

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#5 memo	Rostow to the President 9:40 p.m. S 1 p. Sanitized <i>open 3/26/14</i> [dup. #6, NSF, "South Vietnam and U.S. Policies," Sanitized, NLJ 95-34]	11/18/68	A
#5a cable	FBI Director to B. Smith <i>open 3/26/14 per RAC</i> S 1 p. Sanitized [dup. #6a, NSF, "South Vietnam and U.S. Policies," Sanitized, NLJ 95-33]	11/18/68	A
#7 note	Rostow to the President 7:45 p.m. S 1 p. - <i>open 6/6/03 NLS/MAC 03-60</i>	11/18/68	A
#7a cable	Intelligence report S 2 p. - <i>sanitized 6/6/03 NLS/MAC 03-60</i>	11/18/68	A
#8a memo	Status of GVN Delegation to Paris S 3 p. [dup. #33a, NSF, Country File, "Vietnam, HARVAN Misc. & Memos, Vol. 7," Box 124]	[11/68]	A
#9 memo	Rostow to the President 7:10 p.m. S 1 p. <i>open 12/31/02</i>	11/18/68	A
#9a note	Draft message from the President to P.M. S 1 p. <i>open 12/31/02</i>	11/18/68	A
#9b report	Telecon by Fowler on Meeting with Keisinger PCI 1 p. <i>OPEN 5.6.99</i>	11/18/68	A
#9c report	Telecon by Fowler on Meeting with Keisinger PCI 2 p. <i>OPEN 5.6.99</i>	11/18/68	A
#10a letter	Pope Paul to the President PCI 2 p. <i>open per RAC 2/8/17</i>	11/6/68	A
#12 memo	Rostow to the President 3:30 p.m. C 1 p.	11/18/68	A
#13 memo	Rostow to the President 3:05 p.m. S 1 p.	11/18/68	A
#15 memo	Rostow to the President re Pakistan C 2 p. [dup. #6, NSF, Country File, "Pakistan, Cables, Vol. 9, 5/68 - 11/68," Box 154]	11/18/68	A

FILE LOCATION

NSF, Memos to the President, "Walt Rostow, Vol. 106, 11/15-18/68," Box 42

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

2 of 5

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#15a memo	Zwick to the President re Pakistan C 2 p. [dup. #6b, NSF, Country File, "Pakistan, Cables, Vol. 9, 5/68 - 11/68," Box 154]	11/9/68	A
#15b memo	Gaud to the President re Pakistan C 7 p. [dup. #6d, NSF, Country File, "Pakistan, Cables, Vol. 9, 5/68 - 11/68," Box 154]	11/8/68	A
#15c memo	"Desirability of Including..." C 1 p. [dup. #6f, NSF, Country File, "Pakistan, Cables, Vol. 9, 5/68 - 11/68," Box 154] <i>open per RAC 12/8/17</i>	11/15/68	A
#17 memo	Rostow to the President re Yugoslavia C 1 p. [dup. #112, NSF, Country File, "Yugoslavia, Vol. 2, 10/66 - 1/69," Box 232]	11/18/68	A
#17a memo	Katzenbach to the President re Yugoslavia C 2 p. [dup. #112a, NSF, Country File, "Yugoslavia, Vol. 2, 10/66 - 1/69," Box 232]	11/15/68	A
#17c memo	Thomas Enders to Abel and Colman C 7 pp. [dup. #112c, NSF, Country File, "Yugoslavia, Vol. 2, 10/66 - 1/69," Box 232]	11/4/68	A
#17i memo	Murray Belman to Thomas Enders C 4 pp. [dup. #112i, NSF, Country File, "Yugoslavia, Vol. 2, 10/66 - 1/69," Box 232]	10/30/68	A
#18 memo	Rostow to the President re monetary crisis AS 1 p. <i>OPEN 7.7.99</i>	11/18/68	A
#18a memo	Wilson to the President re monetary crisis AS 1 p. <i>OPEN 4.7.99</i>	11/18/68	A
#19a report	Intelligence report re Vietnam C 7 pp.	1/68	A
#19b report	Intelligence report re Vietnam C 4 pp.	3/68	A

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#20 memo	Rostow to the President re New Zealand S 1 p. [dup. #1c, NSF, Country File, "New Zealand, Vol. 1, 11/63 - 11/68," Box 277]	11/18/68	A
#20a cable	Intelligence report S 1 p. [dup. #1d, NSF, Country File, "New Zealand, Vol. 1, 11/63 - 11/68," Box 277]	11/18/68	A
#23 memo	Rostow to the President re monetary crisis S 1 p. <i>Sanitized 12-6-02 NW/BAK 99.1</i>	11/28/68	A
#23a cable	Ed Fried to Rostow re monetary crisis S 1 p. <i>Sanitized 12-6-02 NW/BAK 99.1</i>	11/18/68	A
#24 memo	Rostow to the President re monetary crisis S 1 p.	11/17/68	A
#24 memo	Intelligence report re monetary crisis S 3 pp.	11/17/68	A
#26a memo	Intelligence memorandum re Vietnam S 3 pp. Sanitized [dup. #6a, NSF, Country File, "Vietnam, Memos to the Pres./ Bombing Halt Decision, Vol. 6," Box 138, Sanitized, NLJ 91-512]	11/17/68	A
#28 memo	Rostow to the President 11:45 a.m. re NATO S 1 p.	11/17/68	A
#28a cable	USNATO 5845 S 4 pp.	11/16/68	A
#30a report	Intelligence report re monetary crisis S 2 pp. <i>Sanitized 12-6-02 NW/BAK 99.1</i>	11/17/68	A
#31a cable	Rusk to Rostow <i>sanitized 1-6-10</i> C 1 p.	11/17/68	A
#31b cable	Rostow to Rusk <i>sanitized 1-6-10</i> C 1 p.	11/16/68	A
#34 memo	Rostow to the President 12:40 p.m. S 1 p. Sanitized <i>open 1-6-10</i> [dup. #8, NSF, "South Vietnam and U.S. Policies," Sanitized, NLJ 95-34]	11/16/68	A

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#34a memo	FBI Director to Bromley Smith S 2 pp. Sanitized <i>open 3/26/14 per RAC</i> [dup. #8a, NSF, "South Vietnam and U.S. Policies," Sanitized, NLJ 95-33]	11/16/68	A
#39 memo	Rostow to the President 8:25 a.m. S 1 p. [dup. #51, NSF, Country File, "Cambodia, Miscellaneous Cables and Memos, 11/67 - 12/68," Box 237]	11/16/68	A
#39a cable	Intelligence information cable S 3 pp. [dup. #51a, NSF, Country File, "Cambodia, Miscellaneous Cables and Memos, 11/67 - 12/68," Box 237]	11/15/68	A
#41 memo	Rostow to the President 6:30 p.m. S 1 p. <i>Sani NLF 019-042-3 (1/02) SAME SANI 12.6.02 NLJ/RAC 99.1</i>	11/15/68	A
#41a cable	Ed Fried to Rostow re monetary crisis S 2 pp. <i>Sani NLF 019-042-3 (1/02) SAME SANI 12.6.02 NLJ/RAC 99.1</i>	11/15/68	A
#42 memo	Rostow to the President 4:55 p.m. S 1 p.	11/15/68	A
#42a memo	Joseph K. Newman to Rostow re monetary crisis S 1 p.	11/15/68	A
#46 memo	Rostow to the President 1:30 p.m. S 1 p. <i>open 6/6/03 NJ/RAC 03-61</i>	11/15/68	A
#46a memo	Helms to Rostow re Vietnam S 1 p. <i>Sani NLF 019-042-3-10 (1/02)</i>	11/15/68	A
#46b cable	Intelligence information cable re Vietnam S 3 pp. <i>EXEMPT NLF 019-042-3-11</i>	11/15/68	A
#47 memo	Rostow to the President 1:05 p.m. S 1 p.	11/15/68	A
#47a memo	Katzenbach to the President re Middle East S 2 pp.	11/15/68	A
#50a cable	Intelligence report TS 1 p. -	11/14/68	A
#56 memo	Rostow to the President S 2 pp. <i>open 5-28-09 NLJ DB 215 (#22)</i>	11/15/68	A

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
#56a memo	Rostow to AEC Chairman S 1 p. - open 12-30-68 NLJ DB-215 (#2)	[11/68]	A
44a cable	intelligence cable TS- 1p.	11/14/68	A
50 memo	Rostow to President S- 2p	11/15/68	A

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ACTION

~~SECRET/HARVAN DOUBLE PLUS~~

Pres file

Tuesday, November 19, 1968 -- 3:05 p. m.

Mr. President:

Herewith for your clearance is the proposed outgoing to Bunker to guide him in, hopefully, the showdown discussion with Thieu at 8:30 tonight our time.

W. W. Rostow

Cable cleared _____

Cleared as amended _____

Call me _____

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

~~SECRET/HARVAN DOUBLE PLUS~~

WWRostow:rln

THE WHITE HOUSE

WASHINGTON

November 18, 1968

Dear General McConnell:

I would like to bring to your attention the outstanding and effective manner in which Brigadier General Robert N. Ginsburgh has served me and the members of my staff the past two and a half years here in the White House.

General Ginsburgh has served on both the National Security Council staff and the staff of the Chairman, Joint Chiefs of Staff. He has fulfilled these sensitive posts with the highest distinction.

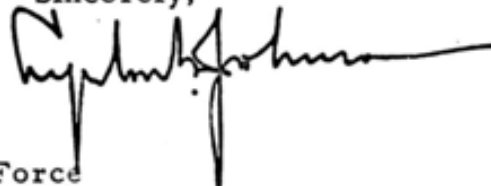
He has been especially useful in insuring that the views of the Joint Chiefs of Staff were known and understood in the White House. He performed with great effectiveness in connection with the war in Vietnam, the Arab-Israeli war, and, most recently, the decision on the cessation of bombing of North Vietnam.

In addition, he was willing to step in and assume the additional role of Armed Forces Aide during the transitional phase of that position.

General Ginsburgh is a credit to the Armed Forces of the United States, and has rendered faithful and loyal service to his Commander in Chief. He is well qualified for a position of great responsibility, and I would recommend him highly for promotion when he meets the eligibility requirements for time in grade.

With all best wishes,

Sincerely,



General John P. McConnell
Chief of Staff, United States Air Force
Department of the Air Force
Washington, D. C.

ACTION

**Saturday, November 16, 1968
12:00 noon**

Mr. President:

**Herewith the Ginsburgh letter,
redrafted at your direction.**

W. W. Rostow

WWRostow:rlh

12/1

*1. ~~Stamp~~
2. Pres file*

November 16, 1968

3a

Dear General McConnell:

I would like to bring to your attention the outstanding and effective manner in which Brigadier General Robert N. Ginsburgh has served me and the members of my staff the past two and a half years here in the White House.

General Ginsburgh has served on both the National Security Council staff and the staff of the Chairman, Joint Chiefs of Staff. He has fulfilled these sensitive posts with the highest distinction.

He has been especially useful in insuring that the views of the Joint Chiefs of Staff were known and understood in the White House. He performed with great effectiveness in connection with the war in Vietnam, the Arab-Israeli war, and, most recently, the decision on the cessation of bombing of North Vietnam.

In addition, he was willing to step in and assume the additional role of Armed Forces Aide during the transitional phase of that position.

General Ginsburgh is a credit to the Armed Forces of the United States, and has rendered faithful and loyal service to his Commander in Chief. He is well qualified for any position of great responsibility, and I recommend him highly for promotion to major general when he meets the eligibility requirements for time in grade.

With all best wishes,

Sincerely,

General John P. McConnell
Chief of Staff, United States Air Force
Department of the Air Force
Washington, D. C.

Rewritten

LBJ;HaywoodSmith:WWR:mz

4

Monday, November 18, 1968

MEMORANDUM FOR THE PRESIDENT

*to send
2. Profile*

At Tab A is General Wheeler's memorandum recommending that you send a letter to Lieutenant General W. R. MacBrien of the Royal Canadian Air Force, expressing appreciation for his outstanding service as Deputy Commander in Chief of NORAD.

MacBrien will retire from the RCAF on January 23. Your letter would be presented to him by the U. S. Commander in Chief of NORAD at an appropriate ceremony.

W. W. Rostow

If you agree, a suggested letter is at Tab B for your signature.

No _____

Call me _____

JKN:mm

4a

January 1, 1969

Dear Lieutenant General MacBrien:

As you relinquish your duties as Deputy Commander in Chief of the North American Air Defense Command, I express to you my personal appreciation, and that of the American people, for your exceptional accomplishments in the service of our two nations.

The United States of America is fortunate that you were selected to serve in this critically important position. We have benefited significantly from your outstanding qualities of leadership and from the depth of experience you have demonstrated throughout your term of service.

In meeting the heavy responsibilities inherent in carrying out the mission of NORAD, you have represented your country with distinction in the dual role of professional officer and statesman. You have excelled in both capacities.

My countrymen join me in thanking you and in wishing you continued success and happiness in the years ahead.

Sincerely,

15/ Lyndon B Johnson

Lieutenant General W. R. MacBrien
Deputy Commander in Chief
North American Air Defense Command
Ent Air Force Base, Colorado

LBJ:JKM:ram

*Dated Jan 1, 1969 at
suggestion of SES*



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

CM-3760-68

8 November 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Lieutenant General W. R. MacBrien, Retirement

1. On 23 January 1969 Lieutenant General W. R. MacBrien will retire from the Canadian Armed Forces.

2. During the period from 25 August 1967 to 22 January 1969, Lieutenant General W.R. MacBrien has performed an outstanding service as Deputy Commander in Chief, NORAD. His exceptional knowledge, experience, and ability have been of great value to the Commander in Chief of NORAD and to senior officials in both the Canadian and United States Governments.

3. In order to portray our appreciation to Lieutenant General MacBrien, it is recommended that a letter of appreciation, substantially the same as that contained in the attached draft, be forwarded to the Commander in Chief, NORAD, by 30 December 1968, for presentation at an appropriate ceremony.

A handwritten signature in cursive script, reading "Earle G. Wheeler".

EARLE G. WHEELER
Chairman
Joint Chiefs of Staff

Enclosure
A/S

Copy to:
Secretary of Defense

4c

DRAFT

Lieutenant General W. R. MacBrien
Deputy Commander In Chief
North American Air Defense Command
Ent Air Force Base, Colorado 80912

Dear Lieutenant General MacBrien;

On the occasion of your departure as Deputy Commander in Chief, North American Air Defense Command, please accept my personal expression of appreciation for your exceptional accomplishments in the service of our two nations.

The United States of America has been honored by your selection to serve in this critically important position. We have benefited significantly from your exceptional depth of experience and outstanding leadership.

In meeting the responsibilities inherent in carrying out the mission of NORAD, you have represented your country with distinction in the dual role of military professional and statesman.

My countrymen join me in thanking you, and in wishing you continued success and happiness.

Sincerely,

5

INFORMATION

~~SECRET~~--EYES ONLY

Monday, November 18, 1968
9:40 p. m.

Mr. President:

In the light of this latest on Jack Gardiner, I think we may have to level with Murphy -- short of revealing our source -- and get to the bottom of what Jack Gardiner is up to.

Brom has already spoken to Deke DeLoach and reported to you what we now know.

W. W. Rostow

~~SECRET~~--EYES ONLY

WWRostow:rln

DECLASSIFIED
Authority NWJ 00-232 (#6)
By fc/ab NARA. Date 3-26-14

5a

919 PM 11-18-68 RDR

PRIORITY

TO: WHITE HOUSE SITUATION ROOM, ATT.: MR. BROMLEY SMITH 07
FROM: DIRECTOR, FBI

~~S E C R E T~~ - NO FOREIGN DISSEMINATION

EMBASSY OF VIETNAM

ON NOVEMBER EIGHTEEN, INSTANT, A CONFIDENTIAL SOURCE WHO HAS FURNISHED RELIABLE INFORMATION IN THE PAST FURNISHED THE FOLLOWING:

ON INSTANT DATE ONE JACK GARDINER CONTACTED FATHER DIEGO (PHONETIC), TELEPHONE NUMBER TWO ONE TWO DASH SEVEN NINE NINE DASH TWO SIX ZERO ZERO, IN NEW YORK, AND ADVISED HE WAS IN WASHINGTON SITTING BESIDE A FRIEND OF FATHER DIEGO'S. GARDINER ASKED IF DIEGO COULD SEE HIM TOMORROW AS HE, GARDINER, WAS GOING TO FLY TO NEW YORK TOMORROW SPECIFICALLY FOR THAT PURPOSE, AND WOULD ARRIVE AT ELEVEN A. M. DIEGO STATED HE WOULD BE AVAILABLE AT TWELVE NOON AND AN APPOINTMENT WAS SET FOR THIS TIME, AT WHICH TIME DIEGO STATED HE WOULD WRITE GARDINER A FEW LETTERS OF INTRODUCTION.

GARDINER STATED EVERYTHING WAS GOING FINE IN WASHINGTON AND IN ANSWER TO A QUESTION REGARDING HIS TRAVELING TO VIETNAM SOON, REPLIED HE HAD ONE MORE THING TO TIE UP IN WASHINGTON
END PAGE ONE

PAGE TWO (~~S E C R E T~~ -NO FOREIGN DISSEMINATION)

BEFORE HE GOES AND WILL TELL DIEGO THE DETAILS WHEN HE SEES HIM.

THE UNKNOWN MALE (THE FRIEND OF FATHER DIEGO'S WITH WHOM GARDINER IS SITTING) ADVISED DIEGO THAT ACCORDING TO GARDINER IT LOOKS GOOD, IT LOOKS SURE, PROBABLY THE END OF THE WEEK.

INFORMATION WAS PREVIOUSLY REPORTED CONCERNING CONTACT ON NOVEMBER FIFTEEN, LAST, BETWEEN TROUNG BUU DIEN FIRST SECRETARY, VIETNAMESE EMBASSY AND JOHN P. GARDINER, A MEMBER OF THE DECOR HOUSE AND A RETIRED FOREIGN SERVICE OFFICER OF THE UNITED STATES DEPARTMENT OF STATE.

GP-1

END

DECLASSIFIED
Authority NIJ 019R.042.003/2
By JC, NARA, Date 3-17-14

6
INFORMATION

~~SECRET~~

Monday, November 18, 1968
8:30 p. m.

Mr. President:

This summary sheet is a useful, rough way of defining the November position -- as opposed to that in previous months in South Vietnam.

