

73

INFORMATION

~~SECRET~~

Thursday, July 25, 1968
7:15 p.m.

Pres. file

Mr. President:

This is the most solid report
we've had of Hanoi-Peking tension.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 11-5-92

WWRostow:rla

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CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable

ROUTINE 73a

46438

PAGE 1 OF 4 PAGES

STATE/INR DIA NMCC/MC (SECDEF JCS ARMY NAVY AIR) CIA/NMCC NIC NSA SDO ONE CRS
DDI Ex 0 GCP EDCI DCI ACD UTA

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CITE

DIST 15 JULY 1968

COUNTRY NORTH VIETNAM CHINA SWEDEN

1.5(c); 3.4(b)(1)

DOI MAY-JUNE 1968

SUBJECT COMMENTS OF NORTH VIETNAMESE OFFICIALS IN PEKING ON VIOLENT DEMONSTRATIONS BY CHINESE AGAINST NORTH VIETNAM DIPLOMATIC ESTABLISHMENTS IN CANTON AND NANNING; HOSTILE ATTITUDE OF CHINESE TOWARD NORTH VIETNAMESE IN PEKING, AND LACK OF CONTACT BETWEEN NORTH VIETNAMESE AND NATIONAL LIBERATION FRONT THERE

ACQ

SOURCE

1.5(c); 3.4(b)(1)

SUMMARY. NORTH VIETNAMESE DIPLOMATS IN PEKING SAY THAT RED GUARDS AND OTHER CHINESE DAMAGED THEIR CONSULATE IN NANNING AND BURNED DOWN THEIR CONSULATE IN CANTON IN JUNE. THESE DIPLOMATS SAY THAT THE CHINESE ARE HOSTILE TOWARD THEM AND DO NOT UNDERSTAND HANOI'S POSITION. NORTH VIETNAMESE DIPLOMATS IN PEKING HAVE BEEN HARASSED BY THE CHINESE IN VARIOUS WAYS. THEY DO NOT DISCUSS THIS PROBLEM WITH THE SOVIETS, AND HAVE ALMOST NO CONTACT NOW WITH NATIONAL LIBERATION FRONT REPRESENTATIVES IN PEKING. END SUMMARY.

COMMENT. REPORTS OF DEMONSTRATIONS AGAINST DRV DIPLOMATIC INSTALLATIONS IN NANNING AND CANTON HAVE BEEN FILTERING OUT FROM PEKING

Approved for Release 15 JUL 1996

Date

SANITIZED
Authority NJ 019-038-1-6
By [signature], NARA, Date 11/9/02

1.5(c); 3.4(b)(1)

IN

PAGE 2 OF 4 PAGES

1.5(c); 3.4(b)(1)

(classification) (dissem controls)

SINCE MID-JUNE. HOWEVER, THERE IS NO EVIDENCE TO THE EFFECT THAT THE CONSULATE IN CANTON WAS BURNED DOWN, AND IT SEEMS UNLIKELY THAT SUCH A SIGNIFICANT INCIDENT COULD HAVE OCCURRED WITHOUT IT HAVING COME TO LIGHT ELSEWHERE.)

1.5(c); 3.4(b)(1)

1.

IN JUNE 1968 THERE WERE VIOLENT DEMONSTRATIONS AGAINST THE NORTH VIETNAM CONSULATES IN CANTON AND NANNING. IN NANNING THE CONSULATE WAS SERIOUSLY DAMAGED BY RED GUARDS AND OTHERS WHO BROKE IN. THE PEOPLE'S LIBERATION ARMY DID NOT PROTECT THE CONSULATE. ALSO THE CANTON CONSULATE WAS BURNED DOWN AND IS UNUSABLE. THE NORTH VIETNAM DIPLOMATS THERE HAVE BEEN TAKEN TO A HOTEL AND HAVE NOT YET RECEIVED PERMISSION TO RETURN TO PEKING.

1.5(c); 3.4(b)(1)

2.

THE NORTH VIETNAM EMBASSY IN PEKING COMPLAINED ABOUT THE COOL TREATMENT THEY GET FROM THE CHINESE AND THE TOTAL LACK OF UNDERSTANDING BY THE CHINESE OF THE NORTH VIETNAM POSITION. SINCE THE BEGINNING OF THE PARIS TALKS THEY HAVE FELT

1.5(c); 3.4(b)(1)

IN

46438

PAGE 3 OF 4 PAGES

1.5(c); 3.4(b)(1)

(classification)

(dissem controls)

A HOSTILE CLIMATE, AND MEMBERS OF THE CHINESE FOREIGN MINISTRY IN PEKING HAVE TOLD THEM THAT THEY ARE NOW FOLLOWING THE "ROTTEN LINE OF REVISIONISM" AND THAT HANOI'S LEADERS WILL BE DOOMED IF THEY DO NOT FOLLOW THE WISH OF THE HEROIC PEOPLE OF NORTH VIETNAM. THE NORTH VIETNAMESE DIPLOMATS SAID THAT THEY WERE NO LONGER INVITED TO PARTIES BY THE CHINESE, AND, WHEN EVENTS WERE HELD IN FAVOR OF THE NORTH VIETNAM PEOPLE, ONLY THE REPRESENTATIVES OF THE NATIONAL LIBERATION FRONT IN PEKING WERE INVITED. THE DIPLOMATS SAID THAT THEIR MOVEMENTS IN PEKING HAVE BEEN CHECKED BY POLICE WHICH NEVER HAPPENED BEFORE. ALSO, THEY WERE REPRIMANDED WITHOUT GOOD CAUSE FOR TAKING PICTURES IN THE AREA OF THE MING TOMBS WHERE ALL WERE ALLOWED TO TAKE PICTURES PREVIOUSLY.

1.5(c); 3.4(b)(1)

3. [REDACTED]

[REDACTED] THE NORTH VIETNAMESE [REDACTED] HESITATE TO SPEAK ABOUT THIS PROBLEM TOO MUCH WITH THE SOVIETS, PARTLY BECAUSE CLOSE CONTACT WITH THE SOVIETS IN PEKING WOULD LEAD TO MORE

1.5(c); 3.4(b)(1)

46729
IN

PAGE 4 OF 4 PAGES

1.5(c); 3.4(b)(1)

(Classification) (Dissem Controls)

SERIOUS HARASSMENT BY THE CHINESE AND PARTLY BECAUSE THE NORTH VIETNAMESE DO NOT WANT TO PLAY THE CHINESE AGAINST THE SOVIETS. THEY PREFER TO TALK TO A NEUTRAL. [REDACTED] THE NORTH VIETNAMESE [REDACTED] HAVE ALMOST NO CONTACT NOW WITH NATIONAL FRONT FOR THE LIBERATION OF SOUTH VIETNAM (NFLSVN) REPRESENTATIVES IN PEKING AND THE NFLSVN REPRESENTATIVES MAKE NO EFFORT TO SEE THE NORTH VIETNAM EMBASSY OFFICIALS, POSSIBLY BECAUSE THEY WERE TOLD BY THE CHINESE TO STAY AWAY FROM THE NORTH VIETNAM EMBASSY. 1.5(c); 3.4(b)(1)

4. [REDACTED]

[REDACTED] CHINESE [REDACTED] DEMONSTRATED IN FRONT OF AND "DISTURBED" THE NORTH VIETNAM CONSULATE IN CANTON DURING THE FIRST WEEK IN JUNE. [REDACTED] THE NORTH VIETNAM CONSUL IN NANNING WAS "MOLESTED" AT ABOUT THE SAME TIME.)

5. [REDACTED] DISSEM: CINCPAC PACFLT PACAF ARPAC STATE USFJ 5AF [REDACTED]

1.5(c); 3.4(b)(1)

74
INFORMATION

~~TOP SECRET~~

Thursday, July 25, 1968
7:05 p.m.

Mr. President:

Herewith Nat Davis' Czech
situation report as of 5:00 p.m.

W. W. Rostow

~~TOP SECRET~~

WWRostow:rlh

DECLASSIFIED

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 10-19-92

~~TOP SECRET~~

74a

THE SITUATION IN CZECHOSLOVAKIA

July 25, 1968 - 5:00 p.m.

Information on the expected Politburo-Presidium meeting is conflicting and sparse. There are unconfirmed reports that Brezhnev is visiting Warsaw and Berlin in preparation for it. Kosygin and Podgorny are in Moscow. Dubcek is in Prague. The most frequent rumors are that the meeting will ~~come early next week~~ -- but they are not confirmed.

We have reports of troop movements in East Germany toward the Czechoslovak border. A critic message from Heidelberg indicates movements under radio silence. Soviet "Sky Shield" exercises announced today are described as covering "a considerable territory" and involving "various branches of the service." Reportedly the maneuvers announced earlier in Western Russia will involve the call-up of some reservists and the diversion of some civilian transport. (The press has speculated that the harvest may be interfered with -- but our experts say this is unlikely.) Evidence is lacking of any Polish or East German mobilization. ~~Some Soviet troops apparently remain in Czechoslovakia.~~

A military VIP plane flew from the Soviet Union to Warsaw. (It is not the type of plane used by the top political leadership.) Some transports also flew to East Germany. Our British Intelligence colleagues speculate that these flights are similar to several flights in the past year or two when special weaponry was brought in for maneuvers.

Pravda today attacks both Mao's "splinter group" and "right wing revisionists", who wish to substitute "national variants" for Leninism. The article goes on to castigate Czech failure to act against "the forces of counter-revolution."

The FBI reports the American Communist Party (and presumably all other National Communist Parties) have received a Soviet appeal to endorse the Warsaw letter of the Five. ~~The response is likely to be disappointing.~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 95-249
By jop, NARA Date 10-08-98


Nathaniel Davis

~~TOP SECRET~~

Rusk file

75

Thursday, July 25, 1968
7:00 p. m.

~~TOP SECRET~~
~~SENSITIVE~~
LITERALLY EYES ONLY

MR. PRESIDENT:

Herewith the official translation of the message to you from Kossygin. You will note that the marked passages give us a chance, in response:

- to propose an alternative to Geneva, if we are so minded;
- to lock up a firm date;
- to make any observations that you might wish to make on other international issues; for example, Vietnam, the Middle East, the PUEBLO, etc.

Until we are a bit sure that we're not going to have a war in Central Europe over Czechoslovakia, however, you may not wish to lock on to a firm date. But we should know in the next several days.

Before leaving tomorrow night, I shall file with you and Sect. Rusk such contribution as I can make to the draft response.

W. W. Rostow

TOP SECRET attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By hij, NARA, Date 1-30-96

~~TOP SECRET-SENSITIVE-LITERALLY~~
EYES ONLY

DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

DECLASSIFIED
E.O. 13292, Sec. 3.4
By jc/am NARA, Date 12-21-09

75a
LS NO.
T-103/R-XVIII
Russian

TOP SECRET/NOVIS

Dear Mr. President:

There is already an understanding between our governments to enter in the near future into discussions on the curbing of the strategic arms race.

My colleagues and I attach great importance to the negotiations on this question. After all, in substance we are dealing with one of the greatest problems of disarmament discussed during the last 20 odd years.

The comprehensive limitation and then also a reduction of both the offensive strategic nuclear weapons delivery systems and the systems of defense against ballistic missiles would be in the interest of our two countries, and not of our countries alone. The successful outcome of such negotiations would create favorable conditions for the solution of other major questions in the field of disarmament.

Nor is it a matter of indifference to our two countries, we believe, that strategic arms limitation would result in a great saving of the funds now being expended for such purposes.

We have no doubt that you are now considering, just as we are, all the aspects of this problem. We believe that, within one or one-and-a-half months, representatives of both our countries could begin exchanging views on this question.

In our opinion, Geneva could be a suitable place for the negotiations. A specific date for the negotiations could be agreed upon subsequently and we would welcome receiving your views on this matter.

~~TOP SECRET/NODIS~~

- 2 -

Of course, I must tell you frankly that no matter how a solution to the problem of curbing the strategic arms race is approached, it cannot be considered separately from the whole international situation, from the tension in the world today. I think that you also, Mr. President, understand this full well. Therefore, it is essential to make every effort to create the most favorable conditions for the success of negotiations on this exceptionally important problem.

Respectfully,

A. Kosygin

Moscow,
July 25, 1968

~~TOP SECRET/NODIS~~

CERTIFICATION OF TRANSLATION

I hereby certify that the above translation bearing BS No. _____ was prepared by the Division of Language Services of the Department of State and that it is a correct translation to the best of my knowledge and belief.

Dated:

JUL 25 1968

Marcelle F. Moorheide
Acting Chief, Translating Branch
Department of State
the Division of Language Services

INFORMATION

Thursday, July 25, 1968 -- 6:40 pm

Mr. President:

Pres file

Herewith Bill Gaud's report on the Foreign Aid bill as reported out by the Foreign Relations Committee. As you see, he believes we should get to the Senate floor before the recess.

W. W. Rostow

WWRostow:rlh

W. Poston
76a

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

July 25, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Foreign Aid Bill Reported out by the Senate Foreign Relations Committee

The Committee reported out a foreign aid bill which compares as follows with our request and the House bill:

(In Millions)

	<u>Economic Assistance</u>	<u>MAP</u>	<u>Total</u>
Authorization Request	\$ 2,541	\$ 420	\$ 2,961
House Bill	1,604	390	1,994
SFRC	1,581	365	1,946

The vote (in person or by proxy) was 14 to 4 with Senators Fulbright, Morse, Williams and Church voting against and Senator McCarthy not voting.

Only one of the substantive amendments adopted by the Committee gives us a real problem: Senator Mundt's amendment to increase the minimum interest rates on all loans from 2% to 3% during the grace period and from 2 1/2% to 3 1/2% thereafter. This would increase the already heavy debt burden of the developing countries, reduce the real value of our loans and put our interest rates above the average rates of all aid donors.

I don't think we can do anything about this on the Senate floor. We will try to handle it in Conference. There are several other less bothersome amendments affecting our guaranty and investment survey programs which we hope can be handled either on the floor or in Conference.

The Committee helped us by substituting a sense of the Congress amendment for the House amendment directing the President to negotiate a sale of fifty F-4 jets to Israel.

Senator Sparkman worked hard to get out this bill. He hopes to get it to the floor before the August recess but has not yet discussed this with Senator Mansfield.

I feel strongly that we should get to the floor before the recess. Our nose-count on a bill of this magnitude looks very good.

A handwritten signature in dark ink, appearing to be 'WSG', written in a cursive style.

William S. Gaud

Pres. file
77

SECRET/SENSITIVE

Thursday, July 25, 1968
5:20 p. m.

MR. PRESIDENT:

Herewith a not very cheerful Czech sitrep
as of 4 p. m.

W. W. Rostow

SECRET/SAVIN attachment

DECLASSIFIED

Authority NLS/RAC 99-212(*58)

By jc/cbm NARA, Date 3-4-03

~~SECRET~~ [REDACTED]

3.3
(b)(1)

77a

SC #11678/68

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
25 July 1968

INTELLIGENCE MEMORANDUM

The Situation in Czechoslovakia
(As of 4:00 P.M. EDT)

1. The Soviets began moving large numbers of troops in East Germany today in what is apparently yet another device for putting military pressures on the Czechoslovaks.

[REDACTED]

divisions have been moving south of Berlin. Large areas south and west of Berlin, and along the Czechoslovak border have been temporarily closed to allied military mission travel and these divisions could be deploying into these areas. [REDACTED]

3. The Polish army, according to one unconfirmed report, had requisitioned all flat cars and freight cars at least as early as 23 July. Any large scale movements of troops and vehicles--particularly tanks--would require the use of these rail cars. There have been no other indications of Polish army movements or increased Polish military activity.

SANITIZED
E.O. 13292, Sec. 3.5
NLJ/RAC 03-122
By no, NARA, Date 11-8-04

~~SECRET~~ [REDACTED]

3.3(b)(1)

~~SECRET~~ [REDACTED]

3.3 (b)(1)

4. There appears to be some small scale activity in the Moscow area related to the announced rear services exercise. A convoy of civilian and military vehicles was observed on 23 July, indicating that there is at least some mobilization activity taking place. The Soviets announced on 25 July that a widespread air defense exercise was also taking place.

5. According to an unconfirmed Czechoslovak press report, the Soviet Union has barred tourists from crossing the border from the USSR into Czechoslovakia until the end of July.

6. There are no indications of any change in the disposition of Soviet troops in Czechoslovakia. Some Soviet troops continue to be located in the Olomouc-Ostrava area of central Czechoslovakia. A Soviet convoy and an estimated 2,000 troops were reportedly encamped at Zilina east of Ostrava through 23 July. [REDACTED]

3.3 (b)(1)

7. News broadcasts by Moscow and Prague concerning the activities of certain members of their leaderships indicate that the meeting of the Soviet Politburo and Czechoslovak Presidium has not begun. TASS reported that Premier Kosygin received the visiting Czechoslovak Minister of Foreign Trade in Moscow this morning. Later Radio Moscow reported that President Podgorny participated in a ceremony at the Kremlin.

~~SECRET~~ [REDACTED]

3.3 (b)(1)

~~SECRET~~ [REDACTED]

3.3(b)(1)

8. Last night Radio Prague reported that party leader Dubcek attended a party meeting in Prague on 24 July. Today Premier Cernik presided over a government meeting.

9. Pravda today for the first time linked the Czechoslovak and Chinese heresies charging them with "having in common their striving to substitute national variants for Leninism." The implication would seem to be that both are beyond the pale of the orthodox Communist movement. The Pravda article went on to charge that the counter-revolutionary "platform" has found "firm supporters in the ranks of the party and among some of its leading representatives" in Czechoslovakia. This is the strongest and broadest attack Moscow has yet leveled against the leadership of the Czechoslovak party.

~~SECRET~~ [REDACTED]

3.3(b)(1)

Pres file

79

~~TOP SECRET~~
~~SENSITIVE~~

Thursday, July 25, 1968
11:45 a. m.

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

MR. PRESIDENT:

Herewith evidence that current rate of launching of new infiltration groups is running in July -- as in June -- at about half the rate of March to May.

This may indicate plans for a relatively low rate of activity and attrition after the third big offensive. *although 13,600 is twice 1967 rate; but South Vietnam VC recruitment is down from 7,000 to about 2,000 per month W. W. Rostow*

~~TOP SECRET~~



attachment

3.3(b)(1)

SANITIZED
E.O. 13292, Sec. 3.5
NLJ/RAC 03-121
By iss, NARA, Date 11-4-03

~~TOP SECRET~~

3.3(b)(1)

79a

III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. The deployment of new infiltration groups from North Vietnam appears to be continuing at the reduced rate established in June.

[REDACTED]

3.3(b)(1)

It is believed that the July groups involve about 13,600 personnel.

2. This level of troop deployment is about half that noted in March, April and May of this year and, unless a dramatic increase occurs in the near future, the number of enemy replacements arriving in South Vietnam this fall will be sharply curtailed. It is possible that the record number of infiltrators scheduled to arrive in July and August--roughly 60,000 men--and the reduced level of combat operations in the South in recent weeks have lowered Communist requirements for replacements.

[REDACTED]

3.3
(b)(1)

4. Indications of groups moving northward on the infiltration trails continue.

[REDACTED]

3.3
(b)(1)

SANITIZED
E.O. 13292, Sec. 3.5
NLJ/RAC 03-122
By us, NARA, Date 11-8-84

III-1

24 July 1968

~~TOP SECRET~~

3.3
(b)(1)

Pres. file

80

~~SECRET~~

Thursday, July 25, 1968
11:45 a. m.

MR. PRESIDENT:

Herewith the first dates for offensives in
August:

- be prepared in III Corps (Saigon) by 5 August.
- attack Ban Me Thuot airfield 9 August.

W. W. Rostow

~~SECRET~~ attachment

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By ag, NARA, Date 9-8-92

SECRET

DEPARTMENT OF DEFENSE
NATIONAL MILITARY COMMAND CENTER
MESSAGE CENTER

59647

80a

CALL 53337
FOR NMCC/MC
SERVICE

725 0917Z

IMMEDIATE

VZCZCJCS611
OO RUEOJFA
DE RUMUHFA4614 2070800
ZNY SSSSS
O 250743Z JUL 68 ZFF-6
FM COMUSMACV
TO RUEOJFA/CJCS
INFO RUMJIR/AMEMB SAIGON
RUHHHQA/CINCPAC
RUFNCR/AMEMB PARIS
BT

~~SECRET~~ 21504 AMEMB PARIS FOR GENERAL SEIGNIOUS
AMEMB SAIGON FOR AMB AND DEP AMB ONLY

SURJ: DAILY ASSESSMENT OF MILITARY POSITION (U)

REF: COMUSMACV MSG 21161 DTG 220850Z JUL 68 (S)

1. (U) THIS MSG UPDATES REF FOR PERIOD 240001H TO 242400H JUL 68

2. (S) ENEMY ACTIVITY WAS RELATIVELY LIGHT IN SVN ON 24 JULY.

SOME ACTIVITY WAS REPORTED IN I AND II CTZ. IN I CTZ IN QUANG

NAM PROVINCE ROK MARINE FORCES AMBUSHED TWO ENEMY PLATOONS WEST

OF HOI AN ON 24 JULY KILLING 27 WITH NO LOSS. ON THE SAME DAY

ENEMY FORCES FIRED MORTARS ON FRIENDLY POSITIONS NORTH OF HOI AN

THEN MOVED INTO PHU DA VILLAGE AND DESTROYED 140 HOMES LEAVING

1000 HOMELESS. IN II CTZ, INTERROGATION OF A RALLIER REVEALS

THE THIRD OFFENSIVE WILL TAKE PLACE IN DARLAC PROVINCE INSTEAD

OF DAK TO SINCE R-52'S HAD DESTROYED THE TERRAIN ADVANTAGE FOR

NVA AROUND DAK TO, AN AGENT REPORT INDICATED BAN ME THUOT WILL

BE ATTACKED 9 AUGUST 1968. IN III CTZ CAPTURED DOCUMENTS

INDICATE PREPARATIONS OF THE THIRD CLIMAXING PHASE ARE TO BE

COMPLETED BY 5 AUGUST. ON 23 JULY US FORCES CONTACTED ENEMY

UNITS NW OF RIEN HOA AIRBASE AND IN LONG AN PROVINCE. ON 24 JULY

CIDG ELEMENTS CONTACTED AN ENEMY COMPANY WEST OF LOC NINH. ALSO

ON THAT DATE ENEMY WEAPONS CACHES CONTAINING A TOTAL OF 34 107MM

ROCKETS WERE DISCOVERED IN HAU NGHIA PROVINCE. IN IV CTZ THERE

WERE NO REPORTS OF SIGNIFICANT ACTIVITY.

3. (C) COMBAT ACTIONS DURING THE 24 HOUR PERIOD RESULTED IN

280 ENEMY AND 68 FRIENDLY (20 US) KIA, GP-4

BT

NNNN

ACT... J3-8

INFO... CJCS-1 DJS-3 SJCS-1 J5-2 SACS-3 NMCC-1 S/DEF-7 ASD/ISA-9

W/H-4 DIA-15 STATE-1 CIA-4 CSA-1 CNO-2 CSAF-1 CMC-7 DCPG-1 FILE-1(72)COX/KS

PAGE 1 OF 1

DECLASSIFIED

EO 12958, C-3.3

DA Memo. J. 3. 1073

By kg NARA Date 9-8-92

SECRET

SECRET/NODIS

Thursday, July 25, 1968, 11:30 A.M.

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Appointment with Robert Taft, Jr., Thursday, July 25, 5:30 P.M.

Attached is the State Department outline of the Pueblo case for your use this afternoon when you talk to Congressman Robert Taft, Jr., of Ohio.

The seven major U.S. actions taken in an effort to free the crew are listed on page one of the paper.

Four alternative courses of action are listed on page two--the last--continued diplomatic efforts--considered the best hope of eventual release of the crew.

W. W. Rostow

Attachment

BKS:amc

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 10-19-92

~~SECRET~~THE PUEBLO CASETalking Points

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 95-249

By lig, NARA, Date 1-30-96A. The Seizure

1. The Pueblo and 83-man crew seized on January 23 in international waters, more than 16 miles from nearest land.
2. Exact location of ship unknown during 12-day period preceding seizure because of radio silence. Orders were to proceed no closer than 13 nautical miles from North Korea.
3. Even if ship had been within 12-mile limit claimed by North Korea, seizure would have been illegal and contrary to established international practice involving this type of ship. Standard practice is to escort intruding warship back into international waters.
4. One seaman killed; three injured. Exact circumstances unknown. Ship armed only with machine guns which it did not fire. Destruction of classified equipment and documents was begun but extent of destruction unknown.
5. Crew being held incommunicado. IERC efforts to establish contact rebuffed. On February 2, North Koreans identified dead and injured, stated wounded receiving medical treatment and remainder of crew in good health. Recently stated no change in situation since February 2 statement.

B. U.S. Actions

1. Precautionary military moves, Enterprise to Sea of Japan (now departed); USAF units to ROK.
2. Vance Mission to Seoul and Presidential request for \$100 million supplementary MAP appropriation to strengthen ROK military capability against North Korean attack or infiltration.
3. Protest at Military Armistice Commission meeting, January 24.
4. Protest at UN Security Council meeting, January 26.
5. Private talks at Panmunjom between U.S. and North Korean Senior Members of Armistice Commission, 19 talks to date; latest on July 10.

~~SECRET~~

6. Demarches to U.S.S.R. and numerous other governments.

7. Soundings through Neutral Nations Supervisory Commission at Panmunjom (Poland, Czechoslovakia, Sweden, Switzerland).

C. Positions

1. North Korean demands:

a. Admission of intrusion into territorial waters and conduct of espionage therein.

b. Apology for these two "criminal acts".

c. Promise of no repetition of these acts.

2. U. S. Position:

a. Pueblo was engaged in electronic collection activities, not espionage, on high seas.

b. "Confessions" of crew, produced under duress, and "documents", susceptible to alteration by North Koreans, are not acceptable proof of North Korean charges.

c. We are willing to submit case to impartial inquiry and will express regret if inquiry determines Pueblo did intrude into North Korean waters.

D. Alternatives

1. Apology -- unjustified by the facts as we know them; demeaning to U. S. international stature; implications for our relations with the ROK and other allies.

2. Ransom -- unjustified and demeaning. Not requested by North Koreans. No basis for belief that it would ensure release.

3. Military actions -- would not get crew members back safely; would run grave risk of reopening general hostilities in Korea, probably resulting in death of crew and many other Americans.

4. Continued diplomatic efforts -- offer the best hope of securing eventual safe release of crew.

82
ACTION

free file

~~SECRET/SENSITIVE~~

Thursday, July 25, 1968 -- 11:20 a.m.

Mr. President:

Sec. Rusk requests your permission to inform certain of our African posts that a trip by the President to Africa is ~~in~~ abeyance. "This is necessary in order to get them to stand down certain preparatory moves they are taking.

The African governments, of course, have not been informed of any such preparations.

W. W. Rostow

Okay for Sec. Rusk to proceed _____

No _____

Call me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By sig, NARA, Date 1-30-96

WWRostow:rlh

~~SECRET/SENSITIVE~~

INFORMATION

83

~~SECRET~~

Thursday, July 25, 1968 - 9:15 am

Mr. President:

The marked passage in this back channel from Ellsworth will interest you.

What do you think of the favorable article on Saigon in today's New York Times?

Pres file

W. W. Rostow

Saigon 887

~~SECRET~~

DECLASSIFIED

White House Guidelines, Feb. 24, 1983

By lg, NARA, Date 9-8-92

EYES ONLY

~~SECRET~~

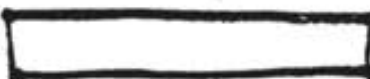
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~~SECRET~~ EYES ONLY 251118Z JUL 68



1.3(a)(4)

FM AMB BUNKER SAIGON 887

TO THE WHITE HOUSE, EYES ONLY WALT ROSTOW

SINCE MAJOR ACTION PAST WEEK WAS IN HONOLULU PRECEDED BY CLIFFORD/
WHEELER VISIT, AND SITUATION HERE RELATIVELY CALM AND UNEVENTFUL,
THERE IS HARDLY MATERIAL FOR REGULAR PRESIDENTIAL MESSAGE. INSTEAD
I THOUGHT I WOULD SEND TO THE PRESIDENT TOMORROW A BRIEF MESSAGE
GIVING MY ESTIMATE OF THE REACTION HERE TO THE HONOLULU MEETING.
I HAVE SEEN THIEU TWICE SINCE HE RETURNED AND I MAY SAY THAT HE
WAS IMMENSELY PLEASED WITH THE RESULTS AND MOST APPRECIATIVE OF
THE PRESIDENT'S ATTITUDE AND THE CON-
SIDERATION SHOWN HIM. - REGARDS.

~~SECRET~~ EYES ONLY



GP-1
185

1.3(a)(4)

EYES ONLY

NNNN

~~SECRET~~

SANTIZED

Authority RAC 002-105-2-9

By isl NARA, Date 3-6-06

INFORMATION

~~SECRET--EYES ONLY~~

Wednesday, July 24, 1968
7:00 p. m.

Mr. President:

Herewith a secret [redacted]
[redacted] reported by Dick Helms.

3.3(b)(1)

Pres file

Worth reading.

There is just a little hope in all
this.

W. W. Rostow

~~SECRET~~

WWRostow:rla

SANITIZED
E.O. 13292, Sec. 3.5
NLJ 03-200
By SJ, NARA, Date 1-26-04

THE SECRETARY OF STATE
WASHINGTON

84
July 25, 1968
Pres. file

Mr. President:

Ambassador Dobrynin just came in at his own request to bring me the attached communication from Kosygin about offensive and defensive missiles. We are making an official translation but, with two small changes, you can get the meat of the matter from the attached Dobrynin translation.

In essence, Kosygin is suggesting that there be talks in Geneva sometime in the next month or month and a half. They suggest that we ourselves suggest an exact date.

There is no suggestion from the Russians as to the level at which such talks should occur. Dobrynin specifically said that he had no answer to the private question I put to him some three weeks ago but that he may get something shortly.

Ambassador Bohlen and I asked Dobrynin whether the final paragraph meant that other situations of tension would block the discussion of offensive and defensive missiles. He said, "No."

My own net impression of this communication is that the Soviets have in mind the most tentative type of discussions and that they, too, realize that this will be a very complicated and difficult matter to handle.

I will be in touch with you promptly about specific recommendations as to a possible reply.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-248
By lip, NARA, Date 6-25-96

Dean Rusk
Dean Rusk

Dear Mr. President,

We already have agreed between our governments to enter in the near future into the negotiations on the curbing of the strategic armaments race.

My colleagues and myself attach great significance to the negotiations on this question. In fact this is one of the major questions of disarmament, which were discussed during the last 20 odd years.

A ^(overall) complex limitation and then a reduction of both the offensive strategic nuclear weapons delivery systems and the systems of defense against ballistic missiles would answer the interests of our countries and not only of our countries. Successful outcome of these negotiations would create favourable conditions for the solution of other big questions in the field of disarmament.

It is also, we believe, ^(not a matter of indifference to both) far from being all the same for our countries that the reduction of the strategic armaments would lead to a great saving of money which is being spent now for these purposes.

We have no doubts that you are now considering, just as we are, all aspects of this problem. We think that within one month or a month and a half the representatives of both our countries could start the exchange of opinions on this question.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 95-219
By lig, NARA, Date 1-30-96

Our view is that Geneva could be a suitable place for the negotiations. A concrete date of the negotiations could be agreed upon additionally and we will be glad to hear your considerations to that effect.

Of course I must tell you frankly that whatever approach to the solution of the problem of curbing the strategic arms race might be it is impossible to consider it in isolation from the whole international situation, from the tension that exists at present in the world. I think that you too, Mr. President, understand this perfectly well. That is why it is necessary to exert all efforts in order to ensure most favourable conditions for the success of negotiations on this extremely important problem.

Sincerely,

A. Kosygin

Moscow,
July 25, 1968.

~~CONFIDENTIAL~~

Thursday, July 25, 1968

85

Pres file

Mr. President:

Herewith Secretary Rusk recommends we recognize Swaziland -- a tiny British territory in Southern Africa -- as soon as it becomes independent September 6. Rusk also advises that you make an embassy of our present Consulate in Swaziland, and designate our Consul as Charge d'Affaires.

This is a routine recognition. Swaziland is one of the black enclaves in South Africa; we should welcome her independence. Raising the status of the Consulate and the Consul is a practical and money-saving arrangement, given the low level of our activities in the country. You approved the same designations for the two similar territories of Botswana and Lesotho when they became independent in 1966. Joe Palmer assures me that it will not be taken as a snub by Swaziland.

I recommend you approve.

W. W. Rostow

Approve recognition of Swaziland _____ Disapprove _____

Approve raising U. S. Consulate
to Embassy and Consul to Charge _____ Disapprove _____

Call me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By ij, NARA, Date 1-30-96

WWR:RM:lw

Att: File #2321

~~CONFIDENTIAL~~

THE SECRETARY OF STATE
WASHINGTON

July 24, 1968

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 95-248

By 107, NARA, Date 6-25-96

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Recognition of the Kingdom of Swaziland
and Elevation of Consulate at Mbabane
to Embassy

Recommendation:

I recommend that the United States recognize the Kingdom of Swaziland upon its independence; raise the present Consulate to Class IV Embassy; and designate Chris C. Pappas, the present Consul, as Charge d'Affaires ad interim. The effective date of these actions should coincide with the official date of Swaziland's independence, September 6, 1968.

Approve _____ Disapprove _____

Discussion:

The former High Commission Territory of Swaziland has been a British Protected State, enjoying a large measure of internal self-government. On September 6, 1968, it will become an independent kingdom within the British Commonwealth and will be known as the Kingdom of Swaziland.

It has been decided not to assign an Ambassador to Swaziland at present for the following reasons:

(1) Our day-to-day relations with Swaziland have been satisfactorily handled by the existing resident staff, composed of the Consul (FSO-3), a junior officer and an American secretary.

~~CONFIDENTIAL~~

Group 4

Downgraded at 3 year intervals;
declassified after 12 years.

~~CONFIDENTIAL~~

-2-

(2) The imposition by the Congress of certain restrictions on the AID program has precluded our ability to enter into any meaningful economic or technical assistance program with Swaziland. We contemplate no other expansion in our activities in Swaziland. The Consulate staff should, therefore, be able to carry on, although Swaziland has signified its desire that we designate an American ambassador in Mbabane as they will in Washington after independence.

(3) Our representation by a Charge d'Affaires ad interim would correspond with the arrangements which have existed in the other two former High Commission Territories of Botswana and Lesotho since their independence in late 1966.

Dean Rusk

Dean Rusk

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249

86

~~CONFIDENTIAL~~

By lig, NARA, Date 1-30-96

ACTION

Thursday - July 25, 1968

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your appointment with Guyana Prime Minister Burnham -
Friday, July 26, 5:30 p.m.

Herewith a briefing memorandum from Secretary Rusk for the courtesy visit by Prime Minister Burnham.

Prime Minister Burnham is making a private visit to the United States and Canada to see how plans are proceeding to obtain votes of Guyanese residents in both countries for his candidacy in the year-end elections. He is counting heavily on the overseas vote to defeat Jagan.

His presence here coincides with a new flare-up in Guyana's border dispute with Venezuela. Two weeks ago the Venezuelans issued a decree claiming jurisdiction to waters off that portion of Guyanese territory which they claim. This arbitrary action pandering to nationalist sentiment in Venezuela, has aroused a political furor in Guyana. Jagan is using it for his own purposes. Burnham fears it will weaken his electoral chances.

State is doing all possible to defuse the incident without taking sides on the territorial dispute. So far, these efforts seem to be meeting with success.

The Prime Minister may raise the border problem with Venezuela. Since Nick Katsenbach has gone over it carefully with him, I see no need for you to discuss it.

I recommend you draw him out on two points of special interest to us:

1. how he sees his electoral prospects in the elections which will probably be held in December, 1968.
2. the prospects of the Caribbean countries starting to develop a subregional club through the Caribbean Development Bank.

W. W. Rostow

Attachment

Briefing memorandum to President from Secretary Rusk.

THE SECRETARY OF STATE
WASHINGTON

July 24, 1968

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

Subject: Your Meeting with Prime Minister Burnham

Burnham is here on a private visit to get Guyanese in the U.S. and in Canada to cast absentee ballots for his Party in the crucial elections expected next December. His last-minute request to see you was sparked by recent heightened tensions in the Guyana/Venezuelan border dispute. Cheddi Jagan has seized the occasion to charge that U.S. silence shows we favor Venezuela's claim to over half of Guyana. Burnham's political future is closely tied to the U.S. and he needs to take back evidence that this friendship is still strong.

You have met Burnham twice before: last January following his uneventful checkup at Bethesda Naval Hospital and just two years ago when he visited the White House as first Prime Minister of newly independent Guyana. He greatly admires you and recently sent you a warm letter lamenting your decision to leave the Presidency.

Burnham does not want to involve you personally in the substance of his dispute with Venezuela. He may, however, ask that we make public our conclusion that a recent Venezuelan decree claiming a 9-mile zone of water off Guyana has no legal validity. We think it advisable for you not to be brought into a discussion of the dispute with Venezuela.

CONFIDENTIAL

Group 3

Downgraded at 12-year intervals,
not automatically declassified.

DECLASSIFIED

Authority 76988-205

By up/ky, NARA, Date 11-4-92

~~CONFIDENTIAL~~
- 2 -

It will be a brief courtesy call. Suggested talking points and other background papers are enclosed.

