FBIS Daily Report, 20 November 1967.

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and political problems are also discussed) outlined the VC/NVN's goals in late 1967 and early 1968 by stating that: "This is a historical phase, and the immediate goal for the entire Party during this phase consists of the withdrawal of U.S. forces and the forming of a People's Democratic Coalition Government." (13) Another key document contains notes on a reindoctrination course apparently held in September 1967. (14) The notes of the course, which covered a 1967 COSVN resolution, began with the disarming observation that "The guidelines of the 12th Resolution remain unchanged; only the situation is new." The basic appeal enunciated during the course was that the VC should "concentrate forces to defeat the enemy in his limited war and force the establishment of a People's Democratic Coalition Government with members of the Front as the nucleus." Apparently the VC/NVN found grounds for optimism in the course of the war and the troubles confronting the U.S. at home and abroad. In any event, the VC/NVN stated that "From these points, we judge the enemy to be defeated." During the course, the VC/NVN spelled out in considerable detail the nature of a coalition government. The most striking feature was that the VC/NVN held that "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." The VC/NVN appear to have gone to some length to explain to the cadres that a coalition government was not a sell-out: "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 agricultural 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." In short, the VC stated that "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...." It was noted that "At first, the cadres 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."

13. CDEC 10-1558-67.

14. CDEC 10-1995-67.

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8. The VC/NVN also appeared to modify their stand toward the withdrawal of U.S. troops and the creation of a coalition government. They stated that: "The immediate objectives as set forth by the Party at this time are 'suitable' 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." Moreover, the COSVN resolution discussed at the reindoctrination session exhorted that: "The people's 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....We must take risks and form a coalition government without having to wait until the Americans have completely pulled out...." (15) A troop indoctrination lesson dated 1 September 1967 and captured 25 November 1967 stipulates that the VC "do not appreciate a neutral regime which is usually regarded as the third political solution by capitalists." Rather, the goal is to attain "not any type of coalition government, but a conditioned one, a coalition government with the key role to the NFLSV after the withdrawal of U.S. aggressors. Only such a coalition government will be able to reunify the country and implement socialism in both parts of the country." (16)

9. The unrealistic military goals of this "winter-spring campaign" were tied to the establishment of a coalition government in a report [REDACTED]

"During this phase, military victories should be won to change the actual balance of force and to expand our scope of control in the countryside. Three quarters of the actual GVN-controlled areas should be liberated, and 30 percent of ARVN posts and guard houses should be crushed in order to enforce the withdrawal of Allied forces and the establishment of a coalition government." (17) Another mid-November report [REDACTED]

EO 12958 3.4(h)(1)-25  
(C)

15. CDEC 10-1995-67.

16. CDEC 11-2552-67.

17. Field Information Report, Kien Hoa Province, 10/167467, Dated 28 October 1967.

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concerned and discussed them with his superiors, states that only the first phase of the 1967-68 winter-spring campaign, for October 1967 to March 1968, has been prepared so far. Plans for the second phase, from April to June 1968, will be drawn up later "in accordance with the situation." (18) This report describes the two immediate targets of the struggle as follows: (1) To use all forces to weaken the Americans' will to invade South Vietnam and to force them to pull out of SVN, and (2) To force the U.S. to accept the Front as the only representative of the South Vietnamese people and to form a coalition-democratic-peaceful-neutral government in which the NFLSV is the principal element. American troops must be withdrawn, the report continued, and "The internal problems of South Vietnam must be resolved by the South Vietnamese people." Admitting that the VC cannot completely destroy the American troops, the report stated that causing the U.S. "heavy failures" will force withdrawal and recognition of the Front.

10. On the subject of negotiations, the VC/NVN characteristically engaged in a question-and-answer approach. Thus, they asked: "If the Americans recognize the NFLSV, do we negotiate with them?" The answer was: "The NFLSV will negotiate, but we will not neglect our objectives -- the withdrawal of the American troops during a fixed short period of time and the formation of a coalition-democratic-peaceful-neutral government of which the NFLSV is the principal element....At the central level, the coalition government will include elements of all religions and may include a number of puppet elements. At zone level, there will be limited coalition. At province level, the coalition government authorities may include, according to the local situation, representatives of the people. At the village level the authority must be entirely elected by the people. The Party must hold the people's organizations at this low level in order to back up the high level in the correct implementation of Party policy...." In part, the above report seems to describe in a believable fashion the "layered" nature of the coalition envisaged by the VC/NVN. The report, however, then goes on to repeat the unrealistic military goals of wearing down the U.S., destroying ARVN, and bringing about a general uprising, adding that these "three conditions...outline the policy of the Party... drawn up a year ago." (19)

18.   
19.

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

11. Despite public statements that the upcoming U.S. elections make no difference in their war plans, the VC/NVN appear to put some weight on the elections in timing their moves. For example, the report from Tay Ninh states that "Johnson wants to settle the Vietnam problem soon so that he can win the election." (20) This theme is repeated in a recent report from Long Khanh Province which states that the VC/NVN's purpose in the winter-spring campaign is to force the U.S. to approve VC/NVN conditions toward peace negotiations. The report goes on to add that the VC/NVN believe that President Johnson will lose in the next election and that the new President will not dare continue the war in Vietnam. (21)

12. It appears that the VC/NVN emphasis on coalition government is, at least in part, preparation for a potential negotiating move. Should they reach a point, through intensified military action, where they have made gains -- particularly if they have inflicted substantial casualties on Allied forces and expanded VC/NVN control in the country-side -- the VC/NVN might conclude that they were in an advantageous bargaining position. Then, in effect, the VC would be applying the strategy described in a speech given by North Vietnamese Army General Nguyen Van Vinh, Deputy Chief of Staff of the NVA, to a meeting of the COSVN Congress in April 1966. From Vinh's vantage, the war would proceed through (a) the fighting stage; (b) the stage of fighting while negotiating; and (c) negotiations and the signing of agreements. After this, the question of whether war would resume would depend on the balance of forces. If Communists could dominate the situation without war, they would not resort to military tactics anew; if they could not, they obviously would return to military action. (22) On the basis of captured documents, and on the basis of tactical and strategic considerations as viewed by U.S. military observers, the "choice point" now seems to be on or before March 1968.

20. *Ibid.*

21. [REDACTED]

22. CDEC 02-1846-67.

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13. If talks were held, the minimum initial demands to be made by the VC/NVN would, on the basis of the above, probably include (a) a time-table for the withdrawal of significant portions of U.S. troops; (b) the continued control of the VC/NVN administrative apparatus at local levels where it exists; and (c) recognition of some members of the Front in Saigon. In return might be a cessation of hostilities, a withdrawal of a portion of NVA troops (probably without public admission inasmuch as there has been no public admission of their presence), and a qualified avowal of allegiance to the office, if not the person, of GVN authorities above the province level. In making these concessions, the VC/NVN would probably feel that in the ensuing period, and probably in a relatively brief time, they could bring about civil disorder of sufficient magnitude to bring in a government which they could completely dominate.

14. In addition to the documents cited in the footnotes above, the following documents (all CDEC log (numbers) were consulted and contain background information or references similar to those cited on coalition government and negotiations--

01-3226-67, 04-3379-67, 08-1744-67, 08-1805-67, 09-1983-67, 10-1657-67, 11-1209-67, 11-1935-67, and 11-2272-67.

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ACTION

Saturday, December 16, 1967 -- 5:30 p.m.

Mr. President:

*Pres file*

As you know, Hank Hoyt, our Ambassador to Uruguay, died suddenly today. You may wish to send to Mrs. Hoyt a message. Following is a proposed draft:

I was deeply distressed to hear today of the death of your husband.

I learned at the conference at Punta del Este what a capable and devoted public servant he was. You have my concern and deepest sympathy.

W. W. Rostow

Message approved \_\_\_\_\_

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

WWRostow:rla

Saturday, December 16, 1967  
6:00 p. m.

Mr. President:

My twelve year-old daughter  
Ann is emerging as quite a political  
animal.

Amidst these doodles we found  
the indicated evaluation of a certain  
Senator from Minnesota.

W. W. Rostow

WWRostow:rla

ACTION

~~CONFIDENTIAL~~

*Pres file*

Saturday, December 16, 1967 -- 3:45 p.m.

Mr. President:

With respect to the CABRIOLET decision, as you will have gathered from my memorandum to you of December 6, attached, AEC is now at the outer edge of the time required to implement the experiment and its follow-on operations before the cows go to pasture in the spring.

Perhaps you would like to chat about the decision with Sec. Rusk on the telephone, since your schedule has not permitted the organization of a meeting on the subject.

W. W. Rostow

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-300  
By CG, NARA Date 8-26-99

WWRostow:  
rla

~~CONFIDENTIAL~~

31a

~~CONFIDENTIAL~~

INFORMATION

*Pres file*

Wednesday, December 6, 1967 -- 11:30 a.m.

Mr. President:

Glenn Seaborg called and asked me to tell you that a CABRIOLET decision, if affirmative, is required within the next week because:

- three weeks are required for technical preparations;
- an additional three weeks must be allowed for the right weather to come round;
- this would just allow enough time to do CABRIOLET and BUGGY (the planned follow-on project for FY 1968) before the cows go to pasture in mid-March.

W. W. Rostow

WWRostow:rlm

**DECLASSIFIED**

**E.O. 12958, Sec. 3.6**

**NLI 98-300**

**By cb, NARA, Date 8-26-99**

~~CONFIDENTIAL~~

INFORMATION

~~SECRET~~

Saturday, December 16, 1967  
3:45 p. m.

*Pres file*

Mr. President:

Let's see if Sen. Ribicoff sings  
the same song as he does on page 2,  
para. 4, when he gets home!

W. W. Rostow

~~SECRET~~

WWRostow:rln

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By rg, NARA, Date 12-23-91

32a



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

13 December 1967

MEMORANDUM FOR: Acting Secretary of State

SUBJECT: Senator Abraham A. Ribicoff's Visit to Thailand

I thought you might be interested in a report we had from our Chief of Station (COS) in Bangkok:

1. SENATOR ABRAHAM A. RIBICOFF, ACCOMPANIED BY MR. WAYNE G. GRANQUIST, MR. PHILIP W. MORGAN AND COMMANDER RALPH LASHLEY, WAS BRIEFED [REDACTED] ON 11 DECEMBER.

25X1A

25X1A

2. SENATOR RIBICOFF HAD READ MAX LOMAX' BOOK ON THAILAND AND HIS QUESTIONS WERE SLANTED TOWARDS BRINGING SOME OF LOMAX' EXTRAVAGANT STATEMENTS INTO BETTER PERSPECTIVE. IN VIEW [REDACTED] EXPERIENCE IN BANGKOK, SENATOR RIBICOFF SPECIFICALLY ASKED HIM IF HE WOULD COMMENT ON THE GENERAL VALUE OF THAILAND TO THE UNITED STATES, THE NATURE AND VALIDITY OF AMERICAN COMMITMENT TO SOUTHEAST ASIA, AND PROSPECTS FOR MAINTAINING A STABLE, FRIENDLY AND FRUITFUL RELATIONSHIP WITH THE THAIS.

25X1A

3. AFTER HEARING [REDACTED] REMARKS, SENATOR RIBICOFF REMARKED THAT HE FELT IT IMPORTANT AND DESIRABLE TO MAINTAIN THE THAIS AS AMERICA'S FRIENDS. HE AND MR. GRANQUIST WERE PARTICULARLY INTERESTED IN THE INSURGENCY SITUATION AND THE STEPS TAKEN BY THE THAI GOVERNMENT TO COUNTERACT IT. BOTH FELT THE LOMAX BOOK PRESENTED A COMPLETELY FALSE PICTURE.

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SANITIZED  
Authority NLT 019-026-38  
By [Signature], NARA, Date 1/11/02

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4. THIS LED TO A BRIEF DISCUSSION OF THE ROLE OF THE AMERICAN PRESS IN REPORTING ON SOUTHEAST ASIA AND THE POSSIBILITY THAT THIS COULD BE AN ACHILLES HEEL WHICH COULD UPSET ALL OTHER AMERICAN EFFORTS. SENATOR RIBICOFF WAS PARTICULARLY EMPHATIC IN STATING HIS BELIEF THAT THE AMERICAN PEOPLE WERE NOT GETTING THE TRUTH AND THAT IF THE TRUTH WERE KNOWN, POPULAR OPINION WOULD BE STRONGER IN SUPPORT OF ADMINISTRATION POLICIES IN THE AREA.

5. IN CONCLUSION, SENATOR RIBICOFF SAID THAT HE HAD COME TO THAILAND INITIALLY AS A STOPOVER POINT ON THE WAY TO VIETNAM. HE ADDED, HOWEVER, THAT HE WAS VERY GLAD THAT HE HAD COME AND FELT THAT HE HAD LEARNED A GREAT DEAL. HE THEN INSTRUCTED HIS ASSISTANTS TO CANCEL OTHER BRIEFINGS AND MAKE PLANS FOR HIS DEPARTURE TO DJAKARTA, SAYING THAT HE HAD LEARNED ALL HE NEEDED TO KNOW.

Richard Helms  
Director

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INFORMATION

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Saturday, December 16, 1967  
3:45 p. m.

Mr. President:

Herewith Dick Helms reports on  
Marcos' at mid-term.

*Free file*

W. W. Rostow

~~SECRET~~

Cy 1, 7 December 1967  
No. 1679/67

Intelligence Memorandum: Philippine President Marcos' Problems at Midterm.

WWRostow:rla

DECLASSIFIED  
E.O. 12958, Sec 3.4(b)  
Authority W.H. Ruidelmeis 2/24/88  
By rs/dch NARA, Date 1-9-94

DECLASSIFIED

Authority OLJ 84-323  
By sp/usp, NARA, Date 1-16-92

~~CONFIDENTIAL~~

Monday, November 20, 1967

NOTES ON THE PRESIDENT'S MEETING WITH BIPARTISAN LEADERSHIP

SUBJECT: Devaluation of the Pound and its Implications for  
U. S. Fiscal Policy -- Monday, November 20.

PRESENT:

The President	Senator Mansfield	Speaker McCormack
Secretary Fowler	Senator Dirksen	Representative Ford
Chairman Martin	Senator Robert Byrd	Representative Boggs
Under Secretary Barr	Senator Hayden	Representative Bow
Under Secretary Deming	Senator Kuchel	Representative Byrnes
Chairman Ackley	Senator Russell	Representative Laird
Director Schultze	Senator Smathers	
Walt Rostow	Senator Williams	
Art Okim	Senator Young	
Ed Fried		

The President -- Opened meeting by saying that he asked to meet with the leadership of both parties to review the developments surrounding the devaluation of the pound, the implications it carried for the U. S., and the choices with which we were now faced. He asked Secretary Fowler, Chairman Martin, and Chairman Ackley to review the situation.

Secretary Fowler -- The need to meet the deficit out of borrowed funds will unbalance the economy and undermine our international position. The dimension of the problem is clear from the following: in the first six months of this calendar year, Treasury operations had put \$11 billion into the monetary system. The prospect now is that without a tax increase the Treasury in the first six months of next year will take out \$5 billion from the system. This swing of \$16 billion represents approximately one-fourth of the total credit market and will have a tremendous impact on interest rates.

The devaluation of the pound now intensified the situation and the problem. In a sense, we have a new ball game. At stake are:

- a. The gold exchange standard and the system of stable exchange rates that have enabled international trade to expand.
- b. The U. S. external position in the world -- political, diplomatic, military and commercial. (What was now happening to the U. K. should serve as a lesson to us.)

~~CONFIDENTIAL~~

- c. Confidence in financial markets which was at the basis of prosperity at home and abroad.

We have two basic means of dealing with this new financial crisis:

1. Through multilateral cooperation and financial diplomacy
  - To make sure that the British devaluation does not cause a chain reaction such as the competitive exchange depreciation scramble of the 30's. So far the results look good. The major financial and trading countries are sticking together and not following the British.
  - To protect the dollar against speculative raids. We are doing this through an extensive system of swap arrangements, through the IMF facilities, and through close consultation.
  - To maintain the price of gold through operating on gold markets and through the cooperation of our partners in the London gold pool.
2. Maintain confidence in the stability of the dollar
  - What we do about our deficit is in itself an important element of the confidence that foreigners have in the dollar. So far, we don't look very good. With 12 out of 14 appropriations bills passed, the actions taken by the Congress will reduce expenditures by only \$1.5 billion this fiscal year and the tax increase is stalled.
  - It is essential that we concert ourselves on a package that would make deficit finance manageable and provide concrete evidence that we will be able to deal with inflation and avoid a boom and bust cycle. This could be the most important factor for removing uncertainty and restoring confidence in financial markets.

Increase in taxes alone won't do it. Reducing expenditures on the scale on which the Congress has acted won't do it. We must work together and combine both approaches into a package that will do the job.

Chairman Martin -- Fully support Secretary Fowler's analysis. Said officials and the entire Federal Reserve system were almost unanimous in believing we have a major problem in protecting confidence in the dollar. He had

spoken that day to five governors of European central banks. Three made a major point of asking what we were going to do to deal with our deficit.

He believes there is a critical need to demonstrate that we will get our finances in order. Whether we keep the dollar strong is entirely up to us. It depends on, and will require, a combination of expenditure reductions and tax increases.