Pres file

W. W. Rostow

~~SECRET~~

DECLASSIFIED
White House Guidelines, Feb 24, 1983
By 19, NARA, Date 4-6-93

WWRostow:rlh

~~SECRET~~
VIETNAM SITUATION
BRIEFING NOTES FOR GENERAL MCCONNELL
18 November 1968

60
9

1. GENERAL

~~PAVEICATION PROGRAM CONTINUE.~~

- ~~ENEMY CONTINUES TO AVOID CONTACT.~~
- ~~LIGHT AND SCATTERED GROUND CONTACT LAST WEEK.~~

2. ENEMY VIOLATIONS OF DMZ (1-17 NOV 68)

- TOTAL VIOLATIONS 45

- ~~0~~ 5 ATTACKS BY FIRE
- ~~5~~ 5 ATTACKS ON FRIENDLY AIRCRAFT
- ~~31~~ 31 SIGHTINGS OF ENEMY ACTIVITY IN DMZ

- DATE/NUMBER OF VIOLATIONS

DATE:	NOV.	5,	9,	10,	11,	12,	13,	14,	15,	16,	17
VIOLATIONS:		2	4	2	2	4	1	8	8	7	7

3. ENEMY ATTACKS BY FIRE ON POPULATION CENTERS (1-17 NOV 68)

- TOTAL ATTACKS 45 LAST 48 HOURS - 3

I CTZ	<u>9</u>	MINOR ATTACKS
II CTZ	<u>5</u>	MINOR ATTACKS
III CTZ	<u>8</u>	MINOR ATTACKS
IV CTZ	<u>21</u>	MINOR AND <u>2</u> MAJOR ATTACKS

DECLASSIFIED
Authority MLG-CBS5
By mlj, NARA, Date 4-15-93

4. TREND OF ATTACKS BY FIRE ON POPULATION CENTERS

ATTACKS PER WEEK (OF MORE THAN 20 RDS)	TET 47/WK	MAY 35/WK	3D OFF 16/WK	OCT 68 5/WK	1-14 NOV 2/WK
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5. TREND OF ENEMY ARTILLERY/ROCKET/MORTAR FIRED IN SVN

MONTHLY RATE	MAY 30,000	AUG 14,000	SEP 17,000	OCT 7,500	NOV* 8,000
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6. TREND OF ENEMY BATTALION-LEVEL ATTACKS

MONTHLY RATE	JAN 28	MAY 19	AUG 13	SEP 11	OCT 6	NOV* 2
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7. TREND OF ENEMY ACTS OF TERROR

MONTHLY RATE	JAN 139	MAY 113	AUG 59	SEP 99	OCT 75	NOV* 77
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8. TREND OF ENEMY KIA

	JAN	MAY	AUG	SEP	OCT	NOV*
--	-----	-----	-----	-----	-----	------

8. ~~TREND OF ENEMY KIA~~

	JAN	MAY	AUG	SEP	OCT	NOV*
MONTHLY RATE	15,000	24,000	15,500	13,500	8,000	7,000

9. ~~TREND OF FRIENDLY KIA (US/ARVN/PVN)~~

	TET	MAY	3D OFF	OCT	NOV*
MONTHLY RATE	5,200	4,400	2,900	2,876	305

10. ENEMY REACTION TO OUR RECON AIRCRAFT OVER NVN

- LAST 24 HOURS ~~42~~ REACTIONS ; 38 since 1 Nov
- TOTAL FLIGHTS - 167
- 144 TAC RECON FLIGHTS
- 2 SR-71
- 21 DRONES
- ~~DRONES DOWNED BY NVN ACTION~~

11. ~~HEAVY RESUPPLY ACTIVITY OBSERVED IN NVN AND LAOS SINCE BOMBING HALT~~

* PROJECTED FROM STATISTICS 1-14 NOV.

~~SECRET~~

Pres file

17

Monday, Nov. 18, 1968

~~SECRET/SENSITIVE~~

7:45 p. m.

MR. PRESIDENT:

Herewith Abrams' sober assessment of the enemy's rapidly accelerated movement of supplies in the southern part of North Vietnam and into Laos, accompanied by a request for more than 12 reconnaissance flights per day and expedited delivery of improved munitions and sensors.

W W. Rostow

~~SECRET/SAVIN/EYES ONLY attachment (MAC 15928)~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ/RAC 03-60
By SJ, NARA, Date 6-2-03

^{7a}
~~SECRET~~ ~~SECRET~~
~~SECRET~~ ~~SECRET~~

RECEIVED
WHCA

1968 NOV 18 22 30

EYES ONLY

ZCZCQAA611
OO [REDACTED] 58 3232156 6.1(c)

O 182139Z ZYH ZFF-5
FM PAUL KEARNEY ADMIN ASST CJCS
INFO WHITE HOUSE MR ROSTOW
STATE MR RUSK
CIA MR HELMS

O 171134Z ZYH ZFF-1
FM GEN ABRAMS, COMUSMACV
TO GEN WHEELER, CJCS
ADM MCCAIN, CINCPAC
ZEM

~~SECRET~~ SAVIN MAC 15928 EYES ONLY
SUBJECT: NVA LOGISTIC TRENDS
REFERENCES:

- A. JCS 5634, DTG 151732Z NOV 68
- B. CINCPAC 160049Z NOV 68
- C. COMUSMACV 15916

1. ~~THE ENEMY IS MOVING MILITARY SUPPLIES INTO LAOS AND RP I WITH IMPRESSIVE BUILDING SUPPLIES INTO LAOS AND RP I WITH IMPRESSIVE~~

2. ALL THE MAJOR ROADS AND BRIDGES IN RP I LEADING TOWARD THE DMZ AND THE MU GIA AND BAN KARAI PASSES HAVE BEEN REPAIRED, AND BOTH MU GIA AND BAN KARAI ARE OPEN TO TRAFFIC. WHILE THE BAN LE BOY FORD ON ROUTE 137 IS STILL CLOSED, ENGINEER BATTALIONS HAVE MOVED THERE TO ATTEMPT TO REPAIR IT. INCREASING AMOUNTS OF TRAFFIC ARE MOVING ON ROUTE 23A SOUTH OF MU GIA.

3. MORE THAN 1000 TRUCKS HAVE BEEN NOTED IN PHOTOGRAPHY OF RP I AND MORE THAN FOUR TIMES THAT NUMBER IN RP II SINCE THE BOMBING HALT. TRAFFIC ON THESE ROUTES IS NOW MOVING IN CONVOYS OF 50 TO 100 TRUCKS. NEW ZIL 157 AND 151 FIVE TON CARGO TRUCKS HAVE APPEARED ON ALL MAJOR ROUTES NORTH OF THE DMZ. QUANTITIES OF POL, CEMENT, AND AMMUNITION ARE BEING MOVED SOUTH ALONG WITH AAA, SAM EQUIPMENT, AND 100/122MM FIELD ARTILLERY. OVER 2000 TRUCKS HAVE BEEN DETECTED MOVING BY SENSORS IN LAOS SINCE 1 NOVEMBER. DETECTIONS JUST SOUTH OF MU GIA PASS NOW EXCEED OVER 250 MOVERS PER DAY.

4. THE RAILROAD/TRAMWAY IS NOW OPEN BETWEEN HANOI AND VINH. RAIL LINES PREVIOUSLY INTERDICTED IN ROUTE PACKAGES I, II, AND III ARE NOW USABLE INTO RP I ALONG RAIL ROUTE 7. THE RAIL SYSTEM WILL SOON EXTEND TO DONG HOI, GREATLY INCREASING ENEMY LOGISTICS CAPABILITY. AS INDICATED IN SIGINT, A QUOTA OF "AVERAGE OF 400 TONS EACH DAY" HAS BEEN ESTABLISHED FOR RAIL SHIPMENT OF SUCH ITEMS AS WATER PIPE, FUEL, POL, STORAGE TANKS, AND TNT.

5. POL IS MOVING INTO AND SOUTH OF THANH HOA. MORE POL HAS BEEN PHOTOGRAPHED IN RP I SINCE 4 NOV THAN HAD BEEN

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 03-60
By SJ, NARA, Date 6-2-03

PHOTOGRAPHY SHOWS POL TANK CARS, 3000, 2000, AND 55 GALLON POL DRUMS MOVING IN LARGE NUMBERS. THE EXTENSION OF POL PIPELINES SOUTH OF VINH INCREASES SUBSTANTIALLY THE ENEMY'S BULK FLOW CAPABILITY. SEVERAL MAJOR POL TRUCK TRANSSHIPMENT CENTERS IN THE DONG HOI AREA HAVE ALSO BEEN PHOTOGRAPHED RECENTLY, AND LARGE POL TANKER TRUCKS HAVE BEEN OBSERVED MOVING INTO DONG HOI. NORTH OF MU GIA OVER 2000 FIFTY-FIVE GALLON POL DRUMS WERE RECENTLY PHOTOGRAPHED ALONG ROUTE 15.

6. EXTENSIVE MINESWEEPING OPERATIONS TO CLEAR THE WATERWAYS IN RP I OF MK-36 MINES HAVE BEEN REFLECTED IN SIGINT. TRAFFIC IS NOW MOVING FREELY ALONG THE RON, SONG GIONG, SONG TROC, QUANG KHE AND DONG HOI CANAL SYSTEMS. SIGINT ALSO SHOWS MOVEMENT VIA INLAND WATERWAYS AND COASTAL SEA LINES DOWN TOWARD THE DMZ IS UNDERWAY. NORTH VIETNAMESE RADARS HAVE BEEN REPORTED TRACKING AN UNUSUALLY HIGH VOLUME OF NVN SUPPLY AND CARGO VESSELS MOVING TOWARD DONG HOI BY SEA, AND SHIPMENTS ARE MOVING DIRECTLY BY WATER FROM HAI PHONG TO THE DONG HOI AREA. A 14 NOVEMBER MESSAGE DISCLOSED THAT 180 VESSELS WITH A TOTAL CAPACITY OF APPROXIMATELY 300 TONS WERE DESTINED FOR DONG HOI, AND PHOTOGRAPHY SHOWS HUNDREDS OF SAMPANS AND BARGES BEING LOADED WITH AMMO CRATES AND OTHER CARGO AT TRUCK TRANSSHIPMENT POINTS IN AND SOUTH OF THAT CITY.

7. VINH AIRFIELD IS UNDER ACTIVE REPAIR AND WILL BE OPEN TO JET AIRCRAFT WITHIN A FEW DAYS.

8. ~~IT IS APPARENT THAT THE ENEMY IS EXPLOITING THE CESSATION OF BOMBING IN NVN. THE DIFFERENCE IS SUBSTANTIAL AND SIGNIFICANT. WITHIN A FEW WEEKS THE ENEMY WILL HAVE SHIFTED HIS LOGISTIC COMPLEX PREVIOUSLY CONTAINED NORTH OF 19 DEGREES BY THE AIR INTERDICTION PROGRAM TO THE NEIGHBORHOOD OF THE DMZ. FROM THIS EXPANDED AND FORWARD LOGISTIC BASE THE ENEMY WILL MAKE AN EFFORT TO PUSH SUPPLIES THROUGH LAOS TO HIS UNITS IN I CTZ AND PROBABLY INTO NORTHERN II CTZ. TO THE EXTENT HE IS SUCCESSFUL, THIS WILL ALTER THE PRESENT STRATEGIC EQUATION IN THESE AREAS AND WILL GIVE THE ENEMY A LOGISTIC OPTION WHICH WE RECENTLY HAVE SUCCEEDED IN DENYING HIM. WE CANNOT ASSESS AT THIS TIME THE EXACT IMPACT THESE LOGISTIC DEVELOPMENTS WILL HAVE IN AND NEAR THE DMZ, BUT, OBVIOUSLY, IT WILL BE SIGNIFICANT.~~

9. ~~IN VIEW OF THE ABOVE ASSESSMENT, I HAVE FORWARDED TO CINCPAC BY MESSAGE WFO 15916 MY RECLAMA OF THE JCS POLICY RESTRICTING RECONSTITUTIONAL RIGHTS OVER NORTH VIETNAM. THIS SAME ASSESSMENT IS THE BASIS FOR A MESSAGE WHICH WILL FOLLOW SHORTLY ASKING FOR EXPEDITED DELIVERY OF IMPROVED MUNITIONS AND SENSORS IN SUPPORT OF COMMANDO RUNT.~~

SSO NOTE: DELIVER DURING DTY HOURS
800

~~SECRET~~ ~~SECRET~~ EYES ONLY

NNNN

Pres Jeds

8

Monday, Nov. 18, 1968
7:40 p. m.

~~SECRET/SENSITIVE~~

MR. PRESIDENT:

Herewith latest GVN thought on Paris.

We're coming to the crunch with their NSC meeting tomorrow.

W. W. Rostow

~~SECRET/SENSITIVE~~ attachment (log 3499)

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By MP, NARA, Date 9-25-97

MEMORANDUM

ACTION

THE WHITE HOUSE
WASHINGTON

scribble
Pres file

9

Monday, November 18, 1968
7:10 p. m.

~~SECRET~~

MR. PRESIDENT:

When Joe Fowler finally got to Kiesinger and delivered your message, it turned out that Wilson was right: "that the French were thinking of a 15% devaluation and the Germans had nothing to contribute except a removal of some border taxes on imports and decreased export rebates." Joe Fowler and all of us believe these will not stem the crisis. Joe said so on the spot with vigor.

Kiesinger asked Joe if he would stay in Europe. Joe agreed. Attached at Tab A is a draft message from the President to Prime Minister Wilson which incorporates the approach that Joe, Bill Martin, Joe Barr, Gene Rostow, etc., agree is the right approach.

Aside from clearing or not clearing this cable, you may wish to meet later in the evening with the monetary group.

Yes _____ No _____ Call me _____

W. W. Rostow

P. S. At Tab B is Joe Fowler's account of his conversation with Kiesinger.

Nov. 18, 1968

~~SECRET~~

9a

MESSAGE FROM THE PRESIDENT TO THE PRIME MINISTER

I have instructed Fowler in my name to make recommendations to Kiesinger urging multilateral and cooperative solutions for present situation. He has done so with great vigor, and will stay in Europe to lead effort to persuade Germans to revalue and to prevent large unilateral French devaluation. German position strongly against revaluation at this time, proposing instead ^{reducing} removing of border taxes on imports and lessening some export rebates. We do not believe this approach would work, or contain French devaluation to reasonable level.

Our tentative approach would be to work for something like 10% German revaluation and 5% French devaluation, with small corresponding moves by Italy and the Netherlands. To confirm this approach, we are considering G-10 meeting in Europe with Schweitzer present as soon as possible. We assume you will wish to cooperate fully in this approach and will not wish to move in any way pending the outcome of these efforts.

##

tab A

96

RECEIVED
WHCA

Telecon #1

1968 NOV 18 22 58

MR FOLWLER RPT FOWLER AND GROUP ARE HERE
INCLUDING AMB LODGE

68 NOV 18 PM 5:50

WHITEHOUSE
SITUATION ROOM

FOWLER SPEAKING

MET WITH CHANCELLOR KEISINGER, MINISTER SCHILLER MIN STRAUS
AND STATE SECRETARY CARSTONS AND VICE CHANCELLOR BRANDT AT
AROUND TEN CONFERENCE LASTED HOUR AND TEN MINUTES. KEISINGER
LEARNING OF THE SUBJECT COMMENTS REQUESTED THAT OTHERS JOIN US
SINCE THEY HAD BEEN CONFERRING ON THE SAME SUBJECT TOGETHER
AND WITH PRES BLESSING FOR PRECEEDING THREE TO FOUR HOURS
I OPENED BY SAYING THAT THE PRESIDENT WISHED ME TO DELIVER
IN HIS NAME A MESSAGE TO THE CHANCELLOR AND THEREAFTER QUOTED
THE MESSAGE VERBATUM ADDING SOME PERSONAL COMMENTS ON THE
FOLLOWING POINTS:

1. WHILE WE HAD DEPARTED FROM WASHDC LAST FRIDAY FEELING THAT
A PERIOD OF CALM WAS DESIREABLE FOR ALL CONCERNED EVENTS HAD
OVERTAKEN THE SITUATION AND IT WAS NOW CLEAR THAT WE WERE FACING
A CRISIS WHICH REQUIRED A MULTILATERAL CONSIDERATION AND DECISION
IF THE MONETARY SYSTEM WAS TO BE PRESERVED. I STATED WHEREAS
A WEEK OR EVEN A FEW DAYS AGO WE HAD BEEN NEUTRAL ON THE
DESIRABILITY OF A GERMAN REVALUATION AT THIS TIME ALTHOUGH FEELING
THAT IT WOULD FUNDIMENTALLY HELP THE SYSTEM OVER THE LONG TERM
WE HAD CONCLUDED THAT A GERMAN MOVE WAS AN INDISPENSABLE PART
OF A COMBINATION NECESSARY TO MAINTAIN THE SYSTEM.

2. THAT WE WERE UNEQUOUBICABLY OPPOSED TO ANY UNILATERAL FRENCH
ACTION BECAUSE IT WAS NOT JUSTIFIED ON THE ECONOMICS AND WOULD LEAD
TO A MOVEMENT BY THE POUND PROBABLY TO FLOAT WHICH WOULD DISRUPT
THE SYSTEM ENTIRELY I STATED THAT THE U.S. WAS NOT IN A MOOD OR
POSITION TO ACCEPT ANY FURTHER DISADVANTAGES UNILATERALLY ARRIVED
AT AND THAT WE WOULD RESIST ANY SUCH FRENCH ACTION AND URGE THAT
A MULTILATERAL APPROACH TO APPLY BOTH CARROTS AND STICKS TO BRING
ABOUT A RATIONAL RESULT WAS THE ONLY COURSE OPEN. (78, 2-458:7)-4
IN PARTICULAR I STATED THAT THE ACCEPTANCE OF A FRENCH UNILATERAL
MOVE WOULD DRIVE US INTO A TWO WORLD SYSTEM AND WOULD BE PARTICULARLY
DANGEROUS AT A TIME WHEN A NEW ADMINISTRATION WAS PREPARING TO TAKE
OVER.

DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By cb NARA, Date 5-6-99

Tab B

9c

WHCA

DEMING GIVES KIEISINGERS NOTES

BONN TELCON 2

1968 NOV 18 23 13

THE CHANCELLOR REPLIED THAT THERE HAD BEEN FOUR HOURS OF TALKS BETWEEN ~~SOME~~ CERTAIN KEY MINISTERS AND PRESIDENT BLESSING OF THE BUNDESBAG THIS AFTERNOON. THE GERMANS KNOW THAT THERE IS MUCH AT STAKE THEY DO NOT WANT A UNILTERAL MEASURE OF A DRASTIC CHARACTER. THEIR INFORMATION IS THE SAME HAS OURS. THEY DO NOT KNOW HOW LONG THE FRENCH GOVT WILL WAIT TO MAXXX TAKE A DECISION THEY ARE CONVINCED THAT THE FRENCH GOVT CINTENDS TO EDEVALUE THE FRANC AND WERE TOLD YESTERDAY THAT IT COULD BE AS MUCH AS 16 PERCENT. THE GERMAN HAD SENT AN OFFICIAL TO PARIS LAST WEEK TO EXPLAIN THE GERMAN POSITION. THERE HAD BEEN THE MEETING IN BASIL YESTERDAY. THE GERMANS CONTENRD TO CONTINUE THEIR DISCUSSIONS TOMORROW MORNING AND AT LUNCH. PRES JOHNSON'S PROPOSAL SEEMS QUITE REASONABLE TO THE CHANCELLOR. THEN SCHILLER SPOKE. HE SAID THE SITUATION WAS VERY DIFFICULT OVER THE SHORT RUN THE GERMAN GOVT IS AGAINST CHANGING THE PARIODITY. THE NOW KNOW THAT FRANCE IS PLANNING A LARGE AND UNILTERAL DEVALUATION. THE HAVE BEEN THINKING ABOUT A SCHEME (THIS MUST BE KEPT COMPLETELY CONFIDENTIAL BECAUSE THE HAVE NOT YET DISCUSSED IT WITH ANY OF THE PARLIAMENTARIANS). WHICH WOULD INVOLVE NO REVALUATION OF THE MARK BUT A PROGRAM TO HELP ON TRADE. THAT PROGRAM WOULD INVOLVE REMOVING SOME OF THE BORDER TAX ON IMPORTS AND LESSENING SOME OF THE EXPORT REBATES. THE WOULD PROPOSE THIS PACKAGE TO FRANCE HOPPING THAT IT WOULD HOLD THE FRENCH DEVALUATION TO A REASONABLE FIGURE BECAUSE THEY KNOW THAT IF THE MOVE IN FRANCE IS NOT CONTROLLED IT WOULD LEAD TO A FUNDAMENTAL CHANGE IN THE SYSTEM. THEY KNOW THE POUND WOULD FLOAT BUT THEY DO DO NOT WANT TO CHANGE THE MARK S PARITY.

FOWLER RESPONDED~~XXXXXXXXXXXX~~
 CONTINUES

SCHILLER ALSO PROPOSED TO BRING TOGETHER THE GROUP OF TEN AT A MEETING THIS ~~WEEKEND~~ WEEKEND IN BONN. S

SECRETARY RESPONDED
 THAT ANY COMBIATION OF MEASURES WHICH WERE RELATED TO THE ECONOMIC REALITIES AND WAS CREDITABLE WOULD HELP TO RESTORE ~~OR~~ STABILITY IN THE MONITARY SYSTEM. HE DID NOT THINK THAT MINISTER SCHILLER'S PACK AGE EVEN THOUGH IT ~~WAS~~ MADE GOOD ECONOMIC SENSE WOULD STOP THE SPECULATION NOW, IN OTHER WORDS HE DID NOT THINK THE SCHILLER PLAN WOULD WORK
 THE CHANCELLOR ASKED AGAIN IF THAT WAS A FIRM JUDGEMENT AND THE ANSWER WAS YES, IT WAS A FIRM JUDGEMENT.

SCHILLER THEN SAID THAT PERHAPS IN A YEAR AND HALF OR SO THERE SHUOLD BE A MEETING WHICH WOULD DISCUSS A REALIGNMENT OF ALL PARITIES INCLUDING THE DOLLAR. IT WAS NOT A SIMPLE SOLUTION NOW FOR THE FRANC TO GO DOWN AND THE MARK TO GO UP BUT WAS ~~XXXX~~ WHAT WAS NEEDED WAS A CALM LOOK OF THE WHOLE SITUATION IN A YEAR OR A YEAR AND A HALF. HE SAID THAT MANY ECONOMISTS BELIEVED THAT THE DOLLAR WAS OVER VALUED MORE THAN

DECLASSIFIED
 E.O. 12958, Sec. 3.5
 State Dept. Guidelines
 By Cb NARA, Date 5-6-99

THE MARK WAS UNDERVALUED. THE SECRETARY RESPONDED VERY STRONGLY THAT THERE WAS ABSOUTELY NO QUESTION BUT THAT THE 35 DOLLAR PRICE OF GOLD WOULD BE HELD AND THAT A Y PARYITY CHANGES MADE WOULD HAVE TO REFLECT THAT FLACT WHICH WAS AS UNCHANGING AS THE SUN AND THE MOON. HE AGREED THAT SOME OTHER PARITIES MIGHT BE CHANGED FOR EX-AMPLE THE LIRA AND GILDER AND THAT THIS WOULD HELP. SCHILLER RESPONDEE THAT THEY WERE CERTAIN THAT THOSE HANGES WOULD NOT BE MADE NOW. FOWLER SAID THAT IF THE SITUATION AT PRESENT CAN RESOLVED BY ANY COMBINATION OF MEASURES THE U. S. ~~GOVERNMENT~~ WILL BE GLAD TO HELP, HE MENTIONED CARROTS AND STICKS.

THE CHANCELLOR SAID THAT THEY WILL MNEET TOMORROW WITH PARLIAMENTARY LEADERS AND ACQUAINT THEM WITH DISCUSSIONS THIS AFTERNOON. HE IS NOT SURE THAT THE PARLIAMENTARIANS WOULD APPROVE THE SCHILLER PLAN. HE THEN SAID THAT WHILE THE GERMANS WERE IN FAVOR OF A MULTILATERIAL MEETING ^{ING}

~~THEY~~ THEY COULD NOT UNDERSTAND WHY THERE SHOULD BE A MULTILATERIAL MEETING ~~XXXX~~

~~XXX~~ IF THE ONLY SUBJECTS WERE THE DEVALUATION OF THE FRANC AND THE REVALUATION OF THE MARK. EVERYBODY IN GERMANY IS AGAINST THE DUETCH MARK CHANGE, BUSINESS LABOR AND AGRICULTURE. THE CHANCELLOR AOSO SAID ALSO THAT THEXXXX PRESIDENT BLESSING HAD AGREED TO BE IN TOUCH WITH GOVERNOR BREUNET OF THE BANK OF FRANCE BY ~~10:00 AM TOMORROW~~ BY FOUR OCLOCK TOMORROW AFTERNOON. HE WAS FAIRLY SURE THAT FRANCE WOULD NOT MOVE TOMORROW.

~~192734~~ ~~75 53.8~~

FOWLER AND DEMMNING BOTH RAISED THE QUESTION WHETHER ONE COULD WAIT FOR A WEEKEND MEETING AS SCHILLER PROPOSED. THEY THOUGHT THAT A MEETING

SHOULD BE HELD ASAP (AS SOON AS POSSIBLE) AS EARLY AS WEDNESDAY. SCHILLER SEEMED TO THINK THAT THIS WAS NOT POSSIBLE. THE QUESTION WAS RAISED BY FOWLER AS TO THE POSSIBILITY OF CLOSING MARKETS FOR FOREIGN EXCHANGE DEALING ON THURSDAY AND FRIDAY. THE GERMAN APPARENTLY HAVE THOUGHT OF THIS BUT HAVE COME TO NO CONCLUSIONS.

THE DISCUSSION CLOSED WITH THE CHANCELLOR SUGGESTING ANOTHER ^{TOGETHER} GET ~~TOGETHER~~ WITH THE SAME PEOPLE AT 3 PM TOMORROW AT THAT TIME WE SHALL HAVE A CHANCE TO GO INTO THIS MATTER AGAIN.

END

STW
009

10

EYES ONLY

Monday, November 18, 1968

2:40 p. m.

Mr. President:

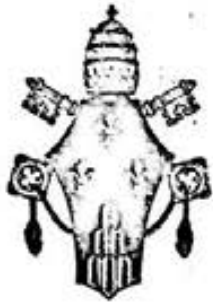
**Herewith a response from the Pope
to your letter to him of October 31 on the
bombing halt.**

Pres file

W. W. Rostow

EYES ONLY

WWRostow:rla



To
Lyndon B. Johnson
President of the United States of America

Your letter of October 31, 1968, which you, Mr President, sent to Us immediately after your decision to suspend the bombing of North Vietnam, brought Us much comfort.

As We have already signified to you in Our message of November 1, We appreciated your decision, which has cheered Us by the opening it gives to solid hopes.

We wish also to assure you that We have not failed and will not fail to devote Ourselves, within the limits of Our possibilities, in order that in this delicate moment the authorities of South Vietnam may weigh

all the elements of the situation, and that feelings of moderation may prevail, thereby facilitating the attainment of that true understanding which opens the way to peace.

On the other hand, We cannot but feel the preoccupation of those who fear that, in advancing toward a settlement, sufficient protection and respect may not be afforded to their independence and freedom. Your message brings Us assurance that those people, whose sufferings and hopes have been so great, will not be abandoned.

Accordingly, We hope that a solution may be chosen which will guarantee, in terms honorable for all, their rights and dignity.

For Our part, Mr President, We continue in Our fervent prayers to God for peoples and for those who govern them.

From the Vatican, November 6, 1968.

Paulus P.P. VI-

11

ACTION

Pres file

~~SECRET~~/HARVAN DOUBLE PLUS

Monday, November 18, 1968 -- 4:25 p. m.

Mr. President:

Herewith a rather important cable for your clearance. The background is:

-- The GVN does not want any discussion of "South Vietnamese internal politics" in Paris.

-- Harriman says that without a discussion of South Vietnamese politics there can be no negotiation.

-- Bunker's instructions were to "express reservations" to the GVN about their position but, by implication, empower him to go along if necessary.

In the light of Harriman's position, Nick and Bill Bundy drafted the attached cable. In the critical paragraph c on page 3 I felt that none of these exchanges really got at the way the matter should be handled. I, therefore, drafted and discussed with Nick Katzenbach the redraft of paragraph c, which is attached to page 3, as new paragraphs c and d. After discussion with Nick, we agreed we should go forward with the new version of c and d.

W. W. Rostow

Cable cleared as originally drafted _____

Cable cleared with new paras c and d _____

Call me _____

DECLASSIFIED
E.O. 12356, Sec. 3.4
NEJ 91-514
By ijg, NARA, Date 7-2-93

WWRostow:rla

~~SECRET~~

11a

OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

SECRET

Classification

FOR OC/T USE ONLY

for clearance

DECLASSIFIED

Authority 72991-510

By sg/in, NARA, Date 4-8-73

Origin

ACTION: Amembassy SAIGON IMMEDIATE

Info

INFO: Amembassy PARIS IMMEDIATE

STATE

NODIS/HARVAN/DOUBLE PLUS

PARIS TODEL _____ FOR HARRIMAN AND VANCE.

1. Paragraph 6 of Saigon 42840, on which Paris 24015 comments, does indeed raise a serious question for Bunker's oral discussion with Thieu. Since paragraph 1(c) of Deptel 273051 expressed reservations, but did not actually withdraw, the authority previously granted to say orally that we would stand with the GVN in rejecting an agenda item on "South Vietnamese internal politics," we obviously need clarification.

2. As we understand it from previous discussions in Saigon, we have agreed that SVN internal politics are clearly a matter of primary concern to the GVN, on which they would take the lead. At the same time, it was made clear ^{to} ~~xxxx~~/Thanh personally that we could not prevent the other side from talking repeat talking about such matters since our position has been all along that they could

Drafted by: <u>WT</u>	Tel. Exp. <u>4235</u>	Telegraphic transmission and classification approved by: <u>Acting The Secretary</u>
EA:WPBundy:mk 11/18/68		

White House - Mr. Rostow

S/S -

WT

Page 2 of telegram to Saigon Info: Paris Todel

~~SECRET~~
Classification

raise anything they want. We then went on to say that if the GVN, as the leading party on our side for this issue, does not wish to respond then there will in fact be no "discussion" in the sense of an exchange of views.

3. This seems to us reasonably satisfactory as an oral understanding, or state of the record, although, to fill it out, we would wish to be confident the GVN understood that:

a. The other side will unquestionably insist on presenting its position on the future internal structure of the South. Indeed, we can readily anticipate that Hanoi's third point and the NLF program will be stressed to the utmost in the earliest phases of the new meetings.

b. There could be no question of our walking out of the meeting when references to this subject are made whether by Hanoi's men or by "an NLF man." On the contrary, if we are to hold our own as a practical matter in the opening propaganda phases, both the GVN and ourselves will wish not only to attack the NLF in every possible respect--as we have already done in Paris--but (and this particularly from the GVN) to build up the status of the GVN on the basis of its Constitution, elections, and reconciliation policy.

Page 3 of telegram to Saigon Info: Paris Todel

~~SECRET~~
Classification

In a nutshell, ~~xx~~ if we are to hold our own in this early predictable propaganda phase, both we and the GVN will say things that relate to the internal political situation and structure in South Viet-Nam. c. As for the agenda, we can foresee that there might be a first try at an agreed list of topics. Predictably, this will fail if the GVN adheres to its ~~position,~~ ~~position,~~ and we support it as we must, that domestic or internal SVN matters cannot be raised as such, or with a view to agreement in the meetings. Thus, we could readily find ourselves adopting a practical listing of subjects put forward on either side, with no acceptance on our part that listing a topic means we are prepared to proceed to agreement on it. (We should be able to devise one or two topics on our side, such as neutralization of ~~Nsxix~~ North Viet-Nam, no alliances, etc., that we would not expect Hanoi to recognize as ~~legitim~~ legitimate subjects of discussion or ultimate agreement.) All this is part of the play of the hand.

4. We leave it to Saigon how far to go in making these points clear, weighing the need for early agreement with the GVN against leaving too many time bombs to be de-fused in Paris later. But what is abundantly clear is that no formulation by the US in this public text can possibly cover the subject properly or in relation to reality.

SECRET

In a nutshell, if we are to hold our own in this early predictable propaganda phase, both we and the GVN will say things that relate to the internal political situation and structure in South Viet-Nam.

c. As for the agenda, both our position and Hanoi's have been that either side could raise any subject it wished. This does not commit either side to discussing any issue raised by the other or to acknowledge that it is a proper subject for discussion. Thus it should not be necessary for either side to agree to any agenda.

d. We can indicate to the GVN that when and if Hanoi raises the issue of a political solution in the South, our joint position -- primarily articulated by the GVN delegation -- would be:

-- a political solution should be based on the principles of the Constitution, election and reconciliation policy;

-- these questions could be best solved by the South Vietnamese, and, therefore,

-- a political settlement is not an appropriate subject for the current talks but should be resolved by the Southerners in separate, private talks.

This position conforms to the President's basic statement of December 18, 1967:

"The political future of South Vietnam must be worked out (in South Vietnam) by the people of South Vietnam."

Page 4 of telegram to Saigon Info: Paris Todel

~~SECRET~~

Classification

5. To keep the record straight, we would now feel that the over-simplified authority originally stated in Deptel 272956 should be withdrawn, and replaced by an authority to pursue the points stated in paragraph 3 above. The underlying gut point should be that we are perfectly prepared to recognize that the internal political structure of South Viet-Nam is a problem for the South Vietnamese, and that we will work in the closest consultation with the GVN on how we refer to the subject so as to avoid any impression that we are proceeding to an agreement in open session.

GP-1.

END

~~CONFIDENTIAL~~

ACTION

Monday, November 18, 1968 - 3:30 pm

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Senators Gore and Pell to See Kosygin

Pres file

Our Embassy in Moscow reports that tomorrow morning Kosygin will see Senators Gore and Pell. The Senators have asked our Charge for the current status of two subjects which may come up in their conversation with Kosygin -- the Non-Proliferation Treaty and the strategic arms limitation talks. Our Embassy has asked for information to give to the Senators.

My recommendation is that our Embassy be instructed to inform the Senators as follows:

1. NPT -- The President has made clear numerous times his desire to have early Senate ratification of the NPT. Whether the Senate will be called into special session to deal with the treaty has not yet been decided.
2. Arms limitation -- The planned talks on the limitation of strategic armaments were interrupted by the invasion of Czechoslovakia. It is still not clear whether circumstances are such as to make it possible for us to go forward with these talks.

W. W. Rostow

Suggested line is OK _____

Call me _____

DECLASSIFIED
White House Guidelines, Feb. 24, 1993
By *ly*, NARA, Date *2/19/98*

~~SECRET~~

Monday, November 18, 1968 -- 3:05 p. m.

Mr. President:

Pres file

Couve's television interview at 2:20 p. m. our time was reassuring, as I heard it piped into the Situation Room:

-- He simply asserted that the monetary problem was "international" and spoke well of the cooperation developed at Basel by the Central Bankers over the weekend; and

-- He focused on austerity measures to deal with the big budget deficit.

Unless he had some surprise in that part of the interview which faded out of the Situation Room, I take it we are working towards some kind of German-French currency revaluation deal which the French will be able to present to their people not as a national humiliation but as an adjustment of exchange rates to ease the international monetary situation.

We will be meeting in my office at 4:30 p. m. today to take stock and talk on the classified phone with Joe Fowler. The whole team, including Bill Martin, will be here. I shall report to you promptly thereafter.

W. W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ly, NARA, Date 2-19-98

WWRostow:rla

~~SECRET~~

November 18, 1968

to [unclear]
2 Pres file

MEMORANDUM FOR THE PRESIDENT

The Secretary of the Interior and the Chairman of the Atomic Energy Commission in their attached letter (Tab A) with the endorsement of the Department of State recommend that you authorize the release by the Department of the Interior and the Atomic Energy Commission of the report they transmitted, "Nuclear Power and Water Desalting Plants for Southwest United States and Northwest Mexico". (Tab B) This report summarizes the results of a U.S./Mexico study carried out under an agreement signed in October 1965.

Secretary Udall and Chairman Seaborg recommend that in addition to releasing this report you request that the study group, supplemented with additional experts and other resources as necessary, be requested to proceed with the implementation of the recommended carry-on activities.

The Bureau of the Budget and my staff have reviewed the report. The Bureau of the Budget has noted that although there is no objection to the release of the report at this time, it does not examine sufficiently the future demand and price for water in the region. The Bureau recommends that before additional resources are devoted to implementing other recommendations in the report first attention should be given to a study of the future demand and price for water. I concur in the view of the BoB and recommend that you authorize me to sign the attached memorandum to the Secretary of the Interior and the Chairman of the Atomic Energy Commission.

W. W. Rostow

Approved _____

Disapproved _____

Speak to me _____

14a

November 20, 1968

**MEMORANDUM FOR
SECRETARY OF THE INTERIOR
CHAIRMAN OF THE ATOMIC ENERGY COMMISSION**

**SUBJECT: Summary Report: "Nuclear Power and Water Desalting
Plants for Southwest United States and Northwest Mexico"**

The President has noted the subject report submitted to him by your letter of October 18, recommending that the President authorize the release of the report by the Department of the Interior and the Atomic Energy Commission and further recommending that the study group, supplemented with additional experts and other resources as necessary, be requested to proceed with the implementation of the carry-on activities recommended in the report.