Dean Rusk
Dean Rusk

Enclosures:

1. Talking Points
2. Guyana's Troubled Borders

~~CONFIDENTIAL~~

86b

~~CONFIDENTIAL~~

TALKING PAPER FOR YOUR MEETING
WITH PRIME MINISTER BURNHAM OF GUYANA
July 25-26, 1968

TALKING POINTS

Presidential Opener

- We first met here two years ago (July 21) and much has passed between us since.
- How is your daughter Melanie Abiola (born April 25, 1968- first child of his second wife)?

Topics Burnham May Raise

Venezuelan Decree on Territorial Waters off Guyana

- (Burnham may ask that the U.S. announce what we have said through diplomatic channels, that a recent Venezuelan decree laying claim to water off Guyana is without any validity.)

You May Want to Say

- Mr. Katzenbach has informed me of your discussions at the State Department on this and I would prefer that they handle this matter.
(State intends to provide Burnham with some guidance he can use when he returns to Georgetown to describe the U.S. position on the Venezuelan decree. We will ask that he not involve you. We do not want to take an initiative, such as making public statements in Washington, that might inflame the Venezuelans further.)
- I would hope both you and the Venezuelans could let matters rest now and devote full time to your

~~CONFIDENTIAL~~

Group 3

Downgraded at 12-year intervals,
not automatically declassified.

DECLASSIFIED

Authority 7729 88-205

By isp/ly, NARA, Date 11-4-92

~~CONFIDENTIAL~~

- 2 -

coming elections (Venezuelan and probably
Guyanese elections will be in December 1968).

-- We hope Burnham wins.

CONFIDENTIAL

86c

~~CONFIDENTIAL~~

VISIT OF PRIME MINISTER BURNHAM
OF GUYANA
JULY 25-26, 1968

Background Paper

GUYANA'S TROUBLED BORDERS

Guyana has active border disputes with both its coastal neighbors. Venezuela's claim to over 5/8 of Guyana stems from a contention that an 1899 Arbitral Award setting the border with then British Guiana was a fraud. Surinam's claim--temporarily quiet--stems from a dispute over the real source of the river boundary. Guyana exercises de facto sovereignty over the disputed land on both sides.

Recent tensions in the Guyana/Venezuelan border dispute stem from Venezuelan frustrations over its inability to gain some satisfaction on its claim through the bilateral Mixed Commission set up at Geneva just before Guyana's independence. Guyana has refused to discuss the substance of Venezuela's claim and national and political pride has been engaged as elections approach in both countries.

The dispute became particularly heated following a Venezuelan decree on July 9 which claimed a 3-12 mile zone of territorial waters off the territory in dispute (over which Guyana exercises control). Guyana took the decree and its accompanying propaganda as an indication of Venezuela's intention to use force in securing its new claim and Burnham, last week, sought support from delegations at the U.N. in anticipation of taking his case to the Security Council.

~~CONFIDENTIAL~~

GROUP 3

Downgraded at 12-year intervals;
not automatically declassified.

DECLASSIFIED

Authority 76088-205
By isp/kg, NARA, Date 11-4-92

CONFIDENTIAL

2.

Venezuela charged that the Guyanese were over-reacting to a legal argument and President Leoni assured us (as he has in the past), that Venezuela did not intend to resort to force or create an incident. Leoni did, however, imply that Venezuela might in the future patrol the newly claimed waters.

We told the Venezuelan government that the U.S. does not accept the decree's validity and that we could not support it in any international forum. We also informed other governments in the hemisphere that we cannot support the Venezuelan claim, strictly on grounds of international law, but we have made it clear that we are not taking sides on the dispute itself.

We also told the Venezuelans that we are worried that this decree and other recent Venezuelan pressures on Burnham would help Jagan in Guyana's coming elections--none of us want another Communist government in the hemisphere. We have said we are seriously concerned that Venezuelan efforts to patrol the area might lead to the breach of the peace or an "incident" in international waters.

Inflamed tempers on both sides seem to have cooled in recent days and we will try to put the dispute back into bilateral channels and urge both sides not to stir the waters further.

CONFIDENTIAL

INFORMATION

~~SECRET~~

Wednesday, July 24, 1968
6:55 p.m.

Pres file

Mr. President:

Herewith Abrams makes his case in detail that the First ARVN Division is comparable to one of ours -- responding to Orr Kelly's cynical article.

W. W. Rostow

MAC 10008

~~SECRET~~

WWRostow:rlh

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By 19, NARA, Date 9-8-92

Gen Abrams answer to
Ho Chi Minh article.

~~SECRET~~
EYES ONLY

24 JUL 38
Howard
1215

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24 JUL 78
O 241135Z ZYH ZFF-3
FM GEN ABRAMS COMUSMACV
TO GEN WHEELER CJCS
INFO ADM SHARP CINCPAC
ZEM

DECLASSIFIED
E.O. 12958, Sec 3.3
DA Memo, Jan 5, 1993
By 18 NARA Date 9-2-92

~~SECRET~~ MAC 10008 EYES ONLY SECTION ONE OF TWO

REF: JCS 8306 DTG 232156Z JUL 68

1. THE 1ST ARVN INFANTRY DIVISION STANDS HEAD AND SHOULDERS ABOVE THE OTHER INFANTRY DIVISIONS AS THE BEST DIVISION IN THE SOUTH VIETNAMESE ARMY. THE 1ST QUARTER MACV ADVISORY EVALUATION OF THE DIVISION RATES IT AS "HIGHLY EFFECTIVE". THE 2D QUARTER EVALUATION HAS NOT YET BEEN COMPLETED; HOWEVER, PRELIMINARY ANALYSIS INDICATES THAT DIVISION WILL MAINTAIN ITS HIGH RATING. OF COURSE, A GREAT DEAL OF THE CREDIT FOR THE EFFECTIVENESS OF THE DIVISION MUST BE ATTRIBUTED TO THE DIVISION'S LEADERSHIP AS EXEMPLIFIED BY THE DIVISION COMMANDER, MG NGO QUANG TRUONG. HIS INTELLIGENCE, INITIATIVE AND RESOURCEFULNESS ARE ATTESTED TO BY THE FACT THAT (1) THE DIVISION HAS FOR MONTHS BEEN GUARDING SUCCESSFULLY ONE OF THE MOST CRITICAL AVENUES OF ENEMY APPROACH INTO SOUTH VIETNAM (I.E., ACROSS THE BEN HAI RIVER AND SOUTH ALONG THE COASTAL PLAIN TO THE CITY OF HUE), (2) IT IS, AS INDICATED BELOW, ONE OF THE MOST ACTIVE AND AGGRESSIVE FIGHTING ORGANIZATIONS IN THE ARVN, AND (3) IT POSSESSES AN UNUSUALLY HIGH MORALE AND ESPRIT D' CORPS AND CONSISTENTLY

~~SECRET~~

~~SECRET~~
EYES ONLY

HAS ONE OF THE LOWEST DESERTION RATES AMONG THE ARVN DIVISIONS (LOWEST THREE MONTHS OUT OF LAST SIX). THE QUALITY OF MOST SUBORDINATE COMMANDERS IS EQUALLY IMPRESSIVE. FOR EXAMPLE, COLONEL PHAM VAN PHU, FORMERLY DEPUTY COMMANDER OF THE DIVISION, WAS RECENTLY SELECTED TO COMMAND THE 44TH SPECIAL TACTICAL ZONE. THIS IS A CRITICALLY IMPORTANT POSITION IN THAT THE ZONE IS LOCATED ASTRIDE THE ENEMY INFILTRATION AND SUPPLY ROUTES LEADING INTO THE VITAL DELTA AREA. ADDITIONALLY, LTC VU VAN GIAI, THE COMMANDER OF THE 2D REGIMENT, HAS A DISTINGUISHED PERFORMANCE RECORD. IN DECEMBER 1967 THE 2D ASSUMED RESPONSIBILITY FROM THE US MARINES FOR THE SECURITY OF THE DMZ FROM THE SOUTH CHINA SEA WEST TO HIGHWAY 1. DESPITE THE MANY TECHNICAL PROBLEMS INVOLVED IN MANNING THE STRONGPOINT/OBSTACLE SYSTEM, COL GIAI TRAINED THE REGIMENT TO TAKE OVER THIS MISSION IN RECORD TIME AND HAS SINCE EMPLOYED IT ON LINE WITH SKILL AND IMAGINATION WHICH DEFIED ENEMY ATTEMPTS TO BREACH THE POSITION.

2. IN MAKING A STATISTICAL COMPARISON OF THE 1ST ARVN DIVISION WITH THE US DIVISIONS IN PCV, THE 1ST AIR CAVALRY DIVISION WAS

~~SECRET~~

FWFO GDM W

~~SECRET~~
EYES ONLY

NOT CONSIDERED SINCE IT IS A SPECIAL CASE. THE FOLLOWING
INFORMATION IS BASED ON THE AUTHORIZED MTOE OF THE
DIVISIONS (THE 101ST IS SHOWN IN ITS CURRENT CONFIGURATION):

	1ST ARVN	3D MAR "	101ST AIR CAV
AUTH STR	16,480	20,716	17,822
INF BNS	16	9	10
M16 (INF BNS ONLY)"	10,901	8,505	8,410
M79	432	324	1,110
M60 MG	192	327	260
57MM RR	64	---	---
3.5" RL	106	---	---
90MM RR	---	---	120
106MM RR	---	72	---
60MM MORT	103	103	---
81MM MORT	63	72	160
4.2" MORT	---	18	---
105MM HOW	54	54	54
155MM HOW	8	18	---
TANKS	19	53 (PLUS 45 ONTOS)	---
APC'S	116	---	---

"DOES NOT INCLUDE 26TH REGT, OPCON TO 3D MAR DIV.

"INCLUDES FIVE BNS WITH FOUR RIFLE COMPANIES, REST HAVE THREE.

3. OPERATIONAL STATISTICS ALSO PRESENT A BASIS ON WHICH TO

~~SECRET~~
EYES ONLY

SECRET
EYES ONLY

COMPARE THE COMBAT CAPABILITIES OF THE 1ST ARVN DIVISION
WITH ITS US COUNTERPARTS. THE FOLLOWING STATISTICS ARE
FOR THE PERIOD APRIL - JUNE 1968:

	1ST ARVN	3D MAR	101ST AIR CAV
KIA	385	735	191
EN KIA	5763	5430	2356
FR/EN RATIO	9.8:1	7.4:1	12.5:1

4. IT IS A FACT THAT THE 1ST ARVN DIVISION IS NOT TYPICAL OF THE
OTHER ARVN DIVISIONS; HOWEVER, AS A DIVISION ENTITY, IT
STATISTICALLY COMPARES FAVORABLY WITH THE US DIVISIONS IN
PCV. ITS FIGHTING QUALITIES ARE INDICATED BY THE FACT THAT
IN THE PAST SIX MONTHS THE DIVISION HAS CONDUCTED 46 SIGNIFICANT
OPERATIONS (IN OPERATIONS IN WHICH 20 OR MORE KIA WERE SUS-
TAINED BY EITHER ONE OR BOTH SIDES). IN JUNE, THE DIVISION
CONDUCTED 13 LARGE UNIT OPERATIONS, 12 OF WHICH (92 PER CENT)
MADE CONTACT WITH THE ENEMY. THE FRIENDLY/ENEMY KILL
RATIO FOR LARGE UNIT OPERATIONS IS EXCEEDED ONLY BY THE
ARVN AIRBORNE DIVISION AND THE MARINE BRIGADE. EVEN THE
UNITS OF THE DIVISION WHICH WERE COMMITTED TO SECURITY
MISSIONS WERE ABLE TO MAINTAIN A FAVORABLE KILL RATIO OF
5.4:1, A FIGURE WHICH ATTESTS TO THE AGGRESSIVENESS OF THE
UNITS INVOLVED. DURING THE PAST SIX MONTHS THE 1ST ARVN DIVISION
HAS CAPTURED 699 WEAPONS AND LOST ONLY TWO. THIS IS THE
HIGHEST WEAPONS-CAPTURED TO WEAPONS-LOST RATIO IN RVNAF
AND IS MORE THAN DOUBLE THAT OF THE NEXT BEST DIVISION.

SECRET

EYES ONLY

~~SECRET~~
EYES ONLY

O 241135Z ZYH ZFF-3

FM GEN ABRAMS COMUSMACC

TO GEN WHEELER CJCS

INFO ADM SHARP CINCPAC

ZEM

~~SECRET~~ MAC 10008 EYES ONLY FINAL SECTION OF TWO

5. TYPICAL OF THE DIVISION'S PERFORMANCE IN COMBAT IS THAT OF THE 3D REGIMENT AND THE BLACK PANTHER (DIVISION RECON) COMPANY IN THE BATTLE OF HUE DURING THE VC TET OFFENSIVE FROM STREET TO STREET AND HOUSE TO HOUSE, THESE TWO UNITS ROUTED THE VC/NVA FROM SOME OF THE MOST STRONGLY HELD POSITIONS IN THE VIETNAMESE WAR. THEIR EXAMPLE OF COURAGE AND DETERMINATION WON THE RESPECT AND ADMIRATION OF THE US AND OTHER VIETNAMESE UNITS THAT PARTICIPATED IN THE OPERATION. ADDITIONALLY, AT PRESENT THE 3RD REGIMENT IS

CONDUCTING OPERATION LAMSON 225 IN ENEMY BASE AREA 114.

THE OPERATION WAS INITIATED ON 16 MAY 1968. CUMULATIVE RESULTS TO DATE: FRD; 50 KIA, 90 WIA. EN; 159 KIA, 1 DET, 126 SA, 6C/S AND A QUANTITY OF EQUIPMENT AND AMMUNITION HAVE BEEN CAPTURED.

6. NON-DIVISIONAL SUPPORT IS FURNISHED THE 1ST ARVN DIVISION BY PCV. THEY HAVE ACCESS TO THE FIRE OF ALL US ARTILLERY TUBES WITHIN RANGE THROUGH NORMAL FIRE CONTROL CHANNELS.

~~SECRET~~
EYES ONLY

~~SECRET~~
EYES ONLY

ANGLICO TEAMS ARE ATTACHED TO PROVIDE NAVAL GUNFIRE SUPPORT FROM SHIPS LYING OFF THE COAST. TACTICAL AIR SUPPORT IS FURNISHED FROM BOTH VNAF AND US ASSETS. US HELICOPTER SUPPORT IS PROVIDED.

7. I BELIEVE THAT THE ABOVE INFORMATION TENDS TO SUBSTANTIATE

GENERAL STILLWELL'S COMMENT THAT THE 1ST ARVN DIVISION SHOULD BE CONSIDERED AS COMPARABLE IN EFFECTIVENESS TO US DIVISIONS IN PCV. ITS INCREASING SHARE IN COMBAT AGAINST ENEMY MAIN FORCE UNITS, AND THE ASSUMPTION OF A FORMERLY EXCLUSIVE US ROLE OF PENETRATING BASE AREAS, MERITS THE SECRETARY'S ACCOLADE.

8. WE SEE ENCOURAGING SIGNS OF IMPROVEMENT IN OTHER ARVN DIVISIONS. AS WOULD BE EXPECTED, THAT IMPROVEMENT IS SPOTTY, BUT GENERALLY THE TREND IS UPWARD.

~~SECRET~~
EYES ONLY

INFORMATION

88

Wednesday, July 24, 1968

6:55 p.m.

Mr. President:


Per file

Herewith Ky predicts the
Communists will negotiate seriously in
September -- and expresses other views
on the Saigon political scene.

I believe he could be right if:

- we turn back the third
offensive;
- McCarthy is not nominated.

W. W. Rostow


24 July 1968

1.5(c)
3.4(b)(1)

WWRostow:rlh

NTAL INTELLIGENCE AG CY
Intelligence Information Cable

ROUTINE F1

JN 56496 *882*

PAGE 1 OF 2 PAGES

STATE/INR DIA NMCC/MC (SECDEF JCS ARMY NAVY AIR) CIA/NMCC NIC NSA EDO ONE CRE
DOI EXO

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THIS IS AN INFORMATION REPORT. NOT FINALLY EVALUATED INTELLIGENCE.

241706Z CITE

24 JULY 1968

COUNTRY SOUTH VIETNAM

DOI JULY 1968

SUBJECT REMARKS OF VICE PRESIDENT KY ON PROBABLE

COMMUNIST TACTICS AT PARIS AND IN SOUTH VIETNAM,

LIEN MINH, AND ON THE WEAKNESSES AND PROSPECTS

OF TRAN VAN HUONG CABINET.

ACQ VIETNAM, SAIGON

SOURCE

Rostow
1.5(c); 3.4(b)(1)

1.5(c); 3.4(b)(1)

(SUMMARY: VICE PRESIDENT KY THINKS THE COMMUNISTS WILL AGREE
TO SUBSTANTIVE POLITICAL DISCUSSIONS IN PARIS SOMETIME IN
SEPTEMBER, WHICH WILL BE SHORTLY AFTER OR AT THE START OF A
THIRD VIET CONG OFFENSIVE. HE BELIEVES PRESIDENT THIEU STILL
WANTS HIM TO ACCOMPANY ANY GOVERNMENT OF VIETNAM (GVN) NEGOTIATING
DELEGATION BUT HE IS NOT CERTAIN HE WOULD ACCEPT SUCH A MISSION.

Approved for Release 15 JUL 1996
Date

1.5(c); 3.4(b)(1)

SANITIZED
Authority *NY 019-038-1-8*
By *Q* NARA, Date *1/19/02*

(classification)

(dissem controls)

KY APPROVES OF THE NEW NATIONAL ALLIANCE FOR SOCIAL REVOLUTION (LIEN MINH) AS A MEANS OF ORGANIZING THE PEOPLE POLITICALLY, ALTHOUGH HE DOES NOT REGARD IT AS THE FINAL ANSWER. ITS GREATEST SHORTCOMING IS THAT IT IS LED BY THE OLD POLITICIANS, WHEREAS THE COUNTRY NEEDS NEW LEADERS. HE STILL REGARDS TRAN VAN HUONG AS UNSUITED FOR THE POST OF PRIME MINISTER AND DOES NOT THINK MUCH OF THE HUONG CABINET, WHICH IS DISUNITED AND MADE UP OF TECHNICIANS LACKING POLITICAL INFLUENCE. ALSO, SOME ARE LOYAL TO THIEU RATHER THAN TO HUONG, WHILE SOME, FOR EXAMPLE, FOREIGN MINISTER THANH, ARE NOT TRUSTED BY THIEU. HE DOES NOT THINK THE CABINET WILL LAST VERY LONG. KY PARTICULARLY DISLIKES INTERIOR MINISTER KHIEM WHOM HE REGARDS AS DEVIOUS, TREACHEROUS AND SELF-SEEKING. HE BELIEVES THAT THIEU WILL SOONER OR LATER REALIZE THAT KHIEM IS NOT CAPABLE AND IS WORKING FOR HIS OWN INTERESTS AND NOT THOSE OF THIEU OR THE GOVERNMENT, AT WHICH TIME HE WILL OUST KHIEM. END SUMMARY.)

1. VICE PRESIDENT NGUYEN CAO KY

EXPECTS THE COMMUNISTS TO AGREE TO SUBSTANTIVE POLITICAL DISCUSSION AT THE PARIS TALKS SOMETIME IN SEPTEMBER. AT THAT

1.5(c); 3.4(b)(1)

IN 56496

PAGE 3 OF 8 PAGES

(classification)

(dissem controls)

TIME [REDACTED] THE COMMUNISTS EITHER WILL HAVE BEGUN OR WILL BEGIN THEIR THIRD OFFENSIVE AGAINST SAIGON AND PROBABLY OTHER TARGETS IN SOUTH VIETNAM (SVN) AS WELL. KY BELIEVES THE COMMUNISTS WILL BE MILITARILY DEFEATED, BUT [REDACTED] THE COMMUNIST ARE MAKING MORE CAREFUL PREPARATIONS THIS TIME TO HELP COUNTERACT THE INCREASED PREPAREDNESS OF THE ALLIED SIDE. [REDACTED]

1.5(c); 3.4(b)(1)

[REDACTED] THE MORALE OF THE SVN PEOPLE IS NOT PARTICULARLY GOOD, DESCRIBING THEIR FEELINGS AS APATHETIC. THEY HAVE SEPARATED THEMSELVES FROM THE WAR, THEY WANT TO CONTINUE LIVING THEIR LIVES AS BEST THEY CAN, AND THEY TRY HARD TO AVOID REAL COMMITMENT TO EITHER THE COMMUNISTS OR TO THE GOVERNMENT OF VIETNAM (GVN).

2. [REDACTED] KY [REDACTED] THOUGHT PRESIDENT NGUYEN VAN THIEU STILL WANTED HIM TO ACCOMPANY ANY GVN DELEGATION TO PARIS WHERE HE WOULD WORK IN THE BACKGROUND AS A MANAGER FOR THE DELEGATION. HIS REMARKS STRONGLY IMPLIED THAT HE HAS ACCEPTED THE U.S. GOVERNMENT ASSURANCES THAT THE GVN WOULD SEND AN OFFICIAL DELEGATION TO POLITICAL TALKS WHEN THEY OCCUR. WITH REFERENCE TO HIS OWN ROLE, [REDACTED] HE WAS NOT CERTAIN HE WOULD UNDERTAKE SUCH A MISSION. [REDACTED] HE STILL INTENDS TO REMAIN ALOOF FROM PARTICIPATING ACTIVELY IN

1.5(c); 3.4(b)(1)

1.5(c); 3.4(b)(1)

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GOVERNMENT RESPONSIBILITIES OTHER THAN THOSE PRESCRIBED FOR THE VICE PRESIDENT BY THE CONSTITUTION. [REDACTED] HE WILL BE SPENDING AN INCREASED AMOUNT OF TIME IN HIS NEW RESIDENCE AT TAN SON NHUT AIRBASE, ENJOYING THE COMRADESHIP OF HIS FELLOW OFFICERS IN THE VIETNAM AIR FORCE.

1.5(c); 3.4(b)(1)

3. KY [REDACTED] IS IN FULL AGREEMENT WITH THE EFFORTS TO UNITE THE POLITICIANS AND PEOPLE OF SVN UNDER THE NATIONAL ALLIANCE FOR SOCIAL REVOLUTION (LIEN MINH). HOWEVER, HE IS NOT PERSONALLY PARTICIPATING IN THESE EFFORTS BECAUSE HE DOES NOT WANT TO BE ACCUSED OF PLAYING POLITICS OR OF TRYING TO UNDERMINE ANYONE'S POSITION. HE RECALLED REPORTS LINKING HIM WITH SENATOR TRAN VAN DON'S NATIONAL SALVATION FRONT, INDICATING HE DID NOT WANT SIMILAR RUMORS CIRCULATING ABOUT THE LIEN MINH. HE DOES NOT BELIEVE THAT THE LIEN MINH IS THE FINAL ANSWER TO THE PROBLEM OF POLITICALLY ORGANIZING THE PEOPLE OF SVN, ALTHOUGH IT IS A BEGINNING. ITS GREATEST SHORTCOMING, IN HIS OPINION, IS THAT IT IS LED BY THE OLDER ESTABLISHED POLITICIANS WHO MAY NOT REPRESENT THE WISHES OF THE VIETNAMESE PEOPLE AND WHO ARE NOT CAPABLE OF CARRYING OUT THE REVOLUTION SVN NEEDS TO INVOLVE THE MASSES WITH THE GOVERNMENT. . . . IN HIS VIEW, SVN NEEDS NEW LEADERS, A NEW GENERATION OF POLITICIANS.

1.5(c); 3.4(b)(1)

1.5(c); 3.4(b)(1)

IN 56496

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(classification)

(dissem controls)

HE SAID HE HAD NO ALTERNATIVE TO OFFER AT THIS TIME IN PLACE OF THE LIEN MINH AS AN INSTRUMENT FOR REVOLUTIONARY ACTION, ADDING THAT HE BELIEVES THE LIEN MINH HAS ALREADY HELPED PROMOTE UNITY AMONG SOUTH VIETNAMESE POLITICAL LEADERS.

1.5(c); 3.4(b)(1)

4. [REDACTED] KY [REDACTED] STILL BELIEVES THE TRAN VAN HUONG CABINET IS NOT CAPABLE OF LEADING THE COUNTRY AND WILL HAVE A RELATIVELY SHORT LIFE. CALLING ATTENTION TO HUONG'S AGE, KY SAID THE COUNTRY NEEDS A PRIME MINISTER WHO HAS THE PHYSICAL STAMINA TO TRAVEL AROUND ALMOST CONTINUALLY MEETING WITH THE PEOPLE AND THE TROOPS AND, AT THE SAME TIME, TO EXERCISE STRONG LEADERSHIP OVER THE GOVERNMENT IN SAIGON. HUONG, KY BELIEVES, IS TOO OLD TO SPEND ENOUGH HOURS AT HIS DESK AT PHYSICALLY TRYING TASKS SO THAT THE CABINET MAY FUNCTION EFFECTIVELY. KY ALSO ASSERTED THAT THE CABINET IS DISUNITED AND THAT INTERIOR MINISTER TRAN THIEN KHIEM AND MINISTER AT THE PRIME MINISTER'S OFFICE HUYNH VAN DAO REALLY WORK FOR THE PRESIDENT AND NOT FOR THE PRIME MINISTER. MOREOVER, THE YOUNG SOUTHERNERS WHO SUPPORT HUONG SUCH AS NGUYEN VAN BONG, HEAD OF THE NATIONAL INSTITUTE FOR ADMINISTRATION, ARE DISSATISFIED BECAUSE STRONG HUONG SUPPORTERS DID NOT RECEIVE CABINET APPOINTMENTS DUE TO PRESSURE FROM THIEU.

1.5(c); 3.4(b)(1)

1.5(c); 3.4(b)(1)

IN 56496

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(classification)

(dissem controls)

5. KY SAID THAT THE MAJORITY OF THE CABINET MEMBERS ARE TECHNICIANS WHO HAVE LITTLE POLITICAL INFLUENCE OR PERSONAL LOYALTY TO EITHER HUONG OR THIEU. HE CALLED SPECIFIC ATTENTION TO FOREIGN MINISTER TRAN CHANH THANH AND COMMENTED THAT THIEU DOES NOT TRUST HIM. HE POINTED TO THANH'S ABSENCE WHEN MATTERS OF HIGH NATIONAL POLICY ARE DISCUSSED AND SAID THAT THANH IS A FIGUREHEAD WHO HAS NOT BEEN ALLOWED TO PARTICIPATE IN IMPORTANT DECISIONS. HE SINGLED OUT DEFENSE MINISTER LIEUTENANT GENERAL NGUYEN VAN VY AND AGRICULTURE MINISTER TRUONG THAI TON AS GOOD EXAMPLES OF THE TECHNICIANS IN THE HUONG CABINET. VY AND TON, HE SAID, ARE COMPETENT IN THEIR JOBS BUT HAVE LITTLE POLITICAL INFLUENCE ON HUONG OR THIEU. KY CHARACTERIZED DR. PHAN QUANG DAN, WHO WAS TO BE MINISTER WITHOUT PORTFOLIO AND MINISTER FOR CHIEU HOI (OPEN ARMS), AS AN AMERICAN SELECTION FOR A CABINET POST.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.5(c); 3.4(b)(1)

6. KY CONTRASTED THE HUONG CABINET WITH THE CABINET HE HAD AS PRIME MINISTER AND SAID HE BELIEVED HIS CHOICE OF MINISTERS

[REDACTED]

[REDACTED]

1.5(c); 3.4(h)(1)

IN 56496

1.5(c); 3.4(b)(1)

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(classification)

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HAD BEEN BASED TO A GREATER DEGREE ON THE NEEDS OF THE COUNTRY AND HAD BEEN MADE WITHOUT REGARD FOR POLITICS OR PERSONALITIES. HE CITED AS A GOOD EXAMPLE IN THIS REGARD HIS MINISTER OF ECONOMY, AU TRUONG THANH, WHO, HE SAID, IS A GOOD ECONOMIST BUT WHO HAS DANGEROUS POLITICAL IDEAS. KY ALSO NOTED THAT THANH'S PERSONALITY LEAVES SOMETHING TO BE DESIRED AND THAT THANH IS NOT LIKED AS A MAN. KY ADDED THAT HE HAD NEVER REQUIRED POLITICAL LOYALTY FROM ANY CABINET MEMBER.

7. AT THIS POINT, KY DELIVERED A DENUNCIATION OF INTERIOR MINISTER KHIEM AND HIS DEVIOUS AND TREACHEROUS MANNER OF OPERATING. KHIEM'S TRUE LOYALTY, KY ASSERTED, IS TO THE DAI VIET PARTY AND HE HOPES SOME DAY TO BECOME PRESIDENT WITH THE HELP OF DAI VIET POLITICIANS. KY THINKS KHIEM HAS BEEN OUT OF THE COUNTRY TOO LONG A TIME AND IS CONSEQUENTLY NOT FAMILIAR WITH ITS PROBLEM. HE SAID, FOR EXAMPLE, THAT HE BELIEVES KHIEM AND DEPUTY MINISTER OF REVOLUTIONARY DEVELOPMENT BRIGADIER GENERAL HOANG VAN LAC ARE MAKING A HASH OF THE REVOLUTIONARY DEVELOPMENT PROGRAM (RD). HE THEN ADDED THAT THIS DOES NOT REALLY MATTER SINCE AMBASSADOR KOMER AND THE AMERICANS ARE REALLY RUNNING THE PROGRAM. KOMER, KY ASSERTED, GIVES COMPLETE

1.5(c); 3.4(b)(1)

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AND VOLUMINOUS INSTRUCTIONS FOR ALL UNDERTAKINGS OF THE RD PROGRAM AND ANY UNDERTAKINGS AND SUCCESS OF THE PROGRAM ARE DUE TO THE AMERICAN, NOT VIETNAMESE, INPUT. THUS, RD/PACIFICATION IS AN AMERICAN PROGRAM. KY PREDICTED THAT KHIEM WOULD NOT LAST LONG SINCE THIEU WOULD SOONER OR LATER HAVE TO FACE UP TO THE FACT THAT KHIEM IS NOT CAPABLE AND IS WORKING FOR HIS OWN INTERESTS, NOT THIEU'S OR THE GVN'S.

8. [REDACTED] DISSEM: STATE (AMBASSADOR BUNKER, DEPUTY AMBASSADOR BERGER, POLITICAL COUNSELOR) USMACV (GENERAL ABRAMS, AMBASSADOR KOMER, BRIG. GEN. DAVIDSON) CINCPAC PACFLT ARPAC PACAF [REDACTED]

1.5(c); 3.4(b)(1)

BT

1.5(c); 3.4(b)(1)

Pres. file

Wednesday, July 24, 1968
6:55 p. m.

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SECRET/SENSITIVE

MR. PRESIDENT:

Herewith the background for Schroeder's raising with you the question: Should Germany pursue a bolder policy? Out of talks with Strauss and Schroeder the following emerged:

-- The Germans fully recognize that it is wrong not to have a total offset for U. S. foreign exchange expenditures in NATO.

-- They also know that offsetting by the purchase of U. S. bonds is a method that might be extended for a little while, but is not viable for the long run.

-- Strauss has recommended ~~that~~ that the United States put the issue to NATO as a whole and tell the European countries that the U. S. forces will have to be reduced over a period of time and that they will have to do more. When I asked him what he thought U. S. forces could be reduced to, he said two divisions plus supporting air forces, etc. (Bus Wheeler thinks the minimum viable force is three divisions plus air power.)

-- When you go the next step, however, and ask is Europe capable of pulling itself together and doing more for itself if the U. S. pulls back, you immediately come upon these two questions: Will France shift post-DeGaulle into a policy of European integration? And will France let Great Britain into the Common Market and into Europe in the widest sense?

-- If France were to come back into the European and NATO family and if Britain were to come into the European club, there might be a basis for a carefully scheduled decline in U. S. forces in the years ahead, especially as the new big air transports come into production.

-- Schroeder told me last night at dinner privately that Kiesinger wants to take an initiative with DeGaulle to start movement on these two points; that is, France and NATO and Britain into the Common Market. Schroeder said that when the Germans take an initiative, there are two important psychological obstacles in this generation with their memories of the Second World War: first, a feeling that they should not be out in front; second, resistance from the other Europeans at seeing the Germans out in front. On the other hand, objectively, Schroeder said only Germany could bring some influence and pressure to bear on France to move in these directions.

-- He then asked this question: Before he left office, do you think President Johnson could speak out on the issue of the future of Europe, looking

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E.O. 12958, Sec. 3.5

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

By jc, NARA, Date 3-4-03

backward and forward to the future, and state bluntly that it is Europe's duty to itself, to the Atlantic alliance, and to the world, to pull itself together on an integrated basis, bringing Britain into the European Common Market. He said that from the position of objectivity and prestige that President Johnson now enjoys, his words at the right time could be influential.

-- I told him that, of course, I could not commit the President, but would report his view.

-- On his part, Schreeder promised to keep me informed of any initiative in these directions that Chancellor Kiesinger might take so that President Johnson could decide when such a statement might be timely if he chose to make it.

W. W. Rostow

Wednesday, July 24, 1968 -- 6:35 p.m.

Mr. President:

While I am away on leave, Brom Smith will manage the office, the flow of intelligence, the Tuesday lunch agenda, etc.

As you know, he is knowledgeable, wise, wholly discreet, and reliable. He works well directly with Secretaries Rusk and Clifford, Dick Helms, etc.

The substantive issues are distributed as follows in the senior staff which is now experienced and used to team-work.

Ed Fried: Western Europe; NATO; money; trade, including East-West trade.

Nat Davis: Russia; Eastern Europe (including Czech crisis); UN.

Bill Bowdler: Latin America.

Hal Saunders: Middle East plus North Africa.

Spurg Keeny: Arms control; scientific aspects of weapons. (Works with Bob Ginsburgh on preparations for Soviet missile talks.)

Bob Ginsburgh: Military and negotiating aspects of Vietnam. Military aspects of NATO and Czech crisis.

Marshall Wright: Far East in general, plus political-economic aspects of Vietnam.

Ed Hamilton: Africa; India-Pakistan; aid problems in general.

They will file, via Brom, their memoranda directly to you.

W. W. Rostow

WWRostow:rlm

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INFORMATION

~~SECRET/SENSITIVE~~

Pres file

Wednesday, July 24, 1968
6:15 p.m.

Mr. President:

Herewith:

-- [REDACTED] 4:00 p.m. Czech
situation report;

1.5(c)
3.4(b)(1)

-- the evaluation of the
probable Czech cave-in
[REDACTED]

1.5(c)
3.4(b)(1)

W. W. Rostow

~~SECRET/SENSITIVE~~

WWRostow:rlm

SANITIZED
Authority NK 019-038-1-9
By [Signature], NARA, Date 1/19/02

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3.3 (b)(1)

Roston

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SC #11677/68

CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
24 July 1968

INTELLIGENCE MEMORANDUM

The Situation in Czechoslovakia
(As of 4:00 EDT)

1. A Czechoslovak party spokesman hinted at a press conference today that the Soviet Politburo already may be in Czechoslovakia. The spokesman refused to deny officially that the Politburo may have already arrived. Members of the two bodies have not been seen in public or noted by intelligence sources for more than 36 hours.
2. The spokesman also implied that the full Presidium would take part in the "negotiations" with the Soviet leaders, saying that on this disputed question the Czechoslovaks would have to "respect the wishes" of the Soviets. He admitted that some Soviet units remain in Czechoslovakia

3.3
(b)(1)

[REDACTED] some 5000 to 6000 remained--and added, according to one press account, that they "will remain until a communique is published." Moscow may hope in this way to wrest substantial concessions from the Czechoslovaks. The party spokesman implied that there

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E.O. 13292, Sec. 3.5
NLJ/RAC 03-122
By in, NARA, Date 11-8-04

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3.3 (b)(1)

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might be compromised by the Czechoslovaks, but he said there would be no change in Prague's political line.

3. Czechoslovak media are continuing their heated responses to Soviet press polemics aimed against the Dubcek regime and some of its key leaders. There appears to be a moratorium, however, concerning the meeting with Soviet leaders.

4. Radio Moscow has ridiculed US denials of intervention in the Czechoslovak situation, and repeated earlier charges that the US is making "every effort" to split the Communist countries.

5. With the exception of East Germany no Eastern European country appears to favor Soviet military intervention in Czechoslovakia. [REDACTED] Warsaw reports that the Polish leadership is adamantly opposed to military intervention. [REDACTED]

him that the Hungarian government opposes armed intervention in Czechoslovakia.

[REDACTED]

~~SECRET~~ [REDACTED]

~~SECRET~~ [REDACTED]

3.3(b)(1)

central Czechoslovakia moved east on 19-21 July and have probably crossed the USSR-Czechoslovak border. Most Soviet troops from East Germany which deployed into Western Czechoslovakia have returned to southern East Germany.

3.3(b)(1)

[REDACTED]

7. No further details illuminating the extent and activity of the USSR's large rear-services exercise have been received.

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3.3(b)(1)

Intelligence Information Cable

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PAGE 1 OF 9 PAGES

STATE/INR	DIA	NMCC/MC	(SECDEF	JCS	ARMY	NAVY	AIR)	CIA/NMCC	NIC	NSA	DDO	ONE	CRS
NPIC	AEC	OSR	FBI	DDI	EXO			OER	FBI	DCS	IRS	XXX	USIA

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GROUP 1
Excluded from automatic
downgrading and
declassification

NO FOREIGN DISSEM

THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

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25X1A

DIST 24 JULY 1968

COUNTRY CZECHOSLOVAKIA

DOI [REDACTED] 25X1A

24 16 46z JUL 68

SUBJECT ASSESSMENT OF CURRENT SITUATION IN CZECHOSLOVAKIA

ACQ [REDACTED] 25X1A

FIELD NO.