Chairman Ackley -- The U. S. is not like the U. K. -- we are in an incomparably stronger position. Nevertheless, we cannot escape the impact of the British devaluation, and we have had a long series of balance of payments deficits. Recently our prices have been rising while prices in Europe were stabilizing. The Europeans are becoming more pessimistic than we regarding our situation, and, as a consequence, they are becoming more cautious. Uncertainties in the U. S., notably the effects of strikes, the tax situation, and our deficits undermine confidence. It is essential that we move now to bring our house in order as a concrete demonstration to the world of our will and capacity to keep our economy and the dollar strong.

Secretary Fowler -- No single act could more effectively restore and maintain confidence in the dollar, and shore up our balance of payments position -- both short and long term -- than the passage of an expenditure reduction and tax increase package at this Session of Congress. Markets don't wait.

He said there were three groups: those who believed in a big tax increase and a small expenditure reduction; those who believed in a big expenditure reduction and small tax increase; and those who wanted to do nothing. He believes the third group predominates today and, if they have their way, the consequences will be very serious.

The President -- Said he wanted to summarize and review the record as we see it from our standpoint. Said it would be helpful because the Chairman of the Ways and Means Committee was going to begin hearings next week. In his message on January 10, he had proposed a 6% surtax which would have amounted to 1/2 cent on the dollar. He repeated ~~this~~ request in his budget message of January 24, and in his economic report of January 26. In July, it had become apparent that war costs were going up and revenues would be down. He consulted with the best brains in the Administration, with leaders of business firms, labor organizations, farm groups, and other outside experts.

The choices were:

1. To finance the deficit through increased taxes which would have required a 40% increase in taxes.

2. To borrow it all, which would be clearly irresponsible.
3. A combination of:
  - a. 25% of the deficit through increased taxes, or \$7.4 billion, or one cent on the dollar. (This would take back only 1/2 of the tax reduction.)
  - b. 50% borrowing.
  - c. 25% savings through a review of all programs.

Given these choices, he met with the leadership and with the Ways and Means Committee. In an Executive Session of the Ways and Means on September 22, the Administration proposed to match a tax increase with savings -- dollar for dollar. All major organizations supported a tax increase. On October 3, Ways and Means tabled the proposal until further notice.

He said that delay hurts us all. He cited the pressure of government financing on financial markets, the effects of interest rate escalation, the hardship this will impose on state and local governments, on housing, and on consumers.

Inflation hurts consumers twice. Its incidence is as hard as a tax, and it hurts low-income families disproportionately. They would pay an inflation tax, but they would not pay a surtax. It will increase our imports and undermine our international monetary position.

In light of the devaluation, it was more essential than ever to take action. With sterling devalued, the world depends even more on the dollar. It should also be possible to move forward now that the Congress has passed 12 out of 14 appropriation bills and we know the results.

His proposal was:

1. A 10% surtax which would bring in \$6 or \$7 billion.
2. Expenditure reductions of \$4 billion, including the \$1 1/2 to \$2 billion that Congress would have cut. He would put a separate title in the bill with a formula that would bring these cuts to \$4 billion.

3. The PC authority passed by Congress would come to \$2 billion and saving on the Pay Bill to \$1 billion.

Reductions would be painful and hard, but they have to be done. None of these figures are inflexible. Chairman Mills feels that the House has expressed itself in favor of a \$5 billion reduction in expenditures. Other figures agreed upon could be made effective through a formula that would be part of the tax bill. Chairman Mills has announced a meeting of the Committee next Tuesday. It is essential that we act to avoid high interest rates and to maintain confidence in the dollar. Only in this way would it be possible to see that these people for whom the programs were designed would not be robbed by inflation.

He said he asked the leadership here for their cooperation and suggestions.

It was essential to avoid his challenge to our fiscal strength. He cited his telegram to the Australians and his discussions with Japanese Prime Minister Sato to keep other major powers firm with us following the British devaluation. Nothing was more important than a legislative proposal of this sort. He pointed to the fact that every item in the budget was going up, e. g., Medicare, Medicaid, Agriculture, and he asked Director Schultze to comment.

Director Schultze -- Said that carrying out the legislative provisions for Medicare, Medicaid, and public assistance would increase expenditures by \$1 billion over the January budget estimates. CCC expenditures would be up by \$.5 billion. Higher interest rates, larger Ex-Im loans, increased veteran loans, would add another \$.8 billion. Postal pay increase adds \$.2 to \$.3 billion. These expenditure increases were not subject to administrative control but they had to be offset.

The President -- It was necessary to act first in the House Appropriations and Ways and Means Committees. He had tried to avoid the sterling crisis and sent Deming to Europe with this objective. But as it turned out, the UK had no choice and the pressure was now primarily on the U. S.

Senator Mansfield -- Didn't think we were asking for enough. We should seriously consider price and wage controls in addition to the tax increase and expenditure reductions proposal.

Speaker McCormack -- Said, as he understood it, the U. S. is now the key to the international monetary situation. Asked Chairman Martin's comments. Martin agreed.

The President -- Said we had been prepared for this contingency and had been in touch with all the major countries to make sure of cooperation and united actions. He was pleased with developments up to now, but this was only the beginning and we were under fire.

Senator Russell -- Asked Secretary Fowler whether he was surprised at the British action. Secretary Fowler said no. He had hoped the British would be able to weather the storm. They had made a great deal of progress since last year, but then ran into bad luck as a result of Suez, depression in their export markets, the dock strike, and rising interest rates in the U. S.

Senator Russell -- Said he had been apprehensive for some time. He himself had never been opposed to a tax increase.

The President -- Asked the others to comment but made clear that they were under no obligation to take a position. Said he had asked them to the meeting to get their views.

Senator Smathers -- Said he had been surprised during his recent trip to Europe at the concern over our situation. He supported the combination proposal. He suggested that the tax increase should be directly related to the cost of the Vietnam War. We had, after all, raised taxes during the Korean War. He hoped the House acts soon.

Senator Dirksen -- Said the principle was good. It was based on faith on both sides. He said that in fiscal matters there was always a lot of political pulling and hauling to gain partisan advantage. This was natural but we should never let it get to the point where the country and the economy suffers. He cited the 1929 depression, and said we must never let that happen again. We cannot let the country down during a period of danger. Both sides must work together -- Executive and Legislative. He suggested that perhaps the House and Senate could get together on a bi-partisan basis and work out where the cuts would be made and who would make them, and whose favorite projects would go down the drain. Thought perhaps it could work out.

The President -- Said he was willing to take responsibility for an expenditure reduction formula but wanted the approval of the Congress. He would prefer that the formula be in the bill; otherwise, he would review reductions with the leadership to obtain their approval.

Senator Russell -- Said he thought that the Congress had cut \$5 billion in appropriations.

The President -- Not talking about appropriations, but the effect of the appropriations bills on expenditures this year. The bills would cut expenditures through the balance of this fiscal year by only \$1 1/2 billion. He believed there should be a \$4 billion cut in expenditures, which probably would require a cut in programs of something more than \$9 billion.

Representative Mahon -- Said that Congress had cut about \$1.5 billion in expenditures in 1968 with the rest of the impact coming later. Believed the cut had been as much as could be done, with the President saying that he stood on his budget. The Appropriations Committee will not cut programs by \$9 billion unless the Administration says that it is imperative that it be done. Not everyone is as keyed up for expenditure reductions as Mills and Ford, so it was essential for the Executive to come out strongly for it. It will hurt, but if it is pictured as essential for the country's fiscal position, the Committee will do it even though it will not like it.

The President -- Said he told the Cabinet to be prepared to make the reductions and to be in a position to discuss their impact with the appropriate Committee Chairmen.

Representative Mahon -- The Congress prefers that you do it rather than we.

Secretary Fowler -- The point is that both should cooperate and join together; that this demonstration of cooperation would contribute to confidence.

Representative Laird -- Cited his proposal for a 5% reduction in appropriations. Said that some expenditures could be postponed and noted in particular the bill for electrical equipment in educational facilities. Said that Executive had not cooperated.

Representative Ford -- Said he was encouraged to see that the Administration was coming around to the view that expenditure reductions should be made a matter of law.

The President -- Said we had been saying this since August.

Secretary Fowler -- Read statements he had made advocating this on September 21.

Representative Ford -- Said he never heard anyone in the Executive saying that he would accept cuts as a matter of law. It is important to know from what level of expenditures such cuts would be made. From \$135 billion - \$136.5 - \$144 billion? But he was encouraged by this start.

The President -- Said that Secretary Fowler had been prepared to offer four alternative proposals to achieve dollar for dollar matching of cuts and tax increases before the Ways and Means Committee. The fact is that there is only \$38 billion in controllable items in the budget. We would be effecting \$10 billion of that total to get a cut of \$4 billion in expenditures. He was not wedded to any one figure or any one combination. Our best judgment was a bill with:

the first title providing for tax increase of \$7.4 billion;

the second title providing for expenditure reductions on the basis of a stated formula; and

the third title setting up a commission to study and review the programs.

Director Schultze -- Said the proposal referred to cuts from the budgeted figures.

Representative Ford -- Questioned again the level of expenditures and said that including PC's would not help Chairman Martin's problem of escalating interest rates.

The President -- Said PC's would not help on interest rates, but his figures of withdrawing \$11 billion from the money market would help interest rates and did not include PC's. PC's entered the picture in reducing the deficit.

Representative Ford -- Asked about the possibility of a commitment that there would be no request for supplementary appropriations, except for Defense.

The President -- Said he would not want to tie his hands against the possibility of dealing with emergencies that might arise. What would happen, for example, if there were a disaster in Representative Ford's district?

Secretary Fowler and Representative Ford exchanged views as to the record whether in fact the Executive Branch had or had not proposed expenditure reductions as a matter of law.

The President -- Said that Secretary Fowler and the Budget Director had been ready to explore alternative means of breaking the impasse. But he suggested that there was no point now in going over the past; it was the future that counted.

What he would like now would be to reduce the deficit and the need for borrowing \$11 billion through the combination of tax increases and expenditure cuts. He did not know how much we could get through the Committees. With cooperation, he would favor putting it all in one bill with no discretion. If that was not possible, he could carry it out through the approval of the leadership.

Speaker McCormack -- Suggested that the President ask for a \$10 billion tax increase, rather than \$7.4 billion.

The President -- Said the situation was now up to the leadership. Congress had exercised its will and cut expenditures by less than \$2 billion. He would be prepared to try to double that.

Representative Mahon -- We should not be under any confusion on the proposal. As he understood it, it did not call for a ceiling on expenditures.

Director Schultze -- Said the proposal would reduce obligations for Federal programs as set forth in the budget by a specified percentage. The formula of a 2% cut in payrolls and 10% cut in programs would work out to a \$4 billion reduction in expenditures for Fiscal '68.

Representative Bow -- Said the reductions would add up to \$3.4 billion.

The President -- Said we are not spending anything you have not appropriated. Some things can't be cut, e. g., interest rates, crop loans, Medicare. We are prepared to cut from what you have already appropriated.

Senator Williams -- Said we had to face up to the situation and pointed to the Medicare Bill now before the Senate. Said these costs could be brought under control if the Administration supported reductions.

Senator Williams and Secretary Fowler then discussed a number of technical aspects related to this question.

The President -- Suggested that they talk it over separately, rather than take the time of the group as a whole.

Representative Boggs -- Said he believed in the tax bill for over a year. His mail was largely in support of it; almost unanimously so from business firms in his district.

Representative Laird -- He was for the tax bill, even though his mail didn't support it.

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The President -- Asked if there were any other comments or any general views about the possibilities of having three titles to the bill and thus putting the three parts under one roof. Since there were none, he closed the meeting by suggesting that the effort be made to move in that direction.

W. W. Rostow

  
ERP:mst

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*Profile*

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Saturday, December 16, 1967 -- 3:40 p. m.

Mr. President:

I would add two points to the attached package on the Jordanian and Israeli arms problem:

-- Evron took me aside last night and indicated that the Israelis would be helpful to us if we felt we had to go ahead with the Jordan package. He didn't say so explicitly, but he was, of course, assuming we would go ahead simultaneously with the 27 Skyhawks.

-- The difference between Nick's view and Gene's is very narrow. Nick would let the Israelis know that a delay in commitment need not be a delay in delivery, because we are prepared to divert aircraft from other contracts on the Skyhawk production line if Israel needs help quickly.

Only you can make an assessment as to the importance of taking continuing pressure from the Jewish community from now until Eshkol's visit. Is it worth the bargaining advantage that 27 aircraft might give us in discussions with Eshkol.

My personal judgment is that it is not good practice to have specific aid or arms deals emerge directly from heads of government meetings. But I can quite understand and sympathize with Nick's argument for delay.

W. W. Rostow

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 97-255  
By isa, NARA Date 10-3-97

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DECLASSIFIED  
 E.O. 12958, Sec. 3.6  
 NLJ 97-255  
 By isa, NARA Date 10-3-97

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Friday, December 15, 1967

## MEMORANDUM FOR THE PRESIDENT

SUBJECT: Arms for Israel and Jordan

You have asked to discuss these decisions: (1) Shall we resume now a limited (\$6.5 million) program for Jordan to keep the USSR out? (2) When should we answer Israel's aircraft requests?

I. Time is running out on our stringing Hussein along without resuming military shipments. We would go ahead in a minute except for one problem--reaction from Israel, our Jewish community and Congress. But we still feel Israel is better off with a controlled number of US arms in Jordan than with unrestrained Soviet shipments. This is a painful decision, but the Secretaries feel we must go ahead.

II. We must provide Israel with some aircraft (Tab C), but we're divided on two issues--how many? and when? The Arab-Israeli balance today is at least as favorable to Israel as on June 5. The question is how quickly we must act to keep pace with Soviet resupply. The 48 Skyhawks we are already delivering will replace Israel's war losses by the end of 1968 and bring Israel's air strength qualitatively somewhat above its June 5 level. General Weizman asked for 27 more Skyhawks and 50 F-4 Phantoms to increase that level (from 200 to 250) and permit modernization. Everyone agrees that we should go ahead with the 27 added Skyhawks soon and hold on the Phantoms until the need is clearer (e.g. French decision on 50 Mirages). But a debate on timing ranges between these choices:

--Nick Katzenbach (Tab A) would hold our decision until the Eshkol visit. He believes that we should not jeopardize Jarring's mission and that we can keep the Israelis quiet about Jordan by assuring them we'll avoid lead time delays and will divert aircraft from other contracts if Israel needs help quickly.

--Gene Rostow (Tab B) believes we must go ahead now, mainly to disabuse the Arabs of any false hopes that rapid supply of Soviet equipment has given them.

I doubt we can hold domestic pressures comfortably until Eshkol comes. I'd be inclined to go ahead now with the 27 Skyhawks, both to balance our Jordan move (if you approve) and to show we mean it about wanting Israel to be militarily self-sufficient.

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W. W. Rostow

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DEPARTMENT OF STATE  
WASHINGTON

December 11, 1967

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MEMORANDUM FOR THE PRESIDENT

Subject: Arms for Jordan and Israel

The attached memorandum (concurrented in by Rusk and McNamara) sets out alternative courses of action for dealing with the priority arms problem in the Middle East. We have deliberately given you these various options, although I am sure you will recognize that the choices on Jordan are narrow indeed.

It may be useful to you, in making this difficult decision, to have my views on how you might play it-- particularly in light of the potential domestic problems.

\* \* \*

Israel has asked for 27 A-4 Skyhawk aircraft, to be delivered in 1969. (These are in addition to the 48 Skyhawks now scheduled for delivery in 1968). It has also asked for 50 F-4 Phantom jets, to be delivered in 1969-70.

The military balance is in Israel's favor and should remain so for at least a year. But I believe there is a legitimate Israeli concern about their continued air superiority beyond 1968.

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E.O. 12958, Sec. 3.6

NLJ 97-237

By isa, NARA Date 3-23-98

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King Hussein is pressing hard for some arms deliveries--both as evidence of our continued support and to meet minimum equipment needs for his defeated army.

Hussein's position is threatened by his efforts in favor of a settlement, his association--in Arab eyes--with the West, and his resistance to attractive Soviet arms offers.

If it can be done without endangering Israel's security, it is in our national interest--as well as Israel's--to avoid further substantial US arms commitments until we know more about the chances for a negotiated settlement.

I therefore conclude that:

1. The US should tell Hussein before Christmas that we are willing to supply certain of Jordan's minimum requirements. But doing something for Jordan, no matter how little, will almost certainly be strenuously opposed by Israel. This will mean some political trouble for you on the domestic front.

2. We must give some indication now to the Israelis on how we propose to deal with their requests. We could:

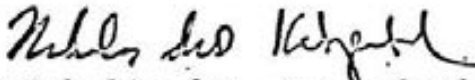
- assure Israel that a delay in committing ourselves to sell them A-4s does not mean that the 1969-70 delivery date would slip (assuming we decide to go ahead with the sale);
- indicate that the US would be prepared to divert F-4s from other contracts in order to meet a clearly demonstrated Israeli need (i.e., French cancellation of Mirage deliveries; delivery of substantial

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-3-

numbers of Mirages to the Arabs, escalation of Soviet aircraft supplies to Arabs.)

