INFORMATION

SECRET

Friday, March 22, 1968 - 9:00 a.m.

Mr. President:

At Khe Sanh-DMZ-A Shau:

- -- lil enemy rounds, mainly artillery
- -- 2830 outgoing friendly;
- -- 279 sorties plus 6 B-52's;
- -- 214 tons delivered;
- -- weather continues good;
- -- photo coverage (80%) at last of A Shau Valley, which sould give us some bombing targets.

W. W. Rostow

SECRET

WWRostow:rln

E.O. 17355, Sec. 3.4(b)
White Henry Griddines, Feb. 24, 1983
By 13, NARA, Date 1/2/92

Prestile



Friday, March 22, 1968, 8:44 a.m.

TEXT OF CABLE FROM GENERAL WESTMORELAND

This is report number forty-seven on the situation in the Khe Sanh/DMZ/A Shau area for the 24-hour period of March 21, 1968.

The amount of incoming fire decreased from yesterday as lll rounds of mixed fire fell on the combat base. Seventy-one rounds were artillery, a change from yesterday, when the bulk of the fire was from mortars. Twenty-seven Marines were wounded: 18 required evacuation. U.S. artillery fired 2830 rounds in 106 missions; thirty-six observed. No COFRAM ammunition was expended.

Clear weather prevailed throughout the Niagara area for the fourth consecutive day, and 279 tactical air sorties were flown. Bomb damage assessment included 35 enemy killed by air observer directed strikes, one automatic weapon position destroyed, one probably destroyed, and six secondary explosions.

Six B-52 strikes were scheduled into the Khe Sanh area. One strike was scheduled as an emergency target, 2500 meters from friendly troops. ARC LIGHT damage assessment reported 13 secondary explosions.

During the next 24 hours, 289 tactical air sorties and six ARC LIGHT strikes are scheduled. An additional 422 pre-planned tac air sorties can be diverted into the Khe Sanh area if required.

Unhampered by weather and enemy anti-aircraft fire, Air Force Fixed Wing and Marine helicopters moved 214 short tons of supplies and 49 replacements into Khe Sanh. During the same period six tons of air delivered equipment was backloaded.

The weather is expected to remain the same over the next 24 hours, with thundershower activity reducing visibility in the late afternoon.

DECLASSIFIED Authority 2.0. 11652 Sec 5(4) F(D)

By uply, NARA, Date 4/2/9:2

Along the DMZ, light activity was reported near Camp Carroll. Elements of the 9th Marines engaged small enemy units in sporadic action. Six enemy were killed, without friendly loss. Total casualties in the 3rd Marine Division area for the period were U.S. 32 wounded (20 evacuated); 43 enemy killed, one detained, one individual weapon captured. Elsewhere in Quang Tri Province, no major ground actions took place, some light casualties occurred from sporadic incoming mortar and artillery fire.

Two reconnaissance teams went into the A Shau Valley this morning, the twenty-second. One will move north. One south of the Rao Lao River will recon to north and east. An early morning reconnaissance flight and one tactical air photo mission covered 80 per cent of the target area. Six anti-aircraft sites were found to be occupied.

SECRET



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

22 March 1968 0430

MEMORANDUM FOR THE WHITE HOUSE SITUATION ROOM

Subject: Supply Status at Khe Sanh as of 8:00 PM EST 21 Mar (9:00 AM 22 Mar, SVN time)

1. The Khe Sanh Dump and Ammunition Supply Point (ASP) status as of the above time is as follows:

		DAYS SUPPLY ON HAND	8:00 PM	S STATUS 20 Mar EST 21 Mar SVN)
CLASS	I (Rations)			
	Meal, Combat, Individual B Rations	22 7		days days
CLASS	II (Fuel)			
	Aviation Gas (AVGAS) JP-4 Fuel (Jet Fuel) Motor Gasoline (MOGAS) Diesel	3 10.6 12.8 13.6	10.6 13.2	days days days days
CLASS	V (Ammunition)			
a.	High Explosive			
	60-mm mortar 81-mm mortar 90-mm (Tank) 4.2" mortar 105-mm howitzer 155-mm howitzer	55 29 133 31 22 26	31 133 32 22	days days days days days days
b.	Antitank		ROUNDS	ON HAND
	90-mm AP-T 90-mm HEAT 66-mm rocket (LAW) Antitank mines (M-15) Antitank mines (M-19) Antitank mines (M-21) 106-mm HEAT 106-mm recoilless rifle (HEP-T) 3.5" rocket		329 1,202 2,981 291 469 0 1,451 2,087 3,305	
SECRET	F		E.O. 13	LASSIFIED 2358, Sec. 3.3

DA Merno, Jan. 5, 1988

PREVIOUS STATUS DAYS SUPPLY 8:00 PM 20 Mar EST ON HAND (9:00 AM 21 Mar SVN) c. Antipersonnel ROUNDS ON HAND 106-mm BEEHIVE 1,517

131

- 1

CLASS V (COFRAM)

105-mm howitzer	5	5 days
155-mm howitzer	5	5 days
40-mm grenade launcher	5	5 days
Hand Grenades	10	10 days

2. On 21 March, Khe Sanh was resupplied with 214 tons as' follows:

CLASS I	49.5	tons
CLASS II	5.5	tons
CLASS III	16	tons
CLASS IV	37.5	tons
CLASS V	93.5	tons
MISCELLANEOUS	12	tons

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

Distribution:

SECDEF DEPSECDEF CJCS (3) DJS (3) J-30 J-31 J-32 J-33 J-34 J-4 AWR MCCC AFCP NFP DDO ADDO . CCOC PAC DIV PAC DESK

SECRET

31. Friday, March 22, 1968 Presple MEMORANDUM FOR THE PRESIDENT Attached is a report prepared in State of Chairman Mills' March 19 meeting with a top-level Japanese business mission. The highlights are: Mills assured the Japanese the United States would not take any trade action without consulting its trading partners or contrary to GATT principles. The Japanese were concerned we might exempt the less developed countries from a tariff surcharge measure. Mills said he did not think the Congress would provide any exemption even if it were recommended by the Administration. Mills viewed European and Japanese interest in accelerated Kennedy Round cuts as very promising. He said there would be "no real justification in our pursuing an import tax" if agreement were reached on such a move. W. W. Rostow MWG:mm



DEPARTMENT OF STATE

Washington, D.C. 20520

2-/21. March 21, 1968

LIMITED OFFICIAL USE

MEMORANDUM FOR MR. WALT W. ROSTOW THE WHITE HOUSE

Subject: Meeting Between Chairman Mills and Japanese Businessmen's Mission

A top-level Japanese business mission, in Washington to express concern over possible trade legislation, met with Chairman Mills on March 19 for 1 1/2 hours. Their principal purpose was to impress on him the damaging effects an import surcharge would have on Japanese small business. Chairman Mills took the occasion to review his attitude toward the current status of international developments in the trade field and to impress on them the specific concerns of United States industry over Japanese exports in steel, textiles and automobiles. Highlights of the meeting, which made a deep impression on the Japanese, follow.

Trade Measures and Kennedy Round Acceleration

Chairman Mills assured the Japanese that the United States would not take any trade action "unilaterally" (i.e., without consultation) or contrary to GATT principles. He viewed European and Japanese interest in developing a proposal for accelerated Kennedy Round cuts as very promising. He noted the EEC, particularly French, problem but felt if this were overcome and full agreement reached such a proposal would be "of tremendous help" and that there would then be "no real justification in our pursuing an import tax".

LIMITED OFFICIAL USE

LDC Exemption

The Japanese found Mills' observations on Kennedy Round acceleration reassuring but, noting his comments that he would have to reassess his position if this move were not successful, expressed concern over possible LDC exemption on a United States import tax which, they felt, would hit Japan particularly hard. Mills said he did not think that the Congress would provide any exemptions to the tax, if imposed, "even if the Administration recommended this".

United States Industry Concerns over Japanese Exports

Mills cited the concerns United States industries such as steel and textiles have over rising Japanese exports. The Japanese said they have always been alert to United States industry concerns, citing their voluntary export controls. On steel, Mr. Inayama (President of Yawata Steel - Japan's largest) noted leveling out of Japanese steel exports in the past three years and expected no abrupt increase although a gradual rise up to 10% in exports to the United States is likely. Mills suggested it would be most useful for the United States and Japanese steel industries to get together to achieve better understanding of each other's problems - perhaps with the United States Government acting as intermediary. Inayama noted anti-trust considerations as an inhibition and the reason for unilateral export controls by Japan. On textiles, the Japanese felt United States industry itself was creating much of the problem on man-mades through investment abroad and subsequent price-cutting in exports back to the United States.

Automobiles

Mills cited the United States industry's concern over virtual exclusion from the Japanese market. Mr. Sato, a leading banker and head of the mission, said he was unable to get any auto industry representatives to participate in the mission and offered little promise for immediate remedial action.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

Japanese Trade and Investment Liberalization

Mills cited the need for Japan to move to big country status by overall liberalization of its various restrictions. The Japanese were non-committal on specifics but acknowledged their own self-interest, including maximum cooperation with the United States on its balance of payments problem, required more rapid movement. They said they would press their Government in this direction. We will be working on them for more specific commitments, particularly - but not exclusively - on autos, in the remainder of their week's stay.

John P. Walsh
Acting Executive Secretary

LIMITED OFFICIAL USE

Mr. Rostow 32

2. Profile

SECRET

Friday, March 22, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply from Eshkol

Ambassador Rabin delivered the attached reply this afternoon. It's mainly a statement of the familiar Israeli justification for their raid into Jordan.

What emerges more sharply from this and from Rabin's oral commentary to Luke Battle, however, is that the Israelis appear to have gathered extensive evidence that the Arab terrorist organization was planning a coordinated spring-summer offensive inside Israeli territory. They claim to have captured documents that prove it along with weapons such as Soviet-made heavy mortars.

Eshkol and Eban saw Jarring today. The Israelis are trying to keep his mission alive and to involve him now in achieving better control over the border. Our effort in New York is designed to re-focus attention on Jarring, but the debate is still going on and we can't tell what success we'll have. Jarring's future will also depend on the outcome of the Arab summit which Hussein has asked for.

On a related subject, Luke Battle has told the Israelis we will be in touch with them as soon as the UN meeting is over to reschedule the signing of the PL 480 agreement. Luke frankly told them we didn't think it would be helpful to sign while the debate continues, but he assured them that we are not backing out on the agreement.

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-269 By NARA Date 2-19-97

W. W. Rostow

CECRET

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-269 By NARA Date 2-19-97

322

The Ambassador of Israel presents his compliments to the Honorable the Secretary of State and has the honor to transmit the following communication from His Excellency the Prime Minister of Israel Levi Eshkol to His Excellency the President of the United States, Lyndon Baines Johnson:-

"Dear Mr. President:

"Your message on the situation across the Jordan cease-fire lines reached me yesterday morning three hours after our armed forces had commenced the action against terrorist groups. I have always felt able to tell you in perfect frankness of the motives which guide our decisions. It is in that spirit of confidence that I reply to your important message. On the 16th of Pebruary King Hussein proclaimed his intention to suppress terrorist actions against Israel. Sime then the following things have happened:

"37 terrorist raids from Jordanian territory have taken place at heavy cost of life and limb to our citizens, extensive damage has been done to property and installations, a sense of physical insecurity has been created amongst a population sorely tried by grief and loss in the recent war, and as a climax, there came the horrifying experience to which scores of our children were submitted in the gruesoms attack on them at Beer-Orah on 18 March.

"Thus, after 16 February the situation which King Hussein promised to remedy became much worse.

"The new and most astenishing development was the emergence of the Fatah group from clandestine status to open, blatant, organized and virtually legalized operations under King Hussein's very eyes. In camps at Karamah and at Safi hundreds of these men in uniform moved about, training and preparing for murder and sabotage in Israeli territory, a few kilometers across the frontier. We received the most authentic and precise knowledge of daring plans for attack in Spring and Summer. They aimed at central and sensitive targets. If they had carried this out, how could I and my associates, who had prior knowledge of them, have held up our heads before our nation, before our own conscience and before the families of those who could have fallen? Nobody, Mr. President, has more experience than you of the anguish involved in such

difficult decisions in which you can always count on Israel's understanding.

"The leaders of Jordan were tolerating and sometimes encouraging the overt stationing on their territory of a second army openly working for the violation of Israeli security and owing no obedience to the cease-fire or any other international obligation. Our lives were insecure, our roads unsafe. A terrorist organization which threatened both Israel's security and Jordan's independent existence was bringing Jordan and Israel into head-on conflict.

"I cannot see why a blow struck at the Fatah should in itself cause any regret to Israel, to King Hussein, or to the United States. On the contrary, our common interest for peace and security has been advanced through the weakening of one of the chief obstacles which stood in their way. It would certainly be destructive if the United Nations were to evade strong criticism of the El Fatah operations from Jordan. This would be tantamount to inviting the reorganization of Fatah camps. The psychological and therefore the political effects in Israel would be incalculable.

"I took strict measures to ensure that the operation should be directed against the armed terrorists, and that civilians, women and children, should not be harmed. This humane restriction cost Israel a heavy price in life and limb. I think that King Russein should understand this, just as he should know that our target was not the Jordan Army, but a terrorist group which was making that army's authority and purpose irrelevant. Nevertheless I must point out that the Jordan Army had sometimes surrendered to the Fatah pressure, and sometimes given aid and cover to its operations. I appreciate your efforts, Mr. President, to influence King Hussein towards making a maximum effort to suppress terrorism. I believe that he now has an increased capacity, first, to consolidate the cease-fire and then to move towards a negotiated peace. These prospects require the maintenance in the field of the U.N. Mission led by Ambassador Jarring. Foreign Minister, Mr. Abba Eban, has already told Dr. Jarring that we still accept his proposal for peace conferences with the Arab States in Nicosia, and will work with him patiently to help succeed in his mission, despite Nasser's irresponsible rejection of this proposal. In the meantime, Ambassador Jarring has accepted

our invitation to come to Jerusalem today to contribute to the relief of the immediate tension between Israel and Jordan.

"I am convinced that this is an hour not only of tension but also of opportunity. If we seize it, we can yet advance the common purpose which the United States and Israel have been pursuing in such close and frank cooperation."

"Yours sincerely.

Levi Eshkol Prime Minister

The Ambassador of Israel avails himself of this opportunity of renewing to the Honorable the Secretary of State the assurances of his highest consideration.

Washington, D.C. 22 March 1968

SECRET-EXDIS

Friday, March 22, 1968

MR. PRESIDENT:

Pres file

Attached is the summary report of consultations on the Hill which our Ambassador to NATO, Harlan Cleveland, undertook at your request. He spoke to 17 Senators and 17 Representatives. (The list is at Tab A.)

His major conclusions are:

- There is continued support in Congress for NATO.
- The Mansfield Resolution is quiescent -but NATO troop levels will become a major issue if reserves are called up.
- If reserves are called up, we should argue we must not be pulled out of Europe by events in Asia.
- 4. Congressional frustration over Vietnam is widespread. The fact the Europeans are not 'helping us' in Vietnam is often mentioned. Opponents of our Vietnam policy are waiting to seize on some issue with Vietnam implications, filibuster it to death, and bring about a 'damaging and divisive state of affairs'.
- 5. The Administration should emphasize that holding the line in Europe and bringing the Vietnam conflict to a successful conclusion are both necessary parts of a global strategy to keep the peace.

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-269 By ip, NARA Date 2-19-97

W. W. Rostow

MWG: mm

SECRET-EXDIS

34

THE WHITE HOUSE

WASHINGTOX

SECRET

March 21, 1968, 7:45 a.m.

Pres file

Mr. President:

As you know from the press, the Israelis last night mounted a major raid on Arab terrorist bases on the east bank of the Jordan River.

Your message got to Eshkol after the attack had been launched (8:45 p.m. EST last evening), and he responded by assuring you that this would be a limited raid and that Israeli forces would withdraw as soon as they had accomplished their mission of 'preventing additional sabotage activities and disarming the terrorists.' Eshkol has just (5:50 a.m. EST) phoned Barbour to say that Israeli troops are now in the process of withdrawing. Eshkol says he will respond more fully to your message.

Three action items face us today:

- l. State will probably postpone signing the new Israeli PL480 agreement, scheduled for 10:30 a.m. today. We lay ourselves open to Israeli resentment for "applying pressure," but I don't see how we could sign this today. State would say everybody is "too busy" today and avoid any implication our delay is punitive.
- 2. State is considering issuing early a statement built around the theme that "further violence cannot bring peace to the Middle East" and expressing our "concern and dismay" at Israeli military action. We can hardly remain silent, and we would be as careful as possible about domestic Jewish opinion. The British have already publicly urged withdrawal behind the June cease-fire lines.
- 3. We have no indication yet that there will be a UN Security Council meeting, but this is a clear possibility.

E.O. 12958, Sec. 3.6

NLJ 96-269 By in NARA Date 2-19-97 Harold H. Saunders

SECRET

Pres file

SENSITIVE

Thurs., March 21, 1968 7:30 p.m.

MR. PRESIDENT:

I have received indirect word that Paul Nitse is disturbed because he does not appear to be involved in the Monday-Tuesday briefings, whereas Nick K. is involved, as he was last time.

Should he be invited?

W. W. Rostow

Yes	
No	
Call me	

DETERMINED TO BE AN ADMINISTRATIVE MARKING. CANCELLED PER E.O. 12356, SEC. 13 S. ARCHIVIST'S MEMO OF MAR. 16. 1.

BY 19 ON 3/31/92

SECRET

Thursday, March 21, 1968 7:30 p.m.

Mr. President:

We're off again with Baggs and Ashmore.

W. W. Rostow

SECRET

WWRostow:rln

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1983
Bv g, NARA, Date 3/3//92

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 93-459

EGRET/EXDIS/EYES ONL By Plyw, NARA, Date 41790

Mr. Rustows 36a

March 20, 1968

MEMORANDUM FOR THE RECORD:

Subject: Forthcoming Visit by Beggs and Ashmore to Hanoi.

William Baggs called me from Miami this morning to say that he and Ashmore had been invited to come to Hanoi, and were planning to leave early next week. He said that they had sent a message to Hanoi suggesting such a visit, and that a prompt response had arrived saying for them to come to Phnom Penh and pick-up their visas. Their passports are already in order as journalists.

Baggs said that he well understood that there could be reservations here about Ashmore, and asked whether there was any point in his talking to us before he goes. I told him that in any situation of this sort it was certainly wise for responsible visitors to understand the state of the play and the questions that were on our minds. I said that I could not undertake to answer whether we would have any message for him, but that we would give the matter thought.

We finally agreed that he would come to Washington on Friday night and call me, at home on Saturday morning. prefers to deal with the Under Secretary and myself, but I told him that the Governor and others might turn out to be the appropriate ones to handle it.

If the Secretary agrees, my suggestion would be that Davidson and Isham prepare a summary of the present position relative to San Antonio, with recent public statements attached. This could be the basis of any oral discussion on Saturday by whomever the Secretary may designate.

Status Si bi William P. Bundy

Cc: The Secretary

The Under Secretary

Gov. Harriman

Mr. Habib (for Mr. Isham)

S/S (for Mr. Walt Rostow, Mr. Helms and Secretary Clifford)

TA: WPBundy:mk

SECRET/EXDIS/EYES ONLY

INFORMATION

-SECRET

Thursday, March 21, 1968 7:25 p.m.

Mr. President:

Herewith Hussein reacts negatively to our balancing message.

W. W. Rostow

Amman 3928

-SECRET

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96-269

By P NARA Date 2-19-97

WWRostow:rln

Pres file



Department of State

TELEGRAM

370

-SECRET

CONTROL: 5368Q

RECD: A MARCH 21, 1968

7:56 A.M.

OO RUEHC
DE RUQMKG 3928A 0811035
ZNY SSSS ZZH
O 211030Z MAR 68 ZFF-4

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC IMMEDIATE 4985

STATE GRNC

BT

SECRET AMMAN 3928

NODIS

REF: STATE 133587

1. WE HAVE JUST BEEN ASKED BY KING'S PRIVATE SECRETARY TO SEND FOLLOWING MESSAGE FROM KING HUSSEIN TO PRESIDENT JOHNSON:

2. QTE DEAR MR. PRESIDENT: IN RESPONSE TO YOUR LETTER WHICH I JUST RECEIVED, I WISH TO POINT OUT THE FOLLOWING: WE ARE NOW FIGHTING ONCE AGAIN, DEFENDING--IN THE FACE OF A BLATANT AND PREMEDITATED ISRAELI AGGRESSION--OUR LAND, OUR HOMES, THE SHABBY TENTS OF THE VICTIMS OF CIVILIZATION, AND OUR HONOR. WE ARE DOING SO WITH WHAT HAS REMAINED IN OUR HANDS IN THE WAY OF WEAPONS SINCE JUNE 1967, FACING OVERWHELMING ODDS, UNEQUIPPED AS WE ARE, NOT EVEN BY A FINALIZED AGREEMENT BETWEEN US FOR RESUPPLYING US WITH DEFENSIVE EQUIPMENT BY THE FRIENDLY UNITED STATES.

PAGE 2 RUQMKG 3928A S E C R E T

3. "IF THE BATTLE SHOULD GO THE WAY IT WELL MIGHT DO, THEN JORDAN, ITS HEAD OF STATE: ITS LEADERS, ITS ARMED FORCES AND ITS PEOPLE WOULD ALL BECOME THE VICTIMS OF AMERICAN WEAPONS, AND THEIR OWN FAITH IN THE UNITED STATES AND ITS PRESIDENT, AS WELL AS THE FRIENDSHIP WHICH THEY VALUED TO THE POINT OF REFUSING TO ACCEPT ANY OTHER OPTION TO BOLSTER THEIR DEFENCE IN THE FACE OF A HISTORY OF CONTINUED AGGRESSION.

4. "I AM NOT, AND SHALL NEVER HOLD MYSELF OR MY GOVERNMENT AND ARMED FORCE, RESPONSIBLE FOR THE SAFETY AND SECURITY OF THE ISRAELI FORCES OF OCCUPATION IN THE WEST BANK OF JORDAN AND THE REST OF THE OCCUPIED ARAB TERRITORIES. NOR DO I EXPECT TO BE HELD BE RESPONSIBLE FOR THIS.

DECLASSIFIED

-SECRET

E.O. 12958, Sec. 3.6

NLJ 96-267

By Cb , NARA Date 11-3-97

- -2- AMMAN 3928, MARCH 21
- 5. "AS FOR THE INCIDENT OF MARCH 18 TO WHICH YOU, MR. PRESIDENT, REFERRED, I WISH TO STATE, FOR YOUR INFORMATION, THAT AFTER A MOST THOROUGH INVESTIGATION, THIS INCIDENT COULD NOT BE TRACED INNSANIN OR CONSEQUENCE, TO JORDAN.
- 6. "WE HAVE TRIED OUR BEST, HONESTLY, FAITHFULLY AND SINCERELY TO LAY THE FOUNDATION FOR A JUST AND LASTING PEACE IN THIS AREA. THE BLAME FOR FAILURE, IF IT OCCURS, MUST LIE SQUARELY ON THE ISRAELI SIDE AND ON THOSE WHO, KNOWINGLY OR UNDELIBERATELY,

PAGE 3 RUQMKG 3928A SECRET

ENCOURAGE ISRAEL IN HER PLAN FOR THE DESTRUCTION OF THE FIRST

AND LAST CHANCE TO ACHIEVE PEACE.

- 7. "WITH MY REGARD. SINCERELY, AL-HUSSEIN. UNQTE.
- 8. COMMENT: AS WE HAVE REPORTED, PRESIDENT'S MESSAGE ARRIVED AFTER ISRAELI ATTACKS HAD BEGUN (AND HAD BEEN IN PROGRESS FOR THREE HOURS). IN DELIVERING LETTER IT WAS EXPLAINED THAT IT HAD ORIGINATED PRIOR TO THIS MORNING'S ATTACKS AND THAT A PRESIDENTIAL MESSAGE HAD ALSO BEEN SENT TO ISRAELI PRIME MINISTER.
- 9. WE HAVE BEEN INFORMED THAT PRESIDENT'S MESSAGE TO HUSSEIN EVOKED A VERY NEGATIVE REACTION. KING WAS APPARENTLY PARTICULARLY UPSET BY WHAT HE CONSIDERED IMPUTATION WE WERE HOLDING JORDAN RESPONSIBLE FOR BUS INCIDENT AND THAT HE HAD NOT BEEN SINCERE IN HIS EFFORTS TO TRY TO CONTROL TERRORISTS.

GP-1. SYMMES BT

N ALL COPIES
JM 6243

133

21 MAR 68

outgoing telegram Department of State

INDICATE: COLLECT

-SECRET

STATE

Classification

Origin

ACTION:

Amembassy AMMAN

FLASH

Inlo

Info: AmEmbassy TEL AVIV

IMMEDIATE

USUN New York

IMMEDIATE

DECLASSIFIED E.O. 12958, Sec. 3.6

NODIS

STATE 133887

NLJ 96-269 NARA Date 2-19-97

Deliver following message urgently from President to King Hussein. Quote: Dear King Hussein;

While I appreciate your problem in controlling terrorism incidents such as that which occurred on March 18th cannot but arouse passions most destructive for common hopes for peace in the Middle East.

I found your public statement of February 15th KENTAGERY.

courageous; but despite this statement and subsequent efforts

incidents have continued.

I appeal to you for a maximum effort to bring such incidents under firm control and to indicate by words and actions your determination to maintain an environment in which such violence cannot occur.

As received from

From White

House

Telegraphic transmission an

S/S-0:ELedbett

assification approved by

Clearances

SECREM

CORRECTIONS MADE ON THIS ORIGINAL MUST BE MADE ON ALL COPIES BEF THE TELEGRAM IS DELIVERED TO OC/T(A), m 6243

Page of telegram to	AmEmbassy AMMAN	FLASH		
	SECRET			
Classification				

I am making a strong appeal at this time to Prime Minister Eshkol to exercise restraint.

Sincerely,

Lyndon B. Johnson

Unquote.

End

ACTION

Pres file

SECRET

Thursday, March 21, 1968 7:20 p.m.

Mr. President:

Herewith a request from Sec. Rusk that you agree to see Alex Bebler, a distinguished Yugoslav, who has a peace initiative in mind which Sec. Rusk finds reasonably congenial.

W. W. Rostow

SECRET

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96- 269

By ..., NARA Date 2-/9-97

WWRostow:rln

THE SECRETARY OF STATE WASHINGTON

380

March 21, 1968

SECRET

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Request by Alex Bebler for Appointment with you

RECOMMENDATION: That you tentatively agree to receive Bebler.

APPROVE	
DISAPPROVE	

DISCUSSION: Mr. Alex Bebler, a Yugoslav who is President of the World Federation of the United Nations Association, has told Ambassador Bowles in New Dehli that he will be having discussions in Moscow next week with Prime Minister Kosygin and Chairman Brezhnev on Bebler's proposal that the United Kingdom, USSR, Canada, India and Poland join in an appeal for a second Geneva Conference on Vietnam. Bebler also states that both Canada and the United Kingdom have responded affirmatively to his proposal and that after his talks in Moscow he will be seeing Prime Ministers Wilson and Pearson and U Thant and may see President de Gaulle and the Pope. Bebler feels it is critically important for him to be able to tell the Soviets that he will be seeing you. Therefore, he requests an appointment with you in Washington sometime between April 3 and April 10.

In view of the high level attention that Bebler continues to attract and in line with our policy of exploring every possibility, however remote, that might lead to peace, I recommend that Bebler be told that while it is impossible to make a definite commitment at this time we look favorably upon his request and

DECLASSIFIED E.O. 12958, Sec. 3.6

SECRET

Group I

NLJ 96-267

Exc:luded from automatic downgrading

By Cb , NARA Date 11-3-97 and declassification.

that he may tell the Soviets that you plan to receive him. However Bebler should be informed that we first expect him to discuss his mission with the Department of State. This will provide an opportunity to inform Bebler that you are unavailable if at that time it is not advisable for you to receive him.

Dean Rusk

Thursday, March 21, 1968 3:45 p.m.

37

MR. PRESIDENT:

Dick Bolling called me with the following message, after emphasizing that he is absolutely firm in his support of you on Vietnam.

He fears that we are getting into a position on Vietnam that appears rigid. He noted that some of Rockefeller's men were leaking -- before he withdrew from the primaries -- that Rockefeller would approach the Vietnam issue in terms of "an Asian settlement," He thinks there is some merit in this idea even though it does not change our diplomatic position on Vietnam itself.

I said the suggestion was relevant and helpful, and I would pass it along.

W. W. Rostow

cc: Harry McPherson

-SECRET

Thursday, March 21, 1968 3:45 p.m.

Mr. President:

Dick Helms left a gloomy memoran= dum on pacification at lunch Tuesday. You may be interested in Gen. DePuy's measured evaluation of it as premature.

W. W. Rostow

-SECRET-

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-272 By us, NARA Date 2-2.58

WWRostow:rln

fres file



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

OFFICE OF THE SPECIAL ASSISTANT FOR COUNTERINSURGENCY AND SPECIAL ACTIVITIES

THE JOINT STAFF

21 March 1968

MEMORANDUM FOR GENERAL WHEELER

Subject: CIA Intelligence Memorandum on Pacification

- 1. You asked me to comment on the attached report.
- 2. The facts as set forth in the report are accurate to the best of our knowledge. The interpretation of the facts is very gloomy. The thrust seems to be that all the trends are running in the wrong direction. In fact, the report indicates that they were running in the wrong direction before TET and this is certainly true with respect to the Chieu Hoi Program and may have been true with respect to pacification, although the property of the state of the s Design and the second of the s
- 3. There is no way to challenge the report in heraily non is it at all clear that CTA is wrong a However, there is no need to draw final conclusions at this time. The situation is still moving with a mixture of pluses and minuses. For example, General Thang is obviously trying hard and is having a psychological impact. In all propacility the psychological aspect of the situation weighs in at about 90% and the physical aspects at about 10 percent Additional ally, main force elements in the Saigon area seem to be withdrawing There is some evidence that the 2d AVA Divisions is doing the same in the Danang area. It is a fact that the presence of these large units close to the cities and towns has a depressing psychological effect. It is equally true that their departure is usually accompanied by a lift in spinits.
 - 4. Therefore, ald from say is that the facts are not 3 all in; the situation is still moving; and any final assessment is premature. I do not believe the CIA report lays adequate emphasis on these facts. It appears that although they throw in a caveat or two, the value come. to as recommendation and the linear and an index their the situation is now

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-273 By is, NARA Date 5-11-98

deteriorating and will continue to deteriorate. This colors all of their estimates either of trends or of OB. If you are called upon to comment on the report, around recommend you simply take the position that it is premature to arrive at any firm conclusions and that by June or July we should have a very much clearer picture of the GVN, Its RVNAR the enemy and prospects for the future.

W. E. DePUY Major General, USA

Agus. Also, see report for CAS

Il Corps re effect Gen Floring hors
achieved since 29726 in that area.

