

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#2 memo	Rostow to President, 5:40 p.m. S 1 p <i>open 11/25/97 NLT 96-249</i>	2/29/68	A
#7 memo <i>open 2.25.04</i>	Rostow to President, 12:15 p.m. C 1 p [Duplicate of #54, NSF, NSCH, "March 31 Speech," Volume 3; Sanitized 1979 (WVWV: 1-2/68)]	2/29/68	A
#8a cable	Saigon 20788 C 2 p <i>open 4-3-97 NLT 96-248</i>	2/29/68	A
#9 memo	Rostow to President, 10:10 a.m. S 1 p <i>open 11/25/97 NLT 96-249</i>	2/29/68	A
#9a cable	Saigon 20752 <i>open 4-3-97 NLT 96-248</i> S 3 p	2/29/68	A
#12 memo	Rostow to President <i>open 11-8-99 NLT 96-182</i> S 1 p	2/29/68	A
#14a memo	Zwieck to President C 2 p <i>open 11/25/97 NLT 96-249</i>	2/24/68	A
#14b memo	Gaud to President C 6 p <i>open 7-28-97 NLT 96-262</i>	2/29/68	A
#14c rpt	"Review of Section 620(s)..." C 2 p (<i>dup. of #28c</i>) " "	undated	A
#15 memo	Rostow to President <i>open 11/25/97 NLT 96-249</i> S 1 p	2/29/68	A
#16a cable	Saigon 20798 <i>open 4-8-97 NLT 96-248</i> S 11 p [Sanitized 1979]	2/29/68	A
#20a memo	Lodge to President <i>open 5-21-97 NLT 96-251</i> TS 2 p	2/28/68	A
#23 memo	Rostow to President, 6:30 p.m. <i>open 11/17/97 NLT 96-259</i> S 1 p	2/28/68	A
FILE LOCATION			

NSF, Memos to the President, Walt Rostow, Volume 64, February 22-29, 1968 Box 30

RESTRICTION CODES

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#23a memo	Intelligence Memorandum S 2 p <i>exempt RAC 8/05</i>	2/28/68	A
#24a ltr	President Nyerere to President PCI 2 p <i>open 11/25/97 NLT 96-249</i>	2/28/68	A
#28 memo	Rostow to President, noon S 1 p <i>open 11/25/97 NLT 96-249</i>	2/28/68	A
#28a memo	Katzenbach to President <i>open 4-3-97 NLT 96-248</i> S 3 p	2/27/68	A
#28b rpt	"Tab A" " " S 1 p	undated	A
#28c rpt	"Review of Section 620(e)" <i>open 7-28-97 NLT 96-262</i> C 3 p <i>(Dup of #146)</i>	undated	A
#28d rpt	"Applicability of Conte-Long..." <i>open 4-3-97 NLT 96-248</i> S 1 p	undated	A
#30 rpt	"Breakfast with the President--Agenda" TS 2 p <i>Duplicates in Files of WWR, Box 1, MTGS JAN/APRIL DOCUMENTS 44, 45a open 9-20-94 NLT 92-374</i>	2/28/68	A
#30b ltr	President to Kiesinger PCI 3 p <i>open 11/25/97 NLT 96-249</i>	undated	A
#30c cable	Deptel to Moscow (Draft) <i>open 4-8-97 NLT 96-248</i> S 3 p <i>open 4-8-97 NLT 96-248</i>	2/22/68	A
#31a memo	Rostow to President C 1 p <i>open 11/24/97 NLT 96-249</i>	2/27/68	A
#31b cable	Paris 9649 <i>open 4-3-97 NLT 96-248</i> C 11 p	2/25/68	A
#32 memo	Rostow to President <i>open 5-25-09 NLT 08-215 (492)</i> S 2 p <i>Antique 5/19/95 NLT 93-471</i>	2/28/68	A
#32d memo	Katzenbach to Rostow <i>open 4-3-97 NLT 96-248</i> C 1 p	2/24/68	A
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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#32g memo	Anderson to Rostow C 1 p open 5-17-95 NLS 93-471	undated	A
#32j memo	Hall to Kelly S 1 p sanitized 12-5-93 NLS 93-473	2/13/68	A
#32m memo	Hornig to President S 1 p open 7-1-99 11/25/97 NLS 96-249	2/27/68	A
#37 cable	Rostow to President (CAP 80605) C 2 p open 8-21-96 9/1/97	2/27/68	A
#38 cable	Rostow to President (CAP 80607) S 1 p open 8-21-96 9/1/97 [Duplicate of #21a, NSF, Country File, Vietnam, "2C(7), General Military Activity"]	2/27/68	A
#40 cable	Rostow to President (CAP 80593) S 2 p open 11/25/97 NLS 96-249	2/26/68	A
#41a rpt	"Unofficial Translation" PCI 2 p open 11/25/97 NLS 96-249	undated	A
#41b memcon	"Middle East" open 4-3-93 NLS 96-249 S 3 p	2/27/68	A
#41c memcon	"Pueblo" " " S 1 p	2/27/68	A
#41d memcon	"Bombing of Soviet Embassy" " " S 1 p	2/27/68	A
#43a memo	Intelligence Memorandum open NLS 96-264 (4/98) TS 1 p	2/12/68	A
#43b rpt	"Republic of Vietnam Armed..." // TS 10 p	undated	A
#48 memo	Rostow to President S 2 p open 3-3-97 NLS 96-274	2/27/68	A
FILE LOCATION	[Near duplicate of #34]		

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#53 memo	Rostow to President TS 2 p <i>open 4/96</i>	2/27/68	A
#54 cable	Saigon 20598 TS 1 p <i>open 8-21-96 8/19/97</i>	2/27/68	A
#55 letter	Duplicate of #30b <i>open 11/25/97 NLT 96-249</i>		
#56 cable	Rostow to President (CAP 80584) S 2 p <i>open 11/25/97 NLT 96-249</i>	2/26/68	A
#60 cable	Rostow to President (CAP 80579) S 1 p <i>(dup. of #65) open 11/25/97 NLT 96-249</i>	2/26/68	A
#61 memo	Rostow to President, 7:10 p.m. C 1 p <i>open 5-15-95 NLT 94-116</i>	2/26/68	A
#61a memcon	Rostow and Barzel " C 9 p	2/23/68	A
#64 memo	Rostow to President (CAP 80580) C 1 p <i>open 11/25/97 NLT 96-249</i>	2/26/68	A
#66 letter	President to President Nyerere PCI 2 p <i>open 11/25/97 NLT 96-249</i>	2/26/68	A
#66a letter	President Nyerere to President PCI 4 p <i>open 11/25/97 NLT 96-249</i>	2/20/68	A
#67 memo	Rostow to President <i>(dup # 46, NSF, S103, Korea, 11/1/68-4/30/68, Box 33)</i> C 1 p <i>open 11/25/97 NLT 96-249</i>	2/26/68	A
#67a letter	President to President Park <i>(dup # 46 as above)</i> PCI 2 p <i>open 11/25/97 NLT 96-249</i>	2/26/68	A
#67b letter	President Park to President <i>(dup # 47 as above)</i> PCI 3 p <i>open 11/25/97 NLT 96-249</i>	2/9/68	A
#68 memo	Rostow to President <i>open 11/25/97 NLT 96-249</i> S 1 p <i>(dup. of #60)</i>	2/26/68	A

FILE LOCATION

NSF, Memos to the President, Walt Rostow, Volume 64, February 22-29, 1968 Box 30

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#72 memo	Rostow to President (CAP 80567) C 1 p open 8-21-96 <i>Q/ry</i>	2/25/68	A
#75 memo	Rostow to President (CAP 80560) C 4 p Dup. of #89, NSF, CF, Germany, Vol 14 open 11/25/97 NLS 96-249	2/25/68	A
#77 memo	Rostow to President (CAP 80551) C 3 p open 11/25/97 NLS 96-249	2/24/68	A
#78 memo	Rostow to President (CAP 80550) S 1 p open 8-21-96 <i>Q/ry</i>	2/24/68	A
#80 memo	Rostow to President (CAP 80542) TS 2 p open 12-3-96 NLS 96-258	2/24/68	A
#84 memo	Rostow to President (CAP 80525) C 8 p Dup. of #6, NSF, CF, Germany, Vol 14 open 11/25/97 NLS 96-249	2/23/68	A
#86 memo	Rostow to President, noon C 1 p open 11/25/97 NLS 96-249 [Duplicate of #52, NSF, Country File, Colombia, Vol. 3]	2/24/68	A
#86a memo	For the President, re: Colombia C 2 p open 11/25/97 NLS 96-249 [Duplicate of #52a, NSF, Country File, Colombia, Vol. 3]	2/16/68	A
#86b memo	Gaud to President open 7-28-97 NLS 96-262 C 6 p [Duplicate of #52b, NSF, Country File, Colombia, Vol. 3]	2/15/68	A
#86c memo	Gaud and Freeman to President open 7-28-97 NLS 96-262 C 2 p [Duplicate of #52c, NSF, Country File, Colombia, Vol. 3]	2/15/68	A
#87 cable	Rostow to President (CAP 80558) TS 1 p open 12-3-96 NLS 96-258	2/24/68	A
#88 cable	Rostow to President (CAP 80536) S 1 p Exempt 11/17/97 NLS 96-259 (Dup. of #7, NSF, CF, Germany, Vol 14)	2/24/68	A

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#95 cable	Rostow to President (CAP 80508) S 2 p <i>open 11/25/97 NLT 96-249</i>	2/23/68	A
#98 cable	Rostow to President (CAP 80510) S 1 p <i>(dup of #105) open 11/25/97 NLT 96-249</i>	2/23/68	A
#99 memo	Rostow to President TS 1 p <i>(dup of #108) open 9-19-97 NLT 96-255</i>	2/23/68	A
#100 memo	Rostow to President C 1 p <i>open 11/25/97 NLT 96-249</i> [Duplicate of #24a, NSF, Country File, Brazil, Vol. 7A] [Sanitized 1981]	2/23/68	A
#102a cable	Duplicate of #30e <i>open 4-3-97 NLT 96-248</i>		
#102b rpt	"Strategic Delivery..." <i>open 5-21-97 NLT 96-254</i> TS 4 p	1/21/66	A
#102c rpt	"US Soviet Contacts..." <i>open 4-3-97 NLT 96-260</i> S 3 p	6/19/67	A
#103a memo	"Thoughts on China" S 11 p <i>open 6-27-94 NLT 92-190</i> [Duplicate of #76a, NSF, Country File, China, Vol. 12]	2/22/68	A
#104 memo	Rostow to President, 3:15 p.m. TS 1 p <i>open 12-2-96 NLT 96-260</i>	2/22/68	A
#105 memo	Rostow to President <i>open 11/25/97 NLT 96-249</i> S 1 p <i>(dup of #98)</i>	2/23/68	A
#108 cable	Rostow to President (CAP 80506) TS 1 p <i>(dup of #99) open 9-18-97 NLT 96-255</i>	2/23/68	A
#110a memo	Rusk to President S 2 p <i>open 8-19-92 NLT 92-189</i> [Duplicate of #77a, NSF, Country File, China, Vol. 12]	2/22/68	A

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#110b rpt	"Situation in Comm. China..." S — 5 p — open 8-19-92 NLS 92-189 [Duplicate of #77c, NSF, Country File, China, Vol. 12]	undated	A
#111 cable	Rostow to President (CAP 80494) S — 2 p — open 11/25/97 NLS 96-249	2/22/68	A
#112 cable	Rostow to President (CAP 80489) S — 3 p — open 11/25/97 NLS 96-249	2/22/68	A
#114 cable	Rostow to President (CAP 80484) TS — 2 p — open 12-2-96 NLS 96-260	2/22/68	A
#116 cable	Rostow to President (CAP 80478) S — 2 p — open 7-22-94 NLS 94-15 [Duplicate of #31b, NSF, Country File, Chile, Vol. 5]	2/22/68	A
#117 cable	Rostow to President (CAP 80482) C — 1 p — open 11/25/97 NLS 96-249	2/22/68	A
#119 cable	Rostow to President (CAP 80477) C — 1 p — open 8-21-96 P/ly (Dup. of #394, MTP, Vol 65)	2/22/68	A
83 cable	Rostow to Pres. (CAP 80534) TS — 1 p. exempt 5/03	2/24/68	A
96 cable	Rostow to Pres. (CAP 80507) TS — 1 p. exempt 5/03	2/23/68	A

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Mr. Rostow

hang
2. Pres file

CONFIDENTIAL

Thursday, February 29, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Israeli Desalting Coordinator

After an informal in-house canvass, we now have the following list of candidates to take on the job of pulling together a US position on the Israeli desalting project:

George Woods
Charles Schultze
Lincoln Gordon
William Webster

✓ Walter Heller
Max Millikan
James Riddleberger

This list has been sifted by State, AEC, Interior, Don Hornig's staff and by Mac Bundy.

State put Dave Bell at the top of its list, but I have dropped him off. Mac Bundy has him in charge of a series of five studies on economic development in the Mid-East and feels we might sacrifice a possibly valuable long-term asset by tying him to an Israeli project now or even by linking him too closely to the USG at this stage. That makes sense.

The one name you may not know is William Webster. He is retiring as Chairman of the New England Electric System in Boston and is considered one of the elder statesmen of the utility industry. He has been a member of AEC's General Advisory Committee.

We don't know whether any of these would be acceptable to the Israelis or available. But before we check, I wanted to know how you would like us to proceed. Once I know your preferences, I could take an informal reading with Abe Feinberg and then sound out the candidate himself.

Once we have someone lined up, we will come back to you with his terms of reference.

I prefer Heller
Check with Feinberg and come back to me _____
See who's available _____
Call me _____

W. W. Rostow

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 12856
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR 16 1983.

CONFIDENTIAL

BY 18 ON 3/27/81

Thursday, Feb. 29, 1968 2
5:40 p. m.

~~SECRET/SENSITIVE~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: U. S. Mission to the OAS

For file

You may wish to reconsider your earlier negative decision on formally establishing a United States Mission to the OAS.

I raise the matter on these grounds:

1. Sufficient time has elapsed since premature disclosure of the proposal before you had a chance to consider it.
2. The appropriation for our participation in the OAS specifically covers costs of the mission so that what is involved is simply formalization of a situation which now exists in practice.
3. The election of a new, strong Secretary General provides a good opportunity for us to show our increased support for the OAS by formally establishing a mission.
4. When the amendments to the OAS Charter come into effect -- probably within the next 12 months -- there will be increased, higher level activity by the OAS in several fields, making a stronger US delegation to the OAS necessary.

W. W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-249
By CB, NARA Date 11-5-97

~~SECRET/SENSITIVE~~

3
INFORMATION

~~CONFIDENTIAL~~

Thursday, February 29, 1968
4:20 p.m.

Pres. file

Mr. President:

This memorandum confirms that 9,069 -- virtually all -- of the Marines and the 82d Airborne are now in South Vietnam. The balance will be in Danang on March 13, having sailed from San Diego on Feb. 21.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rla

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 2-27-92

~~CONFIDENTIAL~~



THE NATIONAL MILITARY COMMAND CENTER
WASHINGTON, D.C. 20301

29 February 1968
1250 EST

3a

THE JOINT STAFF

MEMORANDUM FOR THE RECORD

Subject: Deployment of the 3d Brigade TF, 82d Airborne Division and Marine RLT 27 (-). (U)

1. This memorandum is to confirm the closure of all elements of the 3d Brigade TF, 82d Airborne Division and Marine RLT 27 (-) in South Vietnam.
2. The 3d Brigade commenced movement from Pope Air Force Base, Ft. Bragg, North Carolina on 13 February 1968 and completed their deployment to Chu Lai, South Vietnam at 261830 PM EST (270730 AM Saigon time) February 1968. Three thousand seven hundred and twenty-four troops and 2,274.7 tons of cargo were airlifted in 161 missions.
3. The 2d and 3d Battalions of the 27th Marines commenced movement from the Marine Corps Air Station, El Toro, California on 13 February and closed Da Nang, South Vietnam at 231245 PM EST (240145 AM Saigon time) February 1968. Three thousand, three hundred and fifty troops and 1,195.7 tons of cargo were airlifted in 97 missions.
4. The 1st Battalion, 27th Marines moved by sea from Hawaii in three US Navy vessels; the USS VANCOUVER (LPD-2), the USS BEXAR (APA-23), and the USS WASHBURN (AKA-108). One thousand nine hundred and ninety-five troops and 1,495 tons of cargo were transported with the last ship closing Da Nang at 280700 AM EST (282000 PM Saigon time) February 1968.
5. The 27th Marines Tank Company and a number of Shore Party personnel and their equipment departed San Diego, California on 21 February 1968 aboard the USS THOMASTON (LSD-28) and are expected to close Da Nang, South Vietnam at 130400 AM EST (131700 PM Saigon time) March 1968.

Marshall B. Garth
MARSHALL B. GARTH
Brigadier General, USA
Deputy Director for
Operations (NMCC)

Distribution
(See attached page)

CONFIDENTIAL

DECLASSIFIED
E.O. 12353, Sec. 3.3
DA Memo. Jan. 5, 1988
By *14* NARA Date *3-27-92*

4
INFORMATION

~~SECRET~~

Thursday, February 29, 1968 - 2:30 pm

Pres file

Mr. President:

Herewith Westy's Khe Sanh report:

- weather pretty good;
- some effective bombing;
- resupply 252 tons (excellent);
- enemy digging trenches closer and trying to get on out of the B-52 bomb line, which Westy has moved closer to the base.

W. W. Rostow

~~SECRET~~

WWRostow:rla

DECLASSIFIED

Authority OSD/LA 10-18-78

By sp/ls, NARA, Date 3-3-92

SECRET

4a

Thursday, February 29, 1968, 10:30 AM

TEXT OF CABLE FROM GENERAL WESTMORELAND

This is report number twenty-five on the situation in the Khe Sanh/DMZ area and covers the 24-hour period of February 28, 1968.

Favorable weather conditions continued yesterday at Khe Sanh with visibility recorded up to five miles. Light winds and scattered clouds provided optimum flying conditions for fixed and rotary wing aircraft. Logistic resupply of Khe Sanh was executed without difficulty.

For the most part, enemy activity against Khe Sanh again consisted of shelling. A total of 186 rounds of mixed artillery, rockets and mortars were received in the area. Incident to the shelling, artillery rounds struck an ammo bunker, destroying 36 - 106 MM high explosive and 30 - 106 MM armor piercing rounds. Injuries resulting from incoming rounds were nine wounded (minor).

Ground contacts during the reporting period were limited to small unit contacts. At 9:30 AM two rounds of recoilless rifle were received at positions held by the 1st Battalion, 26th Marines, injuring one Marine. At 11:10 AM Marines fired a 106 MM mission at an North Vietnamese Army bunker located 800 meters southeast of Khe Sanh resulting in the destruction of the bunker. At 2:00 PM, Marines observed one secondary fire and heard small arms ammo exploding as a controlled air strike destroyed an enemy 50 caliber position one kilometer south of Hill 881. A bridge located three kilometers southeast of Khe Sanh was damaged as a result of an air strike. An air observer controlled air strike on an enemy automatic weapons position about three kilometers southeast of Lang Vei and destroyed the weapon. Another air strike was run on an enemy bunker located about the same location; it was destroyed, one secondary explosion was observed, and one North Vietnamese Army killed. At 4:00 PM an air observer spotting a group of North Vietnamese Army gathered at one kilometer southeast of Khe Sanh, ran an air strike and killed one. An artillery mission fired on three North Vietnamese Army manning an anti-aircraft position, two kilometers northeast of Khe Sanh village, destroying the position and confirming three enemy killed. All available arms were employed to suppress enemy fire and to destroy their positions as 2074 rounds of mixed artillery and mortar were expended during the period in support of the Khe Sanh area.

DECLASSIFIED

SECRET

Authority 010 la 1/3/79

By ig/ig, NARA, Date 3-3-92

Small unit contacts and enemy incoming comprised the bulk of significant activity reported in areas neighboring Khe Sanh. Elements at Camp Carroll received 10 rounds of mortar during the period. Gio Linh and A-3 shared 15 and 32 rounds of artillery respectively. No casualties or damages were reported in either instance. The 3rd Battalion, 1st Marines in Operation Saline received 32 rounds of enemy artillery with three additional artillery rounds of enemy artillery falling on the 1st AMTRAC Battalion positions. One Marine received minor injuries resulting from nine artillery rounds falling at Dong Ha. Twelve rounds of enemy artillery fell one kilometer west of C-4 inflicting negative casualties and damage.

Significant ground activity in northern Quang Tri Province included activity in Operation Napoleon as a combat patrol from K Company, 3rd Battalion, first Marines engaged an enemy force in a fortified position six kilometers west from the mouth of the Cua Viet. Utilizing available air, naval gunfire and artillery support, they succeeded in destroying five bunkers while killing an equal number of North Vietnamese Army. In the contact one Marine was killed and 16 wounded; activity ended at 5:00 PM. In Operation Kentucky, a small unit from a company, 1st Battalion, 4th Marines engaged three North Vietnamese Army manning a machine gun position. When action closed, three North Vietnamese Army were killed and three crew served weapons were captured. No friendly casualties were recorded.

Enemy attacks on convoys continued yesterday as two convoys were fired upon north of Dong Ha, resulting in two sailors killed and 16 wounded. At 12:30 PM yesterday, four kilometers southwest of the rock pile, a helicopter received heavy ground fire and exploded upon contact with the ground. Latest reports indicate that of 23 passengers aboard, there was only one survivor.

There were two COFRAM missions fired as follows: three rounds resulting in five killed. Thirteen rounds were fired on North Vietnamese Army massing in Operation Scotland, good target coverage but with undetermined results.

A total of 329 tactical air sorties were flown in support of Khe Sanh. The Marine aircraft wing flew 129 sorties. Bomb Damage Assessment included one secondary explosion, three secondary fires, one automatic weapons position destroyed and one damaged, and six North Vietnamese Army killed. The Air Force flew 143 sorties and the Navy flew 57, with damage listed as 17 secondary explosions, 20 road cuts, three trucks destroyed, two guns silenced, 16 secondary fires, one automatic weapons position destroyed, 41 military structures destroyed, and two North Vietnamese Army killed (15 probable). B-52, ARC LIGHT, flew eight strikes (48 sorties) in the Niagara area. Headquarters 3rd Marines reports that strikes on one target produced three large secondary explosions. Another target produced continuous secondary explosions for two hours after the strike. Four of the ARC LIGHT strikes scheduled for February 29 are emergency targets and are less than the normal three kilometers from friendly forces. The close-in strikes are proving to be most profitable as the enemy has concentrated forces within the three kilometer sanctuary. Headquarters 3rd Marines reports that the shock waves created by the close-in strikes do not damage structures in friendly areas. On the basis of four close-in drops so far, the risk to personnel is negligible.

Air resupply during the period amounted to 252 short tons. Medical supplies amounted to three short tons. In addition, 112 passengers were landed at Khe Sanh. Air delivery sorties totaled 39 on February 28, sixteen C-130 aircraft completed 10 air drops, and six air-landed at the airfield. One C-123 aircraft landed at the field. Twenty-two Marine helicopters delivered passengers and cargo.

For the next period there are 282 tactical air sorties scheduled in support of the Khe Sanh area. There will be seven ARC LIGHT strikes (42 sorties) flown in the Niagara area.

Shortly after noon on February 28, cloud ceilings raised to 2500 feet and visibilities improved. Clouds became scattered after 2:00 PM and visibility increased to 10 miles. Low clouds and fog again formed after midnight producing ceilings at 1000 feet or less and visibilities of from zero to four miles. These persisted through 9:00 AM February 29. The forecast is for continued cloudy conditions with fog during the morning hours of February 29 with cloudiness decreasing rapidly and visibility improving after noon. Low clouds and fog will form after 10:00 PM and persist into the early morning hours of March 1.

5

INFORMATION

~~TOP SECRET~~

Thursday, February 29, 1968
1:45 p.m.

Pres file

Mr. President:

Herewith Westy's telephone conversation of today. The best news is that Highway 1 should be open by March 1.

Gen. Johnson suggests a weekly rather than a daily call from Gen. Westmoreland. Given the quality of the reporting we have now organized with the Pentagon, this seems acceptable.

W. W. Rostow

Keep daily call _____

Weekly call okay _____

Call me _____

~~TOP SECRET~~

WWRostow:rla

DECLASSIFIED

Authority OSD 10-18-78 LEE

By ip/hg, NARA, Date 3-3-92



~~TOP SECRET~~

THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20301

CM-3065-68
29 Feb 1968

M. Rosson
5a

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Telephone Conversation with General Westmoreland

1. General Westmoreland had little to report beyond the items contained in his report #25 on the situation in the Khe Sanh-DMZ area. Weather was good in the Khe Sanh-DMZ-Coastal area and effective air strikes were made. He made special mention of the B-52 strikes conducted inside the normal three kilometers restraining or safety line from friendly force locations. He expects to continue to target some strikes within this normally restricted area.

2. The logistic situation in I Corps is improving. Seabees have opened the road from the coast to Highway 1 south of the DMZ that can carry one-way traffic and are continuing to make improvements so that the road will handle two-way traffic. Highway 1 is open for one-way traffic from Hue/Phu Bai to Dong Ha. Engineers are working on the road between Ai Van Pass and Hue/Phu Bai so that it is expected to be open for one-way traffic on 1 March. This will make Highway 1 open from Da Nang to Dong Ha for one-way traffic.

3. The 3d Brigade, 82d Airborne Division will complete its move from Chu Lai to Hue/Phu Bai during the next seven days. One battalion is already at Hue/Phu Bai.

4. General Rosson will relinquish command of I Field Force Victor (II Corps Area) to General Peers on 1 March. General Rosson will then overlap with General Abrams at MACV FORWARD for a period of 10 days to 2 weeks preparatory to redesignation as a Provisional Corps Headquarters which will control operations north of Ai Van Pass. General Westmoreland has not yet established a specific date for redesignation to a Provisional Corps Headquarters.

5. General Westmoreland reviewed with General Rosson and General Peers rainy season plans for operations in the II Corps Area, on the assumption that no additional troops will be provided in this geographic area.

6. South of Saigon a Vietnamese Ranger battalion seized an enemy ammunition cache. Quantities have not yet been reported. Some indiscriminate mortar fire was received at Can Tho resulting in 20 civilians killed.

DECLASSIFIED

Authority JCS 10-3-78
By iplg, NARA, Date 7-3-92

~~TOP SECRET~~

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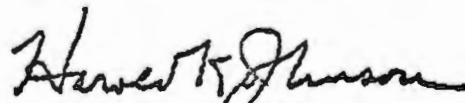
7. Three Popular Force outposts on a canal south of Saigon were attacked. It is General Westmoreland's view that enemy attacks are now shifting to Popular Force outposts in view of enemy failures to seize major population centers.

8. One intelligence team was inserted in the A Shau Valley on 27 February and made immediate contact with the enemy. An effort was made on 29 February to reinforce this team, but General Westmoreland did not have any reports of results.

9. The 3d Brigade, 4th Infantry Division, less one battalion, has relocated from the area south and southwest of Da Nang to Binh Dinh Province to replace the remaining brigade of the First Cavalry Division, which will join its parent unit in the Hue area.

10. General Westmoreland stated that activity was comparatively quiet throughout South Vietnam.

11. I recommend that the daily telephone call to General Westmoreland be discontinued. Information obtained in the daily call is not of sufficient importance or urgency to warrant an additional commitment on the overburdened commander in Vietnam. As an alternative, I suggest a weekly call on Saturday morning to obtain a general assessment and an indication of short-term plans for the 7 to 10 days following the call.



HAROLD K. JOHNSON
CHIEF OF STAFF, U.S. ARMY
ACTING FOR CHAIRMAN, JCS

~~TOP SECRET~~

P. Lee
6

Thursday, February 29, 1968
1:00 p. m.

MR. PRESIDENT:

Herewith three items of good news in the world food picture:

Tab A - A chart showing the rapid rise in Indian fertilizer acquisition and the excellent prospects for the future;

Tab B - A Business Week story of industry getting into the high protein food supplement business. (I count this one of the most satisfying programs I helped instigate at the Policy Planning Council. Without private enterprise it was simply impossible to get rapid distribution of what was technically possible.)

Tab C - A general paper by Lester Brown which shows the following hopeful signs on the world scene:

- growing governmental emphasis on agriculture;
- better prices and the introduction of new seeds;
- accelerating farm mechanization, notably the diffusion of pumps;
- the diffusion of new, cheap, high-protein foods.

All this gives the human race some hope that time is being bought for the population control revolution to take place.

On some offbeat occasion, you may wish to talk about these improving prospects.

W. W. Rostow

Attachments

18
Cea

NATIONAL SECURITY COUNCIL

February 28, 1968


WWR:

Attached is the graph you requested on Indian fertilizer.

For domestic production, you're seeing the yield of 11 plants now operating and a projection including 7 more under construction. The line would be even steeper if we added the enormous new complex planned by Tata Industries/Allied Chemical. This one is supposed to have the works -- an 800,000-ton fertilizer factory, nuclear power plant, and experimental seed farm. Delhi has been dragging their feet on the Tata proposal for the usual ideological reasons, but it looks as if they've decided to go ahead.

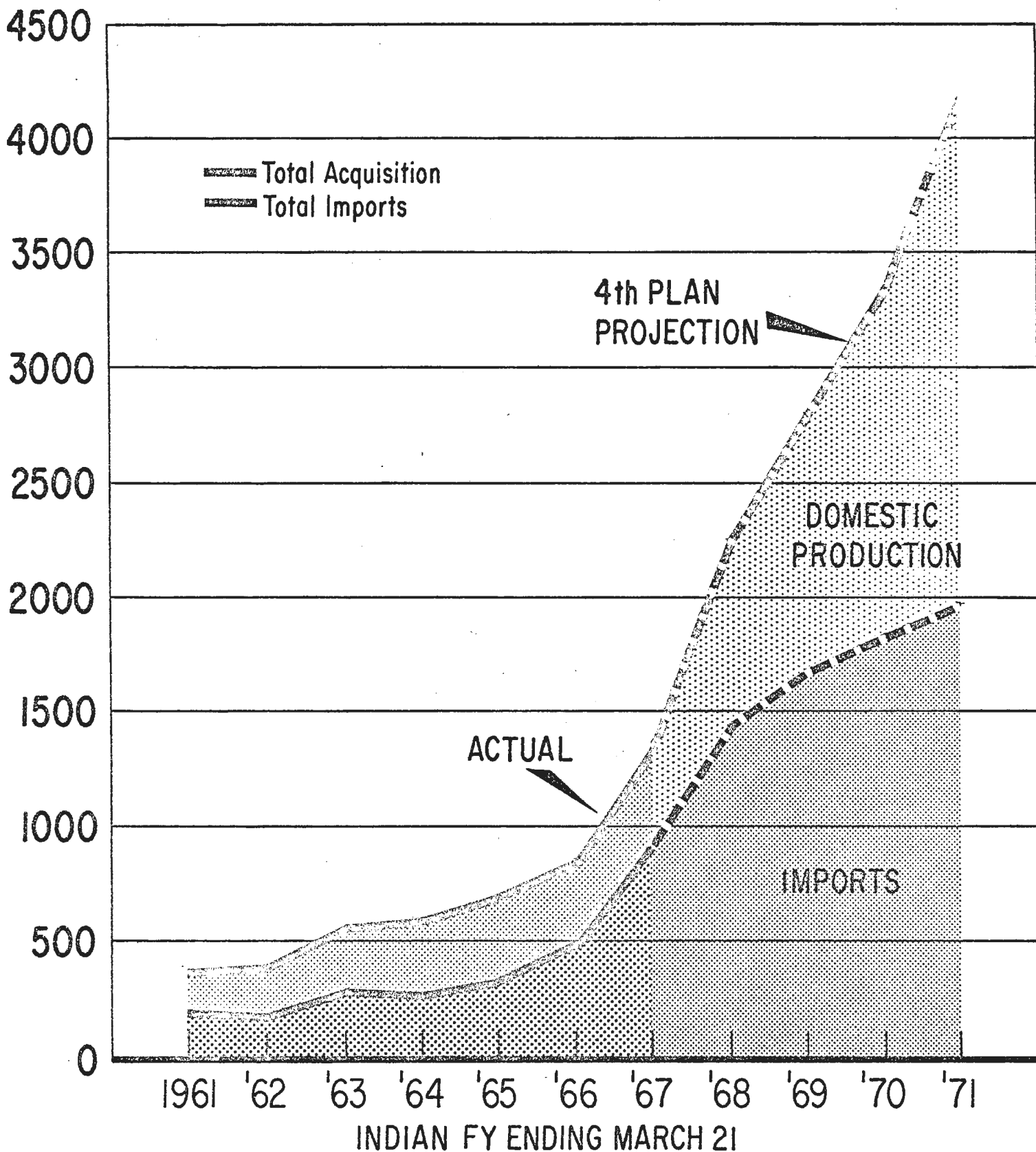
On the import side, you're seeing supplies mainly from the U.S., Japan and Western Europe, with a sprinkling from the Soviets. Import costs run \$273 million for 1967/68. The projected imports for 1970/71 would cost \$419 million at current prices.

When Madame Gandhi's budget comes out tomorrow, we'll know more clearly what these lines mean in terms of an immediate overall lift. But whatever the budget prognosis, this fertilizer picture should give us some reason for rejoicing.

Rm
Roger Morris


India

Acquisition of Chemical Fertilizer, 1960-71
(000 Metric Tons)



Industry enlists for fight against hunger

A whole squad of major U. S. companies is aiming high-protein food supplements at underdeveloped countries, sparked by the Agency for International Development

U. S. business is preparing to fire a big barrage in the war on hunger. Its weapon: high-protein food supplements.

This week Coca-Cola Co. made a splash by announcing that it will produce a new high-protein beverage in Brazil called Saci (pronounced "saucy"). Chocolate-flavored and soybean-based, Saci contains 3% protein and seven vitamins. A 7-oz. bottle, says Coca-Cola, will provide about half the minimum daily requirements.

Yoo-Hoo Chocolate Beverage Corp. was quick on the uptake. Welcoming Coca-Cola's announcement, it reminded newsmen in a special press release that it had announced development of a new high-protein beverage last December. The Yoo-Hoo drink will come in four types, depending on local availability of protein ingredients, and almost any flavor, depending on local tastes.

Meanwhile, Monsanto Co. has acquired an interest in the biggest selling soft drink in Hong Kong, a high-protein, soybean-based beverage called Vitasoy. Monsanto and K. S. Lo, a Hong Kong entrepreneur who has been producing Vitasoy since 1940, have set up a joint company called Lomond to make Vitasoy concentrate for franchised bottlers in Southeast Asia and Latin America. Lomond has built a new plant in Hong Kong to make the concentrate, and production tests are under way.

In El Salvador, Pillsbury Co. has just completed consumer-testing of a new high-protein soft drink made from corn meal, cottonseed, and nut meal. Pillsbury will start extensive market testing in April for the as-yet-unnamed beverage.

Bellwether. Much of the credit for pointing the way to high-protein foods for underdeveloped countries goes to the U. S. Agency for International Development. Two years ago, AID set in motion a new program to subsidize the development of high-protein foods.

Under Phase I, it offered grants of up to \$30,000 to U. S. companies to survey the availability of local ingredients, local food tastes and customs, and the economics of manufacture and distribution.

Under Phase II, companies would develop their own high-protein food additives, retaining a proprietary interest in the results. Under Phase III, AID offered grants of another \$30,-



Coca-Cola will make a new high-protein drink in Brazil called Sachi, named for a prankster in Brazilian folklore.

000 for test-marketing the new products, to be paid back if the results were successful.

Progress. More than 200 U. S. companies discussed the program with AID. So far, AID has made six grants of \$60,000 each to Pillsbury, for its study in El Salvador; to Monsanto, Swift & Co., and Krausse Milling Co. for studies in Brazil; to International Milling Co. for a study in Tunisia; and to Dorr-Oliver, Inc., for a study in India.

An AID official said this week that the results so far appear promising.

AID will make a seventh grant in the next two weeks, and expects to make three more by the end of June. By the time the program expires in 1969, it is expected that 15 to 20 U. S. companies will have received AID grants.

Problems. Moving from the laboratory to the market place in the war on hunger can be painfully frustrating. Quaker Oats, for instance, has had problems in trying to adapt a high-protein flour called Incaparina to suit Latin American tastes. Incaparina was developed by the Institute of Nutrition of Central America and Panama (INCAP). It uses a corn base supplemented by sesame, cottonseed, or soybeans, plus yeast. Nutritionally, it is equivalent to milk, yet costs only one-fifth as much.

A Guatemalan beer distributor was the first licensee and, although the operation was a money loser for the first five years, Guatemalans quickly came to relish it as a thin gruel. Quaker Oats stepped in several years ago and was licensed to manufacture and distribute it in Colombia, Venezuela, and Brazil.

The results were erratic. Its bland flavor was popular in Colombia, where it was successful as a hot drink, or porridge. The price, about 11¢ per lb. for 20 to 25 servings, placed it within easy reach of shoppers.

In Venezuela, it failed. The only available protein ingredient was cottonseed, and cottonseed oil producers could not afford to refine their cottonseed to an edible grade. Instead, they sold it as animal fodder. In Brazil, it was a victim of the runaway inflation. It was test-marketed in Recife, and was an instant success as an additive in cuscuz, a steamed bread made from yuca flour. As inflation took hold, however, the government subsidized yuca flour to keep the price down, while Incaparina's price soared beyond the reach of even the rich. Now Quaker Oats is preparing to test-market a locally produced Incaparina in Nicaragua.

Solution? Consumer acceptability and price thus still seem to be barriers to providing the undernourished with the nutrition they need. Part of the answer may lie in what is probably the world's single biggest untapped source of animal protein—fish. The U. S. Bureau of Commercial Fisheries last year announced it had produced an edible, tasteless, odorless protein-rich fish flour. AID teams are testing it now as a food additive in Chile, Peru, Brazil, and India. And two weeks ago, AID issued a request for proposals to build a fish flour plant in Latin America.

6d.

The opening weeks of 1968 seem to have been characterized by uncommonly bleak headlines, ranging from the stringent measures announced early in January to improve our international balance of payments to the recent step-up in the conflict in Vietnam. But there is some exceedingly good news elsewhere, and much of it, as usual, is being eclipsed by the bad.

The good news is that we may be on the threshold of an agricultural revolution in many of the hungry, densely populated countries of the less developed world, particularly in Asia. Further, we are witnessing some advances in food technology which, if commercially feasible, can make quality diets available to millions at much lower costs.

This paper constitutes a more encouraging assessment of food production prospects, in Asia at least, than has previously been possible. Let me identify some of the factors underlying the current assessment, many of them observed during extensive travel in Asia during recent months.

At the top, one senses a new political commitment by Asian governments to respond to the demand by farmers for incentive prices and the range of inputs needed to modernize agriculture. The dramatic new, high yielding varieties of food grains are being disseminated more rapidly among farmers in some countries than had either been planned

Talk by Lester R. Brown, Administrator, International Agricultural Development Service, U. S. Department of Agriculture, at the Second International Conference on War on Hunger, Washington, D. C., February 20, 1968.

or anticipated. Further, the yield performance of these varieties is proving much more transferable from experimental plots to field growing conditions than was thought possible.