3. In terms of dealing with the domestic situation here, and the likely Israeli reaction to our moving on Jordan, I do not believe we should tell the Israelis more than the foregoing. By withholding firm word on our intentions until Eshkol's visit in February, we may be able to dampen Israeli opposition to Jordan sales.

  
Nicholas deB. Katzenbach  
Acting

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B-7112  
1. Saunders  
2. Ret  
34c

DEPARTMENT OF STATE  
WASHINGTON

B

December 14, 1967

~~SECRET/EXDIS ATTACHMENT~~

MEMORANDUM FOR MR. WALT W. ROSTOW

Walt:

Attached is a memo to me from Gene on the Israel-Jordan arms question. You will note that it differs, to some extent, from the two memos I recently sent to the President. As you know, the basic memo (as distinct from my personal note) was based on our discussion in the SIG. You will recall that the general view was that our main problem was Jordan, and that we should try to keep the options open in dealing with Israeli requests. My personal note reflected my concern for the President's political problem, and therefore moved more in the direction of a forthcoming stance on the Israeli request even though the present security situation might not justify such a move.

This, obviously, is a fast-moving situation with a number of alternative ways to proceed. I have no great problem with going ahead on the 27 A-4s the Israelis want by '69. If we do move now the decision should, I think, be based on a political estimate rather than a military one. It would also raise the question of what we give Eshkol when he comes here in February. If we go ahead with the planes now, we will probably have to come up with something more when he arrives.

You should know that we have asked DOD to give us precise information on lead times, as well as an estimate of just how much elbow room we have on F-4 diversions.

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E.O. 12958, Sec. 3.6  
NLI 97-237  
By us, NARA Date 3-23-98

*Wm*  
Acting Secretary

~~SECRET / EXDIS ATTACHMENT~~

DEPARTMENT OF STATE  
UNDER SECRETARY FOR POLITICAL AFFAIRS

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~~SECRET~~/EXDIS ATTACHMENT

December 13, 1967

TO : U - The Acting Secretary  
FROM : *ERM* - Eugene V. Rostow  
SUBJECT: Planes for Israel.

As I told you last night, I cannot agree with one recommendation of the attached paper. I am sorry I had to miss the discussion of the subject at the SIG meeting, which took place while I was abroad.

I agree with the action proposed with regard to Jordan.

But I cannot agree to delay a decision on additional planes for Israel.

I concur in the reasoning of Ambassador Barbour's telegrams on the subject, which I attach for ready reference.

Our basic interest in the question is to deter any Arab or Soviet temptation to strike at Israel, and to be certain that if such an act should occur, Israel would be in a safe position to deal with it alone. In terms of air power, I am not convinced that "the military balance is in Israel's favor" at this time, for the reasons Ambassador Barbour gives. And I believe that firm assurance of support for the Israeli air force now should encourage Arab cooperation with the Jarring Mission, discourage hot-heads on both sides, and constitute the right signal for the Soviets. The decision should not be made public, in my view, so as not to affront moderate Arab opinion in a period of rising Arab concern about the Soviet military presence in the area, and particularly in the Yemen. But the fact of the decision will nevertheless be known, and will improve the atmosphere.

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E.O. 12958, Sec. 3.6

NLJ 97-237

By *ijz*, NARA Date 3.23.98

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I disagree also with the reasoning of paragraph 3. I can see no way to make the Israelis accept our decision with regard to Jordan without assurance as to their own supply of aircraft.

I therefore recommend that the Israelis be told now that we will sell them 27 A-4s, in addition to the number already announced, for delivery as planned; that we are keeping the problem under close and continuing review; and that we should be prepared to divert F-4s from other contracts in order to meet a demonstrated Israeli need (i.e., French cancellation of Mirage deliveries; deliveries of substantial number of Mirages to Arab countries, escalation of Soviet aircraft supplies to Arabs).

Attachments

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Department of State <sup>111-11111111</sup> TELEGRAM

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E.O. 12958, Sec. 3.6  
NLJ 97-237  
By is, NARA Date 3-23-98

EXDIS  
REF: STATE 74858

1. AS EXPECTED, IN MEETING WITH ME TODAY, PM ESHKOL BEGAN BY REFERRING TO NASSER SPEECH OF NOV 23. HE LIKENED HUSSEIN-NASSER RELATIONSHIP TO SEE-SAW, WITH HUSSEIN MAKING ENCOURAGING NOISES IN WORLD CAPITOLS ONLY TO HAVE HIS EFFORTS FRUSTRATED BY WARLIKE PRONOUNCEMENTS BY NASSER. HE DESCRIBED SPEECH OF NOV 23 AS DAGGER IN BACK OF CAUSE OF PEACE. ESHKOL SAID HE HAD HOPED WITH SOME CONFIDENCE THAT SIX DAY WAR WOULD BE FOLLOWED BY REAL PEACE IN MIDDLE EAST AND HE STILL HOPES SO BUT WITH CONSIDERABLY LESS CONFIDENCE. THE "SUPERLATIVES" OF NASSER'S EXPRESSION DID NOT

PAGE 2 RUQMVL 1638 ~~SECRET~~  
AUGUR WELL. IN ANY EVENT, ISRAEL MUST BE CAREFUL AND REMAIN ON GUARD.

2. ISRAELI MILITARY CAPABILITY IS ADEQUATE ON GROUND. "CENTER OF GRAVITY" IS THE AIR FORCE AND THERE ISRAEL IS VERY VULNERABLE. WITHOUT REPEATING DETAILS, WHICH HAD BEEN GIVEN BY GEN WEIZMAN, ESHKOL MENTIONED ONLY THAT EFFECTIVE FIGHTER STRENGTH NOW IS SOME 90 PLANES, AND THEY ARE NO "SPRING CHICKENS."

NOT TO BE REPRODUCED  
~~SECRET~~ WITHOUT THE AUTHORIZATION  
OF THE EXECUTIVE SECRETARY



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PAGE 02 TEL AV 01638 271838Z

EM ESHKOL SAID HE IS PESSIMISTIC ABOUT GETTING THE 50 FRENCH MIRAGES. IN ANY CASE, EVEN IF HE GETS THOSE, HIS ESTIMATE IS THAT ISRAEL WILL BE IN A RATIO OF ONE TO THREE IN LIGHT OF SOVIET REPLACEMENTS TO EGYPT, WORSE IF ALGERIAN REINFORCEMENTS SHOULD BE FORTHCOMING, AND THIS ONLY AFTER ARRIVAL OF LAST OF 48 A4S WHICH NOT SCHEDULED UNTIL 1969. HE THINKS THIS RATIO IS TOO DANGEROUS FOR ISRAEL TO CONTEMPLATE WITH EQUANIMITY.

4. PM NOTED HE AWARE US DESIRE NOT BECOME SOLE ISRAELI SUPPLIER AND GOI ALSO WOULD PREFER HAVE MORE THAN ONE SOURCE. BUT, WITH FRENCH OUT OF PICTURE, US IS ONLY ONE TO WHICH ISRAEL CAN TURN.

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HE HAS THOUGHT OF ALTERNATIVE OF BUILDING PLANES HERE BUT EXPENSE AND TIME INVOLVED SUCH A PROJECT MAKE IT MOST UNATTRACTIVE.

5. IN CIRCUMSTANCES, ESHKOL WISHES MAKE MOST EARNEST PLEA FOR TWO STEPS BY US: A) AGREE TO PROVIDE 27 MORE A4A AND 50 PHANTOMS AND B) EXPEDITE DELIVERY 48 A4S ALREADY AGREED. HE URGED WE MAKE THIS DECISION WITH MINIMUM DELAY, ALTHOUGH HE APPRECIATED PROCESSING THROUGH GOVERNMENTAL MACHINERY OF US MAGNITUDE TIME CONSUMING. HE NOTED GEN WEIZMAN'S REPORT THAT HIS REPRESENTATIONS HAD RECEIVED MOST CORDIAL AND SYMPATHETIC HEARING, FOR WHICH GOI GRATEFUL. BUT, HE BEGGED IN MOST ELOQUENT TERMS HE COULD MUSTER THAT GOI ALSO GET THE HARDWARE.

6. I GAVE ESHKOL FULL SUBSTANCE STATE'S MOST HELPFUL REFTEL (OBVIOUSLY WITHOUT FYI SECTION). HE MADE NO PARTICULAR COMMENT, EXCEPT TO REITERATE HIS GROWING DOUBTS AS TO NASSER'S INTENTIONS. I ALSO URGED THAT, DESPITE HIS PRESENT UNEASINESS ABOUT THE ATTAINMENT OF A PEACEFUL SETTLEMENT, HE SHOULD NOT ABANDON HOPE OF SUCCESS AT THE END OF WHAT WOULD BE A HARD ROAD. HE

PAGE 4 RUGMVL 1638 ~~SECRET~~

AGREED. FURTHER, I REMARKED THAT AS THE EVENTS OF MAY AND JUNE NOT TO BE REPRODUCED

WITHOUT THE AUTHORIZATION  
OF THE EXECUTIVE SECRETARY

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Department of State

TELEGRAM

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PAGE 03 TEL AV 01638 271838Z

RECEDED IN PEOPLES' MEMORY, ISRAEL WILL HAVE TO GIVE INCREASING ATTENTION TO HER IMAGE IN THE WORLD. HER POSITION AS THE VICTIM OF AN ATTEMPT BY HER NEIGHBORS TO ANNIHILATE HER BECOMES LESS CREDIBLE THE LONGER SHE SITS IN HER PRESENT POSTURE AS AN OCCUPYING POWER IN LARGE AREAS. SHE MUST EXERCISE THE "MAGNANIMITY OF THE VICTOR" IN HER OWN INTEREST. ESHKOL CONCURRED, REMINDING ME THAT I HAD ONCE COMMENTED THAT ISRAEL IS NOW THE POWER IN THE MIDDLE EAST AND HAS ADDITIONAL RESPONSIBILITY IN THE SEARCH FOR PEACE. HE CONCLUDED THAT ALL THIS IS DEPENDENT ON ISRAEL HAVING REAL SECURITY, TO WHICH HIS PRESENT REQUESTS ARE DIRECTED.

FYI. VARIOUS READERS OF THIS MESSAGE WILL RECALL THAT THIS AIR FORCE IMBALANCE HAS GIVEN ME CONCERN SINCE THE SOVIET REPLACEMENT PROGRAM TO EGYPT BEGAN, AND I HAD HAD SEVERAL OCCASIONS TO MENTION IT WHEN IN WASHINGTON RECENTLY. I DO NOT TAKE ISSUE WITH OUR MILITARY EXPERTS' CONCLUSION THAT FOR SOME TIME TO COME, ISRAEL WILL BE SUPERIOR OVERALL IN MILITARY CAPABILITY TO ANY LIKELY COMBINATION OF POWERS WHICH MAY BE RANGED AGAINST

PAGE 5 RUGMVL 1638 ~~SECRET~~

HER, AND THIS PROBABLY WHETHER WE MAKE THE ADDITIONAL 77 PLANES REQUESTED AVAILABLE OR NOT. BUTWZ I SUBMIT THAT, IF THE ISRAELIS THEMSELVES DO NOT THINK SO, THEIR INCREASED NERVOUSNESS WILL BE LIKELY TO MAKE THEM AT WORST TEND TOWARD MORE ADVENTUROUS COURSES TO AVOID POSSIBLY IMAGINARY ARAB EFFORTS TO EXPLOIT SUCH IMBALANCE, AND AT BEST MORE DIFFICULT TO PERSUADE TO TAKE STEPS INVOLVING INCREASES TO THEIR SECURITY RISKS, WHICH MAY BE NECESSARY IF PROGRESS IS TO BE MADE TOWARD FINAL PEACE. ALSO, DESPITE EXPERT ASSESSMENTS, I WOULD LIKE TO SEE FROM A STRICT CONSIDERATION OF US INTEREST IN STABILITY IN THE REGION, THAT ADDITIONAL MARGIN OF SAFETY TO BE PROVIDED BY THESE AIRPLANES IN THE HANDS OF RESPONSIBLE (ALSO COULD READ, NON-SOVIET) ISRAELIS. ACCORDINGLY, AS HERETOFORE, I CONTINUE TO ENDORSE THESE REQUESTS AND URGE US AGREEMENT AS SOON AS POSSIBLE.

BARBOUR

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PAGE 01 TEL AV 01796 01 OF 02 121747Z

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ACTION SS 25

INFO MM 01/1026 W

R 121606Z DEC 67  
FM AMEMBASSY TEL AVIV  
TO SECSTATE WASH DC 2877

D

~~SECRET~~ SECTION 1 OF 2 TEL AVIV 1796

EXCIS

1. AT OUTSET MEETING THIS MORNING ARRANGED BY MUTUAL REQUEST I HAD ANOTHER MATTER, REPORTED SEPARATELY, TO RAISE WITH HIM ON INSTRUCTIONS. FONMIN EBAN GAVE ME FOLLOWING AIDE MEMOIRE WHICH HE DESCRIBED AS SUMMARIZING THE VIEWS HE WISHED TO PRESENT:

BEGIN QUOTE  
AIDE MEMOIRE  
DECEMBER 12, 1967

THE SOVIET MILITARY PRESENCE IN THE MIDDLE EAST IS BECOMING PROGRESSIVELY MORE BLATANT AND INTENSE.

PAGE 2 RUGMVL 1796/1 ~~SECRET~~

As REARMAMENT OF THE U.A.R. SINCE JUNE THE USSR HAS REPLENISHED OVER 20 PERCENT OF ARAB LOSSES IN EQUIPMENT AND STORES. AT THE PRESENT RATE THE RESUPPLYING OF EGYPTIAN FORCES TO PRE-JUNE STRENGTH WILL BE COMPLETED IN APPROXIMATELY FIVE MONTHS. SOME OF THE EQUIPMENT WILL BE QUANTITAVELY SUPERIOR TO THAT BEING REPLACED. SU 7 AIRCRAFT WILL BE IN GREATER PROPORTION. TANKS ARE BEING REPLACED BY T 54 TANKS. HOWITZERS BY NEW FIELD GUNS. GROUND TO GROUND MISSILES ARE BEING INTRODUCED IN NUMBERS AND QUALITY YET TO BE DETERMINE. ~~NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY~~

DECLASSIFIED

Authority ERvs.6448.w1.20,418

~~SECRET~~

By JC NARA Date 12-16-09



Department of State

TELEGRAM

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PAGE 02 TEL AV 01796 01 OF 02 121747Z

B. NAVAL PRESENCE

SINCE JUNE THE SOVIETS HAVE ESTABLISHED A NAVAL FORCE IN THE MEDITERRANEAN SECOND ONLY TO THE SIXTH FLEET. THE PRESENT RATIO BETWEEN THE TWO FORCES IS ESTIMATED AT UPWARDS OF 5.3. THE COORDINATION BETWEEN THIS FORCE AND THOSE OF THE GOVERNMENT OF THE UAR MARKS AN ESCALATION OF SOVIET INVOLVEMENT IN THE AFFAIRS OF THE REGION.

C. AERIAL DEMONSTRATION

FOLLOWING AFTER THESE NAVAL DEVELOPMENTS THE SOVIETS YET

PAGE 3 RUQMV 1796/1 ~~SECRET~~

DESPATCHED A SQUADRON OF TU-16 BOMBERS TO EGYPT FOR A VISIT OF UNSPECIFIED DURATION. IT IS REPORTED THAT OTHER SUCH VISITS WILL FOLLOW. THE MOTIVES MAY BE TO STRENGTHEN THE NASSER REGIME ON THE EVE OF THE SUMMIT CONFERENCE AND OF AMBASSADOR JARRING'S VISIT. THE EGYPTIAN INTERPRETATION IS EXUBERANT. CAIRO IS BECOMING LESS CONVINCED THAN EVER OF THE NECESSITY TO SEEK A SETTLEMENT.

D. SOUTH ARABIA

THE SOVIETS HAVE JUST TAKEN THE UNPRECEDENTED STEP OF INTERVENING ACTIVELY IN THE YEMEN WAR BY EMPLOYING SOVIET-MANNED AIRCRAFT AGAINST ROYALIST FORCES. IN ARAB EYES THIS GIVES FURTHER CREDIBILITY TO THE PROSPECT OF SOVIET DIRECT INTERVENTION ELSEWHERE.

THE QUESTION IS WHETHER THIS ESCALATION IN THE SOVIET INVOLVEMENT SHOULD REMAIN UNCHALLENGED. IF IT DOES ARAB POLICY WILL BE BASED ON THE ASSUMPTION OF EVENTUAL SOVIET SUPREMACY. IT IS EARNESTLY RECOMMENDED THAT THE SOVIET GOVERNMENT BE APPRISED OF THE U. S. GOVERNMENT'S CONCERN AND SERIOUS RESERVATIONS OVER THESE

PAGE 4 RUQMV 1796/1 ~~SECRET~~

FAR REACHING MANEUVERS. THE ABSENCE OF ANY UNITED STATES REACTION WILL ENCOURAGE FURTHER SOVIET OF THE EXECUTIVE SECRETARY PSYCHOLOGICAL EFFECTS OF PASSIVITY WILL BE GRAVE BOTH IN THE

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SOVIET AND ARAB CONTEXT, AT THE PRESENT STAGE THE POLITICAL EFFECTS ARE STRONGER THAN THE STRICTLY MILITARY EFFECTS. THE TENDENCY NOTICED IN NOVEMBER FOR ARAB GOVERNMENTS TO ATTACH DECISIVE WEIGHT TO UNITED STATES INFLUENCE WILL BE DISSIPATED.