Presfee

THE WHITE HOUSE

INFORMATION 4

WASHINGTON

TOP SECRET/SENSITIVE

Thursday, March 21, 1968 1:15 p.m.

LITERALLY EYES ONLY

MR. PRESIDENT:

I indicated briefly to you yesterday morning the sequence which I have come to believe we should follow in the months ahead with respect to Vietnam policy. I am putting it on paper so that you can consider it for what it may be worth.

- l. A firm Thieu-commitment to an additional 135,000 South Vietnamese plus other Vietnamese action to assume a greater proportionate responsibility in the war. His speech of today takes us some distance down that road, but of course it will require follow-up day by day.
- 2. U.S. military offensive actions: I attach, to refresh your memory, Westy's plan to go on the offensive in I Corps in April.

I believe he should be encouraged to move out, if anything, at an accelerated pace. You should be aware that at this particular time, enemy units seem to be pulling back in a number of places; including the Sanh. We do not know what their intention is:

-- to-regroup for later attrock

-- to avoid resustities which their forward positions have permitted us to imposs upon them?

-- to let McCarthy and Bobby Kennedy fight the war for them?

But the fact is there and, for the first time since the Tet offensive began, entinged casualties, and ours are falling back toward the average levels of 196%.

I do not believe we should wait to see what their next move is: I believe Wenty should go out and face them. In any case, it is important that over the next month or so, the military news from Vietnam shows that we have the military initiative and they are not simply hunkered up waiting for another enemy blow.

- 3. As this new military position becomes more clear to our people, we should then shoot for a major peace offensive targetted for, may late. As you know, I believe that Thieu and the South Vietnamese should be the center of it; but we should play our part and we should bring the Pope, the Roumanians, the Russians, etc., into the game to the maximum.
- 4. Meanwhile we should be using the time to develop a strategy for the next year on the assumption that Hanoi will not respond to the peace offensive of May. In particular, we should consider three strategies:

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By works, NARA, Date 4-392

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- -- a continuation of our strategy of 1966-67; that is, regaining our position in the countryside, extending pacification, and grinding along on the basis of slowly reducing the VC manpower base in the South, which we are doing at the rate of about one million per year through movement to the cities, plus refugees from VC areas, plus extended control in the countryside.
- -- a so-called population control strategy in which we would keep U.S. as well as Vietnamese forces in a position to give more regular and steady protection to the South Vietnamese population centers rather than grappling with the North Vietnamese units at the frontiers. Westy would defend his policy of 1966-67 as a population protection strategy in the face of North Vietnamese pressures across the frontiers. But it is conceivable that, after very careful analysis with Westy on the scene, some practical difference could be identified between the policy that he has been following and a policy of so-called population protection. As you know, I am skeptical of any abstract debate of this proposition until it is tested against actual force distributions and utilization on the spot in detail.
- -- a policy of forcing-a decision from-Hanoi and its-allies. **

The latter strategy involves adopting one or more of the following three courses of action:

- -- mining the North Vietnamese-harbors and trying to interdict the transport routes from China;
- -- invading the southern part of North Vietnam and blocking the transport routes from, say, Vinh, to both the Mugia pass into Laos and the roads to the DMZ; or
- -- moving into Laos on Route-9 and blocking on the ground the Laos transport routes into South Vietnam just south of the 17th parallel.

In different ways, any one of these three actions could put a very tough set of decisions to Hanoi and to its allies. I happen to believe that if the South Vietnamese government is on its feet and tolerably effective; we are moving forward militarily in the south, even if slowly; our terms for a settlement remain modest and legitimate; that neither the Soviet Union nor Communist China would escalate the war and that we would have a chance of bringing it more quickly to an end. I feel in my bones that after the Tet offensive, things can never be quite the same, and that a simple return to the 1966-67 strategy will not wash.

What I am recommending is simply that we carry out the most careful staff work on these alternatives from the present forward, so that you can make a rational judgment as to which way we go if the May peace offensive envisaged here should fail.

W. Rostow

TOP SECRET attachment

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Copy of MAC 03572 EYES ONLY March 15, 1968

Subject: I Corps Operations

- 1. I have reviewed Gen. Cushman's plans for the next six-eight weeks in Northern I Corps. Priority will be given to destroying enemy forces in coastal areas of Thua Thien and Quang Tri; blocking enemy use of Route 547 and interdicting his line of communication in the A Shau valley; and mounting offensive operations against enemy forces in Khe Sanh area; to include opening of Route 9. The latter is planned to commence about 1 April.
- 2. As a result of above priorities, with extreme demands on logistic and helicopter support, Gen. Cushman does not plan to execute the assault and occupation of A Shau valley and raids into the associated base areas 607 and 611, as had been planned and approved for approximately 1 April. In lieu of assault operations into the A Shau valley, extensive reconnaissance operations by U. S. and Vietnamese special forces, and organic assets will continue along Route 547 to the valley. The reconnaissance will be backed up by at least one brigade of the 101st Airborne, operating out of Cumberland fire base. Targets in the valley will be developed for air and artillery attack. Raids of short duration by air mobile forces may be conducted to harass and destroy enemy logistical installations.
- 3. In conjunction with operations beginning in early April along Highway 9 and on the Khe Sanh plateau, we will submit contingency plans employing up to brigade size forces (US/ARVN) in operations against enemy bases in Laos. These plans will be focused on known enemy installations and/or forces which we cannot reduce by B-52 strikes, tactical air and other measures short of incursions by ground forces. Plans will be in consonance with Southeast Asia Coordination Conference discussions and coordinated with American Embassy, Laos. I will keep you apprised of our plans and requirements as they evolve.

TOP SECRET EYES ONLY

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Authority OSD to 6/26/19

By up/4, NARA, Date 4/1/42

Pres file

INFORMATION

SECRET

Thursday, March 21, 1968 12:35 p.m.

Mr. President:

You may be interested in this account of French unhelpfulness with respect to the recent gold crisis, which I asked CIA to prepare.

The show down is likely to come next week in Stockholm in the Special Drawing Rights, as indicated on pages 8-10.

W. W. Rostow

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E.O. 12958, Sec. 3.6

NLJ 96-272

By ics , NARA Date 2-2-98

ER IM 68-32
March 1968
Copy No. 1
Intelligence Memorandum
French Actions in the Recent Gold Crisis

WWRostow:rln



CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 20 March 1968

INTELLIGENCE MEMORANDUM

E.O. 12958, Sec. 3.4 NLJ 96-27/ By us , NARA Date

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French Actions in the Recent Gold Crisis

Summary

French government attitudes, and the actions of some French officials, were important factors contributing to the massive speculation against the dollar and the pound during the recent gold crisis. In the weeks immediately following the devaluation of the pound on 18 November 1967, the French fanned the speculative flames by leaking unsettling financial news to the press and may have encouraged some countries to convert their dollars into gold.* By mid-December, however, the French government had become concerned about the deepening crisis and subsequently has generally refrained from unsettling actions.

Under De Gaulle the French government has consistently opposed the dominant role of the dollar in international finance, has pressed for elimination of the US balance-of-payments deficit, and has called for an increase in the official price of gold and the use of gold as the only international reserve. Over recent years, the French have converted

Note: This memorandum was produced solely by CIA. It was prepared by the Office of Economic Research and was coordinated with the Office of Current Intelligence.



Throughout the November-March crisis, the USSR, Communist China, and other Communist countries played a small role in Western gold markets. Reported Communist purchases of gold were about \$47 million for Communist China and \$143 million for the USSR and Eastern Europe. However, the absence of these purchases would not have significantly diminished the intensity of the rush against the monetary gold reserves of the gold pool members.



nearly all their official reserves from dollars into gold, reduced their cooperation with the other financial powers by withdrawing from the London gold pool, and delayed agreement on and adoption of US proposals for increasing world reserves through creation of new international assets under the International Monetary Fund.

The recent agreement among gold pool members to stop buying and selling gold in the private market will not prevent the French from continuing to promote the role of gold or from attacking the dollar if they choose to do so. If they feel that US measures are inadequate, the French will almost certainly try to block reforms of the international monetary system through the issuance of special drawing rights by the International Monetary Fund. The effectiveness of French policy, however, will be limited by the small size of France's dollar holdings, and the disappearance of the French balance-of-payments surplus. France's Common Market partners seem inclined to cooperate with the United States in international financial matters if the United States takes strong action to reduce its balance-of-payments deficit. Future French moves, moreover, probably will be inhibited by the desire to avoid international monetary disorganization.



The French View

- 1. Under De Gaulle the French government has fundamentally disagreed with the United States and most of the other major financial powers on the nature, the cause, and the appropriate cures for the difficulties which have beset the international financial system. France's approach to international finance is an extremely conservative one. France is opposed to arrangements (the so-called gold exchange standard) whereby the dollar and the pound serve together with gold as major media of international settlement and as international reserves. It opposes the domination of the world's financial markets by New York and London.
- 2. Most important, France considers the persistence of a US balance-of-payments deficit a means by which the United States forces European countries to hold dollars that are indirectly financing the invasion of US firms in Europe and US foreign policies distasteful to De Gaulle, such as the Vietnam War. France has consistently pressed for an increase in the official price of gold in order to achieve a sufficient increase in the purchasing power of world gold reserves to permit the supplanting of the dollar as a reserve currency. However, the French government has not desired the devaluation of the dollar in relation to the franc, because it believes that the French balance of payments could not stand the shock. A dollar devaluation would almost certainly be followed promptly by a franc devaluation of equal or greater size.

Early French Actions

3. The De Gaulle government has expounded its monetary views whenever a proper forum was available and began taking actions to back them up several years ago. French monetary and fiscal policies have been designed to create surpluses in the French balance of payments most of the time and in this way to build up French monetary reserves. As these reserves grew rapidly during the early and mid-1960's, they were converted increasingly from dollars into gold. This involved the purchase of \$2.9 billion in gold direct from the US Treasury. Direct purchases from the United States ended in late 1966, when the French balance-of-payments surplus almost disappeared





and French dollar holdings had declined to about one-half billion dollars.

- 4. Although after 1966 France no longer had large amounts of surplus dollars it could convert into gold, it continued to promote the world role Since 1961, France had been a member of of gold. an informal group known as the gold pool (together with the United States, the United Kingdom, West Germany, Italy, the Netherlands, Belgium, and Switzerland), the function of which was to stabilize the free market price of gold at \$35 an ounce and to distribute the burden of any losses according to agreed on proportions. The French share was 9.3 percent. The arrangement worked well through 1965, with the pool members gaining as much gold as they lost. In 1966, however, sales to private hoarders and industrial users began to out-pace purchases from new production and diminishing Soviet gold sales. The members of the pool began to lose increasing amounts of gold to the free market. In June 1967, France decided to withdraw from the pool in order to avoid continued easing of the strain on the US gold reserve and in the hope that its action would enhance the chances of an increase in the price of gold. By agreement among the pool members, French withdrawal was kept from public knowledge.
- While attacking the dollar by buying gold and ceasing cooperation through the gold pool, France also used its influence to prevent adoption of US proposals for reforms of the international monetary system which could supplement and eventually supplant both dollars and gold. After lengthy negotiations, in the summer of 1967 France joined in the agreement on creation of additional reserve assets -- the so-called "special drawing rights" (SDR's) to be issued through the International Monetary Fund. But implementation of the agreement was left indefinite, presumably contingent on a reduction of the US balance-of-payments deficit. Moreover, at French insistence, the Common Market countries received a veto power over the timing and manner of implementing the agreement. Although France has not been alone in insisting on a reduction in the US balance-of-payments deficit as a condition for implementing the agreement, it is clear that the French position has been the most negative and that French obstruction of negotiations has created lengthy delays. These delays in turn have contributed to the severity of the recent gold crisis.





French Actions Subsequent to Devaluation of Sterling

- 6. As a result of the June 1967 war in the Middle East which closed the Suez Canal and temporarily shut off some of the United Kingdom's sources of petroleum, plus a badly deteriorating balance of payments and serious economic difficulties at home, the British were brought inevitably to the point of devaluation.
- 7. The devaluation of the pound on 18 November 1967 created serious uncertainties in the world's gold and foreign exchange markets. It was followed by a serious acceleration in private hoarding of gold and parallel losses of reserves of gold pool members. French government attitudes and the actions of French officials in the weeks immediately following the devaluation of the pound contributed greatly to the uncertainty and helped to precipitate the ultimate gold crisis. It is unlikely that the French intended to create the crisis, however, and after mid-December they tried to disassociate themselves from it and to avoid unsettling actions.

The Le Monde Incidents

Late in November 1967, the Parisian press -mainly the newspaper Le Monde, under the byline of the respected financial writer Paul Fabra -- began to publish accurate and unsettling news about international financial developments. The most stunning item was news that France had withdrawn from the gold pool months before, with the United States shouldering France's 9.3 percent share of pool losses as well as its own share of 50 percent. There were other items as well: that \$1 billion of the \$1.4 billion pledged through the International Monetary Fund to support sterling after devaluation had already been "mortgaged" and actually was not available to dispatch outstanding British obligations; gold pool sales volumes; figures on British and US drawings against the swap arrangements exchanged among the major central banks; a whole series of reports on negotiations for additional loans to the United Kingdom; and exaggerated figures on increases in the members' contributions to the gold pool.





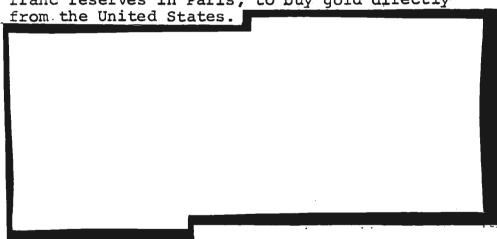
9. All of this information had been closely held. In fact, some of it was discussed only orally among the gold pool members at their periodic meetings in Basel, at which French representatives were present. It appeared that the closed society of central bankers had a large leak,

1.5(c)(d) 3.4(b)(1)(6)

10. All this news rapidly became public -- not only the leaks themselves, but also the alleged source. The story was current that a small coterie of overzealous Gaullists was attempting to push the world monetary machinery over the edge to increase the price of gold -- which, in Gaullist eyes, could be the only possible result of an attack on the dollar.

Other Developments

11. Other events roiled the waters as well. It was learned in mid-December that Algeria was using \$150 million (in dollars), bought with its franc reserves in Paris, to buy gold directly



12. Most of these reports are probably factually correct. They indicate a continuation of the general French policy of putting pressure on the dollar. But they do not substantiate the existence of a French plot to bring down the dollar in the wake of the devaluation of sterling. Some of the reports probably represent isolated ploys





on the part of overzealous people. The weight of evidence, on the contrary, indicates that by mid-December the French government had become apprehensive about the developing crisis. Presumably it feared that the crisis would lead to unsettled conditions and severe monetary disturbances, which it wanted to avoid, even if the eventual result was an increase in the price of gold. Some reports even suggest that firm instructions were issued from high levels within the French government to cease any actions that might add to the speculative fever.

- 13. The real importance of all these developments, however, lies in the attitude of the public at large, the public that actually bought the gold, sold the sterling and dollars, and feared imminent collapse of the world monetary system. This public was convinced of official French complicity. Moreover, the notion was daily gaining ground that the oft-repeated Gaullist thesis was correct: that the dollar could not hold out, that the US. gold stock could be profitably assaulted, and that the dollar devaluation that soon would yield great profits to gold holders was indeed imminent.
- 14. Throughout the crisis, the position of the French central bank, the Banque de France, whose governor, M. Brunet, has been a particular friend of the United States, seemed ambivalent. Its strong inclination toward close cooperation with foreign monetary authorities is inconsistent with some of the actions attributed to it during the crisis. Senior officials of the Bank were apprehensive about French government policies, although it was also clear that the Bank was at all times under the control of the Finance Minister in matters of policy.
- 15. The announcement, on 1 January 1968, of President Johnson's new balance-of-payments program stemmed the tide of deepening crisis for only eight working days, after which the pressure on the London gold pool resumed, slowly at first, then with gathering intensity. From this point onward, however, reports of French involvement diminished significantly. Moreover, on an official level, the French continued to act with perfect



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correctness. France even had an opportunity, as a result of substantial inflows of dollars during November and December, to buy some gold directly from the United States, which it declined to do, preferring to label the dollars as "hot" money that might all too soon leave France again. There were a few statements reiterating the old Gaullist monetary line and calling for an increase in the price of gold -- some of these coming from De Gaulle's adviser on gold policy, Jacques Rueff. No solid evidence exists that the French government engaged in covert activity to intensify the last, most crucial phase of the gold/dollar crisis.

What Will France Do Now?

- 16. It is not likely that the agreement of the gold pool members to cease buying and selling gold in the free market will induce the French government to abandon its long-held view that the price of gold should be increased, that the United States should put its balance of payments in order, or that the world should be put on something approaching a full gold standard for international settlements. The French will continue to press for adoption of international monetary policies and institutions consistent with its view. The French have a number of ways to bring pressure on the pound sterling and on the dollar in the future. These include:
 - a. Opposing the plan for setting up Special Drawing Rights (SDR's) which will be taken up by the finance ministers of the ten largest Western financial powers at a meeting on 29 March to be held in Sweden. The SDR's would ease the balance-of-payments problem of the United States and the United Kingdom, since they would give these two countries, as well as all other members of the International Monetary Fund, the right to draw on additional amounts of key foreign currencies for extended periods of time.



- b. Insisting on settlement of any balance-of-payments surplus with the United States or the United Kingdom in gold and encouraging other nations to do the same. Linked to this position would be France's insistence on the right not to accept another nation's SDR's, if the International Monetary Fund ratifies such a plan. At the extreme, France could sell monetary gold obtained from the United States at \$35 an ounce to private individuals, but this practice would create considerable risk of detection if carried out on any scale.
- c. Encouraging other nations with whom France has financial or diplomatic influence to minimize their holdings of dollars and pounds.
- d. Taking advantage of France's strong reserve position and Common Market leadership to replace London in part with Paris as a center for selling South Africa's gold production. Substantial advantages, however, still accrue to London and to Zurich. A parallel effort would be to make Paris more of a financial center for Western Europe at the expense of London.
- e. Spreading damaging rumors with respect to the pound and the dollar.
- 17. There are, however, some major inhibitions and barriers to French action. France wishes to avoid dismantling the international monetary machinery because this machinery plays an important role in promoting international trade, and in particular France does not want the dollar devalued in relation to the franc. France may, therefore, cooperate to a degree with the United States and other financial





powers to limit speculation in gold and dollars. French leverage is limited by the fact that French dollar reserves are now small and the French balance of payments is unlikely to be in surplus for the next year or two. And France cannot count on having an effective veto power over adoption of the SDR scheme. If the United States takes sufficiently strong monetary and fiscal action to improve its balance of payments, the other Common Market countries may support the SDR scheme in spite of probable French opposition.

INFORMATION

Thursday, March 21, 1968 12:00 noon.

Presfile

Mr. President:

Herewith the final English text of President Thieu's broadcast.

You will be interested, in particular, in the marked passages on pages 4 and 5.

W. W. Rostow

WWRostow:rln

(GVN English trans) on of radio/TV address by Pr lent Thieu to be broadcast evening March 21, probably around 8 pm Saigon time)

430

March 21, 1968

Subject: Speech by President Thieu

Dear Compatriots,

Today I would like to speak to you about the progress in the relief work. As of today, the number of refugees in the entire nation has been reduced to 405,000. In comparison with the figure of 700,000 last month, it has decreased by 300,000, because security has been re-established in the suburban areas and normal life returned to the towns and cities. Up to now, the essential items distributed to the refugees include:

20,000 tons of rice
300,000 cans of condensed milk
280,000 cans of meat
140,000 cans of fish
37,000 tons of dried fish
80,000 blankets
19,000 mosquito nets

In addition, there are other essential items distributed to the refugees such as sugar, fish sauce, and clothes.

The amount of money which the government made available to the provinces for relief is 274 million piasters.

In the capital itself, the number of refugees which on March 1 was 160,000 in 78 centers has been now reduced to 78,000 in 54 centers. All the public schools utilized as refugee centers have now become free again. A limited number of private schools which have not yet been returned to their former use, will be so before the end of this month, so that the pupils and students can resume their studies at the beginning of April.

As for the amount of relief supplies, I would like to recall that, for the time being, the government maintains the pre-established criteria:

- -- In Hue, each family whose house has been damaged receives 10,000 piasters, 20 large iron sheets, and 10 bags of cement.
- -- In Saigon and in the town of Gia Dinh, each family whose house has been damaged receives 10,000 piasters, 10 large iron sheets, and 10 bags of cement.

In other areas in the nation each family whose house has been damaged receives 5,000 piasters, 10 large iron sheets, and 10 bags of cement.

Those who still remain in the refugee centers continue to receive their

daily rice rations until they receive their allowances in money, iron sheets and cement to return to their former homes.

In some areas, the refugees receive additional food items such as milk, sugar, fish sauce, etc., aside from their rice rations which are indispensable in every case.

Those who have not yet received their allowances in money, iron sheets and cement, but who have already left the refugee centers to live temporarily in the houses of their relatives, continue to receive their rice rations until further notice by the government. After the results of the one month fund drive are known, the Central Relief Committee will study the possibility of further help to the refugees.

I mention the various relief items to be distributed to the refugees in order for everybody to know what he is entitled to, and to avoid possible malpractices by members of the organizations implementing this program. I shall severely punish all malpractices relative to this relief program, because I consider them not only as inhuman acts but also as sabotage against a very important national undertaking, and as possible acts of connivance with the enemy.

Concerning the allowances of money, iron sheets and cement to the refugees, the government will do its best to expedite their distributions, and I have already given instructions to local authorities to distribute these items immediately to the refugees as soon as they are received from the central government.

In Hue, the first distribution of relief supplies to 500 families has been done 3 days ago.

In Saigon, it has been done to 300 families in the 6th, 7th, and 8th precincts. In Can Tho, distribution has been made to 200 families. From now on, the distribution will be made more rapidly, with the achievement of the census.

As for the authorization to rebuild the houses in the provinces, I know that some provincial authorities are not expeditious. Therefore, I reiterate the following precise instructions:

-- First, those who want to rebuild or repair their houses by themselves, or who wish to leave the refugee centers to return to their former houses in order to rebuild them, whether or not they have received allowances in money, iron sheets and cement, should receive prompt authorization from the local authorities. The procedure for such authorizations should be achieved in

one day or two, not in one week or 10 days, with unque difficulties as pretexts for requests of bribes.

-- Second, in the provinces, the problem of zoning and esthetic restoration should not be posed. To be realistic, authorization should be given to those who want to rebuild on the foundations of their former houses. In particular, the houses which remain intact should not be bulldozed away. In the areas inhabited by low income families, which lack elementary sanitary conditions, and are exposed to dangers of accidental fires, some roads should be built or broadened just enough to ameliorate the health conditions and to assure protection against fire. The owners of the few houses which happen to be situated on the locations of these new roads should receive in compensation from the government another piece of land, if possible near their former houses.

-- Finally, I would like to recall to the provincial authorities that, in the relief program, I pay special attention to the administration of the refugee centers, and that severe punishments will be meted out in case of abuses. I have mentioned many times to the province chiefs that the administration of these centers should be well organized, and confided to trustworthy and honest senior officials with the help of local organizations. Next to it is the problem of honesty and integrity, and strict control of the honesty and integrity of the officials of the lower echelons; all those who commit abuses will be brought before the courts, and they will receive no indulgence.

After the problem of relief and assistance, I would like to address you today on some problems relating to the two main fields in the nation:

- -- The efforts in our military struggle.
- -- The efforts for reforms in some other areas.
- -- The efforts in our struggle against the Communist aggression.

As I have said many times before, the Communists and their instrument, the so-called NLF, have been determined to win this year some important military victory in order to obtain some political advantages at the conference table. If they fail in this attempt they will try to return to the rural areas to take over manpower and resources, to continue the sabotage for some more time, even though they cannot win decisively. The Communists are not stronger than before, but they will take risks in putting all their remaining forces in their last attempts this year.

So far, the Communists have suffered very heavy losses, 53,537 casualties since their Tet offensive, while our forces and allied forces suffered only 6,700 casualties. In spite of this, the Communists surely will risk once again in an even

bolder fashion. Therefore, we must be determined to put an end to their dreams of aggression. We are determined to wreck their plans.

We will not let the Communists win this year, or any other year.

- -- Our Army has fought bravely, and today, on every battlefield, has counterattacked and regained initiative.
- -- The population has refused any cooperation with the Communists. The army, the civil servants, cadres, -- no one betrayed the nation and defected to the enemies, and that is a bitter failure for them, and that has caused the Hanoi regime and its tools in the South to review their whole policy.

Our allies, especially American forces, have helped us greatly. They have also made considerable sacrifices, and inflicted heavy losses on the enemy.

Our allies in the free world will give us more military and economic assistance. But for our part, I think that we must make greater efforts and accept more sacrifices because, as I have said many times, this is our country, the existence of our nation is at stake, and this is mainly a Vietnamese responsibility. We must demonstrate that we deserve their support, and gain the respect of other nations.

Therefore, the government decides first of all to reinforce the combat capability in every way to efficiently meet the situation, so that on the one hand we will be able to protect the provinces and districts, and on the other, to attack and destroy the enemy, to protect and rebuild the rural areas.

I have decided to increase the armed forces by 135,000 men in the first phase. This measure must be carried out urgently. This requires the mobilization of more age groups, first of all the 19- and 18-year-olds, and the recall of veterans under 33 years of age with less than 5 years of military service. The Department of Defense is implementing these measures.

So far the results are very encouraging:

- -- 38,000 youths of 19 years of age have received their draft cards since February 14, and 3,282 youths have been inducted in the first phase.
 - -- 40,000 youths of 18 years of age will be drafted during May and June 1968.
- -- 11,525 Reservists of all ranks have joined the armed forces and 8,000 additional reservists will join in the next phase.

The number of draftees during the last 2-1/2 months are 26,588 persons, and

the volunteers during the same period are 21,962.

In short, the number of youths who have enthusiastically joined the army is greater than at any other time.

To complement the program for increase of defense forces, we have also started accelerating the training of civil servants, students, and school boys in all the country. Up to now, 16,000 civil servants and students have received military training.

Along with this, the organization of self-defense groups among the civilian population has made great progress: as of today, there are 495 units consisting of 69,543 members, and the number of weapons issued amounted to nearly 10,000.

Meanwhile, the Revolutionary Development program planned for the year 1968 is still being implemented, and the government decides to press it forward because the rural areas should be considered essential. The Regular Army, Regional Forces, and RD cadres are coming back to a counterattack in the rural areas, to destroy the enemy who take advantage of the Tet occasion when our army and cadres were busy in the defense of the cities, to try to control a number of hamlets. I am completely confident that, with our increased military efforts, with the enthusiasm displayed by our youths in joining the armed forces to destroy the enemy, with the active support and cooperation given to our armed forces by the civilian population, and the completion of our self-defense organizations, we shall defeat the Communists in spite of their efforts and their audacity.

There are efforts for improvement in some other areas -- in the normalization of daily activities. During the recent Tet events, a number of industrial plants were destroyed by the Communists, and during the fights which occurred during the Communist attacks and occupation, in order to bring back all the activities to the normal situation, the government has decided to establish a "production rehabilitation fund" and a "war risk insurance fund" in order to help the industrialists to reconstruct their plants.

The government is also making efforts to protect the waterways and roads all over our nation so that the national commercial and economic activities do not suffer from the events.

I have severely forbidden the construction of sumptuous houses in order to reserve labor and resources to relief requirements and to the reconstruction of the houses of war victims.

I have given strict instructions to all local authorities to close definitively the dancing-bars and the disguised night clubs which are harmful to our good moral traditions and deprave our youths. The outdoor markets for smuggled and stolen goods are also to be closed.

On the problem of corruption, I have considered it to be a shame for the whole nation and the population. Corruption is the major obstacle that hinders every improvement of the society and the progress of the nation. I know that the eradication of corruption is a very difficult task that requires much courage, many efforts and great patience. But I am determined to push vigorously the anti-corruption program, and I am sure that all the citizens of good will in the nation will help me in what can be considered the problem of the nation.

I will not pass up any infraction, and in order to start in the right direction, I shall not treat with indulgence any clearly established case of corruption, especially the abuses committed in the relief program, in the present and in the future.

The 40 cases of corruption, bribes, embezzlement, which the Prime Minister has presented to you on March 14, include military officers as well as civil servants. The punishments vary from death and prison sentences by the courts to disciplinary measures such as suspension of functions and removal from offices. These punishments will be strictly carried out. The remaining cases will also be dealt with severely, in an exemplary manner.

I trust that these measures against corruption will be pursued in a continued fashion, and will not have a demagogic, spectacular and temporary character, and in particular will be just and impartial.

Finally, to improve the efficiency of the governmental machinery, I have decided:

- -- To invite a number of experienced and respected personalities, who have had records of struggle for the national cause and who have political and technical capabilities, to participate in national affairs as my advisers.
- -- To establish, under my personal direction, a "National Planning Council" to study, prepare, and supervise the implementation of national plans in all areas, in the present wartime as well as after the war.
- -- To establish under my personal direction a "Committee for Administrative Reforms" to study, make decisions, and implement all reforms relating to the entire governmental machinery from the central government to local administrations. This committee will review entirely the responsibilities, organizations,

functionings, procedures, as well as the numerical sizes, capabilities, and statutes of civil servants. The purpose is to build an efficient, healthy and especially an honest and dedicated administration, worthy of serving the people. I have already mentioned this plan to you in my election platform and in the government program. I am determined to carry out this task.

I have started with some recent reforms to improve some basic criteria and ameliorate the quality of the personnel, but much remains to be done, and energetic, clean-out measures will be necessary.

In the last 4 months and a half, there have been already 69 officials in the provinces who have been replaced to improve the efficiency of the administration and to better serve the population.

The training courses and improvement courses for province chiefs and district chiefs have been organized, and will continue to be organized, in order to increase the efficiency of the administration already mentioned.

I have just decided to transform the Directorate General of Information into a Ministry to push forward more vigorously our information programs in the country as well as overseas, to carry out more energetically psychological warfare, to meet more energetically the challenge of Communist propaganda and political warfare, to explain more clearly our positions and the righteousness of our cause in the struggle to defend freedom and peace for mankind.

In the area of promoting political activities among the population to strengthen the spirit and the cohesion of the people against the Communist menace, I have always encouraged the formation and expansion of political groups leading to the unification and establishment of valid and strong nationalist fronts against Communism.

Compatriots, to defeat the Communist aggressors, to obtain in the near future a just peace which we all desire, we have to go through many ordeals in all areas. We have also to make greater efforts and accept greater sacrifices for the country.

We have to defeat the enemy coming from the exterior, as well as the enemy within our country. Much remains to be done. We have to display much courage and a great perseverance. I shall do my best, the government will do its best. We count on the active cooperation of the entire population.

INFORMATION

SECRET

Thursday, March 21, 1968 -- 10:45 a.m.