The impact of the new varieties is such that they are becoming an "engine of change," bringing numerous other changes in their wake. They also provide a means for tapping some of the much discussed production potential of tropical agriculture, heretofore largely unexploited.

Despite the progress reported and prospects cited in this paper, the food-population problem is not close to being solved. It is far from solution. But the present dynamic agricultural climate makes Asia today far more receptive to U. S. assistance policies in this field, to agricultural technical assistance programs, and to sound private agribusiness investments than was the Asia of two years ago.

The food-population problem will not be satisfactorily solved until population growth is effectively slowed and eventually stabilized. The agricultural revolution which seems to be in the making will, if it continues, contribute to a solution of the problem by buying additional time for countries to mount effective family planning programs.

Past Record Not Bright

The food production record of the less developed countries from the beginning of this decade through 1966 is not an encouraging one. Food production, scarcely able to keep pace with population growth,

not to mention additional demand generated by rising incomes, fell behind overall demand. The result for country after country was either rising imports, rising food prices or some combination of the two. However, preliminary crop reports for 1967 in the developing countries indicate food output per person gained 6 percent over last year's drought depressed levels, bringing production per person back to the levels of the early 1960's. (See Figure 1.)

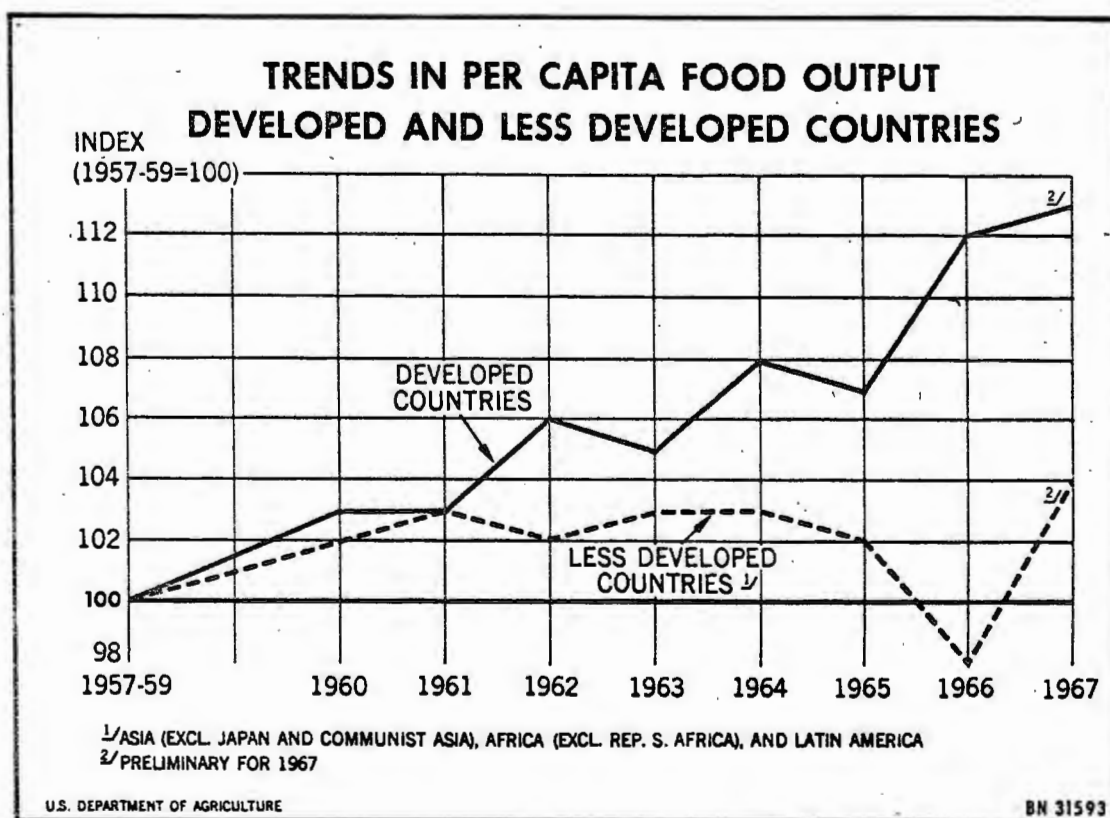


Figure 1

The beginning agricultural revolution is most evident where it is most needed, in Asia, a region containing 56 percent of the world's people. It extends from Turkey to the Philippines, and includes the pivotal countries of India and Pakistan. Together, these four countries alone contain over 700 million people, or about half the population of the less developed world excluding China.

Growing Emphasis on Agriculture

Recent progress traces to several factors including a growing emphasis by governments in these countries on agricultural development, and a willingness to allocate scarce resources to this goal. Several factors underlie this growing emphasis: (1) the disappearance of world surpluses of wheat and rice, (2) the movement toward harder terms on U. S. concessional food shipments, and (3) a growing insistence by our government -- in USDA, AID, and the Congress -- that food aid recipient countries make an adequate effort to develop their own food producing resources.

We have increasingly used food aid as a source of leverage to encourage more rapid growth in LDC food output. When a country requests commodities from us we analyze its agricultural development effort and identify shortcomings. We then seek commitments to remedy them. We may ask a country to build farm-to-market roads, to increase the share of its budget resources going to agriculture, to improve its climate for foreign agribusiness investment or to undertake any of a host of other needed actions. Stated simply, food is no longer a free commodity -- we exchange commodities for commitments, commitments to improve agriculture.

But pressure comes not only from outside. Indeed it seems that the possibilities of the new agriculture have caused farmers to place unprecedented demands on Asian governments to ensure availability of seeds, fertilizer, and other inputs. In fact, the increasing political muscle that farmers have developed may make the commitments of their governments to farmer-oriented policies and programs essentially irreversible, a marked departure from the years of political neglect.

This new political climate -- both international and internal -- has led to concrete commitments of budgetary and foreign exchange resources. India increased its budget for agricultural development by 42 percent last year; it is now using the equivalent of one-fifth of its foreign exchange earnings to import fertilizer and fertilizer raw materials. (See Figure 2.)

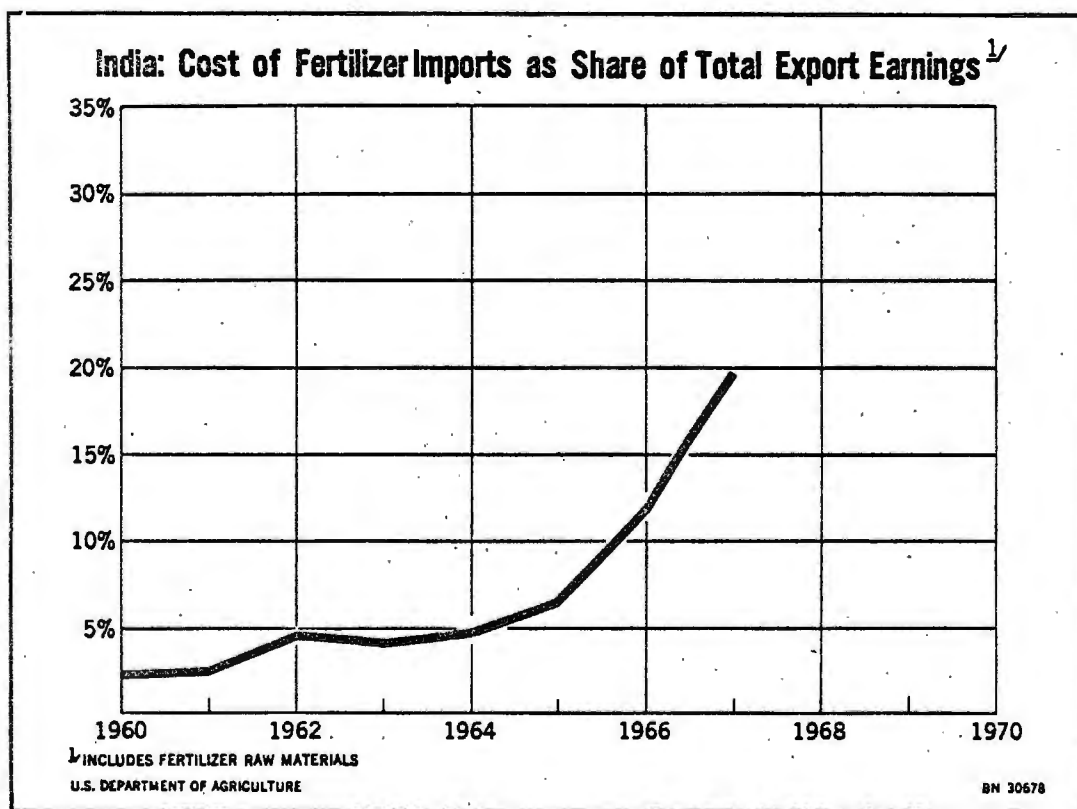


Figure 2

Turkey's imports of fertilizer and fertilizer raw material may make up the largest single item in overall imports this year, exceeding for the first time petroleum and petroleum products. The availability of fertilizer in Pakistan is twice that of two years ago, and several times that of 1960. It is expected to at least double again by 1970.

High Prices and New Varieties

Among the major forces for agricultural progress in Asia, two stand out: the sharply higher prices for the major Asian food staples, rice, and wheat, and some dramatically superior new varieties of wheat, rice and coarse grains.

Prices of food grains, particularly rice, have climbed sharply in many Asian countries as a result of scarcity at home and the disappearance of surpluses abroad. This rise, reflected in prices received at the farm level, has made the use of purchased inputs such as fertilizer much more profitable than heretofore. (See Figure 3.)

Exciting new varieties of rice, wheat, grain sorghum, and corn are now available. In large part, they have been developed at the International Rice Institute in the Philippines and at what is now the International Maize and Wheat Improvement Center in Mexico. (The Institute was sponsored by the Rockefeller and Ford Foundations, the Center by Rockefeller). The new varieties are much more responsive to fertilizer than traditional varieties. Under proper growing conditions, they outyield traditional varieties not by a mere 10,

20, or 30 percent but by a multiple of 2 or more. This is why they have caught the imagination of so many Asian farmers.

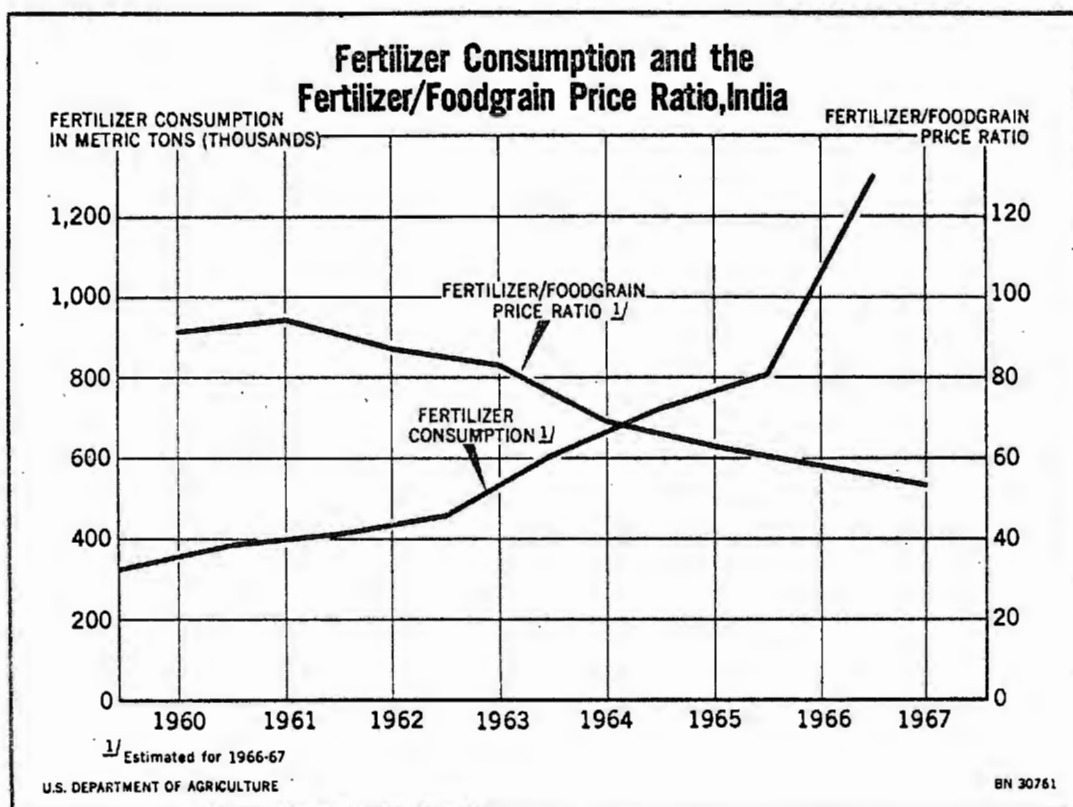


Figure 3

The new rice varieties provide a means for tapping some of the vast but largely unrealized food producing potential of the tropics. At present, rice grown in temperate zone countries, e.g. the United States, Spain, Italy, Japan, and Australia, yields 4,000 - 6,000 pounds per acre (rough rice) as contrasted with only 1,000 - 1,500

pounds in most of the tropical and subtropical rice growing countries. The high yields attainable with the new varieties, coupled with the potential for multiple cropping where water is available, provide some impressive opportunities for expanding the world's food supply.

The Spread of New Varieties

Use of the new varieties, expanding very rapidly in several Asian countries, is already beginning to have an impact on regional grain production levels. The area planted to improved varieties in Asia this year is estimated at 16 million acres -- most of it in India, Pakistan, the Philippines, Afghanistan, and Turkey! The total could expand to 30-35 million acres or more next year.

Improved varieties of wheat and rice have been planted in greatest quantity. India alone has planted about 5 million acres of each. Pakistan has planted approximately 2 million acres of Mexican wheat for harvest this spring, and hopes to plant up to 1 million acres of rice this year. Turkey has nearly 400,000 acres of wheat and the Philippines perhaps 500,000 acres of rice. In addition, nearly 3 million acres of corn and sorghum have been planted in India.

These planting levels are beginning to represent sizable portions of total acreage. The improved varieties of wheat account for about 15 percent of wheat acreage in both India and Pakistan. Proportions for rice are lower -- about 6 percent in both the Philippines and India. Data on the contribution to increased output of the acreage planted to high yielding varieties are not available but

these plantings must have expanded Asia's food grain supply by several million tons.

As improved seed becomes available, the new varieties are often quickly adopted by a relatively small group of farmers -- the larger, more commercial farmers who have adequate irrigation and credit. But the irrigated land suitable to new varieties is limited. And in West Pakistan, for example, lack of farm credit is limiting the distribution of available fertilizer. But these difficulties should not be overestimated since West Pakistan is expected to harvest a wheat crop this spring some 10 percent above the previous record.

The rate of adoption may also be influenced by other factors. Extremely high prices for rice during the past year have stimulated interest in planting improved varieties. As output increases, prices may drop somewhat from present levels -- reducing incentives to plant or to carry out essential cultural practices. The increased output can also lead to problems with inadequate marketing facilities.

Much land is not suited to the new varieties now being disseminated. Some farmers, after trying them, will return to the traditional varieties. But the overall trend will be up. And in the short run, food shortages can be alleviated or self-sufficiency obtained with only a portion of total acreage planted to improved varieties. Over the longer run, strong and continuing research and breeding programs will be necessary to insure steady progress.

New Varieties - Engine of Change

The new food grain varieties are far more than just another technological breakthrough -- they may be to the agricultural revolution in Asia what the steam engine was to the industrial revolution in Europe. In addition to their influence on production, the new varieties are playing a critical role as a catalyst, causing farmers to break with tradition and reconsider their agricultural practices.

It was hoped earlier that fertilizer would perform this function, and it has, to some extent. But traditional varieties are often not responsive enough to fertilizer to provide the readily visible profit peasants need to adopt new practices.

Some of the new varieties -- like IR-8 developed at the International Rice Institute -- do well even with traditional cultivation methods. But far more than the old rice, IR-8 is responsive to scientific farm management, to far heavier doses of fertilizer, to timely pesticide treatment, to a broad range of improved practices. Not only do farmers learn through experience that the so-called "miracle rice" works; they learn that it works better if accompanied by generally improved production technology.

The new varieties are requiring a reexamination of existing agricultural policies and development strategies. The more intensive use of labor associated with the new varieties for instance -- the new high yielding rice varieties require weeding -- is actually result-

ing in seasonal labor shortages in some rural locales in Asia. Wages paid farm laborers in India's Punjab during the harvest season reportedly exceeded those paid skilled laborers in New Delhi this year. As a result of labor scarcities during planting and harvest seasons in some areas, planting and harvesting are being staggered and extended over a longer period. Crop calendars are being revised.

The new rices grow both during the monsoon and during the dry season, provided, of course, enough water is available. Many traditional varieties, because they are much more photoperiod sensitive and require a longer growing season, are not as adapted to growth during the dry or winter season. Dissemination of the new varieties is thus often followed by a sharp rise in the index of multiple cropping.

Alterations in cropping patterns are also occurring. Farmers with enough water to grow a crop of rice during the dry season will frequently do so. Those with insufficient water for rice are turning to a cereal with lower water requirements, usually grain sorghum. This is now occurring in the Philippines and India. After the first cutting, grain sorghum sometimes ratoons (regrowth from original root stock) one or two times providing additional harvests of grain from the original planting. Test fields of rice and sorghum multicropping at the International Rice Institute in the Philippines have reportedly yielded 8 tons of grain per acre per year! This contrasts with an average of 2 tons of corn per acre in the United States.

Accelerating Farm Mechanization

Among the traditional assumptions concerning agricultural development, those concerning farm mechanization are perhaps most in need of reexamination. Experience with the new rice varieties is demonstrating this need.

IR-8 matures in 120 - 125 days, as contrasted with 150 - 155 days for traditional varieties. When planted at the customary time at the beginning of the monsoon, it matures well before the end of the monsoon. Once ripe, it must be harvested quickly, and artifiidally dried lest it sprout in storage. Traditional rices, maturing after the monsoon, can be harvested in a more leisurely manner and dried in the sun along the roadside. The new varieties then may require, as a minimum, mechanical drying. In many instances, mechanical threshing may also be advisable.

Because IR-8, and most other high yielding rice varieties are quick maturing, it is often possible to plant a second crop of rice before the end of the monsoon. If planted promptly, such a crop can use monsoon rainfall for initial growth, then supplemental irrigation thereafter. But such rapid seedbed preparation may not be possible with bullocks and bullock drawn equipment. Mechanical power may be required. Similarly, under some conditions tractors must be used for seedbed preparation to realize the full potential of Mexican wheats.

The full potential of the high yielding rices cannot be realized in the absence of careful water management. This requires pumps,

engines, and fuel to both move water out of the paddy, when natural rainfall or flooding is excessive, and to move water in, particularly during the dry season when additional water is needed.

Projections Out of Date?

As the "agricultural revolution" spreads throughout Asia it is becoming increasingly difficult to project rates and directions of change. Many of the numerous studies undertaken in recent years, projecting the production and demand of food and the demand for purchased farm inputs, have not allowed for the possibility of sharply increased yields due to new technology.

Increased yields may make it possible to halt the trend toward growing food deficits and in some cases reverse it. The Philippines expects to be self-sufficient in rice in a year or so; Turkey may be self-sufficient in wheat shortly thereafter. Pakistan and India are moving rapidly to narrow the gap between food consumption and food production. Other nations, not yet doing as well, are also showing signs of forward progress.

Existing projections for fertilizer demand may require alteration in light of the greater responsiveness of the new varieties to fertilizer. Some projections of fertilizer demand have assumed that the use of one additional pound of fertilizer would yield 10 pounds of additional grain. Available information shows the new varieties have a much higher response coefficient.

In the short run, the greater responsiveness of the new varieties should increase the profitability of fertilizer use and increase the demand for fertilizer above what it would otherwise have been. Over the longer run, however, the demand for fertilizer could be lower than would otherwise have been the case since a smaller quantity of fertilizer will be required to achieve any given level of food grain production. Nonetheless, the developing countries face a continuing fertilizer deficit, requiring increased imports unless the pace of their new plant construction accelerates within the next few years.

The growing demand for irrigation pumps, engines, and tubewells will accelerate in the future as the need for supplemental irrigation and better water management increases. Heavier investment in inputs for a given crop -- needed to realize the genetic potential of the new varieties -- requires better protection from insects and diseases. A new market for mechanical rice drying equipment is also developing far ahead of the supply.

If I were a Vice President for International Operations of an American agribusiness firm, I would have some of my staff out in the wheat fields and rice paddies of Asia attempting to assess the marketing and investment implications of the new, high yielding varieties of grain. The demand for virtually all inputs will be affected.

Advances in Food Technology -- Closing the Protein Gap

The remarkable advances in production technology discussed previously should not obscure the recent breakthroughs in food tech-

nology which, though not as yet nearly as far along, may in the long run augment the current production advances. At the same time as increased yields are making available greater quantities of food, food technologists and private industry are improving food quality through the development and better utilization of low-cost sources of protein.

The problem posed by the shortage of protein in the LDC's is in many ways parallel to the excess calorie problem in the United States. Confronted with the need to reduce the caloric content of diets, food technologists began developing low calorie foods and beverages. A technology evolved to meet a need, creating a low calorie food industry which today manufactures and markets more than 700 million dollars worth of low calorie food products in the United States.

In the problem of protein shortage, there are similar elements -- a widespread need and a technology evolving in response to this need. There are now indications that a high protein food industry is emerging to parallel the low calorie food industry.

The conventional means of eliminating deficits of high quality protein has always been to expand production of livestock products. (See Figure 4.) As per capita incomes rise over a long period of time, protein deficiencies in diets disappear, but only at a high cost in terms of grain required. Given the costliness of eliminating protein deficits using livestock, U. S. food firms are increasingly attracted to the possibility of developing livestock product substitutes from vegetable sources.

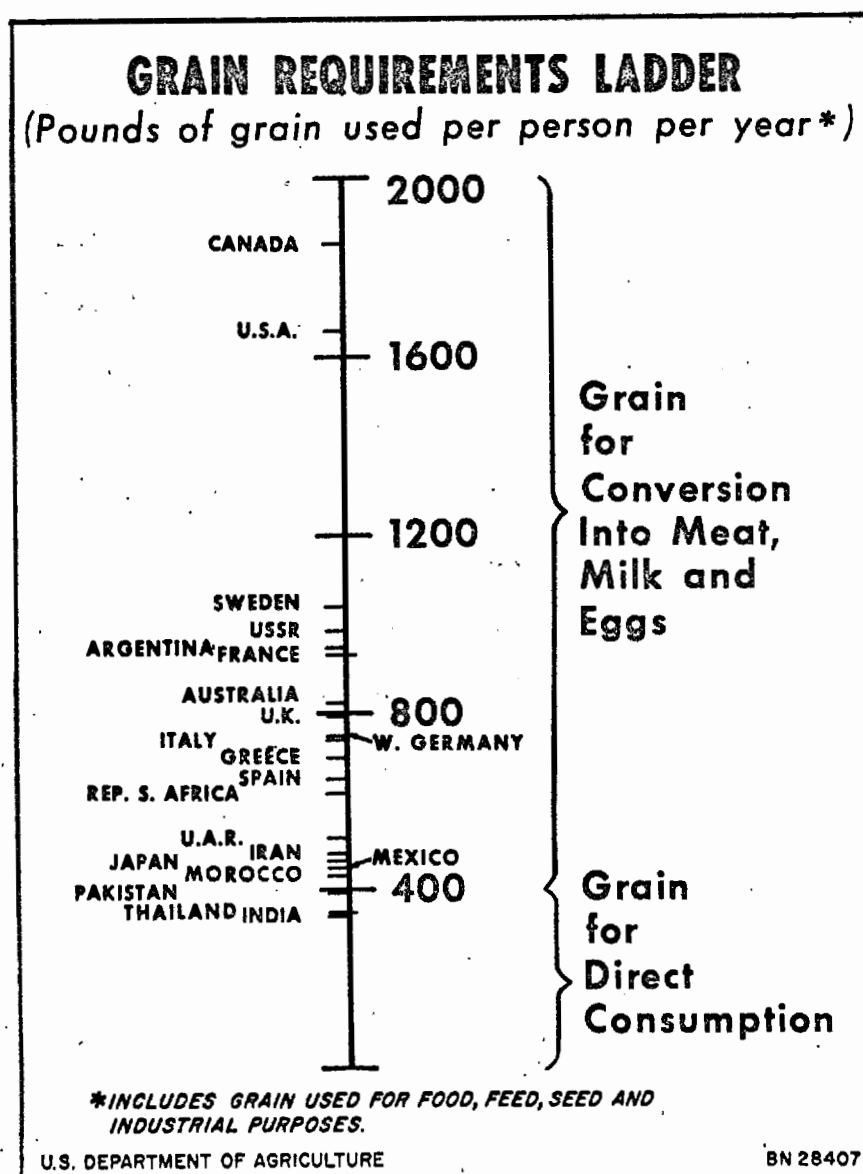


Figure 4

Substitute livestock products have developed gradually over the past generation, with the pace accelerating in recent years. The average American now consumes more margarine than butter. Hydrogenated vegetable shortenings have largely replaced lard in our diet.

To date, substitution has been primarily vegetable oils for animal fats, but food firms are now pushing ahead rapidly to develop protein products such as substitutes for milk and meat. Researchers in laboratories of several major U. S. food firms are confident of developing products synthesized from soybeans or other vegetable protein sources which will be virtually indistinguishable from chicken, ham, and beef. One major U. S. food firm is already test marketing a substitute for bacon.

Most hungry countries have indigenous supplies of high quality protein -- usually in the form of soybean oil meal, cottonseed oil meal, peanut oil meal, or copra -- which can be used to manufacture high protein foods. These oilmeals are often used for a variety of purposes, including fertilizer, livestock feed, and as export commodities. But some food firms are beginning to incorporate these proteins into imitation or substitute livestock products, beverages, gruels, and breakfast foods, to be marketed commercially. AID is supporting several market surveys and market testing projects by U. S. firms in developing countries.

Recent advances in synthesizing amino acids now make it economically feasible to upgrade cereal protein by adding small quantities of the limiting amino acids. The addition of a few pounds of lysine, costing about 4 dollars, to a ton of wheat raises the quality of wheat protein to a level approaching that of casein, the protein in milk.

With U. S. encouragement, the Indian Government bakeries in Madras and Bombay last month began marketing a lysine-fortified product called Modern Bread. Early reports indicate that it has been selling out every day, and plans are underway to extend lysine-fortification to several other Government bakeries, with private bakeries also expressing strong interest.

At present, the use of synthetic amino acids to fortify food is one of the most exciting possibilities available for making substantial inroads against malnutrition. Unlike most other methods of upgrading protein intake, this does not require changes in dietary habits. Over the longer run, it may be possible to achieve the same end by evolving new varieties of cereals which will contain a larger percentage of higher quality protein.

Conclusions

Exceedingly favorable prices for food grains in most Asian countries, coupled with some dramatic new technologies in the form of high yielding varieties of rice, wheat, and coarse grains, are triggering an "agricultural revolution" in Asia. The superiority of these varieties over traditional ones is so pronounced that they are becoming an "engine of change" in rural areas; they are altering cultural practices, the level and pattern of inputs used, cropping patterns, and the index of multiple cropping.

Many factors will constrain the rate at which the new varieties are disseminated -- inadequate water supplies, a shortage of farm

credit, and susceptibility of some of the new high yielding varieties to local insects and diseases. But it seems quite likely that food-production in Free Asia will, barring unforeseen circumstances, expand much more rapidly over the next few years than it has thus far during the 1960's.

Accompanying the revolution in agricultural technology are some exciting advances in food technology such as the utilization of oil-seed meals in high protein foods and the fortification of cereals with synthetic amino acids. These breakthroughs could contribute measurably to alleviating the widespread shortage of protein in the hungry countries over the next 5 - 10 years.

But while the potential for improving the world food situation may be in hand, the benefits thus far have been limited. To strengthen the favorable forces now at work and see the revolution through will require continued commitment by governments in the developing countries, supported by all the assistance the United States can provide.

The new varieties were referred to earlier as an engine of change. We could carry the analogy a bit further and say that we now have the engine going; but an engine at full steam needs far more fuel and attention than one sitting at a switching station waiting to get a track.

Years of U. S. assistance, both public and private, coupled with stepped up efforts by the developing countries themselves, are beginning to pay off. It is essential that we work to maintain and

accelerate the forward momentum now developing. If maintained, this momentum greatly enhances the near-term prospects for putting Asian agriculture on a more modern footing -- for turning the current advances into a pattern of self-sustaining agricultural growth.

DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc, NARA, Date 1-13-04

ACTION

~~**CONFIDENTIAL**~~

Pres file

Thursday, February 29, 1968 -- 12:15 p.m.

Mr. President:

I gather from Ernie that this has come via Bill Douglas from Banerjee, the number two man at the Indian Embassy in Washington. In turn, Banerjee says that it comes from the Indian Consul General in Hanoi.

On the face of it, it has these elements:

- "prompt" equals 7-15 days;
- "substantive" equals anything within the Geneva Accords of 1954 and 1962;
- "either can bring in another party" means we could bring along the GVN;
- "acceptance of Clark Clifford's statement" means a partial acceptance of the assumption of the San Antonio formula, but it leaves open the following questions: What is a "normal" level of resupply? And it is not responsive with respect to quiet at the DMZ.

Although Bill Douglas says Banerjee did not wish to have this handled via the State Department, I recommend that we make this available promptly to Sec. Rusk and Clark Clifford; that we go back to the Indians to have the authenticity of this document vouched for at the Hanoi end. The Indian Consul General in Hanoi has proved himself a wishful thinker on a number of occasions.

My guess is that it is an effort to dissuade us from reinforcing our troops rather than a serious movement towards a negotiated settlement; but we do have a duty to get to the bottom of it.

W. W. Rostow

Make available to Sec. Rusk _____

Make available to Clark Clifford _____

WWRestow:rla

Q. If the bombing ceases, when will talks start?

A. 7 to 15 days.

Q. What will be the subject matter of the discussion?

A. Anything within the frame of reference of the Geneva Conference.

Q. Who will be parties to the talks?

A. North Viet Nam and the United States. Either can bring in another party.

Q. Will any advantage of the United States be taken in case of cessation of the bombing?

A. Hanoi accepts Clark Clifford's statement of January 25, 1968.

8
Pres file

INFORMATION

~~CONFIDENTIAL~~

Thursday, February 29, 1968
10:20 a.m.

Mr. President:

Herewith a letter to you
from President Thieu, thanking
us for a \$25,000 donation for
assistance to refugees.

W. W. Rostow

Saigon 20788

confidential

WWRostow:rla

DECLASSIFIED

E.O. 12856, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1985

By *rg*, NARA, Date *2-27-92*

~~CONFIDENTIAL~~

8a

February 29, 1968

TEXT OF CABLE FROM AMBASSADOR BUNKER (Saigon 20788)

The following is the text of a letter dated February 22 (received in the embassy February 29) from President Nguyen Van Thieu to President Johnson.

"Mr. President,

"On the occasion of the Communist callous offensive against the main centers of population in the Republic of Vietnam in violation of the Tet truce, I am deeply appreciative of your donation of 25,000 dollars to the refugees who have been made homeless by the Communist attacks.

"On their behalf and in my own name, I wish to convey to you our heartfelt gratitude for this expression of sympathy and support.

"By using the civilian population as human shields in their treacherous attacks and in their withdrawals, by sowing mournings and destructions on a sacred holiday, the Communists once more revealed the ruthlessness of their aggression.

"By crudely violating a truce, whose prolongation they had proposed, the Communists demonstrated again their bad faith and the emptiness of their profession for peace.

"The Communist aggressors, however, have been inflicted not only a severe military defeat, in terms of staggering losses which they cannot easily replace, they have also suffered a major psychological defeat. Instead of popular uprisings they had anticipated, the Communists encountered fierce opposition from the population who gave their active and spontaneous cooperation to the ARVN in repelling and rooting out the Communist assailants. Instead of an easy military success they had expected on the basis of disparaging opinions about our troops, they have witnessed the valor and the dedication of our defense forces.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-248
By lip NARA Date 2-25-97

~~CONFIDENTIAL~~

- 2 -

"The close solidarity between soldiers of the friendly nations fighting side by side to defend freedom in the Republic of Vietnam is further strengthened in facing the new Communist challenge.

The recent events have also strengthened our determination not to yield to brutal force, and to do all which is necessary to preserve freedom and secure a genuine durable peace.

Sincerely,

Nguyen Van Thieu

~~CONFIDENTIAL~~

~~SECRET~~

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INFO RUEHEX/WHITE HOUSE/WASHDC
RUEPJS/DOD/WASHDC
RUEHLG/CIA/WASHDC
RUEHIA/USIA WASHDC 4823
RUHHHQ/CINCPAC FOR POLAD/HAWAII
STATE GRNC
BT

~~SECRET~~ SAIGON 20752

STATE PASS AID

SUBJECT: SITUATION REPORT PROJECT RECOVERY - PERIOD 1800 HOURS
26 FEBRUARY TO 1800 HOURS 28 FEBRUARY (TUESDAY AND
WEDNESDAY)

1. SUMMARY OF TUESDAY'S CENTRAL COMMITTEE SESSION. PRIME
MINISTER IN CHAIR

~~PAGE 2 RUMJIR 20752 SECRET~~

A. NUMBER OF RICE DEALERS CONTINUES TO INCREASE BUT SALES
HAVE DROPPED DUE TO LACK OF CUSTOMER INTEREST. PEOPLE NOW MORE
INTERESTED IN QUALITY THAN QUANTITY--A GOOD SIGN. NO MAJOR
CHANGE IN OTHER FOOD PRICES. ONE-HALF OF CONDENSED MILK ALLO-
CATED FOR REFUGEE SUPPORT WAS RETURNED TO ECONOMY MINISTRY BY
MINISTER OF SOCIAL WELFARE IN ORDER TO ALLEVIATE SHORTAGE THIS
ITEM ON CIVILIAN MARKET.

B. LENGTHY ANIMATED DEBATE FOLLOWED PRIME MINISTER'S CHARGE
SOCIAL WELFARE MINISTRY NOT MOVING FAST ENOUGH TO RESETTLE
REFUGEES. MANY PROBLEMS SURFACED SUCH AS LACK OF TRAINED CADRE,
PROBLEMS OF RECONSTRUCTION, SLOW PROGRESS IN PREPARING TEMPORARY
CAMP AT PETRUS KY. PROBLEMS LAID ON TABLE IN HEALTHY BUT OFTEN
HEATED EXCHANGE. CLEAR THAT RESPONSIBLE MINISTRIES WERE WAITING
UNTIL SURE OF ALL NEEDED MONEY AND COMMODITY RESOURCES TO COMPLETE
JOB. PRIME MINISTER'S IMPATIENCE HIT NEW HIGH. HE INSTRUCTED
ALL TO GET STARTED WITH THE PROGRAM WITH RESOURCES IN HAND.
PRIME MINISTER STATED "WE WILL HAVE CEREMONY TO CUT RIBBON IN
SAIGON'S DISTRICT 8 ON 7 MARCH AS GVN ISSUES ROOFING, CEMENT
AND PIASTERS TO PEOPLE TO START REBUILDING HOMES." HE IMPLIED
MINISTRIES HAD BETTER GET GOING.

C. COMMITTEE CONCERNED ITSELF WITH ONLY ONE ITEM--
RESETTLEMENT OF REFUGEES - ONE OF TOP ITEMS ON OUR LIST.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96-248

By sig, NARA Date 2-25-97

~~PAGE 1 RUMJIR 00552 SECRET~~

HEARTENING TO SEE STRONG SIDE OF PM. COMMITTEE MEMBERS DEPARTED WITH CLEAR MANDATE TO GET ON WITH RESETTLEMENT JOB. 27 FEBRUARY REFUGEE EVACUEE FIGURES SHOW TOTAL OF 546,734, UP SOME 16,000 FROM PREVIOUS DAY. MOST OF INCREASE OCCURED IN I AND II CORPS ASSOCIATED WITH HUE AND PHAN THIET OPERATIONS. I CORPS, 85,709; II CORPS - 101,454; III CORPS - 85,000; SAIGON - 169,060; IV CORPS - 105,511. CIVILIANS CASUALTIES AND HOMES DESTROYED REMAINED ABOUT THE SAME.

2. FOLLOWING HIS POLICY TO MEET TWICE WEEKLY WITH COMMITTEE PRESIDENT THIEU CHAIRED MEETING ON 28 FEBRUARY AT INDEPENDENCE PALACE.

Q. PRIME MINISTER OPENED THE MEETING INFORMING PRESIDENT MUCH HAD BEEN ACCOMPLISHED BUT SEVERAL BASIC ISSUES STILL REQUIRE PRIORITY ATTENTION. CITED REFUGEES RESETTLEMENT, RECONSTRUCTION POLICY, REDUCTION OF CURFEW RESTRICTIONS AND CIVIL DEFENSE AS MOST IMPORTANT. MINISTER CANG GAVE PRESIDENT ROUTINE SITUATION REPORT. RICE SUPPLY HAS RETURNED TO NORMAL. OVER 700 DEALERS SELLING RICE IN EIGHT DISTRICTS OF SAIGON. ONLY CITY KNOWN TO BE SHORT OF RICE IS PHAN THIET - II CORPS HAS SHIPMENT ON WAY. LISTED SUPPLY ACTIONS TAKEN TO PROVIDE EMERGENCY NEEDS IN HUE, INCLUDING SHIPMENT OF BLANKETS, MATS, FISH SAUCE AND VEGETABLES. SAID HUE IS NO. 1 PRIORITY JOB. PRESIDENT AGREED AND MOVED IN HARD ON THIS POINT. THIEU SAID HUE REQUIRES SPECIAL MEASURES -- CITED THREE REASONS: (1) HUE GREATLY DAMAGED, (2) HUE IS "SECOND

~~PAGE 1 RUMJIR 00552 SECRET~~

CAPITAL" OF VIETNAM, THUS HAS REAL POLITICAL SIGNIFICANCE, AND (3) GVN MUST ERASE IMPRESSION ON PART OF HUE CITIZENS THAT SAIGON NEGLECTS PEOPLE WHO ARE NEAR THE DMZ AND LARGE ENEMY FORCES. THE PRESIDENT FEELS HUE NOW DESERVES MORE ATTENTION THAN SAIGON. HE HAS DIRECTED I CORPS TO MOVE THEIR RELIEF COMMITTEE TO HUE. HE WILL SEND PERSONAL ENVOY TO WORK WITH COMMITTEE AT HUE. HE DIRECTED THAT CENTRAL RELIEF COMMITTEE SEND REPRESENTATIVES TO HUE TOMORROW TO EXAMINE PROBLEM AT FIRST HAND.