FURTHERMORE WE STRONGLY URGE THE U.S. GOVERNMENT TO COME TO AN EARLY AND POSITIVE DECISION ON ISRAEL'S PENDING REQUEST FOR ADDITIONAL MILITARY AIRCRAFT. SUCH A DECISION WOULD HAVE THE FOLLOWING POSITIVE EFFECTS:

1. IT WILL HELP REDRESS THE POLITICAL AND MILITARY GAINS ACHIEVED BY THE SOVIETS THROUGH THEIR RECENT ACTIONS.
2. IT WILL HAVE A SOBERING EFFECT ON EGYPTIAN PLANNERS AND POLICY-MAKERS. THEY KNOW THAT BEGIN UNDERLINE HUNDREDS OF AIRCRAFT HAVE REACHED THE UAR WHILE NOT ONE SINGLE AIRCRAFT HAS REACHED ISRAEL. END UNDERLINE IT WOULD BE EXTRAORDINARY IN SUCH

PAGE 5 RUGMVL 1796/1 ~~SECRET~~

A CONTEXT IF THE UAR WERE TO SHOW A CONCILIATORY FRONT.

3. IT IS ESSENTIAL TO DEMONSTRATE THE U.S DETERMINATION TO ENSURE A VIABLE BALANCE OF ARMAMENT IN THE AREA. THE FRENCH DEFECTION HAS HELPED TO CREATE AN IMPRESSION THAT ISRAEL CAN SOON BE INTIMIDATED. IT IS ASTONISHING TO RECORD SUCH A POSITION SO SOON AFTER THE JUNE FIGHTING. THE CHANCES OF PROGRESS IN THE UNITED NATIONS CONCILIATION EFFORT ARE CONSIDERABLY LESS THAN THEY WERE A FEW WEEKS AGO, AS A RESULT OF THESE CUMULATIVE DISTURBANCES IN THE EXISTING AND PROSPECTIVE BALANCE OF POWER. TO ALLOW THIS DERANGEMENT TO PROCEED WITHOUT COUNTERBALANCING ACTION WOULD, IN OUR VIEW, BE AN ERROR OF GREAT SCOPE.

EXPERIENCE SHOWS THAT DECISIONS OF WAR OR PEACE IN THIS REGION ARE DETERMINED NOT SO MUCH BY THE REALITY NOT TO BE REPRODUCED THE IMPRESSION AND APPEARANCE OF IT. THE SIGNIFICANCE OF THE ABOVE DEVELOPMENTS WOULD NOT BE GREATLY AFFECTED BY AN OBJECTIVELY POSITIVE ANALYSIS OF AMERICAN POWER OF THE EXECUTIVE SECRETARY DANGER LIES IN THE IMPRESSION THAT AMERICAN AND ISRAELI STRENGTH

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~~SECRET~~

PAGE 04 TEL AV 01796 01 OF 02 121747Z

PAGE 6 RUCMVL 1796/1 ~~SECRET~~  
HAVE FOR SOME MONTHS BEEN STATIC, WHILE SOVIET AND ARAB  
CAPACITIES HAVE BEEN GROWING IN SWIFT MOMENTUM. END OF QUOTE

2. IN THE ENSUING CONVERSATION EBAN ELABORATED ON THIS PRESENTA-  
TION WITH PARTICULAR REFERENCE TO THE PSYCHOLOGICAL AND POLITICAL  
EFFECTS HE SEES RESULTING FROM THE INCREASED SOVIET PRESENCE IN  
THE MIDDLE EAST. REITERATING THE ISRAELI ASSESSMENT REPORTED  
ON VARIOUS OCCASIONS THAT NASSER AND THE EGYPTIANS APPEAR EMBARKED  
ON A TWO-PRONGED POLICY (A) AN EFFORT TO ACHIEVE A POLITICAL SOLUTION  
ON THEIR TERMS IF POSSIBLE AND (B) AT THE SAME TIME REBUILDING  
THEIR MILITARY POTENTIAL TO SUCH AN EXTENT THAT IF A POLITICAL  
SOLUTION FAILS OR THEY ULTIMATELY DECIDE THAT THEY PREFER A RENEW-  
AL OF HOSTILITIES THEY WILL BE IN A POSITION TO DEFEAT ISRAEL AT  
THE NEXT ATTEMPT. EBAN SAID THAT HE FELT IN NOVEMBER NASSER WAS  
DEFINITELY EMPHASIZING THE DESIRABILITY OF ALTERNATIVE (A), A  
POLITICAL SOLUTION, BUT THAT THERE ARE NOW SERIOUS INDICATIONS  
THAT HE IS LESS DEDICATED TO THAT COURSE. THIS CHANGE EBAN

GP-3 BARBOUR

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Department of State

TELEGRAM

24

SECRET 715

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ACTION SS 25

INFO MM 01/026 W

R 121606Z DEC 67  
FM AMEMBASSY TEL AVIV  
TO SECSTATE, WASHDC 2878

SECRET SECTION 2 OF 2 TEL AVIV 1796

EXDIS

EBAN ATTRIBUTES TO THE PSYCHOLOGICAL IMPACT OF RECENT MOVES IN THE AREA. EBAN IS APPREHENSIVE THAT IF THIS IS THE CASE THE EGYPTIANS WILL BE LESS ANXIOUS TO REACH AGREEMENT POLITICALLY THAN THEY WOULD HAVE BEEN HERETOFORE. HIS PARTICULAR CONCERN IS NOT A REAL IMBALANCE IN US-SOVIET FORCE IN THE AREA IN THE FAVOR OF SOVIETS BUT RATHER THE APPEARANCE OF ADDITIONAL SOVIET ACTIVITY WHICH MIGHT HAVE SUCH AN EFFECT ON ARABIC THINKING AS TO INFLUENCE THEM IN DIRECTION OF UNREALISTIC FURTHER ADVENTURES OR, OBVIOUSLY A LESSER BUT STILL SERIOUS COURSE, MIGHT PERSUADE THEM TOWARD ADAMANCY IN POLITICAL NEGOTIATION. TURNING TO A QUESTION OF ARMS SUPPLY TO THE MIDDLE EAST AND PARTICULARLY US

PAGE 2 RUQMYL 1796/2 SECRET

ARMS FOR ISRAEL, EBAN AGAIN STRESSED THE PSYCHOLOGICAL IMPORTANCE OF A FAVORABLE DECISION ON THE WEIZMAN REQUESTS AS A DEMONSTRATION OF U.S. DETERMINATION TO COUNTER EFFECTIVELY SOVIET MOVES. HE ASSUMED THAT ISRAEL WOULD NOT RPT NOT GET FRENCH MIRAGES. BUT HE STRESSED THAT EVEN IF THEY DID EVENTUALLY IT WOULD NOT EFFECT THE VALIDITY OF ISRAEL'S PRESENT REQUEST TO THE U.S. AS FOR NUMBERS, EVEN BEFORE THE JUNE HOSTILITIES ISRAEL ASSESSED ITS REQUIREMENTS UNTIL 1970 AS 75 A-4'S AND 100 RPT 100 MIRAGES. THE FIRST 50 OF THE LATTER TO BE ACQUIRED

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TELEGRAM

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PAGE 02 TEL AV 01796 02 OF 02 121801Z

BE FOLLOWED BY ADDITIONAL 50 IN '69. WITH THE REARMING BY THE SOVIETS OF EGYPT AND OTHERS THIS ISRAELI REQUIREMENT STILL REMAINS VALID. THUS THE 27 A-4'S AND 50 PHANTOMS REQUESTED BY WEIZMAN ARE NECESSARY REGARDLESS OF WHETHER THE 50 MIRAGES COME FROM FRANCE OR NOT. EBAN CONCLUDED BY EXPRESSING VIEW THAT HE HOPED FIRMLY, BASED ON THE WEIZMAN CONVERSATIONS AND HIS OWN SUBSEQUENT ONES IN WASHINGTON, THAT U.S. WOULD NOT ARGUE ABOUT NUMBERS PERHAPS ON A THEORY WHICH WOULD NOT MAKE SENSE TO HIM THAT A FEW MORE OR LESS WOULD HAVE SOME USEFUL EFFECT IN LIGHTENING THE IMPACT OF

PAGE 3 RUQMYL 1796/2 ~~SECRET~~

U.S. SUPPLY. ON CONTRARY, IF WE SHOULD DO SO THE PSYCHOLOGICAL COUNTER TO THE USSR WOULD BE DIMINISHED AND ISRAEL WOULD IN EFFECT BE LEFT IN DANGEROUSLY SHORT POSITION ON THESE ESSENTIAL DEFENSE ITEMS.

3. I SAID THAT WHILE I DID NOT HAVE ANYTHING IN ADDITION TO WHAT HE HAS BEEN TELLING IN WASHINGTON AS TO THE PRESENT STATE OF U.S. CONSIDERATION OF THIS MATTER, IT IS MY UNDERSTANDING THAT THE PROBLEM IS BEING ACTIVELY PURSUED. I ADDED THAT I FELT ISRAELI CONCERNS HAVE BEEN CLEARLY ENUNCIATED AND BROUGHT TO THE ATTENTION OF APPROPRIATE AUTHORITIES IN WASHINGTON BUT THAT I WOULD OF COURSE REPORT THE ADDITIONAL COMMENTS HE HAD SET FORTH TODAY.

GP-3. BARBOUR

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## DEPARTMENT OF STATE

Washington, D.C. 20520

348

December 11, 1967

~~SECRET~~

## MEMORANDUM FOR THE PRESIDENT

Subject: Arms for Jordan and Israel

The IRG for the Near East and South Asia, chaired by Luke Battle, and the SIG under my chairmanship have just completed a review of our arms supply policy for the Near East, with particular attention to pending arms requests from Jordan and Israel.

We have concluded that we should resume limited arms shipments to Jordan in the very near future, and that some increment of aircraft should be provided to Israel. We are recommending for Israel a good deal less at this time than it has asked for, but enough to assure its continued air superiority and to provide an extra margin of safety.

Discussion

The following have been key factors in our review:

- Israel's military superiority over the Arabs is assured at least through the end of next year. How long it will retain its superiority will be affected by the rate and nature of Soviet resupply and training of the Arabs and by Israel's ability to maintain adequately modern weapons in its own inventory.
- We continue to have a major interest not only in Israel's continued ability to defend itself, but also in maintaining influence in the Arab world. We need to retain friendly ties with the moderate Arab states, which have looked to us or other Western sources for their minimum requirements of weapons.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 97-237

By iss, NARA Date 3-23-98~~SECRET~~

GROUP 3

Downgraded at 12-year intervals,  
not automatically declassified.

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- 2 -

--The Soviets have made important inroads among the Arabs in recent years, and we are faced with the threat of further Soviet penetration via arms aid in the Near East.

For the short term at least, our hopes for progress towards some political accommodation between the Arabs and Israel--and, flowing from that, for some effective arms limitation in the area--ride on the success of Swedish Ambassador Jarring as U Thant's Special Representative under the Security Council's resolution of November 22. The Soviets voted for the Security Council resolution and even tabled their own draft resolution with a clause on arms control reminiscent of your proposal of June 19. They are continuing to ship arms to the Arab radicals, but they are probably not making decisions on shipments over the long term pending further developments.

#### Jordan

We led King Hussein to believe last August that we were sympathetic to his need to get some arms from the U. S., but we excluded Jordan from the partial lifting of our arms freeze in October. We put King Hussein off when he raised the issue in his visit here in November. Hussein stuck his neck out, played a helpful role in the Arab acceptance of the Security Council resolution, and has been working actively towards a settlement. He has staked his fate on working with the West and, particularly, the U. S.

Our principal conclusions are:

- Unless we indicate in the very near future that we will make some supplies available, we run a serious risk--acceptance by Jordan of Soviet arms or erosion of the King's support by the Jordanian military, with a consequent threat to his very survival. We should tell the King of our decision before the end of the year.
- U. S. supply commitments should, for the present, be kept to the minimum necessary to preserve stability in Jordan. We should work on the basis of the minimum list of roughly \$6.5 million (including \$1.5 million in the MAP pipeline) recommended by Embassy Amman--spare parts, automotive and communication gear, some anti-tank guns and ammunition. The Israelis won't like it, but the supply of these items will not have a noticeable effect on the arms balance in the area.

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--Except for drawing on acceptable items in the existing MAP pipeline (funded prior to this fiscal year), supplies should be provided on a cash sales basis.

--We should continue to encourage Jordan to find the major part of its needs in Western Europe.

### Israel

The Israelis have given us a request for 27 A-4H Skyhawk aircraft (additional to the 48 to be delivered between now and the end of 1968) and 50 F-4 Phantom jets. The Israelis were able to prevail despite a 3 to 1 ratio against them in aircraft in June--they would have done so even without their preemptive strike--and they consider continued control of the air to be crucial for their future security. Israel lost about 40 out of an inventory of slightly under 200 tactical aircraft during the June war. It wants not only to make up its losses, but to modernize and expand its air force during the next few years.

Soviet supply to the Arab radicals is a major element in the equation. Arab aircraft inventories are edging back toward prewar levels. Soviet deliveries of jet fighters have brought the figure up to 60-80% of the prewar level in the UAR and about 90% in Syria. Arab bomber inventories are still only about half of prewar. Deliveries since June have been largely under contracts negotiated prior to the war and have consisted, by and large, of less advanced types of aircraft similar to those previously supplied. (The attached table shows the trend of Soviet deliveries since the war.) Our intelligence indicates that recent Arab pleas for large amounts of additional military equipment are still the subject of haggling and negotiation with the Soviets. We have no firm basis for predicting the volume and nature of Soviet deliveries over the months and years ahead.

French actions will also be of key importance. It now looks very uncertain whether France, which is the source of Israel's total current tactical air inventory, will actually deliver 50 Mirage V jets ordered in 1966 and scheduled for delivery in 1968.

Our principal conclusions are:

- We should continue very carefully to study Israel's needs and assure its access to a supply of aircraft essential to preserve its security.
- We should take action in the near future to assure at least an option to supply 27 additional A-4s in 1969. These planes would provide an extra margin of safety in the light of present uncertainties in the equation. They could play a role in deterring future military action by the Arabs.
- We should not accede at this time to Israel's request for 50 F-4s. These planes are not justified by the threat Israel faces, and would tend to add unnecessarily to the arms race, not only in numbers but in sophistication of arms in the area.
- We should handle any action on the additional A-4s in such a way as to minimize possible damage to Jarring's peacemaking mission and the possibility of provoking an arms escalation by the Soviets.

We are now examining various alternatives for handling the request for additional A-4s. These include:

- (a) Deferring a commitment to the Israelis, perhaps for several months while the Jarring mission is under way, but taking measures on our own side for the procurement of components with a long lead time so as to protect the option to supply the aircraft in 1969. This would entail some obligation against our own funds.
- (b) Roughly the same as (a) above but getting the Israelis to stand the financial obligation of procurement of the long-lead items.

- (c) Finding a formula to enter into an agreement to supply the planes under terms explicitly reserving our option to deliver them in the event we find they are not needed after all.
- (d) Agreeing to supply the additional planes and entering into an early agreement to that effect. The political visibility of our action would be reduced if we could simply amend the existing 1966 contract calling for 48 A-4s.
- (e) On any of the above, although we might find the funds to provide credit despite the current stringency, a straight cash sale is justified by Israel's current financial situation.

If the French actually renege on supplying the 50 Mirage Vs to Israel in 1968, we shall have to reconsider the impact on Israel's security and the implications for our arms supply policy. In that event we may have to come back to you with additional recommendations.

In any event, France's apparent decision to supply a substantial military package to Iraq--possibly including Mirage planes--and to lift its arms embargo for certain other Arab states will increase Israel's concern. It heightens the urgency of some action by us on Israel's pending request.

Scenario: We all agree that we should not take any action until we have consulted with the key people on the Hill. In view of the urgency on Jordan we should like to do so just as soon as Congressional action is completed on the foreign aid appropriation. We believe it will be desirable to inform the key people that we are considering sympathetically some additional commitment to Israel, at the same time as we inform them of our conclusion that it is essential to resume limited shipments to Jordan.

What we need now is authority from you to go ahead with consultations on the above basis. Subject to the satisfactory conclusion of those consultations, we would envisage informing King Hussein of our decision to supply him some arms. We would come back to you for a go-ahead on talking to the Israelis about additional A-4s, as soon as we have worked out more specific terms of a feasible approach to them.

~~SECRET~~

- 6 -

Dean Rusk and Bob McNamara agree with this memorandum.