SOURCE [REDACTED]

25X1X

SUMMARY: IT IS SOURCE'S OPINION THAT THE CRISIS IN CZECHOSLOVAKIA IS NOW AT AN END AND THAT THE CZECHOSLOVAKS WILL PROBABLY CAPITULATE TO THE SOVIETS. A CURTAILMENT OF THE CZECHOSLOVAK LIBERALIZATION PROGRAM IN THE POLITICAL, ECONOMIC AND MILITARY AREAS WILL ENSUE AS A RESULT OF SOVIET PRESSURE. ALTHOUGH THE CZECHOSLOVAK LEADERSHIP IS CONCERNED THAT IT MAY INVITE STRONG ADVERSE PUBLIC REACTION BECAUSE OF ANY RETRENCHMENT OF ITS PREVIOUSLY STATED

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Authority NLJ 019-038-1-10

By [Signature], NARA, Date 4/19/02

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POSITION, SOURCE FEELS THAT THE REGIME IS OVERLY CONCERNED ABOUT THIS SINCE NEITHER THE CZECHOSLOVAK WORKERS NOR THE SLOVAKS HAVE AS YET BECOME ACTIVELY INVOLVED IN THE LIBERALIZATION. BARRING AN EXTREME SITUATION IN WHICH THE WORKERS ARE CALLED TO DEMONSTRATE, SOURCE DOES NOT ANTICIPATE PROBLEMS FROM THE MILITARY, WHO MAY BE CALLED UPON TO RESTORE PUBLIC ORDER, BECAUSE THEY ARE BASICALLY PRO-SOVIET AND CONSERVATIVE IN THEIR POLITICAL ORIENTATION. ANOTHER POINT WHICH IS TO THE SOVIETS' ADVANTAGE IS THAT SOVIET ADVISORS STILL HAVE UNLIMITED ACCESS TO INFORMATION INSIDE CZECHOSLOVAKIA, ESPECIALLY TO PRESIDUM PROCEEDINGS THROUGH THE CONSERVATIVE CZECHOSLOVAK ELEMENTS OF THAT BODY. END OF SUMMARY.

1. OF PRIME CONCERN TO THE SOVIETS CONCERNING CZECHOSLOVAKIA TODAY IS THEIR FEAR THAT THE REFORMS AND LIBERALIZING TENDENCIES IN CZECHOSLOVAKIA WHICH ARE NOW TAKING PLACE WILL BE CAST IN CONCRETE BY THE UPCOMING COMMUNIST PARTY CONGRESS IN SEPTEMBER 1968. THE SOVIETS ARE UNDOUBTEDLY UNDER VERY HEAVY PRESSURE FROM CONSERVATIVE FORCES IN CZECHOSLOVAKIA BUT ESPECIALLY FROM CONSERVATIVE FORCES IN POLAND AND EAST GERMANY TO CONTROL THE SITUATION IN

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CZECHOSLOVAKIA. WHAT THESE CONSERVATIVES PROBABLY FEAR MOST IS AN OPENING OF THE CZECHOSLOVAK BORDERS WHICH WOULD ALLOW A MASS EXODUS FROM THEIR COUNTRIES, I.E., POLAND AND EAST GERMANY, TO THE WEST. THEY ARE UNDOUBTEDLY ALSO EXTREMELY CONCERNED THAT THE LACK OF CENSORSHIP AND RESULTANT FREEDOM OF THE PRESS IN CZECHOSLOVAKIA WILL HAVE UNPLEASANT CONSEQUENCES IN INFLUENCING THE INTERNAL SITUATION IN THEIR COUNTRIES. IT IS INTERESTING TO NOTE THAT THE INTENSIFICATION IN SOVIET POLITICAL PRESSURE IN CZECHOSLOVAKIA DATES FROM THE PERIOD WHEN THE CZECHOSLOVAKS ABOLISHED CENSORSHIP AND TOOK STEPS TO IMPLEMENT REHABILITATION PROCEDURES IN THEIR COUNTRY.

2. THE PATTERN OF SOVIET PRESSURE ON THE EAST EUROPEAN COUNTRIES HAS TRADITIONALLY BEEN POLITICAL, ECONOMIC, AND MILITARY IN THAT ORDER. WHAT WE ARE NOW SEEING IN CZECHOSLOVAKIA IS INTENSE POLITICAL PRESSURE WHICH WILL PROVE TO BE THE PRELUDE TO MORE SERIOUS ECONOMIC AND MILITARY PRESSURES SHOULD THE RECALCITRANT CZECHOSLOVAKS NOT GIVE IN. THE MOST LIKELY FORM OF ECONOMIC PRESSURE SHOULD IT COME TO THIS WOULD BE A CURTAILMENT OR CESSATION OF SOVIET OIL AND IRON ORE DELIVERIES TO CZECHOSLOVAKIA. IF MILITARY MEASURES BECOME NECESSARY THE SOURCE IS CONVINCED THAT THESE WILL CONSIST OF LIGHTNING.

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MILITARY MOVES BY SOVIET FORCES INTO CZECHOSLOVAKIA.

3. THE DUBCEK REGIME IS PROBABLY HAVING A VERY DIFFICULT TIME INDEED IN CONVINCING THE SOVIETS THAT THEY MEAN IT WHEN THEY SAY THAT THEY WILL NOT LET THE SITUATION GET OUT OF CONTROL AND THAT THEY WILL REMAIN LOYAL TO THE SOVIET BLOC. AS EARLY AS JANUARY 1968 RIGHT AFTER DUBCEK REPLACED NOVOTNY AS PARTY FIRST SECRETARY THE LIBERALS BEGAN REASSURING THE SOVIETS ALONG THESE LINES. THE CONSERVATIVES, HOWEVER, WERE QUICK TO POINT OUT TO THE SOVIETS THAT THE LIBERALS WERE LYING AND THAT LITTLE BY LITTLE THEY WOULD LEAD CZECHOSLOVAKIA AWAY FROM SOVIET INTERESTS. WITH THE ABOLITION OF CENSORSHIP, AND CERTAIN STEPS TOWARD REHABILITATION AS WELL AS OTHER REFORMS IN CZECHOSLOVAKIA, THE LIBERALS HAVE TO AN EXTENT CONFIRMED THAT THE CONSERVATIVES WERE RIGHT. THEREFORE, THE SOVIETS ARE PROBABLY MORE RELUCTANT THAN EVER BEFORE TO BELIEVE THE LIBERALS. ALTHOUGH DUBCEK IS UNDOUBTEDLY SINCERE WHEN HE TELLS THE SOVIETS THAT HE DOES NOT WANT TO WEAKEN THE LEADING ROLE OF THE PARTY OR FRIENDSHIP WITH THE SOVIET UNION, HE IS KNOWN TO THE SOVIETS AS WELL AS TO CZECHOSLOVAK POLITICIANS AS A MAN LACKING IN POLITICAL SKILL AND FORTITUDE. FROM THE VERY BEGINNING THE SOVIETS AND THEIR CONSERVATIVE ALLIES IN CZECHOSLOVAKIA FEARED THAT DUBCEK WOULD BE UNABLE TO STAND UP TO INFLUENCE FROM THE MORE RADICAL LIBERALS IN

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THE CZECHOSLOVAK COMMUNIST PARTY (KSC) LEADERSHIP. THEREFORE, BEFORE THE SOVIETS WILL BE SATISFIED DUBCEK WILL HAVE TO MAKE MORE TANGIBLE GESTURES.

4. IT IS SOURCE'S OPINION THAT GIVEN THE CHARACTER OF THOSE WHO ARE CURRENTLY LEADERS IN THE COMMUNIST PARTY AND GOVERNMENT, THE CRISIS IS NOW AT AN END AND THAT THESE MEN WILL PROBABLY CAPITULATE TO THE SOVIETS RATHER THAN TAKE THE DRASTIC STEP OF WITHDRAWING FROM THE WARSAW PACT. THERE ARE MEN IN THE CZECHOSLOVAK LEADERSHIP, SUCH AS CESTMIR CISAR AND OLDRICH CERNIK, WHO ARE POTENTIALLY COURAGEOUS ENOUGH TO TAKE SUCH A DRASTIC STEP AND WHO COULD GATHER SUFFICIENT PUBLIC SUPPORT FOR THIS. HOWEVER, THE STRENGTH AND POSITION OF THE CONSERVATIVES IN THE ARMY AND INTERNAL SECURITY FORCES IS SUCH THAT THIS WOULD INVOLVE TREMENDOUS RISK. ON BALANCE, THE SOURCE DOES NOT BELIEVE THAT IT WILL GO THIS FAR. MORE LIKELY THE CURRENT LEADERSHIP WILL GIVE IN TO THE SOVIETS ON ALL OR A NUMBER OF THE FOLLOWING POINTS:

A. IT WILL RETREAT ON CERTAIN IDEOLOGICAL QUESTIONS, SUCH AS ALLOWING A NON-COMMUNIST PARTY IN THE NATIONAL FRONT THE RIGHT TO SET FORTH ITS OWN PROGRAMS.

B. IT WILL NOT ALLOW ORGANIZATIONS SUCH AS THE CZECHOSLOVAK UNION OF YOUTH TO BE SPLIT INTO COMMUNIST AND

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NON-COMMUNIST COMPONENTS.

C. IT WILL ABOLISH THE NEWLY ESTABLISHED PROCEDURES OF ALLOWING ELECTION OF POLITICAL OFFICERS IN MILITARY UNITS RATHER THAN APPOINTING THEM.

D. IT WILL TAKE MEASURES TO REINSTITUTE CONTROL OF THE PRESS, PERHAPS NOT OUTRIGHT CENSORSHIP AS PREVIOUSLY EXISTED, BUT RATHER SOME SYSTEM OF SANCTIONS AGAINST EDITORS WHO DO NOT FOLLOW THE LINE. A NEW PRESS LAW WILL PROBABLY BE PASSED IMPOSING THESE MEASURES.

E. CZECHOSLOVAKIA WILL GUARANTEE TO ITS SOCIALIST NEIGHBORS THAT IT WILL NOT OPEN ITS BORDERS TO THE WEST.

F. CERTAIN OF THE MORE EXTREME RADICAL LIBERALS SUCH AS CHAIRMAN OF THE NATIONAL FRONT FRANTISEK KRIEGL AND KSC CENTRAL COMMITTEE SECRETARY ZDENEK MLYNAR, AND PERHAPS OTHERS WILL BE FORCED TO RESIGN.

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5. COMPLICATING THIS WHOLE SITUATION FOR THE CURRENT LEADERSHIP IS THE FACT THAT WHILE IT RECOGNIZES THE SOVIET DISPLEASURE, IT MUST ALSO CATER TO POPULAR OPINION IF IT IS TO CONTINUE TO HOLD THE AUTHORITY IT NOW HAS. WHAT WILL MAKE CAPITULATION TO THE SOVIETS TRICKY WILL BE THE NEED TO DEVISE SUBTLETIES WHICH WILL NOT ENRAGE A DISAPPOINTED CZECHOSLOVAK POPULATION. HOWEVER; GIVEN THE

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FACT THAT NEITHER THE SLOVAKS AS A WHOLE NOR THE CZECHOSLOVAK WORKERS HAVE AS YET BECOME VERY ACTIVELY INVOLVED IN THE LIBERALIZATION, THE REGIME'S PROBLEMS IN THIS RESPECT ARE NOT AS GREAT AS THEY MIGHT BE. EVEN UNDER CAPITULATION DUBCEK MAY STILL REMAIN AS PARTY FIRST SECRETARY, BUT IN THIS INSTANCE MERELY AS A FIGUREHEAD UNDER THE CONTROL OF A MORE CONSERVATIVE REGIME RATHER THAN UNDER THE CONTROL, AS HE NOW APPARENTLY IS, OF THE LIBERALS. AS A POSSIBLE INDICATION OF CZECHOSLOVAK READINESS TO CAPITULATE UNDER EXTREME SOVIET PRESSURE, SOURCE TAKES NOTE OF THE FACT THAT YUGOSLAVIA'S PRESIDENT TITO AND SECRETARY GENERAL OF RUMANIA'S COMMUNIST PARTY CEAUSESCU HAVE DELAYED VISITS TO CZECHOSLOVAKIA WHICH WERE TO HAVE TAKEN PLACE AT THE END OF LAST WEEK. SOURCE ATTRIBUTES THIS TO SOVIET PRESSURES WHICH INFLUENCED DUBCEK TO CANCEL THE VISITS OR AT LEAST POSTPONE THEM. WHEN THE CZECHOSLOVAKS DO CAPITULATE, SOURCE BELIEVES THAT THE SOVIETS FOR THEIR PART WILL MAKE CERTAIN CONCESSIONS, ALBEIT RELATIVELY MEANINGLESS ONES, SUCH AS GRANTING THE CZECHOSLOVAKS OSTENSIBLY GREATER PARTICIPATION IN THE WARSAW PACT COMMAND. SPECIFICALLY, THIS WOULD MEAN THE APPOINTMENT OF CZECHOSLOVAKS TO MORE PROMINENT ROLES WITHIN THE WARSAW PACT STAFF, ALTHOUGH, OF COURSE, THE SOVIET GENERAL STAFF WOULD STILL REMAIN THE

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(classification) (dissem controls)

CENTER OF EFFECTIVE MILITARY POWER WITHIN THE WARSAW PACT.

6. BARRING AN EXTREME SITUATION IN WHICH CZECHOSLOVAK WORKERS ARE CALLED TO THE STREETS IN DEMONSTRATION AGAINST THE SOVIETS, SOURCE DOES NOT ANTICIPATE THAT THE CZECHOSLOVAK ARMY WILL CAUSE PROBLEMS. ALMOST ALL MILITARY LEADERS IN CZECHOSLOVAKIA WITH ANY POSITIONS OF SIGNIFICANCE, I.E., DIVISION COMMANDERS AND ABOVE, ARE CONSERVATIVE IN THEIR POLITICAL ORIENTATION AND BASICALLY PRO-SOVIET. SOME, SUCH AS THE NEWLY APPOINTED CHIEF OF THE MAIN POLITICAL DIRECTORATE OF THE MINISTRY OF NATIONAL DEFENSE, FRANTISEK BEDRICH, ARE EXTREMELY PRO-SOVIET. COMMANDERS AT LOWER LEVELS, WHILE MORE LIBERAL IN ORIENTATION, HAVE LITTLE POSSIBILITY OF EFFECTIVELY ORGANIZING INTO A UNITED FORCE.

7. AN ADDITIONAL FACTOR WHICH WORKS TO THE ADVANTAGE OF THE SOVIETS IN THE CURRENT CRISIS IN CZECHOSLOVAKIA IS THEIR STILL UNLIMITED ACCESS TO INFORMATION INSIDE CZECHOSLOVAKIA. FROM NEWSPAPER ACCOUNTS IT IS EVIDENT THAT SOVIET MILITARY ADVISORS ARE STILL TRAVELLING THE BREADTH OF THE LAND ALMOST AT WILL, AND THE SOVIET ADVISORS ATTACHED TO THE MINISTRY OF INTERIOR HAVE NOT YET BEEN RECALLED. FURTHERMORE, THROUGH PEOPLE OF CONSERVATIVE ORIENTATION, SUCH AS PRESIDIUM MEMBER DRAHOMIR KOLDER AND

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~~SECRET~~ / NO FOREIGN DISSEM
(classification) (dissem controls)

~~SECRET~~ /NO FOREIGN DISSEM
(classification) (dissem controls)

SECRETARIAT MEMBER ALOIS INDRA, THE SOVIETS HAVE ACCESS TO PROCEEDINGS WITHIN THE KSC PRESIDUM ITSELF. THUS THE SOVIETS ARE UNDOUBTEDLY KEPT FULLY INFORMED OF ALL SIGNIFICANT KSC PLANS AND INTENTIONS AND ARE ABLE TO DEVISE COUNTERMEASURES.

25X1A 8. [REDACTED] DISSEM: USCINCEUR, USAREUR, USAFE, CINCUSNAVEUR.

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~~SECRET~~ /NO FOREIGN DISSEM
(classification) (dissem controls)

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92

Pres file

Wednesday, July 24, 1968 -- 5:20 p.m.

Mr. President:

You may wish to inform Minister of Defense Schroeder that you today agreed to the proposals that have been worked out between Sec. Clifford and himself on consultation concerning nuclear weapons; and that you will be writing to the Chancellor shortly.

W. W. Rostow

WWRostow:rlh

Pres. file

93

Wednesday, July 24, 1968
5:15 p. m.

~~SECRET~~

MR. PRESIDENT:

Herewith Harriman's full back-and-forth
with Thuy on the three pilots and how they get
home.

W. W. Rostow

~~SECRET/HARVAN~~ attachment (Delto 503)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By ig, NARA, Date 1.30.96



Department of State

TELEGRAM

93a

~~SECRET~~

REA374

DECLASSIFIED

E.O. 12356, Sec. 3.4

By 95-248

By 40, NARA, Date 6-25-96

PAGE 01 PARIS 18461 241751Z

51

ACTION SSO 00

INFO /000 W

1968 JUL 24 PM 2 43
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FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4544

~~SECRET~~ PARIS 18461

N O D I S/HARVAN

DEPT PASS TO: AMEMBASSY, VIENTIENE, SAIGON, BANGKOK, CINCPAC

DELTO 503

FROM HARRIMAN AND VANCE

1. DURING THE TEA BREAK WE DISCUSSED AT CONSIDERABLE LENGTH THE QUESTION OF THE RELEASE OF THE 3 PILOTS. WE SAID WE WERE INTERESTED IN THE ACCOUNTS THAT THE 3 PILOTS HAD BEEN RELEASED IN HANOI BUT SO FAR WE HAD RECEIVED NO NEWS ABOUT WHEN THEY CAN DEPART. THUY REPLIED THAT IT WAS HIS INFORMATION THEY ARE OUT OF PRISON CAMP; THAT 3 PROGRESSIVE AMERICANS ARE OVER THERE TO ESCORT THEM; AND THAT THE PILOTS EXPRESSED ANXIETY WHETHER THEY WOULD BE ABLE TO GO HOME FREELY OR WHETHER HALF-WAY BACK THEY WOULD BE STOPPED BY THE US MILITARY. THUY SAID HANOI IS EXAMINING WHETHER THIS WILL HAPPEN AGAIN AND WILL GIVE AN EXPLANATION TO THE PILOTS.

2. WE EXPLAINED THAT THUY WAS MISINFORMED AND THAT THE PILOTS LAST TIME WERE GIVEN A FREE CHOICE IN VIENTIANE AND CHOSE TO RETURN TO THE US ON A MILITARY-MEDICAL EVACUATION PLANE. WE POINTED OUT THAT THIS GOT THEM HOME 24 HOURS EARLIER. THUY SAID THAT HE THOUGHT THE STORY WAS DIFFERENT AND REMARKED THAT LAU KNEW THE STORY. LAU THEN GAVE HIS VERSION OF THE PRIOR RELEASE WHICH HE SAID HAD BEEN RECEIVED FROM BERRIGAN AND ZINN. HE SAID THAT THEY HAD STATED THAT SULLIVAN

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PAGE 02 PARIS 18461 241751Z

WENT IN THE AIRPLANE AT VIENTIANE AND DEMANDED THAT THE PILOTS BE HANDED OVER TO HIM. BERRIGAN AND ZINN DID NOT AGREE AND THERE WAS AN ALTERCATION WHICH LASTED 40 MINUTES. FINALLY, SINCE SULLIVAN WAS THE REPRESENTATIVE OF THE US GOVERNMENT AND BERRIGAN AND ZINN WERE ONLY ORDINARY CIVILIANS, PILOTS HAD TO OBEY SULLIVAN WHO PUT THEM ON A MILITARY PLANE. WE SAID THAT THE REPORTS ABOUT SULLIVAN AND THE PILOTS WERE NOT CORRECT AND AGAIN EXPLAINED IN DETAIL THAT THE PILOTS HAD A FREE CHOICE AND CHOSE TO GO BACK BY MILITARY MEDICAL AIRCRAFT. WE ADDED THAT BERRIGAN AND ZINN WERE OFFERED THE OPPORTUNITY TO GO BACK ON THE MILITARY PLANE WITH THE PILOTS BUT REFUSED.

3. WE THEN ASKED THAT IS HANOI GOING TO SAY TO THE 3 PILOTS. THUY REPLIED, "WE ARE PREPARED TO RELEASE THEM TO THE 3 CIVILIANS AND, IF THEY CAN ACCOMPANY THEM BACK TO THE US, THEN WE WILL RELEASE THEM." WE REPLIED THAT THEY ARE NOT PRISONERS OF THE 3 CIVILIANS. WE SAID THEY ARE FREE TO MAKE THEIR OWN CHOICE. THUY SAID: "WE DON'T WANT THEM TO BE PRISONERS OF THE US GOVERNMENT; WE HAVE DIFFERENT INTERPRETATIONS, BUT THE TRUTH IS THE TRUTH, AND IF THIS IS NOT SETTLED SATISFACTORILY, THEN IT WILL AFFECT OTHER CASES."

4. WE REPLIED THAT THEY ARE FREE TO MAKE THEIR OWN CHOICE AND IF THEY CHOOSE TO GO WITH THE CIVILIANS, THE US GOVERNMENT WOULD NOT INTERFERE. WE STATED THAT IF THE DRV GOVERNMENT EXPLAINED TO THE MEN THAT THE WAY IN WHICH THEY RETURNED TO THE US WILL AFFECT THEIR COLLEAGUES WHO ARE PRISONERS, THEY WILL PROBABLY BE RESPONSIVE; THAT IS WHY GOVERNOR HARRIMAN ASKED TWO WEEKS AGO IF THE DRV HAD ANY PREFERENCE. AT THAT TIME THUY SAID THAT HE HADN'T HEARD FROM HIS GOVERNMENT. WE ASKED WHETHER HE HAD HEARD NOW.

5. THUY SAID THAT HE HAD HEARD NOW THAT THE PILOTS WANT TO GO BACK WITH THE CIVILIANS BUT FEAR INTERCEPTION BY US MILITARY AUTHORITIES. WE REPLIED THAT THE WAY OF RETURNING IS ENTIRELY UP TO THE PILOTS; THEY ARE ENTIRELY FREE MEN.

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PAGE 03 PARIS 18461 241751Z

6. THUY THEN ASKED WHETHER IT WAS DESIRABLE FOR THE US TO MAKE A STATEMENT OR ISSUE INSTRUCTIONS TO OUR EMBASSIES. WE REPLIED THAT SULLIVAN HAS INSTRUCTIONS. WE THEN WENT ON TO SAY THAT WE HOPED THE RELEASE OF THE 3 WOULD LEAD TO THE RELEASE OF OTHERS, PARTICULARLY THOSE WHO HAVE BEEN INJURED. THUY REPLIED: "LET THESE PILOTS GET BACK EASILY AND IT WILL BE GOOD FOR FUTURE CASES." HARRIMAN.

NOTE: NOT PASSED AMEMBASSY VIENTIANE, SAIGON, BANGKOK, CINCPAC BY OC/I.

~~SECRET~~

Pres. file

94

Wednesday, July 24, 1968
5:10 p. m.

~~SECRET~~

MR. PRESIDENT:

Herewith Beam reports from Prague the analysis
of the French Ambassador.

I'd say we're not yet out of the woods on this one.

W. W. Reston

~~SECRET~~ attachment (Prague 2716)

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E.O. 12356, Sec. 3.4
NEJ 95-249
By lig, NARA, Date 1-30-96

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HCE 124

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PAGE 01 PRAGUE 02716 241830Z

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ACTION SS 70

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INFO CIAE 00, DODE 00, NSAE 00, NSCE 00, SSO 00, USIE 00, CCO 00, /070 W

O P 241705Z JUL 68 ZFF-4

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC IMMEDIATE 4290

INFO AMEMBASSY MOSCOW PRIORITY

AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY PARIS

~~SECRET~~ PRAGUE 2716

LIMDIS

DECAPTIONED

SUBJECT: CZECHO--LATEST DEVELOPMENTS

1. FOLLOWING WAS FURNISHED ME BY MY FRENCH COLLEAGUE WHOSE INFO AND VIEWS HAVE STOOD UP AS WELL AS ANYBODY'S. CHRONOLOGY COMES FROM NAMED AND RELIABLE SOURCE IN FONMIN.
2. TOUGH MESSAGE FROM SOVIET CENTRAL COMMITTEE ACTUALLY ARRIVED SATURDAY EVENING AND NOT MONDAY MORNING AS GENERALLY REPORTED. DUBCEK DID NOT IMMEDIATELY CONVOKE PRESIDUM SOME OF WHOM AWAY FOR WEEKEND (IN ITSELF THIS CASTS INTERESTING LIGHT ON DUBCEK'S CONFIDENCE IN PRESIDUM AS A WHOLE.) PRESIDUM MET MONDAY, STANDING BY ITS EXPRESSED WILLINGNESS FOR BILATERAL TALKS WITH SOVIETS. TASS ANNOUNCEMENT THAT SOVIETS ACCEPTED CZECHOSLOVAKIA AS SITE CAME AS A SURPRISE IN LATE AFTERNOON.
3. MESSAGE WHICH WAS ECHOED IN PRAVDA MONDAY MORNING CONTAINED THREE MAIN POINTS ALTHOUGH ACCORDING TO LALOUETTE THESE MAY NOT HAVE BEEN EXCLUSIVE.
4. FIRST POINT WAS THAT SOVIETS AS SPOKESMEN FOR THE WARSAW FIVE WERE LESS INTERESTED IN EXPLANATION OF CURRENT DEVELOPMENTS IN CZECHOSLOVAKIA THAN IN KNOWING WHAT CZECH COMMUNISTS WERE DOING TO MEET WARNINGS REGARDING ANTI-COMMUNIST ACTIVITIES. DEEDS NOT EXPLANATIONS WERE REQUIRED.

~~SECRET~~SANTIZED
Authority NLJ 019-038-1-11
By CO, NARA, Date 11/17/02

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PAGE 02 PRAGUE 02716 241830Z

5. SECOND POINT EXPRESSED CONCERN ABOUT THE OPEN STATE OF CZECHOSLOVAKIA'S FRONTIERS WITH THE WEST IN PARTICULAR WEST GERMANY AND AUSTRIA WHERE CONTROL WAS LACKING TO STOP THE ENTRY OF SPIES AND SABOTEURS. REFERENCE SPECIFICALLY MADE TO ARMS CACHE IN WESTERN BOHEMIA BUT THIS APPARENTLY NOT LINKED TO DEMAND FOR PERMANENT STATIONING OF SOVIET TROOPS.

6. THIRD POINT WAS BITTER ACCUSATION CONCERNING RECENT STATEMENTS BY PRCHLIK REGARDING STATUS OF SOVIET TROOPS WHICH WERE DESCRIBED AS TEASON TO WARSAW PACT.

7. SUBSEQUENT DISCUSSIONS HAVE CONCERNED TIME AND PLACE OF MEETING AS WELL AS AGENDA. LALOUETTE THOUGHT LATTER QUESTION WOULD BEAR ON ANSWERS CZECHS WOULD BE CALLED UPON TO MAKE TO CHARGES AND ANXIETIES EXPRESSED IN WARSAW LETTER. HE WAS AWARE OF SMRKOVSKY'S PROPOSAL FOR MEETING OF SIX AGAINST SIX BUT DOUBTED WHETHER CZECHS COULD HOLD OUT AGAINST SOVIET INSISTENCE FOR CONVOCAION OF FULL PRESIDUM. HE THOUGHT CZECHS WERE IN FOR A ROUGH TIME. HAD NO CONFIRMATION LATEST REPORT SOVIET PRESIDUM ON ITS WAY HERE BY TRAIN.

8. AS REGARDS SOVIET TROOPS, LALOUETTE THOUGHT FIGURE OF 40,000 CITED TO LUCET IN WASHINGTON WAS FANTASTIC. HE CLAIMS HIS ATTACHE OFFICIALLY INFORMED BY CZECHS THAT NUMBER AS 16,000. HE BELIEVES THAT TWO SOVIET REGIMENTS, INCLUDING ARMOR, STILL REMAIN IN EASTERN CZECHOSLOVAKIA WHERE THEY COULD BE EASILY REINFORCED, OBTAINING NECESSITY OF FULL SCALE INVASION. ALREADY ONE INCIDENT HAD OCCURRED WITH LOCAL POPULACE (AND LALOUETTE THOUGHT THE SOVIETS WOULD NOT BE AVERSE TO MORE) WHEN SOVIET OFFICER RAPED CZECH WOMAN WHOSE FAMILY WERE APPEASED WITH SOME DIFFICULTY BY LOCAL AUTHORITIES. 1.3 (a)(4)

9. BESIDES PRCHLIK, SOVIETS WERE DEMANDING THE HEAD OF INTERIOR MIN PAVEL (AS CONFIRMED BY LATEST PROPAGANDA) WHO HAD CHARACTERIZED ARMS CACHE AS PROVOCATION. ACCORDING TO LALOUETTE GENERAL PEPICH, FORMER CHIEF ARMY MAIN POLITICAL ADMINISTRATION, WHO WAS REPORTEDLY TRANSFERRED TO SLOVAKIA IS ALREADY OUT OF THE ARMY.

10. IN SUMMARY LALOUETTE WAS FAR FROM OPTIMISTIC AND IF HIS

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PAGE 03 PRAGUE 02716 241830Z

INFORMATION IS CORRECT HIS VIEWS BEAR WEIGHT.

1. AS REGARDS TROOP DISPOSITIONS, HOWEVER, WESTERN MAS, INCLUDING FRENCH, AS OF THIS AFTERNOON MORE CONCERNED WITH TWO SOVIET REGIMENTS JUST ACROSS BORDER IN POLAND. THESE APPEAR TO BE ESTABLISHING PERMANENT CAMP. TWO REGIMENTS ARE THOSE FORMERLY LOCATED IN DOUPOU AND LIBAVA TRAINING AREAS. NO MENTION OR KNOWLEDGE AMONG ATTACHE GROUP OF TWO REGIMENTS ALLEGED TO BE REMAINING IN SLOVAKIA. INDIAN MA (PROTECT SOURCE) WAS ADVISED AT NOON THIS DATE IN PERSONAL DISCUSSION WITH LT. COL. KUDRNA, OFFICIAL CSSR MOD SPOKESMAN, THAT OFFICIAL ANNOUNCEMENT ON FINAL DEPARTURE ALL TROOPS LIKELY TO BE RELEASED ON JULY 26.

12. PLEASE PASS DIA.

GP-1
BEAM

~~SECRET~~

Pres. File
95

~~TOP SECRET~~

**Luncheon with the President
Wednesday, July 24, 1968, 1:00 p. m.**

Agenda

1. **German nuclear consultations** (Sects. Rusk and Clifford)

Presentation of draft agreement to the President, previously approved in principle (see attachment).

2. **Czech situation** (Sect. Rusk, Mr. Helms)

Sitrep.

3. **Honolulu and Vietnam** (Sect. Rusk)

Follow-up in Paris talks on Honolulu decisions.

4. **Belgian tank deal for Paks** (Sect. Rusk)

Should we proceed to offer Belgian tanks or await Ayub's response to President's letter?

5. **Geneva disarmament talks** (Sects. Rusk and Clifford)

What positions should we take on previously agreed items not included in President's draft because of JCS and AEC objections: comprehensive test ban and nuclear materials production cut-off.

6. **Symington Amendment** (Sect. Clifford)

Sitrep on Congressional position.

7. **Other.**

W. W. Rostow

DECLASSIFIED

White House Guidelines, Feb. 24, 1983

By sg, N/PA, Date 10-4-92

~~TOP SECRET~~

~~TOP SECRET~~

Tuesday
July 23, 1968

WWR
Pres File
95a

Mr. President:

In the attached memorandum, Nick Katzenbach and Paul Nitze recommend that you authorize Sec. Clifford to inform Def. Min. Schroeder that we agree to an exchange of letters (attached) between yourself and Chancellor Kiesinger concerning consultations with the FRG on the selective release of nuclear weapons. We would also agree to install a secure teletype link between the NMCC in Washington and the German NMCC in Bonn to be used for such consultations.

On March 16, you approved such arrangements in principle subject to your final review. A US/FRG Joint Task Force has now submitted a final report on the subject recommending the attached exchange of letters. The only remaining issue is whether the exchange of correspondence should refer to consultation arrangements on a "government to government" basis or directly between "President and Chancellor." Your original approval was on a "government to government" basis. This formulation is preferred by the JCS. The Germans, however, strongly prefer that consultations be directly between the President and the Chancellor; and Katzenbach and Nitze recommend that you approve this formulation. I concur.

Sec. Clifford has asked that this be included as an item at the luncheon this Wednesday, so that either you or he will be in a position to inform Def. Min. Schroeder of the decision on this matter before he leaves Washington.

(s) walk
W. W. Rostow

Att.:
Memo 7/19/68 from
Katzenbach and Nitze
w/Tabs A-B-C

Approve -- President to Chancellor consultations _____
Approve -- government to government consultations _____
Disapprove _____
Call me _____

~~TOP SECRET~~

SMKeeny:jb:7-23-68/3p
bcc: SMK file and chron
WWR (2)
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Authority NLS. 003.004.1.2
Date 8/30/2017

2287
95b

THE SECRETARY OF STATE
WASHINGTON

July 19, 1968

TOP SECRET

MEMORANDUM FOR THE PRESIDENT

Subject: Consultation with the Federal Republic
of Germany on Nuclear Weapons Release

You earlier approved in principle nuclear consultation arrangements with the FRG, subject to your final review when the details were worked out (Tab A). The US-FRG staff-level Joint Task Force set up by the two Defense Ministers has now submitted its final report, suggesting that the consultation arrangement be evidenced by an exchange of letters between the Heads of Government of the United States and the Federal Republic stating that

(1) no special bilateral consultation arrangements are desirable regarding a general release of nuclear weapons; but

(2) with respect to selective release, the two governments (or specifically the President and the Chancellor) agree to "consult directly with each other" before selective release of nuclear weapons by the US for use from or on the territory of the Federal Republic and the Soviet-occupied zone of Germany; and

(3) the US Government (or specifically the President) undertakes not to make selective release of nuclear weapons for use by German armed forces if the Government of the Federal Republic objects to such release.

The Joint Task Force Report also suggests that a secure teletype line be established between the two capitals in order to make the proposed consultation arrangements effective. The Washington terminal would be in the National Military Command Center in the Pentagon, and the Bonn terminal would be in the German National Military Command Center. Each government would be free to establish subsidiary terminals but not obligated to do so. Each government would pay for its own terminal. The Germans would pay for the Bonn to Washington cable connection.

We expect that Minister of Defense Schroeder, in his visit to Secretary of Defense Clifford on 23 July, will propose that we move forward with the exchange of letters and the communications arrangements.

TOP SECRET

GROUP 1

EXCLUDED FROM AUTOMATIC DOWNGRADING
AND DECLASSIFICATION

DECLASSIFIED

Authority NLS.003.004.1.2

By LIA NARA Date 08-30-2017

TOP SECRET

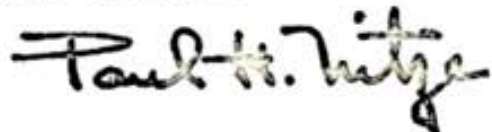
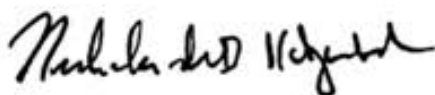
-2-

The Germans will probably strongly urge that the exchange of letters specify that consultation be directly between the President and the German Chancellor. That is the arrangement we have with the British, although it is not known by the Germans. The Germans wanted the obligation expressed as between the President and the Chancellor, but because your previous approval covered only "government to government" consultation, the US staff team would only agree to stating alternative versions in the draft letters. While the Joint Chiefs of Staff favor the "government-to-government" channel, our judgment is that for responsibilities this grave, a President to Chancellor consultation channel is appropriate --and probably the only one acceptable to the Germans.

Each country will decide whether to consult with its Congress or Parliament regarding the arrangements. (We did not consult with the Congress about our existing arrangements with the United Kingdom and Italy, which grant those countries a veto over use of nuclear weapons by American forces and delivery vehicles stationed on their soil.)

RECOMMENDATION: We recommend that you authorize the Secretary of Defense to indicate to Minister of Defense Schroeder at their forthcoming meeting on July 23 that the US agrees to:

1. An exchange of letters between you and Chancellor Kiesinger as set forth in the draft at Tab B, specifying that consultation shall be between the President and the Chancellor (the German staff prefers the short form German response at Tab C, and we have no objection); and
2. Prompt completion of arrangements for a secure Washington to Bonn teletype link to make the proposed consultations effective.



Attachments - 3
Tabs A - C as stated

TOP SECRET

GROUP 1

EXCLUDED FROM AUTOMATIC DOWNGRADING
AND DECLASSIFICATION



SECRET

DEPARTMENT OF STATE

Washington, D.C. 20520

MAR 16 1968

TAB A

950

MEMORANDUM FOR THE PRESIDENT

Subject: Consultation with the Federal Republic
of Germany on Nuclear Weapons Release

Recommendation:

That you approve in principle nuclear consultation arrangements of the type described below subject to your final review when the details are worked out.