Pres. file

Mr. President:

At Khe Sanh:

- -- weather good;
- -- 177 enemy rounds;
- -- 87 friendly artillery missions;
- -- 203 tactical sorties plus 6 B-52's;
- -- 265 tons delivered;
- -- from other information, indications some enemy forces pulling back from Khe Sanh, others, perhaps, moving east to Quang Tri-Hue area.

W. W. Rostow

SECRET

WWRostow:rln

Authority OSD Lto 10-18-78
By 4/2/92



Thursday, March 21, 1968, 8:50 a.m.

TEXT OF CABLE FROM GENERAL WESTMORELAND

This is report number forty-six on the situation in the Khe Sanh/DMZ/A Shau Valley area for the 24-hour period of March 20, 1968.

The level and character of activity at Khe Sanh has not changed over the past three days. The enemy continues to limit his efforts to indirect fire attacks. During this period, 177 incoming rounds were recorded. The majority of these were from enemy mortars (150 rounds) and twenty-one Marines were wounded. Five men required medical evacuation. Eighty-seven artillery missions were fired in support of the base; thirty-three were observed missions. Five enemy were reported killed by artillery or tactical air.

Clear weather prevailed for most of the day and 203 tactical air sorties were flown. Bomb damage assessment in the Niagara area included two secondary explosions, nine bunkers and one gun position destroyed, two road cuts and sixteen secondary fires. Unseasonably good weather in the north uncovered lucrative targets and some Niagara sorties were diverted to the northern route packages.

There were six ARC LIGHT strikes in the Khe Sanh area during the period, four strikes within 1000 - 1500 meters of friendly troops. One mission reported eleven secondary explosions. Forty-three fixed wing and helicopter sorties lifted 265.5 short tons of supplies, and 130 replacements into the base.

During the next 24 hours, 298 tactical air sorties and six ARC LIGHT strikes are scheduled in support of Khe Sanh. Weather predictions are fair to good, with marginal conditions early in the morning, clearing up during the day. Rain may reduce conditions to 2,000 feet and three miles visibility after 2:00 p.m.

Along the DMZ, 55 incoming rounds were received with no significant casualties or damage reported. Elsewhere in Quang Tri Province, contact was light. The total casualties in the 3rd Marine Division area for the period were twenty-six Marines wounded (six evacuated), thirteen enemy killed and two individual weapons captured.

DECLASSIFIED

Authority OSD la 1/3/19
By p/19, NARA, Date 4/2/92

SECRET

A Shau aerial surveillance on the twentieth consisted of one early morning and one photo recon mission. The good weather predicition was wrong. One ground reconnaissance team was extracted and one team failed to insert due to enemy fire. A team report from a mission near the A Luoi Airstrip contains locations of suspected caves and tunnels in the vicinity, a possible truck park and bivouac area and sightings of truck traffic on Route 548.

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



21 March 1968 0430

MEMORANDUM FOR THE WHITE HOUSE SITUATION ROOM

Supply Status at Khe Sanh as of 8:00 PM EST 20 Mar (9:00 AM 21 Mar, SVN time) Subject:

1. The Khe Sanh Dump and Ammunition Supply Point (ASP) status as of the above time is as follows:

		DAYS SUPPLY ON HAND	PREVIOUS STATUS 8:00 PM 19 Mar EST (9:00 AM 20 Mar SVN)
CLASS	I (Rations)		
	Meal, Combat, Individual B Rations	21 8	.21 days 8 days
CLASS	II (Fuel)		
	Aviation Gas (AVGAS) JP-4 Fuel (Jet Fuel) Motor Gasoline (MOGAS) Diesel	3 10.6 13.2 9	3 days 10.6 days 14.2 days 4.4 days
CLASS	V (Ammunition)		
a.	High Explosive		
	60-mm mortar 81-mm mortar 90-mm (Tank) 4.2" mortar 105-mm howitzer 155-mm howitzer	51 31 133 32 -22 -24	52 days 31 days 133 days 32 days 22 days 21 days
ъ.	Antitank	•	ROUNDS ON HAND
	90-mm AP-T 90-mm HEAT 66-mm rocket (LAW) Antitank mines (M-15) Antitank mines (M-19) Antitank mines (M-21) 106-mm HEAT 106-mm recoilless rifle 3.5" rocket	(HEP-T)	329 1,202 2,981 321 469 0 1,482 2,130 2,991

DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo, Jan. 5, 1988

SECRET

PREVIOUS STATUS 8:00 PM 19 Mar EST DAYS SUPPLY ON HAND (9:00 AM 20 Mar SVN) c. Antipersonnel ROUNDS ON HAND 106-mm BEEHIVE 1,517 CLASS V (COFRAM) 105-mm howitzer 5 days 5 5 days 155-mm howitzer 5 5 days 40-mm grenade launcher Hand grenades 10 days 2. On 20 March, Khe Sanh was resupplied with 265.5 tons as follows: 67 tons CLASS I 20 tons CLASS-II 34 tons CLASS III CLASS IV 26 tons

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

105 tons

13.5 tons

the sale of the sa

: 1

Distribution:

CLASS V

MISCELLANEOUS

SECDEF

DEPSECDEF

CJCS (3)

DJS (3) J-30

J-31

J-32

J - 33

J-34

J-4.

AWR

MCCC

AFCP

NPP

DDO .

ADDO

CCOC PAC DIV

PAC DESK

SECRET

45 Presifile

CONFIDENTIAL

Thursday, March 21, 1968 10:35 a.m.

Mr. President:

Heller says he can't do it.

Would you care to indicate your next choice?

W. W. Rostow

-CONFIDENTIAL

6 M on 3/31/92

WWRostow:rln



ACTION

48a

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

po

Thursday, February 29, 1968

3:55 p.m.

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 Weller	Will Rostow
Check with Feinberg and come back to me	V
See who's available	
Call me	DETERMINED TO

CONFIDENTIAL

DETERMINED TO BE AN ADMINISTRATIVE MARKING, CANCELLED PER E.O. 12356, SEC. 1.3 AND ARCHIVIST'S MEMO OF MAR. 16. 1985

on 5/3/92

ACTION

CONFIDENTIAL

Pres file

Thursday, March 21, 1968 -- 9:55 a.m.

Mr. President:

Herewith the statement which State Department proposes to issue this morning, if you approve.

It is responsive to some suggestions made by Mac Bundy, among others.

I have bracketed the two words I believe are questionable: we can make a judgment that the attacks are damaging to hopes for peace; but whether they are "unjustified" or not involves a calculus that only a higher authority, even, than the U.S. ought to make. We do not believe it realistic just to remain wholly silent, since this would be read in the Arab world as U.S. support for the Israeli exercise.

W. W. Rostow

Atatement approved as is Approved without "unjustified"				

WWRostow:rln

CONFIDENTIAL

Further violence cannot bring a durable and stable peace to the Middle East.

The Israeli military actions today against the territory of Jordan are unjustified and damaging to hopes for a settlement of the real issues involved. Furthermore, all of the parties know that peaceful channels are available.

We recognize the problems created by terrorism, but our main objective is to achieve a lasting peace. Israel and the Arab States should be adhering scrupulously to the cease-fire resolution of the Security Council and working with the Special Representative of the U.N. Secretary-General in accord with the Security Council's resolution of last November. Any action that delays his work is most regrettable.

We have made our position known repeatedly and as recently as one day ago: Arab-Israeli differences should be settled through the efforts of the U.N. Representative and not through the use of force.

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INFORMATION

Presfile

Thursday, March 21, 1968 -- 9:35 a.m.

Mr. President:

Nick tells me the agrement for our new Ambassador to Paris has come in. The French would like a little notice before we make our announcement here.

W. W. Rostow

cc: Mr. George Christian

Mr. Ed Fried

WWRostow:rln

48 Profile 1. 196

Thursday, March 21, 1968 - 9 30 AM

MR. PRESIDENT:

Secretary Fowler wants Ed Fried to be part of the delegation for the important meeting of the IMF Special Drawing Rights Plan in Stockholm March 29 - 30.

I recommend he be permitted to go.

W. W. Rostow

Appr	OV.
Disa	pprove
Call	me

INFORMATION

Thursday March 21, 1968

MEMORANDUM FOR THE PRESIDENT

fres file

SUBJECT: Proposal for a series of National Parks in Australia as a Memorial to Harold Holt

Attached is a letter to you from an Australian named John Büsst, a friend of Harold Holt. He proposes that the Australian Government set aside 14 areas as National Parks and National Marine Parks as memorials to Holt. The areas would be selected in order to conserve a comprehensive range of Australia's animal and plant life.

Mr. Büsst asked your support "at the top level" for this proposal.

Our Embassy in Canberra is aware of this proposal which is supported by a number of prominent Australians. The Embassy points out, however, that there is no tradition in Australia of memorials for deceased heads of government, and that Prime Minister Gorton is personally opposed to this project. The Embassy believes it "highly unlikely that the Australian Government will approve and assist the project.

We have already in the works the renaming of the Northwest Cape Communications Center for Prime Minister Holt and are considering as well naming a US naval vessel after him. I sense that Prime Minister Gorton has reached the resistance point on further tributes to his predecessor. Moreover it is not clear to me where the President of the United States has much of a role to play in urging upon the Australian Government a conservation measure on so large a scale as that proposed by Mr. Büsst. I think it is best to stay our of this one.

There is an added complication of which you should be aware.

Zara Holt is now scheduled to be a White House guest on April 22-26. Mrs. Büsst has been traveling with Mrs. Holt for the past several months and will probably come to Washington with her. Both ladies are aware of and approve the memorial park idea. They may seek your support for it

If so, I suggest you express your warm personal approval but point to the difficulty of giving unsolicited advice to the Australian Government on a matter of this kind.

I do not feel any reply to Mr. Büsst's letter is necessary, particularly in view of the upcoming visit of Mrs. Holt.

W. W. Rostow

Att

STATE: MWright:wpt

Phone:

Bingil Bay, Nor' Queensland, 4855 Aus. alia.

490

Personal

12th. February, 1968.

Lyndon B. Johnson,
President,
United States of America,
White House,
WASHINGTON, D.C.
U.S.A.

Dear Mr. President,

re Harold Holt Memorial Scheme

I am writing to you privately re the above, as I feel you may be interested. Also, as Mrs. Holt and my wife are scheduled to be your personal guests shortly, you may like to discuss the matter referred to with Mrs. Holt.

The scheme briefly is this:-

- 1. That the Australian Government shall declare the Point Nepean, Portsea area as the Harold Holt National Memorial Park, with an offshore area to be designated as Australia's first National Marine Park. That a memorial be erected at Cheviot Bay (where the late Prime Minister met his tragic death), to designs submitted competitively by Australian sculptors.
- 2. That similar National Parks and National Marine Parks, fronting on each other where possible, be declared in each of the six States of the Commonwealth of Australia.
- 3. That public subscriptions be sought, both in Australia

and overseas, particularly from those countries represented at the Memorial service in St. Paul's Cathedral, Melbourne.

- 4. That with the subscriptions, Conservation scholarships be established at a University in each State, with reciprocal travel arrangements for visiting overseas scientists.
- 5. Unique wilderness areas. This was an idea expressed by the late Prime Minister only a week before his death, to Mr. John Chapman, Trans Australia Airlines. That the Federal Government set aside large selected areas in each of the six States, each area representative of a different facet of our unique flora and faura. That there be established in these areas, Federal Government sponsored hotel/motels. areas to be National Farks, fronted by Marine National Parks, in this latter instance with particular emphasis on the Great Barrier Reef area (the late Prime Minister's number one choice for spear fishing, complete relaxation, and sheer beauty. This area is already threatened by commercial and mining interests). Tours of all these areas to be offered as an unusual package deal to visiting scientists and to tourists, offering them a comprehensive range of all Australia's quite unique flora and fauna.

Further information if necessary would be obtainable from the Governor General of Australia, Lord Casey or Sir Garfield Barwick, Chief Justice of Australia and President of the Australian Conservation Foundation Inc. who have expressed their

complete approval of the scheme.

I may add, Mr. President, that when Zara was presented with the scheme in outline, she described it as a magnificent conception, of which Harold would have completely approved.

I am writing this at a personal level, as a close personal friend of Harold, for the past forty-seven years. I know that you share the same opinion of him - that he was a warm, affectionate, extremely able and loveable human being, who accomplished more in his three short years as Prime Minister than others were able to achieve in thirty, and that this memorial would be a fitting tribute to a man who spent his life in personal dedicated service to his country. Any support you can express immediately, at top level, for this proposal would, I am certain, ensure its success.

Sincerely yours,

John R. Busst.

LIMITED OFFICIAL USE Thursday - March 21, 1968

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Senator Montoya's public statements in Peru on Vietnam policy

Herewith a letter which Bill Bowdler has just received from our Embassy in Lima reporting on public statements by Senator Montoya supporting your Vietnam policy.

The Embassy was slow in getting this to us -- the Senator was in Peru last January -- but you may still want to mention your appreciation.

The press clippings show Senator Montoya emphasized your untiring efforts to find an honorable settlement in Vietnam and the repeated rebuffs from Hanoi.

W. W. Rostow

Attachment

LIMITED OFFICIAL USE



EMBASSY OF THE UNITED STATES OF AMERICA



Lima, Peru

March 11, 1968

William Bowdler, Esquire Executive Office Building The White House Washington, D.C.

Dear Bill:

It was pleasant having you in Lima even though your stay was far too short. On looking back it seems somehow macabre to have taken you to view 80,000 skeltons but then maybe there is something roughly symbolic in that particular episode of your Lima visit.

I had meant to mention to you a specific matter during your stay here. Senator Joseph Montoya of New Mexico was in Lima for a few days in early January. He made a very good impression here and was very helpful to the Embassy in a variety of ways. At his departure he asked me, his control officer, to see to it that the President was advised of the Senator's public statements supporting our policy in Viet Nam. I was not too sure how to accomplish this. We reported the Senator's visit by airgram (Lima A-389) but I was uncertain that this complied fully with the Senator's wishes. Therefore, I am sending you copies of clipping from the Lima press of January 5. As I understand it, the President often finds it helpful in his relations with individual Senators to mention details of this sort.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

-2-

I leave to your judgment and discretion whether or not and how the President should be advised of Senator Montoya's public expressions of support while in Peru.

Come again for a longer stay.

With best regards,

Sincerely,

Frank V. Ortiz

Sostiane senador por Nuevo México

"Los E. U. han querido y quieren terminar con el conflicto en el Vietnam"

Entains Unides he descado: Ail se expresé sobre el ser quiere ferminar cun el cun-tual conflicto en el Extremo divido de Vicinam ruinto antes. Oriente el arnador por Nuevo Pro cuadas de cresco al margo México Inseph Montoro, insente el cuape de la cunta para tantes despues de su arribo por ver monas de acrescia a la landa via aérea.

do amargos experiencias que Hablo ai ser requerido sobre 1000 conocemos.

sta opinión personal en torno a la guerra de Vietnam, a la que dijo también— "El Presidente Johnson siene el mujor de seo de poner lin, les come la la democracia por este de se con su resiente gira por ese sector des militarios.

AMALIZARA ALIANZA

Hablando ao perfecto casteliano, el sexador Montoya deleiaró acimismo que ha sido comisionado por su Camara para ibscer un análisis general de la aplicación de la Alianza para el Progreso y sus frutes en el Peró. Brasil, Argentina y Chila, ipalese estos últimos que visitaró a continuación del muestro.

Aduncia una posible entrevis la con el Presidente Belsunde, que más tarde fue confirmede por funcionarios de su Embajada— durante los tres dias que estará en Lima, y usimismo con directivos de etros organismos eficiales y particulares.

Sobre, le aplicación de los fondos para fines de synda a Latineamérica, y en general a países en vias de desarrollo, el parlamentario dijo, que en Estados Unidos siempre se busca el mejor empleo de dichos dineros por la cual aurgen a veces aigunos impasses. En Lima se entrevisterà, con el Senador Joseph Davies Tydinga, que lisgo hace aigunes dias, y con quien xerà los alemera de la Alienza.



El Serador Jesesh Montoja, del Estado de Nauvo México.

S.A. PRINSE, Lime Vierpiel 5 de Casso de 1968

Senador de EU Dice Seguirá El Bombardeo de Vietnam

ninguns manera supendeminguns manera supendeminguns manera supendemin los bombardeos a vietmam dei Norte, alumno aper el senador norteamericamines que de describe sena
per el senador norteamericamines que de describe sena
per el describe de la los conserces. Minut que
servar el describilo de la los conserces. Minut que

servar el desarrollo de la los contraceds. Minist que alianna para el Progreso.

La suspensión de los lices mas que otros bombardeos ha sido puesta para en los latinos de los latinos de Ranci, para en los latinos mericanos, per en el conversaciones de a un los latinos mericanos, per en el conversaciones de a un los latinos mericanos, per en el conversaciones de a un los latinos mericanos, per en el conversaciones de a un los latinos mericanos, per en el conversaciones de as un los latinos mericanos, per en el conversaciones de as un los latinos mericanos, per en el conversaciones de la un los latinos mericanos, per en el conversaciones de la un los latinos mericanos, per en el conversaciones de la un los latinos mericanos.

pais "ha tratado siempre de proveur de fondes amplios a las naciones de Latinoamérica, y que jamás ha habido ninguna vos en con-

Adelanto de que a su re-greso a los Estados Uni-dos presentara un informe detallado ante su Camara, de lo observado en su gira.

"Hoy se entrevistarà con funcionarios del Gobierno, Lucgo aeguirà viaje a Bue-nos Aires, Argentina,

Tambien está en Lima desde el primero de enero el senador Davies Tydinga. No se ha informado actre- el motivo de su visita, aunque se sahe que también es entrevistará con funcionsrica del gobierna,

Thursday - March 21, 1968

Prestile

Mr. President:

I recommend you approve this farewell message to President Stroessner to be delivered just before he departs for Paraguay on Saturday, March 23.

W. W. Rostow

Approve	
Disapprove	
Call me	

Attachment

Mr. President:

As you prepare to leave the United States, Mrs. Johnson and I send our best wishes for a safe journey home.

Our discussions on how to advance the cause of freedom and progress in our hemisphere have been most useful.

We hope you have enjoyed your stay with us and will carry back the warm friendship of my countrymen for the people of Paraguay.

Lyndon B. Johnson

His Excellency

General Alfredo Stroessner

President of the Republic of Pasaguay

Waldorf Towers

New York, N. Y.

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ <u>96-269</u> By 120, NARA Date 219-97 Mr. Rostow 52

Pres file

CONFIDENTIAL_

Thursday, March 21, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Talk with Abe Feinberg--6 p.m. Today

As background for your talk, here is where we stand on the main US-Israel issues:

- 1. Arab Terrorism and Today's Israeli Attack. We fully sympathise with Israel's frustration and anger over the continuing loss of Israeli lives to the terrorists. However, we do not agree that such massive raids as this morning's will solve the problem. They only make the Arabs all the more determined to make life miserable for the Israelis in occupied territory. More important, this just delays and maybe permanently jeopardises our efforts to resolve all these problems peacefully. We had arranged for a secret meeting of high Jordanian and Israeli officers to discuss controlling terrorism, and Hussein had just agreed to go to Cairo to try to bring Nasser to joint talks with Jarring. In personal terms, you could say feelingly that this just makes it more difficult than ever for you to help bring about what Israel most needs--peace.
- 2. Posture Toward Jarring. The Israelis have dealt cautiously with Jarring, and we have shared some of their suspicions of Egyptian motives. But we have urged Eban and Eshkol to be more flexible. We are not urging the Israelis to compromise on basics, but we do disagree with them that time is on their side and that they can afford to be unmoving. The recent buildup in Arab support for terrorism is just one example of how the passage of time entrenches both sides in positions that make a peace settlement harder and harder. We've backed Israel in standing its ground, but this is on the assumption it would go the extra mile in helping Jarring succeed.
- 3. Aircraft. Abe should know, if he does not already, that you agreed with Eshkol to provide another 40 Skyhawks--total 88--and that the agreement has been signed. The Israelis continue to press for an early decision on the Phantoms, but Bob McNamara before he left reassured you that you could delay that decision as late as December and still begin delivery of the four Phantoms a month in January 1970. The Israelis are still trying to keep the door open for delivery of a large batch of 30 or more in that month, which would necessitate an earlier decision, but our intelligence estimates still do not bear out the need for this. (I will be wrapping up all of these elements for you in the next day or two.)

-GONFIDENTIAL-

- 4. PL-480. You have approved a \$30 million agreement, and it was scheduled to be signed this morning. Luke Battle, with Secretary Rusk's approval, postponed the signing and will probably try not to reschedule it until after the Security Council session on Israel's attack is well out of the way. It is important for us to avoid the appearance of punishing Israel, but our position in the Arab world just can't stand this open manifestation for support of Israel on the very day when Eshkol defied our advice and mounted an attack that we strongly disapproved of.
- 5. Desalting. I tried to get Walter Heller to do the job, but he says he is just too tied up to do it justice. I've sent you a note on next steps.

If you want to add a personal note, you might comment on the fact that you feel you have done a great deal for Israel since last June, but you are concerned that what the US has done, while it is widely appreciated in Israel, is neither understood nor appreciated by the average Jewish voter in the U.S. I know Marvin Watson is working on this problem and you may or may not want to discuss it with Abe.

W. W. Rostow

Au tolar

INFORMATION

-CONFIDENTIAL

Wednesday, March 20, 1968 8:05 p.m.

Mr. President:

Herewith Phil Habib reports on his breakfast in Cambridge with Ed Reischauer, Lucien Pye and Doak Barnett.

You will note:

- -- They did not think this was a good time for negetiations;
- -- They were against the 200,000 man increase in U.S. forces but expressed no view on a "moderate increase";
- -- A session with Sec. Rusk was arranged for April when they will be in Washington;
- -- A Harvard-MIT letter to the New York
 Times is in the making.

W. W. Rostow

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 93-248

By Cb , NARA, Date 5-22-85

-CONFIDENTIAL

WWRostow:rln

53a

DECLASSIFIED

E.O. 12356, Sec. 3.4

NIJ 93-249

By W , NARA, Date 2/1-93

March 19. 1968

MEMORANDUM FOR MR. WALT ROSTOW THE WHITE HOUSE

I had breakfast this morning in Cambridge with Ed Reischauer, Lucien Pye and Doak Barnett. We discussed their letter to the President dated March 11.

They wanted particularly to express their concern over the possibility of major military escalation. They feared that military escalation would take the place of serious moves toward a negotiated settlement within a reasonable period of time. They were also interested in any information I could give them with respect to the consequences inside Viet-Nam of the Tet offensive.

I believe that I was able to reasoure them about some of the more sensational accounts of escalation such as bombing of civilian population and dikes in North Viet-Nam, major ground operations into Laos and Cambodia, and a major invasion of North Viet-Nam. In the course of this I pointed out to them that whereas there has been some increase in approved bombing targets in North Viet-Nam there was no desire to expand bombing policy in such a way as to call up their fears of "carpet bombing" in populated areas. I noted that as we go after military targets in built-up areas there may be some splatter into populated areas but this was not of the proportions which seem to concern them. On the dikes, I pointed out that as far as I knew there were purely military problems working against taking out the dikes and that I was not aware of any plans along this line. On operations on the ground in Laos, Cambodia, or North Viet-Nam I told them that while we should not close-out options there was no present intention to go into those areas with major combat units.

They were all of the opinion that we had to look toward a negotiated settlement even at the expense of concessions involving the VC which would produce less than what we might think is best. They had some difficulty in determining when negotiations should

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-2-

be approached. They expressed the view that right now did not appear to be a propitious moment given the situation on the ground in Viet-Nam. On the other hand they were uncertain as to whether we should take the steps necessary for negotiation before our elections or whether it would be better to wait until afterward.

Finally, they expressed unanimous opposition to the 200,000 man increase in US forces reported in the press as being under consideration. I told them that the President had under consideration what, if any, increase in forces would be necessary. Authoratative administration sources were speaking of a much more "moderate" increase and they could be sure that the matter was receiving most careful study.

They seemed satisfied with my presentation of the pluses and minuses we faced in the wake of the Tet offensive.

They indicated that they would be coming to Washington some time in April and would hope at that time to talk to the Secretary and to meet with Bill Bundy. I said that could be arranged.

After the breakfast I found out that there has been a move within the Harvard Faculty to stir up an academic letter to the New York Times to take issue with the administration's policy. These three men preferred to write directly to the President to express their views in what they believe was a constructive manner rather than to share in the more propagandistic and recognizably political effort being promoted by some of their colleagues. A letter to the Times was still in the making, however, and would be forthcoming some time soon, involving a fairly prestigious group from at least Harvard and MIT.

Philip C. Habib

cc: S/S - Mr. Read EA - Mr. Bundy

RECEIVED ROSTOW'S OFFICE

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INFORMATION

RS

THE WHITE HOUSE WASHINGTON

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SECRET

Wednesday, March 20, 1968 -- 8:00 p.m.

Mr. President:

Herewith an account of the interview with Sec. Rusk, which we arranged. Also, he was prepared to leave behind a copy of the memorandum which I read and returned, but summarized for you.

As you will note (top of page 2 of the Memorandum of Conversation) the heart of the proposal is that technically we remain "unaware of the proposal." I am, therefore, making no further distribution here; and I shall check with State to assure that it is not being spread about.

W. Rostow

SANITIZED E.O. 12356, Sec. 3.4 NLJ <u>94-456</u> By <u>Cb</u>, NARA, Dam 4-3-1

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SECRET/NODIS

MEMORANDUM OF CONVERSATION

5

SUBJECT: Vietnam Peace Proposal

Date: March 18, 1968

Time: 3:30 p.m.

Place: The Secretary's

Office

PARTICIPANTS: Archbishop Luigi Raimondi, Apostolic Delegate to the U.S.A.

The Secretary
Daniel I. Davidson, Special Assistant to
Ambassador Harriman

Archbishop Raimondi told the Secretary that last February a person connected with the official and diplomatic sector, a specialist in international law, presented a solution for breaking the impasse preventing the two parties to the Vietnamese conflict from meeting. This idea was for a third party to issue an invitation to talk at a specific time and place. This would get around the current situation where no one feels free to take the first step although both sides say that they are ready for talks. The Archbishop handed a memorandum, prepared by the person he had referred to above, to the Secretary.

After slowly reading the memorandum the Secretary said that it contained a very important idea that touches on many things which have been done or attempted. The Secretary said he did not want to give an off-the-cuff reaction.

The Archbishop said that he had not expected an immediate reaction but did wish to inform the Secretary that he would welcome suggestions the Secretary might have. For example the role given to Sweden could be given to Switzerland or to any other country. Archbishop Raimondi emphasized the importance of the

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B.O. 12356, Sec. 3.4

SECRET/NODIS

By up , NARA, Date 5-19-95

SECRET/NODIS

- 2 -

two parties technically remaining unaware of the proposal and said that he was somewhat hesitant with leaving a copy with the Secretary but would trust his judgment.

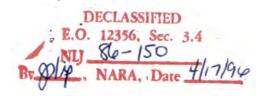
The Secretary said that the U.S. had thought of trying variations of the plan at various times. We had been thinking of suggesting that the two co-chairmen or the three ICC nations send representatives to a site such as Geneva who would be present to talk to anybody who came to the site. This method could avoid procedural difficulties such as the role of the NLF. As the various groups converse with the representatives it might lead to suggestions on how to move to peace.

One of the problems that requires close attention said the Secretary is the proposal for a reduce fire without a previous understanding or arrangement. The Secretary pointed out that the GVN holds all provincial capitals, six autonomous cities and all the district capitals and asked whether it could make use of the road network connecting these towns during a reduce fire. The Secretary repeated that he was not in any way judging the proposal.

The Archbishop said that the Holy See would not go ahead unless exploration revealed the possibility of success since the Holy See was not interested in academic exercises.

The Secretary told the Archbishop that the Holy See's interest is greatly appreciated and that the memorandum would get immediate and careful study.

SECRET/NODIS



MEMORANDUM

A Procedural Proposal Regarding Vietnam

<u>Proposal</u>. It is proposed that a legitimate neutral source, without clearing the idea with those involved, issue an invitation to North and South Vietnam, the NLF and the United States to meet at a designated time and place, and also call for a general reducefire, throughout Vietnam, including a cessation of the bombing of North Vietnam, to begin at a fixed hour about a day before the mooting. A draft of such an invitation is attached.

<u>Pationale</u>. It is easier to influence a government by confronting them with an opportunity then by confronting them with rhetoric or ricing costs. In the present situation it seems particularly desirable to have some third party give each side a readily decidable question so that a single decision — a simple affirmative answer — could reduce the level of conflict and start discussions.

Each side has alliance problems, making it accutely difficult to advance a specific and constructive offer to the other. Proposals from the other side are suspect. The stakes are so high that it appears easier to fight on and dicker for a slightly more advantageous posture, or time or place of meeting, or agenda, or terms of reference rather than to advance a specific invitation — an invitation which the other side is likely to reject as it, too, seeks to improve upon its position. The United States is unwilling to stop the bombing of North Vietnam if the North remains free to stop up its military infiltration. Hanci is unwilling to make any promises about its military activity as a condition for stopping the bombing. Neither seems willing to act first; it may be possible for a third party to get them to act at the same time.

A specific opportunity, which might not recur again for a long time, provides a reason and a justification for decision which is not otherwise presented. For the United States to turn down such an invitation would subject the administration to demostic and international political costs exceeding those it is now paying.

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For Hanoi, there is little cost in accepting the invitation. They admit nothing. They stood up to the bombing. By exercising some military restraint and engaging in discussions they can probably avoid the renewing of the bombing and may well be able to ease the United States forces out of Vietnam. Although the political objectives of Hanoi and Washington remain inconsistent, each may well be willing to pursue those objectives by less violent means.

Whatever the probabilities of negotiations are, two things seem clear:

- There is a substantial chance that each side is interested in lessening the bloodshed and exploring the possibility of negotiations;
- Negotiations are more likely if a meeting is called by a third party than if the world waits for the balligerants to work out among themselves the time, place, agenda, terms of reference and conditions.

Content of the Invitation. The content of the attached draft is largely self-explanatory. India, Canada, and Poland, as members of the Control Commission, are invited to meet with the parties. The invitation is designed to confront each with an invitation which they will be tempted to accept. Each, if given the chance, would prefer changes in the text and might well indicate in advance that they would not accept. But if, without an opportunity for trying to improve upon conditions, each is confronted with a take-it-or-leave-it choice, they might take it.

The host. Every third party can find some good resson why they are not the one to issue the invitation. Each is likely to be highly aware of the political cost to themselves of failure. The following candidates deserve serious consideration:

India. As Chairman of the Control Commission, India is the one government which could act with the greatest legitimacy. The major difficulty with India lies in the fact that if the iniative failed, the one piece of international machinery now available for use in Vietnam might become irreparably damaged:

United Nations. Public debate in the Security Council or General Ascembly would have to precede U.N. action. This would give the United States and Hanoi an opportunity to indicate at low cost that the emisting draft was unacceptable for some plausible reason. Any such opportunity precludes the chance of confronting the belligerents with a firm invitation which could only be rejected at high cost.