Go ahead with consultations \_\_\_\_\_

No \_\_\_\_\_

See me before you do anything \_\_\_\_\_

*Richard L. Hall*  
Under Secretary

~~SECRET~~

~~SECRET~~

ESTIMATES OF SOVIET RESUPPLY OF FIGHTER AND BOMBER AIRCRAFT

(Inventories before, immediately following, and six months after the Arab-Israeli war)

	<u>UAR</u>			<u>Syria</u>			<u>Iraq</u>			<u>Algeria</u>		
	<u>June</u> <u>5</u>	<u>June</u> <u>12</u>	<u>Dec</u> <u>5</u>	<u>June</u> <u>5</u>	<u>June</u> <u>12</u>	<u>Dec</u> <u>5</u>	<u>June</u> <u>5</u>	<u>June</u> <u>12</u>	<u>Dec</u> <u>5</u>	<u>June</u> <u>5</u>	<u>June</u> <u>12</u>	<u>Dec</u> <u>5</u>
Fighter aircraft	365	119	304	85	30	81	95	76	106	122	120	129
Bombers	69	13	43	4	2	2	22	21	29	33	33	21*

\*Some bombers transferred to UAR during the war.

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GROUP 3  
Downgraded at 12-year intervals,  
not automatically declassified.

Saturday, December 16, 1967 -- 3:30 p.m.

Mr. President:

*Profile*

As you can see from the attached, a well-meaning Vermont publisher, J. Warren McClure, would like to organize a group of citizens to go out to Vietnam at Christmas, at their own expense, to express the nation's gratitude to our forces.

In the attached memorandum to Marv Watson I reported this idea (para. 2), along with the idea that you go to Vietnam for Christmas.

I owe Mr. McClure a call from the Government about his plan for travel.

The question is: Do I encourage him or discourage him?

Before making a decision, you should know that Amb. Bunker is prepared to deal with groups of about 25 at a time; and, in any case, I would urge Mr. McClure not to expand his party beyond that number.

W. W. Rostow

Encourage \_\_\_\_\_

Discourage \_\_\_\_\_

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

WWRostow:rla

MEMORANDUM

AA  
② 35a  
THE WHITE HOUSE  
WASHINGTON

December 8, 1967

Re  
12-9-67  
Marvin --

I spoke to Mr. McClure. He has two ideas, out of which he made a package; but we agreed that they are capable of separation.

1. The President should go to Vietnam for Christmas. McClure said: "You have no idea what that would do for the President politically; and I say this as a Republican."

2. He (McClure) is willing to organize 100 to 150 grass-roots citizens to go out to Vietnam for Christmas at their own expense. The purpose would be simply to tell those serving in Vietnam that their effort is appreciated at home and a good many serious citizens of the country were willing to to out for Christmas and tell them they were appreciated.

McClure's idea is that this private group would go out at the same time as the President, the whole event being a national testimonial of the nation's gratitude and respect for the performance of our men in Vietnam.

I told him I was sure he realized the complexities of the President moving out of the country; that the second idea could stand on its own feet; but I would make sure that his idea did get to the President. I added that so far as the rounding up of interested private citizens was concerned -- if the idea were to go forward -- perhaps the Douglas Committee might be helpful.

W. A. Rostow

cc: George Christian

To Walt Rostow --

Will you ask the appropriate person to call on this as George suggests? I know that Bill Jordan is sick -----

Thanks.

Marvin

356

THE WHITE HOUSE  
WASHINGTON

December 6, 1967

MEMORANDUM FOR GEORGE CHRISTIAN

For recommendation.

W

Marvin Watson

*I'd get Bill Jordan  
to probe him first.*

35d ↑

1967 DEC 4 , PM 8 51

WA214 PD

BURLINGTON VT 4 418P EST

THE PRESIDENT

THE WHITE HOUSE

AS THE PUBLISHER OF A NEWSPAPER WHICH HAS BEEN REPUBLICAN  
FOR ONE HUNDRED FORTY YEARS I WANT YOU TO KNOW I ABSOLUTELY  
STAND BEHIND YOU ON WINNING THE WAR IN VIETNAM. I HAVE WHAT  
I BELIEVE IS A VERY POTENT IDEA FOR WHICH WHICH MIGHT GO FAR TOWARD  
UNITING THE COUNTRY BEHIND YOU. WOULD YOU PLEASE TELEPHONE  
ME AT YOUR CONVENIENCE 802-863-3441 OFFICE 802-862-3844 HOME.

WITH WARM REGARDS

J WARREN MCCLURE PUBLISHER

THE BURLINGTON VERMONT FREE PRESS.

FORM 0805 PRINTED BY THE STANDARD REGISTER COMPANY, N. A.

096A

*36*

ACTION

Saturday, December 16, 1967 -- 3:30 p. m.

Mr. President:

*Per file*

As you can see from the attached, a well-meaning Vermont publisher, J. Warren McClure, would like to organize a group of citizens to go out to Vietnam at Christmas, at their own expense, to express the nation's gratitude to our forces.

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W. W. Rostow

Encourage \_\_\_\_\_

Discourage \_\_\_\_\_

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

WWRostow:rla

37

INFORMATION

**SANITIZED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 98-301**  
**By CG, NARA Date 9-16-99**

~~TOP SECRET~~

Saturday, December 16, 1967  
3:20 p. m.

Mr. President:

You may wish to read the summary of this report on sanctuary in Cambodia's northeast salient (pp. 1-2).

It turns out that North Vietnamese maps (see Appendix A-2) show a good part of the salient in South Vietnam rather than Cambodia.

*Prod file*

W. W. Rostow

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

Copy 9  
15 December 1967

Intelligence Memorandum: A Report on Cambodia's Northeast Salient"

~~TOP SECRET~~

WWRostow:rlh

DECLASSIFIED

Authority: NLG/CBS19  
By: [Signature], NAWA 1-15-92

~~SECRET~~

Saturday, December 16, 1967 -- 3:15 p.m.

MEMORANDUM FOR THE PRESIDENT:

SUBJECT: Are the Next Four Months Decisive?

*Pres file*

I asked Saigon to collect and analyze all the captured documents they have on the present winter-spring offensive and negotiations, including the coalition government.

They did a good, long paper.

I then asked CIA to reproduce it and comment on it. The comment and the Saigon paper are attached.

Taken together, they reveal an interesting difference of emphasis and judgment between Saigon and CIA Washington.

The Saigon people read these documents as saying (see p. II, 5-8, paper clipped):

- the Communists are simultaneously making a maximum military effort and preparing their people for an early negotiation;
- if they achieve some tactical success, they are likely to negotiate in the late winter or spring;
- if they do not, they are likely to scale down the war;
- "the war is probably nearing a turning point and the outcome of the 1967-68 winter-spring campaign will in all likelihood determine the future direction of the war."

Our CIA people (as you can see in the marked passages of the covering note) are inclined to believe the present military campaign, combined with emphasis on a negotiated coalition government, is less "decisive" than Saigon. They see the war going on for several years.

At the end, however, they accept an important point: having gotten the Viet Cong to accept these months as "decisive" and moving towards peace and victory "this situation could have serious effects on Viet Cong morale and lead to a substantial increase in defections" if the campaign fails.

In any case, I thought you'd like to know the terms in which experts are debating the present evidence.

ACTION

Saturday, December 16, 1967  
12:15 p.m.

Mr. President:

*Pres. file*

Herewith, as you requested, draft letters to Senators Russell and Fulbright notifying them that the C-130 operation in the Congo has been successfully completed.

I think we have a good story to tell here. I recommend you sign the letters.

W. W. Rostow

WWRostow:rla

December 16, 1967

Dear Dick:

I am pleased to report that the three U. S. transport aircraft dispatched to the Congo in July have successfully completed their missions and returned to the United States. Two of the three aircraft departed the Congo within one month of their arrival. The third left for home on December 10. There were no casualties or damage to U. S. property.

As you know, these aircraft were supplied in response to the request of President Mobutu as non-combatant aid in his effort to put down a revolt of foreign mercenary troops which threatened the peace and territorial integrity of the Congo. It was a carefully controlled, carefully limited action entirely consistent with United Nations resolutions and past actions by the United States in the Congo. I believe that it achieved its objectives. Specifically:

It provided a critical margin of transport capacity which, under the leadership of the Congolese government, contributed greatly to the ultimate expulsion of the mercenary threat. With an investment of about \$1.3 million, we helped to safeguard a cause in which we and other nations have invested more than \$1 billion since 1960.

The arrival of these aircraft contributed directly to measures which narrowly averted what threatened to be a tragic racial confrontation in the early days of the uprising. The lives and property of 1700 Americans and 50,000 European nationals were involved.

In addition to military supplies, our aircraft flew many missions of mercy, carrying food and medicine and evacuating refugees. Almost 700 civilians were brought to safety in American planes.

This aid was carried out with minimal danger to our personnel and our aircraft. At no time did they take part in combat. At no time were they involved in any operation which exposed them to any serious risk of physical danger.

When their missions were completed, the aircraft were promptly removed from the Congo, with the cooperation and thanks of the Congolese government.

In my judgment, this is a proud record. None of us enjoys putting American men and equipment into a complicated and perhaps dangerous foreign situation. There are always risks which we must take into account as carefully as we can. In this instance I believe we weighed the risks and benefits correctly.

I know that you join me in congratulating the brave men of the Air Force on a job well done.

Sincerely,

*15/ Lyndon B. Johnson*

The Honorable Richard B. Russell  
United States Senate  
Washington, D. C.

LBJ:EKH:amc

39b

December 16, 1967

Dear Bill:

I am pleased to report that the three U.S. transport aircraft dispatched to the Congo in July have successfully completed their missions and returned to the United States. Two of the three aircraft departed the Congo within one month of their arrival. The third left for home on December 10. There were no casualties or damage to U.S. property.

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I know that you join me in congratulating the brave men of the Air Force on a job well done.

Sincerely,

*/s/ Lyndon B. Johnson*

The Honorable J. W. Fulbright  
United States Senate  
Washington, D. C.

LBJ:EKH:amc

**ACTION**

40

**Saturday, December 16, 1967  
11:15 a.m.**

**Mr. President:**

**Herewith is a draft reply to Prime  
Minister Holt's recent letter to you,  
for your signature.**

~~1. Summary~~  
2. Press file

**W. W. Rostow**

attached letter  
not sent - due to  
news of ~~the~~ P.M. Holt's  
disappearance.

**WWRostow:rla**

402

December 16, 1967

Dear Harold:

Many thanks for your warm and informative letter of December 5. I know how difficult it was for you to decide not to devalue, but I think it made excellent economic sense. It was a courageous and wise choice -- both in terms of Australian interests and those of the entire free world. It was, as you pointed out in your broadcast, an historic decision, bearing witness to the fact that Australia has come of age.

Your Senate election returns were reassuring. Some swing of the pendulum was to be expected after your 1966 record-breaking victory; but the results demonstrate that the Australian people continue their strong support for you and your government. I feel more certain than ever that Australia remains steady on course in a struggle which, as you say, marks a crossroads in the future of free people everywhere.

I am grateful for your suggestion on the timing of another Manila-type conference. Your thinking is along the same line as my own. We have given some thought to an earlier meeting, but decided that it would be better to wait until the new Saigon government has settled in and we have a clearer view of what a meeting could accomplish. Subject to your wishes and those of the other governments involved, I tentatively incline toward February or March, but do not yet feel that I can be more definite. You and I must continue to keep in touch on this and try to clarify before the event the results a Summit meeting might achieve.

*not sent*

I, too, will be sorry to see Ed and Anne Clark leave Australia. They have done a truly superb job for both our countries.

Lady Bird joins me in wishing you and Zara a very merry Christmas, as well as a happy and successful New Year.

Sincerely,

*Lyndon B. Johnson*

The Right Honorable  
Harold E. Holt  
Prime Minister of Australia  
Canberra

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-308  
By cb, NARA Date 8-26-99

LBJ:State:MW:WWR:rlh

~~CONFIDENTIAL~~

406



AUSTRALIAN EMBASSY  
WASHINGTON, D. C.

5th December, 1967

Dear Mr President,

I have been asked to pass to you the enclosed text of a letter from the Prime Minister which I have just received by cable.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "J.K. Waller".

(J.K. Waller)  
Ambassador

The President,  
The White House,  
Washington D.C.

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
NOT NAT'L SECURITY  
INFORMATION, E. O. 12356,  
SEC. 1.1(a)

BY 149 ON 1-15-92

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

40c

5th December, 1967

Dear Lyndon,

I feel a letter from me is long overdue, particularly to tell you how much I appreciate your warm comradely comments in your letter to me of October 25th following my Government's decision to add to its force strength in Viet Nam.

Our mutual friend, Ed Clark, has kept me informed of the interest you have shown in various developments since then, including our decision not to devalue the Australian dollar and the outcome from the Elections for our Senate.

Our decision on the dollar was, of course, taken in the light of our own best national interest, but I am glad to feel that decision was welcome, and even helpful, to the United States' interest. The decision produces many problems for us. Difficulties will intensify for our primary industries, some of them such as wool, dairy products, sugar and fruits already in critical plight. Our exporters of manufactures, mostly operating on small profit margins, will feel the squeeze, and British manufactures will become more competitive on our domestic market - and perhaps those of other manufacturing countries trying to blunt any competitive edge devaluation will have given Britain. But we took our decision with an awareness of these consequences. It becomes all the more necessary for us to sustain the export industries in a state of health and to retain existing markets for them. Here the United States situation holds importance for us. We have been heartened by your own staunch resistance to efforts to increase protection in the U.S.A. against products which comprise so large a proportion of our export trade with you.

The Senate Election result cannot be clearly seen even yet, because our system of proportional representation voting for the Senate does not permit of distribution of preferences until all votes are in and counted and the quota for election determined. However, there is a good prospect of us ending up with 28 Government supporters out of a Senate of 60. There are likely to be 27 Senators from Whitlam's Labor Party, 4 Democratic Labor Party Senators, and 1 Independent. The 4 D.L.P. Senators can be expected to support us on most matters of consequence, and certainly on our defence and foreign policies. The Independent is likely to support Whitlam's party on most matters.

While, naturally, I would have preferred a majority in the Senate from the Government parties, we are accustomed to a fairly even division of Senators and, if the Election results work out as I have predicted, we shall be in a more comfortable position in the Senate than we were in the period of the Parliament leading up to the Election campaign. Even then we were able to get our legislative programme through - 133 Bills in all - without any being finally rejected by the Senate. Whitlam acknowledged publicly that, had the occasion been a General Election for the House of Representatives, my Government would have won. I believe we would have done so quite comfortably.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-308

By Cl, NARA Date 8-26-99

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines

By ju, NARA, Date 5-18-98

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

No one, except Arthur Calwell the former Labor leader, has tried to read into the overall result a weakening of support on Viet Nam. On the contrary, most commentators have pointed to the big increase in the D.L.P. vote as evidence that the support is well sustained. My own assessment is that the people still want my Government and its basic economic, foreign and defence policies. In a situation where their vote was not going to threaten the existence of the Government, they took the opportunity to show their displeasure about various relatively minor matters in which we had come under a good deal of press and public criticism.

Has your thinking progressed any further on the holding of another Manila-type conference? While no one seems to have a very clear view of what such a meeting could produce at this stage, there could be some value in reporting publicly together on the useful progress now being made in Viet Nam in the military, political, social and economic fields. My inclination now is for a date after mid-March, but I would, of course, try to fit in with the convenience of yourself and other Heads of Government.

My colleagues and I have greatly admired the unwavering strength of your resolution on Viet Nam and the robust way you have asserted your judgment and policy. While we have all been helped by your example to maintain our own resolution, we have not wavered either in our conviction that this struggle marks an historic crossroad in the future of Asia and the Pacific - as it does, indeed, for free people everywhere.

I must not close without saying how sorry we shall all be here to lose Ed and Anne Clark. The longer he has remained with us, the more his friendly, outgoing personality and fine qualities have become appreciated. Anne has endeared herself to all who have come to know her. I am attaching some comment I made informally when opening a press conference in the course of the Senate campaign the day following the news of Ed's impending retirement. We are grateful for what he has done for both our countries, and my colleagues and I will be wishing him well in whatever he does in the future. We hope he holds to his promise to visit us from time to time.

You will shortly be sharing with Lynda the happiness of her marriage ceremony. Zara and I will be sending her a message at that time, but we would like you all to know that this joyful event will be much in our thoughts.

Warm personal regards,

Yours,

Harold

P.S. I have just received your generously worded message of congratulations about our satellite launching. It will give me pleasure to pass this on to those concerned.

~~CONFIDENTIAL~~

Extract from a Press Conference given by the Prime Minister, Mr Harold Holt, in Perth, Western Australia, on 15th November, 1967.

TRIBUTE TO AMBASSADOR CLARK

".....There is one matter I would like to raise before I get on to anything else - that is the report which has reached us of the resignation of Ambassador Clark. I have received this information with considerable regret because I think he has been a valuable friend of Australia and a very able representative of the United States.

There can be few diplomatic representatives in my experience who have gone to more trouble personally to acquaint themselves with the country to which they have been accredited. He has travelled very extensively through Australia, and his warm, friendly, generous personality has, I think, attracted many Australians to him. We were fortunate in having in Australia at a time when our own relations with America were drawing closer, when the issues which affected us in common were becoming so important, a man who, apart from his inherent ability, was a close personal friend of the President and quickly made himself a warm friend of members of the Government and, I believe, showed his friendship to members of all Parties in the Parliament.