APPROVE _____ DISAPPROVE _____

Discussion:

In November Dr. Carstens, then State Secretary for Defense of the Federal Republic of Germany, handed Deputy Secretary of Defense Nitze a memorandum which proposed a) increased FRG participation in the formulation and review of NATO nuclear plans, b) notice of requests submitted by General Lemnitzer to the President for selective release of nuclear weapons to be employed from or on German soil in order to give the German Government an opportunity to express its views, and c) an arrangement whereby orders for selective use of nuclear weapons by German units would be subject to confirmation by the FRG Government. The Germans expressly exempted from their request any change in current nuclear procedures for general release.

A US-FRG staff level task force has been exploring without commitment the details and implications of the FRG request. At a meeting next week the US team expects to discuss with the Germans a draft task force report to the respective Defense Ministers which would

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Authority: AUST 003.004.1.3
By: LK, NARA Date: 08-31-2007

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GROUP 1

EXCLUDED FROM AUTOMATIC DOWNGRADING
AND DECLASSIFICATION

SECRET

-2-

suggest that a confidential letter between the President and the Chancellor would be an appropriate vehicle for any undertaking between the two governments

1) to consult prior to selective release by the US of nuclear weapons for use in or from any part of Germany, and

2) that the US would not selectively release nuclear weapons for use by German delivery forces over the objection of the Government of the Federal Republic.

While the draft report does not actually recommend these consultation and release commitments, Secretary Clifford and I consider it desirable that you be informed of this trend of thinking before our staffs mention it to the FRG, since it may logically lead to a proposal to you for consideration of such a letter and undertaking.

We would favor in principle this general approach for the following reasons:

1) With Germany the front line of the Alliance and with the bulk of our nuclear weapons stored there, the German Government has an understandable desire for a "right to be heard" on selective nuclear release decisions. The consultation commitment we are suggesting would be less than that we already have with the British and Italians which calls for obtaining their agreement to any use whatever of nuclear weapons from their soil.

2) As for a German desire for some measure of control over use of their delivery forces, it is difficult to deny a request for this degree of recognition of sovereignty and civilian control, or to envisage circumstances under which the President would want to release nuclear weapons for use by German units

SECRET

SECRET

-3-

over the objection of the German Government. An arrangement recognizing this seems preferable to establishment by the FRG of de facto controls and communications by which it could assure that German units do not employ nuclear weapons without a confirmatory order from the German Government.

3) Failure to achieve satisfactory nuclear consultation arrangements could cause considerable difficulty for the Kiesinger Government.

4) A refusal to grant this relatively modest request for sovereign rights in the nuclear field could complicate other nuclear issues including the Non-Proliferation Treaty.

Dean Rusk
Dean Rusk

Clark M. Clifford
Clark M. Clifford

STAFF RECOMMENDATION AND REFERENDUM TO DEFENSE MINISTERS

95d

DRAFT LETTER FROM THE PRESIDENT TO THE CHANCELLOR

Dear Mr. Chancellor:

This letter is to confirm our understanding concerning consultation between our two governments on the use of nuclear weapons.

With respect to the general release of nuclear weapons, the United States believes that in the interest of maintaining the full effectiveness of the nuclear deterrent, no special arrangements going beyond the provisions of the Athens Guidelines on consultation are desirable.

With respect to the selective release of nuclear weapons by the US for use in Germany or by forces of the Federal Republic, I can confirm to you the following undertakings:

1. In order to enable the Government of the FRG to make its views known to the US Government before selective release of nuclear weapons for use from or on the territory of the Federal Republic of Germany and the Soviet Occupied Zone of Germany, the [President] [Governments] of the United States and [the Chancellor] of the Federal Republic of Germany will consult directly with each other prior to such release.

2. The [President of the] United States [Government] will not make selective release of nuclear weapons for use by German armed forces if the [Government] [Chancellor] of the Federal Republic of Germany objects to such release.

The United States Government regards the above undertakings as being in amplification and support of the Athens Guidelines on consultation.

It is my understanding that to avoid any possible impairment of the nuclear deterrent, knowledge of these undertakings will be limited to our two governments and that they will not be made public. Should any public statements regarding the subject matter of this letter be necessary, such statements will be the subject of prior agreement between our Governments.

Sincerely,

DECLASSIFIED

Authority NL2/RAC 00-124 (436)
By jc/gj NARA. Date 12-21-09

~~TOP SECRET SENSITIVE~~

~~TOP SECRET~~

~~SENSITIVE~~

FOR US AND GERMAN EYES ONLY

STAFF RECOMMENDATION AD REFERENDUM TO DEFENSE MINISTERS

95e

DRAFT LETTER FROM THE CHANCELLOR TO THE PRESIDENT

Dear Mr. President:

This letter is to respond to your letter of _____ concerning consultation between our two governments on the use of nuclear weapons.

With respect to the general release of nuclear weapons, the Government of the Federal Republic of Germany shares the belief of the United States that in the interest of maintaining the full effectiveness of the nuclear deterrent, no special arrangements going beyond the provisions of the Athens Guidelines on consultation are desirable.

With respect to the selective release of nuclear weapons by the US for use in Germany or by forces of the Federal Republic, the Government of the Federal Republic of Germany is in agreement with the undertakings of the United States that:

1. In order to enable the Government of the FRG to make its views known to the US Government before selective release of nuclear weapons for use from or on the territory of the Federal Republic of Germany and the Soviet Occupied Zone of Germany, the President Governments of the United States and the Chancellor of the Federal Republic of Germany will consult directly with each other prior to such release.

2. The President of the United States Government will not make selective release of nuclear weapons for use by German armed forces. If the Government Chancellor of the Federal Republic of Germany objects to such release.

The Government of the Federal Republic of Germany regards the above undertakings as being in amplification and support of the Athens Guidelines on consultation.

I agree that to avoid any possible impairment of the nuclear deterrent, knowledge of these undertakings will be limited to our two governments and that they will not be made public, and that should any public statements regarding the subject matter of this letter be necessary, such statements will be the subject of prior agreement between our two governments.

Sincerely,

DECLASSIFIED

Authority NLS/RAC 00-124

By jsj, NARA, Date 12-21-09

~~TOP SECRET~~

~~SENSITIVE~~

TAB C

954

~~TOP SECRET/SENSITIVE~~ FRG AND US EYES ONLY

STAFF RECOMMENDATION AD REFERENDUM TO DEFENSE MINISTERS

DRAFT LETTER FROM THE CHANCELLOR TO THE PRESIDENT

Dear Mr. President:

I have received your letter of _____ which reads
as follows:

" (Insert verbatim text of President to Chancellor letter.) "

I am pleased to confirm that the Government of the Federal Republic
of Germany shares the views and is in agreement with the understandings
and undertakings contained in the letter set out above.

(Personal closing remarks.)

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By ing, NARA, Date 1-30-96

Pres file

96

Wednesday, July 24, 1968
12:25 p. m.

~~SECRET~~

MR. PRESIDENT:

Sect. Rusk reports as follows on timing of strategic missiles talks:

- He raised the matter with Dobrynin.
Dobrynin said he had no answer and assumed this was because the leaders in Moscow were "very busy."
- Sect. Rusk assumes this is due to their pre-occupation with the Czech crisis.
- If the Soviets intervene militarily in Czechoslovakia, he assumes that the President would wish to consider afresh the timing of these talks.
- If, as a result of the ^{current} Soviet-Czech meetings the situation is peacefully resolved, he would propose going back shortly to Dobrynin and press him again.

W. W. Reston

DECLASSIFIED

Authority 72989-151
By isp/18, NARA, Date 11-2-92

Pres file

DECLASSIFIED

~~SECRET~~

Authority NLS-CBS 21

Wednesday, July 24, 1968
12:15 p.m.

97

By ics, NARS, Date 6-26-84

MR. PRESIDENT:

Pursuant to your request, herewith a brief analysis of Senator Mansfield's memorandum to you of July 16, plus a proposed reply.

1. Senator Mansfield's view is based on two assumptions:

- that militarily we do not have the leverage to force Hanoi to accept our terms for a settlement;
- the Senate and U. S. public opinion want the war settled, even on softer terms than our present terms, and would not back a re-intensified war in the face of a failure of the Paris talks;
- therefore, we should press the government in Saigon to soften their terms for a political settlement in the South and, if necessary, pressure them into a softer position by threatening or actually reducing our military effort in Vietnam.

2. Factually his memorandum does not take these elements of the situation into account:

- the private meetings in which there has been serious and substantive discussion, beyond the tea break conversations. With this knowledge, he might not have used the phrase: "groundless hints of progress in Paris." In addition, he does not know of Kesygin's letter, Zoria's intervention, and the work on the Phase 1 - Phase 2 formula.
- the North Vietnamese are now for the first time carrying the bulk of the casualty burden in the South, and they may not wish to pay this price in Northern blood indefinitely. There is a fair presumption that they are incapable or unwilling to maintain hostilities at a very high level of casualties for a protracted period. Therefore, while our tactical position is defensive, our operations are exerting a very heavy pressure on the North.
- Mansfield does not appear to be aware that: (a) we have proposed, on a your-side-our-side basis, that Saigon and NLF representatives join the Paris talks; and (b) that Thieu has instructed Bui Diem and others to seek private contacts with the NLF.
- Mansfield attributes resistance in Saigon to talks with the NLF to the "Saigon generals." He does not appear to be aware that Thieu-Ky-Huong are ready and willing for such talks; trying to

create an atmosphere conducive to such talks; but that the major resistance lies in the elected representatives of the people in the Lower House.

3. In view of the sensitivity of some of these facts, I would counsel against actually sending to Mansfield the attached letter. It would have, I presume, a fair chance of leaking and gravely embarrassing Thieu and his government. Therefore, I recommend that you use it as a talking paper and go over the points with Mansfield, perhaps with Dirksen present.

W. W. Rostow

~~SECRET~~

97a

DECLASSIFIED

Authority NLS-CBS 21

By ics, NARS, Date 6-26-84

DRAFT -- July 24, 1968

Dear Mike:

I have studied carefully your memorandum of July 16 and am, as always, grateful for your counsel.

There are certain facts which bear on the Vietnam situation, which I should like to make available to you. They may modify your judgment, in degree at least.

1. There is evidence that the North Vietnamese are incapable or unwilling to maintain the high rates of infiltration and casualties of the period from Tet to early June. They are rebuilding their forces for a major offensive in the weeks ahead, but the launching of infiltrators from the North, while still high, was only half the level in June and July that it was in the period March-May. With more than 70% of the main force units now North Vietnamese, the cost to the North of continuing the war is rising. It is Thieu's judgment that if they fail in the next offensive, they will negotiate seriously or fade away. He may or may not be right; but his assessments have in the past been cautious and sensible.

2. In Paris there have been three substantive private meetings outside the conference sessions and tea breaks. We are working with the North Vietnamese on a bombing cessation formula suggested to us quite formally by the Russians.

3. We have proposed to the North Vietnamese a formula for substantive negotiations that could bring both the GVN and the NLF to the negotiating table, as well as into private contacts in Paris. This awaits, of course, the finding of a formula for a total bombing cessation on which we are at work.

~~SECRET~~

~~SECRET~~

-2-

4. Thieu has instructed a few of his trusted people to seek contacts with representatives of Hanoi and the NLF. It is clear that Thieu, Ky, and Huong -- contrary to a widespread impression -- are anxious for peace and would be flexible in negotiation. The^{ir} problems are not in the government itself but in the legislative branch -- notably in the Lower House. Thieu is taking steps to change the atmosphere in Saigon towards negotiations.

In short, Mike, although I cannot report solid, forward movement, I believe the situation in Paris, on the ground, and in the politics of Saigon is marginally better than your memorandum suggests.

Sincerely,

~~SECRET~~

98

INFORMATION

Wednesday, July 24, 1968
12:05 p.m.

Pres file

Mr. President:

Dick Helms forwards the attached
first day cover of Vietnamese stamps.

W. W. Rostow

rlh

~~SECRET~~



CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

OFFICE OF THE DIRECTOR

24 July 1968

98a
DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 95-250
By wp, NARA Date 9-20-96

MEMORANDUM FOR: The President

I thought you might be interested to note the attached envelope with its covering stamps. They originated as follows:

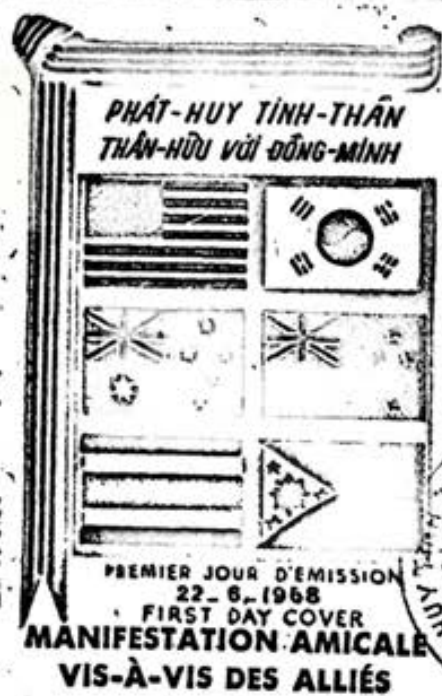
In support of the standing objective of publicizing to the world that the United States is not the only country now fighting in Vietnam to help the South Vietnamese maintain their political independence, the CIA Saigon Station in April 1968 went about the job of persuading the South Vietnamese Government to issue a special series of commemorative postage stamps to honor the various countries involved. Possible designs were suggested, including the use of national flags, special backgrounds, etc. The idea found fertile ground, because on 22 June 1968 a series of four commemorative postage stamps, honoring the "Allies" fighting in South Vietnam, was issued. The Vietnamese Post Office provided special cancellation cachets on first day covers for interested philatelists. In addition, it is hoped that the South Vietnamese Government will use the stamps widely as gifts in special folders to foreign visitors to Vietnam and by South Vietnamese travelling abroad.

Attachment - First Day Cover

Dick
Richard Helms
Director

~~SECRET~~

986



DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 95-250
By 40, NARA Date 9-20-96

99

INFORMATION

~~SECRET/HARVAN/PLUS~~

Wednesday, July 24, 1968
12:05 p.m.

Mr. President:

Herewith official account of tea
break this morning in Paris.

You will note Le's comment in
para. 5.

Pres file

W. W. Rostow

Paris 18436 (DELTO 497)

~~SECRET/HARVAN/PLUS~~

WWRostow:rlh

DECLASSIFIED
E.O. 12356, Sec. 3.4(b)
White House Guidelines, Feb. 24, 1993
By reg, NARA, Date 9892



Department of State

TELEGRAM

~~SECRET~~

9

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~~SECRET~~ PARIS 18436

DELTO 497

NODIS/HARVAN/PLUS

FROM HARRIMAN AND VANCE

1968 JUL 24 AM 10 58

066130

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLI 95-248

By 123, NARA, Date 6-25-96

1. WE DECIDED TO RAISE QUESTION OF ANOTHER VANCE-LAU MEETING WITH VY THROUGH HABIB AT TEA BREAK RATHER THAN DIRECTLY WITH THUY AND LAU.
 2. HABIB REMARKED TO VY THAT VANCE WAS BACK FROM WASHINGTON, AND REMINDED VY THAT AT LAST PRIVATE MEETING HE AND LAU HAD SAID THEY WOULD CONSIDER OUR PROPOSALS. VANCE WAS AVAILABLE TO MEET WITH ALU WHENEVER THEY WERE READY AND WE WOULD HAVE IT TO THEM TO GET IN TOUCH WITH US IN THE USUAL WAY.
 3. VY REPLIED THAT THEY ARE STUDYING OUR PROPOSALS SERIOUSLY AND THEY WILL SEE US AGAIN. HE ADDED THAT THEY ARE IN THE PROCESS OF EXAMINING THE HONOLULU COMMUNIQUE. HE SAID THEY WANT TO COMPLETE THAT EXAMINATION BEFORE THE NEXT PRIVATE MEETING. (THE IMPLICATION WAS CLEAR THAT THEY HAD BEEN WAITING FOR THE RESULTS OF HONOLULU MEETING BEFORE RESUMING VANCE-LAU TALKS.)
 4. AT A LATER POINT, AS TEA BREAK ENDED, HABIB MADE IT CLEAR AGAIN THAT WE WERE WAITING TO HEAR FROM THEM, AND VY SAID THEY WOULD LET US KNOW WHEN THEY ARE READY.
 5. DURING TEA BREAK, JORDEN AND KAPLAN TALKED WITH NGUYEN THANH LE. MOST OF DISCUSSION CENTERED ON HONOLULU CONFERENCE AND COMMUNIQUE. DURING THE COURSE OF THE DISCUSSION, QUESTION OF WHAT WOULD HAPPEN IF ALL THE BOMBING OF NORTH VIET NAM WERE TO STOP WAS RAISED WITH LE. JORDEN AND KAPLAN POINTED OUT NEED FOR INDICATION FROM THEM THAT ANY DE-ESCALATORY MOVE WOULD NOT BE MET WITH NEW OFFENSIVE FROM DRV. LE REPLIED IN A SERIOUS TONE, "I CAN ONLY COUNSEL YOU TO DO WHAT WE ASK OF YOU. I ASSURE YOU THIS WILL BRING US CLOSE TO PEACE."
- HARRIMAN

~~SECRET~~

100

INFORMATION

Wednesday, July 24, 1968
11:40 a. m.

Free file

Mr. President:

Herewith a note from Clark Clifford
on his dinner the other night for
Minister Schroeder.

W. W. Rostow

rla

1002

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

July 23, 1968

MEMORANDUM FOR THE PRESIDENT

As you know, German Defense Minister Gerhard Schroeder arrived in Washington over the week end for three days of visits. I was highly gratified, and I think you will be interested, in guests who attended a dinner I gave for Schroeder at the Blair House on Monday evening.

Dean Rusk and Joe Fowler came as did Walt Rostow, Gene Rostow, and Fred Deming.

The Senate group included Scoop Jackson, Stu Symington, Everett Dirksen, and John Cooper. From the House were Mendel Rivers, George Mahon, Ross Adair, and Bill Bates. Bus Wheeler, Paul Nitze, and a few others of my staff also attended.

I had, of course, invited men like Mansfield and Bill Fulbright, but out-of-town speaking engagements forced them to regret. John Stennis and Milton Young had accepted, but an Appropriations Subcommittee meeting set for 6:00 p.m. Monday forced them to cancel at the last minute.

Blair House was an ideal setting, and the Germans seemed very much impressed by the combination of the site and the representation from the Executive Branch and the Hill.

Earl W. Clifford

Wednesday, July 24, 1968
11:40 a.m.

Free file

Mr. President:

Herewith a short speech, built up from the draft I sent to the Ranch yesterday.

The three peaceful, constructive points that came out of the Honolulu meeting are marked in red on page 2. The whole passage on Vietnam is sidelined in ink.

W. W. Rostow

WWRostow:rla

(7/24/68)

101a

The work of American foreign policy is the building of a stable peace. That is how Franklin Roosevelt defined his mission as the Second World War came to a close: that is what Harry Truman, Dwight Eisenhower, John Kennedy, and I tried to do. That will be the central task of the man who takes over on January 20, 1969.

In a world of revolution and nuclear weapons stable peace is not to be built overnight. It has to be built brick by brick; with patience and endurance; with ideas and idealism; with courage and a reaching out to understand the other fellow's point of view.

Right now and in the weeks and months ahead we shall be striving hard to get some of these elements of a stable peace into place.

I have just come from many hours of discussion in Honolulu with President Thieu. We talked about how we shall deal with the next offensive the other side seems determined to mount. And we talked of building the military power of the South Vietnamese so that, in time, they can carry more of the burden of their nation's defense. We wish it were not so; but it is a simple fact that there can be no stable peace unless aggression is frustrated. We have learned the hard way -- from Berlin to Korea, from the Caribbean to the 17th parallel -- that the necessary condition for a stable peace is that aggression not succeed.

But President Thieu and I also agreed that the effective defense of

South Vietnam was not enough. We must be ready to move as fast and as far towards peace in Southeast Asia as the other side is ready to go. And we are ready.

At Honolulu President Thieu and I discussed plans for a general cessation of hostilities -- a true cease-fire. And we concluded this was possible if the other side was prepared earnestly to examine with us the arrangements required.

President Thieu held out his hand to the government and people of North Vietnam, looking towards a future in which the relations between the two parts of that divided nation might be mutually beneficial.

Finally, President Thieu reaffirmed his judgment that the political future of South Vietnam should be settled on the principle of one-man-one-vote with full participation in political activities for all who renounce force and abide by the Constitution of Vietnam.

We shall, therefore, continue our work in Paris. President Thieu's government will carry forward its policy of reconciliation and his effort to bring all of the citizens of South Vietnam into the political life of the nation under the Constitution.

In the Middle East we are doing everything in our power quietly to support the mission of Ambassador Jarring. As the months pass and the war of June 1967 remains unsettled, it is clearer every day that the leaders in the Middle East have a duty to their people: that duty is to find the terms for carrying out the Security Council Resolution of November --

so that a cease-fire can give way to a reliable condition of peace. The painful memories and fears that run through that region are hard to overcome. But the men and women and children of the Middle East deserve security and progress and hope. We shall try to help them turn the corner.

With respect to the Soviet Union, we have come to one of the great moments -- one of the great challenges -- in the history of man. We have agreed to sit down and talk together about how to stabilize the level of strategic missiles. Behind this decision is a recognition:

- that nuclear weapons and the means of delivery are a very limited base for security on both sides;
- that another round in the strategic arms race would be very expensive in resources that ought to go to the people and would add nothing to the security of either side;
- and that at a time when we are trying to bring about a Non-Proliferation Treaty, the United States and the Soviet Union owe it to the whole world to negotiate seriously on this most sensitive and complex of all questions.

It has taken us years to come to the point where both sides are ready to talk. What lies ahead will not be easy. We shall bring to bear all the prudence and wisdom of which we are capable.

There are still those in the world who believe that their objectives

can be achieved by force and the threat of force. These remain dangerous times. There may be setbacks to the cause of peace -- in one part of the world or another -- as well as progress. But taken overall I deeply believe the tide is turning -- slowly, painfully, irregularly -- the tide is turning toward peace in the handling of nuclear arms; in Southeast Asia; in the Middle East -- and in other places as well; for example, on Cyprus and in Nigeria.

What we have learned in these years of conflict and turmoil is that peace does not come simply by wanting it.

Peace does not come from weakness and surrender.

Peace does not come from high-flown speeches.

It must be built little by little, from strength and compassion, from imagination and hard, hard work.

INFORMATION
(for lunch meeting)

THE WHITE HOUSE
WASHINGTON

102

Wednesday, July 24, 1968
11:30 a. m.

~~TOP SECRET~~

MR. PRESIDENT:

Re: item 4, luncheon agenda.

Herewith Oehlert argues strongly
back-channel that we move the Belgian tank deal
and not try to tie it to a prior response from
Ayub to your letter.

W. Rostow
W. Rostow

~~TOP SECRET~~ attachment

DECLASSIFIED
E.O. 12356, Sec. 3.4
NY 95-249
By lig, NARA, Date 1-30-96

FM AMBASSADOR OEHLERT RAWALPINDI 334

TO THE WHITE HOUSE, FOR MR. WALT ROSTOW

102a

1. WHEN I LEFT YOUR OFFICE AT APPROXIMATELY 1700 HOURS ON FRIDAY, JUNE 28, YOU AND I, ALONG WITH NICK KATZENBACH AND EVERYONE ELSE CONCERNED AT STATE, DEFENSE, JOINT CHIEFS AND THE INTELLIGENCE COMMUNITY, WERE IN FULL AND COMPLETE AGREEMENT THAT WE SHOULD MOVE HEAVEN AND EARTH TO INSURE THAT THE BELGIAN TANK DEAL WENT THROUGH AS IMMEDIATELY AS POSSIBLE.

2. AFTER CONSIDERABLE DELAY ON THE PART OF THE BELGIANS, BRUSSELS SENT ITS'S 8001 ON JULY 12 SETTING FORTH THE BASES ON WHICH THE BELGIANS WERE PREPARED TO MOVE.

3. THERE WERE NO-RPT NO- CONDITIONS IN THE BELGIAN PROPOSITION THAT WE HAD NOT-RPT NOT-DISCUSSED IN ADVANCE AND AGREED WE SHOULD COMPLY WITH. IN FACT, WE WERE WILLING TO GO MUCH FURTHER THAN THE BELGIANS REQUIRED.

4. THIRTEEN DAYS HAVE NOW GONE BY WITH NO-RPT NO-RESPONSE TO BRUSSELS FROM WASHINGTON, DESPITE TWO INTERVENING MESSAGES FROM ME TO WASHINGTON.

5. I CAN UNDERSTAND WHY WASHINGTON WOULD BE INTERESTED IN AYUB'S RESPONSE TO PRESIDENT JOHNSON'S LETTER, BUT ON THE OTHER HAND WE OUGHT TO BE WILLING TO LOOK AT THE OTHER FELLOW'S SIDE OF IT, WHICH MAY BE BRIEFLY OUTLINED AS FOLLOWS:

A. OUR APRIL 1, 1967 ANNOUNCEMENT OF A NEW MILITARY SUPPLY POLICY ENCOURED GOP TO BELIEVE THAT AT LONG LAST IT WOULD BE ABLE TO OBTAIN SOME AMERICAN-MADE EQUIPMENT.

SANITIZED
Authority NLT 019-038-1-12
By GP, NARA, Date 1/18/02

B.

ADMITTEDLY, THERE WAS A DIFFERENCE

BETWEEN THIS PROPOSAL AND OUR NEW POLICY, BUT IT
DIDN'T APPEAR TO THE PAKS TO BE A DIFFERENCE OF SUB-
STANCE.

C. NEVERTHELESS THEY ACCEPTED OUR POSITION AND WORKED
OUT A DEAL WITH IRAN WHICH WAS PRECISELY IN ACCORD
WITH OUR POLICY. NEVERTHELESS, WE REFUSED TO APPROVE
THIS DEAL FOR REASONS WHICH THE PAKS COULD NEVER-RPT
NEVER-BE EXPECTED TO UNDERSTAND. IT WAS PRECISELY IN
ACCORD WITH OUR POLICY AND OUR ONLY REASON FOR REJECTING
IT WAS BECAUSE WE DID NOT-RPT NOT- WANT THE SHAH TO
SPEND TOO MUCH OF HIS OWN MONEY BUYING EQUIPMENT FROM
US, EVEN THOUGH SUCH SALES WOULD BE TO OUR LABOR, PROFIT,
TAXATION AND BALANCE OF PAYMENTS INTERESTS.

D.

6. THEN WE STEERED THE PAKS TO BELGIUM. WE HAVE EVERY REASON TO BELIEVE THAT THE BELGIANS HAVE INDICATED TO THE PAKS THAT THEY ARE READY AND WILLING TO PROCEED, BUT THAT WE ARE DRAGGING OUR HEELS, WHICH, IN FACT, WE ARE. UNDER ALL THESE CIRCUMSTANCES, I THINK WE SHOULD HAVE SOME APPRECIATION OF AYUB'S DIFFICULTY. IN MAKING ANY AFFIRMATIVE RESPONSE TO PRESIDENT JOHNSON'S LETTER.

7. WE ARE COMMITTED TO THE TANKS. WE ALL RECOGNIZE THAT . WE SHOULD FULFILL OUR COMMITMENT. WE CAN NOT-RPT NOT-EXPECT ANY PESHAWAR SUCCESS UNLESS WE DO, NOR-RPT NOR-CAN WE EXPECT TO HAVE ANY CREDIBILITY OR INFLUENCE WITH THE PAKS UNLESS WE DO.

8. I AM COUNTING ON YOU, PERSONALLY, OLD FRIEND, TO BREAK THIS DEADLOCK IN ACCORDANCE WITH OUR AGREEMENT.

Wednesday, July 24, 1968
9:15 a. m.

~~SECRET/SENSITIVE~~

MR. PRESIDENT:

Pres file

Herewith a telephonic summary of today's meeting in Paris.

1. Formal meeting: pure boilerplate.

2. 35-minute tea break. Harriman and Vance instructed Habib to probe on next private meeting with Vy, third ranking member of the delegation. Habib indicated that ~~you~~ *we* were ready to pursue discussion, but it was wholly up to them. Vy said they are "considering the Vance proposals seriously in Hanoi. They haven't heard from Hanoi. They are also "examining the Honolulu communique in great detail." He concluded: "We will be seeing you again."

3. These could be the real reasons for delay in setting up a date for a private meeting. Or they may be holding off until they see how their offensive and the U. S. political conventions come out. My own guess is that there will be further private sessions fairly soon, but it is unlikely that they will involve a dramatic turning point until the military and political landscape is a bit clearer in Hanoi.

4. Averell and Cy talked to They about U. S. prisoners. They changed their previous position and said they want U. S. prisoners to go all the way home with the peaceniks. He said: "If this is done properly it would affect future prisoner releases." It appears, therefore, that they have decided to make us pay an additional propaganda price for getting some of our men back at this stage.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By *lig*, NARA, Date 1-30-96

~~SECRET~~

~~SECRET~~
104
Pres. file

July 24, 1968

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Shah's Visit -- Follow-Up Actions

You will recall that the Shah put six specific questions to you. Attached are (1) a letter for the Shah answering these questions and (2) instructions for Armin Meyer to use in explaining your answers. We have been relatively responsive, but we have not been able to do everything the Shah has asked us to do. Therefore, the letter is straightforward in saying what we can and cannot do. Following is the reasoning behind each of our answers, arranged in the same order as they are mentioned in your letter:

1. What assurance can we give the Shah so he can plan on obtaining arms on good financial terms from the US for his five-year program?

It is still not possible for us to give the Shah any categorical assurance that he can depend on USG credit in the future since we do not know what authority Congress will give us to sell arms on credit. We believe the best offer to make right now is for you to promise the Shah to speak to your successor about your relationship with him and the importance of our continuing cooperation. We have already given him a general assurance that the Executive Branch will urge Congress to fund a continued program, but your personal offer to intervene with your successor might be a sufficiently attractive new element to make him feel that we are doing everything possible.

2. Can the US provide USAF technicians to help Iran learn to maintain the F-4 aircraft it is buying?

We are prepared to send fifty supervisory-level personnel for a one-year period to begin with if the Iranian Government will pay for them. We had already planned to send three USAF mobile training teams for a shorter period to help Iran handle its first F-4's this fall, but we could send a mission for longer. However, with

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E.O. 12958, Sec. 3.6

NLJ 95-249

By uig, NARA Date 8-20-96

~~SECRET~~

~~SECRET~~

limited military aid funds and our balance of payments problem, it would be hard to justify to Congress our paying for these extra people over a period longer than that required for initial familiarization with the new equipment.

3. What is the best military way of protecting the entrance in the Persian Gulf against the Soviet fleet?

JCS does not like the Shah's proposal to station land-based missiles at the entrance to the Gulf because they are too expensive, too uncertain, and too vulnerable to attack. JCS would rather see the Shah rely on a combination of his Air Force and some good missile gun boats. We would give the Shah this preliminary JCS reaction and offer to study the question further with him if he wishes.

4. How can we speed up planning and construction of the Shah's radar and military communications systems?

Both of these projects still require decisions by the Shah's Government. We have already turned over several preliminary engineering studies. We do have proposals for helping the Shah decide exactly what he wants and for speeding completion. But your best response to his question, rather than get into these details, is to offer full discussion of these alternatives by our Ambassador and military chief in Iran.

5. What role can the Northrop 530 aircraft play in the development of Iran's Air Force?

We would keep the door open for Iran's possible participation in this plane's development. But since it is still in the design stages and is not planned for production before 1975, we would suggest that the Shah move cautiously before committing much money.

6. Can the US buy more oil from Iran?

This is the toughest. The best we can tell the Shah is that the Defense Department would buy more refined products at competitive prices if such products are available. This would not amount to too much because we already have a long-term contract with ARAMCO to buy Saudi products through the refinery on Bahrain. What the Shah really wants is for us to increase purchases of crude oil from the National Iranian Oil Company. Theoretically, we could

~~SECRET~~

~~SECRET~~

do this by giving Iran a special import quota or by bartering Iranian oil for US exports. The main problem with both methods is that we would have to change our whole import quota system and would thereby open ourselves to requests for similar treatment from our other oil-producing friends, upset Venezuela and stir up a domestic hornet's nest. He will be disappointed, but we suspect he will be prepared for this answer.

I believe the Agencies have given these questions a fair look. The answers are not entirely what the Shah might hope for. But they are reasonably responsive and he should recognize this. The attached letter is for your signature if you approve, and beneath it are more detailed instructions for Armin Meyer.

W. W. Rostow

Atts.

Approve _____

Disapprove _____

Call Me _____

WWR:HHSaunders:pas:7/24/68

~~SECRET~~

www
104a

July 24, 1968

Your Imperial Majesty:

I must say once again what a great pleasure it was to see you in Washington last month and to have the opportunity to share thoughts with you and to seek your counsel on matters of mutual concern. My admiration for your country's progress under your leadership continues to grow.

During our conversation, you mentioned a number of specific matters on which you indicated a desire for further consultations. We have reviewed these matters in detail, and I am now in a position to give you additional thoughts on all of them. Ambassador Meyer will also be prepared to discuss them further with you.

I fully understand your concern and need for long-term military procurement plans. Although our past undertakings to cooperate with Iran in the military field have, like our present one, been conditioned on Congressional action, they have come to fruition. It is my desire that we continue this cooperation in the future and my hope that the Executive Branch, in accord with the Congress, will continue the agreed programs of military cooperation with Iran. I will discuss this subject with my successor and inform him of the importance I attach to continuing close cooperation with Iran in all fields.

In connection with your request for additional technical advisers for Iran's F-4 aircraft, I am pleased to inform you that we will be able to provide, on a reimbursable basis and initially for a one-year period, up to 50 additional United States Air Force personnel if they can be of substantial assistance to advise and assist in providing maintenance management for these aircraft. I suggest that the details of this arrangement be worked out between your military people and the Chief of our Military Assistance Advisory Group in Iran.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 95-249
By ijg, NARA Date 8-20-96

You mentioned your concern about defense arrangements in the Persian Gulf. Our military people have made a preliminary investigation which reveals a number of problems and indicates that a land-based missile defense of the Straits of Hormuz would probably not be feasible. If you desire I shall be pleased to direct that a detailed study be prepared for you on this subject, including possible alternatives which might assist your future planning.

Your concern to have the most efficient radar and communications system, at the lowest cost, for your southern defense, is of course a matter on which our military people have been working together for some months. I have asked the Department of Defense to consider urgently how we can assist Iran's needs in this connection. Our Ambassador and the Chief of our Military Assistance Advisory Group in Iran will be prepared to pursue this matter with your people, and we will be as helpful as we can to you in exploring possible alternatives.

I am currently having an evaluation made of the plans for the new aircraft being developed by the Northrop Corporation that you mentioned to me. I understand that it is now planned that this aircraft will be ready after 1975. The work on it is still in an early stage, but if it develops that a consortium is to be formed and the aircraft lives up to design specifications, Iran might give further consideration to participation in this project. At that time perhaps our military planners could consult with you as to what alternatives would be available for the further modernization of the Iranian Air Force.

We have also looked into the possibilities for expanding the purchase of Iranian oil by American companies or the American government, possibly on a barter basis. I regret that there seems to be very little that can be done in this regard outside of normal, existing trade channels. To give special quotas to Iran for the import of petroleum into the United States or to enter into special arrangements for the exchange of Iranian oil for American goods would raise grave problems for our worldwide oil policy. On the

other hand, the Department of Defense regularly purchases refined oil products for our forces in East Asia on the basis of competitive bidding, from a number of sources, and if Iranian companies can supply the required quantities at competitive prices we would be pleased to purchase them.

Finally, I appreciate your willingness to consider shifting a portion of Iran's dollar reserves into long-term United States assets which will assist our balance of payments, and I look forward to hearing further from you about this at your convenience.

I take deep satisfaction, Your Majesty, in the warm relations between our countries and look forward to doing what I can to strengthen these relations still further in the future. You and the people of Iran can continue to depend on the sympathy and support of the people of the United States as you strive to build the kind of prosperous and secure Iran that you want.