Secretary General. Could not act on his own without coriously upsetting a great many people.

<u>FaGeulle</u>. The President of France is a world statemen. A carefully drafted invitation from him could be an extremely influential document. On the other hand, DeGaulle's ability to turn a phrace, domonstrated in Quebec and elsewhere, makes it most unlikely that he would in fact have the tact required in the present situation.

Haile Salassie.

Britain.

Caylon.

etc.

Maving for the moment rejected all others, the most promising candidates to call the proposed conference may be:

The Pope Sweden

Possible Plans. At least two ideas may merit consideration:

- A. The Pope issues a public call for the meeting and the reduce-fire, and indicates that the Government of Sweden has agreed to chair the meeting and have it held in Stockholm.
- B. Sweden issues the invitation for the meeting; the invitation is promptly endorsed by the Pope who calls on the parties to attend the meeting and to respect the reduce-fire at the designated hour.

Plan A. If the Pope were prepared to take the initiative, the Government of Swadon would presumably be prepared to handle the administrative and diplomatic side of the conference without having to have any "guarantee" that the parties would in fact show up. If the initiative should fail, there would be no significant demestic or international political cost to Sweden for having agreed to make itself evailable. This plan apparently requires the minimum of prior diplomacy and therefore could be acted upon most guickly and surely.

Plan B. Before issuing the invitation on its own iniative, Sweden might want some more evidence that somebody would show up. An assurance of Papal endorsement would go far. If the Government of Sweden should need more, the following scenario might be possible:

- 1. Sweden privately shows invitation to Poland, tells Poland that Sweden has decided to go ahead and will do so if Poland will show up.
 - 2. Poland privately notifies Hanoi of what is brewing and says Poland will go to Stockholm for the meeting unless Hanoi talks them out of it.
 - 3. Haroi fails to ask Poland to wreck the proposed meeting.
 - 4. Poland tells Sweden they will come.
 - 5. Sweden issues invitation.
- 6. Pope endorses it strongly and specifically; Poland announces that they will come. (Canada and India can be expected to follow suit immediately.)

Immediate Stans. It is suggested that both the Government of Supplier and the Vatican consider on an urgent basis whether or not they are interested in going forward with a proposal along the lines of that suggested. In doing so it is suggested that they should be careful not to give any belligerent such knowledge of the idea as to give them a chance to insist privately on changes which would make the invitation unacceptable to the other side.

DECLASSIFIED E.O. 12356, Sec. 3.4 NLI 86-150 4. NARA, Date 4/11/96



1. Although all parties to the Vietnam conflict no doubt boliove that they are pursuing laudable objectives by justificale means, the increasing cloughter should not be allowed to continue if it is at all possible that it can be brought to a halt. Statements from both sides suggest a possible willingness to accept peace and to concern themselves with the practical tasks of moving from where they are now to d point where troops have been withdrawn and there is a viable political life in which all can participate. With the hope that it may move the world one step closer to peace; it has been decided to call a meeting.

DRAFT

2. The following parties are hereby invited to send representatives at the embascadorial or lower level to attend a meeting to be held at the offices of the Ministry of Foreign Lifeirs for three weeks beginning at 10:00 a.m. local time on Monday the

of 1968.

The Government of the Republic of Vietnem, Saigon

The National Liberation Front of Vietnam .

The Government of the Democratic Republic of Vietnam, Hogoi

The Government of the United States of America
The Government of Canada

The Government of India

The Government of Poland

Any party not wishing to send a formal representative to the meeting may sond an unofficial observer or may ask any person, including the representative of some other party, to convey their views officially or unofficially. Ropresentatives not present on the cpening day of the moeting may join the moeting later.

- 3. The meeting is called for the purpose of discussing, formally and informally, measures which ought to be undertaken

 (1) to establish and maintain a cease-fire throughout Vietnam and

 (2) to achieve a settlement based upon an implementation of the Gerova Accords of 1954.
- 4. Attendance at the meeting is without projudice to the logal or other position of any party. It is requested that no party make any public statement as to conditions or positions which might projudge or affect the work of the meeting, and that any questions or comments which a party might have be raised with the chairman at the first day of the meeting.
- 5. So that there may be some hope that the meeting will produce constructive results and bring Vietnam closer to peace, all parties are hereby requested to implement, effective at 2:00 c.m. local time the Sunday before the meeting begins, and to respect at locat so long so the meeting continues, a general Reduce-Fire throughout all of Vietnam, such reduce fire to include a cossation of all major offensive military action including a cessation of the bombing and other armed attacks against North Vietnam, it being understood that no party should take military advantage of the reduced military activities on the part of an advarsary.
- 6. There is no need for a reply to this invitation. The mosting will take place as scheduled whether or not all invited parties decide to attend the opening sessions, unless the Chairman finds that the general Reduce-Fire is not in effect, in which event the meeting shall not be held.
- 7. Unless and until the meeting should decide otherwise, our representative will serve as Chairman. He will be unavailable for discussion or comment prior to the day asked to t

INFORMATION

SECRET

Wednesday, March 20, 1968 -- 7:35 p.m.

Mr. President:

Herewith three papers from Clark Clifford.

- l. A memorandum on the reserve call-up, showing:
 - -- the units called up to back up the additional South Vietnam deployment;
 - -- additional call up to replexish the strategic reserves;
 - -- the resulting position in treeps in South Vietnam.
 - 2. A memorandum on the M-14 rifle availability.
- 3. A memorandum on the present state of Project 100, 906.

W. W. Rostow

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E.O. 12356, Sec. 3.4(b) White House Guidelines, Feb. 24, 1983

By 9, NARA, Date 9192

WWRostow:rln

Pres file

March 20, 1968

MEMORANDUM CONCERNING CALL-UP OF RESERVES

I.

	
Army Reservists and National Guard Units	31,600
Army Support Troops to support the 82nd Airborne and the 27th RLT already sent	13,500
Navy personnel	1,524
Air Force personnel	3,500
TOTAL	50,124
Out of the above call-up, 43,000 are to be deployed to South Vietnam.	
II.	
An additional call-up of Reserves to replenish the depleted strategic Reserves would be as follows:	
Army units	45,300
Air Force personnel TOTAL	3,100 48,400
III.	
The deployment figures to Vietnam after the call-up would be as follows:	
Personnel present in South Vietnam or in the pipeline	525,000
Units of the 82nd Airborne and the 27th RLT	11,000
New increment to be sent in accordance with General Westmoreland's request	30,000
Support Troops for the 82nd Airborne and the 27th RLT	13,500
TOTAL	579,500



ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D.C. 20201







20 March 1968

INSTALLATIONS AND LOGISTICS

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Availability of Rifles for Vietnamese Forces

The Problem

. Colonel Pursley asked that you be provided with an answer to the following question: "Are there surplus M-14 rifles which can be issued to the Vietnamese forces?"

Answer

- . The Army will have available by May 25 a quantity of about 39,000 M-14 rifles. These are planned for assignment to U.S. Army Reserve units expected to be called to active duty to reconstitute STRAF.
- In addition to this quantity, there are approximately 149,000 M-14 rifles assigned to U.S. Army troops in Southeast Asia which are being progressively replaced by M-16 rifles. As these rifles are replaced they become available for overhaul and reissue. If required, such a quantity could be made available for issue during the next 9 to 12 months. Most are now planned for issue to active U.S. Army and Reserve forces.
- However, if the objective is to equip additional Vietnamese units, the M-14 rifle is not recommended for this purpose because:
 - It offers no advantage for the Vietnamese over the M-l rifle, with which the Vietnamese forces are now equipped. As M-los become available to the Vietnamese they are replacing the M-ls.
 - There are ample quantities of M-1s which can be made available if required for the Vietnamese. 45,000 are now in U.S. depots ready for immediate issue. An additional 400,000 require only inspection or overhaul and could easily be prepared for issue at the rate of 10,000 per month.

DOW GEST DO AT 3 YEAR INTERVALS; DEC. ... O AFTER 12 YEARS. 130 LIR 5200.10

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Authority NON Dic 5200, 10

By rg , NARA, Date 4/1/92

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APPENDIX F TO ENCLOSURE A

JUPAS RECOMMENDED ALLOCATION

M16/M16A1 RIFLE

J-4			Withdrawn for Added from Re	redistribution distribution			м16,	MIGAI RI	FLE							
□					estimate	D PRODUCTI	ON, REQUI	REMEMBS, .	AND ALLOCATI FY 1969	ION FOR I	REMAINDER		As of	? 15 March	1968	
ည္က			Production	and Total Mo.			٨	llocation				Coast				Total
S 15			Source	Production	Army	RVII	Thai	ROKS	N. Zealand	Maleya	Philippines	Guard	USMC	USAF	usn	Requirement
725/81	•	Mo.	Colts G	M												
N	ı		Requirem	ent>	524,235	628,512	35,096	254,630	1,548	250	3,661	1,700	47,000	208,155	9,650	1,714,840
5	68	Mar	30,000	30,000	13,000	12,000							5,000			
		Apr	30,000	30,000	13,500	13,000		1,500					2,500			
		May	31,000	31,000	13,250	13,000							2,500		2,250	
		Jun	32,000	32,000	15,000	15,000							2,000			
	FY	68	123,000	123,000	54,250	53,000		1,500					12,000	•	2,250	1,591,84C
	i i	Jul	16,000	16,000	8,000	5,000										1
	1	Aug	33,000	33,000	17,000	16,000							5 000			1
		Sep	35,000	35,000	15,000	15,000							5,000			1
	1	Oct	36,000	36,000	17,000	16,600	1. (00						6 000		a had	1
		Nov	38,000	38,000	14,000	13,400	4,600						6,000		2,400	1
		Dec	40,000	40,000	19,000	18,250	2,750						6,000		2 500	1
۲	69	Jan		000 41,000	16,500 23,000	16,000							0,000		2,500	1
ω		Feb		000 46,000	1	23,000							6,000			1
		Mar		000 50,000	22,000	23,000			3 61.0				0,000		2 500	1
		Apr		000 54,000	25,000	24,952			1,548				6,000		2,500	1
		May	48,000 10,0	000 58,000	26,000	26,000										2
		Jun	50,000 12,0			28,000	7 360		3 610				6,000		7 1:00	1 093 910 0
	69	FY	468,000 41,0	000 509,000	230,500	227,202	7,350		1,548				35,000		7,400	1,082,840 2

GROUP 4 DOWNGRADED AT 3 YEAR INTERVALS; DECLASSIFIED AFTER 12 YEARS

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Appendix B to Enclosure



ASSISTANT SECRETARY OF DEFENSE -

RECEIVED

20 March 1968

MANPOWER AND RESERVE AFFAIRS 1000 MAR 20 16 09

SECRETARY OF DEFENSE

MEMORANDUM FOR SECRETARY CLIFFORD

Attached for use at the 5:00 o'clock meeting are:

- (1) A hurriedly compiled round-up of DOD programs of immediate relevance to the disadvantaged.
- (2) A summary of Project 100, 000 through 29 February 1968.
- (3) A copy of Table 930 in the Defense Management Summary. This gives much of the same information as Item (2), all on one page, but does not include February 1968 Project 100,000 accessions.

MG-a B. Jan

Attachments

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DOD PROGRAMS IMMEDIATELY RELEVANT TO THE DISADVANTAGED

- (1) PROJECT 100,000 A program to take in at least 100,000 men each year who would not meet minimum standards in effect during 1958-1966 period. This program, which began in October 1966, is a success thus far. See separate report attached.
- (2) INTENSIFIED RECRUITING Ordinarily 9% of Armed Forces accessions are Negroes, but this jumps to 37% for the "New Standards" men entering under Project 100,000. However, of the New Standards Negroes, 63.5% are from the South, and relatively few are from large cities.

Consequently, in February 1968 we began a special recruiting effort in urban poverty areas. This is being tested in Detroit, Philadelphia and St. Louis during March and April, with the Services directed to double the enlistment rates hitherto achieved.

The program is being carefully monitored and is pin-pointed on high-unemployment, central city areas. It will be expanded to 17 more large cities on 1 May, and still another 20 on 1 July 1968 for a total of 40.

- (3) SUMMER EMPLOYMENT Last summer DOD employed 47,000 temporary workers, mainly students. There were no special controls to ensure that those employed were disadvantaged. For the summer of 1968 the employment target is 50,000, with a target of 75% drawn from special Civil Service lists of needy youngsters.
- (4) NEIGHBORHOOD YOUTH CORPS Defense and Labor have been operating a pilot project in the Washington area to give part-time employment at DOD installations to about 200 NYC youngsters who are following a year long program of combined schooling and employment, with the prospect of full-time DOD employment at the end of the 12 months (August 1968).

In February 1968 we decided to expand the program to 44 more cities where there are nearby Defense installations. This is contingent upon Labor being able to fund its share of the expanded program in FY 1969. The target is to fill at least 25% of the entry level job openings (GS 1-5 and helper) with participants in the NYC-DOD program.

The success of the entire program depends upon obtaining Civil Service Commission assurance that DOD can use preferential hiring practices for NYC graduates. We do not yet have that assurance.

(5) OFF-BASE OPEN HOUSING PROGRAM - Between June 1967 and 29 February 1968 we increased the number of open rental units near military installations from 663,000 to 874,000, or from 60% open to 79%.

In the same period the number of rental units actually listed with base housing referral offices grew from 282, 300 to 710, 000.

While DOD only seeks assurances that rental units will be open to military personnel on a non-discriminatory basis, we believe that most landlords who have agreed to open for military are in fact opening to civilians as well.

(6) PROJECT TRANSITION - This program is aimed at departing servicemen, mainly those without marketable skills. The object is to give counseling, training, academic upgrading and job placement assistance while they are still in service. Operated on a pilot basis at five installations in June-December 1967, it became operational at all major installations in January 1968. We estimate that 500,000 separating servicemen will participate in some phase of Project Transition in FY 1969.

Attachment

ASD(M&RA) 20 March 1968



PROJECT ONE HUNDRED THOUSAND

A. Background

In October 1966, DoD initiated "Project One Hundred Thousand" to accept men who were being disqualified for service under previous mental and physical standards. We were convinced that these men would qualify as fully satisfactory servicemen when exposed to modern instructional techniques used in the Armed Forces and that their service would prepare them for more productive lives when they return to civilian life. The revision in entrance standards is also resulting in a more equitable sharing of the opportunities and obligations of military service among the Nation's youth.

B. Key Policies Governing the Program,

- Performance standards are not lowered.
- We are prepared to assist men achieve satisfactory performance levels.
- Results are monitored in detail.

C. Number Accepted - Goal vs. Achieved

We exceeded our first-year goal and are on schedule in meeting our second-year objective.

1. Phase I, October 1966 - September 1967

Quota	Achieved	Overage	
40,000	49,252	9,252	

2. Phase II, October 1967 - September 1968

Gross Quota	Phase I Overage	Net Quota	Achieved Oct 67 - Feb 68 (5 Months)
100,000	9,252	90,748	39,610

D. Profile of Project One Hundred Thousand Men

Average age - 20.9 years.

38% were non-white.

34% were unemployed; an additional 19% earned less than \$60 a week.

54% had not completed high school.

Average school grades completed was 10.5, but:

- Average reading ability was 6.2 grades;
- 14% had reading ability below 4th grade.

E. Experience with Project One Hundred Thousand Men

1. Basic Training

	Project One	All		
	Hundred Thousand Men	Other Men		
Graduation Rate* % Requiring Extra Help (Recycling or Special Training)	96% 12%	98% 4 %		

^{*} Men who fail basic training are discharged.

2. Skill Training

- After completing basic training, they receive skill training in formal course or on-the-job.
- In formal skill courses, more than 87% graduate. Those who fail are reassigned to other type course or to on-the-job training.

3. Types of Assignments

Combat Specialties	38.2%
Technical Specialties	38.2% 61.8%*
Total Assigned	100.0%

* Includes maintenance, supply, equipment operation, administrative, medical, craftsmen, and communication specialties.

4. Retention

Of the first group who entered service during October - December 1966, 94% were still in service 30 September 1967, after an average of $10\frac{1}{2}$ months service time.

5. Supervisory Ratings - Army

94% rated Excellent in Conduct and Efficiency during the first year of service.

6. Offense Record

During the first year of service 7% received Non-Judicial punishment, and 4% received court-martial convictions.

F. Future of Project One Hundred Thousand

- 1. We expect to achieve our goal this year of accepting 100,000 men who would otherwise be disqualified for military service.
- 2. We are making efforts to improve the program by research -- e.g., better measures to determine abilities of culturally deprived youth; improved training techniques.
 - 3. Increased emphasis will be given to remedial education.
- 4. We will conduct follow-up studies of these men in civilian life to measure the beneficial impact of military service.

UNCLASSIFIED

TATT 930.—PROJECT ONE HUNDRED THOUSAND



A. New Standards Accessions in Phase I (October 1966 - September 1967) Compared to Quota

		Achieved				
	Quota a	Total	Mental	Medically Remedial b/		
Army Navy Air Force Marine Corps DoD	30,400 3,400 3,600 2,600 40,000	38,135 3,696 3,949 3,472 49,252	37,942 3,500 3,802 3,392 48,636	193 196 147 80 616		

a/ Combined quota for New Standards mental accessions and Medically Remedials. b/ Medically Remedial Enlistment Program initiated February 1967.

Progress in Meeting Phase II (October 1967 - September 1968) New Standards Quotas

	Phase II Quota			Progres	s as of 1/	12/31/67 (3 Mos.)		
	Gross Phase II	Nimber Accepted to		Number Accepted		Progress	Progress	
		Overage	Quota	Mental	Physical	Total	Rating a/	Rating a
Army Navy Air Force Marine Corps DoD	70,400 11,000 9,300 9,300 100,000	7,735 296 349 872 9,252	62,665 10,704 8,951 8,428 90,748	21,470 3,178 2,598 2,529 29,775	459 463 572 159 1,653	21,929 3,641 3,170 2,688 31,428	107.0% 91.8% 118.6% 94.8% 104.9%	113.5% 57.6% 115.2% 98.5% 103.6%

a/ Number accepted as % of expected progress in meeting Net Phase II quotas.

Characteristics of New Standards Men Accepted October 1, 1966 - September 30, 1967.

Race		Average Age	Educational Level		Reading Ability		Employment S	tatus
White Negro Other	61.9% 36.7% 1.4%	20.9	Average Grades Completed \$ High School Graduates	10.5 45.6%	Average Grade Level \$ Below 4th Grade \$ Below 5th Grade \$ Below 6th Grade	6.2 13.8% 29.5% 46.1%	% Unemployed % Earning \$60 or less per week Total	34.4%

D. Performance in Basic Training (Men who fail to graduate Basic Training are normally discharged)

Graduation Rates and Extra Help Required by Mental Group

		Groups		Group IV (AFOT 10-30)				
	Total	I, II, III	Total	21-30	16-20ª	10-154		
Graduation Rate 10/66-9/67 (12 Mos) Oct-Dec 67 (3 Mos) % Requiring Extra Helpb/ 10/66-9/67 (12 Mos) Oct-Dec 67 (3 Mos)	97.7% 97.8% 4.8% 5.5%	98.1% 98.2% 3.7% 3.9%	96.3% 96.4% 8.6% 10.6%	96.5% 96.7% 8.2% 9.4%	96.3% 96.3% 8.4% 10.6%	96.0% 96.1% 9.0% 12.5%		

c/ Most New Standards men are included in these 2 lower Group IV categories.
b/ Recycling or remedial help in Special Training Companies.

Graduation Rates -New Standards Men Only a

Army	96.9%
Navy	90.5%
Air Force	89.8%
Marine Corps	92.1%
DoD	95.7%

a For men who entered service October 1966-June 1967 and completed training September 1967.

E. Performance in Advanced Training

Attrition Rates in Entry Level Courses Attended by New Standards Men a

·	Army Aug-Dec 1967 (145 Courses)		Air Force April-Dec 1967 (35 Courses)		Marine Corps April-Sep 1967 (62 Courses)	
	New Standards Men	All Other	New Standards Men	Total AF FY 1967	New Standards Men	Total MC FY 1967 1st Qtr FY 68
Infantry, Gun Crews & Allied Spec.	2.5%	1.5%			3.6%	2.7%
Electronic Equipment Romn.	33.2	13.9)	
Commun. & Intell. Spec.	20.5	13.6				
Medical & Dental Spec.	19.7	2.3	17.7%	3.7%		
Other Technical & Allied Spec.	33.3 16.8	7.9	.0	5.1	10.9%	3.1%
Admin. Spec. & Clerks	16.8	7.9 4.6	12.6	3.9 8.1	11	
Electrical/Mechanical Equip. Roma.	25.8	8.5	26.3	8.1	11	
Craftsmen	9.2	2.8	9.8	3.4	11] [
Service and Supply Handlers	7.2	5.1%	11.3	4.4	1/	1
Total	12.2%	5.15	13.3%	4.2%	4.7%	2.9%

a/ Includes attrition for academic, physical and Administrative reasons. Men who fail to graduate in advanced training courses are normally reassigned to another type

of training, or are sent to units for on-the-job training. No Navy attrition rates shown because Navy New Standards men rarely attend school courses.

Pres file

ACTION

SECRET

Wednesday, March 20, 1968 -- 7:25 p.m.

Mr. President:

Subject: Urgest Message to Eshkol

The Israelis are mobilising on the Jordanian border. Wally Barbour has seen Eshkol, and Nick Katsenbach called in Rabin to make a strong pitch against an attack on Jordan. Barbour believes the final Israeli decision has not yet been made, and holds out the possibility they may decide to stop with a show of force. He gives us less than an even chance of holding them back.

This quick Israeli action grows out of rapidly mounting concern over continuing Arab terrorism. They just don't believe Hussein has made a real effort to damp down on terrorists. We surmise that they have been debating whether to hit him again -- even harder than on February 15 -- or to try to solve the problem some other way. We suspect the argument within the Israeli government has been pretty evenly matched. Then when an Israeli school bus hit a mine Monday and two Israeli soldiers were killed in similar sabotate incidents, the pressure for retaliation became all but irresistible.

Hussein has asked for our help in holding the Israelis off. He fears a major Israeli attack could be the end of him and kill the Jarring mission. It would surely make our position miserable, especially if Israel decides to occupy additional territory on the East Bank.

Nick Katsenbach recommends you approve the attached message to be sent immediately from you to Eshkol. I wish there were something stronger we could do, but short of making specific threats I cannot think what it might be. I doubt it would add much to what we are already doing for you to talk with Rabin. I recommend you approve.

W. W. Rostow

	DECLASSIFIED				
Approve	E.O. 12958, Sec. 3.6				
	NLJ 94-269				
Disapprove	By NARA Date 2-19-97				
Call me	0				

- SEGRET

SECRET

Message to Prime Minister Eshkol

Dear Mr. Prime Minister:

I wish personally to emphasize the importance I attach to the messages

Under Secretary Katzenbach and Ambassador Barbour have today delivered to
you and your representatives. We deplore as much as you do the recent terrorist
actions against Israeli lives and property. I am firmly convinced, however,
that a military reprisal against Jordan would be a major miscalculation.

Such action would have disastrous consequences for our common hopes for
peace and for the future of our own as well as your position in the Near East.

In the interest of both our countries, I strengly urge that no action of this kind be taken.

Sincerely,

Lyndon B. Johnson

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 96-269

By inc, NARA Date 2-19-97

ACTION

March 20, 1968 - 4:55 pm

Pres ple

Mr. President:

Attached, for your approval, is a proposed farewell message to Prime Minister Egal of Somalia.

Egal leaves from New York tomorrow night.

W. W. Rostow

Approve	
Disapprove	
Call me	

Att: File #954

WWR:RM:lw

57a

Proposed Farewell Message to Prime Minister Egal of Somalia

His Excellency
Prime Minister Mohamed Ibrahim Egal
C/o US Chief of Protocol
Waldorf Towers
New York, N. Y.

Dear Mr. Prime Minister:

I hope you have enjoyed your visit to the United States.

I was especially pleased by our frank talk about the important matters which concern us both.

Your visit gave all Americans a deeper appreciation of the strong and prosperous demecracy you and your people are striving to build in Somalia. We share your ideals and your hopes. And I want to say again how much we admire your work for peace and better understanding with your neighbors.

Mrs. Johnson and I wish you and Mrs. Egal a fond farewell and a happy journey home.

With warm personal regards.

Sincerely,

Lyndon B. Johnson

INFORMATION

Wednesday, March 20, 1968 4:55 p.m.

Mr. President:

Herewith support from an unexpected corner: Raymond Moley.

W. W. Rostow

wwrostow:rln

Pres file

RAYMOND MOLEY

444 MADISON AVENUE

NEW YORK 22

March 15, 1968

Mr. Ernest K. Lindley
Special Assistant to the
Secretary
Department of State
Washington, D. C. 20520

Dear Ernest:

Secretary Rusk's appearance before the Foreign Relations Committee has urged me to write concerning a growing impression, which I have conceived for the past four years, of the man's courage, competence, restraint and loyalty to a cause which, however unpopular in some quarters, is one in which I believe the interests and responsibilities of the United States are deeply involved.

I might add that during the Kennedy years, the presence of another secretary of state in the White House, who apparently was closer to Kennedy than the Secretary, must have been a trying experience. I think I can speak with some personal experience on that subject. But he braved it out, ignored the Schlesinger gibe and has emerged as a truly great Secretary of State. I am writing to you rather than to him because I know you so well, and you can show this to him.

I happen to be a somewhat amateur student of sea power - a development of the past few years - its history and its importance so far as the most powerful nation on the sea is concerned. It imposes trials and vicissitudes on that nation, and an Administration that attempts to sustain that great role in the world, despite divisions at home, deserves support.

So next top

Indeed, the last time I talked with Nixon I expressed my view that, while I am wholly in support of his candidacy, we must all admire Johnson's and Rusk's visceral courage.

And the best of all wishes to you.

Faithfully,

97

Pres file

CONFIDENTIAL

Thursday - March 20, 1968 - 3 45 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Farewell call by Chilean Ambassador Tomic: Friday, March 22, 11:29 am

You agreed to bid Ambassador Tomic goodbye if I brought him to your office around 11:15 tomorrow morning.

The purpose is to give him a warm send-off and assure him of our continued friendship since he has a good chance of being the next President of Chile.

You may want to make these points:

- Reaffirm support of the US and your personal friendship and encouragement for President Frei in his reform effort.
- 2. Renew the invitation to President Frei to visit the United States.
- Express appreciation for Chilean support in the Pueblo incident . President Frei personally called in the Soviet Ambassador to Chile when the Pueblo was seized and in strong terms asked that Moscow be advised of his belief that such irresponsible acts further threaten world peace.

W. W. Rostow

DECLASSIFIED E.O. 12356, Sec. 3.4 NEJ 94-19 By NARA, Date 7-26-94

Wednesday, March 20, 1968 3:30 p. m.

MR. PRESIDENT:

I should like you to read how Bill Jorden out a peace passage along the lines were ed us this morning. laid out a peace passage along the lines you guided us this morning.

W. W. Rostow .

Attachment

Pfile

Wednesday, March 20, 1968 3:30 p. m.

MR. PRESIDENT:

- before the JAN meeting -

I should like you to read/how Bill Jorden laid out a peace passage along the lines you guided us this morning.

W. W. Rostow

Attachment

(SPEECH INSERT)

Peace in Viet-Nam -- peace in the world -- is our goal.

Peace is what the South Vietnamese people want.

Peace is what the American people want.

Peace is what any thinking man wants.

But it is not that easy -- not that simple. We cannot have anything so dear simply by wishing for it.

You cannot have peace if the man who is shooting at you doesn't want it -- not a decent peace, nor a lasting peace.

Peace is a simple word -- a beautiful word. But it means many things to different men.

We can always get the peace of surrender.

We can always buy a Chamberlain-type peace.

We can always walk away from the problem -- ignore the danger -- settle for "peace in our time." But history has shown that this kind of peace doesn't last -- that it only prepares the way for future -- and more destructive -- wars.

There have been many times over the past 23 years when we could have bought quick and easy settlements -- by looking the other way, by refusing to get involved.

We could have done it when communist guerrillas were in the suburbs of Athens. We could have done it when the Huks were in Manila. We could have done it by pulling out of Korea. And we could have tried to live with enemy missiles 100 miles off our shores.

But we didn't.

For we knew then that to do so would only have led to greater dangers -- deeper crises -- and bigger wars.

What are we trying to do in Viet-Nam?

Some people say we are trying to win a military victory.

Those who say so just don't know very much about Viet-Nam.

This is a political war -- a social war -- and an economic war -- as well as a military war.

It is the struggle of a people to remain their own masters and not be swallowed up by others. It is the struggle of a brave people who are trying -- even in the middle of a war -- to build new and free political institutions. It is the struggle to carry forward a social revolution in the midst of bitter fighting.

It is a war whose heaviest burdens must be carried by the Vietnamese themselves. It is a war that can only be won -- in the real sense -- by the Vietnamese people.

Are they carrying that burden? Are they doing what must be done to save themselves?

The record speaks for itself.

Yet that record is unknown to most Americans. We have been so concerned with what we were doing, that we have paid little attention to what they have been doing -- and the sacrifices they have paid for their own freedom.

And the critics are so determined to expose every Vietnamese weakness, every failing that we lose sight of what these courageous people have paid for their freedom.

Never before in history have we so weakened ourselves by attacking our own ally in time of war.

I submit that it does no one any real good to attack the Vietnamese for not drafting men under 20 --when they have been drafting men under 20 for weeks.

Last month, 10,000 Vietnamese young men were drafted.

Another 10,000 volunteered for military service. And President

Thieu has announced his nation's determination to bring 125,000 men under arms in the next few months.

That is the equivalent of a million and a half Americans.

For South Viet-Nam has only the population of one of our largest states.

Do the Vietnamese fight?

Since Hanoi started its campaign to conquer the South in the late 1950's, more than 600,000 Vietnamese soldiers have died in Battle. They did not die by not fighting.

The Vietnamese people are determined to stand their ground and to preserve their nation. As PresidentThieu told his nation last Thursday

"This struggle is global in its significance, but it is being fought in Viet-Nam by Vietnamese. We Vietnamese must end it in victory for our people. No one can do that for us. It is for us to take up the burden of history now, for our small nations is the place and our ancient people the chief actors in the central drama of this decade."

"Let us" he said "be worthy of our ancestors. Let us become a proud memory for our children."

What, then, is the American role in this struggle?

We are there to help these people win the peace they so deeply want -- and so richly deserve.

We are there to help provide a military shield behind which the process of nation-building can go forward.

We are there to help make clear to the world that aggression cannot succeed -- to prove that those who take up arms to achieve their ends will be opposed.

We are there to show that political victory cannot come from the barrel of a gun.

What kind of peace is it that we work for and fight for?

The foundation stones are there for all to see.