I would like to pay a tribute to him and to the work he has carried out in Australia. He was an effective spokesman for his own country in his dealings with us, and we know from many sources that he was a very good friend of Australia - almost an Ambassador for Australia - when he went abroad. He was impressed by the potentialities of the country and did what he could to make them known to his fellow countrymen. His period of office coincided with a great growth of American interest and, indeed, of American visitation to Australia, and I have no doubt this imposed considerable burdens on him and on his wife, who also endeared herself to us.

We shall miss them both and will remember Ambassador Clark with affectionate appreciation for the contribution he made to a closer American/Australian relationship."

INFORMATION

41

~~TOP SECRET--EYES ONLY~~

*Pres file*

Saturday, December 16, 1967  
10:30 a. m.

Mr. President:

Herewith Gov. Harriman expresses his deep opposition to military action against Cambodia; urged diplomatic action via the ICC; and, should that fail, a program of public education before applying air or other military power in an intentional violation of Cambodia's borders that would be obvious.

At the moment he is supporting the track we are on.

W. W. Rostow

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
NIJ 94-467  
By lip, NARA, Date 6-14-95

~~TOP SECRET--EYES ONLY~~

WWRostow:rla

DEPARTMENT OF STATE  
AMBASSADOR AT LARGE

4719  
41a

~~TOP SECRET - NODIS~~

December 15, 1967

MEMORANDUM FOR THE PRESIDENT AND THE ACTING SECRETARY

Subject: Violation of Cambodian Borders

I well remember the horror felt throughout the civilized world when in 1914 the Kaiser violated the neutrality of Belgium. Of course the present situation in Cambodia as we see it is very different from Belgium in 1914. But the world at large (and a substantial section of the American public) has not yet been presented with convincing evidence that expanding the war into "a tiny, helpless country" is justified.

The Viet Cong and North Vietnamese forces do in fact have bases and rest areas at several points along the jungle covered, poorly defined border of Cambodia. Some of those areas seem to straddle the border, some are entirely within, by several kilometers, Cambodia itself. It is worth noting, however, that neither air attacks nor ground sweeps (within South Vietnam itself) have eliminated Viet Cong jungle bases; nothing short of actual occupation of the territory would seem to be able to accomplish this.

We do not as yet have evidence that would convince a skeptic that Cambodian territory is regularly being used as a sanctuary by the Viet Cong in the sense that the Viet Cong are staging substantial unit attacks directly from Cambodia and retiring into Cambodia immediately after the engagements. The evidence that we do have (and most of this comes from sources that could not be revealed) demonstrates only that for periods, sometimes of considerable length before engagement, some of the units involved were reinforced and re-fitted in Cambodia but that most of these units were redeployed into South Vietnam well before the engagement began.

I am impressed by the "personal message" of December 12, from Australian Foreign Minister Paul Hasluck to the Secretary:

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-302

By isa, NARA Date 4-28-99

~~TOP SECRET - NODIS~~

"If the Allied forces in Viet Nam move militarily against...Cambodian territory, even in hot pursuit, the area of hostilities will have been widened. The Government of Cambodia itself will become involved, and it will charge the United States with aggression and will bring the matter before the United Nations...there will be little sympathy and support in the United Nations for any such Allied action. It is very difficult to get the facts across and accepted either in the United Nations or inside individual countries, and in both the United States and Australia there would be great sympathy for Cambodia even from those who hitherto have been lending their support to our policies... International opinion, and opinion in our own countries, while in a sense intangible, could become a very material factor working against a successful outcome for our efforts in Vietnam.


"Furthermore, instead of our fighting being confined to South Vietnam, we may find a much bigger area of operations has developed in Cambodia requiring the deployment of forces and making other material demands. It is important that, before any decision is made to expand hostilities, both sides of the equation be brought into the balance - the new demands that will be made on our men and resources no less than the opportunities for action against communist military forces."

We are currently in the midst of a political-diplomatic campaign to induce the Cambodians to do what they can to discourage Viet Cong use of their territory. On November 26, Prince Sihanouk publicly stated that he would welcome strengthening the ICC with helicopters. On December 4, the Australians delivered a United States note to Sihanouk indicating our concern over Viet Cong use of his territory

and our willingness to assist him in preserving his neutrality plus a summary of our evidence of such Viet Cong use. While we have received no direct response to that message the absence of vehement denial may itself be significant. We are in the process of sending Sihanouk a note explicitly responding to his November 26 statement and offering two helicopters and related funding to the Cambodian ICC. In anticipation of the probable need to increase the pressure on Sihanouk, we have already prepared the American Embassies in a number of countries which may have influence with Cambodia to present the documentation of our concern to their host nations and to request that they take it up with the Cambodians. If this proves unsuccessful we would then begin to present to the public our efforts to preserve Cambodian neutrality and the details of violations of that neutrality by the Viet Cong.

Until the conclusion of this diplomatic campaign and until we have publicly presented convincing evidence of Viet Cong violations of Cambodian neutrality, we should not consider any action in Cambodia that would be an obvious intentional violation of its borders. I greatly fear that such violation will not bring us any meaningful advantages but will decrease our support both at home and abroad and cause very troublesome problems at the United Nations. We should of course continue and perhaps consider augmentation of reconnaissance and information-gathering activities in Cambodia.

Therefore, I specifically recommend disapproval of General Westmoreland's proposal that he be authorized to subject a portion of Cambodian territory to 72 hours of B-52 and tactical air strikes. In addition steps should be taken to prevent ARVN forces from crossing the Cambodian border in hot pursuit. The major political difficulties that would result from either move should preclude such action at this time.

W. Averell  Harriman

42

ACTION

*Pres file*

~~CONFIDENTIAL~~

Saturday, December 16, 1967  
10:20 a.m.

Mr. President:

Herewith Dick Helms asks to take  
leave from December 22 to January 3.

He has had a hard year and deserves  
it.

W. W. Rostow

Helms' leave approved \_\_\_\_\_

Disapproved \_\_\_\_\_

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

~~CONFIDENTIAL~~

WWRostow:rla

DETERMINED TO BE AN ADMINISTRATIVE  
MACHINE. CANCELLED PER E.O. 12958  
SEC. 1.3 AND ARCHIVIST'S MEMO OF  
MAY 19, 1993.  
BY kg ON 12-23-91

42a

CENTRAL INTELLIGENCE AGENCY

OFFICE OF THE DIRECTOR

15 December 1967

MEMORANDUM FOR: Mr. Walt Rostow

1. On the assumption that Congress will adjourn for a month, I am planning to go away on 22 December and be absent from Washington until 3 January. I have had no leave this calendar year and find that this would be the most convenient time to be off duty. Admiral Taylor will be in charge and will be available at all times.
2. I would appreciate your clearing this with the President.
3. A very Merry Christmas and a Happy New Year!

*Richard Helms*

Richard Helms  
Director

DETERMINED TO BE NOT  
ADMINISTRATIVE MATTER  
NOT NAT'L SECURITY  
INFORMATION, E. O. 12958  
SEC. 1.1(c)

BY *RG* ON *12-23-91*

ACTION

Saturday, December 16, 1967  
10:20 a.m.

*Pres file*

Mr. President:

Herewith Bill Gaud notifies us he plans to visit Vietnam and India, also Thailand and Pakistan, in the second two weeks of January, unless you object.

W. W. Rostow

Gaud plans approved \_\_\_\_\_

Disapproved \_\_\_\_\_

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

WWRostow:rla

43a

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON

OFFICE OF  
THE ADMINISTRATOR

December 11, 1967

MEMORANDUM FOR:       The Honorable Walt W. Rostow  
                              The White House

SUBJECT:       January Travel

I think it is important for me to visit Vietnam and India before our Congressional hearings start next year. These are our two largest and most important programs. I want to be able to speak on both of them with authority, but I have not been to Vietnam for nearly two years and to India for even longer.

Taking into account both the FY 68 and FY 69 budget situations, the best time for me to be away is the second two weeks of January. In an ordinary year the first two weeks would be better, but the Congress is acting so late on our FY 68 budget that our usual timetable does not apply this year.

Unless the President objects, I plan to leave here on or about January 15 and be back on February 1. In addition to going to Vietnam and India, I would also visit Thailand and Pakistan in order to make the trip more profitable.

  
William S. Gaud

INFORMATION

44

~~CONFIDENTIAL~~

Saturday, December 16, 1967  
10:15 a. m.

Mr. President:

Herewith Sec. McNamara's  
comments on Sen. Gruening's speech  
on Israel.

*Pres file*

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rla

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By *109*, NARA, Date 12-23-11

~~CONFIDENTIAL~~

4721

44a

THE SECRETARY OF DEFENSE  
WASHINGTON

15 DEC 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Gruening Speech on Israel

I offer the following comments on Senator Gruening's proposed policy for the Middle East.

1. Mutual Security Treaty. Historically, our mutual security treaties have been primarily directed against the Sino-Soviet threat rather than against any one side of a regional struggle. A treaty with Israel would conflict with our important interests in the moderate Arab states, oil being a notable example. It would tend to further polarize the Middle East by giving the Soviet Union, and possibly the Chinese, new opportunities to exploit Arab dissatisfaction, and alter residual moderate Arab orientation toward the West. Finally, and most importantly, we should not be the sole guarantors of Israel's security.

2. Arms Supply. We have consistently pursued a policy of insuring that Israel has an adequate military capability. The Joint Chiefs of Staff have just reviewed once again the threat to Israel and her ability to cope with that threat. They conclude, and I agree, that Israel is well able to defend itself for at least the next few years. Although the Soviet Union has re-equipped the radical Arab states up to 70-90% of their pre-war levels, these Arab forces will not even achieve their pre-war condition for some time to come. As you will fully appreciate, organization, training, logistics, and discipline will continue to be more relevant factors than equipment in the Arab-Israeli capability equation.

3. Territorial Occupation. Continued occupation by Israel of the territory captured in the June war provides Israel a significant security advantage. Occupation of the Sinai increases warning time, precludes Egyptian use of advanced airfields in the Sinai and makes much more difficult an Egyptian attack against Israel proper. Likewise, control of the Syrian heights and portions of the West Bank of Jordan gives Israel a tactical advantage over their eastern opponents. Despite these security considerations for Israel, it is unnecessary for the US

DECLASSIFIED

~~CONFIDENTIAL~~

Authority: DOD Directive 5200.30  
By ju NARA, Date 5-17-98

to advocate continued Israeli occupation of these territories. Israel has no intention of giving them up except in exchange for a satisfactory political arrangement. Our interests are best served by seeking political accommodation between Israel and the Arab states, a policy which in the long run best serves the security interests of Israel. Finally, for you to advocate continued Israeli occupation would be contrary to your 19 June statement of principles and would jeopardize our role in the negotiating process.

*Robert S. McNamara*

~~CONFIDENTIAL~~

~~SECRET/EYES ONLY~~

45  
*Pres file*

Saturday, December 16, 1967 -- 9:15 a.m.

Mr. President:

As the attached minutes of yesterday's 303 meeting indicate, we now have firm agreement, including Secretaries Rusk and McNamara, on how to proceed with respect to Radio Free Europe and Radio Liberty.

Your decision is required over the weekend because the deadline for informing the organizations in New York is, apparently, December 18.

Under the proposal we would:

-- Provide \$58 million in a lump sum payment ("surge funding") to cover the two radios at present levels of activity down to the end of fiscal 1969.

Under existing New York law the two organizations would not have to file with the New York Attorney General their revenues until December 1968.

-- Inform the two radios that it is the intent of the U. S. Government to find in the year ahead an alternative way to keep them in business. For your information, the two major complications are: the overt creation by the Congress of a special public corporation for this purpose, or an arrangement via USIA.

With respect to questions at the end of the year about the implementation of the Katzenbach report, we agreed that, if asked, we would say that no exceptions were made to the recommendation of the Katzenbach committee; and, in certain cases, funds were provided to permit organizations to adjust to a new status; but we would make no breakdown as to what organizations were supported or what amounts had been given in surge funding.

-- Inform the Radio organizations in New York that they were to maintain tight security about the method of financing through fiscal 1969; and we would request them to end the solicitation of small private donations via radio and television -- a method which is in the process of ending in any case. Solicitation of funds from large corporations which are aware of government financing would continue.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-301  
By cb, NARA Date 9-16-99

W. W. Rostow

Proposal approved \_\_\_\_\_

Disapproved \_\_\_\_\_

See me \_\_\_\_\_  
WWRostow:rla

~~SECRET~~

~~SECRET~~  
EYES ONLY 15 December 1967

45a

MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of the Meeting of the 303 Committee  
15 December 1967

PRESENT: Mr. Rostow, Mr. Katzenbach, Mr. Nitze, and Mr. Helms.

Admiral R. L. Taylor and Mr. William Trueheart were present for all items.

Mr. Charles Schultze, [REDACTED] were present for Items 1 and 2.

SANITIZED  
E.O. 12958, Sec. 3.6  
NLJ 98-301

By CB, NARA Date 9-16-99

EO 12958 3A(b)(1)-25Yrs  
(C)

1. Radio Free Europe/Radio Liberty

a. The meeting began with a resume of the meetings and steps which began on 5 May 1967, resulting in today's confrontation.

b. Mr. Rostow began by asking where State stood. Mr. Katzenbach replied promptly, "Behind Mr. Schultze's recommendation for surge funding." [This may be summarized as follows: surge funding both Radio Free Europe and Radio Liberty before December 31, 1967, at the FY-68 funding levels (no modernization) so that both can continue operation until July 30, 1969. This would give us another year to decide what to do with both RFE and RL. The total would be \$58,000,000.]

c. But what happens afterwards? Mr. Katzenbach alluded to special legislation towards a public communications authority or other [REDACTED]. The point was made that it would be less difficult to reconstitute [REDACTED] funding after the election than it would be now. EO 12958 3A(b)(1)-25Yrs (C)

d. Mr. Nitze interposed that the Secretary of Defense thought an announced exception to the Katzenbach formula would be the least difficult solution.

e. Mr. Helms said, o.k., if we accept surge funding, was the thrust toward continuation?

f. Mr. Rostow said yes and at least the staff work on the options had been performed (an allusion to the exhaustive Trueheart report), and one of the rejected paths, that of the public broadcasting authority or British Council approach, could be reopened in view of the new time available, i.e. one year, to resolve the problem.

~~SECRET~~  
EYES ONLY

~~CONFIDENTIAL~~  
-2-  
EYES ONLY

g. Mr. Katzenbach agreed, but said we are face to face with the public relations aspect. He was in favor of a simple statement to the effect that with the terminations, certain funds had been provided, but there should certainly be no specific breakdown as to what organizations were supported or what amounts had been given.

h. Mr. Schultze provided an outline along the following: While it is not our policy to identify organizations, specific contributions had been made to various valuable institutions until such time as adequate legislation or new ways of funding from the private sector have been discovered.

i. Mr. Katzenbach elaborated that the Department had the choice, as the deadline neared, of waiting for questions ■

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

j. The question was raised as to the timing of the two radios filing appropriate statements with the Internal Revenue Service. Mr. Schultze observed that the surge-funding figure would only appear in the 1968 declaration in early 1969. The inference here was that the main objective was to smoothly sail past the election date in the fall of 1968.

k. The point was made that the directors of the radios should be informed that their statements, preferably brief (left to their proven judgment in the past), should indicate they intend to continue.

EO 12958 3.4(b)(1)-25  
(C)

l. Mr. Katzenbach raised the question of the continuation of ■ individuals with both radios. ■

Mr. Katzenbach said he had no worries with those ■. The comment was made that all, ■ had been on the team for long periods, were more sanitized than not, and were built into the woodwork.

m. Mr. Helms raised the question of future policy control. Mr. Katzenbach felt that this had been well performed for many years, should not be disturbed by the Department, and was already well coordinated ■.

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

n. On the question of fund raising, Mr. Katzenbach felt that ■ corporate contributors presented no problems but that radio solicitation for individual donors should be stopped at once. It was agreed that the radios would be so instructed.

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

~~CONFIDENTIAL~~  
EYES ONLY

CONFIDENTIAL

o. It was agreed that the statement for Mr. McCloskey should be drafted by Mr. Trueheart for submission to Mr. Katzenbach and general agreement by the principals.

2. Project Review

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

Mr. Rostow noted that we had ridden right into the middle of December and had a legal obligation to have covered all [redacted] efforts which might possibly be construed to come under the aegis of the Katzenbach Committee rulings. He asked where we now stand. [redacted] noted that every effort had been made to cover the field; he could assure the chairman that every major project and expenditure in this field had been examined, that there might be bits and pieces and marginal efforts which had not yet been prepared for screening. Mr. Rostow implied that in the marginal field there might be some potential cliff hangers, and Mr. Helms directed that a list of these be prepared promptly for Mr. Rostow so that he would know what could be expected on forthcoming agendas in the grey area. [redacted] noted that the review of the marginal projects was a continuous year-round process and was not limited to a specific search scheduled to end 31 December.

3. Operation NIGHT BOLT

On Operation NIGHT BOLT (see minute of 8 December 1967 meeting), Mr. Nitze noted that he was submitting some additional papers. Mr. Katzenbach observed that the Secretary of State had not been overcome with enthusiasm, and Mr. Rostow stated that it would be discussed at the next Tuesday lunch with higher authority.