With my warmest personal regards,

Sincerely,

His Imperial Majesty
Mohammad Reza Shah Pahlavi
Shahanshah of Iran
Tehran, Iran

104-b

~~SECRET~~

SANITIZED

E.O. 12356, Sec. 3.4

NJ 95-248

By Wip, NARA, Date 6-25-96

SUGGESTED INSTRUCTIONS TO AMBASSADOR MEYER

When presenting the President's letter to the Shah, or at an appropriate time thereafter, Ambassador Meyer may state that the President has authorized him to make the following comments concerning his letter:

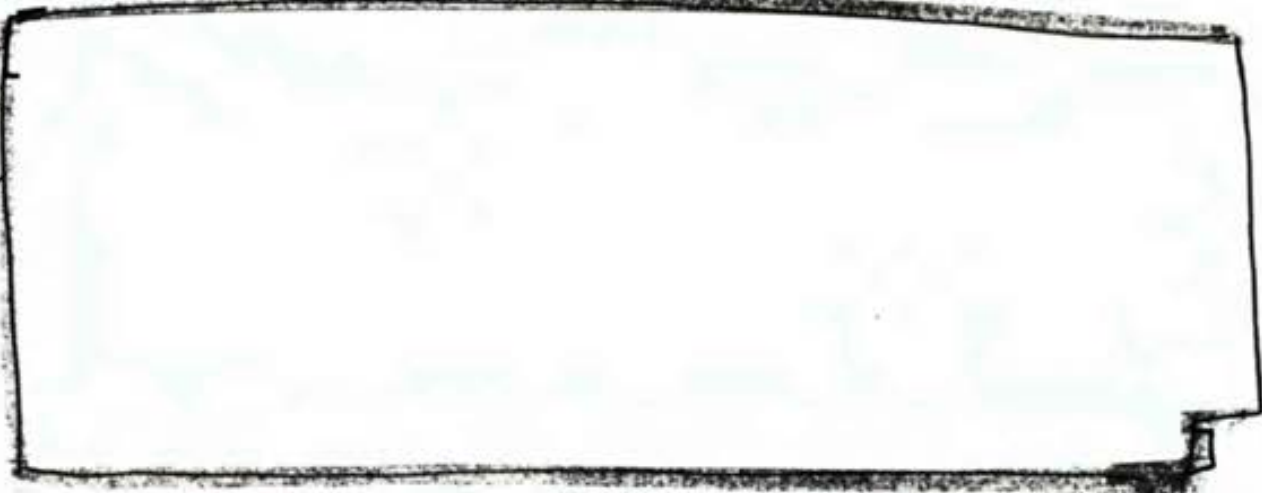
General

The President's reply is based on the most careful examination of the Shah's various requests by all agencies concerned. It takes into consideration not only the President's desire to maintain our close ties with Iran in all fields, but also our own domestic problems and political system. All of the subjects raised by the Shah will of course be the subject of continuing consultations in the future.

Five-Year Commitment

The President hopes that the Shah fully understands why the United States cannot, in view of our legislative system, give any more definite assurances than he has already given. The Congressional situation requires us to consider our military credit program on an annual basis. This, however, has been true in the past, and our past record bears witness to our understanding of the importance of our military cooperation with Iran and clearly indicates our desire to continue this cooperation in the future.

PL 99-93
Title 5,
Sec. 505



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PL 99-93
Title 5
Sec 505

Persian Gulf Defense

The President will be pleased to have a more detailed study conducted if the Shah desires one. Such a study would consider not only the question of land-based missiles but also of the cost and effectiveness of alternative air and naval defense systems for the Gulf. The preliminary investigation referred to by the President revealed a number of problems concerned with the capability and characteristics of land-based missiles for the defense of the Straits of Hormuz. Furthermore, it indicated that if powerful enemy forces should decide to move into the Persian Gulf, Iranian land-based missiles would not be a deterrent since they would be susceptible to enemy destruction. On the other hand, Iran has a well-motivated, competent air force whose capability will soon be greatly improved with the acquisition of F-4 aircraft, and this force could operate with good effect in the area.

Radar and Communications Systems

The President has instructed the Department of Defense to ensure that full information on the various alternatives is made available to Iranian authorities and every assistance given them, through the MAAG, to enable the Government of Iran to decide on specific courses of action for these projects. When this decision is taken the United States Government will lend every assistance it can to expedite the projects. If a United States contractor is selected to carry them out, the United States Government will do its best to provide the necessary military credits to cover future year program costs within our present arrangements as communicated to the Shah on May 20, 1968.

Northrop 530

The Department of Defense is considering support for this aircraft for production in the United States if the

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aircraft lives up to design specifications. If a consortium is formed Iran would certainly be welcome to join, but it is not expected that the aircraft would be available until after 1975.

Oil Barter

The President realizes the importance the Shah attaches to his proposal to barter or sell Iranian oil for American goods. Accordingly, the United States Government has made a careful review of all the alternatives open but has not found any encouraging avenue.

a. Special Quota for NIOC: Quotas are currently given to importers. There are no restrictions on where they get their oil. They could not be instructed to take their oil from any specific country, nor could the NIOC be given a special quota without a fundamental revision of the United States oil imports program. The United States Government has been asked to grant, but has declined, special quota treatment for other countries in the past.

b. Barter or Sale of Iranian Oil for American Products: The NIOC is free now to barter its oil with American companies if there are any companies with import permits which are willing to make such arrangements. On the other hand, any arrangement with Iran to accommodate barter of Iranian oil outside the United States oil import program would require a modification to the program and would cause us very difficult problems with other oil-producing countries and in our domestic oil market. Such an arrangement, in effect, would require the United States Government's giving Iran a special country quota with all the problems explained above.

c. Increased Military Procurement from Iran: The Department of Defense purchases refined oil products, on the basis of competitive bidding, from a number of sources. In the first half of 1968, it purchased significant quantities from Iran and would be pleased to take additional quantities from the companies concerned if suitable products are offered at competitive prices. Ambassador Ansary has been given full information on this procurement. Unfortunately this requirement is only for refined products at relatively low prices, and Iranian companies may prefer to sell elsewhere.

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E.O. 12356, Sec. 3.4

NEJ 95-249

By ig, NARA, Date 1-30-96 Wednesday, July 24, 1968

105

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Your Meeting with German Foreign Minister Franz Josef Strauss Thursday, July 25, 11:30 a. m.

Strauss is in Washington at the invitation of Secretary Fowler. Before coming to Washington he attended the Bohemian Grove Encampment -- a businessmen's public affairs seminar in California.

He discussed balance of payments, military offset arrangements, and other financial matters with Secretary Fowler on Tuesday, July 23, and met with Secretary Rusk.

Strauss, like Defense Minister Schroeder, is a serious contender for the Chancellorship.

Strauss is often characterized as a German nationalist. He may feel that he is not understood and is distrusted in the United States. His current visit may help change this. He is extremely quick and intelligent. At this stage he strongly supports UK entry into the Common Market.

Talking Points:

- We have had close and effective collaboration with the Germans along the full range of international financial affairs. This has paid off. By working together, we can move from dampening down crises to strengthening the international monetary system.
- You may wish to stress our determination to maintain our commitment to NATO. You can note the importance of finding long-term solutions to the military offset problem and ask Strauss for his views on how we can deal with this issue.
- Strauss is a long-time opponent of the NPT. He still threatens to resign from the coalition on this issue. You may wish to tell him that in your judgment: NATO and close ties to the U. S. are the only rational basis for German nuclear defense unless a truly integrated Europe emerges; Germany shares with all the human race the need to stop nuclear spread; although you know the issue is not easy, you hope the German government, whose views have been so fully taken into account, will go forward.

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- 2 -

- Strauss was an active and early proponent of Franco-German cooperation but has recently been critical of de Gaulle. You may wish to ask him what sort of Europe he sees emerging in the long-term and what role he believes the United States can best play to assure a settlement of basic European problems.
- You may wish to ask Strauss for his views on developments in Eastern Europe and give him your thoughts on East-West relations.

Strauss will be accompanied by German Ambassador Knappstein. State is sending Crewley (German Desk Officer) and Obst (interpreter). I will be standing by with Ed Fried.

A brief biographic sketch is attached.

W. W. Rostow

ERF:mm

~~CONFIDENTIAL~~

ACTION

106

Wednesday - July 24, 1968

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Fourth Annual Report of the Atlantic-Pacific Interoceanic Canal Study Commission

Bob Anderson has sent you the Fourth Annual Report of the Atlantic-Pacific Interoceanic Canal Study Commission (Tab A) for transmittal to the Congress as required by the Commission's authorization.

A suggested letter of transmittal to the Congress is at Tab B.

At Tab C is a suggested press release for your approval.

As in previous years, I am sending the report to you via Harry McPherson.

W. W. Rostow

Attachments:

Tab A - Fourth Annual Report of the Canal Commission Study.

Tab B - Suggested letter of transmittal of Report to the Congress.

Tab C - Suggested press release for Presidential approval.

the B

106a

TO THE CONGRESS OF THE UNITED STATES:

I am transmitting the fourth annual report of the Atlantic-Pacific Interoceanic Canal Study Commission. The report covers the period July 1, 1967 to June 30, 1968.

During the past twelve months the Commission has made significant progress toward accomplishing the objectives of its investigation. The collection of data was substantially completed on Route 17 in Panama, one of the routes being considered for nuclear excavation. In the Canal Zone, subsurface drilling for geological data was completed and an evaluation made of the suitability and cost of conventional canal excavation along Route 14. In Colombia the first full year of data collection on Route 25 was accomplished.

The Commission has decided on a more extensive study of Route 10, a route for conventional excavation in the Republic of Panama close to the westerly limits of the Canal Zone. Extensive engineering measures would be required to insure the continued operation of the existing lock canal during the years of construction of a sea-level canal adjacent to and intersecting it. Also, the change-over to a sea-level canal on Route 14 would permanently close the

existing canal. Route 10 would not have these disadvantages and could be competitive in cost. For these reasons, the Commission has now augmented its subsurface data collection program to produce a valid estimate of excavation costs on this route.

The Atomic Energy Commission has recently conducted the first two of the planned series of nuclear excavation experiments designed to determine the feasibility of nuclear excavation of a sea-level canal. The favorable results of these experiments are encouraging. Funds in the FY 1969 budget will permit continuation of this test program. I hope that the experiments will demonstrate the practical possibility of using this technique in building a new canal.

On June 22, 1968, I signed Public Law 90-359 in which the Congress granted an extension of the Commission's reporting date to December 1, 1970 and the additional appropriation authority needed by the Commission to complete its investigation. With this amending legislation, the Commission is now able to carry out its field surveys in both Panama and Colombia as originally planned to accomplish the mission given it by the Congress in Public Law 88-609.

The investigation has provided no final conclusions to date, but preliminary estimates of costs and revenues indicate that a sea-level isthmian canal will be found financially feasible. No

insurmountable technical problems are foreseen in its construction by conventional means. The best location for a new canal and the technical and political feasibility of construction by nuclear excavation are yet to be determined.

This anniversary sees the canal investigation well beyond the midpoint of its planned studies, and I take great pleasure in forwarding the Commission's fourth annual report to the Congress.

THE WHITE HOUSE

July , 1968.

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106b

DRAFT PRESS RELEASE

The President today sent the Fourth Annual Report of the Atlantic-Pacific Canal Study Commission to the Congress. The report covers the period July 1, 1967 to June 30, 1968.

The Commission is collecting and evaluating the engineering and technical data necessary to determine the feasibility of constructing a sea-level canal by conventional or nuclear means. It is also analyzing many complex political, military, and economic problems related to the location, construction and operation of the sea-level canal.

During the past twelve months, the Commission has made significant headway in its investigation of the different canal routes:

On Route 17 in the Darien region of Panama, where nuclear excavation is a possibility, the collection of data on topography, geology, hydrology and meteorology has been substantially completed.

On Route 25 in the northwestern section of Colombia, where a combination of nuclear and conventional excavation might

be used, the Commission completed base camps, weather stations and instrument sites and conducted the first full year of data collection.

The Commission decided to make a more intensive study of Route 10 located just outside the existing Canal Zone. Survey activities will start as soon as the necessary agreement with Panama is negotiated.

On Route 14, which closely parallels the existing Canal, the Commission completed subsurface drilling operations and made an evaluation of the suitability and cost of conventional canal excavation.

On Route 8, along the border of Costa Rica and Nicaragua, the Commission finished a conceptual evaluation and cost estimate of a canal excavated by nuclear means.

The Atomic Energy Commission conducted the first two tests of a series of planned series of nuclear excavation experiments designed to determine the feasibility of this technique for building a sea-level canal. The results of both tests were encouraging.

The President established the Commission on April 18, 1965, selecting five men with a wide range of experience and specialization.

The members are: Robert B. Anderson, Chairman; Robert G. Storey, Vice Chairman; Milton S. Eisenhower; Kenneth E. Fields; and Raymond A. Hill. The President authorized them to call upon any Department or Agency of the Executive Branch for expert advice and assistance in making the study.

The law establishing the Commission requires it to submit an annual progress report to the President for transmittal to the Congress. Under legislation approved by the Congress this year, the Commission has been granted until December 1, 1970 to make its final report with recommendations.

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 94-18

~~CONFIDENTIAL~~

By sig, NARA, Date 5-22-95 ACTION

Wednesday - July 24, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: \$20 Million Program Loan for Chile

Herewith a recommendation from Bill Gaud, Covey Oliver and Ed Korry, endorsed by BOB and Treasury, that you authorize a \$20 million program loan to Chile for the remainder of 1968 (Tab B).

Charlie Zwick's lucid memorandum summarizing the loan proposal (Tab A) has all the essential elements and I will not repeat them. You should understand, as Charlie points out in his recommendation, that the loan is primarily a political bailing out operation to help President Frei and the moderate Christian Democrats make the best possible showing in the Congressional elections in March 1969. These elections set the stage for the Presidential elections in September 1970.

After a record of steady progress in reducing inflation and stimulating development and reform during 1964, 1965 and 1966, President Frei fell on hard times in 1967 and 1968 when the opposition on the left and right ganged up on his anti-inflation program. If we do not help him to the extent recommended, he will either have to slash his investment budget for Alliance programs or engage in highly inflationary Central Bank borrowing, either of which will have serious adverse political implications for him in the March 1969 elections.

I join Ed Korry and Covey Oliver in the political judgment that our interests in Chile are best served by helping Frei through this particularly hard period. Hopefully, our aid, combined with his own self-help measures, will enable him to reverse the economic trends and make a good showing in the Congressional elections. If it does not turn out that way, we will still be free to decide how we will gear future aid.

In recommending that you authorize negotiation of the loan, I suggest you do so on an ad referendum basis.

W. W. Rostow

Approve ____ Disapprove ____ Call me ____.

Attachments - Tabs A and B.

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

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JUL 20 1968

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E.O. 12356, Sec. 3.4

NUJ 94-18

By ing, NARA, Date 5-22-95

MEMORANDUM FOR THE PRESIDENT

Subject: \$20 million Program Loan for Chile

Bill Gaud and Covey Oliver request your approval to authorize negotiation of a \$20 million Program Loan with Chile for the remainder of calendar year 1968.

Chile's progress toward economic stabilization and development has been set back, largely because of increasing political obstacles. President Frei's failure to obtain passage of a noninflationary wage readjustment bill is expected to produce a budget deficit of \$40 million in calendar 1968. In addition, declining copper prices are expected to produce a serious balance of payments problem in 1969.

The purpose of this loan is to help the Frei Government limit further economic deterioration which would benefit extremist political groups. Our loan will finance part of the expected deficit. It will also give the Frei administration some leverage to institute anti-inflationary tax and expenditure control measures to meet the remaining deficit. Without our loan, the Government would have to resort to Central Bank borrowing. Such action would increase inflationary pressures and make Chile ineligible for further drawings under its IMF standby agreement.

This loan will also reinforce key policy commitments necessary to limit the magnitude of the economic problem next year. At this point, the Country Team foresees a requirement for further U.S. assistance in 1969 of about \$60-\$70 million. Specific conditions to be negotiated with this loan include commitments by the Frei Government to

- avoid any new internal borrowing and maintain effective control over the money supply
- link the 1969 wage readjustment bill to the 1969 budget to increase chances of containing legislated wage increases
- maintain a flexible exchange rate policy.

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The Country Team has not prepared a detailed negotiating proposal. However, Gaud recommends authorizing negotiations now, on the basis of his memorandum to you, because we can influence the 1969 Chilean budget as it is prepared during the next few weeks. Final approval of the loan will be subject to the regular interagency review and to the availability of FY 1969 funds.

Balance of Payments - Secretary Fowler agrees that the procedures expected to be negotiated in connection with this loan would minimize its impact on the balance of payments. Treasury staff is assisting AID in developing these procedures. v 0-12.1447

Military Expenditures - Gaud reports that there has been no change in Chile's military expenditure situation since June, when he reported that State/AID had determined that neither the Symington nor Conte-Long amendments are applicable to Chile.

Recommendation - From an economic point of view, the most effective solution to Chile's budget deficit is for the Government to take revenue and expenditure control actions sufficient to meet its needs. However, the justification for this loan rests on two essentially political judgments:

(1) that political pressures make it very difficult for Frei to meet the deficit in a noninflationary way

(2) that our interest in continuation of a Frei-type administration in Chile makes it worthwhile for us to support what is at best an economic holding operation with an uncertain outcome.

On the basis of these judgments, which have been made by Ambassador Korry with the concurrence of Covey Oliver and Bill Gaud, I recommend that you authorize negotiation of this loan.

Charles J. Zwick
Charles J. Zwick
Director

Attachment

Approve _____

Disapprove _____

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1076

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington 25, D. C.

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OFFICE OF
THE ADMINISTRATOR

JUL 15 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed A.I.D. Program Loan for Chile

On the recommendation of Assistant Secretary Oliver and Ambassador Korry, I request authority to negotiate with the Government of Chile for a Program Loan of \$20 million for Calendar Year 1968.

Discussion: The Government of President Frei is facing serious economic and political problems and has requested quick initiation of discussions on a \$20 million program loan. The major economic elements are a serious budget deficit during the remaining months of 1968 and a large balance of payments deficit that appears almost certain for 1969. The situation threatens to become much worse because of one of the worst droughts of this century that presently grips Chile. If relief does not come soon both budget and balance of payments deficits will be larger. Ambassador Korry and the Country Team have endorsed the Chilean request and have asked for authority to proceed urgently with discussions.

President Frei's Christian Democratic government in Chile has played an outstanding role in the Alliance for Progress since 1964 when he came to office with an ambitious program for economic and social reform in Chile. During this period Chile has exerted strong leadership in promoting hemispheric economic integration both in the Latin American Common Market and the Andean Regional Grouping. The first half of the Frei administration saw remarkable progress in the areas of social and economic reform. Chile's education program is a model in the hemisphere which will have far-reaching effects on Chilean society. Chile's agrarian reform program, which moved into

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E.O. 12356, Sec. 3.4
NJ 93-450
By gju, NARA, Date 1-11-94

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high gear in mid-1967 is one of the most thoroughgoing efforts of this type ever undertaken and if carried through to its conclusion will result in a fundamental change in the social and economic structure of the Chilean countryside. A major change in the structure of Chile's economy was set in motion with its negotiation of an agreement that will result in almost doubling copper output by 1972. These agreements negotiated by the Frei Government have come under considerable criticism for not going far enough in the direction of nationalization. However, President Frei and his government have firmly defended the agreements although they are under increasing political pressure to seek financial relief by imposing increased taxes or other financial levies on the companies in violation of the accords.

In the realm of economic policy, the Government of Chile has performed well during most of the time since 1964. Major progress has been made in bringing public finances under control through a thoroughgoing tax reform that is still in progress and has increased government revenues by about 60% over the past three years. Significantly improved budgeting procedures and controls have also been instituted. The government has exerted considerable discipline on foreign borrowing and Chile's foreign debt structure is vastly improved over what it was in 1964. Similarly, the government has adopted a flexible exchange rate policy which adjusts the rate for internal inflation as a means of promoting export diversification. The rate of growth of the Chilean economy averaged about 5% for the entire period of the Frei administration as compared with a stagnant rate of about 2% for the preceding decade.

In spite of the substantial progress registered in preceding years, the Chilean Government has not succeeded in its efforts to eliminate inflation and has not been able to develop a sufficient political consensus to immunize it from severe attack. After successive reductions from 45% in 1963, to 38% in 1964, to 26% in 1965, to 17% in 1966, the rate of inflation increased again in 1967 to 22%. The trend thus far in 1968 suggests a cost of living increase of about 30%.

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In the first half of this year, the Frei Government suffered a major political and economic setback in the debate over the annual wage readjustment bill. This bill, which is usually passed early in the year, is designed to compensate wage and salary earners for the loss in real income due to inflation in the previous year and is therefore a key factor in the continuing battle against inflation and a bone of political contention. This year the Frei administration proposed a readjustment bill that sharply limited gains in money wages and included some forced savings provisions that would have been of considerable value in containing inflationary wage pressures. This proposal set off a major fight within the ranks of the Christian Democratic Party, and, in the Chilean Congress the readjustment bill became a focus for all opposition elements. After a six months' battle and the resignations of two successive finance ministers, the bill was finally passed in a form which is highly inflationary and accords wage readjustments considerably in excess of those considered by the Administration to be consistent with its stabilization objectives.

Following resolution of the wage readjustment question at the end of May, it became clear that a large government budget deficit for 1968 was inevitable. Current projections for 1968 indicate that, if copper prices hold up reasonably well, Chile may finish the year with its foreign payments approximately in balance, but that there will be a large budget deficit estimated to be about \$40 million. This deficit, if unfinanced from non-inflationary sources, can only result in further Central Bank borrowing in violation of its commitments under its standby agreement with the IMF and, thereby, making it ineligible for further drawings of up to \$18 million under the existing agreement. It is largely to offset the effects of this budget deficit that the Chilean Government has requested our assistance. The escudo proceeds of the loan will be generated quickly under the Special Letter of Credit procedure and will be used in agreement with GOC to finance projects in the Chilean 1968 investment budget. The Country Team will seek to identify those investment areas in which the GOC might be effective in countering public discontent in order to strengthen its appeal as the 1970 presidential election approaches.

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The request for program loan assistance should be considered in the context of the stabilization and development progress made to date as well as our relationships with Chile over the next several years. President Frei's term of office ends in October 1970, and he cannot succeed himself. In March 1969, there will be crucial congressional elections which could result in a serious diminution of political strength for the Christian Democratic Party. The deterioration of the economic situation with the threat of sharply increased inflation and the political opposition from both right and left place the Frei Government on the defensive, and it will require a major effort simply to maintain and continue for the balance of his term the substantial achievements already made. While the political alternatives for Chile after the end of the Frei Administration are as yet unclear, the chances for the continuance of moderate, constructive leadership will depend considerably on what happens in the final period of the Frei Government. Should there be a precipitate economic collapse leading to reimposition of stringent controls and a resurgence of uncontrolled inflation, the beneficiaries most certainly would be one of the extremist political groups. On the other hand, if we can assist the Frei forces to limit the economic deterioration and preserve the progress already made, there is a much better prospect for an acceptable political outcome and continued stabilization and development progress once the political issue has been resolved. The prospects of further progress in 1969 would also be enhanced by a substantial lending program totalling about \$70 million which the IBRD is planning for commitment in 1969 if a favorable economic atmosphere exists.

While recognizing that our assistance will not necessarily have a determining influence, its purpose is to try to help to prevent the erosion of the positive gains which Frei has made during the first half of his administration and to establish a base on which further gains can be built. The President continues to regard control of inflation as one of the most important objectives of his administration. However, the inflationary wage readjustment bill for 1968, plus the pressures building up for continued high employment and

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expanded credit prior to the 1969 and 1970 elections indicate that the government will have progressively greater difficulty in keeping inflation within the desired limits. Under the circumstances, U.S. assistance can play a limited supporting role in reinforcing selected policy commitments which are of fundamental importance to the GOC economic program. In the absence of the assistance provided through this loan, the GOC would face two equally unpalatable alternatives. The first would be loss of its foreign exchange drawing rights under the IMF standby, on the eve of serious balance of payments problems in 1969. In such a circumstance it would undoubtedly abandon its present constructive exchange rate policy of net depreciation and opt instead for increased input and exchange controls, which would only aggravate the domestic inflation. The alternative would be sharp restrictions on private sector credit (already tight) which would both curtail needed investment and result in increased unemployment levels. Either alternative would weaken the Frei government in a pre-electoral period and run counter to our own interests in Chile.

It must be recognized, however, that during this pre-election period, the Chilean Government will find it politically difficult to undertake strong stabilization measures needed to further decelerate the inflation rate this year. In the circumstances, we, along with the IMF and IBRD, propose to concentrate on those aspects of the Chilean program that are most important in maintaining certain advances already made - most importantly internal debt management, monetary policy, exchange rate and foreign debt management policies.

The loan will also reinforce our general influence at this key point on a broad range of politico-economic decisions such as treatment of the copper companies, budgetary expenditures, wage policy, the nature of government investment, the public-private mix in credit distribution, the treatment of foreign investment and additionality of U.S. exports. Although the loan is intended to assist the GOC to remain within the IMF standby ceiling in

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1968, and thus to limit the extent of inflationary pressure going into 1969, it will also have beneficial effects on resource availabilities to the economy in the early part of 1969. We cannot predict with any precision the magnitude of the 1969 fiscal problem, but it is certain that there will be a serious deficit the size of which will be aggravated to the extent that the price of copper declines. The justification for additional assistance to Chile will be re-examined in early 1969 taking into account the results of the congressional elections in March 1969. Preliminary Country Team estimates place CY 1969 program loan requirements at roughly \$40-\$45 million and PL-480 needs at about \$20-\$25 million.

We will develop self-help conditions for the loan that are appropriate to the circumstances and will act in close cooperation with both the IMF (which is sending a consultation mission to Santiago on July 9) and the IBRD. This loan will cover half of the approximately \$40 million budget deficit which the government faces in 1968. In return, the GOC will commit itself to take all necessary internal measures to eliminate the other half of the estimated deficit. Specific conditions that we will seek to negotiate with this loan include commitments:

(1) That the GOC strictly observe the ceiling on net internal borrowing agreed to with the IMF. That adequate expenditure and revenue measures be taken both to repay the 100 million escudos borrowed earlier in the calendar year from the Central Bank and to avoid any further borrowing which might become necessary if a larger than currently anticipated deficit develops later in CY 1968.

(2) That the GOC comply with the other IMF conditions, including control over the money supply.

(3) That the GOC continue a flexible exchange rate policy and achieve some net devaluation for the year 1968.

(4) That the 1969 wage readjustment be linked to the 1969

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budget bill in order to give a better chance of containing the legislated wage increases.

(5) That the GOC undertake certain commitments now with respect to short term debt if the 1969 balance of payments deficit materializes as it is anticipated.

(6) That the GOC undertake to adhere to the substance of its trade liberalization commitments to the IMF through the first quarter of 1969.

If approved, this loan will be tranché. The first half is to be released immediately upon the successful conclusions of the negotiations. The second half is to be released not before December 1, 1968, and will be subject to satisfactory progress by the GOC in carrying out the conditions enumerated above. It is expected that the two tranches will be equal in the absence of strong reasons for a larger first release.

It is important that discussions with the Government of Chile be initiated as soon as possible. We will be in a position to influence decisions on the Chilean 1969 budget if we can negotiate during July and August while the budget is in its formative stage. Also discussions with the IMF are now scheduled for late July and it is important that possible U.S. assistance be considered at that time. Because of the delays in passage of the wage readjustment bill, the Country Team has not had time to develop a detailed negotiating proposal. Instead, the Ambassador proposes that he be authorized to carry on discussions on the basis of this memorandum to you. If you approve, we shall treat this document as negotiating instructions. It will be made clear to Chilean officials that agreements reached with them will be tentative and subject to final review and approval in Washington and to availability of FY 1969 funds before a loan agreement can be signed.

Effect on the U.S. Balance of Payments

Ambassador Korry and the Country Team have been discussing with the Chilean Government improvements in loan implementation

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procedures, including positive list revisions and incentives, designed to assure the maximum possible additionality for U.S. exports. In this connection Treasury will provide special assistance during the negotiations to assure that U.S. balance of payments interests are protected.

Symington and Conte/Long Amendments

There has been no change in the situation since last reported to you on June 21, 1968. Current available intelligence does not indicate that Chile has purchased sophisticated weapons systems requiring the withholding of assistance under Section 119 (Conte-Long Amendment) of the Foreign Assistance and related agencies appropriations act, 1968. State/AID in consultation with the inter-agency advisory committee concerned with the implementation of Section 620(s), the Symington amendment to the Foreign Assistance Act, has determined that U.S. development assistance to Chile is not being diverted to military uses nor are Chile's own resources being diverted to unnecessary military expenditures in a way which materially interferes with its development. On the contrary Chile has diminished the share of resources to be used for military purposes in order to increase its expenditures in the high priority development areas of agriculture and education.

Recommendation: That you authorize me to initiate negotiations with the Government of Chile for a program loan of up to \$20 million on the basis of the conditions specified in this memorandum and subject to further Washington review and approval and to the availability of FY 1969 funds.

William S. Gaud

William S. Gaud

~~CONFIDENTIAL~~

Wednesday, July 24, 1968

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Your Meeting with German Defense Minister Schroeder
on Wednesday, July 24, 5:30 p. m.

You last met Defense Minister Schroeder in September 1966 when, as Foreign Minister, he accompanied Chancellor Erhard to Washington.

Schroeder is in the United States at the invitation of Secretary Clifford. He discussed German military purchases, offset arrangements, Vietnam and Czechoslovakia with Secretary Clifford and met with Secretary Rusk.

Schroeder is a serious contender for the Chancellorship. He has recovered from a heart attack he suffered in August 1967.

Talking points:

-- You may wish to ask Schroeder for his view on the future military setup in Europe, stressing our determination to maintain our commitment to NATO. Congressional pressure to reduce our forces in Europe make it all the more important that our allies pick up their share of the defense and financial burden.

-- You may also wish to outline the importance we attach to the NPT while emphasizing you understand and sympathize with German concerns.

-- You could ask Schroeder for his views on East-West relations and explain our efforts to improve relations with the Soviet Union and reach practical agreements with it. You may wish to stress that these efforts are not being made at the expense of our allies.

-- You may wish to ask Schroeder how he sees the prospects of the UK getting into Europe.

Schroeder will be accompanied by German Ambassador Knappstein. I will be standing by with Ed Fried.

A biographic sketch is attached.

W. W. Rostow

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ERF:mm

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BIOGRAPHIC SKETCH: Defense Minister Gerhard Schroeder

Schroeder was born in 1910 in Saarbruecken, Germany. He studied at universities in Germany and Scotland and received a doctorate in law in 1933. He taught law from 1933 to 1936, was in private law practice from 1936 to 1939 and served as an enlisted man in the German Army from 1939 to 1945.

He began his political career shortly after the war as a member of the North Rhine-Westphalian Government. He was elected to the Bundestag in 1949 and established himself as a leader in labor legislation by writing the Codetermination Law giving labor a voice in management in German industry. He was appointed Interior Minister in October 1953, Foreign Minister in 1961, and Defense Minister in 1966.

Schroeder is a member of the National Executive Committee of the Christian Democratic Union (CDU) and has served as chairman of the Party's Protestant Working Group since 1955. He was considered a strong contender to replace Erhard as Chancellor in 1966. He remains a possible successor to Kiesinger.

He suffered a heart attack in August 1967 but has successfully recovered and is now carrying out a full schedule.

He is married and has one son and two daughters.

INFORMATION

~~TOP SECRET TRINE~~

Tuesday, July 23, 1968
6:45 p.m.

Free file

Mr. President:

Herewith the 4:00 p.m. situation
report on Czechoslovakia.

W. W. Rostow

~~TOP SECRET~~

WWRostow:rln

DECLASSIFIED

Authority NLJ. 141.022.012/19

By jc NARA. Date 3-4-03

INTELLIGENCE MEMORANDUM

THE SITUATION IN CZECHOSLOVAKIA
(AS OF 4:00 P. M. EDT)

109a

1. MOSCOW PLAINLY TIMED TODAY'S ANNOUNCEMENT OF A MASSIVE MILITARY EXERCISE ALONG THE WESTERN FRONTIER OF THE USSR TO BACK UP THE SOVIET POLITBURO AS IT PREPARED FOR ITS CONFRONTATION WITH THE CZECHOSLOVAKS.

2. THE MILITARY EXERCISE WAS DESCRIBED AS A REAR SERVICES EXERCISE, TO TAKE PLACE IN MOST OF THE WESTERN USSR, INCLUDING THE CARPATHIAN MILITARY DISTRICT ADJACENT TO CZECHOSLOVAKIA. IT IS TO CONCLUDE ON 10 AUGUST. AT LEAST ONE OTHER SUCH LARGE REAR SERVICES EXERCISE HAS BEEN HELD AT THIS TIME OF THE YEAR, IN JULY 1961.

4. SOME SOVIET TROOPS REMAIN IN CZECHOSLOVAKIA BUT THE WITHDRAWAL IS CONTINUING. ALTHOUGH SOVIET ELEMENTS ARE STILL LOCATED IN THE OLOMOUC-OSTRAVA AREA OF CENTRAL CZECHOSLOVAKIA, THERE ARE TENUOUS INDICATIONS THAT SOME OF THE TROOPS WHICH WERE LOCATED THERE HAVE MOVED TOWARD THE USSR AND ARE, NOW NEAR THE CZECHOSLOVAK-USSR BORDER.

5. THE BRIEF NOTICE ON THE EXERCISE WAS FEATURED ON THE FRONT PAGE OF TODAY'S IZVESTIA, ALONG WITH AN ANNOUNCEMENT OF THE POLITBURO'S DECISION TO MEET WITH THE CZECHOSLOVAK LEADERSHIP ON CZECHOSLOVAK SOIL. UPI QUOTES A "SOVIET SOURCE" AS SAYING THAT THE POLITBURO HAS ALREADY DEPARTED MOSCOW BUT THIS IS UNCONFIRMED. NO SOVIET VIP AIRCRAFT FLIGHTS WERE DETECTED TODAY, BUT THE LEADERSHIP MAY MAKE THIS TRIP BY TRAIN. NEITHER MOSCOW NOR PRAGUE HAS OFFICIALLY INDICATED THAT A TIME FOR THE MEETING HAS BEEN SET.

6. SOVIET PROPAGANDISTS AGAIN STEPPED UP THEIR ATTACKS AGAINST PRAGUE, TODAY DENOUNCING TWO LEADING FIGURES IN THE DUBCEK REGIME, THE FIRST TO BE SINGLED OUT BY NAME SINCE PRAVDA CASTIGATED CZECHOSLOVAK PARTY SECRETARY CISAR IN MAY. THE SOVIET MILITARY JOURNAL RED STAR BELABORED MAJOR GENERAL FRCHLIK, THE CZECHOSLOVAK PARTY OFFICIAL IN CHARGE OF DEFENSE AND SECURITY AFFAIRS, FOR HIS WELL-PUBLICIZED CRITICISM OF THE WARSAW PACT COMMAND STRUCTURE IN A PRESS CONFERENCE A WEEK AGO. IZVESTIA, SOMEWHAT INDIRECTLY, LEVELED AN ATTACK AT THE CZECHOSLOVAK MINISTER OF THE INTERIOR, JOSEF PAVEL. THE SOVIET GOVERNMENT PAPER REPRINTED AN UNSIGNED LETTER WHICH HAD APPEARED IN A BULGARIAN NEWSPAPER, CHARGING PAVEL WITH COMPLICITY IN THE PURGE TRIALS OF THE 1950'S.

SANITIZED

E.O. 13292, Sec. 3.5

NLJ/RAC 03-122

By iw, NARA, Date 11-8-04

PRESERVATION COPY

7. PRAGUE HAS YET TO ACKNOWLEDGE OFFICIALLY THAT BILATERAL DISCUSSIONS IN CZECHOSLOVAKIA WILL TAKE PLACE BETWEEN THE ENTIRE RULING BODIES OF THE CPSU AND THE CZECHOSLOVAK PARTY. LAST NIGHT PRESIDUM MEMBER JOSEF SMRKOVSKY INFORMED JOURNALISTS AT A DIPLOMATIC RECEPTION THAT ONLY SIX MEMBERS FROM BOTH SIDES WOULD PARTICIPATE IN THE DISCUSSIONS. SMRKOVSKY'S STATEMENT MAY NOT REPRESENT THE FINAL VIEWS OF THE PARTY LEADERSHIP, BUT IT PROBABLY DOES REFLECT WHAT DUBCEK CONSIDERS DESIREABLE. THE SOVIET AMBASSADOR IN PRAGUE CONFIRMED THAT THE TIME, PLACE AND ARRANGEMENTS FOR THE MEETING ARE STILL BEING DISCUSSED.

8. CZECHOSLOVAK OFFICIALS APPARENTLY VIEWED THE INITIAL TASS STATEMENT ON THE MEETING AS A SIGN THAT MOSCOW WAS EASING ITS PRESSURE. [REDACTED] THAT "ONE ROUND IS OVER, BUT WE MUST REMAIN VIGILANT." PRAGUE HAS YET TO COMMENT ON TODAY'S ANNOUNCEMENT OF THE EXERCISE IN THE SOVIET UNION.

GP-1
700

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~~TOP SECRET~~
~~NO FORN DISSEM~~

3.3 (b)(1)

110
free file

INFORMATION

~~CONFIDENTIAL~~

Tuesday, July 23, 1968 -- 2:30 p.m.

Mr. President:

Herewith the UK man in Hanoi reports a Swedish conversation with a Hanoi economic planner on postwar reconstruction, which suggests:

- an interest in non-Communist postwar aid;
- a pragmatic, technical approach;
- an assumption that peace is a practical possibility.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By ing, NARA, Date 1-30-96

~~CONFIDENTIAL~~

WWRostow:rlm

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-248
By ip, NARA, Date 6-25-96

Second Visit to Hanoi by J. C. Oberg of the M. F. A., Stockholm

1. Oberg reappeared in my office on 6 July and announced that he had come armed with the new Nordic blueprint on economic development to discuss the needs of the DRV. He has been less precise in his explanation to other colleagues here except the French, but has assured everyone that there is no question of a change in the relationship between Sweden and Hanoi at this juncture, certainly no question of establishing a diplomatic post here, and that he has no peace mission.

2. According to Oberg the Vietnamese have given him a warm welcome and shown polite interest in all his ideas and even the suggestion that they might find the United Nations an appropriate means of broadening their economic and political opportunities was not rejected.