We believe that the Geneva 1954 Agreement on Viet-Nam provides a base for a fair settlement.

This would:

- -- bring the shooting to an end;
- -- provide for the withdrawal from South Vietnamese territory of all non-Southern forces;
- -- permit the South Vietnamese to shape their nation and their institutions in their own way;
- -- provide for the eventual unification of all Viet-Nam in ways and at a time to be determined by the Viet-namese themselves.

We believe that the 1962 Geneva Agreement on Laos should be made effective.

That means:

- -- a withdrawal of North Vietnamese forces from Laos
 - -- which Hanoi promised but never lived up to;
- -- an end to the use of Laos as a pathway for the introduction of men and weapons and military equipment into South Viet-Nam;
- -- an end to the shooting in Laos;
- -- letting the Laotian people themselves determine their own way of life and build their own country.

We are prepared to move immediately to work out the details of such a settlement.

We are prepared to talk with Hanoi tomorrow about this or any other reasonable settlement.

We are prepared to send a delegation to Geneva tomorrow if such a meeting can be arranged by the co-chairmen of the Geneva Conference.

We are ready to talk in public -- or in private.

I make this pledge to the leaders in Hanoi:

- -- we are ready to stop sending any additional men to
 South Viet-Nam if Hanoi will do the same;
- -- we are ready to stop bombing the North if you will not use that event to strengthen your forces in the South;
- -- we are ready to stop shooting if you stop shooting;
- -- we are ready to begin withdrawing our forces from the South if you will do the same;
- -- if North Viet-Nam withdraws its forces and violence subsides, American troops will be out of Viet-Nam in six months;
- -- if a settlement comes, those military bases now used by our forces will be turned over to the Vietnamese people;
- -- if the war ends, we shall contribute a billion dollars a
 year for at least five years to help the people of Southeast Asia repair the damages of war and begin to buil'd

- a new and better and stronger economic life for their people.
- -- North Viet-Nam can share in this process of rebuilding and of peaceful economic development.

The real question is: what kind of settlement does Hanoi want?

I ask the leaders in Hanoi:

- --do you want to build -- or to conquer?
- -- do your people want peace or war?
- -- do you wish to dominate South Viet-Nam and Laos and

 Cambodia -- or to make a better life for your people

 at home?
- -- is it not clear that the best future for North Viet-Nam
 lies in growing food for its people, building its industry,
 and joining with its neighbors in the development of that
 rich and promising region through which the Mekong
 flows?

These are questions which only the leaders in Hanoi and their people can answer.

We await their answer. The world waits -- and hopes it will be the right answer.

As for the United States, we have assumed heavy burdens.

Through our constitutional processes, we have undertaken commitments. After prayerful consideration -- and extensive debate -- we have given our pledge to help others in time of danger.

Today, we bear those burdens.

We live up to our commitments.

We honor our pledge.

If we tire of the struggle -- as the enemy deeply hopes we will -- I am absolutely certain that most of what this nation has built with others in the world community over the past two decades and more would be in grave danger.

The long, hard, slow work of building a world society in which aggression does not succeed would be undone.

In the past, young nations, weak nations, hopeful nations, could turn to us for help -- in building and in staying alive as nations.

But if we tire and withdraw at this stage -- when others have not yet achieved sufficient strength to stand alone -- we shall only be turning the fate of those nations over to the mercy of Hanoi and Peking and Moscow.

So long as I am your President, I shall fight to preserve what has been achieved since World War II -- through sacrifice, and bravery, and determination. I shall continue to strive to build the kind of world we all need and want.

That, I am sure, will also be the will of the American people.

If it is not, then we are in for a time of trouble and of tragedy compared with which our present suffering will seem as nothing.

I pray to God that we have the wisdom -- and the will -- to do what must be done.

For if we fail, all mankind will pay the price of that failure.

I know we will not fail.

#

INFORMATION

Wednesday March 20, 1968 - 3:25 p.m.

SITUATION ROOM MEMORANDUM

SUBJECT: Attack on Tan Son Nhut

During a ten-minute period shortly after noon EST today Tan Son Nhut Airbase was hit by seven rounds of recoilless rifle fire.

There were no personnel casualties reported and aircraft damage was as follows:

Three C-130's received major damage Two C-130's received minor damage Two helicopters received minor damage

W. W. Rostow

. Thus, if the problem is one of rifles to outfit new Vietnamese units, the M-1 should be used at this time.

Status of the M-16

- . A plan of maximum acceleration of M-16 production involving 3 sources has been approved and is being effectuated.
- . The attached table prepared last night by the Joint Staff shows the recommended distribution of new M-16 rifles by month. It will be noted that 53,000 will be delivered by June 30, 1968 to the Vietnamese, and an additional 227,000 during FY 1969.

Tom Mond THOMAS D. MORRIS

SEGRET

Wednesday, March 20, 1968 12:05 p.m.

Mr. President:

Khe Sanh:

- -- 286 tons delivered;
- -- 125 enemy rounds;
- -- 1324 friendly;
- -- 292 sorties plus 6 B-52's;
- -- many secondary explosions.

W. W. Rostow

SECRET

WWRostow:rln

White House Guidelines, Feb. 24, 1989 By_//g__, NARA, Data_4/17/92 DECLASSIFIED

E.O. 12356, Sec 3.3

DA Memo. Jan. 5, 1988

By 18. NARA, Date 4/17/92



Wednesday, March 20, 1968, 8:50 AM

TEXT OF CABLE FROM GENERAL WESTMORELAND

This is report number forty-five on the situation in the Khe Sanh/DMZ/A Shau Valley for the 24-hour period of March 19, 1968.

Resupply was hampered by low ceilings and light rain during the early morning hours of the 19th, however, after 9 AM, the rain stopped and the weather was generally clear. Resupply sorties totaled 43. Ninteen of these were flown by the Air Force Fixed Wing Aircraft, 24 by Marine helicopters. A total of 286.5 short tons of supplies were delivered, and 70 replacements were landed at the field.

Incoming fire remained at about the same level as was reported yesterday. A total of 125 rounds of mixed fire fell on the base, wounding 16 men (five evacuated). No ground action took place during the period. Seven enemy were reported killed by air observer directed air strikes and artillery fire. Outgoing fire was approximately one-half the volume of yesterday. Sixty-three missions were fired, expending 1324 rounds of ammunition. No COFRAM ammunition was used.

Khe Sanh continues to receive Breu refugees. Since first reported on March 13, 1382 refugees have been processed and evacuated through the base.

Along the DMZ, and throughout Quang Tri Province, contact was light with no significant ground actions. Enemy artillery/rockets and mortars fired 89 rounds but no friendly casualties or damage resulted. Total casualties for the 3rd Marine Division Area for the period were: 33 Marines wounded (16 evacuated); nine enemy killed.

Tactical air operations for the period totaled 292 sorties. Good bomb damage assessment included 300 secondary explosions, ll automatic weapons positions destroyed, 12 bunkers destroyed and 125 meters of trench destroyed. There were six ARC LIGHT strikes scheduled into the Niagara area, however, three of the 6 aircraft were diverted to secondary targets due to radar malfunction. An assessment of bomb damage from a previous strike reported multiple secondary explosions with one secondary fire covering an area approximately 500 meters square. Two hundred ninety eight tactical air sorties and six ARC LIGHT strikes are scheduled for the next 24-hour period.

Anthority NLJ.019.031.002/1

R. JC NARA, Date 12-18-09

SECRET

The weather forecast for the Khe Sanh area is for good conditions through most of the 20th with scattered intermittent late afternoon thundershowers. Fog and low ceilings will produce marginal conditions during the early morning hours of the 21st.

Eight reconnaissance sorties were flown over the A Shau Valley during the period. Several unknown type tanks were sighted near A Shau Airfield. Strikes flown by the 1st Marine Wing today against the target reported movement of tanks ceased, but no bomb damage assessment is available. One team returned to its wire tap mission this morning. Weather appears favorable for two additional inserts today.

SECRET

Wednesday, March 20, 1968 - 12:00 noon

Pres file

Mr. President:

Herewith a new calculation which brings the expenditures attributable to the new program in Vietnam down to \$8 billion (\$3, 25 FY 1968; \$4.7 FY 1969).

This comes about, in part, by shifting the pay supplemental out of this category.

The additional papers show the exact make up of theme expenditures, including the "prudent actions. "

W. W. Rostow

SECRET

WWRostow:rln

DECLASSIFIED Authority MSCLTL 3-3180

By woply, NARA, Date 4/1/92

Department of Defense

Additional Financing

	1968	1969
New Obligational Authority		
Operations	430	1,170
Aircraft Procurement	90	40
Munitions Procurement	430	450
Equipment Procurement	550	120
Stock funds	400	0
Construction	120	20
Subtotal, Program 6	2,020	1,800
Zero Supplemental and prudent actions (not)	3,300	1,140
Total Additional NOA	5,320	2,940
Expenditures		
From zero supplemental and faster tempo	1,800	ر ه
From prudent actions	740	2,040
Program 6		_,,,,,
Operations	410	1,140
Other	300	1,520
Total Additional Expenditures	3,250	4,700
Pay Supplemental	0	1,350 1/
Per President's Budget	74,200	77,100
Total Expenditures	77,450	83,150
Balance of Payments (DoD net adverse balance)		
As forecast, January 23, 1968	3,530	3,480
Additional from above	70	340
Total Dob Adverse Balance	3,600	3.820 2/

- 1/ This amount is already included in the President's Budget, but not in the DoD portion.
- 2/ Balance of Payments effect assumes that current value of dollar will be maintained.

Authority OSO Lew 6/26/79

By wip /y, NARA, Date 4/1/92

C. T. T. T.

ASD(C) Nerch 20, 1968

Tab A

"Prudent Actions" (\$ Millions)

		NOA		Exp	
		1968	1969	1968	1969
1.	Reserve Recall, January 25, 1968	37	92	35	90
	Six USNR squadrons and 15,000 Air Force Reserve and Air National Guard personnel have been called to active duty. The amount is required for active duty pay and flying hour costs.				
2.	Air Force Deployments	156	286	140	270
	Increased tempo of operations in Southeast Asia requires conversion of additional gunships, installation of additional electronics countermeasures, increased overhauls, more ammunition and operating costs for B-52's.				
3.	Additional Navy Activity	22	50	20	45
	Principally additional carrier operating cost.				
4.	Helicopters	555	0	100	450
	Procurement of 604 UH-1, 160 AH-1G, 300 OH-6A, 72 CH-46, 58 CH-53, and lesser numbers of CH-47, CH-54, and OV-10. Also expansion of T-53 engine production from 200 to 300 per month.				
5.	Electronic Countermeasure Pods	23	52	5	40
	Procure 239 pods so that there would be two pods per operationally ready aircraft in Korea and in high threat areas in North Vietnam, and one pod for other aircraft.				
6.	B-52 Munitions	230	432	50	400
	Increase sorties from 1200 to 1800 per month.				
7.	Ground and Ship Gun Ammunition	304	21	60	260
	Extrapolate increased consumption rates of past few months.				
	0 NO 40 NO 4				

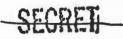
SECRET

		NOA		Ехр		
		1968	1969	1.988	1969	
8.	TNT Production Facilities	60	0	20	40	
	Production capacity is inadequate to support present estimate of requirements.					
9.	Aircraft Shelters, South Vietnam	भा	17	10	59	
	619 shelters urgently needed to reduce damage from rocket and mortar attack.					
10.	Aircraft Overhaul, Army	25	50	20	50	
	\$15 million is for increased battle damage of helicopters and components; \$10 million is for double shift operations to speed up turnaround time.					
11.	M-16 Rifles	52	0	10	42	
	Procure 265,000 additional rifles by December 1969 by (a) placing Colt on 21 shift basis, and (b) opening up a new line at General Motors Hydramatic Division.					
12.	Replace TET Destruction	68	20	lili	· 1414	
0 0	This amount is reduced from Army's original request of \$229 million, and may need to be increased as better information becomes available	Le.				
13.	Anti-Infiltration Equipment	3	12	1	14	
	This is intended for Korea in addition to \$12 million included in FY 1968 Revision.					
14.	Ammunition and Equipment Reserve ROK	237	. 0	50	187	
	Provides 75-day stock level for 14 ROK divisions, to be held in U.S. depots until hostilities start. This amount needed for resupply until production received from new orders.					
15.	Construction in Korea	153.	75	30	180	
	Improve Army and Air Force facilities in Korea, including aircraft shelters, operational facilities, troop housing, utilities, maintenance and storage facilities.					

. 9 8

		NOA		Dem	
		1968	1969	1968	1969
16.	Equipping ROK Light Division	68	34	20	60
	This Division is promised by Korea for deployment to South Vietnam. Procurement is needed to round out its equipment, for deployment early in FY 1969. Operations funds are in FY 1969 budget.				
17.	Equipping THAI Light Division	31	0	5	26
	Similar need to ROK Light Division.				
18.	ARVN Equipment Modernization	49	O	1.0	39
	Add machine guns, trucks, grenade Launchers, mortars, and howitzers.				
19.	ARVN Additional Ammunition	54	0	10	W
	Provide for additional consumption of 105 mm HE rounds.				
20.	Research and Development	200	0	100	100
	Total Prudent Actions	2,371	1,141	740	2,040
	Less amounts provided by reprogramming	767	0	0	0
	Total	1,604	1,141	740	2,040

ASD(C) 19Mar68



THE WHITE HOUSE

65

WASHINGTON

SECRET/NODIS

Wednesday, March 20, 1968

Mr. President:

Herewith a capsule version of Bunker's 44th weekly report:

Pres file

A. General ·

- -- Allied forces are gaining the initiative.
- -- Bunker cites 13 examples of Thieu's substantial decision-making since Tet offensive.

B. Political

- -- Thieu deplores corruption in address to student province chiefs.
- -- GVN Information Director wants joint effort with US to coordinate psychological operations.
 - -- GVN responding to widely felt need for civil defense.
 - -- Don Front moves into rice roots organization.
 - -- SVN labor leader released probably at intervention of Irvin Brown.
 - -- GVN Congress conducts hearings on censorship.
 - -- In the provinces, the enemy still interdicts, recruits and propagandizes.
 - -- Huesprovincial administration is still weak.

C. Pacification

- -- Reports now in from all provinces show not nearly as much damage as we thought or the press still reports.
 - -- Severe setbacks in 19 provinces; moderate in 17; little or none in 6.
 - -- Best shape is II Corps; IV Corps is the worst.
 - -- Massive relief and recovery problems remain, but the emergency is over.
- -- We will know the problems of Tet offensive have been overcome when the economy is back to pre-Tet conditions.

D. Military

- -- MACV's assessment of the RVNAF shows the effects of Tet offensive less serious than thought.
 - -- ARVN's overall performance was very good.
 - -- RF/PF was better than most expected.
- -- Enemy is being forced away from urban areas; large arms caches have been found.
 - -- Operation QUYET THANG signifies the RVNAF's reassertion of leadership.

E. Economic

- -- The Retail Price Index dropped 2% from last week.
- -- There has been no rush into gold.

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Wednesday, March 20, 1968



FOR THE PRESIDENT FROM BUNKER (Saigon 22579)

Herewith my forty-fourth weekly message:

A. General

During the past week, U.S. and Government of Vietnam forces have increasingly assumed the initiative. At the same time, there has been a corresponding decline in enemy activity. In all Corps areas, enemy harassment by mortaring and rocketing has continued but on a reduced scale. In the major US/Army of the Republic of Vietnam combined sweep from Saigon outward, no contact has been made with any large enemy forces; in withdrawing he has evidently split up his forces into smaller units for protection and to minimize losses. It is interesting that numerous large caches of arms and ammunition have been uncovered, which at first sight appeared to have been abandoned. Thieu said to me yesterday, however, that these had not been abandoned, but had been hidden by the enemy to be picked up when he returned for a second major, all-out effort which, as I have reported, Thieu believes will come during the spring-summer months.

In the crucial Fourth Corps area of the Delta, General Thang's performance is instilling new hope and encouragement. He has mounted extensive offensive operations and while these have resulted generally in small contacts with the enemy, they have given evidence of new vigor and determination. The situation in the Delta, however, is still far from satisfactory. The enemy is still able to attack and interdict lines of communications with the result that road and waterway traffic is much below pre-Tet levels. Security in the countryside is unsatisfactory, The Viet Cong continue efforts at recruitment or forced impressment and propaganda. This had led to a feeling of apprehension and uncertainty among the people and, together with road interdiction, has affected the economy of the area. Rice deliveries have fallen to a low level and prices have been falling. The Government has taken measures to counter this situation and has organized water transport to bring supplies to the area and to move rice to Saigon. The Government of Vietnam is moving actively to meet these and other problems in the area, Thieu himself giving them much of his personal attention.

While it is true that I have kept prodding Thieu to action and making suggestions to him, I think it only fair to him to say that he has increasingly shown initiative in dealing with the problems the Government of Vietnam is facing and in making decisions. He has expressed to me dissatisfaction with the functioning of many elements of the Government and is taking steps to remedy them. He has, for example, taken direct responsibility for the Central Recovery Committee; he will also chair the Committee on the Reform of the Civil Service, and on economic development and planning, and invest both with authority they have not heretofore possessed. In fact, if one reviews the number and the importance of the decisions

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and actions taken by Thieu or at his direction since the Tet offensive, one must conclude, I think, that these are substantial:

- 1. Immediate problems caused by the destruction of the Tet offensive have been met, food and shelter provided for some 600,000 refugees, medical assistance given to the wounded, money and building supplies issued to the victims throughout the country to repair and rebuild their homes, and major reconstruction projects started in Saigon and Hue.
- 2. The decision has been taken to increase the Vietnamese Armed Forces by 125,000 men. The drafting of 18 and 19 year old age groups is being speeded up, and veterans aged 18 to 33 with less than five years of service will be recalled to duty. Military training programs have been started for students and civil servants and stern measures taken against draft dodgers.
- 3. The organization of civil defense units in cities, villages, and hamlets has begun throughout the nation. More than 26,000 volunteers have come forward to be trained for civil defense tasks, and the number is constantly increasing.
- 4. Strict orders have been issued and repeated for the closing of bars, cabarets, and dance halls throughout the country.
- 5. At the direction of the President, the Prime Minister has issued a ban on luxury construction so that resources will be channeled to the emergency building of homes for the war victims.
- 6. Thieu has ordered an aggressive movement of Vietnamese forces into the countryside, and is also taking steps to press forward with the Revolutionary Development program. He outlined to me yesterday steps he is taking to simplify, make more effective, and enlarge the program.
- 7. In the field of administration reform, a number of constructive steps have already been taken and more are in prospect. Henceforth the province chiefs will be directly responsible to the Central Government. Thieu has told me that he personally will decide on their selection and take great care to try to secure the best individuals for these important positions, and that he intends to watch their performance closely.
- 8. He has also re-defined the functions and powers of the Government delegates and the Corps commanders. Further clarification of these relationships is being worked out and will be made effective April 15; the areas of authority of the Government delegates will be re-defined in order to strengthen their inspection function. I reported last week on the removal of six province chiefs and the appointment of eight new ones. Thieu told me yesterday he will be making further changes among the province chiefs during this month and still more on April 1, at the conclusion of the training course for province and district chiefs, which was opened March 1.

- 9: Thieu has also moved forward on the attack on corruption. Prime Minister Loc reported in his March 14 speech that 32 military men and eight civilian officials had recently been brought to trial for corruption; three of the offenders have received the death penalty. He reported that many other cases are being examined and that disciplinary measures had been taken against 34 lesser offenders. Punishment included dismissal, reduction in grade, and suspension for investigation. In fact, I think more has been done in the attack on corruption than is generally known. Some 138 province and district officials were removed for cause during 1967. The number included six province chiefs, 55 district chiefs, 15 village and hamlet officials, 11 province deputies for security, and 21 province service chiefs. Of the total, 68 were removed for corruption, 40 for incompetence, and 30 for other reasons.
- 10. Thieu has also ordered the Prime Minister to take stern measures against any officials who permit the sale of illegally acquired merchandise such as PX supplies, or relief supplies destined for the victims of the Tet attack.
- II. Thieu has also moved on other fronts. He is seeking the cooperation of the assembly and endeavoring to improve his relations with the members by holding more frequent meetings with them.
- 12. He has also sought the support, advice, and suggestions of all political groups. He has been meeting privately with the leaders of political, religious, and social groupings asking for their criticism as well as for their support. He told me yesterday that he is compiling a Council or Panel of advisers who will cooperate with him and act as individuals in an advisory capacity.
- 13. Thieu has also moved to improve the Government of Vietnam image with the foreign press. He has begun a series of lunches with correspondents, using names which we have suggested to him. He plans to strengthen the Ministry of Information, raising it to Cabinet level and appointing Tran Van An as Minister with Nguyen Ngoc Linh as his deputy. This should strengthen a situation where performance has left much to be desired.

I shall be reporting in more detail on some of these matters later in the message. But I think there is here evidence of action and movement, perhaps more than has been generally realized. This is not to say that there is any room for complacency. Serious problems confront us and much remains to be done. The situation in the countryside is dangerous, if not critical. But I also want to try to keep things in balance and in proper perspective. I think we have made progress, much has been and is being done, and elements of strength are apparent.

B. Political

I mentioned above the emphasis which the Government of Vietnam is now putting on the elimination of corruption and inefficiency. Thieu expressed the seriousness with which he views these reforms when he spoke to the opening session of the school for province chiefs on March 1. He said, "If we do not remedy our spirit and our behavior, we may lose our country--not because of military or political defeat, not because we lack

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an adequate policy or line of action, not because we lack programs and means, but because of bribery and corruption." Thieu called corruption a "national shame" and told the student province and district chiefs "only when the people know this national shame, are aware of this national shame, and are determined to remedy this national shame, will corruption and bribery be eliminated."

We have heard from Thieu's brother that the chances are good both Tran Van Houng and Ha Truc Ky will agree to serve as advisers to Thieu. If this materializes, having both of these senior political figures closely tied to the Government would tend to attract a good deal wider support, and we will do what we can to encourage the collaboration of such leaders.

Also on the administrative side, I am encouraged to learn that the Director General for information and Press wants to establish a joint Government of Vietnam-US Committee to coordinate all psychological operations. The Government of Vietnam information effort since the Tet attacks has not been very impressive by all accounts. For this reason, among other, Thieu, as I have mentioned, has been considering the naming of a Minister of Information, probably Tran Van An. With more authority, more Presidential interest, and more direct cooperation with Joint US Public Affairs Office, I hope that the information effort can be made more effective in the near future. This is particularly important now because of the enemy's increased drive to propagandize the rural population.

The natural desire of the Vietnamese to strike back at North Vietnam in the wake of the Tet attacks has taken some undesirable forms, as for example the initiatives for a formal declaration of war and the formation of a "March to the North Army." More positive and more practical is the response to the widely felt need for civil defense. The Government has not given a very clear lead on this effort, apparently in part because of competing plans and personal rivalries for control of the effort. Nevertheless, at latest report, 27 provinces and two cities have formed civil defense units with a total membership of 26, 417. Of these, 6, 136 are armed.

If these efforts can be drawn together and controlled so as to form the civil defense groups into effective auxiliaries for the regular security forces, I believe they can make a most valuable contribution to both security and intelligence. This is particularly true in the urban areas. It was this reason that I encouraged Thieu to consider appointing Ky as the head of a nationwide civil defense drive and he has now spoken to him about it. The attraction of the "March to the North Army"-- the wish to do something concrete against the enemy--can and should be transferred to the war in the south and thus to the civil defense effort.

Tran Van Don is apparently going ahead with his efforts to extend his front organization into the provinces and districts of the nation. A Quang Tri provincial organization is reportedly in process of being set up by the Quang Tri delegates to the Front's March 10 Congress in Saigon. Don and a delegation of Front leaders went to Hue March 15 where Don addressed the people over radio Hue. He expresses his sympathy for the victims of the Tet attacks and explained the objectives of the Front. We understand that there is also a possibility of the locally formed and independent Danang anti-Communist political Front merging with the Don Front. At this time, however, we have no other reports which would indicate Front activity at the rice roots.

Thieu told me March 15 that Don had been to see him to report the results of his March 10 convention. Thieu said he had encouraged Don to continue his efforts to attract political groups, and he offered his own support if Don's efforts succeeded. Don also told us of his meeting with Thieu, and he mentioned Thieu's offer of help. According to Don, he got a similar offer from Ky, to whom he also reported the results of his convention.

In discussing the Don and Tran Van An Fronts with me, Thieu remarked that he has no Front organized by or for himself. I take it from all this that Thieu intends to allow Nguyen Van Huong, Tran Van An, and Tran Van Don all to go ahead without any clear signal from him about his ultimate support. As it is quite unclear how successful any of the three can be in putting together a viable political organization, this is perhaps the most prudent course, though not perhaps the best way to capitalize on the popular feelings about the need for unity following the Tet attacks. I am encouraged in any event to observe that Thieu and Don are seeing one another with some regularity, with Thieu being willing to help Don if the Front seems to offer a real means for uniting the people.

Probably in part as a result of the intervention of Irvin Brown, Vietnamese labor union leader Vo Van Tai was released from jail March 15. Tai has told us that he was questioned closely by the police about several strikes in which he was involved, apparently in the belief that the strikes were in part instigated by the Viet Cong. Tai believes that he may in fact have been in some danger of capture or assassination by the Viet Cong, but he does not think that his imprisonment was motivated primarily by that consideration. In any event he has been released, and this move, while long overdue, should serve to improve relations between the labor union and the Government of Vietnam.

Noteworthy in Assembly developments this week were committee hearings on press censorship and the formation of a Lower House opposition Bloc. On March 16 the Senate Committee on Information and Foreign Affairs held an open hearing at which press representatives were invited to express their views on censorship. Some 25 to 30 publishers, editors, and reporters appeared, and the predictable consensus was strongly in favor of abolishing censorship.

On March 19 the Director General of Information, Nguyen Ngoc Linh, appeared before the Senate Information Committee. Linh said the Government also favors dropping censorship, but noted the dangers to national security if the press is completely uncontrolled. Linh also said that he is submitting a draft press law to the Prime Minister. (The Lower House reportedly has a draft press law of its own under study.) Lower House Chairman Luong told embassy officers recently that the press law has a very high priority, while the Chairman of the Senate Information Committee told reporters that the press law will be on the Senate agenda for the regular session beginning April 1. It thus appears likely that the Assembly will complete a press law even before turning to legislation to set up such Government bodies as the Supreme Court.

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In the Lower House Deputy Ly Qui Chung has formed a People's Bloc of 17 deputies, ten of whom were in the past associated with the Buddhist "struggle" movement. Given the predominance of these "militant Buddhists" in the Bloc, we rather expect the Bloc to play the role of militant opposition. (It was this group which pressed unsuccessfully for a discussion of non-confidence in the Government after House leaders had used their influence to keep the question off the Agenda.) However, Bloc leader Ly Qui Chung is in general a responsible as well as a very able young politician, and he claims that he intends to moderate the politics of the Buddhist Deputies. He has told us that he thinks this can be more easily accomplished by including them in a Bloc than by isolating them.

Provincial situation. As I noted in the General section, the enemy continues to concentrate on the rural areas. He appears to avoid major contact, with the exception of the Khe Sanh battlefield, while seeking to pose a continuing threat against the cities. Much activity is focused on recruiting and propaganda, with the dual aim of making up the Tet losses and capitalizing on the psychological impact of the Tet offensive.

Typical of many reports is the account of an Embassy officer who recently spent several days in the Key Delta Province of Dinh Tuong, he found that the enemy is harassing and attacking outposts, cutting roads, engaging in forcible recruiting, trying to persuade people to return to Viet Cong areas, and actively spreading propaganda about coalition Government. In the province capital of My Tho, fear of another attack is subsiding. Recent offensive actions by both Government of Vietnam and US forces plus the appointment of General Thang as Corps Commander has given morale a lift there. Nevertheless the enemy still moves freely in the countryside at night, and the people have little confidence in the Government of Vietnam.

In Hue the provincial administration is reportedly still weak, both because of the officials killed and wounded by the Tet attacks and because the recent removal of the province chief has made other officials fearful of losing their jobs.

Chieu Hoi rates remain quite low, with 160 reported this week and 113 last week. Probably one of the reasons for the continued low rate is the intensity of enemy activity in the countryside. Most defecters came in from the rural areas in the past, and in those areas allied forces have not yet gone on the offensive sufficiently to generate a renewed flow of Chieu Hoi.

C. Pacification

We now have a better feel of the pacification situation, Reports are in from all province senior advisors, preliminary runs of hamlet evaluation system are available, a new evaluation system to report on 5,000 odd Regional Force/Popular Force units has been instituted, experienced evaluators (many Vietnamese speaking) have been out to all important provinces, and Bob Komer and his top staff have visited most of them also.

Their major conclusion is that there is not nearly as much damage to pacification as we earlier feared and press is still reporting. Pacification is far from dead. The big problem is not loss of physical assets--roughly 85-90 percent of our Regional Force/Popular Force Revolutionary Development teams, outposts, etc. are still intact. Rather the key problem is one of defensive-mindedness. South Vietnamese Army forces and US advisors alike are recovering only gradually from the shock effect of the Tet offensive. As a result they are only slowly pushing back into the rural areas which were lost.

We are convinced that in many cases the Viet Cong have not yet fully taken over those areas of the countryside where our presence was withdrawn. They themselves withdrew and upgraded many guerillas for their attack on the cities. A vacuum was thus created when both sides withdrew forces from the countryside. The enemy has since taken heavy post-Tet losses which further limit his capability to fill the rural vacuum quickly.

But he is increasingly trying to do so, and is in fact gathering recruits and rice as well. We must get our local forces back out into the hamlets to cope with him, which means overcoming the defensive-mindedness of Government of Vietnam pacification forces in the field.

Briefly our assessment of pacification shows severe (3-6 months) setback in 19 provinces (11 of them among our 26 priority provinces for 1968), moderate setback (1-2 months) in 17, and little or no setback in 6. Regional Force/Popular Force losses (killed in action, missing in action or deserted) were 6, 583 nationwide-just 2 percent. Out of some 5,000 outposts countrywide, only 477 were lost--377 of these in Fourth Corps. Revolutionary Development Cadre strength is actually greater (29,377) now than before Tet (29,161) as a result of 2,000 Cadre graduating from Vung Tau. More than 383 Revolutionary Development teams out of 564 are working in assigned hamlets. In at least 12 provinces, attack against Viet Cong infrastructure is going well. For example, in Khanh Hoa, 109 Key Cadre have been eliminated since the Tet offensive. But the anti-infrastructure drive is unimpressive as yet in 24 provinces, so we are working on these. Police strength in the provinces declined from 9,150 to 5,561 (loss of 589 due to relocation to major cities, casualties, and unauthorized absences).