B. AFTER DISCUSSION BETWEEN MINISTER OF SOCIAL WELFARE AND PRIME MINISTER ON QUESTION OF FUNDING FOR RESETTLEMENT, THE PRESIDENT SAID "IT IS ALL GVN MONEY AND IT DOESN'T MAKE ANY DIFFERENCE WHICH FUND IS USED. CENTRAL COMMITTEE HAS PIASTERS FOR THIS PURPOSE AND THEY SHOULD BE USED ~~TO USED~~ EXPEDITIOUSLY. NO NEED TO DELAY BECAUSE OF BUREAUCRATIC RED TAPE." COMMITTEE'S SPECIAL FUNDS CAN BE USED EASIER AND FASTER.

C. PRESIDENT WADED IN AGAIN ON RECONSTRUCTION POLICY. HE SAID POLICY HAD BEEN CLEARLY ESTABLISHED. GOVERNMENT WILL CONTRACT FOR CONSTRUCTION OF "HIGH RISE" (REALLY ONLY TWO STORIES) APARTMENTS IN THREE AREAS IN SAIGON AND POSSIBLY ONE OR TWO AREAS IN HUE. ELSEWHERE PEOPLE WILL REBUILD OWN HOMES WITH GOVERNMENT

ASSISTANCE IN PIASTERS, ROOFING AND CEMENT. PRESIDENT CRITICIZED COMMITTEE FOR NOT NOTIFYING PEOPLE OF GVN PLAN, STATING THAT ONCE PLAN IS UNDERSTOOD BY PEOPLE, THEY WILL VOLUNTARILY LEAVE REFUGEE CENTERS AND BEGIN REBUILDING. HE DIRECTED THAT IN ANY AREA WHERE WE^{WAS} READY TO BEGIN, MATERIALS SHOULD BE DELIVERED TO THE PROJECT SITE AND ISSUED.

D. LENGTHY DISCUSSION ON REOPENING SCHOOLS FOLLOWED, LEADING TO PRESIDENTIAL DECISION THAT THE UNIVERSITY OF SAIGON BE OPENED FOR CLASSES ON 11 MARCH AND ALL OTHER SCHOOLS IN THE COUNTRY BE OPENED ON 1 APRIL.

E. PRESIDENT OPINED ENEMY'S PURPOSE IN CURRENT CAMPAIGN IS TO TAKE OVER COUNTRYSIDE. HE GAVE MINISTER OF DEFENSE AND MINISTER OF REVOLUTIONARY DEVELOPMENT INSTRUCTIONS TO RE-ESTABLISH SECURITY IN COUNTRY SIDE AND GET ON WITH RD PROGRAM AT ONCE.

HE EMPHASIZED IMPORTANCE OF SUPPLY ROUTES, PARTICULARLY ROUTE 4.

F. THE PRESIDENT EMPHASIZED THE IMPORTANCE OF FOLLOWING THROUGH ON THE PROMISES MADE TO PEOPLE. HE SAID GOVERNMENT'S REPUTATION AT STAKE. HE SAID HE UNDERSTOOD THAT REBAR FOR RECONSTRUCTION WAS IN SHORT SUPPLY AND THAT DISCUSSIONS HAD BEEN CONDUCTED WITH THE AMERICAN MISSION ON THE POSSIBILITY OF USING GVN'S FOREIGN EXCHANGE TO PURCHASE REBAR ELSEWHERE IN ASIA FOR MORE EXPEDITIOUS DELIVERY. ALTHOUGH HE AWARE THAT US MISSION AGREED TO EXAMINE NEEDS AND DELIVERY SCHEDULES, PRESIDENT MADE

IT VERY CLEAR THAT HE HAD TO KNOW WHERE HE STOOD WITH RESPECT TO AMERICAN SUPPORT FORGETTING ON IMMEDIATELY WITH THE RECONSTRUCTION TASK. HE REQUESTS IN THE STRONGEST TERMS US GOVERNMENT SUPPORT ON THE IMPORTANT MATTER OF RAPID IMPORT OF CONSTRUCTION MATERIALS. THE GOVERNMENT'S PROMISE TO ITS PEOPLE CANNOT BE A SHALLOW OR FALSE ONE, HE SAID. HE WAS ASSURED BY GENERAL FORSYTHE AND MR. MCMANAWAY THAT THE UNITED STATES WAS COMMITTED TO THE SUPPORT OF HIS GOVERNMENT AND WOULD DO EVERYTHING POSSIBLE TO ASSIST; THAT US MISSION WAS IN CLOSE CONTACT WITH HIS PEOPLE ON THIS MATTER AND THAT SOLUTIONS WOULD BE FOUND.

G THE PRIME MINISTER RAISED THE QUESTION OF HIGHER LIVING COSTS IN SAIGON AND HUE STATING THAT THE 5,000 PIASTERS RESETTLEMENT ALLOWANCE WAS NOT ADEQUATE FOR PEOPLE IN THOSE TWO CITIES. AFTER A BRIEF DISCUSSION THE PRESIDENT DECIDED THAT THE PIASTER PORTION OF THE RESETTLEMENT ALLOWANCE FOR HOMELESS FAMILIES IN HUE AND SAIGON WOULD BE RAISED TO 10,000 PIASTERS.

3. TODAY, THE PRESIDENT PARTICIPATED ACTIVELY IN THE SESSION. HE TOOK DECISIONS, RESOLVED PROBLEMS, GAVE GUIDANCE AND DEMANDED ACTION. HE EXPANDED THE SENSE OF URGENCY AND IMPATIENCE THAT MINISTER LOC HAD DISPLAYED AT THE TUESDAY SESSION. HE WILL MEET AGAIN WITH THE CENTRAL COMMITTEE ON SATURDAY MORNING AND EVERY WEDNESDAY AND SATURDAY THEREAFTER. THE ODORS FROM THE KITCHEN ARE PLEASANT. WE HOPE THE PUDDING PROVES OUT AS WELL IN THE EATING. GP-1

BUNKER

BT

~~SECRET~~

9
Pres file
INFORMATION

~~SECRET~~

Thursday, February 29, 1968 --
10:10 a.m.

Mr. President:

The attached report of the Ministerial Committee meetings on project recovery in Saigon show both Prime Minister Loc and President Thieu asserting some real leadership and executive vigor. As the final paragraph indicates, this is a promising development, but we shall have to see if it holds up.

I shall talk to Bill Leonhart about the question raised about U. S. support, in para. F.

W. W. Rostow

Saigon 20752

~~SECRET~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-249
By Cb, NARA Date 11-5-97

WWRostow:rlh

ACTION

Thursday, February 29, 1968 -- 9:45 a.m.

Pres file

Mr. President:

I had a cheerful talk with Bob Komer on the telephone yesterday, after he had had a nap. He would like to see you, if you wish to see him. He will be here altogether about 10 days, but will be in Washington only today, tomorrow and Saturday.

Would you like to see him?

Will see Komer on Thursday _____
Friday _____
Saturday _____

No _____

Call me _____

Bob Komer is under very heavy pressure to see the press, at least on a background basis. He has been invited to speak at the National Press Club luncheon. Should he do this?

Yes _____

No _____

Call me _____

What other guidance have you for Bob's handling of the press or talking on the Hill?

W. W. Rostow

WWRostow:rla

February 29, 1968

Mr. President:

Attached, for your signature, is a letter of thanks to Charles G. Mortimer, whom you appointed as National Chairman for United Nations Day 1967. The United Nations Day Committee organizes state-wide conferences, parades, exhibits, school and library programs, etc.

W. W. Rostow

1-2
2 Profile

11a

MAR 4 1968

Dear Mr. Mortimer:

Thank you for sending me your report on the observance of United Nations Day 1967. I was glad to learn that the Committee more than doubled in size, that more than 1300 mayors and 36 governors supported the observance through proclamations, and that citizens groups from one end of the country to the other responded with educational activities. You made new friends for the UN and heartened old ones.

Please express my thanks to the United Nations Association, the Advertising Council, and the other organizations and citizens which played a leading role in organizing UN Day.

I am grateful for your leadership as National Chairman. I know your efforts were decisive in making UN Day the success it was.

Sincerely,

15/ Lyndon B. Johnson

Mr. Charles G. Mortimer
Chairman, Executive Committee
United Nations Association of the
United States of America
345 East 46th Street
New York, New York 10017

LBJ:NDavis:feg

~~SECRET~~

February 29, 1968

12

Pres file

Mr. President:

In December, 1967, Paul Nitze and Glenn Seaborg requested (Tab A) that you approve extension through 1968 of certain programs, involving co-operation with the UK and transfer to the UK of nuclear materials and non-nuclear atomic weapons parts, under our existing agreement with the UK for cooperation on the uses of atomic energy for mutual defense purposes. You did not take any action on the request which was subsequently returned to me without comment. DOD and AEC have now asked that I resubmit the matter for your further consideration.

This request covers a number of on-going programs under the present agreement and does not involve any new program commitments on our part. Although the request does not involve new policy considerations, it must be approved by you in accordance with provisions in the Atomic Energy Act. This has been done on an annual planning basis to avoid submission of many individual items.

I am informed that two items (i. e., a shipment of depleted uranium and a non-nuclear weapon component for UK-produced nuclear bombs) are now being held up pending approval of this request. Although these are not in themselves of great importance, our failure to provide them will in due course be interpreted by the UK as a withdrawal from our present agreement. Approval of this action will not commit us on the policy issue as to whether to extend this agreement beyond 1969 or to any new areas of cooperation.

The Secretary of Defense and the Atomic Energy Commission have jointly made the necessary determination that the proposed cooperation and transfer arrangements "will promote and will not constitute an unreasonable risk to the common defense and security." I am informed by the AEC that the Joint Committee on Atomic Energy has not raised questions about the programs covered in this request.

I recommend you sign the attached memo (Tab B) approving this request.

W. W. Rostow

✓ Approved. 3/1/68
____ Disapproved.
____ Call me.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 96-182

By CL, NARA Date 10-18-99

~~SECRET~~

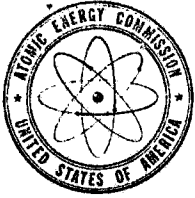
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~~SECRET~~

UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

4694
12a
A

9 DEC 1967

The President
The White House

Dear Mr. President:

The Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes, as amended, provides in part for the transfer from the United States to the United Kingdom of nonnuclear parts of atomic weapons, other nonnuclear parts of atomic weapons systems involving Restricted Data, and materials for research on, and development of, atomic weapons.

Section 91c of the Atomic Energy Act of 1954, as amended, requires that transfers of parts or materials therein authorized be "in accordance with terms and conditions of a program approved by the President." On previous occasions the President has approved specific programs for the sale of nonnuclear parts of atomic weapons and nonnuclear parts of atomic weapons systems involving Restricted Data, and for the transfer of materials for research on, and development of, atomic weapons. The current program will expire December 31, 1967. An extension of this program through December 31, 1968, as described in Enclosure 1 would now be desirable.

The transfer of materials and parts pursuant to the proposed programs will not adversely affect our defense programs and will add to the United Kingdom's defense capability without unnecessary duplication of effort and facilities. The

When separated from enclosures, handle this document
as **UNCLASSIFIED**
(Insert proper classification)

DOCUMENT TRANSMITTED
HEREWITH CONTAINS
RESTRICTED DATA

~~SECRET~~

~~SECRET~~

The President

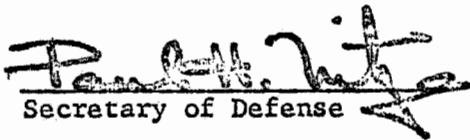
- 2 -

Atomic Energy Commission and the Secretary of Defense have jointly determined, pursuant to Executive Order 10841, that the proposed cooperation and the proposed transfer arrangements will promote and will not constitute an unreasonable risk to the common defense and security. Your approval of the proposed programs described in Enclosure 1 is now requested.

We recommend, therefore, that you approve the programs proposed herein.

Respectfully yours,

Deputy


Secretary of Defense


Chairman, Atomic Energy Commission

Enclosures:

1. Cy 1A of Program for
Transfer of Atomic Weapon
Materials to the U.K., 1968
2. ~~Draft letter from President
to DOD and AEC~~

~~SECRET~~

12c

MAR 1 1968

MEMORANDUM FOR

**THE SECRETARY OF DEFENSE
THE CHAIRMAN, ATOMIC ENERGY COMMISSION**

Reference is made to your joint letter of December 9, 1967, concerning proposed cooperation with, and transfer of materials and atomic weapons parts to, the United Kingdom pursuant to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

It has been noted that, pursuant to Executive Order 10841, the Atomic Energy Commission and the Secretary of Defense, acting jointly, have determined that the proposed cooperation and the proposed transfer arrangements of the materials and parts set forth in Enclosure 1 to your letter will promote and will not constitute an unreasonable risk to the common defense and security.

I hereby approve the program for the transfer to the United Kingdom of the materials and parts set forth in Enclosure 1 to your letter on the terms and conditions stated in Enclosure 1.

LBJ Lyndon B. Johnson

LBJ:CEJ:feg

13

ACTION

disapproved
2. Pres file

LIMITED OFFICIAL USE/LIMIT DISTRIBUTION

MEMORANDUM FOR THE PRESIDENT

Thursday, February 29, 1968

SUBJECT: Greetings to Arabian Peninsula Leaders

State proposes that you send the following messages to the chiefs of state of Saudi Arabia, Kuwait and South Yemen on the occasion of the major Moslem religious holiday, which occurs about March 9 this year. Last December you sent these three rulers messages for the second most important holiday instead of New Year's greetings, but it has been our custom to mark this holiday each year:

For Saudi Arabia: On behalf of my government and the American people, I extend to Your Majesty and to the people of Saudi Arabia my warm personal greetings and very best wishes on the blessed occasion of Id al-Adha. May God continue to grant health, happiness and prosperity to Your Majesty and to the people of your country under your wise leadership. May both our personal friendship and the friendship of our two nations continue to grow.

For South Yemen: I extend to Your Excellency congratulations on the blessed occasion of Id al-Adha. On this first Id al-Adha since the independence of your country, I also extend my own best wishes and those of the American people for the progress and prosperity of the People's Republic of Southern Yemen.

For Kuwait: I extend personally and on behalf of the American people my sincere congratulations to Your Highness and to the people of Kuwait on the blessed occasion of Id al-Adha. I also send my warmest good wishes for the health, happiness and prosperity of Your Highness and of the people of your country.

W. W. Rostow

Approve _____

Disapprove _____

LIMITED OFFICIAL USE/LIMIT DISTRIBUTION

14

Thursday, February 29, 1968

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$115 million AID Loan to Pakistan

In the attached (Tab A), Messrs. Gaud and Zwick recommend that you approve an AID loan to Pakistan of \$115 million. Joe Fowler concurs.

The loan is to finance irrigation equipment, pesticides, industrial raw materials, and other goods necessary to maintain the excellent economic performance Pakistan has shown for the past five years. Together with the \$25 million supplied last June, this will meet our \$140 million Consortium commitment to Pakistan for FY 1968.

The timing is particularly urgent because the Paks have agreed to undertake a new liberalized import policy effective tomorrow (March 1). They need the foreign exchange cushion provided by this loan, both to quiet fears that they couldn't stand a run and to meet any pressures on foreign exchange which do arise because of the new ground rules. Ben Oehlert is afraid that if we don't get a firm approval to the Paks today, they may scuttle the import reform, with serious damage to our relations with Ayub.

I recommend you approve. At Tab B is a State/AID paper advising you that in their judgment there is no requirement that you take any steps to withhold aid from Pakistan under the terms of the Symington Amendment which deals with military expenditures by poor countries.

W. W. Rostow

Approve package ✓

Disapprove _____

Call me _____

EKH/vmr

~~CONFIDENTIAL~~

14a

FEB 2 4 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed \$115 Million Development Loan to Pakistan

In the attached memorandum, Bill Gaud requests your approval of a \$115 million non-project loan to Pakistan. As he points out:

- Pakistan has taken important self-help measures to liberalize imports and to create a more realistic price for foreign exchange;
- Pakistan clearly needs this assistance now;
- The U. S. share of Consortium assistance is being reduced;
- Pakistan's military expenditures have been declining and do not require termination of aid under the Symington Amendment.

Last May, you authorized AID to announce at the Pakistan Consortium meeting that we would consider providing up to \$140 million in program aid for FY 1968, subject to clear self-help performance, need and availability of funds. You also authorized Gaud to commit \$25 million of this total from FY 1967 funds for fertilizer imports. The proposed \$115 million loan would fund the balance of our conditional pledge. It would be used to import pesticides and irrigation pumps in support of agriculture and raw materials such as iron, steel, and chemical so that Pakistan can make fuller use of its existing industrial plant, now operating at only 60% of capacity.

Self-help. Pakistan's trade policy has been characterized by an unrealistically low exchange rate and by considerable government interference with market forces. On January 12, the Government of Pakistan announced far-reaching revisions in its import policy. The most significant elements of the new policy are increases in the price of foreign exchange to 83 percent above par on more than half of all industrial imports and decontrolling half of the raw material imports previously subject to licensing. Furthermore, promising steps to stimulate exports have been announced. Although additional movement in these directions will almost certainly be needed in the future, the January policies are a significant step and one which required considerable political courage in the face of low foreign exchange availabilities.

Need. Pakistan's foreign exchange reserves are equivalent to a little less than two months' imports. This loan, together with more than \$200 million in new aid from other donors, will provide the resources necessary to support the liberalized import policy.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96-249

By CB, NARA Date 11-5-97

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

Balance of Payments. The U. S. share of total Free World assistance, excluding food aid, will decline from 44 percent in FY 1967 to 40 percent this year, including several potential Ex-Im projects. The U. S. share of Consortium program aid will decline from 68 percent to 65 percent.

Although it is impossible to say for certain whether AID-financed commodities have displaced commercial exports in the past, a careful and continuing review of the commodities eligible for financing will help to insure against any such displacement in the future. This loan will not be finally implemented until a firm commodity list is agreed to by Treasury and AID. Secretary Fowler agrees that these safeguards will minimize any balance of payments impact of this loan. OK
HHF

Military Expenditures. Pakistan's military expenditures are high, but they have steadily declined since 1966.

	<u>1966</u>	<u>1967</u>	<u>1968</u>
Defense Budget	\$617 million	\$491 million	\$475 million
As percent of total budget	32.7%	24.9%	21.3%
Foreign exchange expenditures	\$140 million	\$100 million	\$85 million

Since President Ayub has been very responsive to our urgings that he reduce military spending, and in light of the trends shown above, I agree with Gaud that there is no need for you to take steps to cut off aid under the terms of the Symington amendment.

With regard to the Cente/Long amendment, the Government of Pakistan has assured Ambassador Oehlert that it has not purchased any "sophisticated" weapons since January 1 and that it does not plan any such purchases for the rest of this fiscal year. Even if the M-47 tanks which you discussed with Ayub were to be considered "sophisticated weapons," which appears unlikely, we have ample flexibility to withhold some of the \$12 million of project loans earmarked for Pakistan in this fiscal year.

Recommendation. In view of Pakistan's need and its very good self-help performance, I recommend that you approve this \$115 million loan.

B/ Charles J. Zwick
Dir.

Attachment

Approve _____

Disapprove _____

cc: DO Records
Dir. Chron.
Director
Deputy Dir.
Ret. 437
Ret. 432 1/2

IPD:AOHamilton:ols:2/23/68

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

142
DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

OFFICE OF
THE ADMINISTRATOR

FEB 26 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Production Loan to Pakistan

U. S. CONSORTIUM COMMITMENT

At the June 1967 Pakistan Consortium Meeting, you authorized us to announce that subject to precise identification of need and clear self-help performance, we would consider providing Pakistan during FY 1968 with non-project assistance up to the level of the previous year, (\$140 million). This offer was made conditional on Pakistan's taking appropriate measures to promote exports and to permit free market forces to play a greater role in the allocation of private sector industrial imports.

To meet Pakistan's priority need for fertilizer you also authorized us to commit up to \$25 million from FY 1967 funds for fertilizer imports. This amount was to be a part of the FY 1968 program. We would now like to authorize the remaining \$115 million.

We view the principal limits to more rapid industrial growth in Pakistan to be (1) inadequate supplies of imported raw materials and spare parts, which has contributed to a drop in the utilization of existing industrial capacity to 60%, and (2) an artificially low rupee cost of foreign exchange which gives inefficient industries access to limited supplies of imported raw materials and spare parts that under free market pricing they could not always afford. In this latter respect Pakistan's practice of relying upon an administrative licensing system rather than the market mechanism to allocate imports has distorted the pattern of import utilization.

This loan will provide the raw materials required to permit Pakistan to make fuller use of its industrial capacity. Items to be included under the U.S. loan are iron and steel, dyes and chemicals, drugs and medicines and rubber. All these items have been included under previous loans. Financing will also be provided for pesticides and irrigation pumps to supplement the support already given agriculture through the \$25 million fertilizer loan.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-262
By cb, NARA Date 3-3-97

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SELF-HELP

At the June 1967 Consortium meeting donor countries and the IBRD urged Pakistan to:

- a) apply a somewhat higher price on foreign exchange for a broader range of imports; and
- b) reduce administrative controls over imports.

Over the past six months Pakistan has moved consistently toward these objectives. In July 1967 the government announced an interim policy under which the effective exchange rate was more than doubled on a limited number of the intermediary goods used by industry. The Government acted boldly in November 1967, taking advantage of the UK devaluation to raise the price of industrial imports by imposing a 10% ad valorem tax on capital goods and related raw materials and spares. In addition it simplified the export structure by reducing the number of effective rates of exchange from eight to four. The bonus afforded exporters was also increased.

The November move paved the way for the new trade policy announced on January 12, 1968. Despite considerable internal opposition to decontrol, the Government reduced by 50% the raw material imports subject to administrative licensing and increased the rupee price of foreign exchange to a level 85% above par on more than half of all industrial raw materials, intermediaries and spares. To encourage exports, investment sanctions are to be eased for rapid growth export industry; a pay as you earn scheme will be introduced for export producers who wish to expand; and prices will be increased for producers of Pakistan's principal export crops, jute and cotton.

Pakistan has, of course, taken steps to liberalize its trade in the past. The new feature of the present policy is that for the first time the rupee cost of a significant portion of imported industrial spares and raw materials has been raised appreciably and the play of market forces permitted by the loosening of import controls can be more effective.

We believe Pakistan has responded to the advice provided at the June 1967 Consortium meeting. It has taken effective steps toward encouraging export industries and overcoming the major problems associated with the allocation of industrial raw material imports. We will continue to urge Pakistan to broaden its reform measures, but for the present it has identified the most critical issue facing it in this area and has demonstrated its preparedness to adopt new self-help measures even in the face of constraints posed by the low-level of foreign exchange reserves.

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PAKISTAN'S ASSISTANCE REQUIREMENTS

In FY 68 we estimate Pakistan's foreign payments will be approximately \$1.38 billion. Export earnings will cover \$699 million from this amount while invisibles, foreign private investment and private transfers will account for an additional \$171 million. The gap of \$512 million will be covered from foreign assistance disbursements, of which \$300 million will be for projects, including suppliers credit and \$212 million will be commodity assistance. This level of disbursement would more than exhaust the commodity pipeline which stood at \$196 million on June 30, 1967. The U.S. production loan will serve to replenish the pipeline in order to permit Pakistan to proceed with import reform with the assurance that it will have adequate foreign exchange for the period ahead.

Commodity assistance at this juncture is exceedingly critical because conditions over the past two years have cut deeply into Pakistan's reserves. Whereas reserves amounted to \$290 million in April 1966, on December 28, 1967 they stood at \$160.5 million. This decline has resulted from (1) the necessity for unusually large commercial imports of food in 1967 due to poor crops, (2) unanticipated decreases in foreign assistance levels in FY 1966, (3) increased defense expenditures following the Indo-Pakistan conflict in 1965, (4) higher shipping costs resulting from the closure of the Suez Canal and (5) exchange losses resulting from the U.K. devaluation.

Foreign exchange which Pakistan had hoped to use for industrial requirements has not been available. In addition, the drive for foodgrain self-sufficiency has resulted in increased fertilizer purchases from assistance funds and a diversion, albeit necessary, of foreign exchange from industrial uses. Consequently, factory inventories have dwindled and the industrial supply position has become increasingly tight. Under these circumstances there has naturally been considerable pressure within the government to retain administrative controls. Viewed in the light of these factors, the meaning of the new import policy and the necessity for the U.S. production loan assume increased significance.

On the export side Pakistan registered successive gains in FY 1965 and 1966 of 16 per cent and 13 per cent respectively. Principally because of the scarcity of imported raw materials exports failed to respond in FY 67 and increased by only 2%. As of December 31, 1967 exports for

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FY 68 were lagging 8% behind last year's level. With the raw materials provided through commodity assistance and with the prospects for increases in supplies of jute and cotton for export, the basis for a resumption of the export drive will be established. In addition, the new trade policy announced on January 12, 1968 includes various new incentives for exports.

Despite the recent lag in exports, in other respects Pakistan's economy has continued to show strength. The annual growth in GNP which had reached 5.5% by the end of the Second Plan in 1965, fell to 4.6% in 1966 due to the poor harvest and the diversion of resources following the Indo-Pakistan conflict. In 1967 the growth factor climbed back to 5.2% and in 1968 we anticipate the economy will grow by 6%. The main support for this growth is in the agricultural sector. Depending on the availability of adequate funding for raw materials and supplies, industrial production is expected to grow by 7% which, although lower than in the past, is still satisfactory.

DONOR SHARE

Consortium commitments for FY 1968 pledged at the June 1967 meeting amounted to \$320.2 million, including \$140 million of commodity assistance from the United States. In addition the U.S. will provide \$12 million or possibly more, depending on fund availabilities, for project loans through the Consortium as compared to \$35 million in FY 1967. The June 1967 commitments of other Consortium members for FY 1968 were identical to FY 1967 levels except for Italy which reduced its pledge from \$30 to \$15 million and the IBRD which reduced its share from \$65 million to \$35 million. The decrease in the Bank's pledge was due to the delay in IDA replenishment.

Since the June 1967 meeting the Bank has taken steps to increase its contribution by agreeing to finance two private sector fertilizer plants to be constructed under joint ventures between U.S. and Pakistani firms. The IBRD is also prepared to finance a gas pipeline to supply the fertilizer plant, provide a \$10 million credit to the Agriculture Development Bank and commit \$30 to \$40 million for a highway, thereby bringing total pending Bank commitments for FY 1968 to approximately \$110-120 million, or \$75 million above its pledge at the June 1967 meeting. The new projects are firm and the actual signing of the agreements is expected in May or June. With the additional IBRD financing, the participation of other donors will have increased by \$30-40 million over the FY 1967 level while the U.S. commodity commitment will remain unchanged and our project loans will have decreased by \$23 million. From the standpoint of commodity assistance alone the U.S. share will have decreased from 68% in FY 1967 to 65% in FY 1968. The U.S. share of over-all assistance is 40%.

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Authorization of funds is proceeding well. All commitments have been authorized with the exception of France (\$10 million), Belgium (\$0.5 million), Netherlands (\$4.4 million) and the U.S. (\$115 million). Authorization of the French non-project element (\$5 million) is in its final stages. Talks are also underway for France to assume part of the interest under a \$10 million outstanding supplier credit which has not been used in the past due to onerous terms.

ADDITIONALITY

There has been no evidence of displacement of commercial purchases from the U.S. by financing under past program loans. In fact, much of these loans has gone to finance commodities which are sufficiently noncompetitive in price for their short-run additionality to be unquestionable. Such commodities have, however, little or no potential for building markets for future sales against Pakistan's free foreign exchange.

We are currently reviewing with the Departments of Commerce and Treasury the extent to which the aid program can be used to help build future markets for U.S. exports. The recent liberalization of Pakistan's import policy has laid the groundwork for directing the use of both Pakistan's free foreign exchange and its external aid resources into more efficient uses. A basis now exists for importers to purchase goods from alternate sources. To the extent permitted under the new policy, the private sector will tend to purchase from other countries items in which the U.S. is not competitive. In turn, more competitive items, which contribute to developing long-term markets for commercial sales, should eventually be brought into the A.I.D. loan program.

We will urge Pakistan to put more items in which we are competitive on their free list, thus making them eligible for A.I.D. financing. Caution must be exercised, of course, that such items meet the private sector's general requirements and are not used simply for major projects which should be subject to the close scrutiny that A.I.D. normally gives project financing.

CONTE-LONG AND SYMINGTON AMENDMENTS

Symington Amendment - The applicability of the Symington Amendment was reviewed in relation to the pending PL 480 Agreement with Pakistan. We conclude that Pakistan is not diverting its resources to unnecessary military expenditures to a degree which would materially affect its development. (A memorandum on this subject is attached.)

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Conte-Long Amendment - In connection with our review of the Conte-Long Amendment, M. M. Ahmad, Deputy Chairman of Pakistan's Planning Commission, on behalf of his government, informed Ambassador Oehlert on January 25, 1968 that no contracts have been entered into since January 1, 1968, nor are any planned through June 30, 1968, for the purchase abroad of military aircraft, missile systems, submarines, or other weapons he would consider to be sophisticated. We have no evidence which would contradict this statement or indicate that Pakistan is intending to acquire in the near future anything that we would view as a sophisticated weapons system, subject to the following comment.

Mr. Ahmad noted, however, the possibility of the eventual purchase of 100 M-47 tanks that had already been reviewed at length with the U.S. and which you discussed with President Ayub at your meeting on December 23, 1967. If this transaction should be consummated, a finding will have to be made as to the applicability of the Conte-Long Amendments.

RECOMMENDATION

Pakistan is facing a critical situation with regard to the implementation of the new import program announced January 12. In order for the new program to be effective, the applications of importers for letters of credit must be honored upon presentation. Because of its scant reserves Pakistan has been counting on immediate utilization of the \$115 million U.S. commodity assistance as well as the remaining uncommitted \$25 million for commodities from other donors. Any delay in the availability of our funds would place severe strains on Pakistan's reserves position and may force the government to delay implementation of the new import policy with adverse effects on the investment program and on growth.

In summary, Pakistan has taken the self-help measures recommended by the Consortium. The need for the prescribed level of assistance is clear. Progress has been made on reducing the U.S. donor share of commodity assistance. For the present neither the Symington nor Conte-Long Amendments apply to Pakistan. We will, however, seek assurances that it is the Government's policy to devote increasing proportions of its total budget to economic and social investment and other non-military purposes, barring a major change in Pakistan's security situation. I request, therefore, that you approve the authorization of a \$115 million loan for commodity assistance to Pakistan to meet the remainder of the commitment which we undertook at the June 1967 Consortium meeting.

William S. Gaud

- William S. Gaud

Attachment

Review of Section 620(s) of
the Foreign Assistance Act -
Symington Amendment

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Review of Section 620(s) of the Foreign Assistance Act - Symington Amendment

Pakistan's defense expenditures are high, representing 21.3 per cent of government expenditures in the FY 1968 budget and 3.5 per cent of the Gross National Product. The trend of the defense budget has, however, been downward during the past three years.

Pakistan's primary security concern is what it considers a continuing and credible threat from India. Its military force levels are determined by its view of the seriousness of this threat. Since 1962, on the other hand, India's force levels have been influenced strongly by the threat posed by Communist China, although the difficulties which a military confrontation with Pakistan would constitute have also been taken into account. The overall increase in Indian forces has, of course, contributed to Pakistan's military posture.

As a result of the Chinese incursion in October 1962, India's defense budget rose sharply from \$996 million in FY 1968 to \$1,695 million in FY 1964, a 70 per cent increase. Since that time it has increased slightly, although these increases were largely the result of inflationary price increases. Despite Pakistan's concern over the Indian buildup it only increased military expenditures from \$216 million to \$282 million during FY 1964 and FY 1965. Following the conflict with India in 1965 and the termination of the U.S. Military Assistance Program, Pakistan raised defense expenditures sharply. In FY 1966 the defense budget escalated to \$617 million and accounted for 32.7 per cent of central government spending.

In the face of public emotions generated by the war with India, President Ayub has assumed political risk to cut defense spending back toward the 1965 level. In FY 1967 defense expenditures were reduced by 20 per cent and in FY 1968 by another 3% to the present budget level of \$475 million.

As in the case of overall defense levels, foreign exchange outlays have also decreased over the past three years. Rising to a high of approximately \$140 million in FY 1966, they were reduced to about \$100 million in FY 1967 and will be around \$85 million in FY 1968. At this level the actual cost of defense imports is approximately the same as between 1961 and 1965 when an average of \$45 million annually was provided under the U.S. Military Assistance Program and Pakistan spent up to \$30 million for defense from its own foreign exchange. Some foreign exchange expenditures since the 1965 conflict have been for heavy equipment, principally 4 C-130 and 90 F-86 aircraft purchased through Iran and aircraft and submarines ordered from France but which have not yet been delivered. These outlays occurred in FY 1966. The bulk of current foreign exchange expenditure is for spare parts, some munitions, small arms, vehicles, communication equipment and consumables.

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E.O. 12958, Sec. 3.6

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NLJ 96-262

By CB, NARA Date 3-3-97

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We believe Pakistan is not building up forces for aggressive acts, nor is it attempting to achieve military parity with India. The ratio of military manpower between the two countries is approximately 1 to 4. According to available information Pakistan's forces include 46 brigades and 18 squadrons of aircraft as compared to about 119 brigades and 57 squadrons for India. We believe that the respective force levels indicate that Pakistan is only attempting to maintain a realistic defense capability.

In terms of percentages of defense expenditures to GNP and percentages of defense expenditures to total government spending, India and Pakistan allocated roughly the same proportions to defense in FY 1967 and FY 1968. These ratios are lower than those for such countries as Jordan, Turkey, Korea, Indonesia, the Philippines and Thailand.

The resources Pakistan devotes to defense particularly the foreign exchange outlays could clearly be used for development. Since the 1965 war with India, however, Pakistan has restored development priorities. Annual fixed investment, consisting of government financed development projects and private investment, fell from \$1.7 billion in FY 1965 (17% of the GNP) to \$1.6 billion in FY 1966, and rose to \$1.9 billion in FY 1967. In FY 1968, however, fixed investment will be up to \$2.1 billion and represent 15% of the GNP.

Between FY 1965 and FY 1968 Pakistan's GNP has grown on the average of 5% per year. During this period the Government has restructured its plan to emphasize agricultural development. Family planning is high on the Government's agenda of activities, and it is taking serious steps to promote exports.

Since the visit of President Ayub to the United States in December 1965 our Ambassador in Pakistan has made it clear on numerous occasions that if defense expenditures remain at such a high level it will become increasingly difficult for the U.S. to support its development program. The U.S., both bilaterally and through the IBRD Consortium, will continue to urge India and Pakistan to devote more resources to development.

It is our view that by maintaining the pressure bilaterally and through the consortium we will have more influence on decisions regarding defense spending than we can by conditioning aid on specific actions by the governments concerned. While we are not fully satisfied with the situation on the South Asian Subcontinent, Pakistan has been responsive to our representations and is once again devoting its primary attention to development. We conclude that Pakistan is not diverting its resources to unnecessary military expenditures to a degree which would materially affect its development.

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*Pres file*SECRET-LIMDIS

Thursday, February 29, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Israelis Say They Need More Aircraft

You should know that the Israelis are claiming that a major change is taking place in Soviet-Egyptian military relations. They believe that 50 or more Soviet pilots are now flying with the Egyptians, that the Russians are in the process of taking over the air defense system, and that arrangements have been made for sending five more squadrons of MIG-21's to Egypt. From this information they conclude that Israel is losing its air superiority, and the Air Force commander is talking in terms of needing a hundred more planes. So far, they haven't made any formal request.

The Israelis are making the strongest possible case out of the information, but if their facts are right, it isn't a bad case. Our intelligence people are unable to confirm what the Israelis are telling us, but they admit that Israeli sources could be better than ours. They are trying to get a clearer picture, but at this point they just don't know whether the Israelis are telling the truth.

W. W. Rostow

JWF:tt

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-249
By Cb, NARA Date 11-5-97

~~SECRET~~ LIMDIS

16

INFORMATION

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Pres file

Thursday, February 29, 1968

Mr. President:

Herewith Bunker's lucid and comprehensive evaluation of where we are in Vietnam.

It begins with a summary (paras. 1-4).

Bunker says (^{P. 10}~~para. 33~~): "I think we shall need some additional troops."

He concludes: "If we stick with it, I am confident we shall come out all right in the end."

W. W. Rostow

Saigon 20798

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

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 2-27-92

WWRostow:rla

Thursday, February 29, 1968

FOR THE PRESIDENT FROM BUNKER (Saigon 20798)

Herewith my forty-first weekly message:

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-248
By uip, NARA Date 2-25-97

A. General

It is now four weeks since the enemy launched his Tet offensive. Many factors are still only partly known in this new situation, but I thought it would be worthwhile to try to make a preliminary assessment of where we stand. This will have to be a rather rough approximation since it will be some time before the returns of the comprehensive and detailed examinations now underway will be in. Nevertheless, I believe the following general points can be made:

1. It is evident that the enemy made a heavy commitment of his forces to the Tet offensive, some 62,000 plus guerrilla and other elements in supporting roles; that more than half of the forces committed have been destroyed and more than 10,000 weapons captured, a figure which tends to substantiate the reported personnel losses. These heavy losses would appear to have a number of consequences: many enemy units are expected to be ineffective for a considerable period; a heavy replacement flow will be required from North Vietnam which is likely to result in a significant increase in the proportion of North Vietnamese Army troops in South Vietnam; and there is a possibility that he may be forced to reassess his strategy, for example, the all-out offensive versus the "conservation of forces" policy, the attack on urban areas versus his "frontier" strategy, or the desirability of going into a primarily guerrilla war posture.

2. This reassessment of strategy by the enemy may be influenced by the psychological effect on him of the heavy losses and defeats he has suffered. He mounted an intense propaganda effort prior to the attacks, thoroughly indoctrinated his troops with the idea that the winter-spring campaign would be the decisive and concluding period of the war, that a coalition government would be formed, and their hardships would cease. Now enemy propaganda is talking about a long war, and there are no further references to "victory this spring". It would seem logical that this pre-Tet psychological buildup would be followed by a letdown as the enemy troops come to realize that they have not won the final victory, but on the contrary have taken very heavy losses only to be thrown out of all the cities they attempted to seize. Probably the letdown will be most rapid and severe among Viet Cong provincial and regional forces, guerrillas, and infrastructure. If this should take place, it may well result in an upturn in Chieu Hoi rates.

3. It is clear also that the enemy made a major miscalculation in believing that the people would rise to support his forces. A recently captured document makes this even clearer than before. A Central Office for South Vietnam order dated February 1, a critique of the first phase of the Tet offensive, points to the lack of popular uprising and Army of the Republic of Vietnam defections as key failures. But, as I have noted before, failure of the masses to actively support the enemy does not necessarily mean there is solid popular support for this government; and among many elements of the population, there is widespread apprehension and fear of further attacks by the enemy. Nevertheless, opinion has hardened against the enemy, and Vietnamese Government efforts to assist the victims of the fighting have probably improved the government's image in certain quarters. In some areas, popular indignation against the enemy is running very high. The post-attack feeling of national unity and willingness to cooperate with the authorities remains strong, granted there is still a considerable distance to go to create a solid, enduring climate of opinion which can be described as strong, positive support for the government as against the present essentially anti-Viet Cong feeling! Nevertheless, these are positive elements in the present military picture.