*Peter Jessup*  
Peter Jessup

Distribution

Mr. Katzenbach  
Mr. Nitze  
Mr. Helms

CONFIDENTIAL

46

December 16, 1967

*Pres file*

Mr. President:

The statement on gold went out as scheduled. A call to Bill Martin congratulating him on the fine job he did in pulling his European colleagues together would be well deserved. You could also ask him his view of next week's prospects.

W. W. R.

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 1/30/95, State Dept. Guidelines  
By JW, NARA, Date 5-19-98

INFORMATION

~~CONFIDENTIAL~~

Friday, December 15, 1967 -- 2:15 p.m.

Mr. President:

You asked for my comments on Sen. Gruening's speech of December 13.

1. In political terms he advocates throwing our full weight behind Israel and letting the chips fall where they may with respect to the Arab world. By lumping the Arabs together in this way, his approach would: diminish our leverage in bringing about a peaceful settlement in the Middle East; risk our petroleum and strategic interests in the area.

2. He proposes a mutual security treaty with Israel, but quickly adds he would oppose the introduction of American troops into the area. That kind of ambiguous comment would not assist Israel more than our present policy of arms supply combined with the presence of the Sixth Fleet in the Eastern Mediterranean; but it could complicate our relations with the moderate Arabs and open the door for Soviet demands for permanent bases, which even the radical Arabs now tend to resist.

3. With respect to arms supply, we are already moving towards a policy of assuring that Israel maintains a safe balance against the Arabs. The danger in Sen. Gruening's formulation is that, by assuming that the Soviets are already sending arms "in ever increasing amounts," we could put more into Israel than is required and then force another major round of Soviet arms supply into the UAR, etc.

4. Sen. Gruening's argument that the support of Israel's determination not to give up any territory until the Arab nations end belligerency, negotiate directly with the Israeli, and arrive at binding agreements for lasting peace, is a rather inflexible version of our own policy of advocating withdrawal to secure frontiers. There is no great difference here excepting formulation.

5. Finally, Sen. Gruening urges that we be prepared to aid all the nations of the Middle East, including Arab nations, if they beat their swords into plowshares. This parallels a passage in your June 19 speech; but it would come with greater grace from Sen. Gruening if his voting record in recent years on foreign aid, in general, had been less negative.

W. W. Rostow

WWRostow:ria

~~CONFIDENTIAL~~

INFORMATION

THE WHITE HOUSE  
WASHINGTON

Thursday, December 15, 1967  
9:15 a. m.

Mr. President:

Herewith Westy responds to the question you instructed me to ask him about the use of our manpower for combat versus support purposes.

He has some reason for pride (p. 2) in the 40% versus 43% Korea and World War II figure.

Walt Rostow

48 net  
12/19

ps

Rec'd  
12/19

480

UNITED STATES MILITARY SERVICE COMMAND, VIETNAM  
Office of the Commander  
APO Sa 96222



MACJ312

9 DEC 1967

Mr. W. W. Rostow  
Special Assistant to the President  
The White House  
Washington, D. C. 20500

Dear Walt:

In reply to your letter of 27 November 1967 and the President's message therein, I assure you that the proper and efficient use of manpower is of continuing concern to me and my staff. Last summer I reorganized my staff to provide for tighter manpower measures in the development of our force structure and the manning of our headquarters. Further in this area I exert a personal and continuing influence on the development of manpower spaces and control.

As you know, we moved rapidly into South Vietnam in 1965-1966 and created a logistical base in an underdeveloped country. This base is now complete and we have turned our diligent efforts to ~~reducing our support elements to the minimum essential~~. In this regard, a program entitled ~~MACONOMY~~ has been implemented to imbue my entire command with the need for economy. Management actions producing manpower, money, and material savings are continually reported.

It is not always apparent to the short time visitor that ~~approximately 1.2 million persons receive some degree of service support from US military forces. Only 500,000 of this number are US military; the rest are RVNAF, PWMAF and US civilians.~~ The type and amount of support provided varies with the nature and location of the supported personnel and in many cases is not easily identifiable in terms of US manpower. ~~Approximately 800 military personnel spaces are devoted to support for other than US military~~


MACJ312

Mr. W. W. Rostow

Emphasis on combat power in the development of the Program 5 additive forces resulted in ~~81 percent being combat and combat support.~~ As a result of this, the current percentage of US forces in combat ~~service support is now 50.9 percent, a 7 percent less than in 1966.~~ When considering the overall US military, Free World and Republic of Vietnam military forces only ~~30.5 percent are engaged in combat service support roles.~~ This compares favorably with ~~48 percent in World War II and Korea.~~

Please be assured that I will continue to give my personal attention to the most effective and efficient employment of the manpower resources of this command toward the accomplishment of assigned missions.

Sincerely,

  
W. C. WESTMORELAND  
General, United States Army  
Commanding

Copy furnished:

The Honorable Ellsworth Bunker, American  
Ambassador, Saigon, Vietnam

INFORMATION

*ps.*

THE WHITE HOUSE  
WASHINGTON

49

*Xtra copy*

Thursday, December 15, 1967  
9:15 a. m.

*Rec'd  
12/29*

Mr. President:

Herewith Westy responds to the question you instructed me to ask him about the use of our manpower for combat versus support purposes.

He has some reason for pride (p. 2) in the 40% versus 43% Korea and World War II figure.

*Walt* Rostow

*[Handwritten mark]*

49a

UNITED STATES MILITARY SERVICE COMMAND, VIETNAM  
Office of the Commander  
APO Saigon 96222



MACJ312

9 DEC 1967

Mr. W. W. Rostow  
Special Assistant to the President  
The White House  
Washington, D. C. 20500

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As you know, we moved rapidly into South Vietnam in 1965-1966 and created a logistical base in an underdeveloped country. This base is now complete and we have turned our diligent efforts to ~~reducing our support elements to the minimum essential.~~ In this regard, a program entitled MACONOMY has been implemented to imbue my entire command with the need for economy. Management actions producing manpower, money, and material savings are continually reported.

It is not always apparent to the short time visitor that ~~approximately 1.2 million persons receive some degree of service support from US military forces. Only 500,000 of this number are US military; the rest are RVNAF, FWMAF and US civilians.~~ The type and amount of support provided varies with the nature and location of the supported personnel and in many cases is not easily identifiable in terms of US manpower. ~~Approximately 16,800 military personnel spaces are devoted to support for other than US military~~

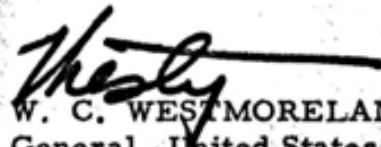
MACJ312

Mr. W. W. Rostow

Emphasis on combat power in the development of the Program 5 additive forces resulted in 81 percent being combat and combat support. As a result of this, the current percentage of US forces in combat service support is now 40.3 percent, 4.7 percent less than in 1966. When considering the overall US military, Free World and Republic of Vietnam military forces only 30.5 percent are engaged in combat service support roles. This compares favorably with 43 percent in World War II and Korea.

Please be assured that I will continue to give my personal attention to the most effective and efficient employment of the manpower resources of this command toward the accomplishment of assigned missions.

Sincerely,

  
W. C. WESTMORELAND  
General, United States Army  
Commanding

Copy furnished:

The Honorable Ellsworth Bunker, American  
Ambassador, Saigon, Vietnam

INFORMATION

ret'd  
50

~~SECRET~~

Friday, December 15, 1967  
10:10 a.m.

Mr. President:

Herewith King Constantine's present  
frame of mind:

*sup*

-- all bridges to Athens not yet  
burned;

-- bad organization and timing  
with the army wrecked his plan.

W. W. Rostow

Rome 3182

~~SECRET~~

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 96-295  
By ijg, NARA Date 1-21-97

WWRostow:rln

50a

~~SECRET/EXDIS~~

Friday, December 15, 1967

**DECLASSIFIED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 97-237**

TEXT OF CABLE FROM ROME (3182)

By isa, NARA Date 3-23-97

King Constantine opened the meeting with the Ambassador by inquiring whether the Secretary had received his message and whether there was a reply. The Ambassador said the message had been sent and acknowledged.

The King explained that he had decided to call off the press conference for two reasons; first, the Italian Government had not liked the idea. This was not a major consideration. Second, and more important, the Archbishop was arriving tomorrow at the request of the junta. The King said he had decided not to burn all his bridges in the press conference, at least not until he heard what the Archbishop had to say. The King commented that he had always been close to the Archbishop as his and his father's chaplain. He had appointed him last year, and so he would be interested to see how he faced up to the King after administering the oath of office to "those gangsters" yesterday. The King asked how a man of God could do such a thing. But he would hear what he had to say.

The King was sure that the Archbishop was coming to ask him to return to Greece, but he almost was equally sure that the terms under which he would be asked to return would be completely unacceptable. Unless the junta was willing to make specific commitment to the people to promulgate the Constitution and hold elections at a specific time, he would not go back. To do so would be to offer himself up as a tool to the junta, and this would be against the interests of the people. The King repeated this theme several times. To go back in such circumstances would be "contrary to everything we all believe in," and he could not do it. On the other hand, he indicated that if such guarantees were forthcoming, he would be willing to return.

Clearly uppermost in the King's mind was the thought that the U. S. "and other great powers," but particularly the U. S., must put "great pressure" on the junta to grant the people the promised Constitution and elections. He thought the situation such that such pressure would probably be effective, for the junta was aware there would be great difficulty in the country if he were not there. He urged that the U. S. not recognize the military regime and asked if the Ambassador thought we would do so. The Ambassador replied we had no information on this, and was not certain of the question of recognition yet with the U. S. Moreover, we had transmitted the King's earlier message to this same effect.

~~SECRET/EXDIS~~

The King said the junta had telephoned him today asking him "not to take any drastic measures." (He did not say whether he took the telephone call himself.) He spoke of this with bitter irony and attributed it to their desire that he receive the Archbishop.

King Constantine spoke at some length about the events of the past 48 hours. He said the Air Force and Navy had acted efficiently and effectively. Both had been completely with him. The weakness had been in the Army, specifically, the 3rd Armored Corps had failed to move fast enough. Timing had been vital element. His departure from Athens had gone well. The Air Force had picked up his plane and smoothly implemented its part of the plans. However, when he arrived at Kavalla and saw that troops were not yet in motion, he knew the slippage had developed. He told the Corps Commander to get units underway. The King cited as an example of the problems that had developed the situation involving the Armored division on the west coast. The Division Commander, "a Russian," had acted promptly and arrested subordinate revolutionary officers. However, when they agreed to take the oath to the King, the Commander released them and somewhat later they arrested him. The King said he had been surprised and pleased by the enthusiastic reception given him by the people of Kavalla who, previously, had not been particularly friendly towards him.

He said that had he been able to reach Salonika last night, the situation would have been different. However, there was only one Army regiment in Salonika. After telling local Air Force Commander he would be loyal to the King, the Regimental Commanding Officer subsequently arrested the Air Force Commander. Later he told Athens he acted on King's orders but at the same time put his troops in a blocking position between the King and Salonika, thus making impossible a non-violent advance on the town. The King commented in passing that the radio was also too weak.

The King said he interpreted the appointment of the so-called "regency" as a threat to his son. Hearing from younger officers that junta forces were moving on Kavalla to capture him and separate him from his son, he agreed with these officers' advice that he should leave. The take-off from Kavalla's short runway was extremely tricky and weather there and during the flight was very bad. Baggage followed in a C-47. The King thought discipline in the Army was completely gone and would have to be restored. The young officers were very radical and unrealistic. However, they were tasting power and enjoying it. They had told him that even though they supported him, they did not want the Constitution or election or if elections there must be, they did not want any "old politicians" to come back.

He made a distinction between these idealistic but misguided officers and those of the junta. The latter were completely unscrupulous gangsters. Thieves. They had acted despicably in the Cyprus situation and had very nearly gotten the country into war with Turkey. He would have come out against them on April 21, had it been possible to do so without bloodshed. He did not think they could control the country without him, and he thought they knew it. He took the Archbishop's arrival tomorrow as evidence of this. They were aware, he said, that there would be "many difficulties" if they refused to promise the people the Constitution and elections.

The King said Pipinelis had telephoned today from Brussels and would arrive in Rome to see him tomorrow -- but not secretly, as the Foreign Minister had wanted. He had told Pipinelis he either was his Minister, or he was the the junta; he could not be both. Pipinelis, "a good fellow," but, unfortunately, "he likes this sort of thing." The King thought he would therefore want to continue in the present Government even though, if the King had made his move on April 21, Pipinelis would have been with him.

The King spoke frequently and favorably of Ambassador Talbot. He repeatedly underlined his points by saying "as Talbot can tell you."

The King was relaxed but tired. He received the Ambassador in an upstairs sitting room of the villa belonging to his cousin, the Prince of Hesse. The coffee table before him was spread with Rome newspapers which in two-inch headlines reported the failure of his counter-coup and his arrival here. He is returning to the Greek Embassy but his family has moved to this villa.

At his request, we established a channel for further contact.

~~WWR~~  
51

Pres file

Friday, December 15, 1967  
9:20 p. m.

Mr. President:

Attached is the statement on gold we worked out so far with the Europeans. They will give Bill Martin their final OK tomorrow morning.

If all goes well, it should be released Saturday afternoon for the Sunday press.

W. W. Rostow

ERF:em

57a

In view of the confusion caused by the many unfounded statements about gold and currencies made in recent days, the Secretary of the Treasury and the Chairman of the Federal Reserve Board today issued the following statement:

The United States stands firm in its determination to maintain the gold value of the dollar.

The central banks of Belgium, Germany, Italy, The Netherlands, Switzerland and the United Kingdom support this position and continue to participate fully with the United States in policies and practices in support of the price of gold at \$35 an ounce.

The operation of the London gold market will continue unchanged.

The U. S. authorities and the European central banks concerned endorse this position unanimously and are cooperating in the interest of maintaining the stability of the international monetary system.

ACTION

CONFIDENTIAL

Friday, December 15, 1967 -- 4:45 p.m.

Mr. President:

Mr. Edward Tomkins, Minister of the British Embassy, called with the following message from Prime Minister Wilson.

Wilson is grateful for the message from the President. But, on reflection the Prime Minister would find it difficult to get away during the first week in January. Therefore, he suggests the dates of February 7-8 in Washington.

I told Tomkins we would have to check out those dates because it was my feeling Eshkol would be here at that time.

Here are your appointments at about that time and your free dates.

February 7-8 (Wednesday-Thursday) -- Prime Minister Eshkol.

February 15-16 (Thursday-Friday) -- open.

February 21-22 (Wednesday-Thursday) -- Open. Washington's birthday.

I recommend that you invite Wilson for February 15-16. Ordinarily I would not recommend a visit involving a Friday, but am doing so in this instance to avoid tying up two successive Wednesdays, which might complicate scheduling of a Cabinet meeting in this period. If a second meeting with Wilson is necessary on Friday, February 16, it could be set for the morning so that you could still get away Friday afternoon should you want to travel that week end.

W. W. Rostow

Invite Wilson:  
February 15-16 \_\_\_\_\_  
February 21-22 \_\_\_\_\_  
See me \_\_\_\_\_

DECLASSIFIED  
E.O. 12356, Sec. 3.4(b)  
White House Guidelines, Feb. 24, 1983  
By ng, NARA, Date 1-3-92

WWRostow:rlm

~~CONFIDENTIAL~~

INFORMATION

53

Friday, December 15, 1967  
2:30 p. m.

Mr. President:

I have sent a copy of General Westmoreland's letter to Bob McNamara for comment. The letter concerns the motivation of our Vietnam veterans towards dedicated and responsible citizenship.

*Pres file*

W. W. Rostow

WWRostow:rla

53a

**HEADQUARTERS**  
UNITED STATES MILITARY ASSISTANCE COMMAND, VIETNAM  
OFFICE OF THE COMMANDER  
APO SAN FRANCISCO 96222



11 DEC 1967

MAGJOO

The President  
The White House  
Washington, D.C., 20500

Dear Mr. President:

This letter responds to your request for my views and recommendations concerning the motivation of our Vietnam veterans toward dedicated and responsible citizenship. The opportunity to comment is welcomed.

Assuredly, a serviceman in Vietnam receives a one-year course in the duties of citizenship. Through his sacrifice, discipline and willing contribution, he learns the importance of cooperation. He has an opportunity to participate in civic action. He gains an understanding of a foreign culture and he learns the importance of human dignity. He becomes aware of his own importance as an individual; during this year of trial and comradeship he learns the great strength the individual brings to the group and the worth of the group in any important endeavor. This experience fits him admirably to become a leader in our nation's future.

Thus the transition the serviceman makes from duty in Vietnam to the domestic pursuits of his individual future is a particularly critical time in terms of the man's value as a citizen. As he sheds his uniform, his entry into civil society in terms of opportunity, reception and the verification by his friends and neighbors of the worth of his service in Vietnam must equate with or hopefully be even more inspirational than his year of combat duty.

So it seems to me that for the United States to insure itself of the full contribution toward citizenship from each returning serviceman we in Vietnam must do our share, and our structure at home must do

MACJOO  
The President

its share as well. Our objective is common: to provide for the nation the full worth of the Vietnam veteran in stabilizing influence, citizen service and leadership so necessary today and in the future to keep America strong and free.