The President has authorized the release of the report as recommended. He has noted, however, that a question has been raised concerning the future demand and price for water in the region covered by the report and suggests that these questions be addressed first before additional resources are devoted to implementing the other recommendations. Therefore, the President's approval extends to the release of the report as a technical report for discussion, with the decision concerning the implementation of the recommendations deferred pending further review thereof by the Bureau of the Budget and the Office of Science and Technology.

/s/ Walt
W. W. Rostow

ACTION

15

CONFIDENTIAL

Monday, November 18, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Aid Loan for Pakistan

Pres file

Herewith Charlie Zwick and Bill Gaud recommend that you approve a \$71 million aid package for Pakistan. The money would finance mainly fertilizer imports and some industrial goods. The \$71 million is a ceiling for Pakistan in FY '69, figured after the drastic cuts in the AID appropriation. This loan is one of the proposals (plus the tank deal and PL-480 agreement now on its way to you) you instructed us to work up for Ayub when you approved the Indian food/loan package November 4.

The loan is routine. Pakistan's performance has been outstanding; Zwick's memo (Tab A) is a good summary of their record. If we do the full \$71 million, it will still be only half of last year's loan. Our share in the Pakistan consortium this year would drop from about 1/2 to 1/4. But moving now, even with the cuts, may make it possible for Ayub's planners to hold the line on important reforms.

The returns are not in yet on Pak arms spending and the application of the Conte-Symington Amendment. We have various reports of military purchases from the Soviets and the Chinese, but Ayub just told Ben Oehlert that these deals were limited to "ammunition, spare parts, and things like that." In any case, Gaud will hold out \$10 million of this loan pending solid assurances from the Paks or hard intelligence that they bought no sophisticated weapons in FY 69.

Treasury concurs in recommending this loan. Joe Barr has noted in the margin of Zwick's memo that he is concerned about the lack of project lending this year in Pakistan and other countries. A Treasury memo explaining Barr's thinking is at Tab C. The arguments are that (a) project lending is always good for the balance of payments, and (b) dams, schools, etc. are more visible and thus pay bigger dividends in public and Congressional impact. This is not really an issue among your advisors. Everyone agrees that the difference between program and project loans turns out to be too little to argue about in balance of payments terms. Zwick and Gaud agree that the projects are more showy. However, there is an overwhelming development case in this lean year for putting what money we have into general program lending where it is needed most by hard-pressed recipients. Barr acknowledges this and recommends no change in this

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E.O. 12958, Sec. 3.5

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

By *Nf*, NARA, Date 2-19-90

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- 2 -

Pakistan package. Joe just wants us to keep an eye on the benefits of project aid. Gaud has the word and will be putting his money in that column wherever possible.

Ayub needs this loan (and on performance clearly deserves it) to keep writing his major success story in Pakistan. I recommend you follow your earlier instruction with formal approval.

W. W. Rostow

Approve _____

Disapprove _____

Call me _____

WWR:HS:RM:lw

CONFIDENTIAL

~~CONFIDENTIAL~~

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

15a A

NOV 9 1969

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Development Loan to Pakistan

Attached is a memorandum from Bill Gaud requesting authority to negotiate a loan of up to \$71 million to Pakistan to finance the import of fertilizer, other farm inputs, and certain industrial raw materials. About \$1 million of this total would be used to buy equipment for a cardio-vascular institute, promised on your behalf by Don Hornig in 1966.

This is the full amount likely to be available for lending to Pakistan under the sharply cut AID appropriation for fiscal 1969. Although it is 60% below the \$177 million you requested for Pakistan in your budget and only about half of our loan level for last year, we still have room for hope that making it available early -- before the import program for January-June, 1969, is formulated -- will enable Pakistan's forward-looking economic planners to avoid backsliding on their economic reforms.

Since other donors are expected to keep their commitments at the same level as in 1968 in spite of the sharp decline in U. S. aid, our share should drop from 46% to 28% of total lending to Pakistan this year.

Self-help - Pakistan's policies and their economic results have become a model of sound development strategy. In fiscal 1968, with prices actually declining:

- GNP rose by more than 7%, the highest growth rate in the country's history;
- Agricultural output rose 7%, with rice production increasing 15%, and wheat 45%, making them nearly self-sufficient in foodgrains;
- Large-scale industry regained a growth rate of over 10%;
- Export earnings grew at a somewhat slower rate than in the previous year, but new types of exports, which provide Pakistan's greatest hope for economic self-sufficiency, rose at an impressive 17%.

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NSC Memo, 1/30/95, State Dept. Guidelines
By N, NARA, Date 2-19-98

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Among the policy advances recently made or underway are increasing domestic production of fertilizer and allowing the private sector to take over fertilizer and pesticide distribution. In addition, the Paks have adopted a number of import procedures which have the effect of devaluing the rupee by an average of almost 50%, with an effective devaluation of 85% on some industrial imports.

The Government of Pakistan has stated its intention to move further on exchange reform, consolidating the present arrangements into a single realistic rate, as soon as foreign exchange availabilities permit. In this year of scarce aid, however, it would be unrealistic of us to do more than encourage them to hold the line.

P. L. 480 - Because of the progress made in food production, Pakistan does not now appear likely to want any more P. L. 480 wheat this year. Thus, our P. L. 480 level may drop from \$175 million in fiscal year 1968 to as low as \$20 million worth of vegetable oil, tallow, and tobacco this year.

Military Expenditures - We know of no change in Pakistan's plans for defense spending since you last concurred (in June) in the opinion that no action was necessary under the terms of the Conte or Symington amendments. However, because of reports of an arms deal with the Soviet Union, AID intends to hold in reserve \$10 million of this loan until after the end of the fiscal year, by which time we should know what actually happened, unless we receive before then a satisfactory assurance from the Government of Pakistan that any such deal will not involve expenditures for sophisticated weapons during fiscal year 1969.

U. S. Balance of Payments - As usual, this loan would be used only for the purchase of U.S. goods and services. Further, items eligible for financing under this loan will continue to be selected with a view toward increasing the additionality of these exports. On the basis of these considerations, Secretary Fowler concurs in this loan.

Recommendation - I recommend that you authorize negotiation of a development loan to Pakistan of up to \$71 million.

Charles J. Zwick
Charles J. Zwick
Director

*over - ...
This AID is not contemplating
project loan within or around other
countries for loan*

Attachment

Approve _____

Disapprove _____

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

B
156

OFFICE OF
THE ADMINISTRATOR

CONFIDENTIAL

8 - NOV 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Production Loan to Pakistan

I request authorization to negotiate up to \$71 million of development loan assistance to Pakistan. One million dollars of the loan will be set aside to meet an earlier commitment to purchase U.S. equipment for the Institute of Cardiovascular Diseases, a project proposed by the Hornig mission in April 1966. The mission was the outcome of your talks with President Ayub in December 1965. The \$71 million, which will be provided entirely as a production loan for commodities, is about 50% of the production loan recommended in your FY 1969 budget to Congress. Considering desirable projects which were also recommended for FY 1969 but which cannot now be accommodated, the \$71 million is 40% of the previously intended total assistance level. Nevertheless, it represents a significant resource that is badly needed and that we believe Pakistan will use effectively.

Timing

Last month in a meeting with me in Washington, Pakistan's Finance Minister stressed the importance of making this year's commodity aid available as soon as possible. In view of the sharp reductions in U.S. and IDA assistance levels and the country's very tight foreign exchange position, it will be difficult for the Government of Pakistan to maintain their current development oriented trade policy. In order to maintain the thrust of this policy and in order to make necessary adjustments within the policy, Pakistan needs to know now how much U.S. assistance will be available for commodity imports.

We have received indications that if an adequate foreign exchange base is not in sight when the import program for January-June 1969 is reviewed later this month, the more conservative forces within

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Authority AID Guidelines
By NY . NARA, Date 2/19/98

the Government will press for returning to the complex of administrative controls which in the past has done so much to stifle private initiative. Our commitment of \$70 million of general commodity assistance will be critical to the Government's decision on the January 1969 import program.

The advocates of a more restrictive trade policy are proposing administrative restrictions to minimize the threat which the scarcity of resources constitutes for its foreign exchange balances. Unless the proponents of a free market oriented import policy can demonstrate that the course they propose will not lead to drawdowns on present foreign exchange holdings in excess of available resources, including foreign assistance, they will be at a disadvantage in defending what we believe to be the much sounder and more liberal policy approach to the management of the allocation of foreign exchange resources.

Self-Help

At the June 1968 Consortium meeting, donor countries and the IBRD commended Pakistan on its performance and policy objectives which we believe provide ample justification for the level of aid sought. In FY 1968:

- GNP is estimated to have increased by more than 7 percent, the highest growth rate achieved in the country's economic history.
- Overall agriculture production increased 7 percent; wheat production increased by more than 45 percent and rice by 15 percent.
- There was an 8 percent increase in manufacturing; although this is still far short of the planned target of 16 percent.
- Merchandise exports increased by 7.5 percent; new miscellaneous manufactured goods recorded impressive gains, rising at the rate of 17 percent, and now account for 1/7 of total exports.

Pakistan has one of the most successful developmental records in the world; and their performance, we believe, has been substantially strengthened by the country's acceptance of self-help measures based on sound pragmatic economic policies.

The effects of these policies have been most dramatic in agriculture. Since the Government redesigned its development strategy, placing the highest priority on agriculture, Pakistan has nearly become self-sufficient in foodgrain production. In the past, our fertilizer and pesticide financing has been conditioned on (1) moving the distribution of fertilizer and pesticides into private channels and (2) developing local production capacity for fertilizer. They are meeting these conditions.

For FY 1969, the Consortium, backed by the U.S., urged Pakistan to continue liberalizing its trade policy by taking further steps to increase the proportion of imports and exports that are bought and sold at a price more in keeping with the internal scarcity value of foreign exchange. Already in FY 1969, some action has been taken along these lines. In July 1968, the Government of Pakistan extended to all public sector corporations the requirement to shift imports to a higher rate, thus raising the effective price for public sector imports to the level of private sector imports. They also required that down payments be made at a higher rate, which further raised the price for public sector imports. In addition, a price equalization surcharge was applied to East Bloc aid so that U.S. commodities are no longer at a price disadvantage.

We will continue to urge Pakistan to broaden its import reform; but, for the present, the most critical issues have been identified and the Government of Pakistan has demonstrated its preparedness to adopt new self-help measures, even in the face of constraints posed by the low level of foreign exchange reserves. In a recent letter to the IMF, the Finance Minister confirmed that the present exchange arrangements are transitional and it is the Government's policy to establish a unitary exchange rate system at a realistic level. Continued progress in this area, however, will depend on the timely availability of foreign assistance.

Pakistan's Assistance Requirements

In FY 1969, we estimate Pakistan's foreign payments will be approximately \$1.54 billion. Export earnings will cover \$685 million of this amount while invisibles and foreign private investment will account for an additional \$160 million. The gap of \$695 million will have to be covered by foreign assistance disbursements.

We expect about \$125 million of U.S. commodity aid will be disbursed this fiscal year. This would draw the U.S. commodity pipeline down to \$50 million. In order to maintain a sufficient flow of resources adequate to support their liberal trade policies, this year Pakistan requires a minimum of \$70 million in U.S. development loan support. This would allow Pakistan to start FY 1970 with a pipeline of \$125 million, or about 10 to 11 months of the desired commitment and disbursement level for FY 1970. The existing pipeline, therefore, will be used to ease the effects of this year's reduction in assistance. Nevertheless, because of the time required for placing orders and processing letters of credit and other commercial documentation, a 10 to 11 month pipeline constitutes the minimum under which an aid recipient can freely proceed in sanctioning transactions under assistance provided by a major donor.

In addition to the problem of low aid availabilities, foreign exchange reserves have been running very low. Whereas reserves amounted to \$290 million in April 1966, on December 28, 1967 they stood at \$160.5 million. Recently they have edged up to about \$190-200 million. However, in order to raise Pakistan's reserves to the minimum level required simply to maintain a viable import system, Pakistan negotiated an IMF standby for \$75 million. When we take into account the \$42 million that Pakistan will have to repay during the 12 month standby period, the new \$75 million standby represents a net increase in reserve availability of only \$33 million.

PL 480

An important component of our foreign assistance program to Pakistan is PL 480. In the past, however, PL 480 assistance has played a much larger role than we anticipate it will play in the future. In FY 1968, Pakistan signed PL 480 agreements totalling about \$175 million. Thus far, in FY 1969 Pakistan has indicated it will request only about \$20 million of PL 480 commodities, which includes no foodgrains. Although they may at a later date request some foodgrain assistance, current indications are that Pakistan will not require PL 480 wheat imports this year; this is evidence of the remarkable strides Pakistan has made in its drive to become self-sufficient in foodgrains. As we have done in the past, we will include specific self-help provisions in our FY 1969 PL 480 sales agreements, in particular emphasizing the immediate need to build up the country's foodgrain storage capacity.

Additionality

There has been no evidence of displacement of commercial purchases from the U.S. by financing under past program loans. In fact, much of these loans has gone to finance commodities which are sufficiently noncompetitive in price for their short-run additionality to be unquestioned. Such commodities, however, have little or no potential for building markets for future sales against Pakistan's free foreign exchange; and therefore, under this production loan, we propose to fund a smaller proportion of high cost items.

We will also urge Pakistan to make more items not now generally being sold commercially by the U.S. and in which we might be competitive eligible for A.I.D. financing, although this effort will be limited in view of the reduction in this year's funding level. If we can include more such competitive items under the loan, we can make a greater contribution to the development of long-term markets for commercial sales.

Conte and Symington Amendments

Conte Amendment. We do not at this time have clear evidence of any purchase by Pakistan of sophisticated weapons within the meaning of the Conte Amendment (Section 620(v) of the Foreign Assistance Act) since the amendment came into force, nor do we have any firm indication that such purchases are contemplated during the remainder of this fiscal year. Although Pakistan has been spending relatively large amounts of foreign exchange on defense compared to the period before September 1965, when Pakistan was a normal and regular recipient of military assistance from the U.S., the money has been spent mainly in replacing equipment lost in the war with India. As such it has not appreciably improved or modernized Pakistani forces in a way which reasonably could lead to a dangerous escalation of arms capability in the area. There are numerous reports that the USSR has agreed to supply military equipment including sophisticated weapons to Pakistan, but we have no specific details on what weapons might be provided or what the payment terms might be. It is possible that the USSR, in order to avoid creating new difficulties in its relations with India, may hold its offers to non-sophisticated and possibly even non-lethal equipment.

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Because of the above doubts, we are asking the Government of Pakistan whether or not it has bought sophisticated weapons since the Conte Amendment came into effect or intends to buy such weapons prior to June 30, 1969, and if so, what payments are involved. If a satisfactory assurance is not forthcoming, we intend to set aside \$10 million of the proposed loan by withholding the issuance of letters of commitment in that amount until we receive such assurance, and have no reason to doubt that assurance, or until December 31, 1969 when A.I.D. will make a determination whether or not to release the funds based on the information available then.

Symington Amendment. In February 1968, State/A.I.D. in consultation with the interagency advisory committee concerned with the implementation of Section 620(s) (The Symington Amendment) of the Foreign Assistance Act of 1961, as amended, determined (a) that Pakistan resources are not being diverted to military expenditures to a degree which materially interferes with its development and (b) that neither U.S. development assistance nor PL 480 sales are diverted by Pakistan to military purposes. The Memorandum in which this determination was made was submitted to you in connection with Pakistan's FY 1968 production loan and signed by you in February 1968.

In FY 1969, Pakistan intends to increase defense expenditures by 10 percent. This increase is in contrast to FY 1967, when defense spending was decreased 20 percent from the previous year's high following the Indo-Pakistan conflict, and FY 1968, when a further reduction of 3 percent was imposed. With the increase, defense expenditures will represent 3.7 percent of GNP. Defense expenditures have declined as a percent of total central government expenditures every year since FY 1966, standing at 22 percent in FY 1969 compared with 23 percent last year and 26 percent the year before that. While data is rough, it appears that in FY 1968, defense imports have been estimated at only about 1 percent of total imports of goods and services and at their all time peak in FY 1967 were only 5.5 percent of total imports. The Finance Minister in his FY 1969 budget speech described defense expenditure as "unproductive" and called arms races between poor countries "senseless". Economic development continues to be a primary objective of the Ayub Government, and its success is Ayub's main boast in justifying his Government to the Pakistani people.

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Because the projected FY 1969 defense expenditures, though higher absolutely, have not increased significantly relative to Pakistan's government expenditures, GNP, foreign exchange needs, and development effort, or relative to other countries in Asia, the assessment made in FY 1968 still holds.

William S. Gaud

William S. Gaud

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November 15, 1968

MEMORANDUM

Subject: Desirability of Including Some Project Lending in All Countries Where There are Major U.S. Aid Programs

We have been concerned at the tendency for AID to shift completely to program lending in a number of countries to the exclusion of project lending. This has become particularly pronounced with the reduction in the size of the total aid program. There have been proposals recently to provide the entire FY 1969 AID programs for India, Pakistan and Turkey on a program loan basis. Also, several of our aid programs in Latin America -- Brazil, Columbia -- and in Africa are entirely on a non-project loan basis.

There are two important reasons why we favor continuing at least some project lending in each country where the U.S. provides substantial amounts of aid:

First, we have often expressed our concern that there is less U.S. export "additionality" in program lending than in project lending.

Secondly, quite apart from the additionality question, we feel that we hurt the already weakened prospects for public and Congressional support of aid by not having some tangible project each year in major aid receiving countries. The U.S. public and U.S. Congress, we think, want to see some concrete examples of the benefits of U.S. assistance and the contribution to physical development -- whether in the form of dams, factories or schools. If U.S. aid funds are used under program loans to finance miscellaneous items which simply disappear into the recipient country as part of its regular import needs, the identity of our contribution is often lost and any visible measurement of aid accomplishment goes by the board. We have found this to be true many times when we have traveled abroad with members of Congress.

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E.O. 13526, Sec. 3.5

NLJ-019A-42-35

By 444 NAR., Date 12-08-2017

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ACTION

Monday, November 18, 1968

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Scheduled NSC Meeting for Thursday, November 21

The tentative schedule for this week calls for an NSC meeting on Thursday, November 21, at noon.

The agenda proposed would include two items:

- 1. NATO -- report by Secretary Rusk and Secretary Clifford.
- 2. United Nations -- Report on current problems by Ambassador Wiggins.