3. He did not show the Nordic plan to the DRV. He tells me that there has not been any concrete reaction by the DRV but that they continue to take a lively interest in the idea that they have possible openings to the West.

4. Oberg was worried to begin with about the validity of his continuing thesis that the DRV are anxious to prepare for a post-war breakaway from dependence on Communist economies and wondered whether the charm of his hosts might be leading him to wishful thinking. He has, however, finally had speech with the Deputy Head of the planning commission, who although offering no written material talked freely about post-war priorities. He described these as being light industry, communications infrastructure, and mechanization of agriculture. He also emphasized to Oberg that he was the first non-Communist with whom the DRV had discussed such matters and made it clear that they would welcome a continuation of the dialogue.

5. Oberg comments that the pragmatic nature of the discussion was matched by the pragmatic priorities. Certainly they read more sensibly than the Chinese style. The need for light industry was put in the context of rapid fulfilling of consumer needs.

6. Oberg intends to suggest on his return to Stockholm that the Nordic plan and possible future action to help the DRV should be discussed with the U. K. and France. "You will doubtless hear more about his recommendations. Meanwhile I think it is useful to have this further indication that the DRV is not entirely peopled with mad masochists fanatically devoted to the twin gods of Mars and Marx."

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

7. On the political front Oberg was impressed by the fact that the possibility of peace was now an accepted fact. This was not so in February during his previous visit.

##

~~CONFIDENTIAL~~

111

Pre file

Tuesday - July 23, 1968

Mr. President:

The attached table showing how our FY 1968 Alliance for Progress loan money was allocated is impressive for two reasons:

1. 50% of total funds available went into the Punta del Este priority areas -- agriculture, education and health.
2. Despite the lateness of Congressional action on the FY 1968 Foreign Aid Bill, only \$4.2 million (or 1% of the funds available) were carried over and this was used to cover a loan to Costa Rica in the first few days of July.

Bill is passing the information along to Virginia Prewett.

W. W. Rostow

Attachment

**Table on FY 1968 Alliance for Progress loans
by sector of activity.**

111a

ALLIANCE FOR PROGRESS FY 1968 LOAN AUTHORIZATIONS
(In Millions)

<u>Country</u>	<u>Loan Title</u>	<u>Amount</u>	<u>Sub-Total</u>
<u>Argentina</u>	Feasibility Studies (Increase)	\$ 1.000	\$ 1.000
<u>Brazil</u>	Eletrobras Power Training	.717	
	Malaria Eradication (Second)	10.300	
	Development Program Assistance	75.000	
	Municipal Water & Sewerage Loan Fund	15.400	
	Education Sector Loan	32.000	
	Passo Real (Hydro Power)	27.400	
	Statistical Development Program (IBGE)	5.800	
	Agricultural Research Program	13.400	180.017
<u>Chile</u>	Agricultural Sector Loan	23.000	
	Development Program Assistance	15.000	
	Education Sector Loan	16.300	54.300
<u>Colombia</u>	Development Program Assistance	58.000	
	Agricultural Sector Loan	15.000	73.000
<u>Costa Rica</u>	Development Program Assistance	3.000	
	Malaria Eradication (Increase)	.490	3.490
<u>Dominican Republic</u>	Education Improvement	12.000	
	Agricultural Cooperatives	2.650	
	Maternal and Infant Care (incl. Population Control)	7.100	21.750
<u>El Salvador</u>	Housing Bank	3.000	
	Malaria Eradication (Increase)	1.030	
	Educational Reform Program (ITV)	1.900	5.930
<u>Guatemala</u>	Primary School System Improvement	8.600	8.600
<u>Guyana</u>	Feasibility Studies (Increase)	1.000	
	Atkinson Airport Improvement	1.100	
	Urban-Rural Water Supply Improvement	2.600	4.700
<u>Honduras</u>	Malaria Eradication (Increase)	1.480	
	Agricultural Credit & Storage	9.500	10.980
<u>Nicaragua</u>	Malaria Eradication (Increase)	1.864	
	Rural Electric Cooperatives (Second)	10.200	
	Basic Crop Production Program	9.400	
	Health Centers & Rural Mobile Health	2.200	23.664

Alliance for Progress FY 1968 Loan Authorizations (In Millions) - Page 2

<u>Country</u>	<u>Loan Title</u>	<u>Amount</u>	<u>Sub-Total</u>
<u>Panama</u>	Cadastral Survey (Increase)	\$.330	\$
	Rural Mobile Health Program (PUMAR)	.500	
	Panama City Water Supply	<u>15.000</u>	<u>15.830</u>
<u>Paraguay</u>	Agricultural Credit (Increase)	<u>1.000</u>	<u>1.000</u>
<u>Uruguay</u>	Agricultural Sector Loan	<u>15.000</u>	<u>15.000</u>
<u>Regional</u>	Panamerican Development Foundation	<u>.325</u>	<u>.325</u>
TOTAL PROGRAM			419.586
	Project Loans	167.286	
	Program Loans	151.000	
	Sector Loans	101.300	

FY 1968 ESTIMATED FUND AVAILABILITY

Carryover from FY 1967487
FY 1968 New Obligation Authority	389.000
Estimated Earnings (Principal and Interest)	20.294
Deobligations/Deauthorizations	<u>27.946</u>
TOTAL ESTIMATED FUND AVAILABILITY	437.727

Less:

Population Grants	12.902
Inspector General Expenses140
Capitalized Interest	<u>.904</u>
TOTAL ESTIMATED FUND AVAILABILITY FOR LOANS	423.781
Less FY 1968 Loan Program	<u>419.586</u>
ESTIMATED CARRYOVER	4.195

111b

FY 1968 AFP Loan Program

(By Sector of Activity)

Number of Loans	Sector	Amount (\$ Millions)
I. <u>AGRICULTURE AND RELATED ACTIVITIES</u>		
	BRAZIL - Agricultural Research Program	13.400
	CHILE - Agricultural Sector Loan	23.000
	COLOMBIA - Agricultural Sector Loan	15.000
	DOM. REPUBLIC - Agricultural Cooperatives	2.650
	HONDURAS - Agricultural Credit & Storage	9.500
	NICARAGUA - Rural Electric Cooperatives (Second) Basic Crop Production Program	10.200 9.400
	PARAGUAY - Agricultural Credit (Increase)	1.000
	URUGUAY - Agricultural Sector Loan	<u>15.000</u>
9	TOTAL	99.150
II. <u>EDUCATION</u>		
	BRAZIL - Education Sector Loan	32.000
	CHILE - Education Sector Loan	16.300
	DOM. REPUBLIC - Education Improvement	12.000
	EL SALVADOR - Educational Reform Program (ITV)	1.900
	GUATEMALA - Primary School System Improvement	<u>8.600</u>
5	TOTAL	70.800
III. <u>HEALTH</u>		
	BRAZIL - Malaria Eradication (Second) Municipal Water & Sewerage Loan Fund	10.300 15.400
	COSTA RICA - Malaria Eradication (Increase)	.490
	DOM. REPUBLIC - Maternal and Infant Care	7.100
	EL SALVADOR - Malaria Eradication (Increase)	1.030
	HONDURAS - Malaria Eradication (Increase)	1.480
	NICARAGUA - Malaria Eradication (Increase) Health Centers & Rural Mobile Health	1.864 2.200
	PANAMA - Rural Mobile Health Program (PUMAR)	<u>.500</u>
9	TOTAL	40.364
IV. <u>FEASIBILITY, NATURAL RESOURCES AND CADASTRAL STUDIES</u>		
	ARGENTINA - Feasibility Studies (Increase)	1.000
	GUYANA - Feasibility Studies (Increase)	1.000
	PANAMA - Cadastral Survey (Increase)	<u>.330</u>
3	TOTAL	2.330

FY 1968 AFP Loan Program (By Sector of Activity) - Page 2

Number of Loans	Sector	Amount (\$ Millions)
	<u>V. TRANSPORT</u>	
1	GUYANA - Atkinson Airport Improvement	1.100
	<u>VI. POWER</u>	
1	BRAZIL - Passo Real (Hydro Power)	27.400
	<u>VII. HOUSING AND URBAN DEVELOPMENT</u>	
	EL SALVADOR - Housing Bank	3.000
	GUYANA - Urban-Rural Water Supply Improvement	2.600
	PANAMA - Panama City Water Supply	<u>15.000</u>
3	TOTAL	20.600
	<u>VIII. PUBLIC ADMINISTRATION</u>	
1	BRAZIL - Statistical Development Program (IBGE)	5.800
	<u>IX. TECHNICAL ASSISTANCE</u>	
1	BRAZIL - Eletrobras Power Training	.717
	<u>X. MISCELLANEOUS</u>	
<u>1</u>	REGIONAL - Panamerican Development Foundation	<u>.325</u>
34	TOTAL PROJECT AND SECTOR LOANS	268.586
	<u>PROGRAM LOANS</u> - BRAZIL	75.000
	CHILE	15.000
	COLOMBIA	58.000
	COSTA RICA	<u>3.000</u>
<u>4</u>	TOTAL PROGRAM LOANS	<u>151.000</u>
<u>38</u>	OVER-ALL TOTAL	<u>419.586</u>

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 95-249

By lig, NARA, Date 1-30-96

ACTION

~~CONFIDENTIAL~~

Tuesday - July 23, 1968

TO: The President

FROM: W. W. Rostow

SUBJECT: Appointment for Guyana Prime Minister Burnham

Pres. file

*sent to Pres.
7/24/68
8:30 AM*

Prime Minister Burnham is now making a private visit to the United States and Canada. He is involved in several activities, but the principal purpose of the trip is to see how plans are proceeding to obtain votes of Guyanese residents in both countries for his candidacy in the year-end elections. He is counting heavily on the overseas vote to defeat Jagan.

His presence here coincides with a new flare-up in Guyana's border dispute with Venezuela. Two weeks ago the Venezuelans issued a decree claiming jurisdiction to waters off that portion of Guyanese territory which they claim. This arbitrary action pandering to nationalist sentiment in Venezuela, has aroused a political furor in Guyana. Jagan is using it for his own purposes. Burnham fears it will weaken his electoral chances.

State is doing all possible to defuse the incident without taking sides on the territorial dispute. So far, these efforts seem to be meeting with success.

Burnham feels that being in the United States and not seeing you might be seized by Jagan to argue that the United States is only a fair-weather friend. Burnham wishes to counter this argument by calling on you. State recommends that you receive him.

An appointment must be handled in such a way that it does not offend our Venezuelan friends. This is manageable and the Prime Minister will certainly play ball.

I recommend you receive him for a short courtesy call.

W. W. Rostow

Approve appointment _____. Prefer no appointment _____. Call me _____.

cc - Jim Jones

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OO WTE10
DE WTE 2882

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 95-249

By ig, NARA, Date 1-30-96

113

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP81731

~~TOP SECRET~~

Free file

JUL 23 1968 236821 50

SUBJECT: THE SITUATION IN CZECHOSLOVAKIA, JULY 23 - 2:30 PM

THERE IS AN UNCONFIRMED UPI REPORT THAT BREZHNEV, KOSYGIN PODGORYN AND THE OTHER SOVIET POLITBURO MEMBERS HAVE LEFT MOSCOW FOR THEIR MEETING WITH THE CZECHS. A BOX ON THE FRONT PAGE OF IZVESTIA INDICATES A MEETING WILL TAKE PLACE. PRESS REPORTS FROM PRAGUE SAYS THAT THERE IS VIRTUAL AGREEMENT ON A MEETING. KOSICE IS THE MOST FREQUENTLY REPORTED TENTATIVE SITE, ALTHOUGH BRATISLAVA, PRAGUE AND KARLOVY VARY ARE ALSO MENTIONED. WEDNESDAY OR THURSDAY ARE THE TIMES MOST FREQUENTLY REPORTED AS PROBABLE. THERE IS NO CONFIRMATION OF A VIP FLIGHT, AND THE SOVIETS MAY BE GOING BY TRAIN, AS THEY DID TO VARSAN--CONFERRING ON THE WAY.

ALTHOUGH THE AMERICAN PRESS IS HEADLINING THAT THE LAST OF THE TROOPS HAVE LEFT, THIS IS NOT CONFIRMED BY OUR OWN SOURCES. OUR DEFENSE ATTACHE ESTIMATES THAT FIVE TO SIX THOUSAND TROOPS ARE STILL IN THE COUNTRY. SIGNAL INTELLIGENCE INDICATES CONTINUING WITHDRAWALS AND REDUCTIONS OF RADIO TRAFFIC, BUT NOT NECESSARILY COMPLETE WITHDRAWAL.

THE SOVIET DEFENSE MINISTRY HAS ANNOUNCED MANEUVERS DURING THE NEXT THREE WEEKS THROUGHOUT THE WESTERN PART OF THE USSR. SUCH MANEUVERS DO NOT FIT ANY NORMAL PATTERN. IT WOULD PROBABLY NOT HAVE BEEN NECESSARY TO MAKE THIS PUBLIC ANNOUNCEMENT, COVERING SO MUCH TERRITORY, FOR PURELY MILITARY PURPOSES--WHICH STRENGTHENS THE IMPRESSION THAT THE MOVE IS DESIGNED FOR POLITICAL PRESSURE. WE DO NOT HAVE INDICATORS POINTING TOWARD AN IMMINENT INVASION.

IT IS STILL NOT CLEAR WHAT THE SOVIETS MAY HAVE SAID IN THE NOTE REPORTEDLY DELIVERED TO THE CZECHS YESTERDAY. OUR BEST GUESS WOULD BE THAT THE NOTE EXPRESSED CONCERN FOR THE SECURITY OF CZECHOSLOVAKIA'S WESTERN FRONTIER (STOPPING SHORT OF AN ACTUAL DEMAND TO STATION SOVIET TROOPS), RAISED THE ARMS CACHE MATTER, COMPLAINED ABOUT PRCHLIX'S PUBLIC PROPOSALS TO CHANGE THE WARSAW PACT COMMAND STRUCTURE (AND PERHAPS INDICATED THAT PRCHLIX SHOULD BE REMOVED), AND ASKED FOR BETTER CZECH CONTROL OF THE PRESS.

DTG 232354Z JUL 68

PRESERVATION COPY

~~TOP SECRET~~

68 JUL 23 PM 6:04

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1968 JUL 23 21 01

FROM WALT ROSTOW.
TO THE PRESIDENT
CITE CAPS1730

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-248

By *ing*, NARA, Date *6-25-96*

for file

~~SECRET~~

JULY 23, 1968

60 JUL 23 PM 5:

114
TUESDAY

HEREWITH SEC. RUSK'S REPORT OF HIS CONVERSATION WITH DOBRYNIN.

I ASKED DOBRYNIN TO CALL THIS AFTERNOON AND TOOK UP WITH HIM THE CHARGES APPEARING IN THE SOVIET PRESS AND RADIO ALLEGING U.S. INVOLVEMENT THROUGH ARMS DELIVERIES, PLOTS, ETC., IN THE CZECH MATTER. I REFERRED TO THE PRAVDA ARTICLE OF JULY 19 AND MOSCOW RADIO OF JULY 22. I TOLD DOBRYNIN THAT NO ONE KNEW BETTER THAN THE SOVIET EMBASSY THE RESTRAINT WHICH THE U.S. GOVERNMENT HAD EXERCISED IN ORDER NOT TO GIVE ANY IMPRESSION OF INVOLVEMENT BUT I WISHED HIM TO KNOW THAT THE U.S. GOVERNMENT TOOK THESE CHARGES VERY SERIOUSLY AND I WOULD LIKE TO SAY THREE THINGS ABOUT THEM: (1) THERE WAS ABSOLUTELY NO TRUTH WHATSOEVER IN THESE CHARGES; (2) THESE CHARGES WERE BEGINNING TO CREATE A CONDITION OF AGITATION IN POLITICAL OPINION IN THE U.S. IN REGARD TO CZECHOSLOVAKIA AND MEMBERS OF CONGRESS WERE MAKING STATEMENTS AND BEGINNING TO BE INTERESTED; (3) HE, DOBRYNIN, SHOULD HAVE NO DOUBTS AS TO THE ATTITUDE OF THE AMERICAN PEOPLE TOWARDS EVENTS IN CZECHOSLOVAKIA. THESE ATTITUDES GO BACK TO THE DECLARATION OF INDEPENDENCE AND REFER TO OUR BELIEF IN THE RIGHT OF PEOPLE TO ORDER THEIR OWN LIVES. WHILE THE U.S. HAD SOUGHT TO AVOID ANY INVOLVEMENT THESE CHARGES WERE IN EFFECT SEEKING ERRONEOUSLY TO INVOLVE THE U.S. I POINTED OUT ALSO THAT ANY SOVIET ACTION AGAINST CZECHOSLOVAKIA COULD NOT FAIL TO HAVE A HARMFUL EFFECT ON U.S./SOVIET RELATIONS. AS A FINAL COMMENT I TOLD HIM THAT SINCE THEY HAD A HIGHLY PROFESSIONAL INTELLIGENCE SERVICE WHICH MUST KNOW THAT THESE CHARGES WERE COMPLETELY UNTRUE WE DID WONDER WHETHER OR NOT THEY WERE BEING USED AS A PRETEXT TO LAY THE BASIS FOR SOME ACTION AGAINST CZECHOSLOVAKIA. IF THIS HAPPENED WE WOULD REGRET IT BUT I COULD ONLY REPEAT IT WOULD HAVE A VERY NEGATIVE EFFECT ON OUR RELATIONS.

I SAID THAT THE PRESIDENT AND I TOOK THESE CHARGES SERIOUSLY AND WOULD ASK HIM TO INQUIRE IF THERE WAS ANY EXPLANATION FOR THEM. DOBRYNIN MADE ONLY ONE COMMENT AND THAT WAS THAT IT WAS NOT TRUE THAT THESE ACCUSATIONS WERE IN ANY WAY RELATED TO A PRETEXT OR EXCUSE. BEYOND THAT HE SAID HE COULD ONLY REPORT TO HIS GOVERNMENT.

AS HE WAS LEAVING I MENTIONED THE FACT THAT A SOVIET NEWSPAPER HAD COMMENTED THAT THE VISIT OF THE GERMAN DEFENSE MINISTER TO WASHINGTON WAS "VERY SUSPICIOUS". I TOLD DOBRYNIN THAT THIS VISIT HAD BEEN LAID ON FOR MANY MONTHS.

THE PRESS IS BEING INFORMED THAT DOBRYNIN WAS CALLED IN TO TAKE UP WITH HIM THE CHARGES AGAINST THE U.S. AND TO ASK FOR AN EXPLANATION.

DTG: 232021Z JUL 68 PRESERVATION COPY

~~SECRET~~

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE
MARKING CANCELLED PER E.O. 12858
SEC. 1.3 AND ARCHIVIST'S MEMO
MAR. 10, 1983.

115

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OO WTE 10
DE WTE 2378

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP81727

1968 JUL 23 20 00

11592
free file

JUL 23 PM 4:19

TUESDAY

~~CONFIDENTIAL~~

JULY 23, 1968

FROM WALT ROSTOW
TO THE PRESIDENT

YOU MAY WISH TO GET THE FLAVOR OF THE HEAVILY FAVORABLE
AND STABILIZING REACTION IN SAIGON TO THE HONOLULU MEETINGS
AND COMMUNIQUE.

1. THIS IS THE NINTH IN A SERIES OF WEEKLY REPORTS ON
VIETNAMESE REACTIONS TO THE PARIS TALKS. BEGINNING WITH
THIS MESSAGE, WE WILL COVER THE WIDER SPECTRUM OF VIET-
NAMESE ATTITUDES TOWARD A POSSIBLE PEACE SETTLEMENT, WHICH
WILL OF COURSE INCLUDE REACTION TO EVENTS IN PARIS.
2. SUMMARY. THE HONOLULU SUMMIT WAS THE DOMINANT
SUBJECT OF COMMENT BY VIETNAMESE THIS WEEK. INITIAL
REACTION TO THE JOINT COMMUNIQUE HAS IN GENERAL BEEN VERY
FAVORABLE. PRIOR TO THE MEETING THERE WAS MUCH
SPECULATION THAT CHANGES IN U.S. POLICY TOWARD VIETNAM
WOULD BECOME EVIDENT AT HONOLULU; THIS SPECULATION RE-
FLECTED WIDESPREAD CONCERN ABOUT THE FIRMNESS OF THE
U.S. COMMITMENT. WHILE THE FEAR THAT THE U.S. MAY
REACH A SETTLEMENT WITH THE COMMUNISTS WHICH WOULD
EXPOSE SOUTH VIETNAM TO COMMUNIST DOMINATION IS STILL WIDELY
HELD, IT APPEARS THAT THE COURSE OF THE TALKS IN PARIS
TO DATE, REINFORCED BY THE POSITION OF THE U.S. AS EX-
PRESSED BY PRESIDENT JOHNSON AT HONOLULU AND CONFIRMED
BY PRESIDENT THIEU ON HIS RETURN, HAVE SERVED TO ALLAY
MUCH OF THIS FEAR. HOWEVER, CONCERN CONTINUES TO BE
EXPRESSED ABOUT WHAT MAY HAPPEN AFTER THE U.S.
PRESIDENTIAL ELECTIONS.
3. DURING THE WEEK THERE WERE TWO MAJOR PUBLIC STATE-
MENTS BY PRESIDENT THIEU, A PRE-DEPARTURE RADIO-TV
ADDRESS TO THE NATION AND A PRESS CONFERENCE ON HIS
RETURN FROM HONOLULU. IN THE TV SPEECH THIEU STRESSED
THAT HE WOULD NOT SELL OUT IN HAWAII. ON BOTH OCCASIONS
HE STRESSED HIS CONFIDENCE IN THE U.S. THE CHAIRMAN
OF THE LOWER HOUSE, IN HIS CAPACITY AS SPOKESMAN OF
THE LH, ISSUED A STATEMENT REAFFIRMING THE HARD
POSITION TAKEN BY THE LH ON A POSSIBLE PEACE SETTLEMENT;
THE INDEPENDENCE BLOC IN THE LH SPOKE OUT PRIOR TO
THIEU'S DEPARTURE, CRITICIZING THE HUONG GOVERNMENT
FOR "SOFTNESS" VIS-A-VIS THE NLF. THE VIETNAMESE LABOR UNION

LAUNCHED A PEACE APPEAL THIS WEEK, AND A GROUP OF SAIGON LAWYERS MET TO OPPOSE THE RECENT ANTI-VIETNAM JURISTS' MEETING IN GRENoble. END SUMMARY.

4. STATEMENTS BY PRESIDENT THIEU: AS THIEU DEPARTED FOR HONOLULU JULY 18, RADIO AND TV CARRIED A SPEECH IN WHICH THE PRESIDENT REAFFIRMED THE DETERMINATION OF HIS GOVERNMENT TO BRING A JUST AND HONORABLE PEACE TO SOUTH VIETNAM, BY CONTINUING TO FIGHT IF NECESSARY, BUT PREFERABLY THROUGH DIRECT NEGOTIATIONS WITH NORTH VIETNAM. HE CONCLUDED BY STATING THAT "YOU HAVE SEEN THAT I WILL NOT GO TO HAWAII TO SURRENDER TO THE COMMUNISTS, TO SELL THE NATION, OR TO ACCEPT A SOLUTION INVOLVING A COALITION WITH THE COMMUNISTS IMPOSED BY THE UNITED STATES, SUCH AS COMMUNISTS AND A NUMBER OF UNSCRUPULOUS POLITICIANS HAVE FALSELY CLAIMED."

5. ON HIS RETURN JULY 22 PRESIDENT THIEU GAVE A PRESS CONFERENCE AT INDEPENDENCE PALACE. THE PRESIDENT POINTED OUT THAT HE AND PRESIDENT JOHNSON HAD AGREED THAT THE ENEMY HAS STEPPED UP AGGRESSION SINCE THE LIMITATION OF BOMBING OF THE NORTH; FOR THAT REASON, THE CESSATION OF SELLING OF SAIGON CANNOT BE CONSIDERED DE-ESCALATION THIEU REFERRED TO RUMORS THAT SECRETARY OF DEFENSE CLIFFORD HAD COME TO SAIGON TO WORK TOWARD A COALITION GOVERNMENT. HE SAID HE AND PRESIDENT JOHNSON HAD NOT DISCUSSED CESSATION OF BOMBING IN THE NORTH, COALITION GOVERNMENT, OR U.S. WITHDRAWAL. HE NOTED THAT THERE HAD BEEN COMPLETE AGREEMENT BETWEEN THE TWO PRESIDENTS, AND THAT PRESIDENT JOHNSON HAD SAID THAT THE U.S. WILL CONTINUE TO SUPPORT THE REPUBLIC OF VIETNAM AS LONG AS THE GOVERNMENT AND THE PEOPLE OF SOUTH VIETNAM NEED AND WANT THAT SUPPORT. IN REPLY TO QUESTIONS, THIEU AFFIRMED THAT THE U.S. COMMITMENT IN SOUTHEAST ASIA IS NOT MERELY THAT OF ONE MAN OR ONE ADMINISTRATION, BUT IS A REFLECTION OF LONG-TERM U.S. POLICY INTERESTS. HE PRAISED THE PARIS TALKS AS A FIRST STEP TOWARD PEACE, ALTHOUGH THE NORTH VIETNAMESE HAVE SO FAR SHOWN NO SIGN OF SINCERE INTEREST IN PEACE.

6. REACTION TO THE HONOLULU SUMMIT; REACTION TO THE JOINT COMMUNIQUE AND THIEU'S STATEMENTS HAS SO FAR BEEN VERY FAVORABLE, IN SOME CASES BORDERING ON THE EUPHORIC. CHAIRMAN OF THE UPPER HOUSE NGUYEN VAN HUYEN INTERRUPTED DEBATE MORNING OF JULY 22 TO REPORT INFORMALLY TO THE UPPER HOUSE THAT AT THE AIRPORT THIEU HAD ASSURED HIM THAT THE SUBJECTS OF A COALITION WITH THE COMMUNISTS AND RECOGNITION OF THE NLF HAD NOT BEEN DISCUSSED AT HONOLULU. HUYEN TOLD THE SENATE THAT THE PRESIDENT APPEARED CONVINCED THE U.S. COMMITMENT TO SOUTH VIETNAM IS FIRM.

7. EDITORIAL REACTION HAS BEEN GENERALLY FAVORABLE. TU DO AN INDEPENDENT AND GENERALLY PRO AMERICAN PAPER, ON JULY 22 STATED THAT THE JOINT COMMUNIQUE "HAS WIPED OUT ALL RUMORS ABOUT A COALITION WITH THE SO-CALLED NLF AND ABOUT AN EARLY WITHDRAWAL OF MOST U.S. FORCES." FURTHERMORE, TU DO NOTED THAT THE HONOLULU DECLARATION CONFIRMS THAT THE GVN WILL HAVE "A KEY ROLE AT ANY PEACE TALKS." TRANG DEN CALLS THE MEETING "A CLEAR-CUT SUCCESS FOR THE GVN" AND A "REMARKABLE ACHIEVEMENT FOR THIEU." "INDEED," SAYS TRANG DEN, "ALL BASIC

POINTS OF SOUTH VIETNAM POLICY AND PLATFORM HAVE BEEN STATED IN THE JOINT COMMUNIQUE." TIEN TUYEN NOTED THAT ON HIS RETURN PRESIDENT THIEU "HAD THE SERENITY AND SELF-CONFIDENCE OF A WINNER." TIEN TUYEN, WHICH HAS FREQUENTLY BEEN A VEHICLE FOR THE EXPRESSION OF ARVN OPINION, CONTINUES THAT JOINT COMMUNIQUE "WAS NOT JUST THE TRIUMPH OF AN INDIVIDUAL, BUT THAT OF A WHOLE NATION."

8. A MORE CAUTIOUS NOTE WAS STRUCK BY CHINH LUAN WHICH CRITICIZED THE COMMUNIQUE FOR FAILING TO MENTION THE "REPEATED COMMITMENTS OF FOUR SUCCESSIVE US PRESIDENTS." CHINH LUAN ALSO WARILY NOTED THE WORDING ABOUT PARTICIPATION OF "INDIVIDUALS OR GROUPS" FROM THE OTHER SIDE IN THE POLITICAL LIFE OF SOUTH VIETNAM. CHINH LUAN SAYS THAT THIS IS THE FIRST TIME PRESIDENT THIEU HAS GONE SO FAR, ALTHOUGH IT DOES NOT CRITICIZE HIM DIRECTLY FOR SO DOING.

9. "NATIONAL SHAME DAY" SPEECHES BY KY AND HUONG; ON JULY 20, THE ANNIVERSARY OF THE SIGNING OF THE GENEVA ACCORDS, BOTH PRIME MINISTER HUONG AND VICE PRESIDENT KY GAVE SHORT RADIO-TV SPEECHES. HUONG MADE AN EMOTIONAL APPEAL TO THE NORTH VIETNAMESE TO NEGOTIATE IN GOOD FAITH TO BRING AN END TO THE MISERY OF THE PEOPLE OF BOTH NORTH AND SOUTH.

THE PRIME MINISTER ASSERTED THAT THERE CAN BE NO "FALSE PEACE;" A SETTLEMENT REACHED BY PARTIES OTHER THAN THE GOVERNMENTS IN HANOI AND SAIGON WOULD ONLY LEAD TO ADDITIONAL CHAOS AND SUFFERING. HE ALSO REAFFIRMED THE DETERMINATION OF THE PEOPLE OF THE SOUTH TO FIGHT ON IF NECESSARY.

10. THE VICE PRESIDENT'S SPEECH CONCENTRATED ON THE NEED FOR NATIONAL UNITY IN THE FACE OF THE CONTINUED ENEMY THREAT. PREDICTING A NEW ENEMY OFFENSIVE, KY SAID THE COMMUNISTS WILL NOT DEAL IN GOOD FAITH. THUS THERE CAN BE NO COALITION WITH THEM. KY ALSO ALLUDED TO "FOREIGN INFLUENCE" WHICH, HE SAID, MUST BE GUARDED AGAINST.

11. NATIONAL ASSEMBLY; PRIOR TO THIEU'S DEPARTURE, LOWER HOUSE CHAIRMAN NGUYEN BA LUONG, ACTING IN HIS CAPACITY AS LOWER HOUSE SPOKESMAN, ISSUED A "RECOMMENDATION" TO PRESIDENT THIEU IN WHICH HE RECALLED THE ANTI-COMMUNIST PROVISIONS OF THE CONSTITUTION AND REAFFIRMED THE STRONG POSITION PREVIOUSLY TAKEN BY THIEU OPPOSING "A COALITION GOVERNMENT WITH THE COMMUNISTS, OR NEUTRALISM, OR A BUFFER ZONE." THE LOWER HOUSE RECOMMENDATION FURTHER ASSERTED THAT PRINCIPLE OF "ONE MAN, ONE VOTE" DOES NOT MEAN THAT THE US DENIES THE RIGHT OF THE GVN TO DETERMINE THE CONDITIONS UNDER WHICH ELECTIONS ARE HELD IN ITS TERRITORY.

DOCUMENT AFFIRMED THAT IN ANY SUBSTANTIVE TALKS THE GVN MUST PLAY "THE ESSENTIAL ROLE." FINALLY, LOWER HOUSE RECOMMENDATION STATED THAT PARIS TALKS CANNOT CONTINUE IF COMMUNISTS CONTINUE TO SHELL THE CITIES AND TOWNS OR INCREASE INFILTRATION; IN ANY EVENT, THE LOWER HOUSE DOCUMENT CONCLUDES, A TIME LIMIT MUST BE PLACED ON THE TALKS.

12. ON JULY 18 HEAVILY CATHOLIC LOWER HOUSE INDEPENDENCE BLOC HELD PRESS CONFERENCE IN WHICH THE HUONG GOVERNMENT WAS STRONGLY CRITICIZED FOR BEING "TOLERANT OF OVERT

PROPAGANDA FOR THE NLF!" AMONG THE CHARGES LEVELED AT THE HUONG GOVERNMENT WAS ACCUSATION THAT FOREIGN MINISTER TAN CHANH THANH HAD ALLEGEDLY SAID IN A PRESS INTERVIEW JULY 10 THAT THE PARIS TALKS "WILL BRING GOOD RESULTS," AND THAT GVN PARTICIPATION AT THIS STAGE IS UN-NECESSARY.

13. ROCKEFELLER PEACE PROPOSAL; PRESIDENTIAL CANDIDATE. ROCKEFELLER'S FOUR-POINT PEACE PROPOSAL ATTRACTED PRESS AND OFFICIAL CRITICISM LAST WEEK. VIET NAM PRESS ON JULY 17 CARRIED ARTICLE STATING THAT "CIRCLES CLOSE TO THE FOREIGN MINISTRY," IN COMMENTING ON THE ROCKEFELLER PROPOSAL, STRESSED THAT THE COMMUNISTS CAN NEVER BE ALLOWED TO REMAIN IN SOUTH VIETNAM UNLESS THEY ABANDON THEIR IDEOLOGY. THE FOREIGN MINISTRY ALSO REPORTEDLY STATED THAT "NEW ELECTIONS CANNOT BE HELD IN THOSE AREAS WHERE ELECTIONS WERE HELD IN 1966 AND 1967."

14. VIETNAM LABOR UNION PEACE APPEAL AND SOUTH VIETNAM JURISTS ON PEACE SETTLEMENT; ON JULY 17 VIETNAMESE CONFEDERATION OF LABOR (CVT) ISSUED A PEACE APPEAL IN WHICH A HARD POSITION WAS OUTLINED. CVT CALLED FOR GVN TO BE "LEADING PARTNER" IN PEACE TALKS AND AMONG OTHER THINGS CALLED FOR THE DISSOLUTION OF THE NLF AND OTHER COMMUNIST FRONTS AS A REQUIREMENT FOR ANY PEACE SETTLEMENT. A SMALL GROUP OF SOUTH VIETNAM JURISTS MET IN SAIGON JULY 14 WITH FOREIGN MINISTER TRAN CHANH THANH AND SEVERAL OTHER PROMINENT VIETNAMESE FIGURES AND ISSUED COMMUNIQUE CONDEMNING ACTION OF COMMUNIST-FRONT LAWYERS' GROUP WHICH RECENTLY MET IN GRENoble.

15. PRESS REACTION TO HARRIMAN INTERVIEW ON AUSTRIAN TV: REPORTS IN SOME DETAIL ON PRESS REACTION TO AMBASSADOR HARRIMAN'S INTERVIEW OVER AUSTRIAN TV AS REPORTED HERE BY AGENCY FRANCE PRESS. ACCORDING TO AFP, AMBASSADOR HARRIMAN SAID THAT THE NLF COULD PARTICIPATE AS A POLITICAL PARTY IN A SETTLEMENT IF IT WERE TO LAY DOWN ITS ARMS.

16 VNPF PRESS CONFERENCE: AT A JULY 17 PRESS CONFERENCE BY THE "OPPOSITION" VIET NAM PEOPLE'S FORCE SPOKESMAN STATED THAT ALTHOUGH PARTY IS OPPOSED TO DEALING WITH THE NLF AS A POLITICAL PARTY, IN THE EVENT "HARSH REALITY" WERE TO COMPEL SUCH A CONFRONTATION, THE NATIONALISTS COULD WIN IF SOCIAL REFORMS COULD BE IMPLEMENTED RAPIDLY ENOUGH.

17. VIEWS OF TDV LEADER: IN A JULY 18 CONVERSATION WITH TAN DAI VIET (TDV) PARTY LEADER NGUYEN NGOC HUY HUY SAID THAT THE TDV COMPLETELY SUPPORTS THE POSITION OF THE GVN ON A POSSIBLE PEACE SETTLEMENT. HOWEVER, IN SPECULATING ABOUT THE FUTURE, HUY SAID THAT IF THE GVN POSITION VIS-A-VIS THE NLF SHOULD SOFTEN, THE TDV WOULD NOT AUTOMATICALLY DROP ITS SUPPORT BUT WOULD CONSIDER THE SITUATION PREVAILING AT THE TIME. AS WITH THE VNPF POSITION AS STATED IN PARAGRAPH 16 ABOVE, TDV LEADER DID NOT RULE OUT POSSIBILITY OF A POLITICAL CONTEST WITH THE NLF AT SOME POINT.

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1968 JUL 23 18 16

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP81723

~~CONFIDENTIAL~~

HERewith A PEACE PASSAGE REQUESTED BY HARDESTY.

THE WORK OF AMERICAN FOREIGN POLICY IS THE BUILDING OF A STABLE PEACE. THAT IS HOW FRANKLIN ROOSEVELT DEFINED HIS MISSION AS THE SECOND WORLD WAR CAME TO A CLOSE: THAT IS WHAT HARRY TRUMAN, DWIGHT EISENHOWER, JOHN KENNEDY, AND I TRIED TO DO. THAT WILL BE THE CENTRAL TASK OF THE MAN WHO TAKES OVER ON JANUARY 23, 1969.

IN A WORLD OF REVOLUTION AND NUCLEAR WEAPONS STABLE PEACE IS NOT TO BE BUILT OVERNIGHT. IT HAS TO BE BUILT BRICK BY BRICK: WITH PATIENCE AND ENDURANCE; WITH IDEAS AND IDEALISM; WITH COURAGE AND A REACHING OUT TO UNDERSTAND THE OTHER FELLOW'S POINT OF VIEW.

RIGHT NOW AND IN THE WEEKS AND MONTHS AHEAD WE SHALL BE STRIVING HARD TO GET SOME OF THESE ELEMENTS OF A STABLE PEACE INTO PLACE.