We are now accomplishing much toward this end in Vietnam, and we can do even more. Our current programs contributing materially to motivation of the serviceman in Vietnam to become a useful and productive citizen on his return to the United States include:

1. A combat orientation as part of his welcome to his unit so the serviceman clearly understands our objectives here and the environment in which we pursue them.

2. A Character Guidance program and related religious programs which help to give each individual an understanding of the importance of integrity and responsibility together with spiritual strength and moral development.

3. Programs for the public acknowledgement of individual and unit valor and service by awards, decorations and home town press releases, command newspapers, ceremonies and recognition by senior officers prior to the serviceman's departure from Vietnam.

4. Explanation of the serviceman's rights as a veteran by briefing and counseling teams from the Veterans Administration at two departure sites in Vietnam.

We plan to do more, particularly in those areas where additional stress can consolidate and highlight the months of training in discipline, patriotism, citizenship, human relations and leadership the serviceman has already received. We will intensify the motivation of the individual as a citizen through the Command Information Program; our Armed Forces communications media; religious education; and particularly in our out-processing procedures.

I consider this out-processing a key factor in climaxing the serviceman's tour in Vietnam in terms of his future activity as a good citizen. This embraces activities which provide comprehensive information on veterans' benefits, job opportunities, retraining programs, and the situation Vietnam veterans will find on return to the United States. Debriefings at parent units, in-country departure terminals,

MAGJOO

The President

and debarkation centers together with appropriate personal recognition from senior officers and Veterans Administration guidance are major features of this out-processing.

In this connection, I consider the recognition of the serviceman's contribution of paramount importance. This recognition not only crystallizes the serviceman's identification with both the war and our objectives as citizens but it can go a long way toward motivating the serviceman to continue his contribution in the quieter pursuit of his post-service life as a civilian. Accordingly, I suggest the production and distribution to appropriate military agencies of three special short professionally prepared films. These films, which should be done in color, should apply the latest in camera, music and sound techniques, and conceivably be introduced by prominent screen personalities, offer the best medium for achieving this necessary orientation through recognition.

Thus, the first film would illustrate for the serviceman the magnitude of his achievements in Vietnam and relate his personal effort to the whole. This film would give the serviceman a total perspective, relating his own contribution to our pacification objectives, to our actions here, and to our progress. This film emphasizes his share therein by showing the scope and sweep of our accomplishments. This film would include a few frames of my own personal salute and thanks as well. I also feel certain we could obtain the cooperation of President Thieu for an appearance in the film in which he would express his thanks and the gratitude of the Republic of Vietnam for the serviceman's effort. Thus this first film would identify the serviceman's individual role, impress him with its worth in the light of the total enterprise, and orient him toward continuing this contribution as a private citizen.

The second film similarly professionally produced and including commentary by prominent screen personalities, would portray graphically the many opportunities, advantages, and responsibilities of private citizenship as provided by the Veterans Administration and related programs. This would assist the serviceman in assessing and organizing his future in terms of both obligations and opportunities.

Both these films, I believe, should be shown the serviceman prior to his departure from Vietnam, but relatively close to his actual out-processing.

**MACJOO**  
**The President**

A third film, of similar quality, should be shown the serviceman just prior to his departure from debarkation or discharge points in the United States. I suggest that this third film be a statement of the thanks of our nation personally expressed by you. In this filmed appearance, you could include your enjoinder to the serviceman to take up his responsibilities as a private citizen and to accept his role in the community as both an obligation and a privilege particularly significant in the light of his important service in Vietnam.

This kind of orientation, in my opinion, will provide the greatest impact on the returning serviceman. The necessary follow-up could take the form of a personal letter from a senior government official dispatched to the veteran a short time after he has been discharged. This would be of major value in assisting the serviceman's transition to private citizen.

I am particularly concerned about what happens after the serviceman returns to the United States and is discharged or transfers to a new duty station. There may very well be a serious let-down after the intense year of pressure here; and the military and civilian segments of the nation must both take great care to protect our servicemen in their initial vulnerability to pressure groups of many kinds. Some of this may be accomplished by proper orientation in military separation centers but it is even more significant to continuing good citizenship that the vigorous institutions of the state and the community address this matter. Thus the Junior Chamber of Commerce, our many patriotic and veterans organizations, labor unions, various industrial organizations, educational institutions, and fraternal organizations need to make a conscientious effort to help the returning serviceman locate and identify himself with the positive values and traditional concepts inherent in a free society. Similarly, I think our returning servicemen must be encouraged to affiliate with a political party, so as to stake out their interest and connection with self-government from the onset of their civilian status.

The military establishment can go only so far in assisting this important transition from uniformed ranks to the community. The military can provide the basic orientation and the fundamental motivation but it is the civilian sector of our nation that must capitalize on this and embrace the veteran in such a way that his potential for

MACJOO  
The President

citizen service, so marked while in uniform, is not lost once he is discharged. Thus I recommend that the Department of Defense and other Federal agencies, together with state and municipal mechanisms and civic groups develop a comprehensive program under your general encouragement which provides a dignified and attractive familiarization of the serviceman with his rights, obligations and benefits as a citizen veteran of the war in Vietnam. His local opportunities for work, housing and education, together with his Federal opportunities in government work, law enforcement, the Peace Corps and the Teachers Corps should all be outlined and illustrated through a coordinated effort that can achieve positive results.

These magnificent young men have proven themselves in battle. I am confident they can do equally well in their civilian endeavors. They will be the leaders of tomorrow just as the Veterans of World War II and Korea are the leaders of today. We in Military Assistance Command, Vietnam will do everything possible to facilitate the transition to responsible citizenship.

Faithfully yours,

Signed  
W. C. WESTMORELAND  
General, United States Army  
Commanding

54

ACTION

~~CONFIDENTIAL~~

Friday, December 15, 1967 -- 10:45 a.m.

Mr. President:

Sec. Rusk arrives back at about 2:20 p.m. today.

Therefore, you may wish to budget some time this afternoon for the meeting on CABRIOLET.

On this occasion, knowing everyone's views, you may wish to keep the meeting small; that is, confined to Sec. Rusk and Sec. McNamara.

In addition, you may wish to take up the question of next moves in the Middle East arms policy. If you add that item to the agenda, I would suggest Nick Katzenbach should be along for two reasons: because he has worked most intimately with this problem at State; and it would be good for the morale of SIG for its chairman to be present when its recommendations are being considered by the President.

By this afternoon we would have considered in the 303 Committee the formula for handling the difficult problem of the radios: Radio Free Europe and Radio Liberty. That will also be ready for your decision.

W. W. Rostow

Set up meeting on CABRIOLET for this afternoon,  
Sec. Rusk and Sec. McNamara should attend \_\_\_\_\_

Full CABRIOLET group (Seaberg, Hornig, etc.) should attend \_\_\_\_\_

Include Middle East arms item \_\_\_\_\_

Katzenbach should attend \_\_\_\_\_

Include Radios problem \_\_\_\_\_

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

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-301  
By cb, NARA Date 9-16-99

WWRostow:rlh

~~CONFIDENTIAL~~

INFORMATION

55

~~SECRET~~

Friday, December 15, 1967  
10:10 a. m.

*Pres. file*

Mr. President:

Herewith King Constantine's present  
frame of mind:

-- all bridges to Athens not yet  
burned;

-- bad organization and timing  
with the army wrecked his plan.

W. W. Rostow

Rems 3182

~~SECRET~~

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 96-295  
By lig, NARA Date 1-21-97

WWRostow:rlm

55a

~~SECRET/EXDIS~~

Friday, December 15, 1967

**DECLASSIFIED**  
**E.O. 12958, Sec. 3.6**  
**NLJ 97-237**  
**By us, NARA Date 3-23-98**

TEXT OF CABLE FROM ROME (3182)

King Constantine opened the meeting with the Ambassador by inquiring whether the Secretary had received his message and whether there was a reply. The Ambassador said the message had been sent and acknowledged.

The King explained that he had decided to call off the press conference for two reasons; first, the Italian Government had not liked the idea. This was not a major consideration. Second, and more important, the Archbishop was arriving tomorrow at the request of the junta. The King said he had decided not to burn all his bridges in the press conference, at least not until he heard what the Archbishop had to say. The King commented that he had always been close to the Archbishop as his and his father's chaplain. He had appointed him last year, and so he would be interested to see how he faced up to the King after administering the oath of office to "those gangsters" yesterday. The King asked how a man of God could do such a thing. But he would hear what he had to say.

The King was sure that the Archbishop was coming to ask him to return to Greece, but he almost was equally sure that the terms under which he would be asked to return would be completely unacceptable. Unless the junta was willing to make specific commitment to the people to promulgate the Constitution and hold elections at a specific time, he would not go back. To do so would be to offer himself up as a tool to the junta, and this would be against the interests of the people. The King repeated this theme several times. To go back in such circumstances would be "contrary to everything we all believe in," and he could not do it. On the other hand, he indicated that if such guarantees were forthcoming, he would be willing to return.

Clearly uppermost in the King's mind was the thought that the U. S. "and other great powers," but particularly the U. S., must put "great pressure" on the junta to grant the people the promised Constitution and elections. He thought the situation such that such pressure would probably be effective, for the junta was aware there would be great difficulty in the country if he were not there. He urged that the U. S. not recognize the military regime and asked if the Ambassador thought we would do so. The Ambassador replied we had no information on this, and was not certain of the question of recognition yet with the U. S. Moreover, we had transmitted the King's earlier message to this same effect.

~~SECRET/EXDIS~~

The King said the junta had telephoned him today asking him "not to take any drastic measures." (He did not say whether he took the telephone call himself.) He spoke of this with bitter irony and attributed it to their desire that he receive the Archbishop.

King Constantine spoke at some length about the events of the past 48 hours. He said the Air Force and Navy had acted efficiently and effectively. Both had been completely with him. The weakness had been in the Army, specifically, the 3rd Armored Corps had failed to move fast enough. Timing had been vital element. His departure from Athens had gone well. The Air Force had picked up his plane and smoothly implemented its part of the plans. However, when he arrived at Kavalla and saw that troops were not yet in motion, he knew the slippage had developed. He told the Corps Commander to get units underway. The King cited as an example of the problems that had developed the situation involving the Armored division on the west coast. The Division Commander, "a Russian," had acted promptly and arrested subordinate revolutionary officers. However, when they agreed to take the oath to the King, the Commander released them and somewhat later they arrested him. The King said he had been surprised and pleased by the enthusiastic reception given him by the people of Kavalla who, previously, had not been particularly friendly towards him.

He said that had he been able to reach Salonika last night, the situation would have been different. However, there was only one Army regiment in Salonika. After telling local Air Force Commander he would be loyal to the King, the Regimental Commanding Officer subsequently arrested the Air Force Commander. Later he told Athens he acted on King's orders but at the same time put his troops in a blocking position between the King and Salonika, thus making impossible a non-violent advance on the town. The King commented in passing that the radio was also too weak.

The King said he interpreted the appointment of the so-called "regency" as a threat to his son. Hearing from younger officers that junta forces were moving on Kavalla to capture him and separate him from his son, he agreed with these officers' advice that he should leave. The take-off from Kavalla's short runway was extremely tricky and weather there and during the flight was very bad. Baggage followed in a C-47. The King thought discipline in the Army was completely gone and would have to be restored. The young officers were very radical and unrealistic. However, they were tasting power and enjoying it. They had told him that even though they supported him, they did not want the Constitution or election or if elections there must be, they did not want any "old politicians" to come back.

He made a distinction between these idealistic but misguided officers and those of the junta. The latter were completely unscrupulous gangsters. Thieves. They had acted despicably in the Cyprus situation and had very nearly gotten the country into war with Turkey. He would have come out against them on April 21, had it been possible to do so without bloodshed. He did not think they could control the country without him, and he thought they knew it. He took the Archbishop's arrival tomorrow as evidence of this. They were aware, he said, that there would be "many difficulties" if they refused to promise the people the Constitution and elections.

The King said Pipinelis had telephoned today from Brussels and would arrive in Rome to see him tomorrow -- but not secretly, as the Foreign Minister had wanted. He had told Pipinelis he either was his Minister, or he was the the junta; he could not be both. Pipinelis, "a good fellow," but, unfortunately, "he likes this sort of thing." The King thought he would therefore want to continue in the present Government even though, if the King had made his move on April 21, Pipinelis would have been with him.

The King spoke frequently and favorably of Ambassador Talbot. He repeatedly underlined his points by saying "as Talbot can tell you."

The King was relaxed but tired. He received the Ambassador in an upstairs sitting room of the villa belonging to his cousin, the Prince of Hesse. The coffee table before him was spread with Rome newspapers which in two-inch headlines reported the failure of his counter-coup and his arrival here. He is returning to the Greek Embassy but his family has moved to this villa.

At his request, we established a channel for further contact.

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*Pres file*

INFORMATION

~~SECRET~~ BUTTERCUP

Friday, December 15, 1967 -- 9:15 a.m.

Mr. President:

The latest BUTTERCUP report from Bunker is as follows:

1. The attached message was cleared by the government of Vietnam (GVN) to be passed back to BUTTERCUP/1, the NLF official who originated the message to us.

2. The GVN agreed on 16 December as the date for launching Sau Ha, Mai Thi Vang, and BUTTERCUP/2 (the bearer of BUTTERCUP/1's message). Sau Ha and Mai Thi Vang (Mrs. BUTTERCUP/1) were to be handed over to American custody on December 15 (today). The latest message does not report the actual transfer.

In short, if nothing goes wrong, the countermove will be initiated this week end.

W. W. Rostow

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-308

By CB, NARA Date 8-26-99

WWRostow:rla

~~SECRET~~/SENSITIVE

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~~SECRET//SENSITIVE~~

Extract from Saigon 309 (CAS Channels), December 15, 1967

As we have sought to communicate to you by radio on a number of occasions, Mr. Tong returned safely and conveyed your message to us on 26 October. Since then events have occurred which seemed to endanger hopes for achieving a satisfactory basis for a prisoner exchange. Restraint shown in the face of these events, however, encourages us to believe these difficulties will be overcome, given continued goodwill on both sides.

Senior officials on our side have deliberated carefully over the message conveyed to us by Mr. Tong and have arrived at a decision. This decision is to release and return to you, under Mr. Tong's escort, Mr. Sau Ha, and provide improved treatment for other persons named by you. The question of the release of other prisoners was a major subject of our deliberations. The decision was to release Madame Mai Thi Vang, although you had not requested it, along with Sau Ha as a demonstration of our goodwill and interest in the matter of prisoner exchange. The viewpoint which prevailed during our deliberations is that other prisoners will be released when you have given a more substantial indication of your willingness to release some prisoners on your side than you have indicated in the message conveyed by Mr. Tong. This indication could be given most expeditiously through the radio link which has been established between us. Your mentioning the names of the prisoners you would release would be helpful. To obtain your reply, we will monitor this link on the scheduled dates and times. We would then respond with a transmission notifying you of the dates we will release the other prisoners. Ensuing procedural steps for the transfer of prisoners could be arranged most efficiently through use of the radio link. As an alternate means of communication, you may, of course, continue to use Mr. Tong as your intermediary.

We trust you will see in our above actions a convincing demonstration of our intent to achieve a satisfactory basis for a prisoner exchange. We hope that this contact with you will permit us to work out arrangements for a continuing exchange of prisoners, and also serve as a useful background to the examination of the broader political topics reviewed in your message.

DECLASSIFIED  
E.O. 12958, Sec. 3.6  
NLJ 98-302  
By lis, NARA Date 4-28-99

~~SECRET//SENSITIVE~~

Friday, December 15, 1967

MEMORANDUM FOR THE PRESIDENT

*Pres file*

SUBJECT: Gold

The gold pool lost \$172 million yesterday. We expected heavier losses today but so far they are running about 20% less.

Bill Martin's telephone calls to the other central bankers went off reasonably well but we won't know the results until later today.

Bill made clear the U. S. position:

1. We are determined to hold the \$35 price.
2. We are opposed to a two-price system. Gold licensing will not work.
3. Our best judgment is to continue the pool.
4. We are going to announce a strong balance of payments program within 10 days.
5. We are prepared to draw on the IMF.

The reactions were:

Switzerland (Stopper) -- For the coming; sees same dangers we do. Inclined continue if enough other countries are willing. Will consult his government and be back to us today.

Germany (Blessing) -- Didn't commit himself but would talk to his colleagues.

UK (O'Brien) -- Said no doubt but that UK would go along. Stressed problems with others.

The Netherlands (Zijlstra) -- Had been prepared to go licensing route. Will now reconsider and consult colleagues.

SECRET

Italy (Carli) -- Deeply interested in success our actions. Said for domestic/political reasons he had to avoid showing gold losses while adding to dollar holdings. With a gold take-out, could be prepared to take more dollars. Would be back to us.

Belgium -- Unable to contact.

The Common Market countries (France included) met last night and are meeting this morning for the regularly scheduled session of their finance ministers. Our gold pool partners will get back to us shortly thereafter.

Bill Martin characterizes the initial reactions as fair. The Italian and Dutch responses were better, the German more non-committal, than expected.

All of them put first priority on our announcing soon a strong program to cut our balance of payments deficit.

W. W. Rostow

ERF:em

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