4. There are factors on the other side of the ledger. The enemy has shown a capacity for continued heavy infiltration from the North. Indeed, it seems apparent that this was substantially stepped up in the months immediately preceding the Tet offensive, a fact which raises acutely the question of what measures should be taken to reduce substantially infiltration through Laos and Cambodia. The enemy has also been able to equip his troops with increasingly sophisticated weapons; they are in general better equipped than the Army of the Republic of Vietnam forces, a fact which has an adverse bearing on the Army's morale, and the enemy has demonstrated flexibility, skill, resourcefulness, discipline, and determination. That he suffered such a severe setback has been due to the skill, tenacity, and bravery of our commanders and troops and those of the Army of the Republic of Vietnam, to our mobility, and to our superiority in artillery and air power.

5. It seems apparent also that a number of options are open to the enemy. If instead of reverting to a policy of a prolonged war, or a guerrilla posture, he decides, as Thieu believes he will, to go "fast" in the months ahead with the objective of putting himself in a strong posture for negotiation, we may be approaching a decisive period in the war should this be his decision. And provided we act quickly and decisively to meet the threat! If we take positive action now, and this, of course, involves getting the Government of Vietnam to take a whole range of decisions and actions, I am confident in our ability to meet the threat successfully. It is possible that indeed this could shorten the conflict and bring us more quickly to a decision. Thieu sees this in a time frame encompassing late 1968-early 1969.

6. The physical destruction caused by the Tet offensive has been heavy and widespread. One-hundred two cities and district towns were attacked, creating at present count some 550,000 evacuees, of which it is expected some 30-40 percent will return to their homes when security is restored. The number of houses destroyed now stands at 66,400, but this does not yet take into account figures for

the heavy destruction at Hue. The present count of civilians killed stands at 4,700 with another 19,500 injured, but again this does not include figures for Hue. These figures give some idea both of the magnitude of the problem and of the time and resources that will have to go into the recovery effort. But assisted, prodded, and supported by our people, the Government reacted well at the outset and is now showing more drive and effectiveness than at any time since my arrival in this country. While its performance is not beyond criticism, it is better than many of us expected, and far better than press reports indicate. We have to bear in mind the limitations of the human resources available here in drawing a fair judgment. Most important, I believe, is the fact that the government has recovered faster and is moving more swiftly than the enemy. Both sides are tired and disorganized in the wake of the near armageddon, which the enemy provoked, but our side is reviving more rapidly.

7. The relief and recovery program is moving ahead with no apparent loss of momentum since Ky turned over the direction of the central recovery committee to Prime Minister Loc. This in part is the result of a more active participation on the part of the President Thieu who chaired the February 24 and 28 meetings and has exhibited both comprehension and decisiveness in his interventions. He has told me he plans to chair the task force twice a week in the future. It is also due in part to the surprisingly effective performance of Minister Doan Ba Cang who has turned out to be a more hardnosed and efficient coordinator than Gam Thang. It is also due to the very effective efforts of Bob Komer, General Forsythe, and our staff. At this writing, Saigon is approaching normal in many ways: prices are down to 15 percent above the pre-Tet level, rice distribution is back in the retailers' hands, and no longer poses a problem, public utilities are functioning, there is a uniform 1900 to 0700 curfew throughout the city. One hundred sixty-nine thousand evacuees are being cared for, the work of clearing away the rubble is well underway, and the long task of rebuilding has begun. While moving more slowly in the provinces in many cases, relief and recovery is also going forward there in a satisfactory manner.

8. Having failed to hold the cities, the enemy is now keeping up harassment of the urban population and attempting to dominate the countryside. The second wave of the offensive, as I mentioned last week, is in many ways becoming a race to re-establish control in the rural areas. Both enemy and friendly forces were withdrawn from the countryside to take part in the fight for the cities. That phase seemed to end February 25 when President Thieu attended an emotion-filled ceremony at which the Vietnamese flag was again raised over what remains of the ancient and sacred city of Hue. If Thieu is correct in his analysis of the enemy strategy, the present enemy concentrations near the cities and harassment by mortaring and rocketing of the urban populations is intended to tie us down to urban defense while he attempts to take over and hold as much of the countryside as possible. Interrogation of an enemy officer in the First Corps supports this view of the enemy intentions. Thieu is fully aware of this; so are General Westmoreland and General Vien, and our troops are beginning to move back into the rural areas.

9. Pacification has been set back, but contrary to some press reports, certainly is not dead. While it is imperative that we move fast, we have by no means lost the race. About one-half of the Revolutionary Development cadre have remained in their assigned hamlets with the other half working in the urban areas. Some provinces were relatively untouched, and in at least 16 provinces, it should be possible to get the program back on the rails rather quickly. Thirteen provinces were hard hit and we estimate that it will take a minimum of six months to get the program there back to the pre-Tet level. By corps areas, we can say the situation in the First Corps is bad, with the program suffering most severely in the northern-most provinces; in the Second Corps, it is relatively in good shape; the Third Corps is in worse condition, though we view the situation there as very serious in only three provinces, but those three include two provinces which are neighbors of Saigon, Gia Dinh and Bien Hoa. The Fourth Corps is perhaps the most serious problem with something approaching area-wide paralysis prevailing in that key region.

10. It is clear that we must move rapidly. Given a free hand, the enemy will use the people in the countryside, step up recruitment, replenish food stocks, and erode previous Government of Vietnam pacification gains. Instructions have gone out to Vietnamese forces and U. S. advisers to seize the initiative and to go on the offensive, roads and waterways are being re-opened and commercial traffic is beginning to move north of the Mekong. The next step is to break the Regional and Popular Forces out of their defensive shells, and to get all Revolutionary Development teams back to their hamlets. While some risks are involved, it seems to me important that we do not over-commit ourselves in defense of the cities. Our ability to take the offensive, especially in the countryside, will be psychologically important both in restoring the morale of the South Vietnamese population and in persuading the enemy that he cannot possibly win militarily.

The effects of the Tet offensive on the Vietnamese economy must be rated as adverse and seriously damaging, without significant positive offsets. Estimates of the physical damage have been reported elsewhere. It is doubtful that the extent of this widespread damage will ever be estimated accurately in money terms, but for a country whose capital wealth is low, it is a severe blow. If peace and security were now restored, one could imagine a rapid recovery of the sort that often takes place after localized natural disasters. But the continuation of fighting and insecurity will make the recovery longer and more difficult for Vietnam. Reconstruction will inevitably divert resources from the war and the pacification effort. In the meantime, the effect, both monetary and psychological, on people who have lost their homes, seen factories and places of business destroyed, and communications interrupted will be hard to sustain.

Another result of the damage inflicted during the past month and the consequent reconstruction effort will be a buildup of inflationary pressures. It seems certain that Government of Vietnam expenditures will increase by at least 10 billion piasters. At the same time, disruption of economic life will inevitably lead to reduction of tax revenues, probably by the same order of magnitude. Our preliminary estimates

show more than a doubling of the increase in money supply, from 19 billion piasters to more than 50.

In last week's message, I reported on the adverse effects of the offensive on confidence in the business community, on transportation in the countryside and the rural prosperity dependent on it, and on agricultural production. How serious and longstanding these effects may be depends in large measure on how quickly security can be restored. Its restoration, therefore, is vital to all our calculations.

A more detailed consideration of the above points follows.

Performance of the government. President Thieu was in My Tho when the Tet offensive began. Fortunately, Ky was in Saigon, and he reacted fast with orders to defense forces and a declaration of martial law. Thieu, as you know, returned to Saigon as quickly as he could. By February 3, the worst of the enemy assaults had been blunted, and we had formed the joint task force under Vice President Ky. On February 4, the Lower House held a special session and put out a five-point proclamation condemning the enemy attacks. By February 6, the government had set up 59 relief centers in the Saigon-Gia Dinh area. President Thieu addressed a joint session of the National Assembly on February 9, gave a sober account of the Tet attacks, explained government actions to meet the situation, and requested special emergency powers. By February 15, over 8,000 tons of rice had been distributed in Saigon, with the help of 2,500 Revolutionary Development trainees from Vung Tau, and commercial outlets were beginning to take over the job. At that time, two weeks after the attacks, 117 refugee centers in Saigon and Gia Dinh were providing for the nearly 200,000 evacuees. Countrywide recovery committees on the Saigon model were in operation, and relief supplies were flowing to the provinces. While a long way from normal, the situation was coming under control.

On February 18, the enemy finally got his second wave under way with a series of coordinated mortar and rocket attacks in three of the four corps areas. Only at Phan Thiet and Song Be did he again seriously threaten urban populations, however, and those attacks were repulsed with heavy losses to the enemy. Since then, the enemy has been largely concentrating on harassing mortar and rocket attacks on the cities although last week he continued to take heavy losses in ground actions near Saigon and in other parts of the country. Enemy broadcasts and captured enemy orders indicate that Hanoi's objective was to keep us off balance by again striking in force. Apparently, their resources were not equal to the opportunity which the Tet attacks had created.

Most of the Government of Vietnam provincial administrative apparatus is now in operation, although with reduced staffs. In many cases, the province capital is not yet in contact with all of the villages and hamlets under its jurisdiction. During the emergency, many province chiefs performed at least satisfactorily, while some did poorly and others turned in truly splendid performances.

President Thieu told me February 26 that despite the Tet attacks, he intends to go ahead on schedule with his plans for reorganization of both the civilian and military structure. On March 1, he intends to announce the replacement of the Second and

Fourth Corps commanders, General Lan replacing General Vinh Loc in the Second Corps and General Thang replacing General Manh in the Fourth Corps. At the same time, the administrative changes needed to bring the province chiefs more directly under the control of the central government will be initiated. After a one-month trial period, a seminar will be held to review the operations under the new set-up, and changes will be made as needed. The training program for new province chiefs will also begin on schedule March 1. After the training program is completed, province chiefs whose performance due to incompetence or corruption has been unsatisfactory will be replaced.

The government will also speed up mobilization. Recall of veterans under 33 with less than five years' service has already begun. Nineteen-year-olds will be called up beginning March 1, and 18-year-olds will be drafted beginning May 1. Present plans are for an increase of 65,000 in the Republic of Vietnam Armed Forces, but Thieu thinks it may be possible to add another 30,000 to this figure provided equipment and funding can be arranged. He believes that advantage should be taken of the fact that the country is now psychologically prepared for full mobilization.

Relief and recovery efforts. As I have mentioned, the physical damage inflicted by the enemy was very great. In addition to the evacuees, the killing and wounding of civilians, the destruction in the cities and towns to which I have referred, 13 industrial plants were severely damaged plus another 20 which suffered smaller losses. Estimates of repair and reconstruction costs for these industries are about U.S. \$25 million in imported equipment and supplies plus about U.S. \$10 million in piaster costs. In contrast to this heavy urban damage, only about 50 hamlets were significantly hurt as most were by-passed for the attack on the cities.

We are continuing to assess the damage and make adjustments in our aid programs as seems necessary or advisable. As of now, we intend to go ahead with such programs as the increased cultivation of the "miracle" IR-8 rice, but security limitations could curtail this effort.

Reconstruction and speeded-up mobilization is expected to increase the manpower squeeze. One measure which the government is taking to ease the manpower and resources problem is a ban on private building construction, in order to channel resources into the rebuilding of destroyed houses. Shortage of manpower and other resources, as I have mentioned previously, will also contribute to inflationary pressures.

A good start has been made on all of these problems. As noted in the summary, Saigon is approaching normal in many respects and other urban areas are following, though more slowly. Moving supplies from the Delta remains difficult, with Route 4 frequently interdicted by the enemy, and we have yet to achieve a nationwide curfew. Hue in particular is in bad shape, with President Thieu estimating that out of the population of 200,000 as many as 32,000 are at least temporary refugees.

The race for the countryside -- pacification. We are now getting a little better view of the pacification situation. Of the 51 Army of the Republic of Vietnam battalions supporting the Revolutionary Development program directly, eighteen were withdrawn

to protect the cities. Regional and Popular Forces generally remain in pre-Tet positions, though more statically employed than before. About 100 out-posts, mostly squad size, are believed to have been overrun or abandoned. Regional Force companies present-for-duty-strength is generally 80 percent or better: Popular Force platoon strength is running 85 percent or better. Half (278 by latest count) of 555 Revolutionary Development cadre teams are in hamlets. Two hundred forty-five were withdrawn to province/district towns to provide security, to protect the teams, or perform social welfare work. Preliminary figures show 79 cadre killed, 111 wounded and 845 missing. Eighty-six out of 108 Truong Son (Montagnard) cadre teams are in hamlets; 22 were withdrawn. Police strength on-the-job is more than 90 percent. Generally, police performed satisfactorily during the offensive. Four hundred forty-seven police were killed, 758 wounded and 157 reported missing between January 30 and February 23.

General Lat, Thang's replacement in the Joint General Staff, has ordered all Revolutionary Development cadre teams back to their hamlets by March 1, and he has begun field visits to assess the situation and follow up on his orders. General instructions have been sent to Vietnamese forces and U. S. advisors telling them to seize the initiative and go on the offensive.

Mood of the people -- political reactions. After the first shock of the Tet attacks wore off, there was in many places an obvious revulsion against the Viet Cong, both for their bloody attacks on densely populated areas and for their cynical use of the Tet holiday. From this revulsion, heavily tinged with fear, grew a nationalist spirit of cooperation and unity very rare in Vietnam. There was, and is, criticism of both the Government of Vietnam and the U. S. for failing to foresee and forestall the attacks. Army of the Republic of Vietnam is blamed for looting and U. S. forces are accused of reacting with too much firepower, thus needlessly increasing the loss of life and property. In some areas, there are dark suspicions, fanned by Viet Cong propaganda, that the U. S. was somehow in collusion with the enemy. The government is charged with being too slow and too inept in its efforts to help the victims of the fighting. But this criticism was muted, and much more in evidence was the recognition of the great need for unity in the face of the enemy.

One result of this feeling, which I reported last week, was the Senate's obvious desire to legitimize the governing emergency measures while at the same time holding fast to constitutional forms and procedures. Other evidence was the people's congress to save the nation which Senator Tran Van Don put together hastily and launched on Sunday, February 18. Although many of the leading participants had misgivings about working with old antagonists, the front drew together an astonishing number of top politicians from all camps.

As the situation is moving back to normal, the high emotions of the past few weeks are tending to subside. Unfortunately, a great many political leaders now see Don's front as a Ky organization aimed at undermining President Thieu. Leaders such as Tran Van Huong and Phan Khac Suu seem to be pulling away from the front. It is clear to me that Ky has no intentions of using the front against Thieu, but it is a political fact of some importance that many Vietnamese politicians believe the front is a Ky maneuver. Thus, its staying quality and its exact role remain to be seen.

President Thieu, for his part, has continued his careful, private meetings with small groups. He told me that he expected to complete this process about February 27. His intention is to try to find a basis for mutual trust and cooperation between the government and many of these groups and the people they represent by discussing the situation with them very frankly, explaining government problems and policy, asking for their advice and support. We have yet to see the fruit of this effort, although Thieu has expressed himself to me as pleased with the results. It has at least the merit of being more carefully prepared and a more Vietnamese kind of activity than the showy but perhaps transitory Don front.

We have continued to press Don to work with President Thieu, while I have urged Thieu to use Don to achieve at least a desirable psychological climate. Don has kept Thieu informed of the results of his efforts, and he also accompanied Thieu to Hue last Sunday. Thieu for his part has promised to help Don by providing transportation for the 1,000 delegates which Don hopes to convene in Saigon on March 10 for the national congress of his front. While Don and Thieu have not been especially friendly in the past, I think they have both shown themselves capable of working together in good faith for the welfare of the nation.

In the meantime, Thieu has also encouraged Tran Van An to form a more cohesive and better organized political organization which An describes as something between a political party and a political front. In conversation with Embassy officers, An has stressed his desire to cooperate with Don and to avoid at any cost the appearance of conflict or competition with Don's front. We will be pressing both sides to find a good formula for joint efforts. The optimum result would be a "super front", grouping both An's followers and the collaborators of Tran Van Don, and a smaller but more effective pro-government party. The front, not directly tied to government, could serve to rally the people broadly and emotionally against the Viet Cong, serving both to inform and mobilize the masses for that limited purpose. The pro-government party, with a more disciplined and tighter organization, could be the proper vehicle to field candidates, contest elections and undertake other kinds of pro-government political action. We are not persuaded that the An group, or any other now on the horizon, has yet shown the ability to build a broadly-based and effective pro-government party. If the front should evaporate with the immediate Communist threat, elements of it might reform into one or more political parties, both pro-government and nationalist opposition.

Unfortunately for the future success of both the Don front and An's organization, we have seen a series of arrests here which tend to put the government's good will in question. In the past week, oppositionists Au Truong Thanh, Truong Dinh Dzu, and Tri Quang were arrested, followed shortly thereafter by labor union leaders Tran Huu Quyen and Vo Van Tai. Also reportedly being held are Tri Quang supporters Thich Ho Giac and Thich Lieu Minh. The government position, as expressed publicly by President Thieu, is that these persons are under threat of being kidnapped and exploited by the Viet Cong. While this is certainly a possibility, virtually no one in Saigon believes that the arrests are truly a case of protective custody. On the other hand, there has been far less concern here about these actions than in the U. S.

I have brought forcibly to Thieu's attention the unfortunate consequences the detention of the labor leaders can have in the U. S. Perhaps in part as a result of these protestations, labor leader Quyen has been released. However, Tai remains in jail. This is particularly unfortunate because the largest labor group in the country, the Vietnamese Confederation of Labor, was the quickest to rally to the aid of the government. Soon after the Viet Cong/North Vietnamese Army attack, the labor union did not only issue a proclamation condemning the "criminal action" of the enemy, but also engaged actively and effectively in relief activities, both in Saigon and in some of the provinces. Labor Union President Tran Quoc Buu has been on the job at labor union headquarters every day since February 1.

Whatever the police motivations may be, the labor union regards the police action as arbitrary and unjustified, and designed to undermine it as an economic and political force. Buu has received assurances from high Government of Vietnam officials that the Government has no intention to repress organized labor, but Buu's response has been that, whatever the intentions, the actions of General Loan, National Director of Police, have indeed been repressive. Buu's criticism of his old enemy, Loan, has been so severe and persistent that it appears nothing may satisfy Buu short of Loan's removal.

In contrast to the reaction to the arrest of Quyen and Tai, there has been no significant response to the arrest of Au Truong Thanh, Truong Dinh Dzu, and Tri Quang. Most Vietnamese regard these leaders as somewhat suspect with regard to their attitude toward the Viet Cong and apparently for that reason do not object to their arrest.

In a summing up last night, President Thieu reported to the nation on television his plans for relief and restoration. He noted that a special effort will be made to aid the people of Hue who have suffered from the most savage attack. A special committee of the central relief committee is to be established for Hue. He will also send a special representative there, and he added that he himself would return to Hue from time to time to check personally on progress. Thieu announced allowances of 5,000 piasters per family plus building materials for victims in the Delta, and 10,000 piasters plus building materials for victims in Hue and Saigon. He announced that March 1 will be a National Day of Prayer for the victims. Noting the need for national unity, he referred to his series of meetings with national leaders, said he found them useful and will continue them. He mentioned that he might establish a Presidential Council of Advisors, and also took note of the need for a nationwide, anti-Communist front (without referring to any group). Thieu also thanked all those who have contributed to relief efforts, called for redoubled efforts by civil servants, and reiterated the determination of his government to accept only an honorable peace.

Enemy position and strategy. I have mentioned that the enemy committed about 62,000 men plus guerrilla and support elements to the Tet offensive. Of these, about 30 percent were North Vietnamese Army troops. By February 28, the number of enemy killed in action had gone to well over 43,000. About 6,000 have been captured. Individual weapons taken now total 10,399 and captured crew-served weapons are 1,574. The killed in action from January 29 to February 28 averages out to about 500 per day, a truly staggering loss.

The enemy has the capacity to make up these heavy losses through infiltration (and secondarily, through certain new sources for recruitment), though it will take time and result in a higher proportion of North Vietnamese Army units in South Vietnam. The weapons loss is not likely to seriously hamper the enemy. In the short run, he has lost some of the personnel to man them, and in the longer term, he retains the capacity to bring in arms from his out-of-country sanctuaries. I have referred to one of the graver aspects of the Tet defensive, have faith that the enemy proved to be very well armed, often even at that local unit level, with excellent Soviet weapons. The result was that, particularly in the Delta, Army of the Republic of Vietnam units often found themselves with less firepower than the enemy, even guerrillas being beautifully armed with RPG 7's.

As noted above, the enemy seems to be pursuing a very flexible strategy. While probably he intends to concentrate now on the countryside, his objective also seems to be to tie down our forces and to maintain the threat to the urban areas by grouping units in a position to hit such cities as Saigon, Hue, Quang Tri, and Can Tho (the grand objective, of course, is Saigon). If the opportunity should be offered, he would no doubt make further assaults on those and other urban centers. Such attacks would further his political and psychological effort even though he failed to take a city. For the time being, he keeps up the pressure on the urban areas by harassing, mortaring, and rocketing attacks. At the same time, he is trying to cut off the flow of supplies to the cities by cutting strategic roads.

I am inclined to believe that the major enemy intention remains political, i. e., that while he may have hoped to achieve some military decision through surprise and treachery, having failed in this objective, his strategy is now directed at achieving a strong posture for negotiations. To this end, he will coordinate and apply all his resources -- military, political, and psychological -- here and abroad. If this is a correct appraisal, we can expect him to maintain pressure in the northern provinces and the central highlands by his main force units; to keep up harassment and infiltration of the cities, and to maintain tension in the population through assassination, propaganda, and terrorism; and to attempt to take over as much real estate as he can in the rural areas. At the same time, we can expect him to carry on psychological warfare playing on the well-nigh universal desire for peace and an end to destruction and killing, with promises of representative democracy in an independent South Vietnam; and to continue propaganda abroad on the sweet reasonableness of his proposal for cessation of the bombing.

Conclusion: We shall have our work cut out for us in the months ahead.

If the enemy follows the strategy I have suggested, we shall have to meet a massive military threat from a disciplined and resourceful foe. But with continued improvement of and additions to the Vietnamese forces (and I think we shall also need some additional troops), I am confident that we can meet any threat the enemy can pose.

There is a massive reconstruction task facing us that will take time and a large allocation of resources. Housing must be constructed, industry, utilities repaired,

roads and waterways opened, repaired and secured, the public health protected, and relief measures expedited. The Government of Vietnam has made a good beginning but manpower, management and resources will have to be effectively coordinated to get the job done in the shortest possible time.

We must win the race to the countryside, go on the offensive, destroy the Viet Cong who for the first time are in the open, and fill the vacuum which now exists.

We must re-establish security in the rural areas, in the hamlets and villages, as well as in the towns and cities to restore people's confidence in our ability to provide security. The farmer must have confidence to plant his crops, the businessman to start up trade and commerce, the laborer to know that his job is secure.

The economic dislocations and inflationary pressures which the present crisis has caused must be foreseen and guarded against. At the same time, we should re-examine our aid programs and prune out the non-essentials.

The reforms which the government has promised must be pressed. Especially, advantage should be taken of the present situation to evaluate the performance of officials and the incompetent and corrupt in both the civilian and military organizations should be weeded out. Administrative reforms and the attack on corrupting should be pressed. The social revolution which the people have been promised not only can go forward, but it can help to make the accomplishment of all tasks more possible.

We must take advantage of the mood of the people, seize the occasion. There is more unity perhaps today than has ever before existed in the country. People have come forward wanting to help in the reconstruction, to support the government and to organize themselves for self-defense. But they want action by the government; they want imaginative leadership. Young and inexperienced though it is, we have tried to impress on the government -- I have tried to impress on Thieu, we have tried to impress on all the members -- that this is the time to act, a time "to nobly win or meanly lose the last best hope" for their country. We shall keep working along these lines to the best of our ability. If we stick with it, I am confident we shall come out all right in the end.

INFORMATION

~~TOP SECRET~~

Wednesday, February 28, 1968
7:20 p.m.

Pres file

Mr. President:

Despite its length, the gravity of the issues ahead suggests that you will wish to acquaint yourself with this full report of Gen. Wheeler and his staff on their trip to Vietnam.

Pages 1-15 constitute the summary.

I myself have not had a chance to read it carefully, since it has just arrived.

If I have any comments, I shall submit them to you tomorrow.

W. W. Rostow

JCS 2472/237
28 February 1968
Cy 45

~~TOP SECRET~~

WWRostow:rla

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 2-27-92

INFORMATION

18

~~SECRET--SENSITIVE~~

Wednesday, February 28, 1968
7:00 p.m.

Free file

Mr. President:

Herewith Dick Helms on the
Denver Post story on the CIA.

W. W. Rostow

~~SECRET~~

WWRostow:rla

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 2-27-92



~~SECRET/SENSITIVE~~
CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

28 February 1968

MEMORANDUM FOR: The President

I deeply regret newspaper stories such as the one you brought to my attention this morning and a television broadcast in the same vein. The motive behind them I understand, where they derive from I do not understand. As you know better than anyone, a factual statement may be regarded as "optimistic" or "pessimistic" depending on the point of view of the listener. Nevertheless, I would like to give you certain personal assurances even though you already know them to be the case:

- 1) There is no tension between anyone of my acquaintance in the White House and the Central Intelligence Agency.
- 2) No Central Intelligence Agency official worthy of his salt is concerned about his job.
- 3) No member of Congress has ever discussed with me any problem about "reduction in the flow of intelligence information from the Agency" to the appropriate departments of Government.
- 4) When I briefed the Senate Appropriations Committee last week, I talked about the Soviet Union and China -- I did not discuss Vietnam.
- 5) I never said before the House Defense Appropriations Subcommittee what I was alleged to have said, i.e. that we had received

~~SECRET/SENSITIVE~~

18a
DECLASSIFIED
Walt Rostow 3/5/68, 11:45am
Authority memo to the President
By AS, NARA, Date 3/31/92

~~SECRET~~

- 2 -

a "severe setback" in Vietnam or "this will be a 100 years' war". The Chairman of the Subcommittee, Congressman George Mahon, publicly denied that I had made such statements. I have other witnesses as well in support of my assertion. (It is my understanding that Congressman Melvin Laird is the originator of the phrase "a 100 years' war" and that he has admitted it.)

6) Relations between the White House Staff, particularly Mr. Rostow, and the Agency have never been better. We work together daily in an effort to arrive at the best appraisal we can of what is happening in Vietnam.

7) No one can make the flat statement that every member of his organization is tight-lipped and does not "leak". I can only say that I have been able to find no evidence that we have any "leakers" in the Agency at the present time. I would appreciate receiving any evidence to the contrary.

8) Thomas Ross, of THE CHICAGO SUN TIMES, has not been near me or the Agency since he and David Wise wrote the book several years ago, "The Invisible Government".

Rich

Richard Helms
Director

Attachment - 1
Clipping from THE DENVER POST,
February 25, 1968

~~SECRET~~

White House, CIA Split on Viet Prospects

By THOMAS B. ROSS

(C) 1968, Denver Post-Chicago Sun-Times
WASHINGTON — A high state of tension has developed between the White House and the Central Intelligence Agency (CIA) over the CIA's steady pessimistic assessments of the Vietnam war.

Reliable administration and congressional sources report that the friction has reached the point where key CIA officials are worried about their jobs.

Members of the congressional subcommittees charged with overseeing the CIA are understood to be concerned that the conflict may result in a reduction in the flow of intelligence information from the agency.

CIA Director Richard M. Helms, who reportedly gave a frank account of the agency's Vietnam position at a closed-door meeting of the House Appropriations Committee two weeks ago, appeared last week before the Senate Appropriations Committee.

SECRET TESTIMONY

Sen. Carl Hayden, D-Ariz., committee chairman, said Helms' secret testimony "concerned the relationship of the United States in a military way to other nations."

Helms, the first CIA director to come from within the agency's ranks, indicated he talked principally about the Soviet Union. Neither Helms nor Hayden disclosed whether the Vietnam war was discussed.

At the root of the CIA-White House dispute are conflicting interpretations of recent events as well as long-range developments in Vietnam.

White House foreign affairs specialists, notably Walt W. Rostow, President Johnson's adviser on national security affairs, are taking an optimistic view of the Viet Cong attacks on the cities and the siege of the Marine outpost at Khe Sanh, near the North Vietnam border.

On the basis of captured enemy documents, the White House staff has developed the position Johnson has presented to the public—that the Communist offensive was a desperate, unsuc-



RICHARD M. HELMS

Up from the ranks.

cessful and highly costly effort to seize and hold at least some urban centers.

In other words, the Viet Cong attacks are seen as a sign of weakness foreshadowing a major U.S. military breakthrough.

CIA RAISES DOUBTS

The CIA, on the other hand, reportedly has raised doubts as to whether the captured documents show conclusively that the attacks were designed as a conventional military operation to gain territory, rather than a guerrilla campaign to lay the psychological groundwork for longer-range objectives.

The CIA's reports are based on information provided by its agents in Vietnam as well as by the normal channels of military intelligence.

The CIA's pessimism on Vietnam is understood to be based principally on the fact that, as its agent network has grown in size and efficiency, it has detected more and more Viet Cong sympathizers and more and more Viet Cong influence.

In short, if the CIA's information is valid, the Communists are a much more powerful force in South Vietnam than was believed by the administration when the decision was made to commit large numbers of U.S. troops three years ago.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 90-106

By inf NARA. Date 7-2-90

INFORMATION

19

Pres. file

~~TOP SECRET--SENSITIVE~~

Wednesday, February 28, 1968 -- 6:55 p.m.

Mr. President:

I sent the attached draft memorandum to the Secretary of State, Secretary of Defense, and Mr. Clifford.

At the end of a quite fruitful discussion of more than 3 hours, Sec. McNamara recommended (and Mr. Clifford concurred) holding this directive until the first draft reports are available on Saturday. We would then, when the materials were in, present a directive to you.

On the other hand, if you wish to have a directive like the attached completed earlier, this could be arranged.

I will not attempt to summarize the discussion which involved many points of view and touched on a wide range of issues. Aside from differences on the troop issue, with which you are familiar, these were some of the points that seemed to be agreed:

-- From our point of view -- and the Communist point of view -- 1968 is the "year of decision" in Vietnam. Not that the war will necessarily end this year, but its outcome will be foreshadowed by the events of this year.

-- Whatever we do about troops, a maximum effort must be made to get the best conceivable performance from the GVN and the ARVN. In this connection, we may wish to nail down and include in any budgetary proposals a mobilization effort in Vietnam going beyond the 65,000.

-- We must come to grips in our own mind with the terms of an acceptable negotiation and begin to talk in a mature way with the GVN about what we would regard as an acceptable outcome.

-- Whatever the decision on troops, we may wish to give Westy a new, more precise and updated directive, stating the objectives which we aim to achieve.

-- Joe Fowler made the following points:

-- What is required on both the military and financial side is an Act of National Will.

-- He would regard the increase in the military budget as a "not unmixed evil" since he believes a tax bill will then move, although probably at the expense of further reductions in civilian expenditures.

~~TOP SECRET~~

~~TOP SECRET~~

-2-

-- Our presentation should not merely include Vietnam but the need to make our military credibility more clear in Korea, Middle East, and elsewhere, since he believes that the Communists, together or separately, are probing at us in a number of directions.

-- At the end Clark Clifford gave assignments under each of the headings in this draft directive, which are to be completed by Saturday. The committee that met this afternoon will then work over the week end on a statement of alternatives and on its recommendations.

-- We underlined, at the close of the meeting, once again the extreme requirement for security.

W. W. Rostow

WWRostow:rla

~~TOP SECRET~~

19a

DRAFT

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET/SENSITIVE~~

February 28, 1968

MEMORANDUM TO:

Secretary of State
Secretary of Defense

As I indicated at breakfast this morning, I wish you to develop by Monday morning, March 4, recommendations in response to the situation presented to us by General Wheeler and his preliminary proposals.

I wish alternatives examined and, if possible, agreed recommendations to emerge which reconcile the military, diplomatic, economic, Congressional, and public opinion problems involved.

In particular, I wish you to consider, among others, the following specific issues:

-- What military and other objectives in Viet Nam are additional U. S. forces designed to advance?

-- What specific dangers is their dispatch designed to avoid, and what specific goals would the increment of force, if recommended by you, aim to achieve: in the next six months; over the next year?

-- What problems would we confront with respect to appropriations and the budget; and what measures would you propose to deal with those problems?

-- What problems would we confront with respect to balance of payments; and what measures would you propose to deal with those problems?

-- Should we go forward with an increment of U. S. forces; what negotiated posture should we strike, in general; and what modifications, if any, would you recommend with respect to the San Antonio formula?

-- Aside from the question of negotiations, what other diplomatic problems would we confront, and how should they be dealt with?

~~TOP SECRET/SENSITIVE~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 90-106

By 108 NARA, Date 7-2-90

-- What special effort can we and should we take at this time with respect to improving the political and military performance of the South Vietnamese?

-- How should we frame our proposals for the Congress with respect to: objectives; legislation required (e.g., selective call-up); appropriations?

-- What major Congressional problems can be anticipated, and how should they be met?

-- Aside from your recommendations on the dispatch of forces and reconstitution of reserves, what steps are required to build up a production base for our over-all military effort?

-- What problems can we anticipate in U. S. public opinion, and how should they be dealt with?

You should feel free in making this report to call on the best minds in the Government to work on specific aspects of the problem; but you should assure the highest possible degree of security up to the moment when the President's decision on these matters is announced.

Pres file

20

~~TOP SECRET~~

Wednesday, Feb. 28, 1968
8:50 p.m.

MR. PRESIDENT:

I shall pass along to the appropriate people
this memorandum to you of Cabot Lodge's
on urban security.

W. W. Rostow

~~TOP SECRET~~-NODIS attachment (log 806)

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By RG, NARA, Date 2-27-92

806
20a

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-254
By us, NARA Date 4-8-97

DEPARTMENT OF STATE
WASHINGTON

February 28, 1968

~~TOP SECRET - NODIS~~

To: The President

From: H. C. Lodge *H.C. Lodge*

I suggest that the following be studied on an urgent basis by the appropriate officials in Washington and Saigon and that if it be found to have merit, fast and intense action be taken:

1. The presence of an unusually large number of U. S. and South Vietnamese troops in the cities creates an unprecedented opportunity to make the cities of Viet-Nam durably strong by repeated "comb-outs" -- precinct by precinct, block by block and house by house. The Vietnamese would actually conduct the "comb-outs", but the U.S. could provide valuable indirect help. Such an opportunity as this has never existed before.

2. In an A.P. interview with Wes Gallagher published Monday, February 26, General Westmoreland indicated his awareness of enemy "infiltration into the population centers" before the Tet raids, which is what makes the "comb-outs" so necessary.

~~TOP SECRET - NODIS~~

~~TOP SECRET - NODIS~~

- 2 -

3. This is, therefore, a time for renewed and intense study, planning and action.

4. In particular we should study how terrorism was eliminated in other cities in other times -- in particular in the city of Algiers in 1962 and 1963 where, according to reports which I have heard, the terror was greater than it has yet been in Saigon. Yet the French authorities completely eliminated it. Indeed when the French left Algiers it was not because the terrorists had driven them out; it was because opinion in metropolitan France had turned.

5. An excellent book on this subject is "Counter-Insurgency Warfare, Theory and Practice", by David Galula, published by Frederick A. Praeger. Another stimulating book is "Modern Warfare, A French View of Counter-Insurgency," by Roger Trinquier, also published by Frederick A. Praeger.

6. While reassertion of government authority in the countryside, as has been said, helps the situation in the cities, it is still no substitute for thorough and continuous scouring within the cities.

~~TOP SECRET - NODIS~~

Wednesday, Feb. 28, 1968
6:45 p. m.

Pres file

21

MR. PRESIDENT:

Henry Owen has produced this interesting and somewhat comforting historical memorandum relating to the Communist Tet offensive.

W. W. Rostow

Attachment

21a

MEMORANDUM

SUBJECT: How Wars End - With a Bang, Not
a Whimper

TV accounts of the Communist offensive in Vietnam bring to mind how, in three past major US wars:

-- the losing side threw everything it had into one last all-out offensive;

-- the winning side was psychologically discom-
bulated by same;

-- the net effect was to hasten the end of the war.

These cases are cited below - as a study of human nature in war and defeat, rather than a guide to what will happen in different circumstances in Vietnam.

1. World War II. As his armies retreated toward final defeat in late 1944, Hitler resolved on what Eisenhower has called "an attack of desperation": The Battle of the Bulge.

Aided by surprise and bad weather, which limited US air operations, the German attack gained substantial ground and inflicted large losses. Great gaps were torn in the US line in the Ardennes; the German advance was rapid through the center of the breakthrough; and Liege seemed threatened. Three US divisions were roughly handled and the US lost 77,000 men in short order.

A fair amount of gloom characterized US press reports of these events: If Hitler could mount an attack of this magnitude, the press suggested, he could not be very close to defeat.

But US commanders kept their nerve; necessary reserves were amassed for counter-blows from the flanks; and the German forces were driven back to their starting positions with losses of 90-120,000 men.

The net effect was significantly to hasten the end of the war, for reasons that General Eisenhower explains in his memoirs: "...In the Battle of the Bulge the enemy had committed all of his remaining reserves. I counted on a greatly weakened resistance from that moment onward, both because of losses suffered by the Germans and because of the widespread discouragement that I felt sure would overtake his armies."

2. World War I. Contemplating a steadily darkening military prospect, as a result of the tightening Allied blockade and mounting US troop shipments to France, Ludendorff decided in early 1918 on one last throw of the dice. He transferred every German military unit that he could lay his hands on from the Eastern to the Western front and, on March 21, 1918, threw his forces against the juncture of the French and British forces on a seventy-four mile front in Northeastern France. His object was to roll up the British northward to the Channel ports, either to destroy or contain them there, and then turn on the French.

At first, his scheme seemed to prosper. The British Fifth Army was driven back forty miles and the allied armies seemed in danger of being split apart. The French commander-in-chief (Petain) pointed to his British counterpart (Haig) and said: "There is a man who will soon have to surrender his army in the field".

But this first German attack petered out after a week, due to lack of supplies, and so, on April 9, they mounted a "second wave" attack at another part of the front. Once again the British were forced back as a large gap was opened in the allied line by the rout of (Portuguese) forces.

By April 26, this attack, too, had ground to a halt and so, on May 27, the Germans launched a third wave - this time against the French. Seen from the allied side, these successive attacks seemed a measure of resilient and unending German strength. We know now that they were, in fact, a counsel of despair - the decisions of a German High Command confronted with successive failures, not knowing how to recoup these failures, and unwilling to

yield what they knew must be their last initiative in the war. This third attack, too, gained surprise and success; in four days it penetrated thirty miles, and cost the French 60,000 prisoners and 650 guns. Panic swept Paris, which seemed directly in the path of the attack, and hundreds of its inhabitants fled to southern and western France. But American reinforcements helped to stem the tide, and the fourth and last German attack (July 15) which followed collapsed in failure.