Both of these subjects are primarily information and memoranda on each could be prepared for you. Therefore there is no requirement to hold a meeting unless you so desire. Discussion of both subjects would be useful.

W. W. Rostow

Go ahead with meeting: _____

Do not schedule: _____

Call me: _____

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 4-8-93

~~CONFIDENTIAL~~

ACTION 17

~~CONFIDENTIAL~~

Monday, November 18, 1968

MEMORANDUM FOR THE PRESIDENT

Pres file

SUBJECT: Debt Relief for Yugoslavia

Attached is Nick Katzenbach's memorandum recommending that you approve rescheduling of \$15.8 million of Yugoslavia's P. L. 480 debt.

The proposed rescheduling involves:

- Deferring \$7.9 million of principal due next month and another \$7.9 million due in December 1969;
- Rescheduling these payments to 1971 - 74;
- Continued payment of interest as due, including interest on the deferred payments.

The purpose is to help Yugoslavia at a time when it is under pressure from the Soviet Union. The proposed relief, which would cover about a third of Yugoslavia's expected \$25 million foreign exchange gap this year, would help the country do two things:

- Meet rising defense spending made necessary by the Soviet threat;
- Maintain its domestic economic reform program, which has acted as a powerful agent for change throughout Eastern Europe.

We expect Yugoslavia's other major creditors -- Germany and Italy -- to help also. Germany has already granted \$26 million in debt relief and will give more. Italy is considering new financial assistance. We will urge the Yugoslavs to seek relief from other Western creditors -- UK, France, Britain, Belgium.

There are no statutory obstacles to this action, and no Presidential waiver is required.

If you approve the package, Agriculture will inform Senator Ellender and Congressman Poage in advance.

The proposed rescheduling has been reviewed and approved by the National Advisory Council. Secretary Fowler and Under Secretary Schnittker both concur.

I recommend approval.

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E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By ly, NARA, Date 2-19-98

JKN
JKN:mmm

Approve Disapprove Call me W. W. Rostow



DEPARTMENT OF STATE

Washington, D.C. 20520

17a

November 15, 1968

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: Debt Relief for Yugoslavia

Recommendation:

That you approve rescheduling of \$15.8 million of Yugoslav P.L. 480 debt due in 1968 and 1969. Yugoslavia would get relief from \$7.9 million of principal due next month, and again in December 1969, with payment set over a five-year period.

Approve _____ Disapprove _____

Discussion:

1. The purpose is to make another signal to the Yugoslavs and the Soviets. Debt relief would also help Yugoslavia maintain its domestic economic reforms in the face of an increasingly tight foreign exchange situation and rising defense readiness expenditures.

P.L. 480 relief would give the Yugoslavs about half what they asked for (they also wanted CCC credits rescheduled). It would cover about a third of an expected \$25 million exchange gap for 1968. We expect Yugoslavia's other major creditors--Italy and Germany--to make substantial contributions also. Germany has already contributed \$26 million in debt relief and will give more. Italy is now considering new financial assistance.

2. This is designed as a short-term package in two senses. The Soviets may tighten economic screws (annual Soviet-Yugoslav trade negotiations are already overdue and there is no sign when they will begin), or

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By ly, NARA, Date 2-19-98

bring military pressure to bear. In that case we should wish to consider doing much more for Yugoslavia. Conceivably during the next couple of years there may be a softening in the Soviet attitude toward Yugoslavia: with that in mind we wish to limit our commitment.

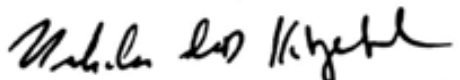
3. There are no statutory obstacles to this action, nor is a Presidential waiver required. In the usual manner Agriculture would inform Messrs. Poage and Ellender beforehand.

We would leave the question of publicity up to the Yugoslavs to decide in the light of their judgment of the politics. If the Yugoslavs do make an announcement, however, we should want to have a look at it beforehand.

4. In view of the uncertainties in the Balkans, I do not think it makes sense to hold up this package pending completion of Yugoslavia's negotiations with Italy and Germany. That could take a couple of months--too late to give P.L. 480 relief before December 1969. But we would tell the Yugoslavs that we are taking this action in the expectation that Germany and Italy will each make a substantial financial contribution including the maximum amount of debt relief and/or untied credits. We would urge them to seek relief from other Western creditors (Japan, France, Britain, Belgium).

5. After NAC review, Secretary Fowler and Under Secretary Schnittker concur in this proposal.

6. Other actions we are considering are: new Exim credits for Yugoslavia and increased DOD procurement and American investment, partly with use of U.S.-owned dinars.


Nicholas deB. Katzenbach

Enclosures:

1. Text of NAC Action
2. Proposal and Justification to NAC

17-b

Text of NAC Action on Yugoslav

Debt Relief

The National Advisory Council advises the Department of State that it offers no objection to the rescheduling of a portion of the principal amounts due in dollars (\$7.9 million in 1968 and \$7.9 million in 1969) on Yugoslavia's PL 480 debt by amending 4 previous PL 480 agreements.

The proposed rescheduling would provide that the sums deferred in 1968 and 1969 would be repaid on an ascending scale in the years 1971-1974 and that interest payments (including interest on the deferred payments) would be paid as due.

11/8/68



DEPARTMENT OF STATE

Washington, D.C. 20520

17C

November 4, 1968

~~CONFIDENTIAL~~

MEMORANDUM FOR: Dr. Martin E. Abel
Deputy Assistant Secretary,
International Affairs
Department of Agriculture

Mr. John C. Colman
Deputy Assistant Secretary for
International Affairs
Department of the Treasury

Yugoslavia's P.L. 480 Debt

This paper proposes a partial rescheduling of the principal amounts Yugoslavia is due to pay the United States in 1968 and 1969. The amount rescheduled would be \$7.9 million in each year. In capsule, our reasoning is:

- The United States has a major stake in Yugoslav independence and in the success of Yugoslav efforts to reform and liberalize their society. The President has recently reemphasized this.
- Yugoslavia remains a Communist country--and as such has objectives which in many ways differ fundamentally from ours--but its internal reforms have not only improved the lot of Yugoslavs, they have acted as a powerful agent of change throughout Eastern Europe.
- The Soviet Union sees Yugoslav-type reform as a major threat to its position in Eastern Europe. It intervened in Czechoslovakia to reverse the liberalizing trend that sprang from such reforms. Recently the Soviets have mounted a propaganda effort to discredit the Yugoslav reform program. Soviet economic

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By 14, NARA, Date 2-19-98

and even military pressures on Belgrade are possibilities, although as yet we have no indication the USSR is moving in this direction.

- Yugoslavia appears determined to continue the reform program, even in the face of increased Soviet pressure. But at the same time it must increase its defense readiness: this will put an additional strain on its economy and balance of payments.
- To maintain the level of liberalization achieved and assure the eventual success of reform--while increasing military spending--Yugoslavia will need outside assistance, and has requested it.
- We expect Germany and Italy (Yugoslavia's other main trading partners) to make a substantial response to this request.
- The proposed P.L. 480 rescheduling is designed to iron out a bulge in debt payments to the United States. It would cover a third of the Yugoslav exchange gap in 1968 and contribute to the 1969 gap. Other actions under consideration are: new Exim credits and U.S. private investment and defense procurement partly on the basis of U.S.-owned dinars.

Details follow:

Yugoslavia's Economic Position

The invasion of Czechoslovakia has resulted in an increase in Yugoslavia's defense expenditures and at the same time raises serious added questions as to the future of its trade with the Soviet bloc. This trade is important to the economy since imports from the area are required to scale-down the Yugoslav favorable balances in clearing arrangements with this area (estimated between \$150-180 million) and several Yugoslav export industries (shipbuilding, rolling stock, footwear and ready-made clothing) are dependent on sales to East Europe. Moreover, the Yugoslav position vis-a-vis Western Europe and the U.S. is also less favorable. Its agricultural exports to the EC

countries are down because of the EC agricultural policy and there is a bulge in the amount of its repayments due the U.S. for purchases of agricultural commodities under P.L. 480 and CCC.

Chief elements in Yugoslavia's position are:

Balance of Payments

The most recent information from Belgrade indicates that since the attached IMF projection of the Yugoslav balance of payments for 1968 was made in May 1968 (Tab A) there has been a sharp deterioration in the prospects for the year, despite expected improvement in the current account. This will be due to increased debt repayments and a decline in the availability of foreign loans, particularly "financial credits." With medium and long-term credits expected to be \$140 million below 1967 and an increase in debt repayments estimated at \$50 million^{1/} it is expected that the convertible currency deficit will be \$190 million. While part of this gap can be covered by an improved current account (expected deficit of \$30 million as compared to 1967's deficit of \$125 million), an increase in short-term suppliers credits of \$60 million and \$10 million by "other means,"^{2/} a balance of \$25 million would remain to be covered by drawing on reserves or additional debt rescheduling.

Reserves

Gold and foreign exchange reserves of the National Bank, which are in any event considered low in relation to the volume of imports from the convertible area, vary widely throughout the year. After a low of \$80 million at the end of 1967 compared to \$115 million at the end of 1966, reserves were reported at \$114 million August 31, 1968 as compared to the previous year's total on the same date of \$122 million. (Tab B) Unless additional debt

1/ After account is taken of rescheduling by IMF (\$50 million gross, \$42 million net) and by the FRG of \$26 million in Hermes guarantees.

2/ Although not defined by Yugoslav National Bank officials, "other means" may mean extraction of \$10 million from foreign exchange balances held by commercial banks.

rescheduling can be obtained, there will be a serious deterioration in the reserve position in view of the expected results in the 1968 balance of payments.

Debt Repayment Profile

On the basis of the figures available which include some double counting of interest payments but do not include all supplier credits, Yugoslavia's payments due on its debt to the convertible currency area are as follows:

<u>Year</u>	<u>Amount</u> (millions of dollars)
1968	330.6
1969	345.5
1970	342.0

The breakdown of these totals is shown in Tab C.

Action by Other Countries

When the request for debt rescheduling was originally made by Yugoslavia's Deputy Prime Minister Kiro Gligorov during his recent visit to Washington, he was asked whether Yugoslavia would make similar approaches to its two main trading partners, the Federal Republic of Germany and Italy, since they also have heavy debt repayment obligations to these countries during the next few years. The Yugoslavs have made approaches recently to both countries and are encouraged by the response. The West Germans had already agreed in March 1968 to defer repayment on \$26 million of Hermes credits for three years. According to Yugoslav reports, the Economic Minister, Schiller, recently told the GOY that he believed the FRG would be able to help and the Yugoslavs expect to work out arrangements with the West Germans. The Italian Ambassador has informed us that he is confident that an arrangement satisfactory to Yugoslavia will be worked out to revise the Yugoslav debt repayment schedule by further refinancing which would provide debt postponement in 1969.

Proposed U.S. Assistance

1. Eximbank has received Yugoslav requests for loans totaling \$55 million to finance seven projects. In

addition Exim has received requests from American suppliers for credits totaling in excess of \$50 million (including aircraft) to finance Yugoslav purchases in the U.S. The Bank will consider these requests on a case-by-case basis and hopes to be able to make prompt, favorable decisions on several of them.

2. Rescheduling of P.L. 480 Repayment Bulge - Yugoslav Deputy Prime Minister Gligorov during his recent stay in Washington asked for rescheduling of CCC and P.L. 480 repayments due in 1968 and 1969. It is not practicable to reschedule CCC payments. However, rescheduling of a part of the principal due in dollars on P.L. 480 in 1968 and 1969 would be an appropriate response to the Yugoslav request.

Specifically we propose that \$7.9 million of principal due in December 1968 and December 1969, a total of \$15.8 million, be rescheduled by amending four previous P.L. 480 Title IV agreements. There is no legal requirement that such action be taken up with the Congress. No payment of the rescheduled \$15.8 million would be required in 1970. Beginning in 1971 the rescheduled amounts would be due over four years on an ascending scale geared to the decline in the present profile of CCC and P.L. 480 payments due in those years. These changes would be effected by exchanges of letters between the U.S. and Yugoslavia amending the following agreements with respect to the amounts shown:

<u>Date of Agreement</u>	<u>Amount of Principal to be Rescheduled in December 1968 & 1969 Respectively (thousands)</u>	<u>Payment of Total Amount Rescheduled Under All Agreements</u>	
		<u>Date</u>	<u>Amount (thousands)</u>
April 21, 1962	\$1,099	July 1971	2,371
April 27, 1964	1,517	July 1972	3,161
March 16, 1965	3,671	July 1973	3,951
July 16, 1965	<u>1,615</u>	July 1974	<u>6,322</u>
Total	\$7,902		\$15,804

It is to be noted that the \$15.8 rescheduling shown above overstates the net benefit to Yugoslavia because it

does not take into account the additional interest which will have to be paid on the amounts rescheduled as follows:

<u>Year</u>	<u>Additional Interest</u>
1969	300,423
1970	600,844
1971	555,721
1972	450,634
1973	315,443
1974	<u>120,163</u>
Total	2,343,229

The net benefit to Yugoslavia from the \$15.8 rescheduling would be \$13.4 million.

Payments due on CCC and P.L. 480 indebtedness before rescheduling are shown in Tab D. Details of the proposed P.L. 480 rescheduling are shown in Tab E.

Legal Position

The Legal Adviser's office in this Department states that there is no legal barrier or procedural requirement that will prevent or delay amendment of the P.L. 480 agreements as proposed above. A copy of the legal memorandum is attached as Tab F.

Thomas O. Enders
Deputy Assistant Secretary for
International Monetary Affairs

Attachments: (See next page)

Attachments:

- Tab A - IMF Balance of Payments Table
- Tab B - Reserves Table
- Tab C - Debt to Convertible Currency Area Table
- Tab D - CCC and PL 480 Debt before Rescheduling Table
- Tab E - Detail of Proposed PL-480 Rescheduling Table
- Tab F - Legal Memorandum

Table 24. Balance of Payments
(In millions of U.S. dollars)

17d

	1967 ¹⁾ Preliminary	1968 ¹⁾ Forecast
Goods, services and transfer payments		
Exports f.o.b.	1,253	1,360
Imports c.i.f.	-1,708	-1,800
Trade balance	-455	-440
Foreign travel (net)	98	110
Transportation (net)	187	205
Investment income	-67	-80
Workers' remittances	89	125
Other services (net)	67 ²⁾	-
Private transfer payments	32 ²⁾	33 ²⁾
Reparations	-	-
Balance of services and transfer payments	+405	+420
Total	+49	+20
Capital transactions		
Transfer payments received	-	-
Long-term dollar loans for agricultural imports	-37	-
Drawings on dinar loans (net)	-	-
Other long-term and medium-term loans and credits received	328	315 ³⁾
Repayments on loans and nationalized property	-208	-204
U.S. holdings of dinars	-	-
Other official capital	-43 ⁴⁾	-84 ⁴⁾
Total	114	27
Errors and omissions	-	15
Monetary movements		
Net IMF position	33	60
Bilateral balances	-94	92
Gold and convertible currency	-4 ⁵⁾	-25 ⁵⁾
Total	-65	8

Source: Data submitted by the Yugoslav authorities, May 1968.

- 1) Changes in US' Dinar holdings are not included;
- 2) Excludes Donations in kind excluded
- 3) Eventual loans for agricul. surpluses included
- 4) Export credits (net) ✓
- 5) All banks' holdings

+) after re-scheduling

YUGOSLAVIAReserves
(Millions of dollars)

	<u>Gold</u>	<u>Foreign Exchange</u>	<u>Total</u>
December 31, 1966	21	94	115
December 31, 1967	22	58	80
Aug. 31, 1967	22	100	122
Aug. 31, 1968	32	82	114

E/OMA/MLMilne 10/25/68

YUGOSLAVIA
Payments Due in Convertible Currencies
(Millions of dollars)

	1966	1967	1968	1969	1970
ent repayable in convertible currencies					
International organizations:					
IMF	(27.5) ^{1/}	(34.5) ^{1/}	17.8	56.5	65.3
IBRD	12.6 ^{2/}	14.7 ^{2/}	16.5 ^{2/}	18.8 ^{2/}	22.7 ^{2/}
Eurofima			.8	.7	.8
Pre-war bonds			1.1	1.5	1.3
Settlement for nationalized property			2.5	2.9	1.7
Supplier credits			79.2 ^{5/}	76.8 ^{5/}	66.5 ^{5/}
Private bank credits			6.7	6.7	6.0
Official loans from West			9.6	71.7	68.8
Total			219.2	235.0	233.2
Official Loans from U.S.:					
PL -80-CCC	14.4	29.2	34.2	36.1	42.3
AID	1.6	1.6	1.6	1.5	1.5
Exim Bank	7.8	15.3	13.7	14.8	14.3
Total U.S.	23.8 ^{2/3/}	46.1 ^{2/}	49.5 ^{2/}	52.4 ^{2/}	58.1 ^{2/}
Total repayable in conv. currencies			268.7	287.4	291.3
Estimated Interest on Debt in Convertible Currencies			61.9 ^{4/}	58.1 ^{4/}	50.7 ^{4/}

1/ Drawing received from the IMF.

2/ Includes interest as well as amortization of principal.

3/ \$11.9 million owed to U.S. was rescheduled. Payments would otherwise have been \$35.7.

4/ This is believed to include all or some of interest shown above in amounts due U.S. and IBRD

5/ These are believed to be understatements.