The overall pacification situation looks best in Second Corps and worst in Fourth Corps. Komer is focusing on Fourth Corps, both because of the poor situation and because of the fact that it is our top 1968 priority. So far, General Thang has been making correct moves in Fourth Corps, but hasn't yet been able to activate the entire Government of Vietnam structure. Some South Vietnamese battalions have not responded to orders to take the offensive; Regular Force/Popular Force units haven't gotten the word. Nevertheless the downtrend has been halted, initiative has been taken from the enemy in half the provinces, and friendly morale is much improved.

Readjustment of pacification priorities. Because the critical need is to reassert a Government of Vietnam presence in the countryside as fast as possible, we are seeking quick-fix solutions which can produce high impact in the critical three to

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six months ahead. Slow, painstaking work by Revolutionary Development teams in hamlets as they seek through 98 tasks to accomplish everything from elimination of Viet Cong infrastructure to eradication of illiteracy simply cannot be afforded. Komer and I impressed this point on Thieu in our talk Saturday. He indicated general agreement, and yesterday outlined to me in general terms his ideas for simplifications and speeding up the process, which coincide generally with ours.

Since then we have outlined our thoughts on how to move much more quickly in pacification as part of an overall counter-offensive. Instead of a 59-man team moving into one hamlet for six months, perhaps 30 to 40-man half-teams should show the Government of Vietnam flag by rotating through 6-12 hamlets in the same period. Security, psywar, self-defense and anti-Viet Cong activities would be stressed. Developmental activities, construction of schools, training village health workers, etc. --could be resumed later.

Better local officials. Since upgrading officials is high on our priority list, we are glad to see signs of improvement already in the eight provinces where Thieu appointed new province chiefs ten days ago one advisor remarked that his new chief is quite different--aggressive, not defensive; willing to act rather than scared to make decisions; interested in people's welfare instead of wedded to bureaucratic procedures. As I have mentioned, Thieu says he is ready to move on several more poor province chiefs this month. This housecleaning in wake of Tet offensive is a distinct plus.

Recovery program. While we still face massive relief and recovery problems, we think the initial emergency period is over. Essential utilities are functioning. Food is no problem. Danger of epidemics is low. Perhaps one-third to one-half the 600,000 plus evacuees have gone home or have been absorbed by moving in with friends and relatives; the remainder are being cared for adequately (as measured by usual Government of Vietnam standards). Many roads and waterways are physically open, though poor security is still greatly limiting commercial traffic. Schools are either open or will open by April 1. Curfews are confined to hours of darkness.

But the longer term recovery job has just begun. Evacuee resettlement is just starting, urban rebuilding hasn't gotten past the planning stage, the economy is practically stagnant, and the psychological climate is improving only slowly. We have set before the Government of Vietnam and ourselves several high priority tasks: (1) Keep roads and waterways open and provide a climate of security which will encourage people to use them; (2) Resettle the 80-100,000 families whose homes have been destroyed or severely damaged; and (3) Revive the economy fastest.

Route 4 is our biggest single problem. It ties the entire Delta to Saigon. At low cost to themselves, Viet Cong are damaging Route 4 faster than we at great cost are able to repair it. US Army engineers estimate that unless Route 4 is repaired and sealed with asphalt surface by the start of the rainy season one month from now, it will deteriorate to the point where it will be unusable for heavy military and commercial traffic. MACV has made securing and upgrading Route 4 a high military priority. Fourth Corps is running several major military operations to force large Viet Cong units away from the road. Local security along the road is being beefed up, and several new innovations are being tried out. Other key roads are getting similar but less intensive treatment.

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Payment of resettlement allowances (piasters, roofing, and cement) started in Hue this week. In the Second Corps, many provinces have already resettled significant portions of families who lost their homes. Resettlement has gotten underway in the Third Corps. But in the Fourth Corps, the combination of greater damage, shortage of supplies, and inactive provincial administrations has resulted in much slower improvement. With the approaching rainy season in the Third and Fourth Corps, much faster progress is essential.

On the final priority of restoring the economy. We are attacking on a broad front. Opening roads is one essential. Restoring confidence of the business community is another. We are pressing the central committee daily for relaxation of controls. We are looking at such proposals as war risk insurance or low interest loans to encourage truck and barge contractors to accept greater risks. Getting rice moving from the Delta to Saigon has our attention. I feel we will know that problems created by the Tet offensive are over when we see that the economy is back to its pre-Tet condition.

D. Military

General Westmoreland has given me a report of the countrywide assessment of the status of the Republic of Vietnam Armed Forces as of February 29, which has been compiled by the Military Assistance Command in Vietnam staff. This is an interesting and valuable updating of the Republic of Vietnam Armed Forces today. Salient points of the assessment are the following:

1. Personnel Status:

- a. From all reports the Tet offensive had less serious effect on the Republic of Vietnam Armed Forces personnel situation than was initially anticipated. Most units report that personnel actions as a result of the Tet offensive have not seriously degraded their operational capability. There are some exceptions as will be noted. There are shortages of officers, NCO's, and specialists. This condition existed prior to the Tet attacks and still remain absent from their units; however, a significant number of these are reporting back. Morale and esprit of the regular soldiers, sailors, and airmen are good and, in fact, seem to be higher than before the Tet offensive began.
- b. Mobilization measures established by the Government to compensate for losses and to increase the force level show promising results.
- c. Due to incomplete reports, it has not been possible to make a complete assessment of the impact the Tet attacks had on the personnel situation in the Regional and Popular Force units. Reports received indicate that Regional and Popular Force units in the Fourth Corps sustained heavy losses. Five provinces in the Fourth Corps report a severe degradation of capability.

2. Operational Status:

- a. Army of the Republic of Vietnam. The overall performance of Army of the Republic of Vietnam forces during the Viet Cong/North Vietnamese Army Tet offensive was very good. Of the 149 Army of the Republic of Vietnam maneuver battalions, advisors cite units encompassing 42 battalions as having performed exceptionally well, while only eight battalions were listed as having performed poorly. The following is a summary of the status of the Army of the Republic of Vietnam, highlighting the problem areas:
- 1. Since blunting the enemy Tet offensive, the First Corps has worked toward restoring the combat effectiveness of all units by effecting replacements and refitting those units which sustained losses, with the priority of effort going to the First Division and the First Ranger Group. The training of replacement personnel is being expedited. Replacing company grade officers and key NCO's will require some time. The shortage of vehicular transport, barrier materials and some items of ammunition will continue to have an effect on the overall program. If replacements and equipment materialize as programmed, it is estimated that the First Corps units will have regained their pre-Tet operational status by April 1, 1968, with the possible exception of the First Division.
- 2. Within the Second Corps, only the 11th and 23rd Ranger Battalions suffered losses during the reporting period which significantly reduced their combat capabilities.
- 3. In the Third Corps, two divisions and the capital military district have battalions that presently are rated less than satisfactory in operational capability. Steps are being taken to elevate their combat effectiveness. In the main, the factor most degrading unit combat effectiveness is present for operations strength. However, adequate replacements are programmed and many absentees who were on Tet leave are returning to their units.
- 4. Within the Fourth Corps, the Corps troop units and the 7th Infantry Divisions are rated combat effective. Though the 9th and 21st Infantry Divisions are also considered satisfactory in the overall assessment, there are some significant weaknesses. Ninth Division units are generally understrength and two of its regiments are considered marginally effective for combat. The 21st Division remains capable of conducting combat operations though not at the strength or level of effectiveness that existed prior to Tet. A period of four to six weeks is estimated to be required before former strength can be achieved.
- 5. Though still a potent strike force, the Airborne Division combat effectiveness has been degraded significantly as a result of the loss of key officers and NCO's and general combat attrition. The overall present for operations strength of the division is inadequate. Approximately 35 percent of the enlisted menin the Airborne Battalions are replacements that were assigned during the Viet Cong/North Vietnamese Army Tet offensive without training. The Joint General Staff has assigned the highest priority to rehabilitating the Airborne Division.

b. Regional/Popular Forces

- 1. During the Tet offensive, Regional and Popular Force unit performance was generally better than expected by most advisors. There were many instances of outstanding action against the enemy as well as several cases of defection on the parts of individual Regional and Popular Force soldiers or small groups. Although in the Fourth Corps some watchtowers and outposts were abandoned without significant contact with the enemy, in the majority of contacts throughout the country the Regional and Popular Force units stood and fought.
- 2. A degradation of Regional and Popular Force capability and the support capability of the province was reported in 20 of 44 provinces. The advisors estimate of this degradation is based upon casualties, weapons lost and destroyed, facilities destroyed, logistics requirements, and a three- to six-month recovery time.
- 3. As of February 29, there were 96 Regional Force companies and 388 Popular Force platoons with changes in mission and/or location as a result of the Tet offensive in the Second, Third and Fourth Corps. To reestablish these units to pre-Tet location and mission will require, as a minimum, reconnaissance-in-force operations to develop the local situation. Many larger scale operations will be required by the Army of the Republic of Vietnam and Regional Force units before the Popular Force platoons can be relocated in their assigned pacification areas.
- 4. The upgrading of Regional and Popular Force weapons is recommended by almost all advisors as an urgent requirement. Action is being taken by Military Assistance Command in Vietnam and Joint General Staff to accomplish this at the earliest possible time.
- 5. It is estimated that replacement of personnel losses could be accomplished by May in the First Corps, and by August in the remaining three Corps. Plans call for accomplishing the majority of recruiting and new unit training by June 30, and for emphasizing refresher training in the last six months of the calendar year.
- 6. The availability of supplies, in particular, construction and barrier materials, is a limiting factor in the capability of Regional and Popular Force units. Associated with this is the limitation on vehicle travel and shortage of air transport in support of Regional and Popular Force units.
- c. The overall Navy combat effectiveness is considered excellent. The enemy's attacks stimulated naval units to assume a high degree of readiness. In the face of increased operational commitments, no deleterious effects on fleet readiness were noted. The Navy met and exceeded operational commitments placed on it.
- d. The Marine Brigade combat capability is considered highly effective. Though significant numbers of casualties were suffered, the "personnel pipeline" proved adequate to maintain combat capability.

3. Training Base Status:

The primary impact of the Viet Cong/North Vietnamese Army Tet offensive on the Republic of Vietnam Armed Forces training base was the temporary cessation of training for varying periods of time. On February 11, Central Training Command/Joint General Staff directed that all training activities resume immediately unless prevented by tactical considerations. By March 18, training had all but returned to normal. Due to the increased input of personnel, division training centers are now assigned the mission of conducting Army of the Republic of Vietnam and Regional Force recruit training -- modifications to programs of instruction have been made and reprogramming has been accomplished to insure a continuous flow of trained personnel. Under current conditions, the Republic of Vietnam Armed Forces training base can accomplish the training programmed for calendar year '68.

4. Logistics Status:

The Republic of Vietnam Armed Forces logistics system generally performed in a creditable manner during the Tet offensive. In the majority of cases, equipment and supplies were available when required to support combat operations. Many Republic of Vietnam Armed Forces logistical units, particularly in the First Corps, Second Corps and in the Saigon area, performed in a manner meriting recognition by higher authority. Within the Fourth Corps, emergency resupply to using units has been a severe problem due to the introduction of surface lines of communication, and the lack of sufficient transport aircraft to take up the slack. Shortages of barrier materials, petroleum products and certain types of ammunition were indicated country-wide. However, resupply from Republic of Vietnam Armed Forces base and field depots, and in-country U. S. sources have reduced the impact of these shortages. Expedited supply action on certain critical items has been requested from the Continental U.S. to reestablish a satisfactory overall supply posture within the Republic of Vietnam Armed Forces.

5. Communications-Electronics Status:

- a. Army of the Republic of Vietnam long distance fixed area radio communications were virtually unaffected by the recent Tet offensive. Local cable and wire communications suffered most heavily. Several courses of action which will require material have been initiated to minimize future damage of this nature. Under investigation is the programming of microwave radio relay equipment for alternate route use in interconnecting dial central offices. Underground burial of multipair cable is being considered for installation in populated areas. Communications of immediate interest to tactical commanders, division and lower, suffered overall country-wide losses of less than five percent. These losses are not uniformly distributed through the Army of the Republic of Vietnam, but are concentrated in units most heavily engaged. Losses of organic radio equipment have not contributed to the degradation of combat operations.
- b. The Vietnamese Navy capability to conduct sustained operations was not impaired by the Tet offensive or the post-Tet attacks.

- c. The Vietnamese Air Force operational capabilities remained intact throughout the Tet offensive. The destruction of the storage facility at Bien Hoa has not affected communications. Sufficient quantities of components are on hand to meet present requirements.
 - 6. On-Going Operations; Discovery of Caches:

The most tangible indicators of progress are the continuing toll of Communist casualties, the reduction of enemy initiated attacks and the number and size of enemy caches that have been uncovered.

The initial requirement, to drive the enemy from the cities, has been fulfilled. The enemy has continued attempts to maintain pressure on urban areas throughout the country, but he has been unable to do so in many areas largely due to the press of friendly operations. In the Saigon area, the enemy is being progressively forced back from the capital perimeter and denser population areas. The Fourth Corps continues to present a singular situation, marked by shelling of urban areas and key facilities, and by scattered small scale attacks.

As indicated above, the Communist combat units are gone from the cities. The present requirement is to displace the enemy from the populous rural areas around the cities. For this purpose, the allied forces have moved increasingly into the country-side since the first of the month. Each area is being handled as an individual case, according to the requirements of the situation. Enemy initiatives have largely been suppressed. While an attack on the scale of the Tet offensive is unlikely, we do not completely discount his remaining capability and possible designs for renewed effort in this vein. Our task now is to ferret out and destroy a dispersed and evading enemy, within the limits of available assets. Steady, heavy attrition continues to deny enemy First Corps units the massing capability necessary for major success. Upgrading of Route 9 east of Ca Lu has commenced. Reconnaissance and strike operations against Route 547 and A Shau continues. Thinly spread allied forces in the Second Corps have effectively frustrated enemy efforts throughout that sprawling territory.

Republic of Vietnam Armed Forces leadership has markedly reasserted itself in the past few weeks; and we now have a truly combined and comprehensive operation in progress in the capital military district and four surrounding provinces. Major elements of three divisions, together with two Army of the Republic of Vietnam Divisions, Vietnam Airborne, Marine and Ranger units, and the national police are engaged in a fully integrated offensive under a common operation plan in a thorough, methodical and sustained effort to eliminate all enemy positions, havens and organized forces in this extended area. Quyet Thang (resolve to win) is an appropriate name for this unprecedented undertaking. General Thang, newly appointed Fourth Corps commander, has similarly initiated an imaginative corps-wide offensive to restore the situation and public confidence by showing the flag and forcing the organized enemy units to stress survival over attack. Keeping the individual sappers off of Route 4 remains a problem. A major portion of the U. S. 9th Infantry Division has been assigned to the Fourth Corps to support General Thang in that operation.

SECRET/NODIS -14-

A most significant consequence of our counter offensive has been the discovery of large and numerous arms caches. The terrain in and around Gia Dinh Province alone has yielded nearly one hundred 122MM rockets, 1900 mortar rounds, and 460 repeating rounds to allied search operations during the past eleven days. Circumstances of these finds indicate rather clearly that some of the arms have been abandoned by an enemy under pressure from Operation Quyet Thang.

E. Economic

The Retail Price Index fell 2 percent from the level of last week. The main cause was a decline in prices of pork, shrimp, duck eggs and milk. According to market sources, the demand for many protein foods is well below pre-Tet levels, and purchasing patterns have moved, in general, to less expensive protein foods.

The announced changes in the operation of the London gold pool have produced little visible response in the Saigon gold or U. S. dollar markets. While the price edged up slightly, there was no indication of any rush into gold. The National Bank of Vietnam has informed us that they will refrain from selling gold to private holders. Their previous commitment to sell gold at a fixed price has placed an effective lid on the free market gold price which now will move freely. Since the Saigon market is primarily supplied from Hong Kong and Laos which, in turn, buy gold on the London market, we will have to wait until the London market opens on April 1 to see what the world free market prices will be and its effect on the Laotian and Hong Kong markets.

Wednesday, March 20, 1968

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your Luncheon for Former Chancellor Ludwig Erhard Thursday, March 21, 1:00 p.m.

You last met Erhard at your luncheon for him on July 11, 1967. He has just finished a month-long tour of Mexico, Guatemala, San Salvador, Venezuela and Colombia, where he discussed economic development strategy with Government and business leaders.

Erhard remains a member of the Bundestag and the governing body of his party. Your willingness to receive him since he left office has favorably impressed the German people.

Discussion Topics

Balance of Payments -- You may wish to ask Erhard for his views on:

- -- the results of the Gold Pool meeting;
- -- the prospect for a higher economic growth rate in Germany;
- -- Germany's lead in getting the Common Market to speed up Kennedy Round cuts as a sensible balance of payments action by surplus countries.
- -- The critical importance of the Stockholm meeting next week to activate

 Future of Europe the IMF Special Drawing Rights.
- -- You may wish to reiterate our continued support of Atlantic cooperation, NATO and improved East-West relations. Ask Erhard about the future development of Germany's Eastern policy and the outlook for Franco-German relations.

NPT

The Germans are quieting down on the NPT. If Erhard raises the subject, you can assure him the draft treaty and security assurances will meet German concerns about Euratom, nuclear blackmail and Germany's commercial development of nuclear energy.

MWG:mst

W. W. Rostow

FROM WALT ROSTOW

TO AMBASSADOR BUNKER AND GENERAL WESTMORELAND

I have called the President's attention to the advance text of Thieu's speech of today.

The President regards it of the highest, repeat highest, importance from Saigon in US media that you make a maximum effort to get full and fair reporting/of what that speech contains.

A special backgrounder on it appears called for, emphasising not merely what he promises to do but what he has in fact already done. Please give this your personal, urgent attention.

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DECLASSIFIED E.O. 12356, Sec. 3.4(b) White Hause Guidelines, Feb. 24, 1983 By sq., NARA, Date 4-192

CONFIDENTIAL

AJ:mm

Tuesday, March 19, 1968 -6 45 pm

MEMORANDUM FOR THE PRESIDENT

Prestile

SUBJECT: Proposed P. L. 480 Program for the Ryukyu Islands

Attached is a Zwick-Gaud-Freeman recommendation that you authorise negotiations for a \$540,000 P. L. 480 wheat sale with the Ryukyu Islands. Repayment would be in dollars over twenty years. State, Treasury, Defense and Army concur.

The sale would be consistent with our policy of developing the economy of the Islands. Previous local currency application of P. L. 480 proceeds has contributed to significant expansion of live stock, poultry and related industries, and in providing new employment opportunities.

For FY 1968, we are also providing \$12 million in grant assistance, chiefly for schools, roads and hospitals.

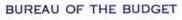
I recommend that you authorize negotiations.

W. W. Rostow

Attachment	
Approve	
Disapprove	DUCLASSITIED
Call me	E.O. 12356, Sec. 3.4(b) White House Guidelines, Feb. 24, 1983 By 19., NARA, Date 9-1-92
cc: Mr. Jorden	



EXECUTIVE OFFICE OF THE PRESIDENT



WASHINGTON 25, D.C.



TAR 1 6 1968

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed P. L. 480 Program - Ryukyu Islands

In the attached memorandum, Orville Freeman and Bill Gaud request your authorization to negotiate a \$540,000 P. L. 480 wheat sale with the Ryukyu Islands. Repayment is to be made over twenty years in dollars.

This will be the third P. L. 480 agreement with the Ryukyu's since 1963. It would provide roughly 20% of the Islands' annual wheat needs. This sale is consistent with our policy of developing the economy of the Islands. The local currency proceeds from the wheat sale will be used for long-term loans to the agricultural sector. For FY 1968, we are also providing \$12.0 million in grant assistance primarily for schools, roads and hospitals.

I recommend that you authorize negotiations.

(signed) Charles J. Zwick Charles J. Zwick Director

Attachment		
Approve		
Disapprove	# MATTA CONTINUE TO THE STATE OF THE STATE O	DECLASSIFIED E.O. 12356, Sec. 3.4 NLJ 94-251
		By 10, NARA, Date 5-16-95

CONFIDENTIAL

To:

The President

MAR 8 1958

Subject: Public Law 480 Program with Ryukyu Islands

We recommend that you authorize us to negotiate with the Ryukyu Islands a PL 480 sale for approximately 8,000 tons wheat, for which the current export market value (including certain ocean transportation costs) is \$0.54 million. The proposed terms are payment in dollars over a 20 year period with interest at 5 percent per annum. Five percent of the sales value is to be paid on delivery. The first payment is to be 20 percent of the principal and the balance is to be paid in 18 approximately equal annual installments. The Departments of State, Treasury, Defense and Army concur in this recommendation.

Basis for Usual Marketing Requirement

The usual marketing requirement of 30,000 tons is based on the 1963-67 average of Ryukyu Islands' commercial imports of wheat, taking into consideration an increasing trend.

Need for Program

This proposed program is based on the Ryukyu Islands' wheat import requirements which have been steadily increasing over the past few years.

Past application of the program has contributed to significant gains made in the development and expansion of the livestock, poultry and related industries and in providing new employment opportunities.

The Ryukyu Islands desires to continue the program in order to inject funds into the local economy necessary to assist in meeting the growing demand for long-term loan funds. By financing the wheat in this proposal under PL 480, savings will be realized in hard currency exchange, which would otherwise be diverted from the needed agricultural and economic development.

Self-Help Efforts

In recent years with Government guidance and assistance, substantial agricultural progress has been made in the Ryukyu Islands. In 1966 and 1967 all PL 480 funds were used for agricultural development, and although these funds have been successfully used in agricultural development we will seek to obtain the following self-help commitments:

The Government of the Ryukyu Islands will undertake a comprehensive investigation of the present crop production and marketing system, and the economic and technological potential for future agricultural development in the Islands.

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E.O. 12356, Sec. 3.4

NLJ 94-259

By 94-259

NARA, Date 4/17/96

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Such investigation will focus particularly on the best means of increasing production of food and export crops, and recommend priority steps for agricultural improvement and the strenghtening of the overall rural economy.

Military Expenditures Review

The 620(s) of the Foreign Assistance Act is not relevant to the case of the Ryukyu's because of the nature of its government and its lack of a military establishment.

Recommendation

That you authorize us to proceed with as described above.	this PL 480 sales agreement;
Administrator Agency for International Development	Secretary Department of Agriculture
	Approve:
7)4(Rannrova •

CONFIDENTIAL

Tuesday, March 19, 1968 6:25 p. m.

Mr. President:

If you haven't read this passage on intellectuals and foreign policy, you may enjoy it.

W. W. Rostow

WWRostow:rln

Pres file

Excerpt from "American Intellectuals and Foreign Policy" by Irving Kristol, FOREIGN AFFAIRS, July 1967, Vol. 45 No. 4, pages596-597

No modern nation has ever constructed a foreign policy that was acceptable to its intellectuals. True, at moments of national peril or national exaltation, intellectuals will feel the same patriotic emotions as everyone else, and will subscribe as enthustiastically to the common cause. But these moments pass, the process of disengagement begins, and it usually does not take long for disengagement to eventuate in alienation. Public opinion polls generally reveal that the everwhelming majority of ordinary citizens, at any particular time, will be approving of their government's foreign policy; among intellectuals, this majority tends to be skimpy at best, and will frequently not exist at all. It is reasonable to suppose that there is an instinctive bias at work here, favorable to government among the common people, unfavorable among the intellectuals.

The bias of the common man is easy to understand: he is never much interested in foreign affairs; his patriotic feelings incline him to favor his own government against the governments of foreigners; and in cases of international conflict, he is ready to sacrifice his self-interest for what the government assures him to be the common good. The persistent bias of intellectuals, on the other hand, requires some explaining.

We have noted that the intellectual lays claim -- and the claim is, more often than not, recognized -- to moral authority over the intentions and actions of political leaders. This claim finds concrete rhetorical expression in an ideology. What creates a community of intellectuals, as against a mere aggregate of individuals, is the fact that they subscribe -- with varying degrees of warmth, or with more or less explicit reservations -- to a prevailing ideology. This ideology permits them to interpret the past, make sense of the present, outline a shape for the future. It constitutes the essence of their rationality, as this is directed toward the life of man in society.

Now, it is the peculiarity of foreign policy that it is the area of public life in which ideology flounders most dramatically. Thus, while it is possible -- if not necessarily fruitful -- to organize the political writings of the past three hundred years along a spectrum ranging from the ideological "left" to the ideological "right," no such arrangement is conceivable for writings on foreign policy. There is no great "radical" text on the conduct of foreign policy -- and no great "conservative" text, either. What texts there are (e.g. Machiavelli, Grotius, in our own day the writings of George Kennan and Hans Morgenthau) are used indifferently by all parties, as circumstance allows.

Pres file

Tuesday, March 19, 1968 4:45 p. m.

SECRET

MR. PRESIDENT:

This report gives what I suspect are Thien's authentic political anxieties -- including some suspicion that we are angling for a coalition government,

It opens with a one-page summary. But do read the prediction of Giap and the Democratic Convention (p. 10-paper clip).

W. W. Rostow

SECRET attachment (TDCS-314/04761-68)

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-272 appeal By cbm, NARA Date 6-4-01

Intelligence Information Cable

ROUTINE

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MINCC/MC DDI EXO THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE. 1.5(c) 3.4(b)(1) DIST 18. MARCH 1968 SOUTH VIETNAM COUNTRY 1.5(0) DOI 3.4(b)(1) PRESIDENT THIEU'S CONCERN OVER A POSSIBLE SUBJECT COUP, CONDITIONS IN THE DELTA, AND SUPPOSED AMERICAN USE OF THE NATIONAL SALVATION FRONT TO EFFECT A COALITION GOVERNMENT WITH THE VIET CONG VIETNAM, SAIGON (18 MARCH 1968) FIELD NO 1.5(0) SOURCE SANITIZED 3.4(b)(1

E.O. 12958, Sec. 3.6 NLJ 96-271 By Les , NARA Date 4-2-98

PAGE 2 OF 11 PAGES 3.4(b)(1)



SUMMARY: LIEUTENANT GENERAL KHANG. III CORPS COMMANDER SAID THAT ON 14 MARCH 1968 PRESIDENT NGUYEN VANGTHIEUD EXPRESSED CONCERN ABOUT RUMORS OF A MILITARY COUP A KHANG REASSURED THIEU THAT IN SPITE OF THE RUMORS, HE IS NOT INVOLVED IN PLANNING A COUP. THIEU-BEL-IEVES-THAT THE I NATIONAL SALVATION FRONT (NSF) -WAS ORGANIZED. BY THE AMERICANS TO GENERATE SUPPORT FOR A -COALITION GOVERNMENT WHICH WILL INCLUDE THE NATIONAL FRONT FOR THE LIBERATION OF SOUTH VIETNAM. THIEU IS CONCERNED WITH THE SITUATION-IN IV CORPS. KHANG EXPRESSED CONFIDENCE IN THE NEWLY APPOINTED IV CORPS COMMANDER. MAJOR GENERAL NGUYEN DUC THANG. DUT SAID THAT HE IS NOT CERTAIN THAT THANG HAS SUFFICIENT TROOPS. THIEU ASKED IF THERE WERE ANY EVIDENCE THAT THE US HAD-ASSISTED THE VC DURING THE TET-ATTACKS. WHEN KHANG ASSURED HIM THERE WAS NOT, THIEU POINTED OUT. THAT THE U.S. MISSION IS NOT MONOLOTHIC IN ITS VIEWS. KHANG DIES-NOT EXPECT AN ATTACK ON SAIGON IN THE NEAR FUTURE. HE TOLD THIEU HE QUESTIONS THE WISDOM OF MAKING THE CONTEMPLATED CHANGES IN THE ADMINISTRATIVE STRUCTURE IN THE PROVINCES AT THIS TIME. END SUMMARY.

3.4(b)(1)







1. DURING A LENGTHY PRIVATE CONVERSATION ON 14 MARCH

1968. PRESIDENT NGUYEN VAN THIEU EXPRESSED CONCERN TO LIEUTENANT GENERAL LE NGUYEN KHANG, III CORPS COMMANDER, THAT SOME MEMBERS OF THE MILITARY MIGHT TRY TO OVERTHROW THIEU'S GOVERNMENT. KHANG TOLD THIEU HE KNOWS THERE ARE MANY RUMORS THAT HE AND BRIGADIER GENERAL NGUYEN NGOC LOAN. DIRECTOR GENERAL OF THE NATIONAL POLICE. ARE PLANNING A COUP. BUT THE RUMORS ARE NOT TRUE. KHANG DOES NOT KNOW HOW THESE RUMORS GOT STARTED BUT HE SUSPECTS SOME VC COMPLICITY. IN AN EFFORT TO PREVENT SUCH RUMORS. KHANG SAID HE HAS BEEN AVOIDING POLITICIANS BECAUSE MANY OF THEM ARE PRONE TO TWIST SOME REMARK HE MIGHT MAKE ABOUT HIS DISSATISFACTION WITH THE GOVERNMENT INTO ALLEGATIONS OF COUP PLOTTING. RECENTLY KHANG TWICE REFUSED TO MEET WITH SENATOR DON. KHANG SAID THE PRESIDENT SHOULD NOT INTERPRET HIS OR LOAN'S REMARKS ABOUT THE NEED FOR STRONGER AND MORE DYNAMIC GOVERNMENT AS MEANING THEY ARE PLANNING A COUP. PRESIDENT JOHNSON IS ALSO SUBJECT TO STRONG CRITICISM BY THOSE IN THE UNITED STATES WHO DISAGREE WITH HIS POLICIES. KHANG SAID THAT HE CALLS THE PRESENT PHASE





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CF ENEMY STRATEGY "THE WAR OF TENSION". ONE IMPORTANT FACET OF THIS STRATEGY IS TO SOW DOUBT AND DISSENSION AMONG THE VIETNAMESE AND AMERICAN LEADERS AND PEOPLE. KHANG TOLD THIEU TO IGNORE THESE RUMORS AND DEVOTE HIS ENERGIES TO COMING TO GRIPS WITH THE MANY REAL PROSLEMS OF THE NAIION. IF THIEU HAS ANY SUSPICION ABOUT KKANG'S COMPLICITY IN PLOTTING A COUP, 'HE NEED ONLY SAY SO AND

KHANG WILL PUT HIS SIGNED RESIGNATION ON THIEU'S DESK.

THIEU EXPRESSED CONFIDENCE IN KHANG. KHANG SAID THAT

SUBSEQUENTLY HE SENT HIS WIFE TO VISIT MRS. THIEU AS

ANOTHER MEASURE OF REASSURANCE.

- 2. NEVERTHELESS, THIED THOUGHT HE HAD GENUINE CAUSE
 FOR CONCERN. HE KNOWS MANY AMERICANS ARE NOT SATISFIED
 WITH HIS PERFORMANCE, THAT PRESIDENT JOHNSON'S DOMESTIC
 PROBLEMS ARE MOUNTING, AND THAT MANY VIETNAMESE ARE CALLING
 FOR A CHANGE IN GOVERNMENT.
- 3. KHANG SAID IT IS HIS IMPRESSON THAT THE U.S.