The allies then went over to the offensive. They expected the war to last another year and so were trying to gain positions from which to push forward in 1919. But it soon became apparent that Ludendorff had consumed Germany's reserves of manpower, materiel, and morale in his last desperate attacks. In the face of the allied offensive, the German armies fell back and apart with unexpected speed and the war came to an end in November - one fighting year earlier than it would have ended if the Germans had not attacked.

3. Civil War. In the summer of 1864, Grant was pressing on Lee in Virginia and Sherman was moving forward in Georgia, despite a skillful defense by General Johnston. The military tide was running against the South - although at a rather slow pace.

Then Jefferson Davis decided to try to reverse the tide, before it was too late, with a bold offensive. He replaced General Johnston with General Hood, and told Hood to strike boldly at Sherman, despite the weakness of Hood's army. Hood complied, and launched three all-out attacks - on July 20th, 22nd (seven separate assaults), and 28th (six assaults). All were repulsed, with a total loss of 20,000 men. Greatly weakened, Hood could no longer defend Atlanta, which Sherman entered September 2.

Then Hood decided to mount a real "last gasp". On October 16, he led his army north out of Georgia and into Tennessee, intending to pass through the Cumberland Gaps to attack Grant in the rear. His object was to "defeat Grant and allow General Lee, in command of our combined armies, to march upon Washington or turn about and annihilate Sherman". It was to be all or nothing.

At first, Hood's desperate gamble seemed to be succeeding; the Union forces retreated to Nashville after a stand-off in the battle of Franklin. There was concern in Washington. A worried Grant, several hundred miles away in his Virginia headquarters, decided to relieve the Union commander at Nashville, General Thomas.

But the battle at Franklin and Hood's earlier offensives had cost the Confederate army more heavily in men and morale than was realized. When Thomas attacked on December 15 (before the order relieving him could be delivered), Hood's forces collapsed. A Union officer wrote: "In those few minutes, an army was changed into a mob, and the whole structure of the rebellion in the Southwest, with all its possibilities, was overthrown".

General Stephen Lee, trying to rally Hood's men, said: "I doubt if any soldiers in the world ever needed so much cumulative evidence to convince them that they were beaten". Hood, by his last gasp offensive, had supplied them with that evidence and thus measurably hastened the end of the war in this area.

4. Conclusion: All of which suggests that there may be a law of human nature which comes into play toward the end of wars, and which:

-- prompts the losing side to take large risks and losses in a last offensive (or, more usually, a wave of successive offensives) just before its collapse - even when military considerations, coldly calculated, suggest that defeat could be staved off longer by more cautious tactics;

-- conceals from the winning side the degree of the enemy's desperation and the extent to which, despite tactical successes, the enemy's offensive has hastened his ultimate defeat.

Pres file
22

SECRET

Wednesday, Feb. 28, 1968
6:40 p. m.

MR. PRESIDENT:

Bob Ginsburgh prepared the attached personal estimate on enemy order of battle.

His estimating record in the past has been good.

It's probably the best answer you could now get to some of the questions you raised this morning.

W. W. Rostow

SECRET attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By kg, NARA, Date 2-27-92

~~SECRET~~

22a

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

28 February 1968

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Enemy Order of Battle

My personal estimate of changes in enemy order of battle in SVN is as follows: (in thousands)

	<u>Oct 1967</u>	<u>End 1967</u>	<u>Pre Tet</u> ^{1/}	<u>Current</u> ^{2/}
VC	60.8	58.9	58.9	40.2 A
NVA	55.1	51.8	71.8	66.2 B
Guerrillas	81.3	72.6	72.6	68.9
Admin Svcs	<u>37.6</u>	<u>37.6</u>	<u>37.6</u>	<u>35.7</u>
Totals	234.8	220.9	240.9	211.0

On the basis of the above, I would make the following observations:

- Enemy strength is at its lowest point since the summer of 1965.
- The proportion of North Vietnamese in enemy main and local forces ^(Apex B, alone) is at an all-time high -- probably more than 70 % (since VC units probably have at least 10% NVA fillers).
- The VC will probably attempt an all-out recruitment effort in an effort to restore as much as possible of their pre-Tet strength in main and local forces.
- Guerrilla forces will probably decline still further as they are drawn upon to fill up main and local forces which cannot be brought back to strength by recruitment alone.
- The North Vietnamese may well decide to send between one and three divisions south in an effort to restore previous force levels.

2

DECLASSIFIED

Authority 749-CBS 23

By ws/kg, NARA, Date 3-4-92

~~SECRET~~

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1/ The 20,000 difference between the end-1967 and pre-Tet figures consists of the two NVA divisions infiltrated since 1 December. Some of these units may have been in place before the end of the year but are not included in the year-end figures.

2/ The current figures were derived on the basis of the following assumptions:

a. Enemy casualties have been 40,000 KIA, 3,000 captured, and 5,000 disabled or died of wounds.

b. These losses were allocated among the order of battle components in proportion to the commitment of these categories to the Tet offensive.

c. The enemy committed about 84,000 to the Tet offensive, consisting of: 45,000 in VC main and local forces; 22,000 in NVA units; and 17,000 from the guerrillas, administrative services, and political military cadre.

d. Gains since the beginning of the offensive have consisted of 7,000 NVA infiltrates assigned to NVA units and 7,000 VC recruits assigned to VC main and local forces.

7

ROBERT N. GINSBURGH

~~SECRET~~

INFORMATION

Pres file
23

Wednesday, Feb. 28, 1968
6:30 p. m.

~~SECRET~~

MR. PRESIDENT:

Just this morning I said to Dick Helms:
the most important question you could answer
for the President is the following--

"How deeply are the Russians involved in the
Communist offensive? Did they finance them
for the year or the long term?"

This afternoon the attached news came in.
Conceivably, he might know something.

W. W. Rostow

~~SECRET-EYES ONLY~~ attachment (log 814)

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-259
By sis, NARA Date 10-31-97

ACTION

24

**Wednesday, February 28, 1968
6:00 p.m.**

Free file

Mr. President:

**Attached letter to Nyerere has
been rewritten. It is now ready for
your signature.**

W. W. Rostow

WWRostow:rlh

24a

February 28, 1968

Dear Mr. President:

Thank you very much for your letter of January 20 in which you set forth some further thoughts on Viet-Nam arising from our earlier exchange of letters. I have read your most recent letter with great interest and appreciate very much that you have once again taken the time to write me as fully as you did.

I noted with interest your observations on Hanoi's recent statements in relation to the formulation I put forward at San Antonio, to which I drew your attention in my last letter. Without going into details with which I know you are familiar, I can only emphasize the importance of approaching a solution on the basis of the San Antonio formula, which we consider both reasonable and realistic.

We have sought through a variety of channels to explore Hanoi's reaction to this formula. Those efforts have produced only negative results. The recent brutal attacks on the cities of South Viet-Nam -- with all the destruction and loss of life that went with them -- were a far more eloquent answer to the question of whether Hanoi truly wants peace than any diplomatic contacts have provided.

As you point out one of the cardinal elements of the San Antonio formula is our assumption that while discussions proceed North Viet-Nam would not take advantage of the bombing cessation or limitation. Or as I put it in my State of the Union message, to which you also refer, the other side must not take advantage of our restraint as they have in the past. I should point out that it is not tantamount, as you put it, "to demand that all supplies and reinforcements from the North should cease. . ." In point of fact, as Clark Clifford, our Secretary of Defense-designate, stated in reply to a question during hearings of the Senate Armed Services Committee, we assume that Hanoi will "continue to transport the normal amount of goods, munitions and men to South Viet-Nam." Not to take advantage means just that, and there are available means for Hanoi to obtain clarification on how this might be interpreted under any given set of circumstances.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-249
By cb, NARA Date 11-5-97

-2-

Again let me thank you for your thoughtful letter and let me assure you that, as always, I value very highly your desire to make a constructive contribution to the cause of finding a just and durable peace settlement in Viet-Nam.

Sincerely,

His Excellency
Julius K. Nyerere
President of Tanzania
Dar es Salaam

LBJ:WJJ:State:pas

2/13/68

25
INFORMATION

~~CONFIDENTIAL~~
~~SECRET~~

Wednesday, February 28, 1968
12:55 p.m.

Pres file

Mr. President:

Herewith the full text of the document which Westy summarized earlier and which Gen. Wheeler referred to at length at breakfast this morning.

I have marked the key passages.

The recurrent note of urgency is striking.

W. W. Rostow

~~SECRET~~

~~CONFIDENTIAL~~

28 Feb 1968

"Circular from Central Office for South Vietnam
Current Affairs Committee and Military Affairs
Committee of South Vietnamese Liberation Army
Hue, 28 Feb 1968"

DECLASSIFIED

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

White House Guidelines, Feb. 24, 1983

By 49, NARA, Date 2/27/92

~~CONFIDENTIAL~~

25a

28 February 1968

Circular from Central Office for South Vietnam Current Affairs Committee and Military Affairs Committee of South Vietnamese Liberation Army Headquarters.

The following is a full translation of a captured enemy document which contains information on the continuation of the Tet offensive. This document was captured in February 1968, in South Vietnam by 2/60 Inf, 9th US Inf. Div. The document was received at Combined Document Exploitation Center (CDEC) on 23 February 1968, and summarized under CDEC document log number L02-1961-68, in bulletin number 9724, dated 23 February 1968.

(CIA COMMENT--The document ostensibly presents the conclusions of a high-level meeting on 31 January which reviewed the impact of the Tet offensive. It seems unlikely, however, that the enemy high command could have had much more than preliminary reports on the offensive by 31 January. Thus, much of the argumentation in the document on the necessity to conduct a careful, sustained, and lengthy offensive probably represented views held by the high command prior to the initiation of the first fierce wave of attacks which created the initial impression that the Communists might be committing all their assets to one go-for-broke push.)

The full text follows:

1. Concerning preliminary assessment of the situation on the evening of 31 January 1968, the Central Office for South Vietnam (COSVN) Current Affairs Committee and the Military Affairs Committee of South Vietnamese Liberation Army (SVNLA) Headquarters meeting to assess the situation and bring out specific matters related to leadership and guidance to be disseminated to and implemented by addressees.

2. We have launched simultaneous and timely attacks on almost all towns and cities, district seats, sectors and enemy military bases as planned.

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Authority MLJ 81-91

By 100/18, NARA, Date 3-3-92

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Generally speaking, achievements were scored at the first step. In areas where offensive and uprising were closely coordinated or where the three-pronged attacks in mountainous and lowland areas were comparatively coordinated, more achievements were attained. Within a short period of time we succeeded in paralyzing the puppet government administration from central to local echelons, and confusing the US command channels. We succeeded in wearing down and destroying an important enemy element, many headquarters of the puppet troops and a large quantity of war facilities. Timely and accurate fire was directed on main objectives. The attack was extremely fierce. The COSVN Current Affairs Committee and the Military Affairs Committee of the SVNLA headquarters considered this achievement as a very great one. It is the first achievement that has an extremely important significance. It gains revolutionary pride for the masses and places us in a position to advance and to attain greater achievements in both military and political fields. It enables us to make greater efforts to continue to attack (the enemy) and to be resolute to attain the final victory. We have beaten the enemy accurately and successfully. The Current Affairs Committee and the Military Affairs Committee of the SVNLA headquarters warmly cite and commend all cadre, party and group members of all echelons, within and outside the army, and all cadre and troops within the armed forces. However, we still have the following shortcomings and weaknesses. We failed to seize a number of primary objectives and to completely destroy mobile and defensive units of the enemy. We also failed to hold the occupied areas. In the political field we failed to motivate the people to stage uprisings and break the enemy oppressive control. In cities, as well as in rural areas and areas temporarily occupied by the enemy, the troop proselyting activities by the masses were not conducted on a broad front and the propaganda mission was not carried out in a timely and continuous manner. Signal, liaison and reporting in some areas, especially the signal liaison and command in the direction of the immediate objectives of the SVNLA headquarters and of regions were extremely slow and not closely coordinated etc.... (sic)

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3. Enemy: Although he had taken precautionary measures, he was surprised strategically and suffered heavy losses in strength and equipment. The puppet command agencies, installations and government administration of central echelon were paralyzed. His troops were driven into disorder. The US troops were put on the defensive. They became confused and demoralized. However, since we did not succeed in completely destroying many of his mobile and defensive units at the very start, nor did we closely coordinate offensive with uprising and troop proselytizing, the enemy still resisted and his units were not disrupted into pieces. If in the coming days we fail to quickly motivate a large and powerful force of the masses to stand up against the enemy in time and if we fail to concentrate our armed forces to attack them continuously, they will certainly recover their strength and counterattack us more strongly. Not only will it limit our victories, it will create new difficulties for us.

4. Based on the resolution of the politburo and the development of the situation during the past two days, the COSVN Current Affairs Committee and the Military Affairs Committee of the Liberation Army headquarters would like to call the attention to the region(party)committees, military region(party)committee and party committee level agencies to the following basic problems:

A. It is imperative to be fully aware of the fact that the general offensive and central uprising which are directed against the enemy with an army of more than 1,200,000 stubborn, reactionary and well equipped soldiers, is a strategic offensive phase covering many military campaigns and uprisings in the local areas to break off all the enemy's counterattacks and is an extremely fierce struggle. Only when we succeed in destroying the entire puppet army and government, neutralizing the actual political and military support of the Americans and annihilating a large portion of the US allied forces, thus depriving them of all war facilities and crushing their attempt to invade our country, can we drive them into total defeat and achieve the final victory.

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At present the victories that we have gained in the first step (of our struggle) show that we are now powerful and the enemy is on the decline. Our fierce attacks are bringing them nearer to the danger of a bitter defeat. Consequently, we are quite able to successfully achieve our plan. However, while preparing and implementing this plan we have committed many errors and shortcomings as mentioned above, we can not yet, therefore, achieve total victory in a short period. Our cadre armed forces and people must be well prepared mentally, ideologically and materially to fight resolutely under all circumstances in order to achieve total victory. These preparations must be made during a period of three or four months as mentioned in COSVN's directive to the region (party) committees.

B. It merits mentioning again that the concerned committees must thoroughly understand the guidelines of the general offensive and general uprising outlined as follows: There must be coordination between the three-prong attack, the three strategic areas, the urban areas and the surrounding rural areas. In the city the armed and political forces outside must coordinate closely with the revolutionary forces inside, these forces must coordinate with each other throughout the general battlefield and in the local area. Combat activities must always be accompanied by the development and building up of forces (VC). There must be close coordination of our activities in military, political and diplomatic fields.

C. The concerned committees are required once again to fully understand the basic principle of the general offensive and general uprising which is set down as follows: concentrate the largest military and political forces in the most logical way; direct the most fierce attack against the major strategic objectives; resolutely conduct continuous attacks against the vulnerable points of the US and puppet troops; and launch decisive attacks against key positions in order to gain decisive victories in areas where we (VC) must win; realize methods of achieving victories minute after minute and hour after hour; know how to develop the achieved

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~~victories and resolutely counter and break off the enemy's counterattacks, pursue the enemy to the end in order to gain the greatest victories.~~

D. Considering the basic problems mentioned above and the situation during the past three days, the COSVN Current Affairs Committee and the Military Affairs Committee of the Liberation Army headquarters want to emphasize the following points so that good results can be achieved by the concerned committees in the days to come.

1. We must continue to make everybody fully understand the policy, guidelines and mission of the party, on this basis, we must incessantly heighten our determination to gain the greatest victory, permanently strengthen our will to fight the enemy continuously and to fight a protracted war. We must know how to foster and heighten the enthusiastic revolutionary spirit of the masses. ~~We must resolutely overcome such weak points as flinching at difficulties, being hesitant in attacking the enemy, becoming puzzled before a complicated situation or being overconfident before certain victories etc. (sic).~~ During this period, we must increase political tasks and build up a firm determination to accomplish important missions.

2. We must ~~resolutely concentrate our forces on specific targets and rapidly take advantage of the victories which we have just gained.~~ We must continuously attack the enemy without allowing him to rest and to have time for reorganization. We must attack him repeatedly in some disputed areas, we must attack him three or four times and not withdraw when finding it difficult to defeat him after the first attack. We must be resolute to completely destroy all major objectives which we have not yet been able to liquidate. We must destroy every mobile and organic unit of the puppet troops, closely pursue them and use troop proselyting (in conjunction with military action) to rapidly disrupt every major puppet unit of regiment size or division size. We must resolutely defend the objectives which we have seized and must be prepared to repel any enemy counterattack. ~~In regard to US troops, we should attack~~

~~CONFIDENTIAL~~

him if we have a well-prepared attack plan. When they counterattack us, we must be determined to annihilate them. When they shrink back, we must mainly use artillery, mortars, and sappers to attack them, surround them and snipe at them in order to annihilate or wear them down. We must not use main force units to attack them in order to avoid casualties. At the same time, we must step up enemy proselyting activities to neutralize and confuse them.

3. We must continuously destroy and repeatedly attack (enemy) bases, airfields, harbors, artillery positions, depots and strategic lines of communication to such a degree that the enemy can no longer use them.

4. The military offensive must be closely coordinated with the people's uprising. We must rapidly and resolutely motivate the people in towns and cities to take the streets (demonstration). We must arm the people and bring rural people into towns and cities, thus turning them into a rising political movement in order to break the oppressive control of the enemy at local areas and to overthrow the central puppet government. We must continue to pursue the enemy and completely annihilate him, not allowing him to counterattack. We must step up the troop proselyting movement of the people to the utmost in order to disintegrate every major enemy unit and to incite military revolt among his troops, we must also intensify enemy proselyting activities in all aspects and with any facilities available.

5. To strengthen our firm proselyting of towns and cities, we must rapidly and widely motivate the local population to act in coordination with the (military) offensive and uprising in towns and cities in order to seize the entire rural area and the remaining district capitals, which still remain under the enemy's oppressive control.

6. We must rapidly motivate the people to rise up in conjunction with the military offensive to liberate densely populated areas along lines of communication and to neutralize, completely destroy and control important lines of communication.

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7. Armed and political forces must be developed quickly. ~~The strongest effort should be made to insure that "the progress we make in one day is equal to that made in one year."~~ The armed forces must be developed as fast as possible to solve the personnel problems in local areas. The number of cadre must be developed as quickly as the situation requires. Quickly strengthen the administrative organization at the basic units, the people's political organizations, the party and group organizations, etc... (sic).

8. ~~Take every opportunity to recruit as many civilian laborers as possible and~~ successfully complete the activation of the transportation branch and the units assigned the duty of transporting weapons and ammunition. Emphasis must be placed on immediate objectives to be sure that our troops can launch continuous counterattacks. The party committees must assign a capable committee member to be in charge of the above missions. Be sure that the policy dealing with the treatment of wounded and dead soldiers and the handling of US and RVN prisoners of war is successfully carried out.

9. ~~Successively step up propaganda activities to meet the requirements of the plan to~~ motivate millions of people to hold demonstrations. Step up activities to meet the requirements of the troop proselyting plan. Try to the utmost to take over the government and protect it. Immediately popularize the successive victories in the various areas. Heighten the victorious prestige of the people in large cities and be ready to respond to the second front (phase) when it is activated in Saigon. In other cities already occupied by us, we must establish an alliance of national (struggle and peace (seeking) forces in local areas so that they can be combined when the central organization officially comes into being.

10. ~~Be sure that newly liberated areas in the country and cities are successfully consolidated.~~ Quickly activate armed and political forces; form administrative organizations of different echelons; intensify defense and combat activities; have

~~CONFIDENTIAL~~

the people establish an area defense system and motivate the people to be ready for action against enemy counterattack.

11. ~~Make timely improvement of the~~
~~methods of guidance and command.~~ Presently, we must concentrate the capabilities and resourcefulness of the masses to settle the changing situation. They must fully understand our immediate objectives and closely coordinate our main and secondary objectives. Follow up the situation every minute and disseminate our victories every moment. In all situations, especially in difficult ones, we must demonstrate persistence, readiness, calmness, intelligence and accuracy in our leadership activities. Division of work must be proper. Leadership must be thorough. Key missions must be fully understood and inflexibility must be avoided. Signal and liaison activities must be immediately improved to meet the requirements of the reporting procedures and especially to maintain contact with immediate objectives and between various regions and COSVN or the Military Affairs Committee, so that directives can be given promptly and without interruption. The region party committees and military region party committees must make the various echelons fully aware of the above; work out a plan of future activities, devise a method of leadership and submit reports to the COSVN Current Affairs Committee and the Military Affairs Committee of the Liberation Army headquarters.

1 February 1968
For the Current Affairs Committee
and the Military Affairs Committee
of Nam Truong (COSVN)
Bay Hong

~~CONFIDENTIAL~~

26

INFORMATION

~~SECRET~~

Wednesday, February 28, 1968
12:50 p.m.

Mr. President:

Herewith Phil Habib's observations
on the situation in Vietnam.

Despite its length, I commend it
to you as an exceedingly well balanced
effort.

W. W. Rostow

~~SECRET~~

"Observations on the Situation in Viet-Nam, February 26, 1968"

WWRostow:rla

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 2/27/92

~~SECRET~~

26a

OBSERVATIONS ON THE SITUATION IN VIET-NAM
February 26, 1968

DECLASSIFIED

Authority State Ltr 10-27-78

By sp/ly, NARA, Date 3-3-92

Introduction

1. This is a report covering a set of opinions derived from an examination of the situation in Viet-Nam. It is written following three days of intensive conversations with Americans and Vietnamese in Saigon. It is an attempt to highlight some aspects of the situation which are of particular importance in the light of the VC/NVA Tet Offensive.

The Tet Offensive in Retrospect

2. We should not belittle the scope, importance and unfavorable consequences of the enemy offensive. Nevertheless, it is fair to say that so far Hanoi has failed in its over-riding objectives. It sought to destroy the political and administrative structure of the GVN. The enemy wished to crumble the GVN to the point where it could not function and to render irrelevant the power of the United States. This was to be done by force, on a national scale, probably recognizing that it would be costly in terms of VC/NVA lives. It was costly to the enemy and it did not succeed, but we paid a high price.

3. The enemy struck hard and with superb attention to organization, supply and secrecy. He was audacious and courageous, with good leadership and tight discipline in the ranks. The Tet "let-down" added to the element of surprise and the enemy enjoyed a tactical advantage in many places. There were many "cliff-hangers" as the Vietnamese

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and the allied forces met the attack, and the enemy had a number of major successes.

4. A preliminary balance sheet of the Tet offensive now looks as follows:

Minus Factors

a. The powerful capability of the Communist forces was demonstrated to the Vietnamese and to the world. The VC/NVA forces took the initiative and still hold it.

b. The people in South Viet-Nam were handed a psychological blow, particularly in the urban areas, where the feeling of security had been strong. Those who had been "within the protection of the Government" found out how vulnerable they were. There is a fear of further attacks and there are new opportunities for Communist propaganda and subversive activities in the cities.

c. The GVN has been forced to turn its attention to the emergency and its normal functions suffer as a result. Schools are closed, and governmental services are either burdened beyond their capacity or in some cases severely curtailed. The chain of government downward from the capital has been weakened and in the case of many villages and hamlets has been broken.

d. The Revolutionary Development program, which had been showing a marked degree of success, has received a severe set-back.

~~SECRET~~

We do not as yet have a full reading on this but there is no question that the programs in the countryside suffered. The Revolutionary Development program for 1968 will need to be re-structured. Meanwhile, as the enemy rampages in the countryside and threatens the cities, it is difficult to re-start our countrywide programs.

e. The government faces a monumental task of re-building in the cities and caring for the refugees. This is manageable, but takes resources and energy. The problems involved will be multiplied to the extent that the enemy continues his campaign of harassment and destruction.

f. The encouraging economic progress of the past year is set back. Severe monetary pressures are expected, the commercial system is in disarray, the distribution problem is serious, and the damage to the industrial base is substantial.

Plus Factors

a. The institutions of government and the basic administrative structure were not shattered. The Executive, the Legislature and the Judiciary are functioning within the constitutional framework. The Ministries are at work, some better than others, and the provincial administrations are functioning. The preservation of the constitutional government has meant that needed direction is provided in an organized way. Most importantly, the continuity of leadership and control has been safeguarded. The GVN is viable, and the fruits of the past two years of political development were not lost. In fact, the value of the political

evolution through which Viet-Nam has been passing has been proven in meeting the emergency.

b. The Vietnamese armed forces did well in the first shock of attack. There were no unit defections in the ARVN. The integrity of the armed forces was preserved and the chain of command functioned. We still lack detailed information on the status of the Popular Forces and information on the Regional Forces is only a little better, but it is generally believed that both these are not in any danger of substantial disintegration.

c. There was no popular uprising in support of the Communists as they planned and expected. Not only did the people not rally to the VC but it is more and more evident that they rejected willing cooperation with the VC to any significant extent.

d. The VC/NVA took heavy casualties. We do not yet know the total effect of this on the enemy. Nor do we know enough about his capacity to recover.

e. The physical damage to the cities is not beyond the capacity to rebuild and the job is beginning.

f. There is no basic shortage of food, medicine, or other necessary goods. There has been and will continue to be a major problem of getting goods out to where they are needed. But needs are being met, and transportation facilities are being restored.

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5

g. The task of organizing to meet the emergency needs of relief and rehabilitation got off to a good start. The special task force continues to function, although the direction and drive provided by Vice President Ky is no longer present. The close daily attention and cooperation given to this effort by the US Mission continues and is essential to the job.

h. There was at the outset of the emergency a coming together of nationalist, anti-Communist elements in the society in support of the government. Key leaders and major groupings responded to the danger and condemned the enemy. However, it is also true that the mass of people have been passive, as they usually are, to the government. Support of a more active nature came largely from elements traditionally aligned with the government and against the Communists, e.g. Catholics, the moderate Buddhist leaders, organized labor, nationalist parties, the Hoa Hao, the Cao Dai, and the middle class. The attempt to provide a broad national front of opposition to the Communists in the face of the danger is in a preliminary stage and may have some limited success.

Problems and Prospects

5. If the above is a balance sheet of the recent past, then what are the problems and prospects for the immediate future? The first shock of the Communist Tet offensive has passed over the cities and, to a lesser and incompletely known extent, the countryside. There are advantages and opportunities for both sides in the present situation. How the battle for Viet-Nam goes will depend on how each side now functions.

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6. The Enemy -- We know little of what to expect from the VC/NVA in the immediate future. It is expected that the enemy will seek to keep up the pressure on the cities, expand and consolidate his presence in the countryside, and tie down and if possible inflict a spectacular defeat on major allied forces.

7. There is no doubt that the combat effectiveness of many enemy units has been seriously reduced. We do not know if the enemy's overall military potential is significantly lower than at the beginning of the year. Through infiltration from the north and recruitment in the south the enemy can maintain a major threat. We know he has a supply capability and suspect he has a supply position to sustain combat at an intense level.

8. The VC/NVA forces remain strong numerically and can harass and maintain pressure on the urban areas while operating in the countryside. The enemy's organization and his infrastructure remain relatively intact.

9. However, by keeping his units near the cities the enemy is exposed, with bases uncovered and supply lines extended. He does not have the same advantage of surprise he enjoyed at Tet. In this posture, he is unlikely to be able to mount massive, sustained attacks comparable to those he attempted in his initial effort. On the other hand, he probably is capable of maintaining a loose encirclement of most towns and cities, harassing and interdicting lines of communication, and mounting periodic

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attacks by fire on the towns and nearby military installations. He may be able, in some areas, to mount major attacks on selected targets which he deems particularly weak. He can mount major operations in several areas -- Saigon, Kontum, Danang, and northern I Corps - of sufficient scope as to seriously contest allied control.

10. While many reports continue to allude to a "second wave" of massive attacks, the enemy's posture and capabilities suggest a campaign of diverse character. Most indications point to his continued adherence to the basic concept of his winter-spring campaign -- general offensive combined with a general uprising. Within this framework, the enemy can be expected to exercise the capabilities outlined above boldly -- but not recklessly -- and with determination over the weeks ahead. He will attempt to coordinate his operations geographically, so that they complement each other. He will seek to intensify his political and psychological programs aimed at undermining the will of the populace and of the GVN at all levels. And he will seek to combine these activities with an intensive effort to subvert and disintegrate the RVNAF, and to "heighten the contradictions" between the GVN and US. By these means, he threatens the piecemeal erosion of GVN authority in outlying provinces, and the progressive disintegration of ARVN.

11. The Vietnamese Armed Forces -- The current posture and combat effectiveness of the Vietnamese armed forces are not encouraging. In

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most areas, the major elements are in a defensive role, close in to the urban areas, and operating in an unaggressive manner. The chance to strike hard at the enemy while he is exposed has not been seized. While the organizational integrity of virtually all units has been maintained, many are considerably understrength and of lessened combat effectiveness. As mentioned earlier, we lack an accurate assessment of the status of RF and PF elements in the countryside.

12. The Vietnamese Army frequently faces an enemy who is better armed and who has superior fire-power. The Vietnamese performance is generally better where close support from US forces is available. We still face the problem of poor leadership in some of the major commands. Moreover, the problems of poor discipline and looting are always with us.

13. The GVN is moving to speed up its mobilization to add 65,000 men to the armed forces by mid-year. The 19 and 18 year olds will be drafted beginning on March 1 and May 1 respectively. Some needed changes in top leadership (II Corps and IV Corps) are about to be made. President Thieu has reaffirmed his intention to proceed with the planned reorganization in the armed forces. Planned changes among Province Chiefs are also said to be about to begin. Finally, Thieu is now talking about a further mobilization, to take advantage of the sense of danger and urgency following the enemy offensive. He mentioned his desire to add further to the strength of the armed forces and he will be talking to MACV about the

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necessary support for additional forces beyond the 65,000 men now programmed.

14. This is all to the good, but the key unknown remains the manner in which the Vietnamese armed forces will respond to the challenges of the immediate future when faced with a much more aggressive enemy. MACV is optimistic on the basis of the recent showing, but the inadequacies of the past are still fresh in many people's minds.

15. Politics and the Government -- As has been noted, the GVN survived the Tet offensive. The question now is whether it will get on to its tasks with a continuing sense of urgency, proper attention to priorities, and the required unity at the top; or will we have a return to business as usual, with bickering and personal rivalries, and with no effective attack on the needs that are known and recognized, e.g. reorganization for greater effectiveness, dealing with corruption, better leadership, and broader and better organized political participation and support.

16. The Thieu-Ky relationship remains a key factor. It is not all that it should be, although each of them insists that he wishes to cooperate fully with the other. We still have the problem of the people around them playing politics as usual. Ky is not happy about the way Thieu is leading the country -- and said so. He wants a greater dynamism and more drastic action. On the other hand Thieu remains cautious, insisting on

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moving at only a slightly speeded pace toward basic reforms.

17. The Embassy continues to believe -- and reluctantly I am inclined to agree -- that while we can try to force the pace we must recognize the limitations of the people and the institutions with which we are working. We have been able to take advantage of the emergency to speed some things up -- mobilization, corps commander changes, promises of earlier administrative reform. The lack of action on corruption still confounds all; but another try is in progress in connection with up-coming administrative changes.

18. On the Thieu-Ky relationship, which affects the pace of action and reform, the Ambassador is confident he can handle it to where it will not get out of hand. He has done remarkably well on this so far -- to the degree that Ky has not been tempted to allow his hot-head followers to try any tricks. But I sense a new element of impatience in Ky. Hopefully it will be ^{challenged} constructively and thus it will work in favor of forcing the pace at which Thieu might otherwise move. Our role in this question is one demanding subtlety and power applied at the right time, and I can imagine no one better able to provide these than Ambassador Bunker. He is fully aware of the nature of the problem and never lets it get far ahead of him.

19. The Cabinet is not brilliant, but some of its ministers have shown up exceedingly well in the crunch. The Prime Minister is the subject of

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a good deal of criticism for his failure to exercise dynamic leadership. He suffers from the lack of a political base and is stymied by Thieu's reluctance to act decisively to provide necessary guidance and support. It is generally believed that Prime Minister Loc will not have a long tenure, but that Thieu will find it difficult to seize upon a ready replacement.

20. The National Assembly has done little in a legislative capacity as yet, but it has not had a chance. The leadership of the two houses continues to be responsible and responsive to the government. After the first days of rallying around in the emergency the Assemblymen are beginning to express themselves more openly in a critical tone, but no one expects this to get out of hand. Thieu seems confident he will be able to handle the legislature which is just about to begin its first major task -- the budget.

21. Political party organization remains stymied, and is likely to continue to be a slow and tortuous process. No one in the Mission, and no one among the Vietnamese political elite believes it is possible to forge a national political movement at this time. All agree that the National Front surfaced under the leadership of Tran Van Don on February 19, will not and can not develop into a real political movement. It can, however, serve as a means to rally support in the nationalist cause against the VC, and thereby play a useful temporary role. That is

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how Thieu sees it, and in fact that is as far as he intends it to go. He does not trust Don and some others involved, and it is obvious that Thieu is suspicious of the role being played by Ky's supporters in the organizing of the Front. Even some members of the political elite who have joined the Front are not anxious to see it develop into much more than a psychological forum to rally public interest against the VC.

22. There are some beginning steps being taken to develop political party organizations. These are so tentative as to be certainly slow in developing and subject to many changes and false starts. Thieu hopes to foster such moves, but his plans are vague and in the hands of poor executors. In the meantime Thieu has been having useful meetings with the leaders of all significant political elements in the community, seeking their support for the government and its programs. It is this personalized political approach that preoccupies him at the moment, rather than any attempt at institutionalizing the political variables.

23. Negotiations in the Present Context -- There is great concern among the Vietnamese that the US might in some way unilaterally embark upon negotiations with Hanoi or the NLF. In fact, the canard of US collusion with the VC in the Tet offensive -- as absurd as it may seem -- continues to have some currency.

24. It is the universal opinion in the Mission Council that we would face a major crisis in Vietnam if Hanoi were somehow to change its line, accept the San Antonio formula, and engage us in talks at this time.

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General Westmoreland is obviously strongly opposed to anything that smacks of stopping the bombing and believes that he would be faced with a prompt and uncontrollable crisis in the Vietnamese armed forces if we started talking to Hanoi in the present circumstances. Ambassador Bunker is not so dogmatically rigid; but he does point out that our dealing with Hanoi at this time would create grave problems with the GVN, which is not prepared for a negotiation in the wake of the Tet offensive.

25. The only Vietnamese I found who has even given any thought to the problem in anything like a sensible way is -- not surprisingly -- Foreign Minister Tran Van Do. He said he recognized that if Hanoi were to accept the San Antonio formula we would, of course, soon find ourselves moving toward negotiations in one way or another. He shrugged and asked rhetorically what there was to negotiate given the views of Hanoi, the attitude of the NLF, and the environment in South Viet-Nam after the Tet offensive. He does not dismiss the need for a peaceful settlement -- rather he anticipates it -- but he does prefer that negotiations come later on, at a more propitious moment. President Thieu sees negotiations now as impossible, but he believes that the situation will be so changed by early 1969 that Hanoi will be prepared to deal on a reasonable basis. He is not clear on what leads him to this conclusion. He merely expresses a general expectation that the enemy will be badly off by then.

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26. The Foreign Press in Viet-Nam -- On February 26 there were 615 foreign correspondents in Viet-Nam, of whom almost 300 were American. This massive attention to every tremor in Viet-Nam creates the obvious problems. Barry Zorthian outlined press attitudes as follows:

a. The responsible experienced reporters are cognizant of the basic frustration of the VC/NVA over-all objectives in the Tet offensive. They are favorably aware of the performance of the Vietnamese armed forces, and well disposed toward the early reaction of the GVN on such matters as relief. They are aware of the problems the VC face and are as objective as can be expected in examining VC capabilities on the basis of limited knowledge.

b. The same group of responsible journalists, however, have a negative slant as well. They consider GVN performance after the first weeks as a fall-back to normalcy rather than a case of urgency. They condemn the armed forces for failing to follow-up and move out on the enemy. They find the Thieu-Ky rivalry fascinating. They are critical of Thieu's personality, aware of the political maneuvering going on, and generally cynical about Vietnamese political developments. These journalists believe the VC are in a position to hit Saigon again in a repeat performance and they are fearful of the results. They argue that the VC have sucked us into the urban areas and are thus left free to control the countryside while recruiting heavily. They do not accept our account of

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VC losses of personnel, and do not believe we have a realistic appraisal of the situation in the country. In general this segment of the press is pessimistic about the future.

c. The so-called "young turk" correspondents have all the above criticisms plus a few even more extreme. Some of them think we are through and ought to get out.

d. The European correspondents are worse than that in their outlook and the French reporters are at the bottom of the heap.

27. Zorthian expects we are going to face the toughest time ever with the press. After meeting about a half-dozen of the best reporters among them and listening to their comments on the situation, I can only agree.

General Conclusions

28. Viet-Nam has undergone a traumatic shock over the past month. This has affected Vietnamese and Americans. Old optimism is giving way to new doubts. Old concepts are being examined but with some reluctance to seek new approaches. The early flush of urgency that was sparked by emergency needs is not being sufficiently sustained among the Vietnamese. The pride in successful defense is not being translated into a counter-offensive, and the enemy is being allowed to recoup and consolidate. The defensive mentality of the Viet-Nameese is to the fore and will be hard to change. This applies to both the military and civilian elements who find in the momentary lull in the war an occasion to return to earlier less strenuous paths.

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29. The enemy on the other hand, has the initiative and is expanding his activities. He has added another dimension to the war by attacking the cities and directly threatening GVN authority there rather than only in the countryside. The enemy is persistent and has a good organization. Despite initial failure to meet his total objectives and his heavy losses, the enemy has the capacity to continue his stepped-up campaign, although probably not on the scale of the Tet period.

30. In many ways there is a new ball game in Viet-Nam. We were winning; steadily if not spectacularly. Now the other side has put in a lot of new players and has scored heavily against us. We did not win a "victory" despite the losses inflicted on the enemy. The Tet offensive was a serious setback -- but the situation is far from hopeless.

31. We still do not know enough of the facts to assess the full consequences of what happened. Information on many key factors is still spotty or lacking altogether. It is hard to find consensus among Vietnamese or Americans as to where we stand or what to expect next. As a result there is a degree of confusion which will take some time to sort out. It would therefore be wise to hold off final judgements. It will also be prudent to approach basic new decisions with caution while the totality of the battlefield -- military, political, economic, and psychological -- is examined.

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32. Ambassador Bunker's last words before I left Saigon were, "If we stay with it, we will come out all right." He does not expect that the unfavorable consequences of the enemy's offensive will be overcome in a short time. I agree -- any expectation that we will reach the status ante-Tet easily and quickly is not realistic. In some respects we will not be able to recoup losses in the foreseeable future. We will need to re-think earlier programs and re-order some of our priorities. The Mission has not been able to do this across the board. It may be some time before this will be possible but in the meantime a thorough review of existing programs and the possible need for modifications is warranted. We should avoid deciding on any major moves or commitment of resources without such a review which is best conducted by the Mission in the first instance.