1971 1972 1973 1974 1975

1.5
22.8^{2/} 23.2^{2/} 23.2^{2/} 23.2^{2/} 23.1^{2/}

.8
.3
1.0

48.0^{5/}
4.8
54.8
134.0

32.5 28.9 26.2 25.5 24.7

1.5 1.5 1.5 1.5 1.5

12.6 10.5 9.6 9.2 8.3

46.6^{2/} 40.9^{2/} 37.8^{2/} 36.2^{2/} 37.5^{2/}

180.6
41.9^{4/}

179

YUGO
(Thousands)

Date of PL-480 Agreement	Due Date	CY 1966		CY 1967		CY 1968		CY 1969	
		Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.
10/29/64	Apr. 13	900		--	72	1,060	72	160	29
10/26/64	May 14	--	--	1,469	672	1,469	623	1,469	771
4/11/66	July 2	--	--	--	--	--	336	601	336
11/22/65	Aug. 17	--	--	--	2,602	1,000	2,602	1,000	2,757
10/29/64	Dec. 18	375	221	2,757	206	476	95	476	76
10/28/64	Dec. 30	173	103	173	97	173	91	173	85
4/21/62	Dec. 31	1,099	527	1,099	483	1,099	440	1,099	396
4/21/62	Dec. 31	1,056	549	1,056	506	1,055	464	1,055	422
4/27/64	Dec. 31	1,518	903	1,518	849	1,517	796	1,517	743
4/28/64	Dec. 31	375	511	6,192	495	1,163	240	1,163	172
3/16/65	Dec. 31	3,671	1,615	3,671	1,469	3,671	1,322	3,671	1,175
7/16/65	Dec. 31	--	679	1,615	679	1,615	622	1,615	565
11/22/65	Dec. 31	--	144	342	144	342	132	342	120
4/11/66	Dec. 31	--	--	--	634	1,000	634	1,000	599
Total PL 480		9,167	5,252	19,892	9,309	15,660	8,969	15,561	8,256
Total CCC						8,230	1,482	10,793	1,449
Combined Total		9,167	5,252	19,892	9,309	23,890	10,351	26,354	9,705
			14,419		29,201		34,241		36,059

E/CMA/Line
10/16/63

SAVIA
(in millions)

CY 1970		CY 1971		CY 1972		CY 1973		CY 1974		CY 1975	
Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.	Prin.	Int.
180	22	180	14	180	7	--	--	--	--	--	--
1,469	720	1,469	665	1,469	616	1,469	564	1,469	512	1,469	-60
801	308	801	280	801	252	801	224	801	-196	801	168
7,805	2,732	7,805	2,459	7,805	2,185	7,805	1,912	7,805	1,639	7,805	1,366
476	57	476	38	476	19	--	--	--	--	--	--
173	79	173	73	173	67	173	61	173	55	173	49
1,099	353	1,099	310	1,099	267	1,099	224	1,099	181	1,099	138
1,055	380	1,055	338	1,055	296	1,055	254	1,055	212	1,055	170
1,517	690	1,517	537	1,517	484	1,517	431	1,517	378	1,517	325
1,163	144	1,163	116	1,163	88	--	--	--	--	--	--
3,671	1,028	3,671	981	3,671	734	3,671	587	3,671	0	3,671	293
1,615	509	1,615	453	1,615	397	1,615	341	1,615	285	1,615	229
342	108	342	96	342	84	342	72	342	60	342	48
1,611	564	1,611	508	1,611	451	1,611	395	1,611	338	1,611	282
22,977	7,694	22,977	6,771	22,977	5,947	21,158	5,065	21,158	4,296	21,158	3,528
10,793	805	2,563	153								
33,770	8,499	25,540	6,924	22,977	5,947	21,158	5,065	21,158	4,296	21,158	3,528
42,269		32,464		28,924		26,223		25,454		24,686	

	1968	
	Principal	Interest
Agreement of Apr. 21, 1952		
Present schedule	2,153,872.72	903,752.94
Revised schedule	1,055,096.32	903,752.94
Agreement of Apr. 27, 1952		
Present schedule	1,516,574.93	796,359.34
Revised schedule	—	796,359.34
Agreement of Mar. 16, 1963		
Present schedule	3,671,008.44	1,321,563.04
Revised schedule	—	1,321,563.04
Agreement of July 16, 1965		
Present schedule	1,615,438.71	621,943.91
Revised schedule	—	621,943.91
Total present schedule	8,957,194.80	3,643,619.23
Total revised schedule	1,055,096.32	3,643,619.23
	-7,902,098.48	

YUGOSLAVIA
 Details of Proposed PL 480 Rescheduling

1969		1970		1971	
Principal	Interest	Principal	Interest	Principal	Interest
2,153,672.72	817,592.03	2,153,672.72	731,447.12	2,153,672.72	645,255.21
1,055,095.32	851,549.63	<u>2,153,672.72</u>	819,345.23	2,463,505.64	726,597.66
1,516,874.93	743,266.71	1,516,874.93	690,175.09	1,516,874.93	637,067.47
—	796,359.34	1,516,674.93	796,359.34	1,971,937.41	735,305.12
3,671,008.44	1,174,722.70	3,671,008.44	1,027,882.36	3,671,008.44	851,102.03
—	1,321,563.64	3,671,692.44	1,321,563.04	4,772,310.97	1,152,696.65
1,615,488.71	565,403.55	1,615,488.71	508,863.20	1,615,488.71	452,322.84
—	621,943.91	1,615,488.71	621,943.91	2,100,070.32	556,922.50
6,957,194.80	3,300,992.09	8,957,194.80	2,956,365.77	8,957,194.80	2,615,500.55
1,055,096.32	3,601,415.37	8,957,194.80	3,559,211.52	11,327,824.34	3,171,521.93
-7,902,096.45					

1.72

1972		1973		1974	
Principal	Interest	Principal	Interest	Principal	Interest
2,153,372.72	559,133.30	2,153,872.72	472,978.39	2,153,872.72	355,223.25
2,593,353.20	625,039.89	2,703,230.92	519,127.09	3,032,893.9-	404,403.90
1,516,874.93	563,996.65	1,516,874.93	530,906.22	1,516,874.93	477,315.60
2,123,624.90	663,632.76	2,275,312.20	556,651.35	1,730,374.87	499,051.35
3,671,008.44	734,201.69	3,671,008.44	567,361.35	3,671,008.44	440,521.01
5,139,411.82	954,462.19	5,594,512.65	741,543.71	6,607,515.19	499,251.15
1,615,438.71	395,782.49	1,615,438.71	339,242.13	1,615,438.71	252,701.78
2,261,614.19	480,593.01	2,423,153.07	398,609.51	2,907,739.58	305,317.92
8,957,194.80	2,273,114.33	8,957,194.80	1,930,488.09	8,957,194.80	1,537,361.87
12,118,034.19	2,723,747.57	12,906,244.05	2,245,931.60	15,278,873.58	1,703,024.82

~~CONFIDENTIAL~~
DEPARTMENT OF STATE
THE LEGAL ADVISER

201-1
172

MEMORANDUM

October 30, 1968

TO : E/IMA - Mr. Thomas O. Enders
FROM : L - Murray J. Belman *MB*
SUBJECT: Legal Authority to Reschedule Yugoslav Principal Payments
Due under Existing PL 480 Agreements

The Proposal

Your office has proposed that certain Yugoslav principal payments due in December 1968 and 1969 under existing PL 480 agreements be postponed and, beginning in 1971, repaid over a 4-year period. The agreements in question are TIAS 5088 of April 21, 1962, TIAS 5566 of April 27, 1964, TIAS 5772 of March 16, 1965, and TIAS 5840 of July 16, 1965. The proposed action would reduce the Yugoslav payment due in 1968 and 1969 by 33 percent under one agreement and by 67 percent under the other three, and would provide for a compensating increase in the payments due in 1971 through 1974. This redistribution of payments will not extend the date for final payment under any of the agreements. The current interest will continue to be paid and additional interest will be paid in 1969 through 1974 on the portion of deferred payment that remains outstanding.

The Legal Authority

The President has authority to negotiate and carry out the original PL 480 agreement (Sec. 101) and this includes the authority to renegotiate the agreement within the term of the original authority. Although Section 103(d)(3) prohibits the making of PL 480 sales agreements with Yugoslavia, it would not prohibit the Executive from rescheduling the payments due under valid existing agreements.

Discussion

Section 101 of PL 480 authorizes the President to negotiate and carry out PL 480 agreements. No other provision of that Act would prohibit the renegotiation here under consideration. On several occasions agreements concluded under this authority have been amended to reschedule the payments due under them. Two Yugoslav PL 480 agreements (TIAS 5568 and TIAS 5685) have previously been amended to reschedule payments due in 1966 (TIAS 5945 of December 29 and 30, 1965). Two PL 480 agreements with Indonesia (TIAS 6016 and TIAS 6044) have also been rescheduled (TIAS 6419 of December 30, 1967). The authority for rescheduling

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DECLASSIFIED
E.O. 12958, Sec. 3.5
State Dept. Guidelines
By *17* NARA, Date *2-19-98*

these agreements has been Section 101 and the theory has been that implicit in the authority to conclude an agreement is the authority to amend that agreement. This theory has been supplemented by the general authority of the President to conduct foreign affairs. The Congress has recognized that the Executive is often required to renegotiate loans with foreign countries and, in amending the Foreign Assistance Act, has indicated that it does not intend to restrict this authority in regard to loans under that Act.*

This authority to renegotiate, based on the statutory authority to conclude the original agreement, is necessarily limited by the provisions affecting the original agreement. Section 106 of PL 480 requires that payments on dollar credit sales be made in

"reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of the commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery...."

Since the 2-year grace period has expired under each of the agreements, the rescheduling must provide for some payment in 1968 and 1969. The proposal would reschedule all the principal due under three of the agreements and part of the principal under a fourth but would require the current interest payments to be made. Although it can be contended that the requirement for "reasonable annual payment" would necessitate some principal payment as well as the current interest payment under each agreement each year, a more justifiable interpretation of the requirement would permit postponement of principal payments when the circumstances indicate that such postponement would be reasonable. A contrary reading would permit the same economic result (i.e. instead of paying all the interest and deferring all the principal, part of each could be paid and the remaining part deferred) but would complicate the mechanics. The provision in question was amended in 1962 to change "approximately equal annual payments" to "reasonable annual amounts" and the Senate Report stated that this "will provide greater flexibility to schedule dollar repayments and fix the amounts of annual repayments in terms of the individual country's financial situation and debt structure." In light of this history there is no justification for reading an unnecessary complication into this statute.

*. The Dirksen Amendment, Section 620(r) of the Foreign Assistance Act, prohibits the Executive from relieving any country of the obligation for the payment of principal or interest on any AID loan. The Conference Report, however, makes clear that this prohibition is not intended to prevent AID from renegotiating an outstanding loan agreement.

In the present case Yugoslavia has a bulge in her payments to the U.S. in the years 1968-70 as a result of commercial purchases from the Commodity Credit Corporation which were necessitated by Yugoslavia's recent ineligibility under PL 480. The table below shows the effect of the proposed rescheduling on Yugoslavia's payments to the U.S. under PL 480 and CCC credits.

<u>PL 480 / CCC (P/I) (Estimate)</u>		<u>Rescheduled (Estimate)</u>
	(in million dollars)	
1968	34.2	26.3
1969	36.1	27.5
1970	42.3	42.9
1971	32.5	35.4
1972	28.9	29.9
1973	29.2	33.6
1974	25.5	31.9
1975	24.7	24.7

This table represents Yugoslavia's combined payments to the U.S. on loans to purchase agricultural commodities and shows that total payments in each year will be significant. In 1968 and 1969, the two years in which PL 480 principal will be postponed, principal payments under CCC and other PL 480 agreements will amount to \$16 million and \$18.5 million, respectively, with \$7.8 million and \$7.7 million of this attributable to PL 480 agreements. Although the rescheduled payments will require lower payments in 1968 and 1969 and higher payments in 1971-74, the change is not so large as should be called unreasonable.

In the present case it appears appropriate to look at total payments Yugoslavia will be making to the U.S. to decide whether the payments made under individual agreements are reasonable. Taking this approach, three factors indicate that the proposed principal postponement is reasonable: (1) the postponement will be for only two years, (2) the date for final payment will not be extended, and (3) the result, when all the payments are viewed as a whole, is reasonable.

Subsection 103(d) of PL 480 requires that PL 480 "sales agreements" be made only with those countries that the President determines to be friendly to the United States. Part 3 of this subsection excludes from the definition of friendly countries "those nations which sell or furnish or permit ships or aircraft under their registry to transport to or from Cuba or North Vietnam any equipment, material, or commodities so long as they are governed by a Communist regime...."

~~CONFIDENTIAL~~

4

This provision took effect on January 1, 1967 and would prohibit the entering of agreements with Yugoslavia that would have the effect of supplying additional commodities subsequent to that date. It would not logically apply to the renegotiation or rescheduling of repayments under agreements existing prior to that date. The purpose of 103(d)(3) was to prevent future sales of commodities and not to limit the existing authority as regards sales already made.

~~CONFIDENTIAL~~

L/E:EAMassey:eb 11

18 Pres file

Monday, November 18, 1968
11:45 a. m.

~~TOP SECRET~~

MR. PRESIDENT:

Herewith a somewhat alarmed message from Wilson to you on the monetary situation:

-- his information is that the French may devalue as much as 15% unless the Germans can be persuaded to revalue at the same time;

-- he asks that you intervene with the Germans urging upward revaluation of something like 7-1/2 to 10%.

I have reported the substance of this to Joe Barr and Bill Martin. Bill Martin tells me that the latest he has from our man who was at Basle yesterday is that a deal has been made in which the Germans go up 7-1/2% and the French devalue 10%. Bill Martin believed we could live with this, as could the British; because French prices have risen so much in the wake of the spring disorders in France.

I am flashing this message to you from Wilson to Joe Fowler for his urgent comment. He is in Bonn and ought to be able to give guidance on whether a message from the President to Chancellor Kiesinger is required and in order. Bill Martin does not believe the President should enter the picture with the Germans unless Joe indicates this move is necessary and would be effective in bringing about an adequate upward German revaluation of the mark.

W. W. Rostow

~~TOP SECRET~~ attachment

DECLASSIFIED
E.O. 11652, Sec. 3.5
NSC Memo: 12/12/68, Dept. Guidelines
By cb 10/12/99, Date 4-7-99

NOV. 14, 1964

18a

I AM SURE WE OUGHT TO NOT CLOSELY TOGETHER IN DEALING WITH THE PRESENT DISTURBANCES IN THE FOREIGN EXCHANGE MARKETS. WE UNDERSTAND THAT THE FRENCH DEFINITELY INTEND TO DEVALUE, POSSIBLY WITHIN THE NEXT FEW HOURS, AND THAT THEY MAY DO SO BY AS MUCH AS 15 PER CENT UNLESS THE GERMANS CAN BE PERSUADED TO REVALUE AT THE SAME TIME. IF THE GERMANS WERE TO REVALUE BY (SAY) 5 PER CENT, THE FRENCH DEVALUATION MIGHT ONLY BE 10 PER CENT. I MUST WARN YOU THAT A FRENCH DEVALUATION, UNLESS IT WERE TO BE ACCOMPANIED BY A SIMULTANEOUS GERMAN REVALUATION, MIGHT WELL MAKE IT IMPOSSIBLE FOR US TO CONTINUE TO HOLD OUR RATE AND THIS SITUATION COULD DEVELOP RAPIDLY. THIS IS BECAUSE IT WOULD BE BELIEVED THAT THE POSITION WAS UNSTABLE AND THAT AN EARLY UPWARDS MOVEMENT IN THE GERMAN RATE COULD NOT BE AVOIDED. WE HAVE ALREADY HAD HEAVY RESERVE LOSSES THROUGH SPECULATION ON THIS ACCOUNT. NO STATEMENT BY THE GERMAN AUTHORITIES THAT REVALUATION HAS BEEN REJECTED CAN PREVENT THESE LOSSES BEING REPEATED, AND ONCE THE FRENCH HAVE DEVALUED THERE IS LIKELY TO BE A FURTHER MASSIVE AND INSUPPORTABLE MOVE OUT OF STERLING INTO DEUTSCHMARKS. IF FURTHER HEAVY SPECULATION AGAINST STERLING, AND INEVITABLY THE DOLLAR CONTINUED, THEN ROY JENKINS HAS TOLD JOE FOWLER OF THE SERIOUS DECISIONS WE SHOULD HAVE TO CONTEMPLATE. I BELIEVE YOUR PEOPLE THINK GREAT DAMAGE WOULD ALSO BE DONE TO THE DOLLAR. THE CHANCES OF REESTABLISHING STABILITY IN THE WORLD MONETARY SYSTEM IN THE SHORT TERM WOULD THEN BE SLIM INDEED:

2. MY UNDERSTANDING IS THAT THERE IS NO CHANCE OF OUR BEING ABLE TO PERSUADE THE FRENCH NOT TO DEVALUE. THEY HAVE HAD HEAVY LOSSES, AND ARE NOT PREPARED TO ACCEPT ANY MORE.

IT IS THEREFORE ESSENTIAL IN ALL OUR INTERESTS THAT THE GERMANS SHOULD BE PERSUADED TO REVALUE AT THE SAME TIME AS THE FRENCH DEVALUE. THE BUNDESBANK ARE IN FAVOUR OF AN APPRECIATION OF AT LEAST 5 PER CENT, BUT THINK GERMAN MINISTERS WILL BE RESISTANT EVEN TO THIS. 5 PER CENT WOULD CERTAINLY HELP, THOUGH THERE IS NO DOUBT THE D.M. IS GREATLY UNDERVALUED AND THAT SEVEN AND A HALF OR TEN PER CENT WOULD BE A MORE REALISTIC CHANGE.

3. ROY JENKINS AND JOE FOWLER DISCUSSED ALL THESE POSSIBILITIES WHEN THE LATTER WAS IN LONDON, AND I UNDERSTAND THERE IS NO DIFFERENCE BETWEEN US ON WHAT SHOULD BE DONE. IN THE WEEK SINCE THEY MET THINGS HAVE DEVELOPED AT A DANGEROUS RATE AND NEW DECISIONS LOOK LIKE BEING TAKEN - OR POSSIBLY, IN THE CASE OF GERMANY, NOT BEING TAKEN - WITHIN THE NEXT FEW HOURS. I AM THEREFORE VERY GLAD TO HEAR THAT JOE IS ON HIS WAY TO BONN, WHERE NO DOUBT HE WILL DO EVERYTHING POSSIBLE TO PERSUADE THE GERMANS TO ACCEPT THEIR RESPONSIBILITIES. WE SHALL BE URGING ON THEM THE IMPORTANCE OF REVALUING, OF DOING SO AT THE SAME TIME AS THE FRENCH MOVE, AND OF DOING SO BY AS MUCH AS POSSIBLE. THE MOST POWERFUL FACTOR IN HELPING THE GERMAN MINISTERS, WHO ARE MEETING IN CABINET THIS AFTERNOON, TO TAKE DECISIONS WITHOUT WHICH INTERNATIONAL MONETARY CHAOS WILL BE ALMOST INEVITABLE, WOULD UNDOUBTEDLY BE YOUR OWN PERSONAL INTERVENTION. I HOPE YOU WILL FEEL ABLE TO MAKE YOUR VIEWS KNOWN TO THE GERMANS AS SOON AS POSSIBLE, AND THAT WE CAN KEEP IN THE CLOSEST TOUCH IN DEALING WITH THIS LATEST PROBLEM TOGETHER AS WE HAVE SO OFTEN IN THE PAST FOUR YEARS.

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DECLASSIFIED
EO 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By DB NARA, Date 4/7/99

~~CONFIDENTIAL~~

Monday, November 18, 1968 -- 11:40 a. m.