 NOVERNMENT IS VERY MUCH OPPOSED TO A COUP. THIEU SAID

 E GOT THAT IMPRESSION FROM AMEASSADOR BUNKER BUT UN
 CREUMATELY THERE ARE "FOURTEEN PEOPLE WHO SPEAK FOR THE







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U.S. GOVERNMENT IN VIETNAM." KHANG SAID HE TOLD THIEU
THAT HE SEES MANY PARALLELS BETWEEN 1968 AND 1954 IN VIETNAM. DURING 1954 THE FRENCH WERE WINNING MILITARILY BUT
THE DEFEATIST PSYCHOLOGY OF THE FRENCH PEOPLE MADE IT
IMPOSSIBLE FOR THE FRENCH TO DEFEAT THE COMMUNISTS. TODAY
KHANG FELS THE U.S. FORCES ARE WINNING MILITARILY BUT
THE VOICES OF DEFEATISM GET LOUDER EACH DAY. HE THOUGHT
IT IMPORTANT THAT THIEU NOT BE-VICTIMIZED BY RUMORS,
MANY OF WHICH ARE SPREAD BY THE COMMUNISTS AND DESIGNED
TO SOW SUSPICION AND DIVISIVENESS. KHANG SAID HE TOOK
A PARTICULARLY STRONG POSITION ON THIS SUBJECT NOT ONLY
BECAUSE HE FERVENTLY BELIEVES WHAT HE SAID, BUT BECAUSE
IT WAS OBVIOUS THAT THIEU WAS PREOCCUPTED BY MANY DOUBTS.

A. THIEU FEELS THE AMERICANS USED NEUYEN XUAN OANH AND DANG DUC KHOI TO ORGANIZE THE NSF WITH THE ULTIMATE OBJECTIVE OF GENERATING POPULAR SUPPORT FOR A COALITION GOVERNMENT WHICH WILL INCLUDE THE NATIONAL FRONT FOR THE LIBER/TION OF SOUTH VIETNAM (NFLSV). FOR THIS REASON, THE AMERICANS SELECTED SENATOR TRAN VAN DON, MAI HUU XUAN, AND OTHER FORMER GENERALS OF PRO-FRENCH, NEUTRALIST

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POSTURE TO LEAD THE NSF. THIEU SAID HE IS FOLLOWING THE TACTIC OF PAYING LIP SERVICE TO DON'S REQUESTS FOR SUPPORT FOR THE NSF WHILE TRYING TO COUNTERBALANCE IT WITH POLICAL EFFORTS OF HIS OWN GENERATED BY NGUYEN VAN HUONG, SECRETARY GENERAL OF THE PRESIDENCY, AND TRAN VAN AN.

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THIEU SAID FORTUNATELY THERE IS EVIDENCE
THAT THE NSF DOES NOT HAVE THE UNQUALIFIED SUPPORT OF
VICE PRESIDENT NGUYEN CAO KY'S FOLLOWERS AND CITED LOAN
AS AN EXAMPLE. COMMENT:

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KHOI HAS COMPLAINED THAT LOAN HAS BEEN TTACKING THE NSF THROUGH THE NEWSPAPER CONG CHUNG.) THIEU ASKED FOR KHANG'S VIEW OF THE NSF. KHANG SAID HE COULD NOT GUESS THE NSF'S TRUE MOTIVES BUT HE SHARED THIEU'S SUSPICIONS OF

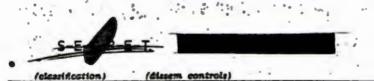
MAI HUU XUAN.

5. IN DISCUSSING THE IV CORPS AREA, THIZU SAID HE IS
CONCERNED THAT THE VIZT KONG (VC) WILL BE ABLE TO CONSOLIDATE
THEIR PRESENT CONTROL OF THE COUNTRYSIDE. THIEU SAID THAT



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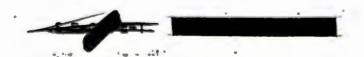
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CLAIMED IN THE DELTA BECAUSE HE FEELS THAT SOPE OF THE EFFORT HAS BEEN SUPERFICIAL. HE SAID IT ISUNQUESTIONABLY TRUE THAT THE SITUATION IN THE COUNTRYSIDE IN IV CORPS HAS WORSENED MARKEDLY SINCE THE ENEMY'S TET OFFENSIVE.

THIEU EXPRESSED CONCERN OVER THE NUMBER OF OUTPOSTS WHICH HAVE BEEN OVERRUN, AND SAID THE VC ARE EVEN ACTIVE POLITICALLY IN SOME AREAS AND APPARENTLY ARE RECEIVING SOME POPULAR SUPPORT. HE ASKED IF KHANG HAD ANY COMMENTS OR SUGGESTIONS ON THE IV CORPS SITUATION.

6. KHANG SAID THAT MAJOR GENERAL NGUYEN DUC THANG,
NEWLY APPOINTED IV CORS COMMANDER, HAS A VERY DIFFICULT
ASSIGNMENT, AND HE (XHANG) IS NOT CERTAIN THAT THANG HAS
SUFFICIENT TROOPS TO DO THE JOB. KHANG FEELS ONE TEP
THAT COULD BE TAKEN TO LEDJEN THAN'S SECURITY PROBLEM WOULD
BE A WELL-PLANNED CONSOLIDATION OF HAMLETS. SUCH A
CONSOLIDATIN WOULD INCREASE THE EFFECTIVENESS OF STATIC
DEFENSE AND POSSIBLY RELEASE FORCES FOR THE ALL-IMPORTANT
STRIKES ON ENEMY BASES. EQUALLY IMPORTANT, IT WOULD
FACILITATE THE CREATION OF INTERNAL CONTROL MECHANISMS:



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IN HE HAMLETS. AT PRESENT, KHANG ARGUED, THERE ARE NOT ENOUGH SECURITY FORCES TO PROTECT THE SCATTERED HAMLETS OR ENOUGH MANPOWER TO SET UP INTERNAL CONTROL MECHANISMS TO CONTROL THE MOVEMENT OF VC AMONG THE MANY HAMLETS.

WHILE THANG FACES A SERIOUS CHALLENGE AND LIKE ALL THE CORPS COMMANDERS, COULD USE MORE TROOPS, KHANG FEELS THAT THANG WILL BE ABLE TO GAIN THE UPPER HAND MILITARILY.

HOWEVER, IT IS IMPORTANT THAT STRONG AND HONEST GOVERNMENT BE BROUGHT TO THE DELTA, AND THAT THE GOVERNMENT'S MESSAGE GETS THROUH TO THE PEASANTS. THE GOVERNMENT'S INFORMATION PROGRAM IS VERY IMPORTANT. THIEU REPLIED THAT HE HAD ASKED GENERAL W.C. WEST MOREAND TO SUPPORT AN INCREASE OF 130,000 TROOPS FOR THE VIETNAMESE ARMY (APVN) AND THIS ADDITION, IF SUPPORTED BY THE AMERICANS, SHOULD GIVE THE CORPS COMMANDERS THE ADDED TROOPS THEY NEED.

7: THIEU ASKED IF THERE WERE ANY EVIDENCE IN III
CORPS THAT THE AMERICANS HAD ASSISTED THE VC DURING THE
TET ATTACKS. KHANG SAID ON THE CONTRARY THE REACTION OF
U.S. ARMORED ELEMENTS IN THE EARLY HOURS WAS ALL THAT
PREVENTED THE ENEMY FROM OVERRUNNING TAN SON NHUT AIR



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BASE. KHANG SAID BOTH BEFORE AND AFTER THE ATTACK HIS. COOPERATION FROM LIEUTENANT GENERAL WEYAND, CHIEF, II FIELD FORCE. LEFT NO DOUBT IN HIS MIND OF THE AMERICAN COMMITMENT. KHANG ADDED THAT PRIME MINISTER NGUYEN VAN LOC WAS PRESENT AT KHANG'S HOUSE DURING THE FIRST DAY OF THE ATTACKS AND WAS AWARE OF WEYAND'S COMPLETE COOPERATION. THIEU SAID IT IS POSSIBLE THAT THE U.S. MILITARY IS FULLY OPPOSED TO THE VC BUT THAT CERTAIN OTHER LEMENTS OF THE U.S. MISSION MAY NOT BE. HE REITERATED HIS OPINION THAT THE U.S. MISSION IS NOT MONOLITHIC IN ITS VIEWS. KHANG SAID THAT WHILE THIEU DID NOT SAY HE BELIEVES THE RUMORS CONCERMNING U.S. COMPLICITY, IT IS POSSIBLE THAT HE FEELS IT IS WITHIN THE-REALM OF THE POSSIBLE. THIEU SEEMS VERY CONCERNED THAT THE U.S. GOVERNMENT MIGHT REACH AN UNDERSTANDING WITH THE NFLSV WITHOUT CONSULTING HIM AND THAT THERE MAY BE CERTAIN SECRET CHANNELS TO THE VC OF WHICH THIEU IS UNAWARE. THUS, DESPITE THIEU'S OB-VIOUS RESPECT FOR AND DEPENDENCE ON THE AMERICANS, HE

_RETAINS_A LATENT SUSPICION_OF AMERICAN_MOTIVES....

8. THIEU ASKED IF KHANG EXPECTS THE ENEMY TO ATTEMPT



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TO ATTACK SAIGON IN THE IMMEDIATE FUTURE. KHANG REPLIED
THAT HE DID NOT. THIEU SAID KHANG WAS ONE OF THE VERY
FEW VIETNAMESE MILITARY MEN WHO HAD, FROM THE EARLIEST
DAYS OF THE FIRST ATTACK, GONE ON RECORD AGAINST A SECOND
WAVE GROUND ASSAULT. KHANG SAID HE BASED HIS OPINION
ON DOCUMENTARY EVIDENCE THAT THE ENEMY HAD BEEN HURT BADLY
DURING THE FIRST ASSAULT AND NEEDS TIME TO REGROUP. PHANG
SAID HE EXPECTS GENERAL VOINGUYEN GIAP TO TRY SOMETHING
SPECIACULAR QUIST BEFORE THE DEMOCRATIC NATIONAL—CONVENTION
AND JUST BEFORE THE U.S.—PRESIDENTIAL ELECTIONS. KHANG
OPINED THAT GIAP IS A MASTER AT WAGING POLITICAL WARFARE AND HIS PRESENT TIMETABLE IS ATTUNED TO POLITICAL
DEVELOPMENTS IN THE U.S.

9. KHANG ADVISED THIEU TO MEET MORE FREQUENTLY
WITH HIS VIETNAMESE MILITARY COMMANDERS. HE SAID MOST OF
THE SENIOR GENERALS FEEL THAT THIEU HAS BEEN IGNORING THEM
SINCE HE BECAME PRESIDENT. KHANG SAID THAT HE HAD BEEN
CRITICAL OF THE PRESIDENT AND THE GOVERNMENT BUT HAD SAID
NOTHING TO ANYONE THAT HE WOULD NOT SAY IC THIEU, AND
BELIEVES THAT THE SAME IS TRUE OF MOST OTHER CENTOR GENERALS.



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THIEU SAID HE FINDS HIS EXCHANGE OF IDEAS WITH KHANG
HELPFUL AND HE HOPES THEY WILL CONTINUE TO BE FRANK AND
OPEN FRIENDS. THIEU ASKED IF KHANG HAD ANY OTHER SUGGESTIONS. KHANG TOLD THIEU HE QUESTIONS THE WISDOM OF MAKING
SWEEPING CHANGES IN THE CORPS AREAS AT THIS TIME SUCH AS.
THE CONTEMPLATED CHANGES CONCERNING GOVERNMENTAL DELEGATES
AND FROVINCE CHIEFS. HOWEVER, IF THIEU FEELS HE MUST MAKE
THESE CHANGES NOW HE CAN DEPEND ON KHANG'S SUPPORT. THIEU
SAID HE REALIZES THERE ARE TWO SIDES THE CONTEMPLATED
CHANGES AND PROMISED TO GIVE THE PROBLEM MORE CONSIDERATION.

16. FIELD DISSEM: STATE (AMBASSADOR BUNKER, POLITICAL COUNSELOR) USMACV (GENERAL WESTMORELAND, GENRAL ABRAMS, AMBASSADOR KOMER, CHIEF OF STAFF, J-2) 7TH AIR FORCE (GENERAL MOMYER) CINCPAC PACFLT ARPAC PACAF REPORT CLASS

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DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 96-269 By , NARA Date 2-19-97

ACTION

CONFIDENTIAL

Tuesday - March 19, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit of Paraguayan President Streessner

Prev. file

Temorrow President Stroesener comes to Washington for a two-day official visit. Your participation is limited to:

11:30 am Welcoming Ceremony at the South Lawn.

- Office meeting with President Stroessner.

8:00 pm - State dinner.

A reception is being offered by the Paraguayan Ambassador at the Pan American Union on Thursday evening, but I advise against your attending.

President Stroessner is coming armed with a "shopping list" as he did at Punta del Este. Nick Katzenbach's briefing memorandum (Tab A) describes what the items are. Most of them are for economic assistance, but there also may be a request for artillery. He may support the requests by possibly offering a Paraguayan army unit for Vietnam.

Nick counsels that you be non-committal on the offer of troops and handle the request for aid and military equipment by saying your advisers will study the requests and be in touch with him later. This is how his Punta del Este shopping list was handled -- with good results.

The principal problem with this visit is President Stroessner's image in certain circles as an eld-style Latin American dictator and criticism of you for inviting him. So far, we have had only one newspaper article striking this theme -- in the Washington Post. The characterization is unfair to him and your purpose in having him up here.

Stroesaner has granted considerable political liberalization in recent years and is making steady headway with economic and social reform and development. The charts at Tab B illustrate this. We want to encourage this trend. The suggested welcoming statement and toast (Tab C) are designed to put the visit in this context. The press backgrounder will do likewise.

The points we would have you stress in your talks with the Paraguayan President are:

- 1. that he continue political liberalization so that the principal opposition can function freely;
- that he press forward with reform of budget and tax structures which CIAP has recommended as being of primary importance;
- that we appreciate Paraguay's help in the OAS and UN, where Paraguay is now a member of the Security Council.

W. W. Rostow

Attachments

- Tab A Katsenbach briefing memorandum.
- Tab B Charts on Paraguay's economic-social reform and development.
- Tab C Welcoming statement and toest.

DEPARTMENT OF STATE WASHINGTON

March 18, 1968

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

Subject: Your Meeting with Paraguayan President Alfredo Stroessner, 12 noon, Wednesday,

March 20

President Stroessner

You first met Stroessner at Punta del Este last year. Vigorous and hardworking, Stroessner at 55 is extremely proud of his accomplishments. He takes credit for bringing order and economic development to his country. Since 1962 he has--to a substantial extent--relaxed political controls.

Stroessner comes to the United States in the full flush of victory in last month's presidential elections. In order to be re-elected constitutionally for a third five-year term, he had to rewrite the Constitution. He did, however, permit the traditional opposition party (plus two smaller parties) to participate in the constitutional convention and the February elections.

The Paraguayan President is accompanied by his two sons and a special delegation of Paraguayan businessmen. He will be in Washington for two days, leaving Friday, March 22 for New York City and for Paraguay on the 23rd.

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Downgraded at 12-year intervals; not automatically declassified.

DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ 46-267 By Cb , NARA Date 11-3-97

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What Stroessner Wants

Stroessner sees the visit as a means of enhancing his prestige. Coming as it does after his recent reelection, he will undoubtedly use the visit to promote the image of a democratically-elected President of a constitutional government.

He also seeks assurances of increased economic and military assistance. We understand he is bringing a new "shopping list" similar to the one he gave you at Punta del Este. (A status report on his Punta list is at Tab B.) Specifically, we know he will ask for some 75 mm howitzers, as well as assistance for some eight economic projects. To lend weight to these requests, he may offer a Paraguayan army unit for Viet-Nam. We can probably help with the artillery, but we recommend a noncommittal reply to the other requests as well as to the offer of troops. It is not clear that a Paraguayan unit would be a military plus for our forces and the logistic, command and control problems involved would be extremely complex.

What We Want

- 1. The most important result from our point of view is to convince Stroessner of our interest in continued political liberalization. Specifically, during his present term of office, we would hope that he would continue to allow the principal opposition parties to operate freely and build their forces for the next presidential elections.
- 2. We also want to encourage Stroessner to reform Paraguay's budget and tax structure. This is probably the single most important reform for the continued success of our Alliance programs in Paraguay.

-CONFIDENTIAL

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3. At the same time, we wish to assure Stroessner that we appreciate Paraguayan support for U.S. objectives in the UN and the OAS.

Assistant Secretary Oliver and Country Director Krieg will stand by during your meeting with Stroessner following the arrival ceremonies.

Talking points are at Tab A.

Winder Secretary

Enclosures:

Tab A - Talking points.

Tab B - Status of Shopping List.

Tab C - Press guidance.

CONFIDENTIAL -

TALKING PAPER FOR YOUR MEETING
WITH PRESIDENT ALFREDO STROESSNER OF PARAGUAY
March 20, 1968

TALKING POINTS

Presidential Opener

- -- I am happy you could accept my invitation to come to Washington.
- -- Congratulations on your re-election to a third full term. I understand that this was Paraguay's fourth major election since 1963 and the first in history in which four parties participated.
- -- Paraguay has many similarities with Texas terrain, climate and the importance of cattle raising.
- -- Paraguay has undertaken an important new role with its election to the U.N. Security Council.

Stroessner's Role in Paraguay's Development

- -- You have done much to create conditions for the economic and political development of Paraguay. You are just embarking on a new five-year term of office with unparalleled opportunities.
- -- I hope you will continue to build and strengthen the political institutions of your country. We were pleased to see that several opposition parties were able to participate in last month's election. We hope that under your leadership Paraguay will continue to strengthen the democratic process.

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DECLASSIFIED E.O. 12958, Sec. 3.6 NLJ <u>96-267</u> By <u>Cb</u>, NARA Date <u>II-3-97</u>

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- 2 -

Latin American Economic Integration

- -- We hope that the move toward Latin American economic integration will attain a needed note of urgency and momentum.
- -- Because of its central location Paraguay can play an important role in promoting a Latin American Common Market, and especially in furthering the economic integration of the countries in the Parana (Par-rah-NAH) River basin.

Topics President Stroessner May Raise

Request for Economic Assistance

-- Stroessner may recount the economic progress achieved by his Government and request assistance in a number of specific development projects.

You May Wish to Say

- -- We are aware of the progress Paraguay has made and we hope to be able to assist it in its further development. I will have my advisors study your requests and we will be in touch with you later.
 - -- However, there is much that only Paraguay can do to promote its own development. Paraguay has several existing loans which are not being drawn because of a lack of funds for the Paraguayan contribution.
 - -- Implementation of the CIAP recommendation that the fiscal and tax structure be revised and modernized would do much to increase the Government's resources and permit a more vigorousdevelopment program.

CONFIDENTIAL

- 3 -

Military Assistance

-- Stroessner may raise his perennial protest against what he regards as vastly disproportionate U.S. military assistance to Bolivia.

You May Wish to Say

-- Our military aid to Bolivia is compatible with that country's internal security needs. Bolivia's recent difficulties with Ché Guevara speak for themselves. Paraguay has a lesser internal security threat and needs less assistance.

Request for 75 mm Howitzers

-- Stroessner, who is an artillery officer, may lament that Paraguay lost one-third of its artillery strength during a recent fire. He may ask for U.S. assistance in replacing the lost weapons.

You May Wish to Say

-- We are aware of the loss suffered by the Paraguayan Army. I believe it will probably be possible to assist you in replacing the lost weapons.

Offer of Paraguayan Combat Troops for Viet-Nam

-- Stroessner may offer a battalion of combat troops for duty in Viet-Nam.

You May Wish to Say

-- I appreciate your offer. This is a matter I wish to discuss carefully with my military advisors. My Ambassador will be in touch with you on this matter soon.

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VISIT OF PRESIDENT ALFREDO STROESSNER OF PARAGUAY March 1968

Background Paper

Present Status of Paraguayan Requests for Assistance Made by President Alfredo Stroessner of President Lyndon B. Johnson at Punta del Este April 13, 1967

1. Navigation of the Paraguay River

The Paraguayan Government requested that the United States Army Corps of Engineers assist in improving the navigability of the Paraguay River. A similar request for assistance was already pending with the United Nations. The U.N. Special Fund has offered assistance and is beginning to get its study under way. The results of the U.N. efforts will determine what future assistance may be necessary.

2. Improvement of the Trans-Chaco Highway

President Stroessner requested U.S. assistance for the engineering studies and financing of improvement of the Trans-Chaco Highway. The IDB is actively engaged in having the feasibility studies made which are preliminary to asphalting the first one hundred kilometers of this highway and constructing two hundred kilometers in other areas. The Inter-American Development Bank and the Agency for International Development are consulting regularly on the project.

3. Road Building Equipment

The United States was requested to provide machinery and road building equipment to allow Paraguay to build

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Exempted from automatic decontrol

access roads. The IBRD is prepared to provide approximately \$7.0 million as soon as agreement can be reached with the GOP for the establishment of a permanent road maintenance organization. Recently, the United States agreed to use the equivalent of \$400,000 in PL-480 local currency for the highway maintenance budget and transferred title to the GOP of about \$1 million of road equipment and parts from a road project which terminated January 1968.

4. Silos, Warehouses and Cold-Storage Plants

The United States was requested to provide technical and financial assistance for setting up a storage and marketing system for foodstuffs. A specialist provided by the Agency for International Development has been working with the Government of Paraguay in this field for over one year. As required, short-term specialists in selected aspects of marketing have been and will be provided to help develop a preliminary loan proposal for this purpose. As a beginning, exploration is proceeding on rehabilitating 10 to 12 existing storage units having a capacity of 12,000 to 16,000 tons.

5. Hydrological Studies of the Paraguayan Chaco

The United States was requested to cooperate in hydrological studies of the Chaco so that water can be found for livestock. A U.N. Special Fund team has completed a preliminary hydrological study in the Chaco. A.I.D. is coordinating its livestock development effort, which relates to this study, with the U.N. The GOP has requested \$1.2 million for this program from the U.N. Special Fund.

6. Private Investment in Paraguay

The United States was requested to promote the investment of private capital in Paraguay. A.I.D.

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has been cooperating with the GOP and private entreprenuers in Paraguay through the A.I.D.-sponsored Productivity Center to foster increased participation of the private sector in the development effort.

A U.S. Trade Mission to stimulate trade and investment between the United States and Paraguay is scheduled to arrive in Paraguay in April 1968.

USAID is intensively reviewing a proposed A.I.D. loan for the establishment of a private development bank. A decision to go forward with the loan is awaiting assurance that sufficient private Paraguayan capital is to be committed to assure the formation of a sound institution.

7. Air Transport

The United States was requested to cooperate in obtaining five turbo-prop airplanes to meet needs for greater cargo and passenger capacity. Five C-47 aircraft were given by the United States to the Paraguayan airline T.A.M. (run by the Air Force) in August 1967. With respect to purchase of new planes, although representatives of Boeing and Fairchild have visited Paraguay, the GOP has not decided whether to go in for turbo-prop or jet aircraft. The Export-Import Bank has indicated that a loan could be considered for U.S. transport aircraft.

8. National Fund for Economic and Social Development

President Stroessner requested a grant to finance the National Plan for Economic and Social Development of Paraguay. No action is presently proposed. The GOP is aware that implementation of the CIAP recommendations would greatly enhance the ability of the United States and the international lending institutions to contribute more substantially to the solution of Paraguay's development problems. Greater effort can be made by the GOP to increase its domestic revenues.

Marketing of High Priority Basic Products

1. Request for PL-480 Wheat

The United States was requested to continue to sell wheat under PL-480. A \$2.4 million PL-480 wheat sale agreement was signed in December 1967 for 35,000 tons. The United States will consider sympathetically any future requests for PL-480 wheat sales which the GOP may make.

The United States has been approached and is discussing with the GOP an additional \$3 million agricultural credit loan to supplement \$2.9 million loan made in 1964 to provide credit to wheat producers.

2. Sugar

Paraguay requested that it be granted an annual import quota of 15,000 tons of sugar. No action can be taken on the request to include Paraguay on the sugar quota list until the next congressional review of the quotas in 1971. At that time, the GOP request will be given every consideration. (See also Background Paper, Sugar Quota, at Tab H.)

3. Tung Oil

Paraguay requested suspension of the sale of tung oil by the C.C.C. at prices lower than the international market price of \$0.17 a pound. World prices have improved and as long as they stay up no further U.S. or GOP action is anticipated. However, in the long run, competition from synthetics will probably exert a generally depressing effect on the world market. (See also Background Paper, Tung Oil, at Tab G.)

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4. Coffee

Paraguay requested support from the United States at the International Coffee Organization for an adequate export quota. The United States supported the Paraguay request of the ICO for an adequate export quota which was granted in late 1967. The quota, up to 98,000 bags over a 5-year period, will permit export of virtually all of Paraguay's expected production. (See also Background Paper, Coffee, at Tab I.)

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VISIT OF PRESIDENT ALFREDO STROESSNER OF PARAGUAY March 1968

PRESS GUIDANCE PAPER

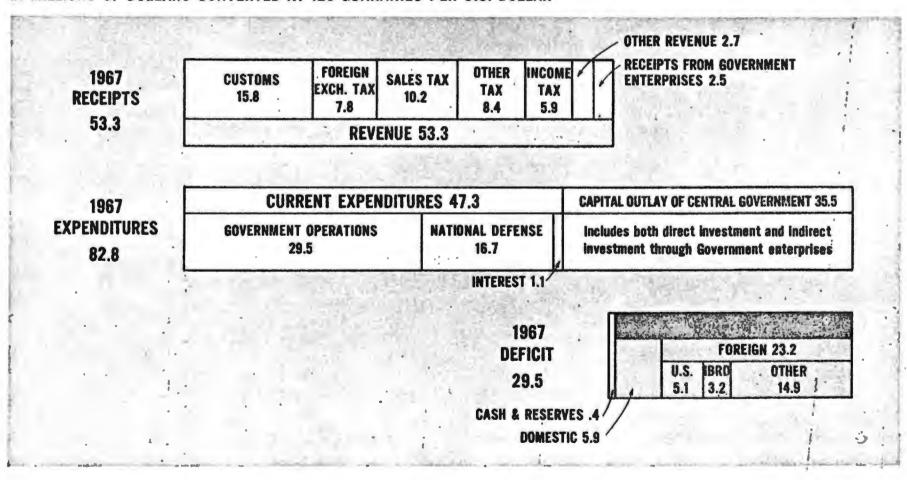
The Presidents might refer to their meeting giving them a chance to renew acquaintanceship arising from their Punta del Este Summit Meeting in April 1967.

The Presidents might indicate they exchanged views on various broad hemispheric issues. These could include developments in the Alliance for Progress since the Punta del Este reunion, their views on the development of the Latin American Common Market, and a restatement of the objectives of the 1967 Punta del Este meeting.

The Presidents could refer specifically to their discussions on the institutional development of Paraguay and also to President Stroessner's plans to further the economic development of his country during his new term of office.