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INFORMATION

Wednesday, February 28, 1968
12:20 p.m.

Mr. President:

Attached is Ed Hamilton's
account of how Gene Black fared on
the Hill.

Pres file

W. W. Rostow

WWRostow:rla

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, February 28, 1968 -- AM

27a

WWR:

SUBJECT: Eugene Black's Appearance on the ADB Legislation

I am sure you saw the Post story this morning to the effect that Fulbright won't move Asian Bank Special Fund legislation unless and until there is some movement toward peace in Vietnam. The quotes in the story are accurate, but the bag is a good deal more mixed than the story makes it appear. I thought you might be interested in an itemized read-out of how Black was received -- as reported by Black.

As you know, there were two separate hearings on ADB legislation yesterday. In the morning Black appeared before Henry Reuss's Subcommittee of the House Banking and Currency Committee. This was apparently a love feast. Reuss, Gonzalez, Widnall, Stanton, Moorhead, and two or three others in attendance were uniformly friendly to Black and to the bill. Black expects a very favorable subcommittee report and a good chance of passage by the full committee.

The afternoon session on the Senate side was called suddenly by Fulbright ostensibly because Black was in town testifying before the House. Actually, of course, Black had made his pitch at length to the Senate Committee last fall. This meeting was fairly obviously designed as another sounding board on Vietnam. Senators Fulbright, Morse, Cooper, Gore, Carlson, and Pell were in attendance. Morse and Gore did most of the talking. The lineup was as follows:

Morse made an all-out attack against anything for Southeast Asia as long as the war proceeds. He said he was generally favorable to this sort of program, but that he would vigorously oppose it as long as Vietnam policy doesn't change.

Gore undertook a more personal attack against Black and the proposal. He made a good deal of the fact that Black is neither an officer of the Bank nor a major office-holder in the Administration, so that it was unclear what status his opinions had. He purposely confused the issue of U.S. control of Special Funds with control of the Bank's Ordinary Capital. And he attacked "loose" drafting of the bill. He seasoned all of this with sarcasm about the Tonkin experience.

Carlson was generally friendly to Black and the bill. He asked some questions about agriculture and seemed to be pleased that the legislation would encourage Asian food production.

Cooper was entirely positive and constructive with the single exception of the thought that perhaps bilateral aid to Asia ought to be cut dollar-for-dollar as multilateral aid was increased. He went to some lengths to rebut Gore at several points.

Fulbright tried to adopt the role of mediator. He was flowery about Black and about the move toward multilateralism reflected in the proposal, though he did agree with Gore that the bill could use some "tightening." He did his best to leave the impression that, though favorably inclined himself, he could do nothing with the Committee at the present juncture. He then lapsed into the cuteness about Vietnam that Warren Unna reported.

Black reported all this to Katzenbach and suggested that Nick do a new man-by-man check of the SFRC to see how the vote would really go. Katzenbach agreed.

You will note that Hickenlooper was not there yesterday. He is in Bermuda through the end of the week. Rusk and Black plan to have a go at him when he returns.

A handwritten signature in dark ink, appearing to be 'E. H.' with a long horizontal stroke extending to the right.

Ed Hamilton

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Wednesday, February 28, 1968 -- Noon

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Tanks for Pakistan

In the attached (Tab A) Katzenbach recommends that you authorize formal notice to Italy that we approve their sale of 200 M-47 tanks (100 now and 100 later) to Pakistan. This would meet the immediate need Ayub discussed with you at the Karachi airport. McNamara and Gaud join in the recommendation, and Mike Battle has raised the general proposition of a third-country sale with Senator Symington's Subcommittee of the SFRC (with Fulbright in the room) and got no objection.

This is the result of a lengthy effort to get Ayub his tanks without sinking the arms policy for South Asia we announced last April and thereby provoking another storm on the Hill which could scuttle the Aid Bill. The Italians would make the sale pursuant to a general franchise we are negotiating under which they will be our agents in Europe for buying, rehabilitating, and reselling used tanks. The preliminary price (\$40,000 - \$50,000) quoted to the Pakistanis is reasonable.

In return for your approval, Ayub has promised to scrap old tanks on a one-for-one basis, to give us a full rundown on their present armor (including their Chicom tanks), not to buy any more Chicom tanks, and not to buy any more tanks from anybody without consulting with us.

At Tab B are State's findings that neither the Conte nor the Symington Amendments -- dealing with poor-country arms purchases -- affect this sale.

I recommend you approve.

One issue of tactics remains. The present thinking in State and Defense is to tell Ben Oehlert that you have approved 200 tanks but authorize him to tell Ayub about only 100. The argument is that we are better off to see how he performs on his end of the bargain before telling him about the second tranche. There is some merit to this case, but the effect on Ayub would be considerably different if we told him about all 200. He has dealt with our bureaucracy for a long time; he would know there is a connection between the larger number and your Karachi conversation.

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NLJ 96-249
By CB, NARA Date 4-5-97

W. W. Rostow

Approve Katzenbach memo _____

Tell Ayub about the first 100 tanks only _____

Disapprove _____

Tell Ayub about all 200 tanks _____

Call me _____

EKH/vmr

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DEPARTMENT OF STATE
WASHINGTON

February 27, 1968

MEMORANDUM FOR THE PRESIDENT
THE WHITE HOUSE

SUBJECT: Approval of Italian Sale of M-47 Tanks
to Pakistan

As you know from your December 23, 1967, conversation with President Ayub in Karachi, Pakistan is extremely eager to acquire M-47 or M-48 tanks. Ayub feels the acquisition of these tanks is required by Pakistan's Armed Forces to meet what he considers a growing threat from India.

During the past year, Pakistan has reduced its defense budget and avoided further arms acquisitions from Communist China. It has sought to arrange to buy second-hand US-controlled M-47s in Germany, Belgium, Iran, and Italy. In return for US approval of such a third country arrangement, the GOP is prepared to promise (a) to scrap old tanks one-for-one for any new ones acquired; (b) to tell us of their holdings of Chinese Communist armour (150-160 tanks); (c) not to get any more Chinese Communist tanks; and, (d) not to acquire any additional tanks from any source without prior consultation with us.

Against this background, we believe that our approval now of a third country sale of 100 tanks, to be followed later by an additional 100, is consistent with our April 14, 1967, military supply policy for South Asia which excludes direct US sales of weapons but permits approval of third country sales of US-controlled weapons when such sales contribute to the objectives

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of reducing defense spending and preventing escalation of the Indo-Pak arms race. Additionally, such approval would (a) help prevent the GOP from turning to Communist China for further arms; (b) discourage the GOP from buying much more expensive and modern tanks such as the French AMX-30 from sources which we do not control; and, (c) improve our position in attempting to negotiate continuance of our very important communications station at Peshawar. (For the reasons indicated in Tab A, we do not believe that a deal of this kind would pose problems under either the Symington or Conte-Long Amendments.)

There is one possible complication. We have some intelligence indications that the Paks may in fact wind up with 50 or 60 more Chinese Communist tanks than the 150-160 of which they have told us. In view of Ayub's overall restraint in the arms field, however, and of the importance of persuading him now to continue to resist the mounting pressure to match Indian military spending and arms acquisition, we do not believe this factor should be allowed to preclude our approval of an otherwise acceptable third country sale.

The most promising third country source for the tanks is Italy. West Germany refuses to consider a direct sale to Pakistan because of its policy of not selling arms to "areas of tension". The Belgians have just terminated their discussions of M-47 sales with Pakistan, allegedly because of pressure from India. We do not wish to undercut our own efforts to get the Shah of Iran to hold down his military acquisitions by approving a sale of Iranian-held M-47s to Pakistan.

The Italians seem eager to sell but final arrangements with Pakistan must await completion of negotiations between the US, West Germany and Italy under which Italy is to acquire, rehabilitate, and resell surplus US-controlled M-47s on a worldwide basis. This may take several more weeks. Meanwhile, the Breda Company, the authorized representative of the Italian Government

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in this arrangement, has informed us it is planning to offer 100 M-47s to Pakistan at an estimated \$40,000-\$50,000 each, with final price to be determined by what the Italians have to pay to the Germans for the tanks and by the amount of rehabilitation which the Paks want.

While we are not committed to Congressional consultations on third country arms sales, Assistant Secretary Battle informed the Symington Committee some weeks ago that we expected soon to receive a third country request for approval of a sale of 100 US-controlled tanks to Pakistan and that we might find it in our interest to agree. The Committee did not object.

Recommendation:

That you approve a sale by Italy to Pakistan of 100 M-47 tanks now and another 100 later, subject to the two parties being able to work out an arrangement between them which is satisfactory to us and consistent with our policy of preventing: (a) the diversion of resources from development to military purposes; and, (b) intensification of an arms race in South Asia.

Approve _____ Disapprove _____

Martha Lee K. K. K.
Under Secretary

Enclosure:

Tab A - Symington and
Conte Amendments

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TAB A

1. Applicability of the Symington Amendment - Section 620(e) of the Foreign Assistance Act

In our review of the applicability of the Symington Amendment to the PL 480 and Production Loan agreements with Pakistan, (a copy of which is attached), we had already concluded that Pakistan is not diverting its resources to unnecessary military expenditures to a degree which would materially affect its development.

The proposed purchase by Pakistan of M-47 tanks at approximately \$40-\$50 thousand a piece, plus costs of transportation, does not materially change the basic conclusions we had reached. As noted in the review memorandum, Pakistan reduced its defense expenditures for FY 1967 by 20 per cent and for FY 1968 by 3 per cent. Foreign exchange outlays have also decreased over the past three years from a high of approximately \$140 million in FY 1966 to around \$85 million in FY 1968.

The GOP has already included the expenditures for the purchase of the M-47 tanks in the reduced FY 1968 defense budget so that no increase would be anticipated in the levels of defense spending during the current fiscal year.

Attachment:

Review of Section 620(e)

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Review of Section 620(e) of the Foreign Assistance Act--Symington Amendment

Pakistan's defense expenditures are high, representing 21.3 per cent of government expenditures in the FY 1968 budget and 3.5 per cent of the Gross National Product. The trend of the defense budget has, however, been downward during the past three years.

Pakistan's primary security concern is what it considers a continuing and credible threat from India. Its military force levels are determined by its view of the seriousness of this threat. Since 1962, on the other hand, India's force levels have been influenced strongly by the threat posed by Communist China, although the difficulties which a military confrontation with Pakistan would constitute have also been taken into account. The overall increase in Indian forces has, of course, contributed to Pakistan's military posture.

As a result of the Chinese incursion in October 1962, India's defense budget rose sharply from \$996 million in FY 1962 to \$1,695 million in FY 1964, a 70 per cent increase. Since that time it has increased slightly, although these increases were largely the result of inflationary price increases. Despite Pakistan's concern over the Indian buildup it only increased its military expenditures from \$216 million to \$282 million during FY 1964 and FY 1965. Following the conflict with India in 1965 and the termination of the U.S. Military Assistance Program, Pakistan raised defense expenditures sharply. In FY 1966 the defense budget escalated to \$617 million and accounted for 32.7 per cent of central government spending.

In the face of public emotions generated by the war with India, President Ayub has assumed political risk to cut defense spending back toward the 1965 level. In FY 1967 defense expenditures were reduced by 20 percent and in FY 1968 by another 3% to the present budget level of \$475 million.

As in the case of overall defense levels, foreign exchange outlays have also decreased over the past three years. Rising to a high of approximately \$140 million in FY 1966, they were reduced to about \$100 million in FY 1967 and will be around \$85 million in FY 1968. At this level the actual cost of defense imports is approximately the same as between 1961 and 1965 when an average of \$45 million annually was provided under the U.S. Military Assistance Program and Pakistan spent up to \$30 million for defense from its own foreign exchange. Some foreign exchange expenditures since the 1965 conflict have been for heavy equipment, principally

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4 C-130 and 90 F-86 aircraft purchased through Iran and aircraft and submarines ordered from France but which have not yet been delivered. These outlays occurred in FY 1966. The bulk of current foreign exchange expenditure is for spare parts, some munitions, small arms, vehicles, communication equipment and consumables.

We believe Pakistan is not building up forces for aggressive acts, nor is it attempting to achieve military parity with India. The ratio of military manpower between the two countries is approximately 1 to 4. According to available information Pakistan's forces include 46 brigades and 18 squadrons of aircraft as compared to about 119 brigades and 57 squadrons for India. We believe that the respective force levels indicate that Pakistan is only attempting to maintain a realistic defense capability.

In terms of percentages of defense expenditures to GNP and percentages of defense expenditures to total government spending, India and Pakistan allocated roughly the same proportions to defense in FY 1967 and FY 1968. These ratios are lower than those for such countries as Jordan, Turkey, Korea, Indonesia, the Philippines and Thailand.

The resources Pakistan devotes to defense particularly the foreign exchange outlays could clearly be used for development. Since the 1965 war with India, however, Pakistan has restored development priorities. Annual fixed investment, consisting of government financed development projects and private investment, fell from \$1.7 billion in FY 1965 (17% of the GNP) to \$1.6 billion in FY 1966, and rose to \$1.9 billion in FY 1967. In FY 1968 however, fixed investment will be up to \$2.1 billion and represent 15% of the GNP.

Between FY 1965 and FY 1968 Pakistan's GNP has grown on the average of 5% per year. During this period the Government has restructured its plan to emphasize agricultural development. Family planning is high on the Government's agenda of activities, and it is taking serious steps to promote exports.

Since the visit of President Ayub to the United States in December 1965 our Ambassador in Pakistan has made it clear on numerous occasions that if defense expenditures remain at such a high level it will become increasingly difficult for the U.S. to support its development program. The U.S., both bilaterally and through the IBRD Consortium, will continue to urge India and Pakistan to devote more resources to development.

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It is our view that by maintaining the pressure bilaterally and through the consortium we will have more influence on decisions regarding defense spending than we can by conditioning aid on specific actions by the governments concerned. While we are not fully satisfied with the situation on the South Asian Subcontinent, Pakistan has been responsive to our representations and is once again devoting its primary attention to development. Within the terms of the Symington Amendment we do not believe that unnecessary expenditures for defense are materially interfering with development.

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2. Applicability of Conte-Long Amendments

In the light of the factors discussed below we do not believe that the provisions of the Conte-Long Amendments apply to this transaction.

Discussion:

In the context of the proposed acquisition by Pakistan, the M-47 tank when measured against the criteria of current state of the art, technology, age, cost, and current Pakistani armored inventory, is not a "sophisticated weapons system" for purposes of the Amendment.

The M-47 has been succeeded by two generations of US tanks, the M-48 and M-60 series, with another Main Battle tank already developed for addition to the US inventory. The M-47 is basically an improved World War II tank with operational capabilities significantly inferior to the advanced models of both the M-48 and M-60 series, as well as to the majority of the tanks in the Indian armored forces. The \$40 to \$50 thousand cost of these reconditioned tanks is low in relation to the cost of modern Main Battle tanks, e.g., AMX 30 at \$100-\$150 thousand.

The acquisition of 100 M-47 tanks will not introduce into Pakistan a weapon for the first time and will not represent a major increase in capability over current armored inventories. Both the M-47 and M-48 were furnished to the Government of Pakistan under the U.S. military assistance program prior to its suspension in September, 1965 and its termination in April, 1967. Furthermore, the GOP has promised that it will scrap obsolete tanks one for one for the M-47s to be acquired and that it will not acquire any additional tanks from any source without consultation with the USG.

The GOP will be capable of maintaining and operating the M-47s since the package deal with the Government of Italy would include arrangements for follow on spares and technical assistance for an improved indigenous Pakistani capability to maintain M-47s.

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E.O. 12958, Sec. 3.6
NLJ 96-248
By ijp, NARA Date 2-25-98

~~SECRET~~

*Pres file*29

Wednesday, February 28, 1968
11:50 a. m.

~~TOP SECRET~~

MR. PRESIDENT:

Herewith the two regular morning reports from Saigon:

1. Khe Sanh - DMZ:

-- less shelling; relatively good weather permits effective U. S. air and artillery action;

-- high level of re-supply (237 tons);

-- weather for next day not too bad.

2. MACV telephone conversation

-- a good operation south of Danang at Tam Ky; serious and, we hope, sustained work to open Highway 1;

-- still uncertainty about the actual strength of the enemy units outside of Saigon.

W. W. Rostow

SECRET and ~~TOP SECRET~~ attachment

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Authority OSD Ltr 10-18-78

By ip/ly, NARA, Date 3-3-92

SECRET

① 29a

Wednesday, February 28, 1968, 9:50 AM

TEXT OF CABLE FROM GENERAL WESTMORELAND

This is report number twenty-four on the situation in the Khe Sanh/DMZ area and covers the 24-hour period of February 27, 1968.

~~Enemy incoming lessened somewhat yesterday at Khe Sanh compared~~ with previous days as enemy shelling totaled 115 rounds of mortar, 15 rounds of artillery and 10 rounds of rocket. Casualties attributed to the shelling were one killed, 20 wounded (11 evacuated). There were no significant ground contacts reported, however, several significant sightings of enemy activities were made.

At 10:00 AM a resupply helicopter received small arms fire from enemy positioned 1000 meters east of Khe Sanh. ~~At 10:25 AM an air strike was executed southwest of Khe Sanh in Laos, and destroyed one vehicle believed to be an enemy tank.~~ At 11:10 AM Marines sighted eight enemy troops moving towards the Khe Sanh area with a 50 caliber weapon 2 1/2 kilometers east of Hill 881; air strikes were called with undetermined results. At 11:15 AM, an administrative officer directing air strikes 20 kilometers southwest of ~~Khe Sanh reported three large fires around the Co Roc area.~~ A vehicle convoy was spotted at the same location and air strikes were called in with undetermined results.

Throughout the afternoon incoming continued but of a sporadic nature. An artillery mission was fired on a known mortar site three kilometers southwest of Hill 881 resulting in ~~several secondary explosions.~~ An air strike run four kilometers southwest of Hill 881 resulted in ~~nine secondary explosions.~~ At 8:25 PM Marine Listening Post heard movement to the left of its position and received one grenade injuring two Marines. Fire was returned with unknown results. ~~Three additional large secondary explosions were observed four kilometers north of Khe Sanh as a result of a tactical air run.~~ Damages attributed to the day's incoming at Khe Sanh consisted of a helicopter destroyed by an enemy artillery round. Aircraft personnel were not injured.

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Authority OSD ltr 11/3/79

By ep/ry, NARA, Date 3-3-92

Elsewhere at friendly installations bordering the DMZ, ~~enemy incoming~~ artillery, rocket and mortar rounds were significant. Camp Carroll received five rounds of mortar. At Dong Ha Combat Base, 11 rounds of artillery fell. No damages or casualties were recorded in either instance. Con Thien and Gio Linh received five mortar rounds and 38 artillery rounds respectively, with negative damage and casualties reported. Friendly casualties of two killed, seven wounded (six evacuated) were caused by 115 rounds of artillery and 25 mortar rounds falling at positions held by Marines in the Cua Viet area. The 1st AMTRAC received nine rounds of mixed artillery and mortar causing minor injuries to one individual.

In ground contacts yesterday in Operation Saline, search and destroy operations conducted by elements from the 3rd Battalion, 1st Marines, in Mai Xa Thi Village, ~~accounted for six North Vietnamese Army killed.~~ In the contact one Marine was killed and three injured. On the Cua Viet, three landing craft convoys were fired upon with automatic weapons fire and mortars. In each instance negative casualties were reported.

There were five COFRAM missions fired expending 27 rounds of 155 MM and one round of 8" ordnance, ~~resulting in 26 North Vietnamese Army killed.~~

The high total of ~~415 tactical air sorties were flown in support of Khe Sanh during the period.~~ Marine aircraft flew 157 sorties, with Bomb Damage including 10 secondary explosions, six secondary fires, one mortar position destroyed. Three bunkers destroyed, 20 structures destroyed, 20 structures destroyed, and 22 enemy killed. The Air Force flew 153 sorties and the Navy flew 105 sorties. Bomb Damage Assessment included ~~11 large fires (numerous small fires), 39 secondary explosions, 39 road cuts, eight confirmed enemy killed (15 probable).~~ One automatic weapons position destroyed, and two 37 MM guns destroyed. Six ARC LIGHT strikes (33 sorties) were flown in the Niagara area.

Air resupply for the period amounted to ~~237 short tons.~~ Fifteen short tons of vehicles, six short tons of mail and three short tons of medical supplies completed the largest resupply tonnage delivery in many weeks. In addition, 68 passengers were landed at Khe Sanh. Resupply sorties totaled 46 on February 27. Fourteen C-130 aircraft completed ten air drops, and three air landed at the airfield. Twenty-eight Marine helicopters delivered passengers and cargo.

For the next 24 hours, a total of 282 tactical air sorties are scheduled in support of Khe Sanh. Eight ARC LIGHT strikes (48 sorties) will be flown in the Niagara area.

Except for a brief period of fog at 9:00 AM on February 27 the weather was good the remainder of the morning and afternoon with partly cloudy skies and good visibilities. The weather remained generally good through the night until 4:00 AM on February 28 when fog formed, reducing visibilities to two miles by 8:00 AM. The forecast for the period next 24-hour period is for cloudy skies with continued visibility restrictions because of fog.



~~TOP SECRET~~

THE JOINT CHIEFS OF STAFF
WASHINGTON, D. C. 20301

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CM-3055-68
28 Feb 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Telephone Conversation with General Kerwin, CS, MACV

1. General Westmoreland was out of the office and I talked to General Kerwin, General Westmoreland's Chief of Staff. There is little to report concerning activities in SVN except for some updating of information reported in the Presidential operational/intelligence brief and in General Westmoreland's report #24 on the situation in the Khe Sanh/DMZ area.
2. In the action reported west of Tam Ky, a sweep of the ~~areas increased enemy casualties to 289 KIA from the 148 reported earlier while U.S. losses increased from two to three KIA.~~ No change in U.S. wounded. There is no further information on the reported movement of major communist elements to the coastal area between Da Nang and Tam Ky.
3. ~~Action is underway to secure Highway 1 from Ai Van Pass to Phu Loc, and it is estimated that the road should be secure to permit engineer work within the next 72 hours.~~ Concurrently, security operations are underway on Highway 1 between Phu Loc and Hue/Phu Bai; ~~it is estimated that several more days will be required to secure the latter segment fully.~~
4. In II Corps at Dak To there is no change to reports already received here. ~~A friendly long range patrol ambushed enemy forces 5 kilometers west of Kontum City resulting in 20 enemy killed and no friendly casualties.~~
5. Activities in III Corps consisted of indirect fire attacks already reported. Some of the casualties at Bien Hoa resulted from a direct rocket hit on a friendly bunker. I raised a question concerning any changes in location of the 5th and 9th VC Divisions and the 7th NVA Division and their subordinates in the Saigon area. ~~General Kerwin reports no evidence of significant change in location of these units.~~

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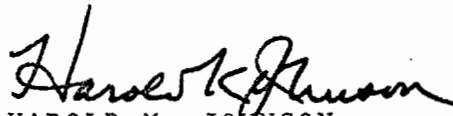
Authority Pres 10-3-78
By 4/18, NARA, Date 3-3-92

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6. In IV Corps Area no information was provided beyond that contained in the Presidential operational/intelligence brief.



HAROLD K. JOHNSON
ACTING CHAIRMAN
JOINT CHIEFS OF STAFF

²
~~TOP SECRET~~

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET~~

Breakfast with the President
Wednesday, February 28, 1968, 8:30 a.m.

*Free file*AGENDA

1. The enemy's situation, capabilities, objectives, in the weeks ahead. (Mr. Helms)
2. Report and recommendations by Gen. Wheeler. (Gen. Wheeler)
3. Key questions to be posed, if not covered by Gen. Wheeler. (The President)

- What is the state of the ARVN?
- What is the state of the Regional and Popular Forces?
- Will the GVN be able to deliver the 65,000 by July 1, 1968?
- What is Westy's appreciation of the situation at Khe Sanh? Does he expect an attack? When? Does he believe he can handle it?
- If the enemy hit simultaneously at Saigon, Western Highlands, Quang Tri, and Khe Sanh, does Westy have the forces and reserves available to handle all at once?
- How rapidly are the VC consolidating the countryside, raising recruits, etc.? What are Thieu and Westy doing about it?
- To what strategic use does Westy plan to put the forces he wants to arrive:
 - by May 1
 - by September 1
 - by December 31
- What are the budgetary implications of these recommendations?
(Sect. McNamara and Gen. Wheeler)
- What are the diplomatic problems raised by these recommendations?
(Sect. Rusk)

Attached at Tab A are the questions posed some time ago to Sec. McNamara & which I again made available to him today

4. You may then wish to ask the views of:

- Sect. Rusk
- Sect. McNamara
- Mr. Clifford
- Gen. Taylor
- Mr. Helms

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E.O. 12356, Sec. 3.4
NLJ 92-374
By CL, NARA, Date 9-15-94

~~TOP SECRET~~

5. Depending on your own assessment of where we are, you may wish to ask Mr. Clifford to chair an urgent small group:

- to examine Gen. Wheeler's proposal, and the related question of Reserve call-ups;
- to recommend a course of action or alternate courses of action to the President;
- to elaborate for each course of action implications for the budget; balance of payments; diplomacy; Congress; U.S. public opinion;
- to present these recommendations to the President by, say, Saturday morning, March 2.

The group might consist of: Mr. Clifford, Sect. Rusk, Gen. Wheeler, Mr. Helms, Mr. Califano, Gen. Taylor, Mr. McPherson, (perhaps) myself. Mr. Califano would, without divulging details, explore the budgetary and balance of payments implications of various possible levels of additional expenditure with: Mr. Okun and Mr. Deming.

The group might wish to set up working groups on specific narrow issues.

6. Guidance for Cabinet presentation. (The President)

Gen. Wheeler and Phil Habib are scheduled to make a brief report to the Cabinet. You may wish to direct them to present a balanced factual picture of what has happened since the Tet offensive:

- how it looks to the enemy;
- how it looks on our side;
- problems to be faced -- but nothing on troop recommendations.

7. Other.

- Sect. Rusk's report of meeting with Dobrynin at 5 p.m. Tuesday (Feb. 27);
- Kiesinger letter (Tab B);
- Para. 3 (Middle East arms) of draft cable to Moscow (Tab C);
- Additional items, if any.

W. Rostow

P.S. You will, of course, wish to give Gen. Wheeler guidance about dealing with the press, who will be waiting to get at him hard.

QUESTIONS RELATED TO THE CALL-UP OF RESERVE UNITS
AND INDIVIDUALS

1. Why is it necessary to call up reserve units at this time?
 - a. To be ready for further reinforcement of Viet-Nam?
 - b. To be ready for other contingencies outside Viet-Nam?
 - c. To reassure allies such as NATO to whom we have military commitments?
 - d. To contribute to our overall deterrent posture by adding to our visible strength in being?
2. How large should the call-up be to satisfy the foregoing requirements? Can the call-up be diminished by such devices as a reduction in our overseas garrisons in Europe or Korea?
3. Why is it necessary to call up individual reservists at this time? Can't it be avoided or postponed? If not, how many must be called? When? From what sources?
4. What will happen to the reserve units and individuals called up? Where will they go? How long will they serve? Are the necessary housing, equipment, and training facilities ready for them?
5. What are the budgetary implications of these actions?
6. What must be requested from the Congress? What can be avoided or delayed?
7. What will be the manpower requirements for maintaining these increased forces? What will the effect be on draft calls?
8. What will be the domestic and international reactions to these decisions?
9. How should our decision be explained to the domestic and international public? What should be the timing of our statement?

February 13, 1968

Dear Mr. Chancellor:

I was greatly encouraged to have Under Secretary Rostow's report of his talk with you on balance of payments policy, and the report from him and Ambassador Trezise about their conversations on the same subject with members of your government and administration. If the European Community accepts your strong and constructive lead, I believe you will have made a major contribution not only to our common economic welfare, but to the solidarity of the Alliance, and the improvement of political relations between Europe and the United States. The test will come in the days ahead, as we move from general words to concrete actions.

I know I don't have to stress to you the reciprocal dangers of isolationism on both sides of the Atlantic in this period of stress and transition. Success in the approach you discussed with Under Secretary Rostow, Mr. Chancellor, would be a tonic for the Alliance, and a very great achievement on a most critical and sensitive front. I have no doubt its beneficent effects would be felt in many areas, and for a long time. It is a goal worth a great deal of effort.

I was pleased to learn that your government agrees that an expansionary solution in Western Europe to improve our balance of trade would be desirable. Members of your government have suggested as one possibility that the surplus countries of Europe might accelerate their Kennedy Round tariff reductions. This is one example of an expansionary measure which would help to achieve equilibrium in the balance of payments as a whole.

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E.O. 12958, Sec. 3.6
NLJ 96-249
By CB, NARA Date 11-5-97

It could facilitate the adjustment of surpluses and deficits through enlarging trade, and strengthening the integrated world economy on which we all depend. There are other promising trade steps which Ambassador Trezise has discussed. But as Ambassador Trezise said in his meetings in Bonn, we shall soon have to make a decision here among the alternative ways of improving our trade account.

Action to influence the flow of trade should of course go beyond trade measures as such. Rates of economic growth are the most important factor influencing the level of trade between our countries and with the rest of the world. If the surplus countries take measures to accelerate their growth while the deficit countries act to restrain their economies, our actions should lead harmoniously and directly to an improved international payments situation. This is why both our countries actively supported the Organization for Economic Cooperation and Development Ministerial resolution of last December calling for intensified cooperation between surplus and deficit countries.

But we must now move out of the realm of theory and general resolutions and down to the level of concrete policy recommendations to member countries. Your reflationary policies instituted last fall, and the recent decisions of the French government are steps in the right direction. But we are inclined to think they will not be sufficient in themselves to bridge the gap.

We have before us an opportunity to examine these questions together, and to take appropriate action in concert, at the high level meetings of the

OECD to be held in Paris during the first week in March. We must seize this opportunity. It is a test of the ability of the United States and Europe to work together to preserve the international trade and monetary system which we so laboriously created from the ashes of war.

There is a natural tendency in the face of a complex problem to adopt the easiest solution. I fear that in the case of trade the seemingly easiest solution may ultimately cause us the most difficulty. The time, therefore, has come for us to break new ground in international cooperation which would turn the problem of restoring equilibrium into a challenge rather than a pitfall. It would be entirely fitting to do this in the same house in Paris so closely associated with an earlier bold experiment in international cooperation -- the European Recovery Program. If we achieve such cooperation at the forthcoming meetings, it would be most helpful in overcoming the difficult problem related to international trade which I have previously outlined and which Under Secretaries Katzenbach and Rostow, and Ambassador Trezise have discussed in Bonn.

In my judgment, such cooperation can only be achieved with the active leadership of the German representatives. I shall ask Mr. Okun, the head of our delegation to the Economic Policy Committee, and Under Secretary Deming, the head of our delegation to Working Party 3 on International Payments Equilibrium, to work especially closely with the German representatives.

With cordial good wishes,

Sincerely,

His Excellency
Dr. Kurt Georg Kiesinger
Chancellor of the Federal Republic of Germany

Lyndon B. Johnson

EUR/SOV:MToon:llp
2/22/68

DRAFT TELEGRAM

~~SECRET~~

ACTION: Amembassy MOSCOW PRIORITY

STATE

NODIS

LITERALLY EYES ONLY FOR THE AMBASSADOR

30c
DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-248
By HP, NARA Date 2-25-97

1. The President is deeply concerned at failure of Soviets to act on our proposals for strategic arms talks and for reciprocal restraint on Mid East arms shipments.
2. Aside from their intrinsic urgency and the need to show progress to non-nuclears, we had hoped that arms talks would be under way while Bob McNamara still on job and his enormous talent and expertise remain available and fresh. Time is running out not only in terms of McNamara's availability but also because of increasing pressures on President to move further and faster to offset Soviet activity in both offensive and defensive strategic areas.
3. Re Mid East, our commitment to Eshkol is matter of public record and so long as pace of Soviet arms shipments to radical Arab states and fleet build-up in Mediterranean remains undiminished we will be obliged soon to decide on advanced types of aircraft to Israel.
4. Accordingly, we require urgently positive Soviet response in both areas if we are to avoid taking further steps which may well be irreversible and complicate prospects of cooperation efforts to curb arms race. It is not enough to say proposals are under study, and observations such as Dobrynin has made to you that decision unlikely because of Vietnam and now Korea seem disingenuous and are certainly not helpful.

~~SECRET - NODIS~~

5. We plan instruct you soon deliver following highest-level message, but we have not yet decided whether it should be in form of letter to Kosygin or oral statement as on January 22. Whether written or oral, we must also decide on optimum timing, bearing in mind upcoming Budapest Conference. Activities there may well further inhibit Soviet maneuverability, and before may be better than after. We would appreciate your immediate views on both modality and timing:

BEGIN TEXT. Ambassador Thompson has conveyed to you my sense of urgency about the related issues of moderating the strategic arms race and restraining shipment of conventional arms to the Middle East. I have, of course, read with care the Ambassador's report of your preliminary remarks on both issues, and I am reluctant to approach you again before you have replied in a more formal way. I feel, however, it is important for you to understand that the pressures on me to act in both areas are heavy and time is indeed running out.

In January 1967, I was encouraged to believe that our agreement in principle on the desirability of discussing both the offensive and defensive aspects of the strategic arms problem would soon lead to meetings of our experts and hopefully agreement between them. Over a year has gone by, and talks have not yet begun. Meanwhile, the problem has become more complex, and the need ourselves to agree on restraint while we are urging self-denial on the non-nuclear powers has become more pressing.

I believe we must act soon if we are not to lose forever the opportunity to restrain the competition between us and if we are to avoid a legitimate claim of bad faith on the part of others.

The Middle East arms problem is of equal urgency. You know of my conversations with Prime Minister Eshkol when he was here in December. I cannot long resist legitimate requests by Israel to match arms shipments to other states in the area. This would not only complicate the already difficult mission of Ambassador Jarring in the area, but it would also significantly reduce the chances of peace in that troubled part of the world. Here, too, it is incumbent upon us as the principal sources of arms to the states of the Middle East to move quickly.

As I indicated at Glassboro, these two pressing issues as well as other related aspects of the arms control problem could conveniently be discussed in the same forum. But if you have another view as to the modality of discussions, I shall as always be glad to consider your proposal for I have no fixed view on procedure.

We have now and will continue to have serious differences of view on many problems and in many areas. We must not permit these differences to preclude progress where it is possible. You and I are agreed that we have special responsibilities for the preservation of peace and stability in the world. Let us meet them now. I await your reply. END TEXT

EUR/SOV:MToon

31

INFORMATION

~~CONFIDENTIAL~~

Wednesday, February 28, 1968
8:15 a.m.

Pres file

Mr. President:

We have been informed that a
letter is coming to you shortly from
Chancellor Kiesinger on this subject.

W. W. Rostow

~~CONFIDENTIAL~~

WWRostow:rlh

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

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 2/27/92

31a

~~Wednesday~~
Tuesday, February 27, 1968
Tuesday 27

~~CONFIDENTIAL~~

MR. PRESIDENT:

Attached is Ambassador Trexise's report on his consultations with the Common Market countries on possible U. S. balance of payments measures in the trade field.

His conclusions are:

1. The Europeans are most unlikely to take any direct action on their own to improve our trade account.
2. They are concerned about any measures we may take in this field. They are most worried about quotas and would find least palatable a modest import surcharge.
3. They probably would stand still for a U. S. action that is narrowly limited, temporary, and for which we would obtain a GATT waiver. This is a probability with risks -- not a certainty.
4. The Europeans look at the import tax surcharge as an index of our credibility. They will react badly to any action we might take in the trade field which directly affects them. If we do not take visible action to restrain their own economy. (Blessing, head of the German Central Bank, recently told Gene Rostow and Fred Deming that failure to get a tax bill would touch off speculation against the dollar.)

Trexise is returning this evening and will go over his talks with us tomorrow as a basis for reviewing our position and preparing recommendations for you.

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E.O. 12958, Sec. 3.6
NLJ 96-249
By CL, NARA Date 11-5-97

W. W. Rostow

ERF:mst

~~CONFIDENTIAL~~



Department of State

TELEGRAM

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27

~~CONFIDENTIAL~~ 992

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ACTION SS 70

INFO /070 W

EF
F Tregier

~~BOWDLER~~
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~~DAVIS~~
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~~GINSBURGH~~
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~~JOHNSON~~
~~JORDEN~~
~~KEENEY F~~
~~LEONHART~~
~~ROCHE~~
~~SAUNDERS~~
~~TAYLOR~~

P 251149Z FEB 68
FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY 9649

~~CONFIDENTIAL~~ SECTION 1 OF 3 PARIS 10734

CEDTO

LIMDIS/LETTUCE

FOLLOWING IS MY REPORT TO UNDER SECRETARY KATZENBACH
ON RESULTS CONSULTATIONS WITH COMMON MARKET MEMBER STATES
AND EUROPEAN COMMISSION:

BEGIN QUOTE
THE HONORABLE
NICHOLAS DEB. KATZENBACH
UNDER SECRETARY OF STATE

~~PAGE 2 RUFCR 10734/1 CONFIDENTIAL~~
DEAR NICK:

IN YOUR LETTER OF FEBRUARY 10, YOU ASKED ME: (1) TO
DETERMINE WHETHER THERE WAS ANY DISPOSITION ON THE PART
OF EUROPEANS TO TAKE ACTION OF THEIR OWN TO IMPROVE OUR
TRADE POSITION; (2) TO DETERMINE WHICH OF THE SEVERAL US
TRADE ACTIONS UNDER CONSIDERATION WOULD BE LEAST DISTASTEFUL
TO EUROPEANS; (3) TO FORM AS CLOSE A JUDGMENT AS I COULD
OF WHETHER EUROPEANS WOULD STAND STILL FOR A UNILATERAL
RESTRICTIVE MEASURE BY THE UNITED STATES; AND (4) TO

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E.O. 12958, Sec. 3.6

NLJ 96-248

By ig, NARA Date 2-25-97

~~CONFIDENTIAL~~



Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 02 PARIS 10734 01 OF 02 251309Z~~

PREPARE THE WAY FOR A PROMPT RE-EXAMINATION IN GATT OF THE FUNDAMENTALS OF BORDER TAX ADJUSTMENT. THESE ARE THE RESULTS:

1. THE EUROPEANS ARE ALMOST CERTAINLY NOT PREPARED TO TAKE DIRECT ACTIONS TO IMPROVE OUR TRADE POSITION. OF THE SEVERAL POSSIBILITIES DISCUSSED IN WASHINGTON, ONLY KENNEDY ROUND ACCELERATION GOT AN ECHO. THIS PROPOSAL - WHICH GENE ROSTOW ABLY PRESENTED TO THE GERMANS AT CABINET LEVEL TEN DAYS AGO WAS TAKEN BY THE FEDERAL REPUBLIC AS ITS OWN AND PUT TO THE

~~PAGE 3 RUENR 10734/1 CONFIDENTIAL~~

FRENCH DURING THE KIESINGER-DE GAULLE TALKS LAST WEEK. THE FRENCH RESPONSE WAS STRAIGHTFORWARDLY NEGATIVE.