Mr. President:

Pres files

As background for your meeting with Clark Clifford, herewith, at Tab A, the original systems analysis study, published in Defense's Southeast Asia Analysis Report of January 1968. At Tab B is MACV's rebuttal, published in the March 1968 issue of Southeast Asia Analysis Report.

W. W. Rostow

DECLASSIFIED
White House Guidelines, Feb 24, 1983
By 19, NARA, Date 4-8-93

WWRostow:rla

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EXPERIENCE IN COMMAND AND BATTLE DEATHS

In South Vietnam during 1965 and 1966, U.S. Army maneuver battalions under experienced commanders suffered battle deaths "in sizeable skirmishes" at only two-thirds the rate of units under battalion commanders with less than six months' experience in command.

Increased command experience of the rifle company commander also led to fewer battle deaths in his unit, but the effect was not as great. This may reflect the predominant role in combat of the battalion commander.

The rate of company commander loss because of hostile death or serious wound, after rising in each of the first 4 months of command in what appears to be a "learning period," drops markedly from the fifth month onwards to a rate of one-third as great.

Even with allowance for the one year tour in country, the typical tenure of a maneuver battalion or a rifle company commander was surprisingly short. Over half the battalion commanders in Vietnam were routinely relieved without cause prior to the end of their sixth month in command in country; over half the company commanders were similarly relieved before they completed four months in command.

Battalion Commanders

Data cover 34 maneuver battalions in the five Army divisions and separate brigades in South Vietnam in 1965 and 1966. Table I compares the rate of battle deaths in rifle companies whose battalion commanders were in their initial months of command in country with the rate after six months of command. We draw particular attention to rates based upon totals of those killed in action in sizeable skirmishes. Five or more battle deaths suffered by one company on one calendar day plus the battle deaths occurring in other rifle companies of the same battalion on the same day constitute this total. Groups killed in action are more fairly attributable to the performance of the battalion commander. Deaths of less than five per day are mostly due to snipers, mines, booby traps, etc.; they are as high under an experienced battalion commander as under an inexperienced one.

Table I

Bn Cdr Exper In Command	Nr. of Bn. Cdr. Months	Total KIA	KIA in Sizeable Skirmishes ^{a/}	Other KIA	KIA/Bn. Cdr. Month		
					Total	In Sizeable Skirmishes ^{a/}	Other
Less than 6 months	434	2160	1068	1092	4.98	2.46	2.52
6 months or more	50	213	81	132	4.25	1.62	2.64
Total	484	2373	1149	1224			

^{a/} Five or more battle deaths suffered by one company on one calendar day plus the battle deaths occurring the same day in other rifle companies of that battalion.

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Authority DOD Records
By NARA, Date 2-19-78

Tab A

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The question here is not one of success or failure, for U.S. Army units seldom fail in any given mission. When a unit commander's performance is ineffective, a senior replaces him. Nor is avoidance of battle deaths the primary objective; we would not be in SVN if it were. Rather it is a matter of success at a cheaper price. The rate of battle deaths is a measure of the cost of success.

The mean tenure of 118 Lieutenant Colonels who routinely completed command tours of these battalions from 1965 to 1967 was 5.6 months. Temporary ("acting") tours, and those terminated by death, serious injury, illness or for other cause (both poor performance and promotion), for a total of 17 tours, are excluded.

Although the Department of the Army in peacetime requires a minimum battalion command tour of 18 months, except for cause, in Vietnam it is solely within the purview of individual field commanders. That over half the battalion commanders in Vietnam are relieved without cause prior to the end of their sixth month in command, as shown in Table II, implies theatre-wide consensus on the desirable tour length.

Table II

Length of Battalion Command Tour in Months, Excluding Tours Ended
By Death, Serious Injury, Illness or Other Cause

	1	2	3	4	5	(SUB	6	7	8	9	10	11		
	But	But	But	But	But	TOTAL)	But	But	But	But	But	But		
	Less	Less	Less	Less	Less		Less	Less	Less	Less	Less	Less		
	Than	Than	Than	Than	Than		Than	Than	Than	Than	Than	Than		
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>TOTAL</u>	
No. of Bn Cdrs.	2	5	6	9	19	28	(69)	21	14	4	6	3	1	118

A check was made to determine whether initial training in country is responsible for the short command tours. It showed that those who assume command in country were as likely to do so during the early portion of their duty in country as during the latter part. Only commanders who work-up and deploy with their units receive specific preparatory training.

In a test for bias, the longer toured battalion commanders were viewed as a separate group. Tours terminated for cause were excluded. As shown in Table III, battalions under these commanders show the same trend of reduction in the rate of battle deaths during the final months of the commanders' tours.

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Table III

"Long Tour" Battalion Commanders

	<u>Nr. Bn. Cdr. Months</u>	<u>Total KIA</u>	<u>KIA in Sizeable Skirmishes</u>	<u>Other KIA</u>	<u>KIA/Bn. Cdr. Month</u>		
					<u>Total</u>	<u>In Sizeable Skirmishes</u>	<u>Other</u>
Init 6 Mo. of Command	156	807	373	434	5.17	2.39	2.78
After 6 Mo. of Cmd	43	151	51	100	3.51	1.19	2.33

Incidentally, the rate of this group in initial months of command is virtually the same as for the short tour commanders, which indicates that the long termers were not better to begin with.

Company Commanders

Data cover the 102 rifle companies of the same battalions. The mean length of company command tour for tenures routinely terminated was a fraction under 4 months. The Department of the Army peacetime minimum tour length for company grade commanders is one year, except for cause, but half the company commanders in Vietnam are relieved without cause prior to the end of their fourth month in command, as shown in Table IV.

Table IV

Length of Company Command Tour in Months, Excluding Tours Ended
By Death, Serious Injury, or Illness

	1		2		3		4		5		6		7		8		9		10		<u>TOTAL</u>
	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than	But Less Than		
No. of Bn Cdrs.	10	30	36	47	(123)	52	37	13	9	5	3	1	243								

High casualties among company commanders themselves may constitute some basis for this turnover pattern. The overall rate of hostile fatalities of rifle company commanders, at 1.5% per month, is 1.5 times the rate for all men in the companies. Field commanders may, with an intent toward justice, spread these hazards amongst those eligible. What is probably not known to adherents of this rationale are the data shown in Table V. The rate of company commander loss because of hostile death or serious wound, after rising in each of the first 4 months of command in what appears to be a "learning period," drops markedly in the fifth month to a rate one-third as great as in the fourth month and remains low during succeeding months in command.

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Table V

<u>Company Commander Experience</u>	<u>Percent of company commanders lost Due to battle death or serious wound.</u>	
Less than 1 month	2.04	Consolidated: 4.1
1 or more, but less than 2 months	3.07	
2 or more, but less than 3 months	5.61	
3 or more, but less than 4 months	7.60	
4 or more, but less than 5 months	2.00	2.5
5 or more months	2.97	

This implies that a company commander could be left in office 6 more months, for a total of 10, without incurring an additional risk as great as that to which he was exposed during his first 4 months of command.

Other data help determine whether these results might be biased by the manner in which battalions select the company commanders who have longer tours. In particular, they focused on the first 4 months' battle deaths, comparing those in companies whose commanders had short tours with those whose commanders went on to complete 4 or more months in command. The tests failed to show bias and so confirmed the above analysis.

To indicate what precedes and follows a tour of company command, detailed information was available on a sample of 52 officers. Thirty percent assumed command within a month of arrival in SVN; so there appears to be no policy that in-country training or experience must precede command. Two-thirds of those routinely relieved next assumed a staff position. As the mean length of tour indicates, a typical Captain can expect to have three different jobs in the course of his year in Vietnam.

Increased command experience of the company commander also results in fewer battle deaths in his unit. Table VI compares the rate of battle deaths under company commanders who had less than 4 months in command with those whose commanders had more experience.

Table VI

<u>Company Commander Experience in Command</u>	<u>Nr.Co. Cdr. Months</u>	<u>KIA in Groups</u>			<u>Killed in Action/Co.Cdr. Month</u>		
		<u>Total KIA</u>	<u>of 5 or More in One Day</u>	<u>Other KIA</u>	<u>Total</u>	<u>Groups of 5 or More Only</u>	<u>Other</u>
Less than 4 mos.	1143	1971	916	1055	1.72	.80	.92
4 or more mos.	217	342	132	210	1.57	.61	.97
Total	1360	2313	1048	1265			

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The rates of battle deaths in groups of 5 or more on a single day show some advantage in company commander experience, but not to the degree seen in battalion commanders. Moreover, the results may merely reflect the tendency of new battalion commanders to change their company commanders, so that the higher losses in early months of company command result from the battalion commander's inexperience, not the company commander's.

This is a "battalion commander's war," for he is the officer most often in immediate tactical command in combat. While the ARCOV report shows that in 148 engagements U.S. Army units were of company size in 50% and larger-than-company size in 20% more, the battalion commander determines the situation in which a company finds itself when a skirmish begins. The battalion commander's choice of landing zones and his control of axes of advance, boundaries, sectors, direction of attack, phase lines, and objectives fix the limits within which the company commander may exercise discretion. The battalion commander is frequently overhead in a command helicopter to direct his units as they fight on the ground. The data support the view that effectiveness depends mainly on his decisions.

ODCSOPS Comments

1. (U) The draft article concerning the relationship between experience in command and battle deaths is thought provoking and correctly points out that there is a correlation between the casualty rate and the time in command by company and battalion commanders. I have a number of comments which I believe will place the factors covered in the draft article in proper perspective when viewed with other significant elements which relate to the measurement of success in combat.

2. (C) An analysis of this subject should not only measure the cost of success, but also should define the success that is achieved in relation to the cost. In other words, we should answer the question, "What do we get for the price we pay?" To find the answers to that demanding question, the analyst must consider several factors.

a. The intensity and nature of combat in which a particular unit is engaged should be examined. These factors quite often overshadow the experience or command time of a participating commander in determining the number of friendly casualties.

b. The various missions of the units should be studied in conjunction with the other factors. A battalion securing an area for a two week period so that the farmers in Phuoc Tuy Province can harvest their rice in comparative safety cannot be expected to sustain as many casualties as a battalion assaulting the fortified positions of well armed North Vietnamese troops near the South Vietnamese border in Kontum Province.

c. Both the enemy and friendly casualty rates should be determined and compared, since the success of a battle is measured in terms of the relative effect on both forces. As an example, several battalions of the 1st Cavalry Division's action in the Ia Drang Valley in 1965 sustained

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comparatively high friendly casualties. None of the battalion commanders had been in combat longer than three months. However, subsequent evaluation, considering enemy casualties, captured enemy weapons and materiel, and the intelligence gleaned from captured documents and prisoners proved the action to be a major US victory. Within the parameters of your study, this action could have been classified as less than successful.

3. (C) I realize that the data base for a statistical analysis of this sort is rather limited, but a comparison of your 1965 data with that of subsequent years is questionable. No US Army unit had completed six months in RVN prior to the last two months of 1965, and only three battalions had been in combat six months or more those last two months. This means that all the other Army battalions in combat during 1965 not only had commanders who had been in combat less than six months, but the entire command, from the lowest private to the battalion commanders' superiors, was equally void of combat experience in RVN. No valid comparison can be drawn between a battalion commander operating in those circumstances and one who has had a command in combat over six months or one who assumes command in a unit which has six months of combat experience under its belt.

4. (C) How long should a battalion or company commander command his unit in combat? We know from experience that a commander begins to "burn out" after a period in this hazardous and exacting environment. He becomes reluctant to take calculated risks, and may subconsciously become overly conservative in the employment of his unit. This tendency could result in fewer friendly casualties simply because the commander is not fighting his unit as hard as he did during the first few months of command when he was full of snap, zest and aggressiveness and eager to destroy the enemy. The extreme demands placed on a commander, due to the complex, fluid and vigorous nature of the combat in Vietnam reduce the length of time that he can function with maximum effectiveness.

5. (C) The average of six and four months in command for battalion and company commanders respectively was not determined arbitrarily. Rather, it represents the experience of our senior commanders in Vietnam who, based on over two years' experience with US units in that environment, have determined a command tour of that approximate length to be the most desirable and effective, considering all the factors. While a statistical analysis points out trends which should be considered, it also reveals the extreme difficulty one encounters in attempting to quantify the many facets of combat. I am convinced that our commanders in the field can best judge the length of time an officer should remain in command of a unit in combat.

OASD/SA Comments:

ODCSOPS raises three basic points: (1) other factors should be measured to "define the success that is achieved;" (2) 1965 data should not be included because entire units were "void of combat experience in RVN;" and (3) commanders "burn out" after longer tours.

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First, ODCSOPS stresses other factors such as the mission, the nature of combat, and the enemy's casualties, not just friendly casualties must be considered in such evaluation. But, such data are not now available. We can only hope that this and similar articles will lead to improved reporting of this type data both to assist the field commander and to permit further analysis of this question.

Even so, the fact remains that in sizeable skirmishes the experienced battalion commander loses a significantly smaller number of his men. Because this analysis is based upon data which covers an extended time period and the widest possible diversity of Army units and areas of combat, we assume that the other factors cited (differing missions, combat intensity, etc.) should even out in the final results. All of the sensitivity tests we ran to check for biases and reliability of data supported our conclusions.

Second, the exclusion of 1965 data would not materially affect the conclusions. As is shown on the table below, using only 1966 data, the same conclusions emerge.

TABLE 1

KIA/BN CDR MONTH (1966 Only)

<u>Battalion Commander Experience in Command</u>	<u>Total</u>	<u>In Sizeable Skirmishes</u>	<u>Other</u>
Less than 6 months	4.93	2.20	2.73
6 or more months	4.13	1.58	2.55

Third, we can locate no data to indicate that long term commanders "burn out" or are less effective. This does not mean that the phenomenon of burn out does not exist, nor that the senior commander can ignore it, if he feels it does exist. However, we cannot prove its existence and we suspect that the present rotation policy may be based more on considerations of providing a wide base of combat experience than on the "burn out" factor. This study shows clearly that retention of the best battalion commanders has a real payoff. Since lives are at stake, further review of this question is clearly warranted.

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EXPERIENCE IN COMMAND AND BATTLE DEATHS: MACV REBUTTAL

We received the following letter from MACV which rebuts our January article on command tenure and related battle deaths. Our article concluded:

"The rates of battle deaths in groups of 5 or more on a single day show some advantage in company commander experience, but not to the degree seen in battalion commanders. Moreover, the results may merely reflect the tendency of new battalion commanders to change their company commanders, so that the higher losses in early months of company command result from the battalion commander's inexperience, not the company commander's."

MACV comments are set forth below:

1. In your January 1968 SEA Analysis Report, an analysis is made of the relationship between command time of maneuver battalion commanders and the battle losses suffered by their commands.
2. This article has been reviewed and several questions have come to mind which may prove of interest to you.
3. It is a truism that experience in battle will lead to fewer friendly losses from the point of view of the "learning curve." However, such a generality must, of necessity, be tempered with consideration of the many other variables which affect the outcome of battles. The "learning curve" concept has validity because, among other things:
 - a. The enemy's attack tactics fall into patterns vis-a-vis time and method. These can be learned by experience, particularly where the enemy force is always the same group of units.
 - b. Certain concepts of air assaults - ie, duration of preparatory fires, type of fires, ground configuration, and others - prove themselves over time.
 - c. The confidence level and morale of the troops builds as the "old man" learns.
 - d. The "old man" more correctly assesses his force capabilities over time, and can therefore make more judicious use of his strengths.
4. Whether the benefits of the learning curve equate in magnitude to the findings of your analysis is subject to question. The comments which follow are offered in the interest of pursuing your analysis.
5. Table 1 of your study can be translated into percentages.

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E.O. 12958, Sec 3.3

DA/Secy, Jan 6, 1998

By *y* *2-1998*

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Tab B

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<u>Experience in Command</u>	<u>Command Months</u>		<u>Skirmish Losses</u>		<u>OASD Index</u>
	<u>No</u>	<u>% of Total</u>	<u>No</u>	<u>% of Total</u>	
-6 mos	434	89.67	1068	92.95	2.46
+6 mos	50	10.33	81	7.05	1.62
		100.00	1149	100.00	

This shows that the "less than six months" commanders experienced a slightly greater percentage of battle losses than their percentage of the total command time, but the magnitude of the difference does not present as dramatic a picture as does the OASD index.

6. Our concern over this analysis is summarized as follows.

a. You have assumed implicitly that the intensity and other variables of the battles in each instance in the sample have been the same.

b. You have also assumed implicitly that the number of battles is distributed in accordance with the distribution of command time.

c. There is an inconsistency in the series of tables used to substantiate the findings, such that the mathematics cannot be reconstructed.

7. Table II of the study summarizes the distribution of battalion commanders in the sample.

a. By assigning the middle value of each class interval in the "less than six month" grouping, a total of 294.5 battalion commander months is obtained.

<u>Experience in Months</u>	<u>Number of Commanders</u>	<u>Battalion Cmd Months</u>
0.5	2	1.0
1.5	5	7.5
2.5	6	15.0
3.5	9	31.5
4.5	19	85.5
5.5	28	154.0
		<u>294.5</u>

This total is substantially less than the 434 command months cited in Table I. If the maximum value of each class interval were assigned, the

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number of command months would total 329, still less than the 434 identified in Table I. Further, if the 49 battalion commanders in the "greater than six months" category are each credited with exactly six months command time, the total command months figure would be $294.5 + 294 = 588.5$ substantially greater than the 484 cited in Table I.

b. Continuing this analysis of commanders with greater than six months in command, as shown in the OASD Table II, a total of 375.5 months of command experience has been accumulated by these commanders.

<u>Experience in Months</u>	<u>Number of Commanders</u>	<u>Battalion Cmd Months</u>
6.5	21	136.5
7.5	14	105.0
8.5	4	34.0
9.5	6	57.0
10.5	3	31.5
11.5	1	<u>11.5</u>
		375.5

By subtracting their first six months of command ($6 \times 49 = 294$) a residual of 81.5 command months should have been accumulated by them after the six month mid-point. However, the OASD/SA Table I shows only 50. Further, by the logic of assigning these commanders the bottom value of each class interval, the minimum possible command time of these commanders would have to be 57 command months, as compared to the 50 cited.

<u>Number of Months in Excess of 6</u>	<u>Number of Commanders</u>	<u>Battalion Cmd Months</u>
0	21	0
1	14	14
2	4	8
3	6	18
4	3	12
5	1	<u>5</u>
		57

c. With respect to OASD Table III, the 156 command months does not agree with the 294 previously developed ($49 \times 6 = 294$). Thus, the sample in Table III can not include the total of 49 commanders, but apparently selects only 26. If this is the case, then the average command time in excess of six months for these commanders is only $\frac{43}{26} = 1.65$ months.

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8. This analysis leads to the following questions.