I HAVE JUST COME FROM MANY HOURS OF DISCUSSION IN HONOLULU WITH PRESIDENT THIEU. WE TALKED ABOUT HOW WE SHALL DEAL WITH THE NEXT OFFENSIVE THE OTHER SIDE SEEMS DETERMINED TO MOUNT. AND WE TALKED OF BUILDING THE MILITARY POWER OF THE SOUTH VIETNAMESE SO THAT, IN TIME, THEY CAN CARRY MORE OF THE BURDEN OF THEIR NATION'S DEFENSES. WE WISH IT WERE NOT SO; BUT IT IS A SIMPLE FACT THAT THERE CAN BE NO STABLE PEACE UNLESS AGGRESSION IS FRUSTRATED. WE HAVE LEARNED THE HARD WAY -- FROM BERLIN TO KOREA, FROM THE CARIBBEAN TO THE 17TH PARALLEL -- THAT THE NECESSARY CONDITION FOR A STABLE PEACE IS THAT AGGRESSION NOT SUCCEED.

BUT PRESIDENT THIEU AND I ALSO AGREED THAT THE EFFECTIVE DEFENSE OF SOUTH VIETNAM WAS NOT ENOUGH. WE MUST BE READY TO MOVE AS FAST AND AS FAR TOWARDS PEACE IN SOUTHEAST ASIA AS THE OTHER SIDE IS READY TO GO. AND WE ARE READY. WE SHALL CONTINUE OUR WORK IN PARIS. PRESIDENT THIEU WILL CARRY FORWARD HIS POLICY OF RECONCILIATION AND HIS EFFORT TO BRING ALL OF THE CITIZENS OF SOUTH VIETNAM INTO THE POLITICAL LIFE OF THE NATION UNDER THE CONSTITUTION.

DETERMINED TO BE AN ADMINISTRATIVE
MATTER. CANCELLED PER E.O. 12358.
SEC. 1.3 AND EXECUTIVE ORDER OF
MAY 16, 1963.

BY rg ON 9892

XEROX FROM QUICK COPY

116
Pres file
60 JUL 23 PM 2:30
TUESDAY

IN THE MIDDLE EAST WE ARE DOING EVERYTHING IN OUR POWER QUIETLY TO SUPPORT THE MISSION OF AMBASSADOR JARRING. AS THE MONTHS PASS AND THE WAR OF JUNE 1967 REMAINS UNSETTLED, IT IS CLEARER EVERY DAY THAT THE LEADERS IN THE MIDDLE EAST HAVE A DUTY TO THEIR PEOPLE: -- THAT DUTY IS TO FIND THE TERMS FOR CARRYING OUT THE SECURITY COUNCIL RESOLUTION OF NOVEMBER SO THAT A CEASE FIRE CAN GIVE WAY TO A RELIABLE CONDITION OF PEACE. THE PAINFUL MEMORIES AND FEARS THAT RUN THROUGH THAT REGION ARE HARD TO OVERCOME. BUT THE MEN AND WOMEN AND CHILDREN OF THE MIDDLE EAST DESERVE SECURITY AND PROGRESS AND HOPE. WE SHALL TRY TO HELP THEM TURN THE CORNER.

WITH RESPECT TO THE SOVIET UNION, WE HAVE COME TO ONE OF THE GREAT MOMENTS -- ONE OF THE GREAT CHALLENGES -- IN THE HISTORY OF MAN. WE HAVE AGREED TO SIT DOWN AND TALK TOGETHER ABOUT HOW TO STABILIZE THE LEVEL OF STRATEGIC MISSILES. BEHIND THIS DECISION IS A RECOGNITION: -- THAT NUCLEAR WEAPONS AND THE MEANS OF DELIVERY ARE A VERY LIMITED BASE FOR SECURITY ON BOTH SIDES; -- THAT ANOTHER ROUND IN THE STRATEGIC ARMS RACE WOULD BE VERY EXPENSIVE IN RESOURCES THAT OUGHT TO GO TO THE PEOPLE AND WOULD ADD NOTHING TO THE SECURITY OF EITHER SIDE; -- AND THAT AT A TIME WHEN WE ARE TRYING TO BRING ABOUT A NON-PROLIFERATION TREATY, THE UNITED STATES AND THE SOVIET UNION OWE IT TO THE WHOLE WORLD TO NEGOTIATE SERIOUSLY ON THIS MOST SENSITIVE AND COMPLEX OF ALL QUESTIONS.

IT HAS TAKEN US YEARS TO COME TO THE POINT WHERE BOTH SIDES ARE READY TO TALK. WHAT LIES AHEAD WILL NOT BE EASY. WE SHALL BRING TO BEAR ALL THE PRUDENCE AND WISDOM OF WHICH WE ARE CAPABLE.

THERE ARE STILL THOSE IN THE WORLD WHO BELIEVE THAT THEIR OBJECTIVES CAN BE ACHIEVED BY FORCE AND THE THREAT OF FORCE. BUT I DEEPLY BELIEVE THE TIDE IS TURNING -- SLOWLY, PAINFULLY -- BUT THE TIDE IS TURNING TOWARD PEACE IN THE HANDLING OF NUCLEAR ARMS; IN SOUTHEAST ASIA, IN THE MIDDLE EAST -- AND IN OTHER PLACES AS WELL; FOR EXAMPLE, ON CYPRUS AND IN NIGERIA.

WHAT WE HAVE LEARNED IN THESE YEARS OF CONFLICT AND TURMOIL IS THAT PEACE DOES NOT COME SIMPLY BY WANTING IT. PEACE DOES NOT COME FROM WEAKNESS AND SURRENDER. PEACE DOES NOT COME FROM HIGH-FLOWN SPEECHES. IT MUST BE BUILT LITTLE BY LITTLE, FROM STRENGTH AND COMPASSION, FROM IMAGINATION AND HARD, HARD WORK.

DTG 231734Z JUL 68

XEROX FROM QUICK COPY

~~SECRET~~

117

1968 JUL 23 14 33

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FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP81718

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 95-248
By ing, NARA Date 8-27-16

Pres file
1968 JUL 23 AM 10:51
TUESDAY

~~SECRET~~

JULY 23, 1968

HEREWITH TOMMY THOMPSON'S CURRENT EVALUATION OF CZECH AFFAIR.

QUOTE

1. ALTHOUGH THERE ARE MANY PROS AND CONS I AM CONVINCED THAT OUR PRESENT POSTURE ON CZECH AFFAIR IS THE CORRECT ONE PARTICULARLY IN ABSENCE ANY REQUEST FROM CZECHS FOR A CHANGE. THEY SHOULD BE IN THE BEST POSITION TO JUDGE EFFECTS OF ANY ACTIONS OR STATEMENTS ON OUR PART. ANY APPEAL TO THE SOVIETS WOULD NECESSARILY REVEAL WEAKNESS OF OUR POSITION BY WHAT WE WOULD NOT AND COULD NOT SAY. MOREOVER, I BELIEVE THAT ON BALANCE SUCH APPEAL WOULD STRENGTHEN THE HANDS OF THE HARDLINERS RATHER THAN THOSE WHO OPPOSE INTERVENTION.

2. SOVIETS HAVE LEFT THEMSELVES LITTLE GROUND TO RETREAT AND HAVE ALREADY PAID A BIG PRICE IN THE COMMUNIST AS WELL AS THE FREE WORLD BY THEIR CRUDE HANDLING OF THIS AFFAIR. IF CZECHS FACE THEM DOWN, SOVIET PRESTIGE WILL SUFFER AND OTHER MEMBERS OF THE CAMP WILL BE ENCOURAGED TOWARD GREATER INDEPENDENCE. IF THEY USE FORCE THE FREE WORLD WILL BE DEEPLY SHOCKED, NATO STRENGTHENED, HOPE OF REDUCING MILITARY EXPENDITURE BY AGREEMENT WITH US JEOPARDIZED, ETC. MOREOVER INTERNAL DISSATISFACTION WITH SOVIET LEADERSHIP WOULD INCREASE. THEIR ONLY HOPE IS THAT CZECHS WILL BACK DOWN AND EVEN IF THIS HAPPENS, AS IT MAY WELL DO, SOVIET EFFORTS TO UNIFY COMMUNIST CAMP UNDER THEIR LEADERSHIP WILL BE THWARTED. IN SOVIET PRACTICE SERIOUS ERRORS DEMAND AT LEAST A SCAPEGOAT AND REGARDLESS OF HOW THE CZECH AFFAIR COMES OUT THIS MAY WELL BE THE BEGINNING OF A PROCESS LEADING TO THE FALL OF BREZHNEV, SUSLOV AND OTHERS. END QUOTE

DTG 231351Z JULY 1968

PRESERVATION COPY

~~CONFIDENTIAL~~

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1968 JUL 22 23 15

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 94-410

By CB, NARA, Date 1-17-95

FROM WALT ROSTOW
TO THE PRESIDENT
CITE CAP81709

~~CONFIDENTIAL~~

JULY 22, 1968

HEREWITH A REPORT TO YOU FROM ED CLARK ON HIS TR IP
TO SOUTH AMERICA:

IN ENDING UP OUR TRIP TO FOUR SOUTH AMERICAN
COUNTRIES WHICH INCLUDED VISITS TO THE INTERIOR OF
THE COUNTRIES AND FARMS, SCHOOLS, DAMS, FACTORIES
AND NEW ROADS, I HAVE SEVERAL CLEAR IMPRESSIONS.
THIS IS PARTICULARLY SO ON THE RIGHTNESS OF YOUR
INITIATIVE ON THE PHYSICAL INTEGRATION OF THIS
HEMISPHERE. THERE IS GENERAL AGREEMENT THAT THE TRADE
INTEGRATION IS LAGGING. I AM CONVINCED THAT PEOPLE
AND OFFICIALS OF THE COUNTRIES VISITED BELIEVE THAT
PHYSICAL INTEGRATION IS THE ROAD TO WHAT THEY ARE
SEEKING; THAT THIS WILL MAKE EASIER THE OTHER MORE
DIFFICULT STEPS.

I BELIEVE THAT WE IN THE U.S. CAN HELP THEM THROUGH
AID, ICB, WORLD BANK AND OTHERS IN MOVING AHEAD ON A
COORDINATED ACTION EFFORT. WHILE THERE IS SOME
RESISTANCE TO THE EXACT FORM AND METHOD OF OPERATION
OF THE PROPOSED TASK FORCE AND IN BRAZIL A PARAMOUNT
CONCERN ABOUT INTERNAL PHYSICAL LINK-UPS, I BELIEVE
WE CAN GO AHEAD WITH THE JOB IN THE INTER-AMERICAN
BANK AND THE U.S. TAKING INTO ACCOUNT SOME OF THE
PROBLEMS AND SENSITIVITIES OF CONCERNED GOVERNMENTS
AND ORGANIZATIONS. I WOULD EXPECT THAT THERE WILL BE
EVENTUAL FULL COOPERATION FROM THESE FORCES WHEN IT
BECOMES CLEAR THAT THERE IS NO INTENTION TO
SUPPLANT ASSISTANCE TO NATIONAL INTEGRATION OR TO
SLOW DOWN THE PROCESS OF SUBREGIONAL INTEGRATION,
E.G., THE RIVER PLATE BASIN.

CONEY HAS DONE A FIRST-CLASS JOB IN SETTING
FORTH AND EXPLAINING OUR THOUGHTS ON THIS SUBJECT.
PEOPLE WITH UNDERSTANDING, BRINGS FORTH A REAL SPIRIT
OF COOPERATION. WHEN WE RETURN TO WASHINGTON WE CAN
TAKE FURTHER STEPS WITH THE OAS AND IDB AND WITHIN THE
U.S. TO MOVE US INTO THE ACTION PHASE.

DTG 222236Z JUL 68

~~CONFIDENTIAL~~

XEROX FROM QUICK COPY

118
MONDAY
JUL 22 PM 7:40

INFORMATION

~~SECRET~~

Monday, July 22, 1968 -- 4:00 p.m.

Mr. President:

Herewith an ~~old~~ suggestion from the North Vietnamese that the Norwegians open up a second diplomatic front to supplement Paris.

Harriman says: "pursue it."

W. W. Rostow

Oslo 5700
Paris 18302

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NBJ 95-249
By sig, NARA, Date 1-30-96

WWRostow:rln

Pres file



Department of State TELEGRAM

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DECLASSIFIED

E.O. 12958, Sec. 3.6

NLI 95-248

By 48, NARA Date 8-28-96

~~SECRET~~ OSLO 5700

MODIS-OMIO

REF: OSLO 5695

UNDERSECRETARY JACOBSEN FONOFF CALLED ME IN SATURDAY MORNING JULY 20 TO SHOW ME FOLLOWING TELEGRAM FROM NORWEGIAN CHARGE TANGERAS IN PEKING.

1. BEGIN MSG: NGO SOUGHT OUT TANGERAS NINETEENTH INSTANT AND DELIVERED VIETNAMESE MEMO RE FOURTEENTH ANNIVERSARY GENEVA AGREEMENTS. MEMO BEING SENT FIRST COURIER. NGO STRESSED VALUE OF NORWEGIAN CONTACT SINCE HANOI DISSATISFIED WITH PARIS NEGOTIATIONS. NGO INDICATED HANOI INTERESTED IN QTE NEW DEAL UNQTE THROUGH OTHER CHANNELS AND WISHED HIMSELF VISIT OSLO SOON FOR TALKS SINCE NORWAY CONSIDERED QTE MOST FAVORABLE UNQTE INTERMEDIATE LINK. NGO EMPHASIZED DESIRE CONTINUE CONTACT WITH EMBASSY DURING ALGARD'S ABSENCE.
2. EMBASSY PROMISED RAPID NORWEGIAN RACTION. END OF MESSAGE.
3. JACOBSEN COMMENTED THAT WHILE MESSAGE OBVIOUSLY OF HIGHEST INTEREST, NGO HAD NOT RPT NOT MADE CLEAR WHETHER HANOI SERIOUSLY ENVISAGED NEW SITE AND TEAM FOR NEGOTIATIONS OR MERELY NEW USE OF CHANNELS (PERHAPS NORWEGIAN) TO US OUTSIDE PARIS NEGOTIATIONS, ALTHOUGH IT WOULD APPEAR NGO VISIT OSLO WOULD BE ONLY EXPLORATORY FIRST STEP.
4. JACOBSEN WHO JUST DEPARTING FOR LEAVE THIS WEEKEND DID NOT RPT NOT CONVEY ANY FIRM NORWEGIAN REACTION TO ME AND OBVIOUSLY DESIRED FONOFF SHOULD HEAR WASHINGTON VIEWS BEFORE FORMULATING ANY REPLY. HOWEVER HE THOUGHT REPLY SHOULD GET TO PEKING WITHOUT DELAY AND WOULD APPRECIATE WASHINGTON REACTION DURING FIRST DAYS OF WEEK. I AGREED TO ASK FOR EARLIEST POSSIBLE ANSWER.
5. JACOBSEN SAID HE WOULD ASK DEPUTY POL DIRECTOR GRAVER WHO WILL BE SPENDING LEAVE NEXT DOOR TO ALGARD TO INFORM HIM OF ABOVE SHOULD HE WISK TO DISCUSS IN OSLO.
6. PLEASE ADVISE SOONEST.

GP-1. BOVEY

~~SECRET~~



Department of State

TELEGRAM

119b
#5~~SECRET~~

00 RUEKC
DE RUFNCR 18302-2041450
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1968 JUL 22 AM 11 09

~~SECRET~~ PARIS 18302

NODIS/OHIO

DELTO 487

REF: OSLO 5700

FROM HARRIMAN AND VANCE

1. AS STRANGE AS NORWEGIAN REPORT MAY SEEM, WE BELIEVE THAT NOTHING IS TO BE LOST BY HAVING DRV AMBASSADOR TO PEKING VISIT OSLO. NORWEGIANS HAVE BEEN CAREFUL REPORTERS IN PAST AND WE CAN HAVE CONFIDENCE THAT THEY HAVE FAITHFULLY REPORTED THIS LATEST CONTACT. WE WOULD BE INTERESTED IN SEEING TEXT OF MEMO BEING POUCHED FROM PEKING (MENTIONED PARA 1 REFTTEL).

2. WE RECOMMEND THAT NORWEGIANS BE TOLD TO GO AHEAD AND INVITE LOAN (SOMETIMES CALLED NGO BY NORWEGIANS) TO OSLO TO EXPLORE HIS IDEAS ALTHOUGH WE HAVE NO INFORMATION TO SUBSTANTIATE LOAN'S STATEMENTS..HARRIMAN
BT

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 95-248
By 48 NARA Date 8-28-96

~~SECRET~~

INFORMATION

~~SECRET~~

Monday, July 22, 1968
1:50 p. m.

Pres file

Mr. President:

You may wish to look at the two
short top papers in this file:

-- what the Israeli's put to Cairo
via Jarring -- a small move in the right
direction;

-- a checklist of conversations
and diplomatic moves which suggest the
ice may be cracking, but not yet melting
or breaking up.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By ing, NARA, Date 1-30-96

WWRostow:rlh

121

~~CONFIDENTIAL~~

July 22, 1968

For file

CA 81696

FROM WALT ROSTOW
FOR THE PRESIDENT

I am proceeding with plans for vacation from July 27 to August 10,
as you earlier approved.

I shall count on you to whistle me back if travel or other contingencies
arise.

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 12356,
SEC. 1.3 AND ARCHIVIST'S MEMO OF
MAR. 16, 1983.

BY h8 ON 9-8-92

INFORMATION

~~CONFIDENTIAL~~

Monday - July 22, 1968

Mr. President:

Pres file

Attached are two messages from Ambassador Tuthill describing the conversation which he, Covey Oliver and Ed Clark had with President Costa e Silva, including a possible visit by you to Brazil.

W. W. Rostow

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By *ig*, NARA, Date *1-30-96*

Attachments

Ambassador Tuthill's reports from Rio --
Embassy's telegrams 9978 and 9983 of July 17.

DECLASSIFIED
E.O. 12958, Sec. 3.6

NLJ 95-248

~~CONFIDENTIAL~~

By up, NARA Date 8-28-96

122a

Report from Ambassador Tuthill in Rio de Janeiro, July 17, 1968
(cable no. 9978)

SUBJECT: Meeting with President Costa e Silva

1. I accompanied Secretary Oliver and Ambassador Clark on an extremely cordial call on President Costa e Silva at Laranjeiras Palace July 16. Foreign Minister Magalhaes Pinto was also present but did not make a single comment throughout the 50-minute session.
2. Oliver thanked the President for the honor of this audience and described his recent presence in Central America in connection with President Johnson's visits. Oliver then told Costa e Silva of the very special, cordial, and informal greeting which he was asked to deliver from the President of the United States. Costa e Silva was obviously delighted with this indication that President Johnson had remembered to send him a friendly hello, and referred to his and the President's "gaucho" common bond, and to the fact that he continues to stand ready to cooperate with President Johnson so as not to create any problems for him.
3. President Costa e Silva readily agreed to the suggestion that Ambassador Clark outline the current political situation in the United States, particularly with respect to the elections, and he listened with obvious deep interest. Costa e Silva asked numerous questions and was especially interested in an explanation of just how Governor Wallace figured in the race. The President also displayed an understanding in containment of violence in the streets as a likely major election issue. He said that racial violence was particularly difficult to handle, since it was more profound and more lasting than student violence. Costa e Silva expressed admiration for the prudence and calmness, as well as the firmness, of President Johnson in handling the situation.

4. Oliver was taken up immediately by the President on his offer to expound generally on how he viewed his present duties with respect to preparing appropriate briefing for the Administration in the United States. His presentation is broken down into four general areas:
 - (1) special quality of Brazil-U. S. relations;
 - (2) description and review of US development assistance to Brazil;
 - (3) re-evaluation of some matters where the two governments do not have any major problems; but which are susceptible to certain critical public reactions in Brazil (population control and education programs, for instance); and
 - (4) assessment of unresolved issues between the two countries.
5. Costa e Silva seized on the example of Brazilian criticism of joint programs in education and said that such criticism was unfounded. He stressed his awareness that the Brazilian Government controlled the extent of any foreign intrusion in domestic programs and that the Brazilian public should recognize that. He realized, however, that such issues were exploited by the very well organized opposition with the aid of the press, and admitted that there were even subversive hands behind that exploitation. He said that such was the penalty of a democratic environment such as exists in Brazil and that his administration was determined to be tolerant of freedom of expression because it was confident that Brazil's very suitable constitution provided the government with appropriate tools with which to defend itself. In his view, the slogans one reads on walls against the Education Ministry-US Aid, and urging "down with the dictatorship", are not representative of the majority opinion of the Brazilian people. Costa e Silva said that the government had no illusions over the dangers involved in the recent student demonstrations and that it was alert -- "but not afraid". He also noted that "because of luck, or for other reasons", Brazilian labor had not seen fit to involve itself in the recent street demonstrations, and this was very encouraging.

DECLASSIFIED
E.O. 12958, Sec. 3.6

NLI 95-248

By ijg, NARA Date 8-28-96

122 b

~~CONFIDENTIAL~~

Report from Ambassador Tuthill of July 17, 1968 from Rio - no. 9983

1. At the meeting with Costa e Silva July 16, Secretary Oliver mentioned that he had been with President Johnson in Central America and that President Johnson would have liked to have extended his visit elsewhere in Latin America but that conditions in the United States argued against the extension of his stay outside the United States. Costa e Silva stated that he had heard that President Johnson would like to visit Brasil, and asked if Oliver could say anything about his intentions. Oliver confirmed President Johnson's deep interest in Brazil and of his intention at some time to make a visit. The President's plans would have to be determined by him in terms of what is possible rather than what is desirable.
2. Ambassador Clark and I did not add to this statement. President Costa e Silva dropped the subject at that point.
3. Later on the same day, I saw Ambassador Leitao da Cunha, who said that he had raised the issue with the President on Monday, July 15. Leitao da Cunha said that Costa e Silva agreed with his suggestion that President Johnson might wish to witness the Army Day Parade in Brasilia on August 25. I limited my comment to point out that the Democratic Convention begins August 26. Leitao da Cunha replied "It was President Johnson who mentioned the possibility of late August."
4. It was quite clear from Leitao da Cunha's comments that he would favor public appearances of President Johnson in Brasilia rather than Rio because of a concern regarding possible adverse public reaction in Rio, plus a security danger. There is, of course, much less danger in Brasilia, where the smaller -- and more docile -- population can be much more easily controlled.
5. Covey Oliver, Ambassador Clark, and I recognize, of course, that in any of the large cities of Brazil, Rio, Sao Paulo, and Recife, there is much more of a security problem (note the recent rash of bombings in Sao Paulo, and the theft of 500 kilos of dynamite by yet undiscovered persons) than in Brasilia and -- probably

more likely -- danger of hostile public demonstrations. Small extremist groups have demonstrated over recent months their ability to get out large crowds and they undoubtedly could do it again at the time of a Presidential visit. The difficulty of Brasilia, however, is that it is just not possible in an isolated city of that size to obtain the type of public turn-out and enthusiasm that we would feel appropriate for a Presidential visit.

6. The President urged Oliver and Clark to make a careful evaluation of the current situation in Brazil on the basis of their observations. In referring to the bilateral areas that produce negative reactions in Brazil, Oliver told Costa e Silva that it would be very helpful if he could assure the next administration of the United States that Brazilian officials would, in the future, take steps to counter such popular misconceptions. Costa e Silva and Magalhaes Pinto nodded, but made no comment.
7. The usual media representatives met with Oliver and Clark after the meeting. On the basis of Costa e Silva's enthusiastic endorsement of the completely candid comments to the press ("there is nothing we have to hide in Brazil-US relations"), Oliver outlined the substance of his audience, and explained his own responsibilities, as well as Ambassador Clark's. Possible questions from the press were finessed through an announcement that Oliver would hold a press conference tomorrow afternoon.
8. Comment

The meeting was relaxed and friendly throughout, and Magalhaes Pinto -- who apparently had some other engagement -- had to suggest to the President that the time had come for a halt. Despite an earlier meeting with his National Security Council and follow-on weekly audiences with Service Ministers and Transportation Minister Andreazza, Costa e Silva appeared to be alert, even though somewhat pasty in skin coloration. Prior to the meeting, Presidential Aide Major Conrado told our Army Attache that no major actions were to be announced following today's National Security Council session. The President had decided that the current situation was calm, and that the best tonic would be for government intelligence to remain alert while urgent reforms are undertaken to boost the availability of higher education. Moreover, the details of who does what in the event of a state of siege were spelled out and appropriate contingency plans are now available for presidential implementation, as needed.

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ACTION

Monday - July 22, 1968

Pres file

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Visit by Ecuadorean President-elect Velasco Ibarra

State asks whether you would receive Ecuadorean President-elect Velasco Ibarra were he to come to the United States on a private visit prior to his inauguration on September 1.

I recommend you do so on the grounds that this would help put our relations with Ecuador back on the track with the constitutionally elected new administration.

W. W. Rostow

Approve ☐Disapprove ☐Call me ☐

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E.O. 12356, Sec. 3.4

NEJ 95-249

By *ing*, NARA, Date 1-30-96

ACTION

124

July 22, 1968

Pres file

Mr. President:

Ambassador Sevilla-Sacasa celebrates his 25th Anniversary as Nicaragua's Ambassador to the United States on Tuesday, July 30, 1968.

Secretary Rusk will host a luncheon on Monday, July 29, and present him with an album of photos covering major events in which he has participated -- a good many of them at the White House.

State is planning to make the first two items in the album letters from you and Secretary Rusk.

A suggested draft for your signature is attached.

W. W. Rostow

Attachment

Suggested letter for Presidential signature to Ambassador of Nicaragua, Sevilla-Sacasa.

July 29, 1968

Dear Mr. Ambassador:

Tomorrow you celebrate your twenty-fifth anniversary as Ambassador of Nicaragua to the United States. I rejoice with you on this unique accomplishment and extend warmest congratulations.

You have been in Washington almost as long as I have. For both of us this city has been the scene of many proud memories. You have worked with five Presidents, ably representing the interests of your country. You have also applied your diplomatic skills to the inter-American cause during the period of greatest challenge. As Dean of the Diplomatic Corps for the past decade, you have rendered inestimable service to your colleagues and to me personally.

While the affairs of state have dominated our lives, we have also experienced many special personal joys. One of these has been watching our children grow and marry and bring us the added happiness of grandchildren.

I value especially the moments we have shared. In good times and bad, you have been a valued colleague and thoughtful friend. I am grateful for such an associate and to your Government for allowing so eminent a public servant to remain among us.

As you pass this impressive landmark in a distinguished career, I applaud your achievements and wish you many more years of distinguished service.

Sincerely,

His Excellency
Dr. Guillermo Sevilla-Sacasa
Ambassador E. and P.
Embassy of Nicaragua
Washington, D. C.

LBJ/WGBowdler:mm
(Prepared 7/22/68)

125
ACTION

Monday, July 22, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reply to Marcos Independence Day greeting

*sent Rusk
via wire
W-81691*

State suggests the following reply to the warm Independence Day message from President and Mrs. Marcos:

"On behalf of the American people, Mrs. Johnson and I extend to you, to Mrs. Marcos, and to the people of the Philippines our most sincere thanks for your thoughtful message on the anniversary of our national independence. This day is a time in which we reflect with pride on the strong friendship which continues between our two countries.

Free file

"Mrs. Johnson joins me in sending personal best wishes to you and Mrs. Marcos. Lyndon B. Johnson."

I recommend you approve it.

W. W. Rostow

Approve _____

Disapprove _____

Call me _____

STATE:MWright:wpt

~~TOP SECRET~~

July 22, 1968

Pres. file
126

FOR THE PRESIDENT FROM WALT ROSTOW

Herewith Bus Wheeler's formal report on the military situation in Vietnam.

Most heartening if you look back, as he does, to his report of late February.

You will note Abrams' judgment that: "he cannot only cope with the enemy attacks but there is a good chance that our current military operations can succeed in aborting a significant part of the planned enemy attacks."

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 95-249
By lig, NARA, Date 1-30-96

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

CM-3489-68
19 July 1968

126a

MEMORANDUM FOR THE PRESIDENT

Subject: Military Situation in South Vietnam

1. You will recall that I reported to you in late February on the military situation and requirements in South Vietnam after my trip there in the closing days of the TET offensive. My evaluation of the existing situation at that time indicated that there were several unknowns and uncertainties causing us concern. The major ones were:

a. The status of the South Vietnamese Armed Forces; how long it would take for them to recover their fighting strength and whether they had the stamina to withstand the pressure of a prolonged enemy offensive.

b. The ability of General Westmoreland to maintain a satisfactory margin over the VC/NVA in the face of synchronized major enemy attacks throughout the country. (You had earlier approved the expeditious deployment of one brigade of the 82nd Airborne Division and the 27th Marine Regiment to help shore up the situation.)

c. The provision of urban security. The plan was for urban security to be turned over mainly to police forces supported by small mobile ARVN military forces. Most U. S. commanders believed that the ARVN would need assistance from the U. S. forces for this purpose.

d. The extent of the setback to the pacification program.

e. The capability of the enemy to continue the offensive at the TET or lesser scale.

2. The intervening period since the TET offensive has permitted a fairly accurate assessment of enemy activities and capabilities and a development of U. S. strategy and posture of U. S. forces to meet his possible moves. In the following paragraphs I will give you my assessment of the current situation.

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of 7 pages series A

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DECLASSIFIED
E.O. 12356, Sec. 3.4
NIJ 95-252
By CB, NARA, Date 10-17-96

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3. ENEMY STRATEGY: Before TET, the enemy's situation had become critical, forcing him to adopt a new strategy which became clear at TET. His strategy was to generate a popular uprising and bring about the overthrow of the government of South Vietnam. If this could be achieved, all other enemy goals would be realized: the collapse of the Vietnamese government, disintegration of its army, expansion of enemy power throughout South Vietnam and the isolation of the United States from the war. A companion goal since TET has been to attrit the United States' will to continue the war, thus weakening GVN-US solidarity.

4. ENEMY TACTICS: To gain his strategic objectives the enemy, at least until quite recently, has adopted a set of tactics designed for their accomplishment. He attempts to reflect an aura of strength and flexibility. Through attacks on widely separated points and stand-off shellings, he hopes to portray an image of a strong force holding the initiative and striking whenever and wherever he chooses. He seeks an exploitable military success in order to shake allied and South Vietnamese will to continue and to encourage the defeatists at home and abroad. He staggers his offensive by rotating main blows on key target areas of SVN thus reducing the cost of another countrywide offensive and again projecting an aura of strength. He has economized on the use of his forces by pulling them from the less profitable battle areas such as the Delta, highlands and central coastal provinces and uses them against targets of greater promise. He seeks to inflict heavy casualties on U. S. forces - a deliberate policy to influence American public opinion. Finally, he continues to place great emphasis on Saigon realizing that control of even a portion of the capital or creation of chaotic conditions there would accelerate the collapse of the GVN and bring about the popular uprising.

5. ENEMY STRENGTH: Enemy forces while not significantly different in total strength from the 222,000 of October 1965 have undergone a significant change in composition. As infiltration from the north increased and recruiting in the south continued, the enemy was gradually able to achieve a strength increase up to just under 290,000 in the fall of 1966. Since that time he has suffered a net loss in total strength during every month but two - January 1968, when the 304th and 320th North Vietnamese Army (NVA) Divisions plus large numbers of individual replacements arrived in South

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Vietnam and June of this year during which he avoided contact throughout the country. His losses increased with the start of his Winter-Spring campaign in October 1967; he lost 40,000 during the TET attacks and nearly the same number in the series of attacks which began on 5 May. Altogether he has lost more than 200,000 men since the start of his Winter-Spring campaign. Despite these losses and decline in strength (approx 215,000 in June 1968) the percentage of North Vietnamese in-country has continued to climb at a steady rate both from infiltration and from the commitment of entire units of the NVA. In October 1965, the NVA comprised only 26% of VC/NVA maneuver and combat support strength; today the NVA comprises over 70% of the enemy's combat force.

6. QUALITY OF ENEMY FORCES: The immense turnover in the enemy force caused by the replacement of his battle losses has resulted in a marked lowering of the experience level of enemy troops. By conservative estimates better than half of the force in III CTZ is inexperienced and this same pattern prevails throughout the rest of the country. Captured documents, prisoners of war (PWs) and ralliers indicate a shortage of leaders both in the north, where training is conducted and in the south where they provide battlefield leadership. One study has shown that NVA PWs in grades of private and private first class had received less than the normal 12 weeks of training. The group averaged 35 days and some received no training at all. Another study has shown a corresponding trend in VC experience.

7. ENEMY FORCE STRUCTURE TRENDS: Thus we see certain trends in the enemy force structure. Total enemy strength has been declining since the fall of 1966 and we estimate that it will continue to do so. His losses are consistently greater than his inputs; the war is becoming an increasingly NVA war and the quality of recruits and infiltrators is declining.

8. ENEMY OPERATIONAL TRENDS: A review of enemy operational trends since TET should help us in estimating what we can expect from him now. In late February after his TET momentum had dropped he faced a critical situation. He had lost almost one fifth of his total in-country strength and he had failed in his major offensive of smashing the GVN and causing a general uprising. Yet TET was a

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psychological success in the United States that he must try to exploit. His decision was to sustain the pressure by staggering the main blows of his future offensives both in time and place since he probably could not afford another countrywide offensive of the TET magnitude.

9. ENEMY PLANS AFTER TET: His specific plans called for a 2nd general offensive against Saigon and Hue in mid-April; a major effort in the western highlands in mid-May; in Southern I Corps around Danang in mid-June; and in the DMZ area in mid-July. Our Khe Sanh and Ashau Valley operations spoiled the enemy's extensive preparations for a major line of communications (LOC) network to serve Northern I Corps. The second offensive against Saigon was late getting started because of logistics and force problems. Delayed from 15 April to 5 May, the Saigon attacks were at best a partial success. His initial assaults cost him heavy casualties and were quickly blunted. Adverse international reaction as well as that of the South Vietnamese people caused him to modify his tactics to a lower order of intensity and extend his timetable for Saigon into June. The regiments that were to attack Hue never came close to the city. They were roughly handled and forced to withdraw to the central province base areas. This forced delay in the enemy's summer plans for the DMZ and Northern I Corps. The western highlands campaign was in trouble before it started because of B-52 strikes that commenced in mid-April and reinforcement of friendly units by a U. S. airborne brigade. The most the enemy could muster was a battalion size attack on 25 May. He was under constant tactical air and B-52 attack and he withdrew on 5 June. His planned operation for Southern I Corps was set back at least six weeks by force problems associated with his abortive effort in the highlands.

10. ENEMY SITUATION IN JUNE 1968: By early June, the enemy probably viewed his situation somewhat as follows: many of his units had been forced to withdraw in order to regroup and refit; the western highlands campaign was a loss; his alternate road network in I Corps was not complete; he was required to reduce his efforts in coastal II Corps and his pressure on Saigon was falling off from attrition in battle and the commencement of concentrated B-52 strikes.

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11. PROJECTION OF ENEMY PLANS: In light of observed enemy operational trends and a study of his movements, activity, combat effectiveness, infiltration flow, and information from documents and people, we have attempted to project his plans. For Northern I Corps, to include the DMZ, mid-August appears to be the earliest date for enemy offensive activity and late August as the most likely time. The same estimate holds for efforts against Danang in Southern I Corps. In the Saigon area, assessment of all timing indicators also points to mid-August as the earliest date and late August as the more likely period for a renewed major offensive.

12. FRIENDLY FORCES OPERATIONS: U. S. and Free World allied ground forces are currently positioned throughout South Vietnam and operating with tactical air, artillery and B-52s in such a manner that I am confident that they can cope with renewed enemy offenses. General Abrams believes that he cannot only cope with the enemy attacks but there is a good chance that our current military operations can succeed in aborting a significant part of the planned enemy attacks. Friendly forces are constantly probing and searching out the enemy. Upon making contact massive firepower is brought to bear either by artillery, tactical air or B-52s. The aborting of the enemy's planned attacks in the highlands in late June is a good example of this tactic.

13. FRIENDLY FORCE POSTURE: No major in-country moves of forces are planned in July or August to counter the enemy threat. The B-52s provide a capability to shift firepower rapidly and will continue to have a major influence on the ground battle throughout South Vietnam and in the interdiction campaign in the DMZ area. Complete flexibility in the application of tactical air permits shifting it to areas where needed. Naval gunfire provides added firepower throughout the four Corps Tactical Zones (CTZ) and permits artillery resources to be employed westward from the coastal areas. Artillery units are postured to provide ready support to ground units. General Abrams has stated that he has not asked for nor does he need additional forces.

14. URBAN SECURITY: The security of urban areas has improved since my visit in February. Saigon is the most critical area as evidenced in both the TET and early May offensives. The

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newly created joint U. S. and GVN organization for controlling the defense of Saigon is working smoothly. General Hay of the U. S. and General Minh of SVN have taken many actions to improve the defense of Saigon. Two examples of these are: (1) the erection of 60 towers around Saigon to permit the triangulation of artillery, rocket or mortar flashes and bring counter-fire to bear - at the time of our visit, reaction time had been reduced to just over one minute; (2) troops have been permanently stationed in the rocket areas moving around day and night. Coordination of National Police efforts with those of the military forces has improved. Enemy routes of infiltration into the cities have been comprehensively plotted and followed back to the enemy bases and camps. Friendly units continually sweep and harass these base areas, camps and routes.