THE FRENCH REACTION IS NOT SURPRISING, BUT THE REASONS THE FRENCH GAVE US FOR THEIR LACK OF INTEREST ARE WORTH MENTIONING. FIRST, AS A FORMER HIGH-TARIFF COUNTRY, FRANCE WILL ALREADY BE MAKING VERY SUBSTANTIAL REDUCTIONS IN ITS EXTERNAL PROTECTION ON JULY 1. SECOND, IT WOULD BE BEYOND THE GOVERNMENT'S POWER TO EXPLAIN TO FRENCH INDUSTRY WHY IT SHOULD MAKE A FURTHER SACRIFICE TO FAVOR "THE RICHEST COUNTRY IN THE WORLD." THIRD, FRANCE'S KR CONCESSIONS WERE GREATER THAN OURS, AND ASP STILL REMAINS ON OUR BOOKS. FINALLY, ACCELERATION OF THE KENNEDY ROUND WOULD NULLIFY THE TEMPORARY ADVANTAGE THAT THE COMMON MARKET HAS AGREED TO AFFORD TO THE DEVELOPING COUNTRIES.

I SHOULD ADD THAT THE ITALIANS, THE BELGIANS, AND THE COMMISSION WERE ALSO DOUBTFUL OR HOSTILE TOWARD KENNEDY ROUND ACCELERATION. THE ITALIANS ARGUED MUCH ALONG THE LINE TAKEN BY THE FRENCH. THE BELGIANS AND THE COMMISSION PEOPLE SIMPLY

~~PAGE 4 RUENR 10734/1 CONFIDENTIAL~~

DID NOT BELIEVE IT TO BE A PRACTICAL PROPOSITION. THE DUTCH WERE INTERESTED, BUT THEY ACCEPTED THE FRENCH VIEW AS PROBABLY BEING CONCLUSIVE FOR THE COMMUNITY.

~~CONFIDENTIAL~~



Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 03 PARIS 10734 01 OF 03 2013092~~

YESTERDAY, SCHOELLHORN SAID HE WAS NOT PREPARED TO GIVE UP YET, AND THAT THE FEDERAL REPUBLIC WOULD BE GOING BACK TO THIS POINT DURING THE TALKS IN ROME ON FEBRUARY 26 AND 27. I OF COURSE DID NOT DISCOURAGE HIM, BUT MY JUDGMENT IS THAT THE GERMANS WILL NOT GET A FAVORABLE RESPONSE.

OTHER POSSIBILITIES FOR SPECIFIC ACTIONS RELATED TO OUR TRADE ACCOUNT - TO UNTIE AID, TO ENLARGE ACCESS TO CAPITAL MARKETS, OR TO REMOVE OR MODIFY NON-TARIFF BARRIERS - LEFT MY INTERLOCUTORS COLD.

AS FOR GENERAL EXPANSIONARY MEASURES, THE FRENCH, BELGIANS, GERMANS, AND THE COMMISSION ALL POINTED TO ACTIONS ALREADY TAKEN AND TO THE RECOVERY THAT IS SAID TO BE NOW UNDER WAY. FURTHER REFLATIONARY ACTION LATER ON, ESPECIALLY IN GERMANY, IS NOT FORECLOSED; IN FACT, THERE WILL BE PRESSURE ON THE

~~PAGE 5 RUENR 1073471 CONFIDENTIAL~~

FEDERAL REPUBLIC FROM ITS COMMON MARKET PARTNERS TO DO MORE, IF GERMAN GROWTH SHOWS SIGNS OF LAGGING. BUT THE GERMAN DECISION SEEMS TO BE TO WAIT AND SEE FOR THE TIME BEING.

THERE ARE SEVERAL MEETINGS IMMEDIATELY AHEAD, DURING WHICH EUROPEAN GROWTH RATES WILL BE DISCUSSED. THE COMMUNITY'S FINANCE AND ECONOMIC MINISTERS MEET IN ROME ON FEBRUARY 26 AND 27, AND IN BRUSSELS ON MARCH 4. THE OECD ECONOMIC POLICY COMMITTEE MEETS ON MARCH 5 AND 6. I BELIEVE THAT THESE MEETINGS MAY PRODUCE USEFUL STATEMENTS ABOUT THE NEED FOR A HIGHER GROWTH RATE IN EUROPE, AND THAT THERE MAY EVEN BE AN EXPLICIT LINK MADE BETWEEN EUROPEAN EXPANSION AND THE US - UK PAYMENTS PROBLEMS. IT SEEMS TO ME MUCH LESS PROBABLE THAT THERE CAN OR WILL BE ANY SPECIFIC PLEDGES TO FURTHER POLICY ACTION OF A SIGNIFICANT NATURE. (SCHOELLHORN'S COMMENTS TO ME YESTERDAY SEEMED TO REFLECT HIS BELIEF THAT TAX REDUCTIONS IN GERMANY ARE RULED OUT FOR THE PRESENT.)

GP3 TREZISE

~~CONFIDENTIAL~~



Department of State

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ACTION SS 70

INFO 1070 W

P 251149Z FEB 68
FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY 9650

~~CONFIDENTIAL~~ SECTION 2 OF 3 PARIS 10734

CEDTO

LIMDIS/LETTUCE

II. AMONG THE FOUR SORTS OF TRADE MEASURES WE HAVE BEEN CONSIDERING, CLEARLY THE MOST DISTASTEFUL WOULD BE QUANTITATIVE RESTRICTIONS. THE GERMANS, THE ITALIANS, THE BELGIANS, THE DUTCH, AND THE LUXEMBOURGERS ALL SPOKE OF QR'S IN TONES OF HORROR. THE FRENCH SAID THEY WERE SURE WE WOULD NOT TAKE SUCH A MEASURE UNLESS THINGS HAD REALLY GONE TO HELL IN THE UNITED STATES.

OF THE OTHER POSSIBILITIES, I THINK IT CORRECT TO SAY THAT

PAGE 2 RUFNCR 10734/2 ~~CONFIDENTIAL~~

A US BORDER ADJUSTMENT LINKED TO US INDIRECT TAXES WOULD BE THE LEAST PALATABLE, AND PROBABLY THE LEAST SUCCESSFUL IN TERMS OF THE OUTCOME. THIS IS FOR THREE REASONS. FIRST, THE EUROPEANS FEEL THAT IT WOULD BROADEN THE SCOPE IN THE GATT FOR BORDER ADJUSTMENTS; EVEN THOUGH SOME SIMILAR TAXES ON INPUTS MAY NOW ENTER INTO FRONTIER ADJUSTMENTS IN MANY COUNTRIES, MOST EUROPEAN STATES HAVE ROOM FOR FURTHER SUCH ADJUSTMENTS; THEY WOULD FIND IT VERY DIFFICULT TO DENY TO THEIR OWN PRODUCERS NEW COMPENSATORY ADJUSTMENTS, EVEN IF SUBSTANTIAL BUDGETARY

~~CONFIDENTIAL~~



Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 02 PARIS 10734 02 OF 03 251413Z~~

COSTS HAD TO BE ACCEPTED. SECOND, THERE WAS CONCERN FOR LEGALITY. EVERYONE SAID TO ME QUITE POLITELY THAT IF WE WERE ENTITLED TO IT, AS I HAD STATED, THEN WE SHOULD MAKE THE ADJUSTMENT; BUT NO ONE SEEMED TO THINK THAT WE WOULD BE ENTITLED TO IT; AND THE DEPARTURE FROM ENTRENCHED GATT PRECEDENT WOULD MAKE IT MORE DIFFICULT FOR THOSE COUNTRIES THAT WANT TO HELP US (GERMANY AND HOLLAND IN PARTICULAR) TO WITHSTAND FRENCH ATTACKS. THIRD, THERE IS AN EVIDENT UNDERLYING CONCERN ABOUT OPENING UP EXPORT REBATES AS A NEW AREA OF INTERNATIONAL COMPETITION. THE EUROPEANS ARE QUITE AWARE THAT THIS WOULD BE A LOSING GAME FOR THEM.

~~PAGE 3 RUFNCR 10734/2 C O N F I D E N T I A L~~

THIS LATTER CONSIDERATION APPLIES EQUALLY TO THE EXPORT REBATE/IMPORT SURCHARGE UNDER A GATT WAIVER. IT WAS MADE CLEAR, ALSO, THAT THE REBATE/SURCHARGE APPROACH WOULD SOUND MORE LIKE DEVALUATION THAN WOULD A STRAIGHT SURCHARGE. OTHERWISE, MY EUROPEAN RESPONDENTS WERE NOT WILLING TO STATE A PREFERENCE AS BETWEEN ALTERNATIVE B AND B PRIME.

I SHOULD SAY THAT THE DISTINCTION I HAVE MADE AS TO EUROPEAN ATTITUDES TOWARD OUR SEVERAL ALTERNATIVES (QUANTITATIVE RESTRICTIONS EXCLUDED) DID NOT COME OUT AS DEFINITIVE OPINIONS. EVERYONE TOOK THE LINE THAT ALL FOUR ALTERNATIVES WERE BAD, AND THEN OFFERED THE REFLECTIONS I HAVE SUMMARIZED HERE. IN EFFECT, THEY LET US CONCLUDE THAT OF A SERIES OF UNFORTUNATE ACTIONS ON OUR PART, A MODERATE IMPORT SURCHARGE WOULD PROBABLY BE THE LEAST UPSETTING TO THEMSELVES AND TO THE INTERNATIONAL TRADING SYSTEM.

III. WILL THE EUROPEANS STAND STILL?
THE FRENCH DID NOT SHOW US THEIR HAND AND, AFTER REFLECTION, I THOUGHT IT WISE NOT TO PUSH THEM FOR A STATEMENT OF WHAT

~~PAGE 4 RUFNCR 10734/2 C O N F I D E N T I A L~~

THEY WOULD DO WHEN AND IF WE HAD TAKEN OR PROPOSED A RESTRICTIVE ACTION.

~~CONFIDENTIAL~~



Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 03 PARIS 10794 02 OF 03 251413Z~~

NO ONE WOULD IN ANY DIRECT SENSE ENGAGE HIMSELF TO STAND STILL IN ANY AND ALL CIRCUMSTANCES. INDEED, THE PSYCHOLOGY OF THE SITUATION IS SUCH THAT MOST EUROPEAN SPOKESMEN PREFERRED NOT TO GIVE AN ANSWER TO WHAT THEY REGARDED AS STILL AT LEAST IN PART A HYPOTHETICAL QUESTION.

BUT THIS MUCH IS CLEAR. THE GERMANS AND THE DUTCH WANT TO AVOID COUNTERVAILING ACTION BY THE EEC. THE ITALIANS ARE NOT LIKELY TO TAKE AN INITIATIVE. SIMILARLY, THE BELGIANS, ALTHOUGH THEY DID BRANDISH THE POSSIBILITY OF RETALIATION SHOULD WE "GO TOO FAR," WOULD PROBABLY NOT ACT. THE EUROPEAN COMMISSION, I BELIEVE, WOULD PLACE ITS WEIGHT AGAINST RETALIATION IF OUR ACTION WAS "MODERATE AND TEMPORARY" AND HAD BEEN PUT INTO THE GATT MACHINERY.

ALTHOUGH I THINK, THEREFORE, THAT THE COMMUNITY MAJORITY WOULD PROBABLY BE AGAINST COUNTERVAILING ACTION, THERE ARE

~~PAGE 5 RUENGR 1079472 CONFIDENTIAL~~

THREE FACTORS THAT MAKE A MORE EXPLICIT JUDGMENT IMPOSSIBLE, OR ANYWAY VERY DANGEROUS.

ONE IS FRANCE, AND THE POSSIBILITY THAT THE FRENCH GOVERNMENT WOULD NOT ONLY LABEL OUR ACTION AS EXORBITANT AND ILLEGAL, BUT WOULD ITSELF TAKE ACTION AT THE NATIONAL LEVEL TO FRUSTRATE WHATEVER WE MIGHT TRY TO DO.

THE GERMANS INITIALLY WERE ALARMED AT THE THREAT THAT FRANCE WOULD REFUSE TO RATIFY THE KENNEDY ROUND. SCHOELLHORN TOLD ME, HOWEVER, THAT HIS IDEA WAS NOT MENTIONED DURING THE INTENSIVE FRANCO-GERMAN DISCUSSIONS LAST WEEK. AS I UNDERSTAND IT, FRANCE HAS NO LEGAL WAY TO GOLD UP KENNEDY ROUND REDUCTIONS UNLESS THE COMMUNITY AS A WHOLE AGREES TO DO SO.

EVEN SO FRANCE COULD, FOR EXAMPLE, CLAIM A BORDER ADJUSTMENT FOR THE KIND OF "TAXES OCCULTES" THAT WE MIGHT ADJUST FOR; AND IN SO DOING IT WOULD UPSET THE TERMS OF TRADE WITHIN THE COMMUNITY AND UNLEASH A SERIES OF ACTIONS THAT WOULD UPSET

~~CONFIDENTIAL~~



Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 64 PARIS 10734 02 OF 03 251413Z~~

EVERYTHING. ONE MUST SUPPOSE THAT THE FRENCH MIGHT FIND OTHER

~~PAGE 6 RUFNER 10734/2 C O N F I D E N T I A L~~

POSSIBILITIES FOR UNILATERAL COUNTERACTION, DEPENDING ON WHAT WE CHOSE TO DO, AND THAT THEY WOULD LEAD THE OTHER EUROPEANS ALONG, WILLINGLY OR NOT.

A SECOND DANGER IS AT HOME. NO ONE CAN BELIEVE THAT THE EUROPEANS, OR ANYONE ELSE, WOULD ACCEPT SIMPLY ANY US TRADE MEASURE. IF THE CONGRESS WERE TO EMBELLISH THE ADMINISTRATION'S TRADE LEGISLATION WITH FURTHER RESTRICTIONS, WE PROBABLY WOULD HAVE TO BRACE OURSELVES FOR COUNTERVAILING ACTION. I THINK THAT WE WILL BE WARNED ABOUT THIS BY THE EUROPEANS, AND THAT THERE WILL BE AN EFFORT IN THE GATT TO PLACE SPECIFIC LIMITS ABOUT WHAT THE TERMS OF A WAIVER MAY BE.

THIRD, THERE IS THE REACTION OF THIRD PARTIES. I TOLD THE EUROPEANS THAT THE CANADIANS, THE JAPANESE, THE AUSTRALIANS, AND THE BRITISH ALL HAD MADE REPRESENTATIONS AS TO WHAT THEY MIGHT DO IN THE EVENT OF AN AMERICAN ACTION IN THE TRADE FIELD. FURTHERMORE, I TOLD THEM THAT WE MIGHT WELL CHOOSE TO EXEMPT THE DEVELOPING COUNTRIES FROM ANY MEASURES WE MIGHT TAKE. THESE PROBABILITIES, NATURALLY, GAVE THE EUROPEANS REASON TO HESITATE ABOUT TAKING A POSITION NOW.

GP3: TREZISE

~~CONFIDENTIAL~~



Department of State

TELEGRAM

21

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PAGE 01 PARIS 10734 03 OF 03 251320Z

51

ACTION SS 70

INFO /070 W

P 251149Z FEB 68
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~~CONFIDENTIAL~~ SECTION 3 OF 3 PARIS 10734

CEDTO

LIMDIS/LETTUCE

I TRIED TO MAKE IT CLEAR IN OUR TALKS THAT EUROPEAN ACTION TO FRUSTRATE A REASONABLE AMERICAN TRADE MEASURE WOULD BRING ALL OF US TO A NEW AND DANGEROUS SITUATION. AT GENERAL MEETINGS I DID NOT MAKE THREATS, BUT I BELIEVE THAT THE EUROPEAN REPRESENTATIVES ARE AWARE ON THE BASIS OF OUR PRIVATE DISCUSSIONS AND OUR COMMENTS IN MORE OPEN MEETINGS THAT ANY COUNTERVAILING ACTION BY EUROPE PROBABLY WOULD SET OFF A POTENTIALLY UNCONTROLLABLE REACTION IN THE UNITED STATES, AND MIGHT DO GRAVE DAMAGE TO THE WHOLE INTERNATIONAL TRADING AND MONETARY SYSTEM.

~~PAGE 2 RUFNCR 10734 CONFIDENTIAL~~

I BELIEVE THAT THERE IS NO MORE WE CAN GET FROM THE EUROPEANS BEFORE THE FACT. THERE IS AN OBVIOUS RISK IN PROCEEDING WITH ANY OF THE PROPOSALS WE HAVE UNDER CONSIDERATION, BUT MY JUDGMENT IS THAT THE COMMON MARKET REACTION TO A US MEASURE WHICH IS NARROWLY LIMITED, TEMPORARY, AND FOR WHICH WE SEEK A GATT WAIVER COULD BE KEPT WITHIN BOUNDS. AND THE MORE NEARLY WE ADHERE TO DUE PROCESS IN THE GATT, THE MORE LIKELY IT IS THAT WE CAN HOPE FOR A SENSIBLE EUROPEAN RESPONSE.

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Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 02 PARIS 10734 03 OF 03 251320Z~~

I MUST ADD THAT THE ANXIETY IN EUROPE ON THIS SUBJECT IS GENUINE. EVEN IF WE CAN PREVENT DIRECT COUNTERVAILING ACTION, THERE WILL BE SECONDARY AND TERTIARY RESPONSES THAT WILL HURT US. AT A VERY MINIMUM, EUROPEAN GOVERNMENTS WILL FIND IT MUCH MORE DIFFICULT TO RESIST LOCAL PRESSURES FOR NEW PROTECTION IN AGRICULTURE AND SOME INDUSTRIAL AREAS. ANOTHER LOSS, WHICH WE MUST ANTICIPATE, WILL BE IN THE AREA OF ATLANTIC COOPERATION. MANY OF OUR FRIENDS WILL DECIDE, AFTER SEEING US TAKE RESTRICTIVE MEASURES JUST UPON CONCLUSION OF THE KENNEDY ROUND, THAT COOPERATION WITH THE UNITED STATES IN TRADE MATTERS IS NOT A PAYING PROPOSITION.

~~PAGE 3 RUENR 10734 CONFIDENTIAL~~

THERE IS ALSO THE QUESTION OF SPECULATION AGAINST THE DOLLAR. THE EUROPEANS WERE FREE TO REMIND US THAT BRITISH AND CANADIAN IMPORT SURCHARGES WERE FOLLOWED IN DUE COURSE BY DEVALUATIONS. AND THE FRENCH, PRESUMABLY, WILL NOT DISCOURAGE COMMENT TO THE EFFECT THAT AN AMERICAN TRADE MEASURE CAN BE DESCRIBED AS A PARTIAL DEVALUATION.

IT IS POINTLESS TO LABOR THE MATTER, BUT I MUST ADD THAT OUR PERFORMANCE ON THE INCOME TAX SURCHARGE HAS BECOME AN INDEX OF OUR CREDIBILITY IN EUROPE. THE PUBLIC RELATIONS SITUATION IS THAT EUROPEAN GOVERNMENTS WILL HAVE A DIFFICULT TIME EXPLAINING TO THEIR PEOPLE WHY THE UNITED STATES HAS NOT TAKEN ANY VISIBLE ACTION TO RESTRAIN OUR ECONOMY AT A TIME WHEN WE ARE PUTTING SEVERE RESTRICTIONS ON OUR EXTERNAL ACCOUNTS, INCLUDING THE ULTRA-SENSITIVE FIELD OF TRADE.

I AM SURE THAT YOU ARE AWARE OF THESE, PROBABLY VERY CONSIDERABLE, OFFSETTING COSTS. I HAVE HAD THEM SO VIVIDLY BROUGHT TO MIND IN THE COURSE OF THIS SERIES OF CONSULTATIONS THAT I BELIEVE THEY SHOULD BE PART OF THIS REPORT.

~~PAGE 4 RUENR 10734 CONFIDENTIAL~~

IV. AS FOR THE BORDER ADJUSTMENT ISSUE, THE EUROPEANS ARE FULLY AWARE THAT WE INTEND TO SEEK A PROMPT REEXAMINATION OF

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Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 03 PARIS 18734 03 OF 03 251324Z~~

THE RELEVANT GATT RULES. MOST EUROPEANS ARE SOMEWHAT ON THE DEFENSIVE ON THIS QUESTION, AND THERE SHOULD BE NO PROBLEM ABOUT GETTING THEM TO PARTICIPATE. OUR CHANCES OF GETTING A SUBSTANTIAL RETURN FROM THE EXERCISE IN THE SHORT RUN ARE ABOUT ZERO AND NOT GREAT IN THE MEDIUM TERM, UNLESS WE WERE TO ENACT OUR OWN COMPENSABLE MANUFACTURERS' TURNOVER TAX WHICH WOULD GIVE US QUICK BARGAINING POWER.

BUT WE MIGHT BE ABLE TO MAKE PROGRESS IF WE CAN CONSTRUCT A FORMULA FOR BORDER ADJUSTMENTS THAT DOES NOT CALL FOR A RETURN TO SQUARE ONE ON THE PART OF EUROPE. WE SHOULD BE CAREFUL, ALSO, NOT TO ATTACK THE VALUE ADDED TAX SYSTEM AS SUCH, FOR IT HAS TAKEN ON A MEASURE OF SANCTITY AS PART OF THE EUROPEAN INTEGRATION PROCESS.

THERE IS A PROBLEM AS TO WHETHER WE SHOULD LINK ANY TRADE MEASURE WE TAKE TO RECENT EUROPEAN BORDER ADJUSTMENTS. THE GERMANS WERE ANXIOUS THAT WE NOT DO SO, WHEREAS VAN LENNEP OF

~~PAGE 5 RUENCR 18734 CONFIDENTIAL~~

NETHERLANDS THOUGHT THAT WE SHOULD MINIMIZE THE BALANCE OF PAYMENTS ARGUMENT, WHICH HE THOUGHT WOULD HAVE ADVERSE IMPLICATIONS FOR THE DOLLAR, AND PRESENT OUR ACTION AS A RESPONSE TO CHANGES IN EUROPEAN FRONTIER REGIMES WHICH HAD HAPPENED TO DISADVANTAGE US. I SUPPOSE WE COULD NOT MAKE A CLEAR-CUT CHOICE ANYWAY, BUT I THINK THE GERMAN POSITION IS THE BETTER. IF WE SAY WE ARE ACTING TO COMPENSATE FOR EUROPEAN BORDER ADJUSTMENTS, THERE IS NO REASON WHY JAPAN, CANADA, AND SO ON SHOULD NOT APPLY EXACTLY THE SAME REASONING.

V. IN CONCLUSION, I WOULD NOT RECOMMEND FURTHER CONSULTATIONS IN EUROPE UNLESS THE EUROPEANS COME FORWARD VERY SOON WITH SPECIFIC AND SUBSTANTIAL PROPOSALS. IT IS POSSIBLE THAT OUT OF THE MEETINGS COMING UP DURING THE NEXT FEW DAYS WE SHALL BE GIVEN AN OPENING FOR NEW SUBSTANTIVE TALKS. BUT I VERY MUCH DOUBT IT. ANYWAY, WE SHALL KNOW PROMPTLY.

VI. MESSRS. ENDERS, WIDMAN AND EVANS HAVE NOT SEEN THIS LETTER IN ITS FINAL FORM, ALTHOUGH ENDERS AND WIDMAN WORKED

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Department of State

TELEGRAM

~~CONFIDENTIAL~~

~~PAGE 64 PARIS 18731 03 OF 03 251320Z~~

ON IT IN DRAFT. I BELIEVE THAT ALL THREE AGREE IN LARGEST PART WITH MYIMPRESSIONS AND JUDGMENTS, BUT OF COURSE I DO

~~PAGE 6 RUENCR 18731 CONFIDENTIAL~~

NOT EXPECT THEM TO SHARE RESPONSIBILITY WITH ME FOR A DOCUMENT THAT THEY DID NOT HAVE AN OPPORTUNITY TO REVIEW.

END QUOTE

DEPT WILL NOTE I HAVE NOT REPEATED THIS MESSAGE TO OTHER POSTS, BUT MAY WISH DO SO ITSELF.

GP-3 TREZISE

~~CONFIDENTIAL~~

~~SECRET~~

February 28, 1968

Pres file

Mr. President:

In the attached letter (Tab A), the AEC requests authority to execute the nuclear cratering shot, BUGGY I. The views of the principal agencies concerned are:

1. State (Tab B) -- Nick Katzenbach does not oppose approval of BUGGY I in view of the favorable results of CABRIOLET. However, he emphasizes that we cannot assume Canadian cooperation if radioactivity is detected. If authorized, he suggests the test be conducted in mid-March in view of the special session of the UN General Assembly on the NPT in early April.

2. DOD (Tab C) -- Paul Nitze believes that BUGGY I can be safely executed at this time in view of the CABRIOLET experience. He favors authorization if State agrees that the international situation allows it.

3. ACDA (Tab D) -- Bill Foster recommends disapproval of the AEC request on the grounds that it involves "a very substantial risk of causing radioactive debris to be present in Canada in amounts that will be detected" with adverse international effects. He believes that further nuclear cratering experiments should be deferred until specifically legitimized by an amendment to the Limited Test Ban Treaty.

4. Canal Study Commission (Tab E) -- Robert Anderson recommends authorization without delay in view of its importance both to the canal study and to Commission legislation currently before Congress.

The AEC has summarized (Tab F) different estimates of the levels of radioactivity from BUGGY I that might cross our borders. We know that CABRIOLET produced substantially lower concentrations of radioactivity than had originally been predicted in the air mass that passed into Canada without being detected there. On the basis of the CABRIOLET venting experience and a new analytical prediction technique, the AEC now estimates that the levels of radioactivity from BUGGY I will be only about one-tenth those originally predicted

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLI 08-215 (#9-6)
By *is* NARA, Date 5-23-09

~~SECRET~~

~~SECRET~~


-2-

for CABRIOLET. The Weather Bureau, however, does not accept the new AEC technique and estimates that the levels will be ten times those predicted by the AEC or about the same as the levels originally predicted for CABRIOLET which led to the Weather Bureau estimate of a 50% chance of detection outside the US. The difference between the AEC and Weather Bureau predictions results primarily from the fact that the AEC assumes the radioactive cloud will be scavenged by rain before it reaches a border of the US while the Weather Bureau assumes that this will not happen. Don Hornig concluded (Tab G) that "the risk of detection of BUGGY I is comparable to that faced in the original CABRIOLET decision."

If authorized, BUGGY I should be conducted as soon as possible in view of the grazing season problem and the special session of the UN General Assembly on the NPT, both of which will begin by mid-April. The AEC will be prepared to conduct the test, weather permitting, ten days after authorization.

W. W. Rostow

Attachments:
Tabs A thru G

 _____ Approved. 2/29/68
_____ Disapproved.
_____ Arrange meeting of principals.
_____ Call me.

SMKeeny:jb:2-28-68/10:30a
bcc: SMK file and chron

WWR (2)
CEJ

~~SECRET~~

32a

Tabs

A

Three

G

774
324 B
THE UNDER SECRETARY OF STATE
WASHINGTON

~~CONFIDENTIAL~~

February 24, 1968

MEMORANDUM FOR MR. WALT W. ROSTOW
THE WHITE HOUSE

In view of the favorable results of Cabriolet, I do not oppose approval of the Buggy I experiment. Except for potential Canadian reactions, the timing from an international standpoint is about as good as we can expect to have.

If radioactivity is detected in Canada, we cannot assume Canadian cooperation in minimizing or discounting it, particularly in light of the current Canadian political situation. Any adverse reaction by the Canadian Government would, of course, be picked up and amplified by others.

While the draft NPT is scheduled to be submitted to the General Assembly by March 15th, it now appears debate on it will not begin before early April. Thus, if Buggy I can be conducted by about March 15th we will have a breathing spell before the debate begins.

While I do not oppose going ahead with Buggy I, it is important that all concerned recognize that this is only one in a series of tests needed in order to provide the Canal Commission with the information it must have in order to decide whether nuclear excavation is feasible for constructing a new Atlantic-Pacific Canal. Some of the later experiments would involve even higher radioactivity levels. The value of Buggy I without such follow-on experiments is not clearly established.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-248

By isp, NARA Date 2-25-97

Nicholas deB. Katzenbach
Nicholas deB. Katzenbach

~~CONFIDENTIAL~~

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780

ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION

726 JACKSON PLACE, N.W.
WASHINGTON, D.C. 20506

1- Henry
2- Phil
327
E

DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 93-471
By CL, NARA, Date 5-8-95

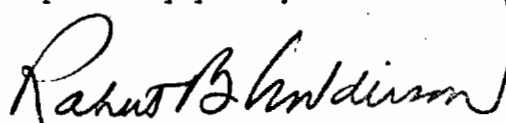
Honorable Walt W. Rostow
Special Assistant to the President
The White House
Washington, D. C. 20500

Dear Walt:

This is in reply to your memorandum of February 16, 1968, requesting my comments and advice on the request by the Atomic Energy Commission for approval of nuclear excavation experiment BUGGY I.

I recommend that BUGGY I be approved for execution without delay. Its early execution is important not only to the technical determinations required of the Canal Study Commission but also to Commission legislation currently before the Congress. Evidence of AEC progress in the development of the nuclear excavation technology is expected to be a key requirement in early hearings on our request for the additional time and money needed to complete the investigation of canal routes suitable for nuclear excavation.

Respectfully yours,



Robert B. Anderson
Chairman

~~CONFIDENTIAL~~

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C. 20333



REPLY TO
ATTN OF: AFTAC/TD-6

SUBJECT: Project BUGGY (U)

This document consists of 1 pages
No. 1 of 60 copies, Series PVE-B

13 FEB 1968

328

TO: Mr. John S. Kelly
Division of Peaceful Nuclear Explosives
US Atomic Energy Commission

1. (U) Members of my staff have reviewed the "Technical Plan for Project BUGGY" and the "Analysis of Project BUGGY," copies of which were furnished to this headquarters. In addition, members of my staff attended the briefing given to Dr. Hornig on 7 Feb 1968.

2. (S) We find the concentrations of radioactivity at H+50 hours airborne and H+50 hours probable ground level for CABRIOLET to be in agreement with the data we reported to you for actual measurements taken between H+30 and H+40 hours. The AFTAC measured concentrations at these late times rest upon the identification of CABRIOLET debris

3. (S) We are not in a position to comment critically upon the predicted concentrations for BUGGY since these predictions depend upon the estimation of the vented fraction and the degree of diffusion in the meteorological trajectory. With regard to the LRL computer diffusion code and the validity of its predictions, we have not seen a sufficient number of applications of this code to actual ventings to be in a position to comment on the probable validity of its predictions.

Lin Scott A. Hall

LINSCOTT A. HALL, Brigadier General, USAF
Chief, AF Technical Applications Center
DCS/Plans and Operations

This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, U.S.C., Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

GROUP 1
Excluded from automatic
downgrading and
declassification

53326

~~SECRET~~

EXCLUDED FROM AUTOMATIC
REGISTRATION; DOD DIR 220.10
DOCS NOT APPLY

Underwrite Your Country's Might - Buy U.S. Savings Bonds

SANITIZED

E.O. 12356, Sec. 3.4

NJ 93-473

By *ju*, NARA, Date *11-15-93*

Memorandum

TO : Director
Division of Peaceful Nuclear Explosives, AEC

FROM : Chief
Environmental Surveillance & Control Program

SUBJECT: Project Buggy

DATE: February 12, 1968

32 h**OFFICIAL USE ONLY**

The Analysis of Project Buggy and other documents accompanying your memorandum of February 6, 1968, have been reviewed.

We do not concur with the unqualified statement that "Buggy is not expected to create a health and safety hazard off-site". There is an unknown factor by which rain-out or snow-out might increase the iodine levels in milk above those values predicted as the maximum in the analysis. Under appropriate meteorological conditions, it is conceivable that a situation might occur that would require some degree of protective action, such as covering of feed or exchange of milk supply at nearby ranches.

Therefore, it is suggested that the statement be modified in the following manner:

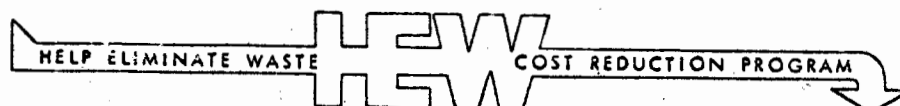
"Buggy is not expected to create a health and safety hazard off-site. However, under certain meteorological conditions, it is possible that a situation could occur that would require some degree of protective action with regard to iodine levels in milk at nearby ranches. Such protective action might include covering of feed or exchange of milk supply."

This statement is for the case when cows are not foraging, as assumed in the analysis.

The opportunity to review and comment on this matter is appreciated. We hope that we will have a similar opportunity in future plowshare event planning.

Charles L. Weaver
Charles L. Weaver

cc: Director, NCRH
Director, SWRHL

OFFICIAL USE ONLY

*Memorandum*National Center for Radiological Health *322*

TO : Richard Hamburger
Division of Peaceful Nuclear Explosives, AEC

FROM : Chief, Environmental Radioactivity Section
Environmental Surveillance and Control Program

SUBJECT: Analysis of RAN Filters and Data of PMN Network after the Cabriolet Event

DATE: February 13, 1968

Gross beta and quantitative gamma spectral analysis have been performed for certain air filters from our Radiation Alert Network after the Cabriolet event. These samples were collected on January 27 and January 28, 1968. The results are presented in Table 1. Besides the radionuclides quantified, the gamma spectra indicated presence of ^{141}Ce and/or ^{144}Ce and ^{103}Ru and/or ^{106}Ru . For comparison I am enclosing some data on samples collected during late December 1967 (Table 2), when evidence of fresh fission products was substantial.

The absence of ^{131}I except in trace amounts rules out, we believe, a fresh intrusion of fission products of any significance. Furthermore, ^{140}Ba - ^{140}La levels have decayed to levels which might be expected for a single source of this material (i.e., some source for levels detected in late December 1967, and present levels). No evidence was found of longer lived tracers on NaI crystal gamma spectroscopy.

Also enclosed is Table 3 which shows the data collected from our Pasteurized Milk Network for the period from January 22 - February 9, 1968. No evidence of fresh fission products is indicated.

In summary, the results of the Pasteurized Milk Network and Radiation Alert Network for the period of interest following the release of radioactivity from the Cabriolet event on January 26, 1968, indicate no increases in environmental radioactivity that may be attributed to this release.

R. J. Augustine
R. J. Augustine, Ph.D.

Enclosures



~~SECRET~~

Tuesday
February 27, 1968

G
32 m

MEMORANDUM FOR
THE PRESIDENT

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 96-249
By CG, NARA Date 7-1-99

I have reviewed the submissions of the AEC and the other agencies concerning the risk of detection of BUGGY I outside our boundaries. There are considerable divergences in their technical judgments but insufficient data are available to resolve them.

My own best judgment is as follows:

1. It seems likely that the total radioactivity released by the five explosions in BUGGY I will be about the same as that assumed in the original analysis of CABRIOLET.

Except -- it has not been definitely established that the interaction between the several detonations might not result in additional radioactive release.

2. If rain or snow washes out the cloud as occurred in CABRIOLET and is assumed by AEC in its analysis, the radioactivity will be cut down drastically as predicted by the AEC. The Weather Bureau, however, believes that there is only a 50% likelihood of precipitation. Without precipitation, the Weather Bureau originally predicted that there was roughly a 50% probability that CABRIOLET would be detected outside the U. S.

3. Therefore, it is my judgment that the probability of detection of BUGGY I by routine monitors outside the U. S. is roughly 25 to 50%, plus the possibility of some increase from new phenomena involved in the multiple line charge.

In sum, I believe the risk of detection of BUGGY I is comparable to that faced in the original CABRIOLET decision.

GROUP I
Excluded from automatic downgrading and declassification.

Cy 1-President

2/3-CST file/chron

4/5-DPH file/chron

6/7-SMK file/chron

Cy 5-CEJ

Cy 9-WWR

~~SECRET~~

(signed) DONALD HORNIG

Donald F. Hornig

S&T No. 304
1 pg. 9 copies.
Series A.

SMH:ecy/jb:2-10-68
7:00pm

Pres file

February 28, 1968

Mr. President:

President Senghor of Senegal is being inaugurated tomorrow for a third term after an overwhelming election victory.

Attached is a proposed message of congratulations for your approval.

W. W. Rostow

Approved _____

Call me _____

PROPOSED MESSAGE TO PRESIDENT SENGHOR (SENEGAL)

Dear Mr. President:

**My warmest congratulations on your re-election.
I have seen firsthand the fruits of your devoted service
to the people of Senegal. Your wise and progressive
leadership inspires free men everywhere.**

**Mrs. Johnson and I cherish our fond memories of
our meetings. She joins me in wishing every success
and happiness to you and your lovely lady.**

Sincerely,

Lyndon B. Johnson

**His Excellency
Leopold Sedar Senghor
President of the Republic of Senegal
Dakar, Senegal.**

**WWR:EKH:RM:llw
2/28/68
Att: File #793**

~~SECRET~~

34

1968 FEB 28 00 19

VZCZCEEA261
OO WTE 10
DE WTE 907

FROM WALT RUSTOW
TO THE PRESIDENT
CITE CAP80613

Pres file

~~SECRET~~

FEBRUARY 27, 1968

SUBJECT: TROOP CONTRIBUTIONS IN VIET-NAM: BACKGROUND FOR
WEDNESDAY BREAKFAST.

THE PRESENT STATUS AS FAR AS WE KNOW IS:

SOUTH VIET-NAM

PRE-TET STRENGTH

ARVN (INCLUDING RF/PF)	630,000
ARMED POLICE AND CIDG	120,000

TOTAL	750,000

WE HOPE TO HAVE POST TET-OFFENSIVE EVALUATION BY 29 FEBRUARY.

PLANS

TO RAISE ARVN STRENGTH BY 65,000 MEN BY THE END OF JUNE.

NEW STRENGTH WILL COME FROM:

- CALL-BACK OF VETERANS IN THE 20-35 YEAR AGE GROUP WHO HAVE SERVED LESS THAN 5 YEARS
- DRAFT OF 19-YEAR-OLDS (TO BEGIN MARCH 1)
- DRAFT 18-YEAR-OLDS (TO BEGIN MAY 1)

DECLASSIFIED

Authority NLG 89-109

By up/hg, NARA, Date 3-9-92

NUMBERS IN EACH CATEGORY NOT KNOWN.

ADDITIONALLY, PRESIDENT THIEU HAS TALKED TO BUNKER AND WESTMORELAND OF PERHAPS AN ADDITIONAL 30,000 DURING 1968 BUT HAS NOTED PROBLEMS OF EQUIPMENT, TRAINING, ETC. NO DETAILS AVAILABLE.

WITH SOME ATTRITION, GVN EXPECTS TO HAVE 800,000 MEN UNDER ARMS BY MID-YEAR. THAT WOULD BE THE EQUIVALENT OF ABOUT 9 MILLION AMERICANS, GIVEN THE POPULATION DIFFERENCE.