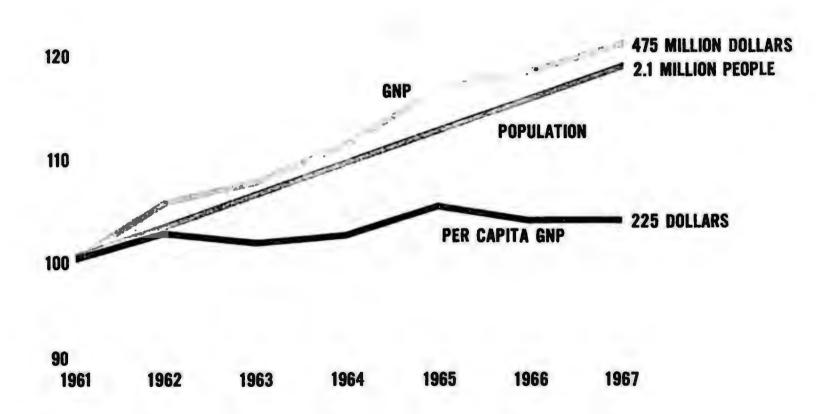
PARAGUAY CENTRAL GOVERNMENT BUDGET Regular and Development

IN MILLIONS OF DOLLARS CONVERTED AT 126 GUARANIES PER U.S. DOLLAR



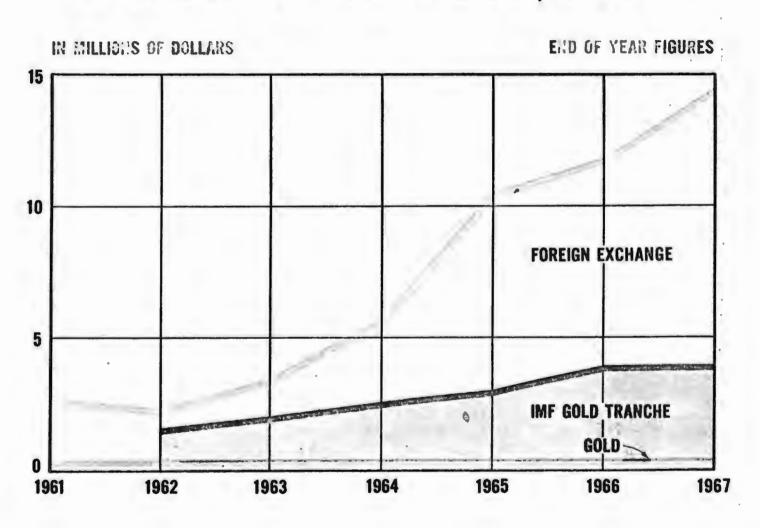
PARAGUAY POPULATION, GROSS NATIONAL PRODUCT, PER CAPITA GROSS NATIONAL PRODUCT

GNP CALCULATED IN CONSTANT 1985 U.S. DOLLARS

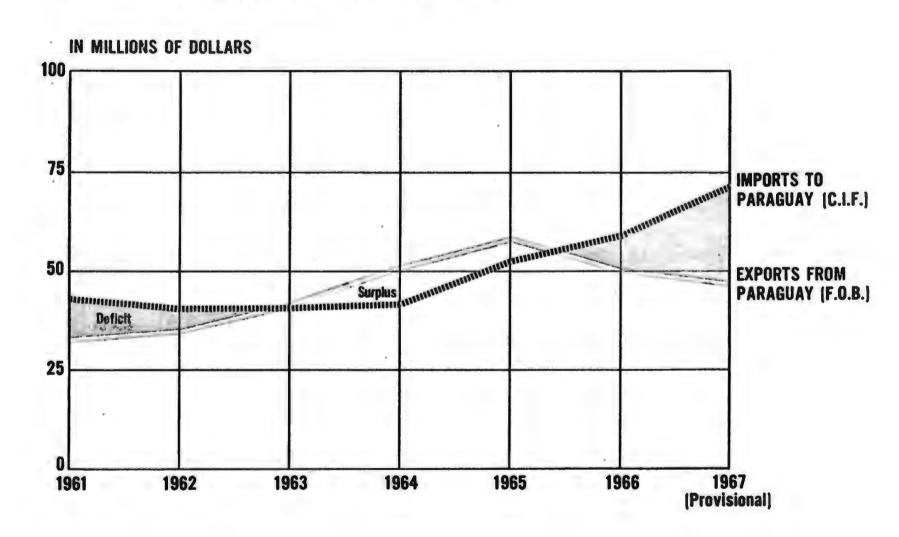




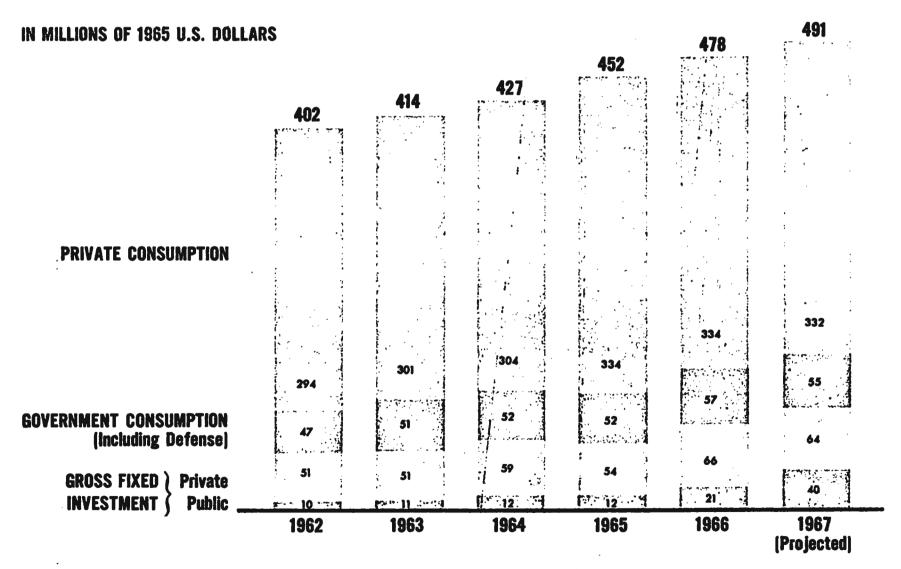
PARAGUAY OFFICIAL RESERVES, GROSS



PARAGUAY FOREIGN TRADE

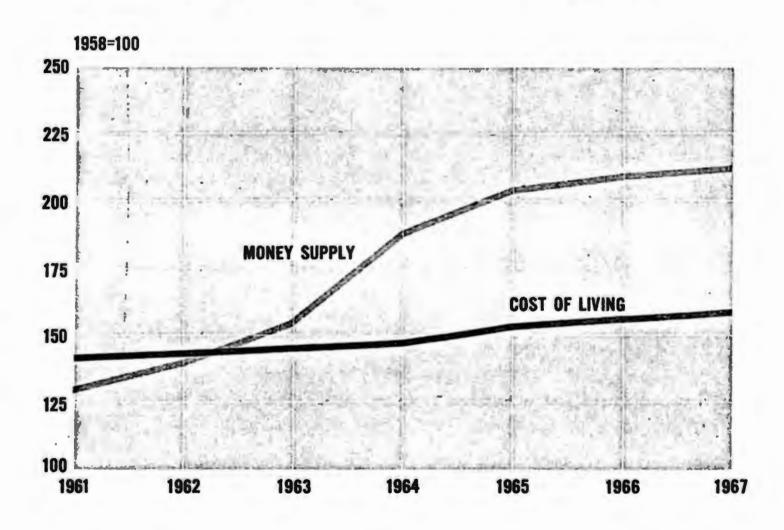


PARAGUAY EXPENDITURES OF TOTAL AVAILABLE RESOURCES*



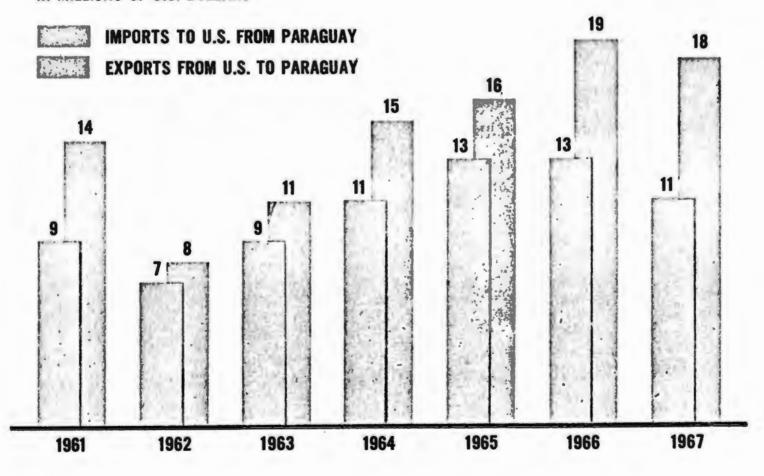
^{*}TOTAL AVAILABLE RESOURCES EXCEED GNP BY THE AMOUNT THAT IMPORTS OF GOODS AND SERVICES EXCEED EXPORTS OF GOODS AND SERVICES.

PARAGUAY DOMESTIC PRICES AND MONEY

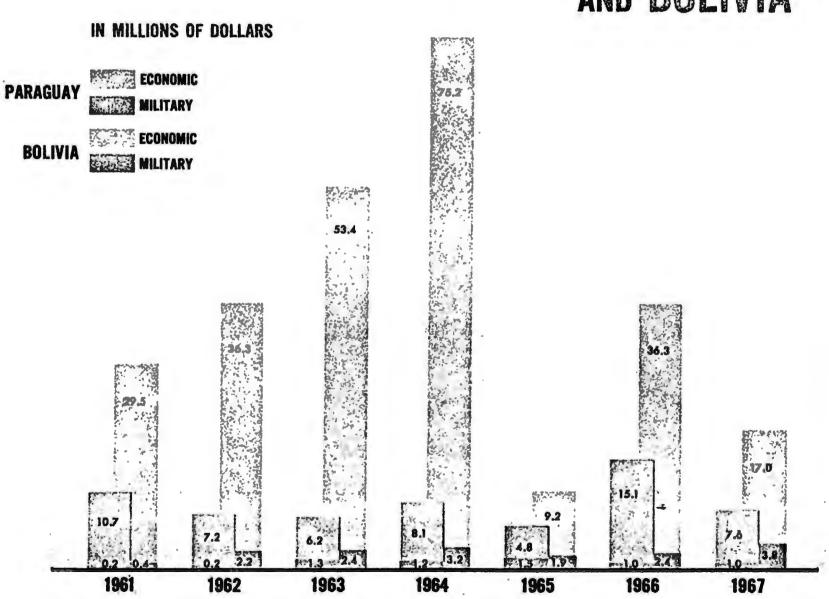


U.S. FOREIGN TRADE WITH PARAGUAY

IN MILLIONS OF U.S. DOLLARS



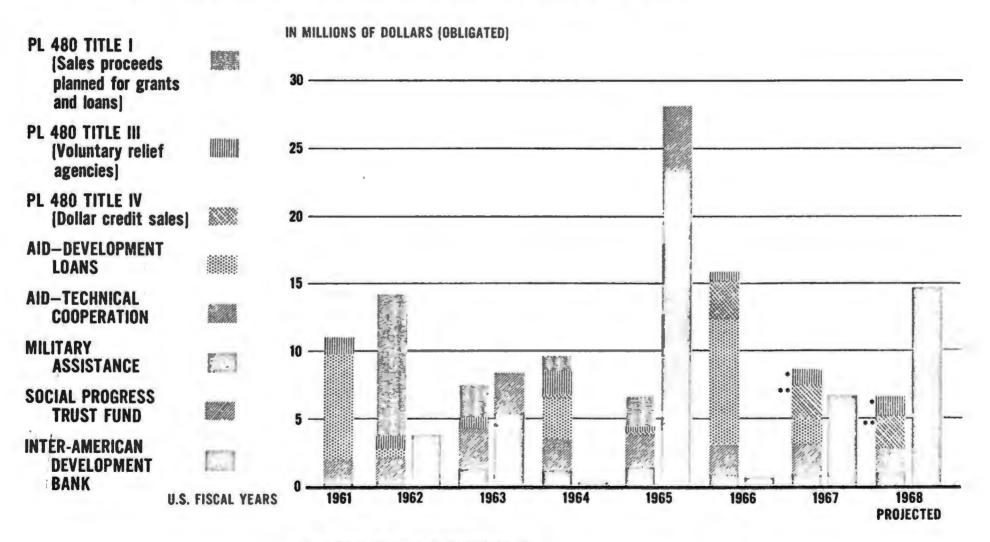
COMPARATIVE U.S. ASSISTANCE TO PARAGUAY AND BOLIVIA



71m

ECONOMIC ASSISTANCE TO PARAGUAY

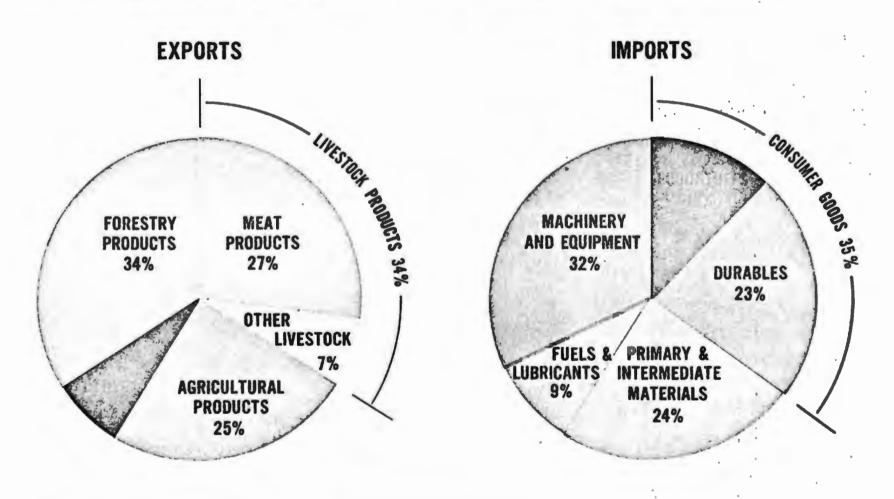
(UNITED STATES AND INTER-AMERICAN DEVELOPMENT BANK)



^{*}NOW TITLE II UNDER NEW LEGISLATION

^{**}NOW TITLE I UNDER NEW LEGISLATION

PARAGUAY COMMODITY COMPOSITION OF TRADE



1966 (LAST YEAR FOR WHICH COMPLETE DATA AVAILABLE)

March 19, 1968

SECRET-NODIS

72 frest

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting Between the President and Ambassador Bui Diem

The President met late yesterday with Vietnamese Ambassador Bui Diem in the President's office. Purpose of the Ambassador's call was to review the present situation in advance of Bui Diem's return to Saigon this week for consultation with his Government. William J. Jorden of the NSC Staff was present. The meeting began at 6:30 p.m. and ended at 7:10 p.m.

The President welcomed the Ambassador and remarked on his early return to Saigon. The Ambassador said he planned to underline three things in his talks with his own President and other Government officials:

- (1) the mood in the United States and the rising tide of criticism against American involvement. He planned to stress the extent to which the criticism is aimed at the Vietnamese themselves and their lack of vigorous action.
- (2) the desperate need for improved performance by the Vietnamese -- especially the Army and the Government. He would stress the need for the GVN to attack such social evils as corruption.
- (3) the need for President Thieu and Vice President Ky to work in harmony and to form an effective team.

The President indicated he thought these were all matters worth emphasizing. He said that criticism was indeed rising here and that he was under heavy pressure.

He was firm in his conviction of the rightness of our course in Viet-Nam. And he planned to ask the Congress and the American people for additional sacrifice and expenditures. But he said we could not do the job alone. The Vietnamese had to bear a heavier load, too.

He noted how much of the criticism focussed on Vietnamese actions or lack of action -- the slowness in drafting Vietnamese youth, the misuse of AID supplies, the buying of draft deferments, the corruption of officials and others.

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SECRET-NODIS

The President noted that some officials had been removed but he thought indications were that more should be ousted. He suggested that the Vietnamese ask MACV for a list of inefficient or currupt commanders and then "get rid of them."

The Ambassador noted that present plans called for drafting 65,000 Vietnamese in the next few months. They were now thinking of raising that to 100,000 or 125,000 and perhaps even 200,000 by the end of the year. He said this kind of increase raised problems of equipment, training facilities and budget support. The President assured him of our help in meeting equipment requirements.

The President asked Jorden to prepare a memo for the Ambassador listing the 8 or 10 things we think need most to be done. The Ambassador assured the President he would use such a memo in his talks with his own officials.

As the Ambassador was about to leave, the President wished him success and asked him to tell President Thieu and Vice President Ky to "work together and get moving."

William J. Jorden

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TOP SECRET

Tuesday, March 19, 1968 12:20 p.m.

MR. PRESIDENT:

You may wish to take into account at lunch these thoughts of the meeting of the Southeast Asian Ambassadors and Gen. Westmoreland at Cam Ranh Bay.

They raise, among other matters, the possibility of:

- -- a feint against North Vietnam;
- -- limited operations in Laos.

W. W. Restow

TOP SECRET attachment

DECLASSIFIED

Authority OSD 10/6/18; NSC 8/14/80

By JK/Lg, NARA, Date 4/1/90

Copy of SAIGON 22495 March 19, 1968

73a

Subject: Southeast Asia Coordinating Committee Recommendations

- 1. The Southeast Asia Coordinating Committee (SEACOORD) convened at Cam Ranh Bay on March 7. Present were Ambassadors Bunker, Sullivan and Unger, Admiral Sharp and General Westmoreland, together with their principal advisors. Following represents agreed summary of recommendations:
- A. Vietnam 1. In light of enemy divisions in DMZ-Khe Sanh area, the U.S. Government should study possibility of conducting amphibious feint north of the DMZ to relieve pressure on I Corps recommended by CINCPAC. Study should include careful re-examination of earlier expressed fear that failure to follow through on such a feint might be termed a propaganda victory for North Vietnam.
- B. Lacs The extensive use of Lacs by North Vietnamese military forces has greatly increased the problem of combating the enemy throughout South Vietnam. The use of Lactian territory by the enemy has reached a degree of seriousness where, despite the political problems involved, we should consider permitting limited military operations in Lacs. Current military situation in Lacs is moreover marked by aggressive enemy action which bears direct relation to increased North Vietnamese presence in Northern provinces of South Vietnam. Specially planned operations by US forces on Khe Sanh plateau may encounter harassment and fire from enemy forces across the border in enemy base areas of Lacs.

SEACOORD recommends following actions relating to foregoing evaluation:

- I. Contingency planning for possible limited ground operations; by US and /or ARVN forces in Laos should proceed. The point may be reached when it will become necessary on a case by case basis to put limited ground forces into Laos. In that event, these forces should be employed close to the border and the operations should be conducted in such a way as to have no press exposure. It is important that the targets selected be worthy of the political risks involved. The Commander, US MACV will prepare contingency plans for consideration by Embassy Vientiane and will forward them to CINCPAC and the JCS for approval. The problems of deniability and/or press disclosure of such operations are recognized, and they will be covered in an appropriate annex.
- 2. Make immediate efforts to locate an alternate position for Site 85, primarily for aircraft guidance purposes. One such site, Phou Bia, would be valuable but requires specialized helicopter support because of altitude.

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By is/12 NARA, Date 811-21

The 7th Air Force will examine possibilities of obtaining such helicopters.

- 3. Authorize launching of Prairie Fire missions through Nakhon Phanom, recevering at forward refueling sites in Laos after team insertion when poor weather prevents operations from South Vietnam. These launches from Nakhon Phanom will be subject to existing restrictions on Vietnamese presence in Thailand and Laos. The Commander of Special Operations Groups (MACSOG) will coordinate with Embassy Vientiane re operating arc of current helicopters from Nakhon Phanom in order to determine feasible forward refueling sites in Laos. MACSOG will also propose for consideration by Bangkok alternate launching sites other than Nakhom Phanom. The possible use of other sites in Thailand will be studied by Embassy Bangkok and Commander, U.S. MACV, having in mind military factors as well as the likelihood of approval by the Thai Government which must be sought before any extension in operations beyond the present authorization.
- 4. Commander, U. S. MACV proposed that Washington accept the principle that the current Prairie Fire boundary is a coordination line and authorize Military Assistance Command, Vietnam (MACV) and Embassy Vientiane to coordinate locally for exploitation of targets west of Prairie Fire boundary. Vientiane felt case by case coordination locally submitted through Commander in Chief, Pacific (CINCPAC) for approval by Washington was adequate, but agreed to leave decision on this subject up to Washington.
- 5. Initiate a Prairie Fire intelligence collection operation, exploiting the potential of Kha tribesmen indigenous to the Prairie Fire area as elements of a low-level MACV-directed intelligence net.
- 6. Since enemy operations in Laos threatening Khe Sanh area appeared to require extension of dump truck area southward in Laos, it was agreed that Embassy Vientiane would submit a proposal through channels for such extension.
- 7. Embassy Vientiane proposed an increase in A-1 and A-26 aircraft positioned in Thailand and available for operations in Laos. It was agreed that the weekly planning meetings at Udorn between the 7th Air Force and Embassy Vientiane would include planning air support for ground force operations in counter-insurgency context.
- 8. Seek immediatguaugmentation of belicopters for entire SEACOORD area and employ a portion of this augmentation to provide better support for CIA guerrilla activity in Laos panhandle.

C. Cambodia - Political

- 1. Discussion at the SEACOORD meeting emphasized the great importance of the collection and exploitation of specific hard intelligence on Viet Cong/North Vietnamese Army use of Cambodia, as well as of circumstantial evidence which is convincing by dint of its quality and quantity. Collection of all types of intelligence on Cambodia should be given higher national priority than heretofore. Use of more aggressive intelligence collection methods should be authorized where necessary to obtain such intelligence. Movement of supplies to and through Sihanoukville is a particularly important area for an increased intelligence collection effort. Internal political and insurgency developments should also be covered in new tasking for CIA collection efforts.
- 2. We should do more to exploit the intelligence assets of other countries. The Australians, for example, should be encouraged to add at least one officer to their Military Attache office in Phnom Penh (which now has only one officer). Personnel of this office should be encouraged to do more travelling to Sihanouk-ville and the frontier areas. We should be prepared, if necessary, to increase our payments for Australian representation of American interests to compensate for the expenditures entailed in these expanded operations. Efforts should be made to obtain substantially more intelligence on Cambodia from other friendly missions in Phnom Penh, such as the British and Japanese (Embassy Bangkok and Embassy Saigon see very little information from these sources; if it is coming to the Department, they would appreciate being put on distribution for it.)
- 3. Sihanouk should personally be presented with evidence of Viet Cong/North Vietnamese Army use of Cambodia on a regular and continuing basis. He should be asked what his investigation of the material we have already given him has revealed. The Asutralians should be asked to impress him again with the seriousness with which we view the situation and call for action on the evidence provided him.
- 4. Assuming there is no sign of real action to correct the situation on Sihanouk's part in the near future, we should bring our evidence of VC/NVA use of Cambodia to the attention of other friendly governments and ask them to stress our concern to the Cambodians.
- 5. Pressure should be maintained on the Indians to work to make the International Control Commission an effective instrument for policing VC/NVA use of the border, though we recognise that such a transformation is unlikely. Meanwhile, evidence of VC/NVA use of Cambodia should be presented to the ICC on a regular and continuing basis.

- 6. No particular pressure should be applied to the Vietnamese to open up the Mekong. The closing of the Mekong puts additional pressure on the port of Sihanoukville, complicating any movement of VC/NVA supplies through that pert.
- 7. The question of reestablishment of diplomatic relations with Cambodia should be kept under continuing review. While presence of a U.S. military attache with freedom to travel would be helpful, the present moment -- one in which we do not wish to make a major conciliatory step at a time we are pressing him toward more effective action on his own to deny VC/NVA useof his territory -- does not seem an appropriate time to move toward a reestablishment of relations.
- 8. It is recommended that the Secretary brief his colleagues on Cambodia in the seven nations meeting in Wellington, with a view to bringing them to understand the lines of action we have in mind and to enlist their cooperation where pertinent. Such a presentation would be an opportunity both to encourage governments with access to Cambodian government to join in emphasizing to it their concern over semantity problem posed by NVN/VC sanctuary and to explain to all the need for restraint in short term actions against Cambodia while determining what Sihanouk can and will do.

D. Cambodia - Administrative

- l. Primary US field responsibility for matters relating to Cambodia (except for VC/NVA use of Cambodian territory) should continue to be vested in Embassy Sangkek. Bangkok will also take initiative in fermulating recommendations on appropriate action as viewed from the field, keeping other SEACOORD posts informed. Embassy Bangkok should be given necessary resources to do the job. Saigon will continue to have primary responsibility for reporting and policy recommendations relating to VC/NVA use of Cambodian territory, keeping other SEACOORD posts informed. Embassy Bangkok will be sending follow-on telegram which will contain specific recommendations for impreving collection, collation and dissemination of information.
- 2. It is recommended that member agencies assign a high priority to the interdepartmental working group under State Department chairmanship that has been established in Washington to coordinate and take action on matters pertaining to Cambodia.

E. Cambodia - Military

Meanwhile, it would be desirable, in the aftermath of the VC/NVA

use of Cambodia in connection with the Tet offensive, to take Sihanouk up on his willingness to have us conduct limited military operations in unpopulated areas of Cambodia. We recommend that increased military activity by U. S. forces against NVA/VC in Cambodia begin now on a small scale, gradually increasing our operations as the situation permits, using care to avoid foreclosing through this program the possibility of obtaining Sihanouk's cooperation with us to reduce VC/NVA use of his territory. We recommend a scenario for U. S. operations in Cambodia as follows:

1. Beginning immediately:

- A. The present restrictions on the number, depth, and frequency of Daniel Boone insertions be relaxed in Zone A and that more helicopter support be authorised for cross border operations in Zone A of the Daniel Boone area. This is essential if we are to develop better intelligence for use in the Vesuvius Operation. Further we need to develop hard targets that can later be exploited by fire in the unpopulated areas of Cambodia.
- B. Exercising extreme caution to ascertain no Cambedian presence, initiate active defensive measures of short duration in remote, unpopulated sections of the Cambodian border area.
- (1) Reconnaissance. Beyond present Daniel Boone squads, authorize US plateon/company size forces be inserted by helicopter and/or ground.
- (2) Pursuit by fire on enemy targets retreating into unpopulated areas of Cambodia by use of artillery, gunships and tactical air.
- C. Task CIA and other agencies as appropriate to develop resources for the conduct of black psychological operations to exploit differences between the Cambodian government, on the one hand, and the VC/NVA, CHICOMS and their Cambodian supporters on the other.
- D. Expand the area of coverage south to the Gulf of Thailand, exercising safeguards to preclude loss of an aircraft in Cambodian territory.

2. Subsequent military operations:

Depending on Sihanouk's reactions to our political pressure and to our increased military operations recommended above, we visualize a carefully controlled and gradual increase in strength and effectiveness of US operations into Cambodia, while at the same time avoiding actions which would jeopardize any political progress we are making with Sihanouk.

The following subsequent military operations are recommended for initiation if it becomes clear that efforts to induce Sihanouk to act more effectively are not going to produce results and in circumstances where there would be a clear military imperative.

- A. Increasing our reconnaissance capability by authorising overflights to a depth of 20 kilometers along the entire Cambodian border area
 with the QT-2 noiseless aircraft as soon as it proved its operational capability.
 Also allow the airborne personnel detector (people sniffer) to be employed
 along the border as an additional airborne sensor. In order for this and
 be employed effectively, authorise additional low-level reconnaissance coverage.
- B. On a case by case basis, authorize might-time B-52 strikes on clearly defined significant targets in unpopulated, remote areas astride the South Vietnam-Cambodian border.
- C. Increase the strength of our active defensive measures of short duration in remote, unpopulated sections of Cambodia close to the border by:
- (1) Raids. Attack specific enemy targets with company/battalion task force supported by artillery, gunships, and tactical air.
- (2) Pursuit. Forces not to exceed battalion task force size forces to maintain contact and destroy enemy forces retreating into Cambodia.
- (3) Reaction forces. Employment of company/battalion task force size forces to reinforce recommissance/raid action and to assist disengagement and withdrawal of forces as necessary.

BUNKER

SECRET

Lunch Meeting With the President Tuesday, March 19, 1968, 1:00 pm

Pres file

AGENDA

- Consultations with selected members of the Senate and House Armed Services Committees; and Congressman Mahon. (Mr. Clifford)
- 2. Vietnam: Troops. (Sec. Rusk and Sec. Clifford)
 - -- Vietnam prospects
 - -- Korea
 - -- U.S.
- 3. Goldberg and Bowles proposals. (Sec. Rusk)
- 4. <u>Farring Mission</u>. (Sec. Rusk)

 Situation report.
- Panama. (Sec. Rusk)
 Situation report.
- Rhodesia. (Sec. Rusk)
 Situation report.
- 7. Other.

DECLASSITIFO
E.O. 12356, Sec 3.4(b)
White House Guideline, Feb. 24, 1983
By Ag., NARA, Date 4-1-9-2

W. W. Rostow.

WWRostow:rln

SECRET

-CONFIDENTIAL - SENSITIVE

ACTION

75 Over file

Tuesday - March 19, 1968 - /1 45Am

Mr. President:

Vice President Humphrey has agreed to go to Mexico to sign Protocol II of the Latin American Nuclear Free Zone Treaty. He proposes to leave late on Sunday afternoon, March 31, and return to Washington the following day.

Does this timing pose any problems for you?

Yes	
No.	
Call me	

W. W. Rostow

DECLASSIFIED E.O. 12356, Sec. 3.4(b) White House Guidelines, Feb. 24, 1983 By Ag., NARA, Date 4-192

SECRET

Tuesday, March 19, 1968 - 10:35am

Mr. President:

At Khe Sanh/DMZ:

- -- 127 enemy rounds;
- -- 157 friendly;
- -- 397 tactical air plus 6 B-52 strikes;
- -- 292 tons delivered;
- -- Marine DMZ contacts:

92 enemy killed 13 U.S. Milled

-- weather holds good.

W. W. Rostow

SECRET

WWRostow:rln

White House Guidelines, Feb. 24, 1983 By 44, NARA, Date 4-7-93 DECLASSIFIED

E.O. 12356, Sec. 3.3

DA Memo, Jan. 5, 1988

By 19... NARA Date 4-(1792

160

Tuesday, March 19, 1968

TEXT OF CABLE FROM GENERAL WESTMORELAND

This is report number forty-four on the situation in the Khe Sanh/DMZ area for the 24-hour period of March 18, 1968.

The weather remained clear throughout the 18th with some light rain developing early on the morning of the 19th. The activity at the Khe Sanh Combat Base fell off from the previous period. Most noticeable was the sharp decrease in the number of incoming rounds. During this reporting period, the base received 127 rounds of mixed incoming fire, resulting in one Marine killed and 31 wounded (nine evacuated). A total of 157 U.S. artillery missions were fired in support of the base, two of which expended 59 rounds of 105mm COFRAM ammunition. Twenty-two confirmed enemy were killed by air strikes and artillery fire.

There were no ground contacts. Along the DMZ, three companies of the 4th Marines engaged an unknown size enemy force eight kilometers north-northeast of Dong Ha, in sporadic contacts lasting throughout the day. The Marines were supported by tactical air and artillery. The enemy force was supported by rocket fire. The results of the action were 67 enemy killed, three detainees; twelve Marines killed, 24 wounded (all evacuated). The remainder of the DMZ and the rest of Quang Tri province were generally quiet.

The total casualties in the 3d Marine Division area for the period were: Enemy, 92 killed, 3 detained; Friendly, 13 killed, 58 wounded (36 evacuated).

Air activity was unrestricted by the weather, and 397 tactical air sorties and six ARC LIGHT strikes were flown. During the next 24-hour period, 314 tactical air sorties and six ARC LIGHT strikes are planned.

Aerial resupply remained at approximately the same level as yesterday. Two hundred and ninety-two short tons were lifted in 49 sorties, over half of them flown by Marine helicopters. Air Force aircraft continue to deliver the bulk of their loads by air drops.

DECLASSIFIED

Authority P13.019.031.003/3

By 12... NARA. Date 12-18-09

SECRET/EYES ONLY

The weather should remain favorable for air activity tomorrow. Scattered clouds and good visibility are forecast throughout the day, except for intermitent late afternoon thundershowers.

No significant changes in enemy dispositions in the A Shau Valley have been observed. There were six air reconnaissance sorties flown today. A wire tap team was inserted on the 18th. An additional team went in early today to a hot landing zone and was extracted immediately. Both teams called in tactical air and reported two secondary explosions.

SECRET/EYES ONLY



THE NATIONAL MILITARY COMMAND CENTER WASHINGTON, D.C. 20201

19 March 1968 0430 EST

THE JOINT STAFF

MEMORANDUM FOR THE WHITE HOUSE SITUATION ROOM

Subject: Supply Status at Khe Sanh as of 8:00 PM EST 18 Mar (9:00 AM 19 Mar, SVN time)

1. The Khe Sanh Dump and Ammunition Supply Point (ASP) status as of the above time is as follows:

DAYS SUPPLY ON HAND	PREVIOUS STATUS 8:00 PM 17 Mar EST (9:00 AM 18 Mar SVN)
21 8	21 days 8 days
3 10.6 9.8 5.4	3 days 10.6 days 11.6 days 4.4 days
52 28 133 31 20 19	54 days 30 days 131 days 31 days 20 days 18 days
	ROUNDS ON HAND
(нер-т)	329 1,202 2,520 321 469 0 1,482 2,145 1,945
	21 8 3 10.6 9.8 5.4

SECRET

DECLASSIFIED E.O. 12356, Sec. 3.8 DA Memo, Jan. 5, 1988

By 14 . NARA. Date 4-17-92

and James .

	DAYS SUPPLY ON HAND	PREVIOUS STATUS 8:00 PM 17 Mar EST 9:00 AM 18 Mar SVN)
c. Antipersonnel		ROUNDS ON HAND
106-mm BEEH1VE		1,517
CLASS V (COFRAM)		
105-mm howitzer 155-mm howitzer 40-mm grenade launcher Hand Grenades	5 5 5 10	5 days 5 days 5 days 10 days
2. On 18 March, Khe Sanh wa follows:	s resupplied wit	h 292.5 tons as
CLASS I CLASS II CLASS III CLASS IV CLASS V MISCELLANEOUS	38 tons .5 tons 25 tons 57 tons 168 tons 4 tons	

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

Distribution: SECDEF

SECDEF
DEPSECDEF
CJCS (3)
DJS (3)
J-30
J-31
J-32
J-33
J-34
J-4
AWR
MCCC
AFCP
NFP
DDO

SECRET

PAC DIV PAC DESK

ADDO CCOC