15. STATUS OF SVN ARMED FORCES: The South Vietnamese Armed Forces have recovered from the TET offensive and are fighting shoulder to shoulder with the U. S. and Free World forces. They continue to have problems in equipment and leadership, and their recent mobilization efforts have saturated their training facilities, but they are making definite improvement. Considerable effort is being expended in Washington to work out a reequipping and modernization program that will greatly improve their capabilities over the next several years. U. S. forces are assisting with a basic refresher training program at battalion level. Basic training can be assisted by the release of funds for at least the 1st and 2nd Quarters of FY69, and by the activation of minimum essential combat, combat support and combat service support units.

16. SUMMARY: The current situation as I see it can be summarized as follows:

a. Since TET, the enemy has been required to point his military strategy and tactics more toward support of a political/psychological victory. He attempts to reflect an aura of strength and flexibility while seeking an exploitable military success.

b. Since the fall of 1966 the enemy has suffered a continuing net loss in strength.

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c. The composition of the enemy forces has become predominately North Vietnamese Army.

d. The quality of the enemy forces has declined, particularly since the TET offensive.

e. While sustaining pressure on friendly forces by staggering his offensive efforts both in time and space the enemy is becoming progressively less able to adhere to a time phased schedule of attacks.

f. The next phase of enemy attacks will most likely begin in mid to late August. The main attacks are expected against Saigon, Danang and the DMZ area.

g. The posture and composition of U. S. and Free World forces permit their effective employment against the enemy.

h. General Abrams has the resources to cope with the enemy effort and his forces have the confidence and capability to do so.

i. Organizational and operational actions have been taken to improve the security of urban areas. Particular attention and effort are being focused on Saigon.

j. The South Vietnamese Armed Forces have recovered from the TET offensive. Current reequipping, modernization and training programs, together with their mobilization efforts, will produce continuing improvement in their capabilities.



EARLE G. WHEELER
Chairman
Joint Chiefs of Staff

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FROM WALT ROSTOV
TO THE PRESIDENT
CITE CAP81687

Pres. file

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JULY 22, 1968

HEREWITH BUS WHEELER'S FORMAL REPORT ON THE MILITARY SITUATION IN VIETNAM.

MOST HEARTENING IF YOU LOOK BACK, AS HE DOES, TO HIS REPORT OF LATE FEBRUARY.

YOU WILL NOTE ABRAMS' JUDGMENT THAT: "HE CANNOT ONLY COPE WITH THE ENEMY ATTACKS BUT THERE IS A GOOD CHANCE THAT OUR CURRENT MILITARY OPERATIONS CAN SUCCEED IN ABORTING A SIGNIFICANT PART OF THE PLANNED ENEMY ATTACKS."

MEMORANDUM FOR THE PRESIDENT

SUBJECT: MILITARY SITUATION IN SOUTH VIETNAM

1. YOU WILL RECALL THAT I REPORTED TO YOU IN LATE FEBRUARY ON THE MILITARY SITUATION AND REQUIREMENTS IN SOUTH VIETNAM AFTER MY TRIP THERE IN THE CLOSING DAYS OF THE TET OFFENSIVE. MY EVALUATION OF THE EXISTING SITUATION AT THAT TIME INDICATED THAT THERE WERE SEVERAL UNKNOWN AND UNCERTAINTIES CAUSING US CONCERN. THE MAJOR ONES WERE:

A. THE STATUS OF THE SOUTH VIETNAMESE ARMED FORCES; HOW LONG IT WOULD TAKE FOR THEM TO RECOVER THEIR FIGHTING STRENGTH AND WHETHER THEY HAD THE STAMINA TO WITHSTAND THE PRESSURE OF A PROLONGED ENEMY OFFENSIVE.

B. THE ABILITY OF GENERAL WESTMORELAND TO MAINTAIN A SATISFACTORY MARGIN OVER THE VC/NVA IN THE FACE OF SYNCHRONIZED MAJOR ENEMY ATTACKS THROUGHOUT THE COUNTRY. (YOU HAD EARLIER APPROVED THE EXPEDITIOUS DEPLOYMENT OF ONE BRIGADE OF THE 82ND AIRBORNE DIVISION AND THE 27TH MARINE REGIMENT TO HELP SHORE UP THE SITUATION.)

C. THE PROVISION OF URBAN SECURITY. THE PLAN WAS FOR URBAN SECURITY TO BE TURNED OVER MAINLY TO POLICE FORCES SUPPORTED BY SMALL MOBILE ARVN MILITARY FORCES. MOST U.S. COMMANDERS BELIEVED THAT THE ARVN WOULD NEED ASSISTANCE FROM THE U.S. FOR THIS PURPOSE.

68 JUL 22 PM 1:13
MONDAY

DECLASSIFIED
By *[signature]* NARA Date *25/02*

D. THE EXTENT OF THE SETBACK TO THE PACIFICATION PROGRAM.

2. THE CAPABILITY OF THE ENEMY TO CONTINUE THE OFFENSIVE AT THE TET OR LESSER SCALE.

2. THE INTERVENING PERIOD SINCE THE TET OFFENSIVE HAS PERMITTED A FAIRLY ACCURATE ASSESSMENT OF ENEMY ACTIVITIES AND CAPABILITIES AND A DEVELOPMENT OF U.S. STRATEGY AND POSTURE OF U.S. FORCES TO MEET HIS POSSIBLE MOVES. IN THE FOLLOWING PARAGRAPHS I WILL GIVE YOU MY ASSESSMENT OF THE CURRENT SITUATION.

3. ENEMY STRATEGY:

BEFORE TET, THE ENEMY'S SITUATION HAD BECOME CRITICAL, FORCING HIM TO ADOPT A NEW STRATEGY WHICH BECAME CLEAR AT TET. HIS STRATEGY WAS TO GENERATE A POPULAR UPRISING AND BRING ABOUT THE OVERTHROW OF THE GOVERNMENT OF SOUTH VIETNAM. IF THIS COULD BE ACHIEVED, ALL OTHER ENEMY GOALS WOULD BE REALIZED: THE COLLAPSE OF THE VIETNAMESE GOVERNMENT, DISINTEGRATION OF ITS ARMY, EXPANSION OF ENEMY POWER THROUGHOUT SOUTH VIETNAM AND THE ISOLATION OF THE UNITED STATES FROM THE WAR. A COMPANION GOAL SINCE TET HAS BEEN TO ATTRIT THE UNITED STATES' WILL TO CONTINUE THE WAR, THUS WEAKENING GVN-US SOLIDARITY.

4. ENEMY TACTICS:

TO GAIN HIS STRATEGIC OBJECTIVES THE ENEMY, AT LEAST UNTIL QUITE RECENTLY, HAS ADOPTED A SET OF TACTICS DESIGNED FOR THEIR ACCOMPLISHMENT. HE ATTEMPTS TO REFLECT AN AURA OF STRENGTH AND FLEXIBILITY. THROUGH ATTACKS ON WIDELY SEPARATED POINTS AND STAND-OFF SHELLINGS, HE HOPES TO PORTRAY AN IMAGE OF A STRONG FORCE HOLDING THE INITIATIVE AND STRIKING WHENEVER AND WHEREVER HE CHOOSES. HE SEEKS AN EXPLOITABLE MILITARY SUCCESS IN ORDER TO SHAKE ALLIED AND SOUTH VIETNAMESE WILL TO CONTINUE AND TO ENCOURAGE THE DEFEATISTS AT HOME AND ABROAD. HE STAGGERS HIS OFFENSIVE BY ROTATING MAIN BLOWS ON KEY TARGET AREAS OF SVN THUS REDUCING THE COST OF ANOTHER COUNTRYWIDE OFFENSIVE AND AGAIN PROJECTING AN AURA OF STRENGTH. HE HAS ECONOMIZED ON THE USE OF HIS FORCES BY PULLING THEM FROM THE LESS PROFITABLE BATTLE AREAS SUCH AS THE DELTA, HIGHLANDS AND CENTRAL COASTAL PROVINCES AND USES THEM AGAINST TARGETS OF GREATER PROMISE. HE SEEKS TO INFLICT HEAVY CASUALTIES ON U.S. FORCES - A DELIBERATE POLICY TO INFLUENCE AMERICAN PUBLIC OPINION. FINALLY, HE CONTINUES TO PLACE GREAT EMPHASIS ON SAIGON REALIZING THAT CONTROL OF EVEN A PORTION OF THE CAPITAL OR CREATION OF CHAOTIC CONDITIONS THERE WOULD ACCELERATE THE COLLAPSE OF THE GVN AND BRING ABOUT THE POPULAR UPRISING.

5. ENEMY STRENGTH:

ENEMY FORCES WHILE NOT SIGNIFICANTLY DIFFERENT IN TOTAL STRENGTH FROM THE 222,000 OF OCTOBER 1965 HAVE UNDERGONE A SIGNIFICANT CHANGE IN COMPOSITION. AS INFILTRATION FROM THE NORTH INCREASED AND RECRUITING IN THE SOUTH CONTINUED, THE ENEMY WAS GRADUALLY ABLE TO ACHIEVE A STRENGTH INCREASE UP TO JUST UNDER 290,000 IN THE FALL OF 1966. SINCE THAT TIME HE HAS SUFFERED A NET LOSS IN TOTAL STRENGTH DURING EVERY MONTH BUT TWO - JANUARY 1968, WHEN THE 304TH AND 320TH NORTH VIETNAMESE

ARMY (NVA) DIVISIONS PLUS LARGE NUMBERS OF INDIVIDUAL REPLACEMENTS ARRIVED IN SOUTH VIETNAM AND JUNE OF THIS YEAR DURING WHICH HE AVOIDED CONTACT THROUGHOUT THE COUNTRY. HIS LOSSES INCREASED WITH THE START OF HIS WINTER-SPRING CAMPAIGN IN OCTOBER 1967; HE LOST 40,000 DURING THE TET ATTACKS AND NEARLY THE SAME NUMBER IN THE SERIES OF ATTACKS WHICH BEGAN ON 5 MAY. ALTOGETHER HE HAS LOST MORE THAN 200,000 MEN SINCE THE START OF HIS WINTER-SPRING CAMPAIGN. DESPITE THESE LOSSES AND DECLINE IN STRENGTH (APPROX 215,000 IN JUNE 1968) THE PERCENTAGE OF NORTH VIETNAMESE IN-COUNTRY HAS CONTINUED TO CLIMB AT A STEADY RATE BOTH FROM INFILTRATION AND FROM THE COMMITMENT OF ENTIRE UNITS OF THE NVA. IN OCTOBER 1965, THE NVA COMPRISED ONLY 26 PERCENT OF VC/NVA MANEUVER AND COMBAT SUPPORT STRENGTH; TODAY THE NVA COMPRISES OVER 70 PERCENT OF THE ENEMY'S COMBAT FORCE.

6. QUALITY OF ENEMY FORCES:

THE IMMENSE TURNOVER IN THE ENEMY FORCE CAUSED BY THE REPLACEMENT OF HIS BATTLE LOSSES HAS RESULTED IN A MARKED LOWERING OF THE EXPERIENCE LEVEL OF ENEMY TROOPS. BY CONSERVATIVE ESTIMATES BETTER THAN HALF OF THE FORCE IN III CTZ IS INEXPERIENCED AND THIS SAME PATTERN PREVAILS THROUGHOUT THE REST OF THE COUNTRY. CAPTURED DOCUMENTS, PRISONERS OF WAR (PWS) AND RALLIERS INDICATE A SHORTAGE OF LEADERS BOTH IN THE NORTH, WHERE TRAINING IS CONDUCTED AND IN THE SOUTH WHERE THEY PROVIDE BATTLEFIELD LEADERSHIP. ONE STUDY HAS SHOWN THAT NVA PWS IN GRADES OF PRIVATE AND PRIVATE FIRST CLASS HAD RECEIVED LESS THAN THE NORMAL 12 WEEKS OF TRAINING. THE GROUP AVERAGED 35 DAYS AND SOME RECEIVED NO TRAINING AT ALL. ANOTHER STUDY HAS SHOWN A CORRESPONDING TREND IN VC EXPERIENCE.

7. ENEMY FORCE STRUCTURE TRENDS:

THUS WE SEE CERTAIN TRENDS IN THE ENEMY FORCE STRUCTURE. TOTAL ENEMY STRENGTH HAS BEEN DECLINING SINCE THE FALL OF 1966 AND WE ESTIMATE THAT IT WILL CONTINUE TO DO SO. HIS LOSSES ARE CONSISTENTLY GREATER THAN HIS INPUTS; THE WAR IS BECOMING AN INCREASINGLY NVA WAR AND THE QUALITY OF RECRUITS AND INFILTRATORS IS DECLINING.

8. ENEMY OPERATIONAL TRENDS:

A REVIEW OF ENEMY OPERATIONAL TRENDS SINCE TET SHOULD HELP US IN ESTIMATING WHAT WE CAN EXPECT FROM HIM NOW. IN LATE FEBRUARY AFTER HIS TET MOMENTUM HAD DROPPED HE FACED A CRITICAL SITUATION. HE HAD LOST ALMOST ONE FIFTH OF HIS TOTAL IN-COUNTRY STRENGTH AND HE HAD FAILED IN HIS MAJOR OFFENSIVE OF SMASHING THE GVN AND CAUSING A GENERAL UPRISING. YET TET WAS A PSYCHOLOGICAL SUCCESS IN THE UNITED STATES THAT HE MUST TRY TO EXPLOIT. HIS DECISION WAS TO SUSTAIN THE PRESSURE BY STAGGERING THE MAIN BLOWS OF HIS FUTURE OFFENSIVES BOTH IN TIME AND PLACE SINCE HE PROBABLY COULD NOT AFFORD ANOTHER COUNTRYWIDE OFFENSIVE OF THE TET MAGNITUDE.

9. ENEMY PLANS AFTER TET:

HIS SPECIFIC PLANS CALLED FOR A 2ND GENERAL OFFENSIVE AGAINST SAIGON AND HUE IN MID-APRIL; A MAJOR EFFORT IN THE WESTERN HIGHLANDS IN MID-MAY; IN SOUTHERN I CORPS

AROUND DANANG IN MID-JUNE; AND IN THE DMZ AREA IN MID-JULY. OUR KHE SANH AND A SHAU VALLEY OPERATIONS SPOILED THE ENEMY'S EXTENSIVE PREPARATIONS FOR A MAJOR LINE OF COMMUNICATIONS (LOC) NETWORK TO SERVE NORTHERN I CORPS. THE SECOND OFFENSIVE AGAINST SAIGON WAS LATE GETTING STARTED BECAUSE OF LOGISTICS AND FORCE PROBLEMS. DELAYED FROM 15 APRIL TO 5 MAY, THE SAIGON ATTACKS WERE AT BEST A PARTIAL SUCCESS. HIS INITIAL ASSAULTS COST HIM HEAVY CASUALTIES AND WERE QUICKLY BLUNTED. ADVERSE INTERNATIONAL REACTION AS WELL AS THAT OF THE SOUTH VIETNAMESE PEOPLE CAUSED HIM TO MODIFY HIS TACTICS TO A LOWER ORDER OF INTENSITY AND EXTEND HIS TIMETABLE FOR SAIGON INTO JUNE. THE REGIMENTS THAT WERE TO ATTACK HUE NEVER CAME CLOSE TO THE CITY. THEY WERE ROUGHLY HANDLED AND FORCED TO WITHDRAW TO THE CENTRAL PROVINCE BASE AREAS. THIS FORCED DELAY IN THE ENEMY'S SUMMER PLANS FOR THE DMZ AND NORTHERN I CORPS. THE WESTERN HIGHLANDS CAMPAIGN WAS IN TROUBLE BEFORE IT STARTED BECAUSE OF B-52 STRIKES THAT COMMENCED IN MID-APRIL AND REINFORCEMENT OF FRIENDLY UNITS BY A U.S. AIRBORNE BRIGADE. THE MOST THE ENEMY COULD MUSTER WAS A BATTALION SIZE ATTACK ON 25 MAY. HE WAS UNDER CONSTANT TACTICAL AIR AND B-52 ATTACK AND HE WITHDREW ON 5 JUNE. HIS PLANNED OPERATION FOR SOUTHERN I CORPS WAS SET BACK AT LEAST SIX WEEKS BY FORCE PROBLEMS ASSOCIATED WITH HIS ABORTIVE EFFORT IN THE HIGHLANDS.

10. ENEMY SITUATION IN JUNE 1968:

BY EARLY JUNE, THE ENEMY PROBABLY VIEWED HIS SITUATION SOMEWHAT AS FOLLOWS: MANY OF HIS UNITS HAD BEEN FORCED TO WITHDRAW IN ORDER TO REGROUP AND REFIT; THE WESTERN HIGHLANDS CAMPAIGN WAS A LOSS; HIS ALTERNATE ROAD NETWORK IN I CORPS WAS NOT COMPLETE; HE WAS REQUIRED TO REDUCE HIS EFFORTS IN COASTAL II CORPS AND HIS PRESSURE ON SAIGON WAS FALLING OFF FROM ATTRITION IN BATTLE AND THE COMMENCEMENT OF CONCENTRATED B-52 STRIKES.

11. PROJECTION OF ENEMY PLANS:

IN LIGHT OF OBSERVED ENEMY OPERATIONAL TRENDS AND A STUDY OF HIS MOVEMENTS, ACTIVITY, COMBAT EFFECTIVENESS, INFILTRATION FLOW, AND INFORMATION FROM DOCUMENTS AND PEOPLE, WE HAVE ATTEMPTED TO PROJECT HIS PLANS. FOR NORTHERN I CORPS, TO INCLUDE THE DMZ, MID-AUGUST APPEARS TO BE THE EARLIEST DATE FOR ENEMY OFFENSIVE ACTIVITY AND LATE AUGUST AS THE MOST LIKELY TIME. THE SAME ESTIMATE HOLDS FOR EFFORTS AGAINST DANANG IN SOUTHERN I CORPS. IN THE SAIGON AREA, ASSESSMENT OF ALL TIMING INDICATORS ALSO POINTS TO MID-AUGUST AS THE EARLIEST DATE AND LATE AUGUST AS THE MORE LIKELY PERIOD FOR A RENEWED MAJOR OFFENSIVE.

12. FRIENDLY FORCES OPERATIONS:

U.S. AND FREE WORLD ALLIED GROUND FORCES ARE CURRENTLY POSITIONED THROUGHOUT SOUTH VIETNAM AND OPERATING WITH TACTICAL AIR, ARTILLERY AND B-52S IN SUCH A MANNER THAT I AM CONFIDENT THAT THEY CAN COPE WITH RENEWED ENEMY OFFENSES. GENERAL ABRAMS BELIEVES THAT HE CANNOT ONLY COPE WITH THE ENEMY ATTACKS BUT THERE IS A GOOD

CHANCE THAT OUR CURRENT MILITARY OPERATIONS CAN SUCCEED IN ABORTING A SIGNIFICANT PART OF THE PLANNED ENEMY ATTACKS. FRIENDLY FORCES ARE CONSTANTLY PROBING AND SEARCHING OUT THE ENEMY. UPON MAKING CONTACT MASSIVE FIREPOWER IS BROUGHT TO BEAR EITHER BY ARTILLERY, TACTICAL AIR OR B-52S. THE ABORTING OF THE ENEMY'S PLANNED ATTACKS IN THE HIGHLANDS IN LATE JUNE IS A GOOD EXAMPLE OF THIS TACTIC.

13. FRIENDLY FORCE POSTURE:

NO MAJOR IN-COUNTRY MOVES OF FORCES ARE PLANNED IN JULY OR AUGUST TO COUNTER THE ENEMY THREAT. THE B-52S PROVIDE A CAPABILITY TO SHIFT FIREPOWER RAPIDLY AND WILL CONTINUE TO HAVE A MAJOR INFLUENCE ON THE GROUND BATTLE THROUGHOUT SOUTH VIETNAM AND IN THE INTERDICTION CAMPAIGN IN THE DMZ AREA. COMPLETE FLEXIBILITY IN THE APPLICATION OF TACTICAL AIR PERMITS SHIFTING IT TO AREAS WHERE NEEDED. NAVAL GUNFIRE PROVIDES ADDED FIREPOWER THROUGHOUT THE FOUR CORPS TACTICAL ZONES (CTZ) AND PERMITS ARTILLERY RESOURCES TO BE EMPLOYED WESTWARD FROM THE COASTAL AREAS. ARTILLERY UNITS ARE POSTURED TO PROVIDE READY SUPPORT TO GROUND UNITS. GENERAL ABRAMS HAS STATED THAT HE HAS NOT ASKED FOR NOR DOES HE NEED ADDITIONAL FORCES.

14. URBAN SECURITY:

THE SECURITY OF URBAN AREAS HAS IMPROVED SINCE MY VISIT IN FEBRUARY. SAIGON IS THE MOST CRITICAL AREA AS EVIDENCED IN BOTH THE TET AND EARLY MAY OFFENSIVES. THE NEWLY CREATED JOINT U.S. AND GVN ORGANIZATION FOR CONTROLLING THE DEFENSE OF SAIGON IS WORKING SMOOTHLY. GENERAL HAY OF THE U.S. AND GENERAL MINH OF SVN HAVE TAKEN MANY ACTIONS TO IMPROVE THE DEFENSE OF SAIGON. TWO EXAMPLES OF THESE ARE: (1) THE ERECTION OF 63 TOWERS AROUND SAIGON TO PERMIT THE TRIANGULATION OF ARTILLERY, ROCKET OR MORTAR FLASHES AND BRING COUNTER-FIRE TO BEAR - AT THE TIME OF OUR VISIT, REACTION TIME HAD BEEN REDUCED TO JUST OVER ONE MINUTE; (2) TROOPS HAVE BEEN PERMANENTLY STATIONED IN THE ROCKET AREAS MOVING AROUND DAY AND NIGHT. COORDINATION OF NATIONAL POLICE EFFORTS WITH THOSE OF THE MILITARY FORCES HAS IMPROVED. ENEMY ROUTES OF INFILTRATION INTO THE CITIES HAVE BEEN COMPREHENSIVELY PLOTTED AND FOLLOWED BACK TO THE ENEMY BASES AND CAMPS. FRIENDLY UNITS CONTINUALLY SWEEP AND HARASS THESE BASE AREAS, CAMPS AND ROUTES.

15. STATUS OF SVN ARMED FORCES:

THE SOUTH VIETNAMESE ARMED FORCES HAVE RECOVERED FROM THE TET OFFENSIVE AND ARE FIGHTING SHOULDER TO SHOULDER WITH THE U.S. AND FREE WORLD FORCES. THEY CONTINUE TO HAVE PROBLEMS IN EQUIPMENT AND LEADERSHIP, AND THEIR RECENT MOBILIZATION EFFORTS HAVE SATURATED THEIR TRAINING FACILITIES, BUT THEY ARE MAKING DEFINITE IMPROVEMENT. CONSIDERABLE EFFORT IS BEING EXPENDED IN WASHINGTON TO WORK OUT A REEQUIPPING AND MODERNIZATION PROGRAM THAT WILL GREATLY IMPROVE THEIR CAPABILITIES OVER THE NEXT SEVERAL YEARS. U.S. FORCES ARE ASSISTING WITH A BASIC REFRESHER TRAINING PROGRAM AT BATTALION LEVEL. BASIC

TRAINING CAN BE ASSISTED BY THE RELEASE OF FUNDS FOR AT LEAST THE 1ST AND 2ND QUARTERS OF FY69, AND BY THE ACTIVATION OF MINIMUM ESSENTIAL COMBAT, COMBAT SUPPORT AND COMBAT SERVICE SUPPORT UNITS.

16. SUMMARY:

THE CURRENT SITUATION AS I SEE IT CAN BE SUMMARIZED AS FOLLOWS:

A. SINCE TET, THE ENEMY HAS BEEN REQUIRED TO POINT HIS MILITARY STRATEGY AND TACTICS MORE TOWARD SUPPORT OF A POLITICAL/PSYCHOLOGICAL VICTORY. HE ATTEMPTS TO REFLECT AN AURA OF STRENGTH AND FLEXIBILITY WHILE SEEKING AN EXPLOITABLE MILITARY SUCCESS.

B. SINCE THE FALL OF 1966 THE ENEMY HAS SUFFERED A CONTINUING NET LOSS IN STRENGTH.

C. THE COMPOSITION OF THE ENEMY FORCES HAS BECOME PREDOMINATELY NORTH VIETNAMESE ARMY.

D. THE QUALITY OF THE ENEMY FORCES HAS DECLINED, PARTICULARLY SINCE THE TET OFFENSIVE.

E. WHILE SUSTAINING PRESSURE ON FRIENDLY FORCES BY STAGGERING HIS OFFENSIVE EFFORTS BOTH IN TIME AND SPACE THE ENEMY IS BECOMING PROGRESSIVELY LESS ABLE TO ADHERE TO A TIME PHASED SCHEDULE OF ATTACKS.

F. THE NEXT PHASE OF ENEMY ATTACKS WILL MOST LIKELY BEGIN IN MID TO LATE AUGUST. THE MAIN ATTACKS ARE EXPECTED AGAINST SAIGON, DANANG AND THE DMZ AREA.

G. THE POSTURE AND COMPOSITION OF U.S. AND FREE WORLD FORCES PERMIT THEIR EFFECTIVE EMPLOYMENT AGAINST THE ENEMY.

H. GENERAL ABRAMS HAS THE RESOURCES TO COPE WITH THE ENEMY EFFORT AND HIS FORCES HAVE THE CONFIDENCE AND CAPABILITY TO DO SO.

I. ORGANIZATIONAL AND OPERATIONAL ACTIONS HAVE BEEN TAKEN TO IMPROVE THE SECURITY OF URBAN AREAS. PARTICULAR ATTENTION AND EFFORT ARE BEING FOCUSED ON SAIGON.

J. THE SOUTH VIETNAMESE ARMED FORCES HAVE RECOVERED FROM THE TET OFFENSIVE. CURRENT REEQUIPPING, MODERNIZATION AND TRAINING PROGRAMS, TOGETHER WITH THEIR MOBILIZATION EFFORTS, WILL PRODUCE CONTINUING IMPROVEMENT IN THEIR CAPABILITIES.

EARLE G. WHEELER
CHAIRMAN
JOINT CHIEFS OF STAFF

~~TOP SECRET~~

INFORMATION

Mr. Restow

July 22, 1968

Pres. file

128

Mr. President:

I'm sure you will enjoy
reading a word of thanks from one
of your grateful ambassadors.

Since this is partly a
response to your letter sending
the photo album of the Shah's visit,
I don't believe any reply is
necessary.

W. W. R.

Att: Letter to the President from Ambassador
Armin H. Meyer, Tehran, Iran, 7/15/68

128a.

Tehran, Iran

July 15, 1968

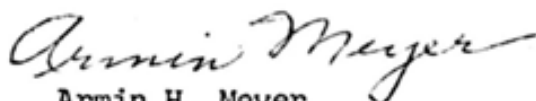
Dear Mr. President:

A visit by the Shah of Iran is only one of the myriad of preoccupations which beset you and Mrs. Johnson, but you should know that the Shah's recent visit to Washington was once again a resounding success. In taking what was obviously affectionate leave from our country, His Majesty told me his trip "could not have been better".

No longer recipient (and rightly so) of USAID and technical assistance, Iran is now standing on its own feet, and to the surprise of some Congressmen, paying its bills on time. This is one of those achievements of our foreign policies which seldom gets attention in the public press. That we are able to fashion an even more healthy relationship with this country has been due primarily to the Shah's firm faith in our friendship, a faith which has been rekindled each time the Shah has come to the White House.

Not all of your Ambassadors have been so lucky as to be posted in a country which is making such dramatic progress, and at the same time remains a faithful friend. I shall always treasure the souvenir album which was sent under cover of your kind letter of June 27. Let us hope that the high water mark in US-Iranian relations achieved during the "Johnson years" will carry on into the future.

Sincerely,



Armin H. Meyer
American Ambassador

The President
The White House

129
July 22, 1968

FOR THE PRESIDENT FROM WALT ROSTOW

Following, for your approval, is proposed birthday greeting to Emperor Haile Selassie of Ethiopia. Emperor will be 76 tomorrow. I recommend you approve.

BEGIN MESSAGE:

Pres file

Your Imperial Majesty:

Mrs. Johnson and I send you warmest birthday greetings, and all Americans join us in congratulating the people of Ethiopia on your National Day.

For Your Majesty this has been another year of wise and dedicated service to your people. For Ethiopia it has been another year of hopeful progress toward a healthier and richer tomorrow for every citizen. And for free men everywhere it has been another year in which you and your nation have provided an inspiration and an example.

The world will continue to need that inspiration, Your Majesty.

With best personal regards.

Sincerely,

END MESSAGE

Approve message.

Disapprove.

Call me.

WWR:RM:lw
Att: file #2224

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INFORMATION

Monday - July 22, 1968 - 11:30 AM

Mr. President:

Free file

Herewith a resume prepared by State of Latin American
press reaction to your Central American trip.

W. W. Rostow

Attachment

LATIN AMERICAN MEDIA COVERAGE
OF THE PRESIDENT'S TRIP

Central American Coverage

Central America was unstinting in its enthusiastic reaction to President Johnson's meeting in San Salvador with the Central American Presidents. As interpreted by the Central American press the emphasis was on "the cordial tone" of the conference and the "stimulus and incentive" which President Johnson brought to the task of integrating the area economically. The accomplishments of the meeting were stressed heavily in editorial comment. The incidents concerning students in San Salvador received only minor coverage. The press noted that Nicaragua and Honduras declared Monday, July 8, to be a national holiday in honor of President Johnson's stopover in those countries.

San Salvador's Diario de Hoy said the visit was "an event of great historic importance that has paved the way to the solution of the multiple problems facing these countries. From the first moment, the Johnsons won the admiration and friendship of the people for their simplicity and their democratic spirit." One headline read: "Johnson Says Central America Has Given an Example to the World." The article said that, "The attitude of the chief of state of the world's most powerful nation captured the friendship of all those present."

Prensa Grafica of San Salvador called the joint declaration "an agreement to spur the development of the entire region" and said that U.S. support for Central American integration was made clear in the declaration. The moderately conservative paper also said, "This summit meeting is one of the greatest events in the history of El Salvador and of Central America. All of the American hemisphere has its attention fixed on Central America because, although it is a meeting of a regional nature, its outcome may have repercussions throughout the hemisphere." After the meeting, Prensa

Grafica editorialized that it had "restored a climate and a will to collaborate. The most difficult part begins now: the execution of the Declaration of the Presidents."

Radio Reloj of San Jose, Costa Rica, said: "The trip was virtually a personal victory for President Johnson." Referring to the stop in San Jose, the radio said that "Johnson's arrival was a pleasant moment for us because we greeted upon Costa Rican soil the leader of a people familiar with democracy, a president elected democratically in honest elections, the representative of a friendly people with a political and social organization from which we have much to learn." The station called Johnson's passage through Central America "a gesture of goodwill and friendship" marking "a new era in Central American-North American friendship."

The liberal Costa Rican newspaper, La Republica, said "The presence of the U.S. President constituted an incentive and a stimulus. Now it remains to be seen what concrete results the meeting produced. The Presidents have shown that they have the faith to move mountains, but if this faith is not accompanied by works, the applause of today will become the curses of tomorrow."

The moderate La Prensa Libre of San Jose deplored "the demonstrations of the intemperate Communists of San Salvador," and expressed satisfaction that none had taken place in Costa Rica. The paper found Costa Rica's public reaction "particularly heartening as it did not result from anyone's orders, but was born of a profound democratic sentiment."

The Costa Rican press and radio were critical of the alleged treatment accorded Costa Rican officials and correspondents by U.S. security forces.

Novedades, a newspaper owned by the Somoza family in Nicaragua, wrote of the "jubilant and glowing welcome" accorded President Johnson and said "The U.S. President sensed the warm

response of the people, and of a well-behaved and friendly student population that rejected the attitude of certain agitators who attempted to detract from the luster of the visit."

The opposition newspaper, La Prensa, of the Conservative Party stressed that the visit was a "manifestation of concern at high levels about the crisis" existing in the Central American Common Market and added that "the very presence of the North American President served as an injection for a sick man whose crisis, though serious, is not so grave that he should be given up for dead."

On July 12, an editorial in La Prensa stressed President Johnson's support for Central America's economic and social progress and concluded by urging President Johnson and the next U.S. administration to accord greater attention to the possibilities for expanded cooperation between the U.S. and Latin America.

In Honduras, leftwing El Pueblo observed that "the visit of the head of the richest nation in the world may bring hope of relief to the poorest peoples of the hemisphere." Diario del Norte said "The visit of President Johnson to the Central American countries is an event of great historical importance, because it strengthens faith in the destiny of democracy and opens up new prospects for the development of the means of production."

An article in the principal Honduran newspaper, El Dia of Tegucigalpa, an independent newspaper, refers to the Honduran-Salvadoran exchange of political prisoners and says "it has been necessary to call in the chief doctor, Mr. Johnson, to come and get us out of an impasse which we ourselves, with a little courage, might have resolved."

El Dia wrote of the Central American Common Market, observing that "it is necessary that it be based fundamentally

on economic aspects, without forgetting that integration in every way be insisted upon so that, gradually, a solid unmovable consciousness of Central American nationality can be formed." Later in the week, El Dia said that President Johnson's presence "had honored Central America" and demonstrated his interest in the area. Independent La Prensa of Tegucigalpa noted that, although the meeting had been convened "unexpectedly and without a prior agenda," it focused the attention of Latin America on "a single goal -- the strengthening of the Central American Common Market."

The liberal newspaper Prensa Libre of Guatemala City termed President Johnson's announcement of a \$65 million loan to the Central American Common Market nations "a magnanimous gesture," adding that "his interest must be appreciated and the nobility of his objective acknowledged." However, the paper noted: "We must note the counterproductive effects of the excessive debt into which the nations of our area are falling. The truth is that the burden of debt has been accumulating like a dead weight and instead of acting as a propellant is having the opposite effect."

Prensa Libre praised the "courage and spirit of sacrifice" of President Johnson in participating in the talks despite the "demonstration which he must have suspected might occur. Yet he made the trip to San Salvador....demonstrating his strong character and sincere desire to help. His words on arrival 'the unity we seek is above all a state of mind' conveyed a tangible truth and sought to avoid any suggestion of sounding overbearing."

El Grafica editorialized that "the Johnson visit appears to have achieved its primary objectives -- concord among the five brother nations." However, the paper said that "The joint resolution is aspirin for temporary relief. Central America's troubles require stronger medicine: acceptance of measures to protect the balance of payments, and better prices for our primary export products."

The moderately conservative El Imparcial of Guatemala City viewed the meeting as not merely ending the crisis of the

common market, but also as a positive step toward opening a new period of more active cooperation. The paper added that, in President Johnson's words "'much remains to be done'" and noted, "These eloquent words are the most realistic and carry the greatest impact of any spoken during the summit meeting." Speaking of priorities, El Imparcial said that "Johnson has put his finger on a sore point in stressing that Central America needs education more than money to strengthen industry and agriculture." In an earlier editorial, the paper concluded that the major accomplishment of the conference had been its success in "humanizing integration."

Other Latin American Reaction

The meeting was given front-page headline treatment in Panama. The visit was seen basically as a demonstration of U.S. interest in achieving economic integration and raising the standard of living. The radio and television stations, still bitterly divided over the results of the recent elections, reflected this fact in their coverage of President Johnson's visit. Those against Arias see a U.S. plot behind his victory and consequently are quite suspicious about the reasons for the President's trip to Central America.

Mexico City's middle of the road newspaper Novedades stated that the "Central American nations are in the red over balance of payment problems" and that "Johnson's visit to the El Salvador summit is a hopeful sign toward a more solvent future." The newspaper praised the visit and expects good results from it. The neutralist newspaper, Excelsior, was far more critical and said that "Johnson went to Central America partly to see if he could keep the Common Market from falling apart. He may have done the job." The newspaper also said the United States "participates little in the true development of foreign countries. It obtains excessive profits and it claims illegal police functions." Excelsior said the trip was "only a political move to regain some of the prestige the U.S. has lost."

The English language News said the "Central Americans may be short on cash, but they might make up for it by pulling together," and stated that "Lyndon Johnson, in such a situation, could do little but go to Central America to show he cares. He cares a great deal. We can only hope that the Central American leaders show they care as much."

A columnist in the conservative newspaper El Universal commented favorably on the meeting and said that slowly but surely the integration of Central America is coming about.

In Colombia, editorialists called President Johnson's trip to El Salvador fresh evidence of his concern for Latin America and for integration. El Tiempo of Bogota said Johnson's participation was "very important in the solution of this crisis, because the Central American Common Market constitutes an important experiment, and it would be absurd for it to fail due to regional jealousies."

In Lima front page treatment was given the trip with such headlines as "Johnson Receives Warm Reception in El Salvador" and "Johnson Mixed With the Multitude."

Prominent coverage on the trip was also reported in Santiago, Chile. The stories stated that Johnson was well-received and mentioned the scattered demonstrations as well as the U.S. promise of loans. Moderate coverage was reported from Buenos Aires.

The trip was front page news in Rio de Janeiro with most papers headlining the anti-Johnson demonstrations in San Salvador. Major headlines were "Johnson Arrives at El Salvador Under Protest of Students", "LBJ Announces \$65 Million to Central America", "Johnson Gets Hostile Reception in El Salvador", "Eggs and Paint Greet Johnson in Salvador", and "Lyndon Johnson Acclaimed Upon Arrival in San Salvador".