THAI HAVE UNDERTAKEN TO SEND A LIGHT DIVISION (11,000). WILL GO IN TWO GROUPS -- FIRST OF 6,000 BEGAN TRAINING JANUARY 22 AND SCHEDULED TO ARRIVE VIET-NAM NO LATER THAN JULY 15. SECOND GROUP (5,000) WILL BE ACTIVATED AUGUST 5 AND ARE SCHEDULED TO ARRIVE VIET-NAM BY JANUARY 27, 1969.

KOREA

NOW HAS 48,800 MEN IN VIET-NAM.

WE HAD BEEN NEGOTIATING WITH THEM FOR 5,000 LOGISTIC SUPPORT TROOPS AND FOR AN ADDITIONAL DIVISION. TALKS HAVE BEEN PUT ON THE BACK BURNER BECAUSE OF THE RECENT DMZ INCIDENTS AND THE PUEBLO AFFAIR. KOREAN GOVERNMENT HAS MADE NO PUBLIC STATEMENT REGARDING ADDITIONAL FORCES FOR VIET-NAM.

AUSTRALIA

NOW HAS 8,200 MEN IN VIET-NAM. NO IMMEDIATE PLANS FOR MORE.

NEW ZEALAND

NOW HAS 576 MEN. NO PLANS FOR MORE.

PHILIPPINES

2,000-MAN CIVIL ASSISTANCE GROUP (ENGINEERS AND SECURITY FORCE).

PHILCAG BILL NOW BEFORE PHIL CONGRESS FOR RENEWAL OF FUNDS FOR NEXT FISCAL YEAR WILL PROBABLY PASS, BUT WITH A FIGHT.

NO ADDITIONAL PHIL CONTRIBUTION NOW IN SIGHT.

DT3 272333Z FEB 1968

~~SECRET~~

~~TOP SECRET~~

EYES ONLY

VZCZCEEA259
OO WT210
DE WTE 924

1968 FEB 27 20 30

68 FEB 27 PM 3:51

35
SENT
TUESDAY

DECLASSIFIED

Authority OSD 10-1-78, NSC 8-1-80 *for file*
By up/y, NARA, Date 3-3-2

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP80610

~~TOP SECRET~~ SENSITIVE LITERALLY EYES ONLY

THE FOLLOWING HAD LUNCH TODAY TO CONSIDER THE TENTATIVE PROPOSALS OF GENERAL WESTMORELAND AND GENERAL WHEELER FOR ADDITIONAL TROOPS: SECRETARY RUSK, SECRETARY MCNAMARA, MR. CLIFFORD, UNDER SECRETARY KATZENBACH, W. BUNDY, H. MCPHERSON, J. CALIFANO, AND MYSELF.

ALTHOUGH WE HAD A FRESH MCPHERSON DRAFT OF A SPEECH AVAILABLE, THE LUNCH WAS TAKEN UP WITH AN EXTENDED SUBSTANTIVE DISCUSSION OF THE TROOP ISSUES ITSELF.

THE FOLLOWING KEY QUESTIONS WERE RAISED:

-- THE MILITARY STRATEGY AND TACTICS UNDERLYING THE TROOP REQUESTS;

-- THE BUDGETARY AND BALANCE OF PAYMENTS PROBLEMS THAT WOULD BE RAISED;

-- THE RATIONALE FOR PUBLIC PRESENTATION IN THE U.S.;

-- REACTIONS IN EUROPE, AS WELL AS REACTIONS IN MOSCOW, PEIPING AND HANOI;

-- WHAT SORT OF PEACE PROPOSALS, IF ANY, SHOULD BE INCLUDED IN THE PRESIDENTIAL STATEMENT;

-- THE STATE OF THE GVN AND ITS CAPACITY TO CARRY THE LOAD IN THE DAYS AHEAD;

-- THE STATE OF THE ARVN AS WELL AS REGIONAL AND POPULAR FORCES: AN ASSESSMENT IS PROMISED US FROM SAIGON ON FEB. 29, ALTHOUGH BUS WHEELER MAY BE BRINGING BACK SUCH A DETAILED ASSESSMENT.

A WIDE RANGE OF VIEWS WERE STATED AND EXPLORED. THE ONLY FIRM AGREEMENT AMONG SECRETARIES RUSK AND MCNAMARA, KATZENBACH, AND CLIFFORD WAS THIS: THE TROOP ISSUE RAISES MANY QUESTIONS TO WHICH YOU OUGHT TO HAVE CLEAR ANSWERS BEFORE MAKING A FINAL DECISION. THEREFORE, IT IS RECOMMENDED THAT YOU NOT MAKE A FINAL DECISION AT BREAKFAST TOMORROW BUT, AFTER LISTENING TO GENERAL WHEELER, ORDER A TEAM TO GO TO WORK FULL-TIME TO STAFF OUT THE ALTERNATIVES AND THEIR IMPLICATIONS (PERHAPS CLARK CLIFFORD COULD CHAIR THIS INTENSIVE WORKING GROUP). THEY OUGHT TO REPORT IN A VERY FEW DAYS.

I WILL HAVE WAITING FOR YOU ON YOUR RETURN TONIGHT AN AGENDA AND SET OF QUESTIONS FOR THE BREAKFAST MEETING TOMORROW MORNING.

EYES ONLY ~~TOP SECRET~~

DTG: 271959Z FEB 68

XEROX FROM QUICK COPY

~~TOP SECRET~~

36

EEA258
PP WTE 10
DE WTE 982

1968 FEB 27 18 37

Pres file

FROM: WALT ROSTOW
TO: THE PRESIDENT
CITE: CAP80608

~~TOP SECRET~~

FEBRUARY 27, 1968

68 FEB 27 PM 1:39

SECRET
TUESDAY

HERewith WESTY'S CHIEF OF STAFF (GEN. KERWIN) TALKS WITH GEN. MCCONNELL. NO MAJOR OPERATIONS REPORTED.

1. IT IS GENERALLY QUIET THROUGHOUT THE COUNTRY. IN THE KHE SANH AREA VISIBILITY WAS UP TO 10 MILES WITH EARLY MORNING AND EVENING FOG. THERE WERE 41 B-52 STRIKES ON 7 TARGETS IN THE KHE SANH AREA. IN ADDITION, THERE WERE 268 SORTIES WHICH CAUSED 27 SECONDARY EXPLOSIONS AND 9 FIRES.
2. THERE WAS PATROL ACTION YESTERDAY AT KHE SANH ABOUT 400-500 METERS OUTSIDE OF THE OPERATING BASE. THE MARINES SENT OUT A PLATOON RECONNAISSANCE FORCE FOLLOWED UP BY A REACTION FORCE. AS OF YESTERDAY THERE WERE 15 MISSING. TODAY A FORWARD AIR CONTROLLER LOCATED THESE MISSING PERSONNEL. APPARENTLY THE BODIES WERE IN A TRENCHED AREA ABOUT 400-500 YARDS FROM THE BASE ITSELF. AS OF LAST EVENING THEY HAD BEEN UNABLE TO GET TO THEM.
3. NEAR QUANG TRI LATE YESTERDAY ARTILLERY FIRED ON 200 ESTIMATED ENEMY USING FIRE CRACKERS. BECAUSE OF HEAVY ENEMY FIRE THE FORWARD AIR CONTROLLER WAS UNABLE TO OBSERVE ANY RESULTS.
4. AT DONG HA AND CON THIEN, ALONG THE DMZ, THERE WAS SOME HEAVY INCOMING FIRE. AT DONG HA 20,000 GALLONS OF DIESEL FUEL WERE LOST; TWO OBSERVATION PLANES WERE DAMAGED; HEAVY DAMAGE REPORTED TO VEHICLES AND EQUIPMENT. THERE WERE 1 KIA AND 22 WIA. AT 0110 THIS MORNING CON THIEN RECEIVED ABOUT 200 ROUNDS.

DECLASSIFIED

E.O. 12958, Sec. 3.3

AF OICs, SCA Records, 4/1/88

By *rg* NARA Date *2-27-92*

DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo, Jan. 5, 1988

By *rg* NARA Date *2-27-92*

XEROX FROM QUICK COPY

5. THE SECOND BATTALION OF THE FIRST MARINE REGIMENT SAW THE ENEMY ATTEMPTING TO EXTINGUISH A FIRE ABOUT FOUR KILOMETERS NORTH/NORTHWEST OF CON THIEN AND CALLED IN AIR STRIKES. THERE WERE 26 SECONDARY FIRES.

6. IN THE II CORPS TACTICAL ZONE THE 3D BATTALION OF THE 12TH INFANTRY REGIMENT WENT INTO A HOT LANDING ZONE, ABOUT 19 KILOMETERS WEST OF DAK TO, AND HAD THE LEAD HELICOPTER HIT. THE REMAINING HELOS WENT INTO AN ALTERNATE LANDING ZONE ABOUT 200 METERS AWAY. RESULTS WERE ONE KIA AND NINE WIA. THE ENEMY LOST 21 KILLED BY BODY COUNT.

7. AT PLEIKU THIS MORNING, CAMP HOLLOWAY RECEIVED AN ESTIMATED 75 ROUNDS OF 82 MM MORTAR FIRE CAUSING 15 FRIENDLY WOUNDED AND TWO HELICOPTERS DAMAGED.

8. IN III CORPS TACTICAL ZONE, 22 KILOMETERS WEST OF TAY NINH CITY, SPECIAL FORCES ELEMENTS ENGAGED AN ESTIMATED ENEMY COMPANY. ALLEGEDLY THIS COMPANY WAS REINFORCED WITH THREE TANKS AND A HALF-TRACK MOUNTING QUAD 50-CALIBRE MACHINE GUNS. IT WAS REPORTED THAT ONE OF THE TANKS HAD BEEN KNOCKED OUT WITH A LIGHT ASSAULT WEAPON AND EXPLODED. TODAY A GROUP FROM THE J-2, MACV WAS SENT TO CHECK THIS OUT AND AS YET THERE IS NO EVIDENCE OF A DESTROYED TANK, ALTHOUGH THERE WERE TANK TRACKS IN THE AREA. HOWEVER, A FORWARD AIR CONTROLLER REPORTED THAT THERE WAS A TANK ACROSS THE CAMBODIAN BORDER. NONE OF THIS INFORMATION HAS BEEN VERIFIED.

9. EARLY THIS MORNING TAN SON NHUT RECEIVED 7 ROUNDS OF 122 MM ROCKET. TWO ROUNDS WENT INTO THE AMERICAN COMPOUND CAUSING LIGHT DAMAGE. ADDITIONALLY, TWELVE AIR AMERICA AIRCRAFT WERE LIGHTLY DAMAGED.

10. IN DOWNTOWN SAIGON THIS MORNING TEN ROUNDS OF 75 MM RECOILLESS RIFLE FIRE WERE DIRECTED AT THE CAPITOL MILITARY DISTRICT COMPOUND. TWO ARVN WERE WOUNDED.

11. IN IV CORPS, AT 12 NOON TODAY, THE RIVERINE FORCE, IN OPERATION CORONADO 11, FOUND A GRAVE IN PHONG DINH PROVINCE CONTAINING 39 BODIES; AND VERY LARGE WEAPONS CACHE.

DTG: 271703Z FEB 1968

~~TOP SECRET~~

CONFIDENTIAL

37

1968 FEB 27 17 48

2FA005-
00 WTE1
DE WTE 898

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP80605

~~CONFIDENTIAL~~

HEREWITH KOMER'S EVALUATION OF THE PACIFICATION SITUATION
PRESENTED IN A BACKGROUNDER WIDELY REPORTED IN U. S. PRESS.
(QUOTE SAIGON 20432)

IN BACKGROUND PRESS BRIEFING TWENTY-FOURTH, AMBASSADOR KOMER
GAVE FOLLOWING SUMMARY OF POST-TET PACIFICATION STATUS. HE
EMPHASIZED STILL TENTATIVE NATURE OF ESTIMATES.

1. WHILE PACIFICATION HAS UNQUESTIONABLY RECEIVED CONSIDERABLE
SETBACK, THIS NOW APPEARS MUCH LESS THAN INITIALLY FEARED. VC/NVA
TET OFFENSIVE BYPASSED HAMLETS. BULK OF PACIFICATION ASSETS STILL
INTACT. EXTENT OF SETBACK ALSO VARIES FROM PROVINCE TO PROVINCE.
US PROVINCE ADVISORS ASSESS SERIOUS CURRENT IMPACT IN 13 PROVINCES
MODERATE IN 15 PROVINCES AND ONLY SLIGHT IN 15 PROVINCES.

2. PACIFICATION SETBACKS ARE ESSENTIALLY AFTER EFFECTS OF VC/NVA
ATTACK ON CITIES, ENEMY HAVING AVOIDED RELATIVELY SECURE
HAMLETS IN ORDER NOT RPT NOT TO TIP OFF OFFENSIVE AGAINST CITIES.
ONLY PERHAPS 50 HAMLETS DAMAGED IN VIOLENT FIGHTING BETWEEN JANUARY
30 AND FEB 23.

3. SUCH SETBACKS AS OCCURRED LARGELY RESULT OF PULLBACK SOME
TERRITORIAL SECURITY FORCES TO DEFEND TOWNS. BUT GVN WITHDREW
ONLY 18 OF 51 ARVN BATTALIONS DIRECTLY SUPPORTING REVOLUTIONARY
DEVELOPMENT (RD) AREAS TO PROTECT CITIES OR PURSUE VC/NVA UNITS.

4. REGIONAL FORCES/POPULAR FORCES (RF/PF) MOSTLY REMAIN IN
PRE-TET POSITIONS, ALTHOUGH EVEN MORE STATICALLY EMPLOYED THAN
NORMALLY. VC/NVA OVERRAN AT LEAST 20 PF PLATOONS. SOUTH VIETNAMESE
ARMY ABANDONED ABOUT 100 KNOWN OUTPOSTS, MOSTLY SQUAD SIZE. ONLY
ABOUT 50 OUT OF 900 RF COMPANIES REDEPLOYED FROM TERRITO

SECURITY ROLE. RF COMPANY PRESENT FOR DUTY STRENGTH COUNTRYWIDE
ABOUT 80 PCT PF PLATOON STRENGTH RUNNING 85 PCT OR BETTER.

5. SOME 278 RD CADRE TEAMS OUT OF 555 ARE IN HAMLETS.
245 IN PROVINCE OR DISTRICT TOWNS TO PROVIDE SECURITY,
TO PROTECT TEAMS OR PERFORM SOCIAL WELFARE WORK. LATEST REPORTS
INDICATE 79 RD CADRE KIA, 111 VIA, 845 MIA WITH 19 DESERTERS.

DECLASSIFIED

Authority WH Guidelines & Statute no 9/1/95

By Mr. NARA, Date 6/25/96

XEROX FROM QUICK COPY

6. OF NATIONAL POLICE STRENGTH OF 74,000, ABOUT 90 PERCENT ESTIMATED BACK ON JOBS BY FEBRUARY 12; NOW PROBABLY HIGHER. 10 POLICE FIELD FORCE COMPANIES WERE WITHDRAWN FROM RURAL AREAS INTO CITIES, TO DATE, 447 POLICE KIA, 758 WIA, AND 157 MIA.

7. IN CONSIDERING ABOVE FIGURES, REPORTERS CAUTIONED TO BEAR IN MIND THAT NOT ALL APPARENT LOSSES WERE FROM ENEMY ACTION OR DESERTION. SUBSTANTIAL NUMBERS OF ARVN, RF/PF, RO AND POLICE PERSONNEL WERE GRANTED TET LEAVE AND HAVE NOT YET RETURNED TO UNITS BECAUSE OF TRANSPORT DIFFICULTIES, FEAR OR OTHER REASONS. FOR THIS AND OTHER REASONS ABOVE FIGURES STILL TENTATIVE. ALSO DO NOT INCLUDE THUS THIEN FOR EXAMPLE.

8. CHIEF PACIFICATION PROBLEMS RESULTING FROM TET OFFENSIVE HAVE BEEN LOSS OF MOMENTUM, DEFENSIVE ATTITUDE ON PART PACIFIERS, AND POPULAR FEAR OF VC. DIFFICULT TO MEASURE PSYCHOLOGICAL IMPACT ON COUNTRYSIDE. KOMER STRESSED WAY TO DEFEND CITIES WAS REASSERTING SWAY IN COUNTRYSIDE. NOTED JOINT GENERAL STAFF (VIETNAM) (JGS) HAS INSTRUCTED SECURITY FORCES TO RETURN TO HAMLETS SOONEST. PACIFICATION JOB AHEAD ALSO REQUIRED WIDESPREAD INFORMATION CAMPAIGN TO INFORM PEOPLE IN COUNTRYSIDE OF SITUATION AND WHAT MUST BE DONE. RE-OPENING SCHOOLS, ROADS, WATERWAYS, RICE MILLS TO REESTABLISH FARMERS' CONFIDENCE. ALSO CARING FOR REFUGEES AND RETURNING THOSE WHO FLED THEIR UNDAMAGED HOMES AS QUICKLY AS POSSIBLE.

9. GAVE GVN GOOD MARKS IN RESPONDING TO RELIEF AND RECOVERY NEEDS TO DATE. IF CRISIS AND HAPPENED 15 TO 18 MONTHS AGO THE GVN COULDN'T HAVE EVEN TAKEN CARE OF REFUGEES. BUT NOW IT HAS CAPACITY TO ACCOMPLISH THE TASK.

10. SUMMARIZING GVN RECOVERY PROBLEMS AND ACCOMPLISHMENTS, ESTIMATE 470,000 TET REFUGEES BEING TAKEN CARE OF OR RETURNED TO HOMES; HOUSES DESTROYED TOTAL 63,700 THROUGHOUT REPUBLIC; 102 CITIES DISTRICT TOWNS ASSAULTED OR MORTARED; CIVILIAN CASUALTIES NOW TOTAL ABOUT 4300 KILLED AND 17,800 WOUNDED. GVN CENTRAL RECOVERY COMMITTEE HAS ALLOCATED 174 MILLION PIASTERS TO PROVINCES. PRIVATE DONATIONS IN SAIGON TOTAL OVER 44 MILLION PIASTERS AND 225 MILLION COUNTRYWIDE. 30 COUNTRIES/ORGANIZATIONS HAVE PLEDGED RELIEF ASSISTANCE, WITH CONTRIBUTIONS RECEIVED OR EN ROUTE FROM 17. AVAILABILITY OF EMERGENCY FOODSTUFFS AND EFFECTIVE DISTRIBUTION HAS CUT PRICES TO ONLY 17 PERCENT ABOVE PRE-TET LEVELS.

11. GVN NOW UNDERTAKING MAJOR RE-EVALUATION OF 1968 PACIFICATION TARGETS. KOMER GUESSED MIGHT REQUIRE AT LEAST ANOTHER 1-2 MONTHS BEFORE ABLE ESTIMATE MORE FULLY REAL EXTENT AND DEPTH OF LONGER TERM PACIFICATION SETBACK. COULD TAKE 3-6 MONTHS BEFORE END-1967 PACIFICATION MOMENTUM CAN BE RESTORED IN SOME AREAS. NONETHELESS PACIFICATION BY NO MEANS AS DEAD AS SOME PRESS ACCOUNTS HAVE INDICATED. BUNKER

DTG: 271559Z FEB 68

CONFIDENTIAL

XEROX FROM QUECK COPY

~~SECRET~~

1968 FEB 27 17 20

0F4001
00 WTE!
DE WTE 981

FROM WALT ROSTON
TO THE PRESIDENT
CITE CAP80627

Free file

68 FEB 27 PM 12:32

38
SENT
TUESDAY

~~SECRET~~

27 FEBRUARY 1968

SUBJECT: M-16 RIFLES FOR ARVN

1. AS OF 31 DECEMBER, ARVN AND VN MARINES HAD ABOUT 33,700 OF THE M-16 RIFLES. (OTHER FREE WORLD FORCES IN SEA HAD ABOUT 27,900.)
2. ABOUT 24,400 OF 4TH QUARTER PRODUCTION HAD BEEN ALLOCATED TO THEM -- SOME OF WHICH HAD ARRIVED AND ARE INCLUDED IN THE ABOVE.
3. OF THE PRODUCTION SCHEDULED FOR THE FIRST SIX MONTHS OF THIS YEAR, MR. MCNAMARA ON 16 FEBRUARY APPROVED THE ALLOCATION OF 61,000; AN ADDITIONAL 23,300 HAVE BEEN ALLOCATED OUT OF PRODUCTION FOR FIRST QUARTER FY 69.
4. ABOUT THREE WEEKS AGO THE USAF BEGAN AIR SHIPPING 17,200 OF THEIR RIFLES TO THE VIETNAMESE (THIS WAS TO BE AN ADVANCE AGAINST ULTIMATE ALLOCATION).
5. AT PRESENT, THE SOUTH VIETNAMESE ARE PROGRAMMED FOR A TOTAL ALLOCATION OF 113,200 -- WHICH WOULD HAVE SATISFIED GENERAL WESTMORELAND'S EARLIER REQUEST.
6. GENERAL WESTMORELAND HAS NOW TENTATIVELY ESTABLISHED A REQUIREMENT FOR AN ADDITIONAL 193,000. THIS WILL BE CONSIDERED IN FUTURE ALLOCATIONS OF PRODUCTION.
7. CURRENT ALLOCATIONS ARE BASED ON PRODUCTION OF 27,000 A MONTH. COLT IS NOW INCREASING ITS PRODUCTION AND SHOULD ACHIEVE 40,000 A MONTH BY JUNE OR JULY.

DTG: 271621Z FEB 68

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By *phg*, NARA, Date *6/25/96*

DECLASSIFIED
E.O. 12356, Sec. 3.3
DA Memo, Jan. 5, 1983
By *phg*, NARA, Date *6/25/96*

~~SECRET~~

~~CONFIDENTIAL~~

38a

DE VTE 999

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAPS069A

1968 FEB 27 15 50

~~CONFIDENTIAL~~

FEBRUARY 27, 1968

HEREWITH VESTY DISCUSSES THE NEW REPORTING GROUND
RULES WITH CINCPAC.

1. WE SHARE YOUR CONCERN OVER THE AMOUNT OF INFORMATION APPEARING IN THE PRESS WHICH IS OF ASSISTANCE TO THE ENEMY.

2. I HAVE CHECKED MACV RELEASE 53-68 AND FIND THAT THE CASUALTY INFORMATION RELEASED INVOLVED THE BOMBARDMENT OF SEVERAL LOCATIONS, NOT JUST THE KHE SANH BASE, AND INCLUDED LOSSES FROM PATROL ACTIONS AS WELL. THE ERROR INVOLVED WAS IN NOT SPELLING OUT THIS FACT IN THE RELEASE. HOWEVER, IN THE FUTURE WE WILL GENERALIZE NUMBERS OF INCOMING ROUNDS AND USE THE "LIGHT, MODERATE, OR HEAVY" APPROACH WITH RESPECT TO FIXED POSITION CASUALTIES.

3. WITH RESPECT TO TAN SON NHUT, WE HAVE AVOIDED GIVING MATERIAL RESULTS OF SHELLINGS, BUT PRESS CAN EASILY APPROXIMATE PERSONNEL CASUALTY FIGURES. FEELING HERE IS THAT WE CAN GAIN MORE FROM ANNOUNCING LOCAL CASUALTIES THAN PERMITTING THE PRESS TO SPECULATE WITH THEIR NORMAL EXAGGERATIVE PROCESSES. YOU WILL RECALL THAT OFFICE SECRETARY OF DEFENSE APPROVAL OF THE ANNOUNCEMENT OF FRIENDLY CASUALTIES WAS DESIGNED TO ELIMINATE PRESS EXAGGERATION.

4. AS FAR AS ON-THE-SCENE PRESS REPORTS OF SHELLINGS ARE CONCERNED, OUR CURRENT GROUND RULES FORBID THE ANNOUNCEMENT OF CASUALTIES UNLESS RELEASED BY MACV. I AM CURRENTLY PLANNING TO WITHDRAW ONE CORRESPONDENT'S ACCREDITATION FOR A SIMILAR VIOLATION AND WE WILL TAKE SUCH ACTION IN ANY CASE WHICH COMES TO OUR ATTENTION. ONE PROBLEM IN SUCH MATTERS IS THAT WE DO NOT ALWAYS LEARN OF PRESS VIOLATIONS OF THIS TYPE SINCE OUR PLAYBACKS ARE DELAYED AND IN SOME CASES NONEXISTENT. IN ANY CASE, WE ARE PREPARING A NEW, MORE DETAILED REMINDER TO THE PRESS OF THE MEANING AND IMPORTANCE OF THE GROUND RULES FROM THE STANDPOINT OF NATIONAL SECURITY AND WILL RIGIDLY CHECK VIOLATIONS OF THOSE RULES. WE ALSO PLAN TO LIMIT PRESS ACCESS TO KEY SPOTS IN I CORPS NORTH TO ENSURE BETTER CONTROL AND TO EASE PRESS TRANSPORTATION AND HOUSEKEEPING REQUIREMENTS FOR OUR FIELD COMMANDERS. BEST REGARDS

DTG: 271453Z FEB 1968

DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo, Jan. 5, 1968

By rg NARA Date 3-24-94

~~CONFIDENTIAL~~

ARMA FROM QUEEN COPY

Pres. file

00 FEB 27 AM 11:01

SENT
TUESDAY

~~SECRET~~

EYES ONLY

39

1968 FEB 27 15 49

VEEA257
OO WTE10
DE WTE 893

FROM WALT ROSTON
TO THE PRESIDENT
CITE CAP88682

DECLASSIFIED

Authority OSD Ltr 4/3/79

By ip/ry, NARA, Date 3-3-94

~~SECRET~~ EYES ONLY

TEXT OF REPORT FROM GENERAL WESTMORELAND. THIS IS REPORT NUMBER TWENTY-THREE ON THE SITUATION IN THE KHE SANH/DMZ AREA AND COVERS THE 24 HOUR PERIOD FEBRUARY 26, 1968.

THE KHE SANH COMBAT BASE CONTINUED TO RECEIVE MODERATE SHELLING DURING THE PERIOD AS 150 ROUNDS OF ARTILLERY, 50 ROUNDS OF ROCKET, AND 50 ROUNDS OF MORTAR FELL WITHIN THE PERIMETER. THE SHELLING RESULTED IN ONE KILLED AND 23 WOUNDED, NINE OF WHOM WERE EVACUATED. NO MATERIEL DAMAGE WAS REPORTED.

ALTHOUGH THERE WERE NO SIGNIFICANT GROUND CONTACTS MADE AT KHE SANH, SEVERAL SIGNIFICANT SIGHTINGS WERE MADE RESULTING FROM OR RESULTING IN FRIENDLY ACTIONS. AT 10:50 AM, A COMPANY OF MARINES SPOTTED AN ENEMY MORTAR FIRING FROM A POSITION ONE KILOMETER NORTH OF HILL 881. COUNTER MORTAR REGISTERED AND SUPPRESSED THE ENEMY MORTAR FIRE. AT 5:30 PM, AN AIR OBSERVER, ADJUSTING FIRE ON FIVE ARTILLERY POSITIONS 17 KILOMETERS SOUTHWEST OF KHE SANH, IN LAOS, OBSERVED ONE SECONDARY EXPLOSION AND ONE SECONDARY FIRE. AT 6:30 PM, A MARINE COMPANY SIGHTED WHAT APPEARED TO BE A TRACKED VEHICLE ABOUT FOUR KILOMETERS WEST OF THE KHE SANH BASE, BUT FOG MADE IT IMPOSSIBLE TO ADJUST A FIRE MISSION. AT 7:25 PM, THE 37TH ARVN RANGER BATTALION REPORTED THAT PERSONNEL MANNING A LISTENING POST SAW A SQUAD SIZE NVA UNIT MOVING TOWARD THEIR PERIMETER. SMALL ARMS FIRE WAS EXCHANGED RESULTING IN THREE NVA KILLED. AT 8:30 PM, MARINES OBSERVED THREE LARGE SECONDARY EXPLOSIONS RESULTING FROM AN ARC LIGHT STRIKE.

ELSEWHERE ALONG THE DMZ HEAVY INCOMING FIRE WAS REPORTED AT DONG HA AND CON THIEN. A TOTAL OF 300 ROUNDS FELL ON DONG HA DURING THE PERIOD. RESULTS WERE ONE KILLED AND 22 WOUNDED. MATERIEL DESTRUCTION WAS HEAVY AND INCLUDED 20,000 GALLONS OF DIESEL FUEL, TWO LIGHT OBSERVATION PLANES, FOUR GENERATORS, ONE ARMORED PERSONNEL CARRIER, AND ONE JEEP AND TRAILER. MAJOR DAMAGE WAS REPORTED TO TWO AHIG'S, TWO GENERATORS, TWO PERSONNEL CARRIERS TWO FIVE TON TRUCKS, ONE WRECKER, TWO DUMP TRUCKS, ONE ASPHALT DISTRIBUTER AND ONE WATER TRAILER. CON THIEN RECEIVED 181 ROUNDS OF ARTILLERY AND 35 ROUNDS OF MORTAR. THERE WAS NO REPORT OF CASUALTIES OR DAMAGE.

XEROX FROM QUICK COPY

68 FEB 27 AM 11:00

SENT
TUESDAY

THE MARINES AT C2 RECEIVED TWO ROUNDS OF MORTAR, WITHOUT REPORT OF CASUALTIES OR DAMAGE. ADDITIONAL SPORADIC INCOMING FELL ON A3, AND ON THE 1ST ANTRAC BATTALION, WITH NO CASUALTIES OR DAMAGE REPORTED. AT 8:00 AM, A LANDING CRAFT CONVOY ON THE CUA VIET RECEIVED RECOILLESS RIFLE AND MORTAR. FIRE WAS RETURNED BY THE MARINE ELEMENTS IN THE CONVOY AND AN ENEMY MORTAR POSITION WAS REPORTED DESTROYED.

THERE WERE 268 TACTICAL AIR SORTIES FLOWN IN SUPPORT OF KHE SANH. THE MARINES FLEW 84 SORTIES, REPORTING THREE SECONDARY EXPLOSIONS AND TWO SECONDARY FIRES. THE AIR FORCE FLEW 157 SORTIES AND THE NAVY FLEW 27 SORTIES. VISUAL BOMB DAMAGE REPORTED WAS 23 ENEMY KILLED, FIVE SECONDARY EXPLOSIONS, FOUR SECONDARY FIRES, SIX TRUCKS DESTROYED, FOUR BUNKERS DESTROYED. SEVEN ARC LIGHT STRIKES (36 SORTIES) WERE FLOWN IN THE NIAGARA AREA.

AIR RESUPPLY FOR KHE SANH DURING THE PERIOD TOTALLED 192.5 SHORT TONS. A 155MM HOWITZER (6.25 SHORT TONS) WAS AIRLIFTED IN, ALONG WITH 1.25 SHORT TONS OF MEDICAL SUPPLIES. IN ADDITION, 113 PASSENGERS WERE LANDED AT THE AIRFIELD. A TOTAL OF 30 RESUPPLY SORTIES WERE FLOWN. ELEVEN C-130 AIRCRAFT COMPLETED 10 AIR DROPS AND ONE LANDING. TWO C-123 AIRCRAFT ALSO LANDED, WHILE ONE C-123 COMPLETED AN AIR DROP. SIXTEEN MARINE HELICOPTERS LANDED AT KHE SANH.

FOR THE NEXT 24 HOURS, A TOTAL OF 286 TACTICAL AIR SORTIES ARE SCHEDULED IN SUPPORT OF KHE SANH. THERE WILL BE SIX ARC LIGHT STRIKES (36 SORTIES) FLOWN IN THE NIAGARA AREA.

KHE SANH WEATHER FOR THE MORNING AND AFTERNOON OF 26 FEBRUARY WAS CLOUDY WITH THE LOWEST CLOUD BASES AT 1500 TO 1800 FEET. THE VISIBILITY WAS GOOD. THE CLOUDS LOWERED AND RAIN BEGAN AFTER 7:00 PM. LOW CLOUDS, FOG AND SOME LIGHT RAIN PERSISTED THROUGH THE NIGHT UNTIL 5:00 AM ON THE 27TH. AT THIS TIME THE CLOUDS BECAME SCATTERED AND THE VISIBILITY INCREASED TO 7 - 10 MILES. THE FORECAST IS FOR CONTINUED GOOD WEATHER DURING THE AFTERNOON AND EVENING OF THE 27TH. LOW CLOUDS AND FOG ARE EXPECTED TO FORM AFTER MIDNIGHT AND CONTINUE INTO THE EARLY MORNING HOURS.

1. THE KHE SANH BUMP AND AMMUNITION SUPPLY POINT STATUS AS OF 8:00 PM FEBRUARY 26 IS AS FOLLOWS:

	DAYS SUPPLY ON HAND	PREVIOUS STATUS 8:00 PM 25 FEB EST (9:00 AM 26 FEB SVN)
CLASS I (RATIONS)		
MEAL, COMBAT,		
INDIVIDUAL	13	12 DAYS
B RATIONS	9	9 DAYS

CLASS III (FUEL)		
AVIATION GAS (AVGAS)	5.2	7.2 DAYS
JP-4 FUEL (JET FUEL)	2	1 DAY
MOTOR GASOLINE (MOGAS)	9.3	8.7 DAYS
DIESOL	8	6.8 DAYS

CLASS V (AMMUNITION)

A. HIGH EXPLOSIVE

60-MM MORTAR	30	23 DAYS
81-MM MORTAR	12	13 DAYS
90-MM (TANK)	30	30 DAYS
4.2" MORTAR	30	21 DAYS
105-MM HOWITZER	17	18 DAYS
155-MM HOWITZER	14	19 DAYS

B. ANTI-TANK

ROUNDS ON HAND

90-MM HEAT	89
66-MM ROCKET (LAW)	2,343
ANTI-TANK MINES (M-15)	78
ANTI-TANK MINES (M-19)	22
ANTI-TANK MINES (M-21)	0
106-MM HEAT	144
106-MM RECOILLESS RIFLE (HEP-T)	1,020
3.5" ROCKET	1,126

DAYS SUPPLY
ON HAND

PREVIOUS STATUS
8:00 PM 25 FEB EST
(9:00 AM 26 FEB SVN)

CLASS V (COFRAM)

105-MM HOWITZER	5	5 DAYS
135-MM HOWITZER	5	5 DAYS
40-MM GRENADE LAUNCHER	5	5 DAYS
HAND GRENADES	10	10 DAYS

2. ON 26 FEBRUARY KHE SANH WAS RESUPPLIED WITH 192.5 TONS AS FOLLOWS:

CLASS I	3.0	TONS
CLASS II	1.5	TONS
CLASS III	6.0	TONS
CLASS IV	4.5	TONS
CLASS V	170.0	TONS
CLASS VIII	1.25	TONS
1 155-MM HOWITZER	6.25	TONS

DTG: 271322Z FEB 1968

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FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP80393

~~SECRET~~

FEBRUARY 26, 1968

HERewith KOSYGIN TO WILSON ON THE PUEBLO.

1. PAUL GORE-BOOTH GAVE ME TODAY FOLLOWING MESSAGE FROM MR. KOSYGIN TO PRIME MINISTER WHICH I AM FORWARDING IN CASE YOU HAVE NOT ALREADY SEEN IT:

QUOTE: I HAVE CAREFULLY ACQUAINTED MYSELF WITH YOUR APPEAL OF 15 FEBRUARY REGARDING THE AMERICAN RECONNAISSANCE SHIP PUEBLO DETAINED IN TERRITORIAL WATERS OF THE PEOPLE'S REPUBLIC OF KOREA.

I MUST FIRST OF ALL SAY THAT ALL RESPONSIBILITY FOR THIS DANGEROUS INCIDENT RESTS ON THE UNITED STATES. THE AMERICANS HAVE NEITHER ANY MORAL NOR LEGAL BASIS FOR MAKING ANY KIND OF DEMANDS IN RESPECT OF THE CONDITIONS OF A SETTLEMENT OF THE PUEBLO AFFAIR. THE USA HAVE, IT GOES WITHOUT SAYING, TAKEN EVEN GREATER RESPONSIBILITY UPON THEMSELVES IF THEY HAVE ADOPTED A COURSE OF AGGRAVATING THE INCIDENT AND INCREASING THE TENSION IN THE AREA OF THE KOREAN PENINSULA.

SOME TIME AGO THE SOVIET GOVERNMENT EXPRESSED ITS VIEW TO THE GOVERNMENT OF THE USA REGARDING THE FACT THAT IF THE US GOVERNMENT WERE ACTUALLY STRIVING FOR A SETTLEMENT, THE AMERICANS MUST TAKE INTO CONSIDERATION THE INTERESTS OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF KOREA AND STOP EXERTING PRESSURE IN THE OPPOSITE DIRECTION. IN THAT CASE A SITUATION MIGHT DEVELOP, FAVOURABLE TO THE ACHIEVEMENT OF AN APPROPRIATE POLITICAL SETTLEMENT. IT IS OBVIOUS THAT THIS SETTLEMENT SHOULD BE BASED ON RESPECT OF THE SOVEREIGNTY AND TERRITORIAL INVIOABILITY OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF KOREA.

THE AMERICANS STATE THAT THEY WOULD LIKE TO NEGOTIATE BUT AT THE SAME TIME THEY ARE CONTINUING RECONNAISSANCE FLIGHTS OF AMERICAN MILITARY AIRCRAFT ALONG THE FRONTIERS OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF KOREA AND WARSHIPS OF THE USA ARE CONCENTRATED OFF THE COAST OF KOREA. THROUGH VARIOUS CHANNELS THE IDEA IS DEVELOPING THAT IF THE GOVERNMENT OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF KOREA WILL NOT ACCEPT THE AMERICAN CONDITIONS, THEN THE USA WILL USE FORCE. THIS CAN ONLY COMPLICATE AND PROTRACT THE ACHIEVEMENT OF AN AGREEMENT.

ON THE BASIS OF CONTACTS WITH LEADERS OF THE PEOPLE'S DEMOCRATIC REPUBLIC OF KOREA I AM ABLE TO SAY THAT THEY, AS BEFORE, ARE NOT SEEKING COMPLICATIONS AND ARE READY FOR A SETTLEMENT. AT PRESENT, AS ALSO FROM THE VERY BEGINNING OF THE INCIDENT, IT IS FACT DEPENDS SOLELY ON THE USA AS TO WHETHER AND HOW SOON A SOLUTION WILL BE REACHED WHICH WILL REMOVE THE DANGEROUS TENSION IN THIS AREA. FROM YOUR LETTER IT IS POSSIBLE TO CONCLUDE THAT YOU ARE DISPLAYING CONCERN IN CONNECTION WITH THE SITUATION WHICH HAS BEEN CREATED AND THAT YOU ARE INTERESTED IN A PEACEFUL OUTCOME TO THIS AFFAIR. IN THIS CONNECTION I SHOULD LIKE TO EXPRESS THE HOPE THAT YOU WILL USE YOUR INFLUENCE IN ORDER TO URGE THE GOVERNMENT OF THE USA TO ACT SENSIBLY AND TO RECOGNIZE ITS RESPONSIBILITY FOR THE FURTHER DEVELOPMENT OF EVENTS. UNQUOTE.

BRUCE

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