- a. What parameters were used to substantiate the assumption that combat intensity and frequency were balanced in the sample? Can a distribution of number of skirmishes and losses in these skirmishes be provided for each of the two groups?
- b. On what basis was the data sample changed in progressing from Table I through Table II into Table III?
- c. Was there enough data available in the apparently smaller sample of Table III to draw valid conclusions?

9. We would be interested in hearing from you concerning these points.

SEA PRO Comment:

MACV's questions, as summarized in paragraph 8 of this letter, pertain to combat intensity and distribution as well as to apparent inconsistencies in the data between tables.

Combat intensity, and other factors too, would be helpful additions to this study. Regrettably, data are not available. But these other considerations should wash out in the final results because the data cover a wide range of Army units and areas of combat in the time period for which there is information. Tests for reliability and bias tend to bear this out.

The data used in Tables I and II were not identical. The article pointed out that the battle deaths shown in Table I only covered 1965 and 1966. However, Table II used some additional data covering a portion of 1967, as was pointed out in the article. Table III, of course, used the same data as Table I as it dealt with combat deaths.

We agree that more data would be helpful. But Table III included all of the "Long Term" battalion commanders for which we had data. More data might have shown a different picture. But we doubt it. It was our view (and MACV confirms this) that more experienced battalion commanders are more effective: on the average fewer of their men get killed in combat.

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SANTIZED
E.O. 12356, Sec. 3.4
NJ 93-141
By mp/jw, NARA, Date 1-14-98

Monday, Nov. 18, 1968
10:25 a. m.

~~SECRET~~

Walt Rostow
10:25 a

MR. PRESIDENT:

1.3(a)(5)

Herewith a report
anticipating a Communist demonstration against
visit of our aircraft carrier -- AMERICA --
November 18/19.

Walt Rostow

~~SECRET~~ attachment

Mr. Rostow

21

~~1. Profile~~
2. Profile

ACTION

LIMITED OFFICIAL USE

Monday, November 18, 1968

9:40 AM

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Independence Day Congratulations for Morocco

State recommends the following message to King Hassan for his Independence Anniversary celebrations this week:

"I send you my warmest congratulations and best wishes on this thirteenth anniversary of the Independence of Morocco. I find great satisfaction in the strong ties of friendship and respect which have so long linked our two countries."

I recommend you approve.

151

W. W. Rostow

Approve _____

Disapprove _____

LIMITED OFFICIAL USE

~~SECRET~~/HARVAN DOUBLE PLUS From file

Monday, November 18, 1968 -- 8:55 a. m.

Mr. President:

The more I see, at this stage, the more I judge Hanoi's strategy in Paris to be an effort to press the NLF openly into contact with Saigon and the U. S., moving toward de facto recognition of the NLF and a coalition government.

Aside from the attached UPI report (Tab A), the Vance-Lau talk on the DMZ said, essentially (Tab B):

- Hanoi will respect the DMZ;
- shelling and penetration of the DMZ by the NLF will continue;
- the U. S. should get in touch with the NLF about this matter.

Saigon, on the other hand, is willing to talk to the NLF either secretly in Paris or deal with the NLF in Saigon as a dissident element in the South Vietnamese population. But Saigon will resist all efforts to have the NLF role in the South dealt with as an international diplomatic matter -- at the table in Paris.

The central issue -- and test of will -- should come, if this view is correct, over how and when Saigon talks to the NLF.

That, in turn, will depend on how steady our side is in Paris and on:

- how fast pacification moves forward on the ground;
- how the VC fare in military operations, which are picking up. (Today's battle west of Danang, with 305 enemy killed versus 4 ARVN, was helpful.)

Once we engage in Paris we may wish to press the Russians to use their influence to encourage secret Saigon-NLF talks and, perhaps, Thieu to open a secret contact -- outside of Paris.

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E.O. 12356, Sec. 3.4

NJ 91-514By ing, NARA, Date 7-2-93

W. W. Rostow

UPI 246A, 11/17/68
Paris 23918 (4 sections)
WWRostow:rln

(A)

246A
TALKS 11/17 NX
NIGHT LD
BY GEORGE SIBERA

PARIS (UPI)--NORTH VIETNAMESE DIPLOMATS SUNDAY CAST DOUBTS ON ANY EARLY CEASE-FIRE IN THE VIETNAM WAR. THEY SAID A TRUCE WAS UNREALISTIC UNTIL A POLITICAL SETTLEMENT WAS REACHED AND THE UNITED STATES WITHDREW ITS FORCES FROM SOUTH VIETNAM.

"CEASE-FIRE IS ONLY A STAGE THAT IS PART OF THE PROCESS OF SETTLEMENT," COL. HA VAN LAU SAID IN AN INTERVIEW WITH THE PARIS NEWS MAGAZINE L'EXPRESS. HE IS THE NO. 2 MAN IN THE NORTH VIETNAMESE NEGOTIATING TEAM HERE.

LAU SAID ANY SETTLEMENT WOULD HAVE TO INVOLVE ON ONE HAND A WITHDRAWAL OF ALL AMERICAN AND ALLIED TROOPS FROM SOUTH VIETNAM AND DESTRUCTION OF THEIR BASES THERE AND ON THE OTHER HAND A POLITICAL SETTLEMENT IN ACCORDANCE WITH THE PROGRAM OF THE VIET CONG'S NATIONAL LIBERATION FRONT (NLF).

"A CEASE-FIRE BEFORE WE ARRIVE AT A CONCLUSION OF THESE TWO POINTS IS NOT REALISTIC," LAU SAID IN THE L'EXPRESS INTERVIEW.

ON ANOTHER MATTER, LAU SAID UNITED STATES CLAIMS THAT NORTH VIETNAM HAD AGREED TO EXPANDED TWO-WAY NEGOTIATIONS IN PARIS WAS "ABSOLUTELY FALSE."

LAU SAID THE UNITED STATES PROPOSED SUCH A TWO-SIDED CONFERENCE BUT IT WAS REJECTED AND "WE FINALLY CAME TO AN AGREEMENT OF THE FORMULA OF A FOUR-WAY CONFERENCE IN WHICH THE UNITED STATES, THE DEMOCRATIC REPUBLIC OF (NORTH) VIETNAM, THE NATIONAL LIBERATION FRONT AND THE SAIGON ADMINISTRATION WOULD EACH HAVE A COMPLETE SEPARATE DELEGATION."

IN A SEPARATE INTERVIEW WITH L'EXPRESS, CYRUS R. VANCE, DEPUTY CHIEF OF THE U.S. NEGOTIATING TEAM, DISPUTED LAU'S INTERPRETATION OF THE AGREEMENT WHICH PROVIDED FOR SOUTH VIETNAM AND THE NLF TO JOIN THE PRELIMINARY PEACE TALKS.

"WE CATEGORICALLY REJECT THIS MANNER OF DESCRIBING THEE NEGOTIATIONS," VANCE SAID. HE DESCRIBED THE AGREEMENT AS A "PRAGMATIC" ONE FOR BOTH THE UNITED STATES AND NORTH VIETNAM TO EXPAND THEIR DELEGATIONS SO THAT "THE PRINCIPAL BELLIGERENTS COULD START TALKING ABOUT HOW TO ACHIEVE PEACE."

MEANWHILE, A SPOKESMAN FOR SOUTH VIETNAM'S OBSERVER MISSION TO THE PARIS TALKS SUNDAY REITERATED SAIGON'S REFUSAL TO JOIN IN NEGOTIATIONS SO LONG AS THE COMMUNISTS INSISTED ON A FOUR-WAY FORMULA.

"WE DO NOT ACCEPT THE QUADRIPARTITE FORMULA," THE SPOKESMAN SAID.

THERE HAVE BEEN REPORTS HERE AND IN WASHINGTON AND SAIGON THAT THE SOUTH VIETNAM GOVERNMENT WOULD SOON ANNOUNCE IT WOULD SEND A NEGOTIATING TEAM TO PARIS.

BA623PEST

Jul A.



Department of State

226 (1)

TELEGRAM

~~SECRET~~

*See red side-Imed
paracaps at
paper clips*

CRA955
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FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC FLASH 8138
INFO RUEHCR/AMEMBASSY SAIGON IMMEDIATE 2028
STATE GRNC
BT

CONTROL: 4072Q
RECD: NOV 14, 1968
4:41 P.M.

DECLASSIFIED

Authority 7691510

By ag/jsp NARA, Date 4-6-93

~~SECRET~~ SECTION 1 OF 4 PARIS 23918

ACTION COPY

NODIS/HARVAN/DOUBLE PLUS

DELTO 959

FROM VANCE.

1. AT DRV REQUEST, I MET WITH LAU FOR AN HOUR AND A QUARTER THE EVENING OF NOVEMBER 14 AT THE DRV HOUSE IN CHOISY LE ROI. NEGROPONTE AND ENGEL WERE PRESENT ON OUR SIDE, AND LAU HAD AN INTERPRETER AND NOTETAKER WITH HIM.

2. LAU OPENED BY READING A STATEMENT. IN OUR LAST PRIVATE MEETING, LAU SAID, WE BROUGHT TO THE DRV'S ATTENTION THAT US AND ALLIED POSITIONS SOUTH OF THE DMZ HAD BEEN SUBJECTED TO ARTILLERY AND ROCKET FIRE FROM WITHIN THE DMZ ON NOVEMBER 10. WE HAD ALSO GIVEN THE TIME OF THE SHELLINGS, THE NUMBER OF ROUNDS, AND THE TYPE OF SHELLS AND ROCKETS. AT THE SAME TIME, WE HAD GIVEN THEM A MAP INDICATING THE THREE US POSITIONS WHICH WERE BOMBARDED SOUTH OF THE DMZ AND THE TWO ARTILLERY AND ROCKET BASES ALLEGEDLY DETERMINED TO BE WITHIN THE DMZ. THE US, LAU SAID, CONSIDERS IT A SERIOUS SITUATION THAT BOTH PARTIES MUST EXAMINE AND PROMPTLY SETTLE. LAU HAD REPLIED ON NOVEMBER 11 THAT HE HAD NO COMMENT TO MAKE BECAUSE HE HAD NO INFORMATION AND HAD NO COMMENT TO MAKE BECAUSE HE HAD NO INFORMATION AND HAD RESERVED THE RIGHT TO COMMENT AT A LATER DATE. HE HAD ASKED FOR TODAY'S MEETING TO EXPRESS THE DRV VIEWS ON THIS MATTER.

3. ~~LAU SAID HE IS AUTHORIZED TO TELL US THAT SINCE THE US CESSATION OF ALL AIR, NAVAL AND ARTILLERY BOMBARDMENT ON THE ENTIRE TERRITORY OF THE DRV INCLUDING SHELLING FROM SOUTH~~

~~SECRET~~

Tab B

~~SECRET~~

-2- PARIS 23918, SECTION 1 OF 4, NOV 14

~~OF THE DMZ AGAINST THE NORTH BANK OF THE BEN HAI RIVER AND
VICH LINH, THE ARTILLERY OF THE NORTH VIETNAMESE PEOPLE'S ARMY
HAD NOT FIRED FROM NORTH OF THE DMZ AGAINST SOUTH OF THE DMZ,
THEREFORE, ON NOVEMBER 10, AS ON PREVIOUS DAYS, THERE WAS NO
SHELLING OR ROCKETING FROM NVN BY THE NORTH VIETNAMESE PEOPLE'S
ARMY AGAINST US POSITIONS SOUTH OF THE DMZ. AS FOR THE MILITARY
ACTIVITIES OF THE LIBERATION ARMY AND THE SOUTH VIETNAMESE
PEOPLE, INCLUDING SHELLING AND ROCKETING ENEMY POSITIONS
IN SVN, THESE ARE FACTS HAPPENING IN SVN. THE DRV BELIEVES IT
IS NATURAL THAT THE LIBERATION ARMY AND THE SOUTH VIETNAMESE
PEOPLE MUST OPPOSE OVER ONE MILLION UNITED STATES SATELLITE
AND PUPPET TROOPS, IN ADDITION TO THE NAVAL, AIR AND ARTILLERY
FORCES FORMERLY USED AGAINST NVN WHICH ARE NOW BEING USED
AGAINST SVN AND MASSACRING THE SOUTH VIETNAMESE PEOPLE. THIS
IS A SACRED AND LEGITIMATE RIGHT OF SELF DEFENSE OF THE LIBER-
ATION ARMY AND THE SOUTH VIETNAMESE PEOPLE TO OPPOSE US AGGRESSORS
AND THEIR AGENTS. THE DRV WISH TO CALL TO OUR ATTENTION RECENT
STATEMENTS BY RESPONSIBLE PERSONALITIES OF THE US STATE DEPARTMENT
AND WHITE HOUSE WHO HAVE TRIED TO SHIFT THE RESPONSIBILITY FOR
THE SHELLING AND ROCKETING OF US AND SATELLITE POSITIONS SOUTH
OF THE DMZ TO THE DRV. THESE ARE SLANDEROUS ACCUSATIONS THAT
THE DRV COMPLETELY REJECTS. THESE FABRICIATIONS NOW BEING
PUT BEFORE PUBLIC OPINION ARE A PRETEXT TO DELAY THE AGREED
CONFERENCE. THEY WERE ALSO AIMED AT MISLEADING PUBLIC
OPINION AND COVERING UP US AND ITS AGENTS' SCHEME AND ACTS OF
INTENSIFYING THE WAR OF AGGRESSION, REPRESSION AND TERROR
AGAINST THE PEOPLE OF SVN. THE US PRESS HAD REPORTED THAT THE US
AND ITS AGENTS IN SVN ARE PREPARING A RAPID PACIFICATION PROGRAM
IN ORDER TO WREST BACK VILLAGES WHICH HAD COME UNDER NLF CONTROL.
THEIS PROGRAM IS BEING CARRIED OUT AT THE SAME TIME AS THE NAVAL
AND AIR FORCES, INCLUDING B-52'S, ARE BEING CONCENTRATED FOR
ATTACKS ON THE LIBERATED AREAS OF SVN INCLUDING AREAS AROUND
SAIGON.~~

4. IN NORTH VIETNAM PILOTED AND UNPILOTED RECONNAISSANCE PLANES
HAVE BEEN CARRYING OUT DAILY FLIGHTS IN THE AIR SPACE OF THE DRV.
YESTERDAY, THE ALERT HAD ONCE AGAIN BEEN SOUNDED IN HANOI. IN THE
DRV'S VIEW, THESE WERE FLAGRANT INFRINGEMENTS ON THE SOVEREIGNTY
AND SECURITY OF THE DRV. AT THE SAME TIME, THEY ARE ACTS INVOLVING
THE USE OF FORCE, WHICH THE US HAD PLEDGED TO
STOP TOGETHER WITH
AIR, NAVAL AND ARTILLERY BOMBARDMENT AS OF NOVEMBER 1. THE DRV
URGES THE US GOVT TO STOP FORTHWITH ALL THESE RECONNAISSANCE
FLIGHTS IN ACCORD WITH THE SPIRIT OF OUR AGREEMENT. ~~THE DRV ALSO
ADDED THAT SO LONG AS US ARTILLERY
POSITIONS OUTH OF THE DMZ DO NOT FIRE ACROSS THE DMZ AGAINST DRV
TERRITORY, THE PEOPLE'S ARMY ARTILLERY, BASED IN NVN, WILL REFRAIN
FROM FIRING AGAINST US POSITIONS SOUTH OF THE DMZ.~~

~~SECRET~~

~~SECRET~~

-3- PARIS 23918, SECTION 1 OF 4, NOV 14

5. LAU SAID THAT WAS HIS REPLY TO OUR STATEMENT ON NOVEMBER 11. HE SAID THAT IN ADDITION HE WANTED TO REMIND US OF HIS QUESTION POSED TO US LAST TIME CONCERNING THE VIOLATION OF DRV TERRITORIAL WATERS BY THE US WARSHIPS ON NOVEMBER 4.

6. I SAID I HAD A NUMBER OF COMMENTS TO MAKE. FIRST, I TOOK NOTE OF WHAT LAU HAD SAID CONCERNING ARTILLERY AND ROCKET ATTACKS AGAINST US POSITIONS SOUTH OF THE DMZ, WHICH TOOK PLACE ON NOV 12. IN THIS CONNECTION, I WISHED TO START BY RECALLING OUR PREVIOUS CONVERSATIONS IN WHICH LAU HAD STATED TO ME THAT IF THE US RESPECTS THE DMZ, THEN AUTOMATICALLY ITS STATUS WILL BE RESTORED. AT ANOTHER TIME, LAU HAD SAID THAT WITH RESPECT TO ARTILLERY FIRE THE US SHOULD GO AHEAD AND STOP FIRING AND THE DRV WILL KNOW WHAT TO DO. AT ANOTHER TIME, LAU HAD ASKED WHY THE US DID NOT SIMPLY UNILATERALLY INFORM THE DRV ON WHAT DAY BOMBING WOULD STOP, AND ON WHAT DAY ARTILLERY WOULD STOP FIRING ACROSS THE DMZ, AND WE WOULD SEE WHAT WOULD HAPPEN BECAUSE THE DRV HAD CONSISTENTLY RESPECTED THE DMZ. REALITY WOULD GIVE US THE REPLY. HARRIMAN

BT

~~SECRET~~



Department of State

①
TELEGRAM

~~SECRET~~

CONTROL: 4073Q
RECD: NOV 14, 1968
4:49 P.M.

VV CRB 680
.... ZZ RUEHC RUEHCR
DE RUFNCR 23918/2 3192105
ZNY SSSSS ZZH
Z O 142038Z NOV 68
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC FLASH 8139
INFO RUEHCR/AMEMBASSY SAIGON 2029 IMMEDIATE
STATE GRNC
BT
~~SECRET~~ SECTION 2 OF 4 PARIS 23918

NODIS/HARVAN DOUBLE PLUS

DELTO 959

FROM VANCE.

ACTION COPY

I SAID THAT THE EVIDENCE AVAILABLE TO US INDICATES THAT ELEMENTS OF THE 27TH NORTH VIETNAMESE ARMY REGIMENT ARE KNOWN TO BE OPERATING IN OR NEAR THE SOUTHERN PART OF THE DMZ. IN ADDITION, EVEN IF NORTH VIETNAMESE REGULAR ARMY FORCES SHOULD NOT NOW BE OPERATING IN THE DMZ, I WOULD NOT ACCEPT THAT AS A JUSTIFICATION FOR VIOLATIONS OF THE DMZ, AND ATTACKS WHICH HAVE BEEN LAUNCHED AGAINST US POSITIONS SOUTH OF THE DMZ BY WHATEVER FORCES LAUNCHED THOSE ATTACKS. I HAD PREVIOUSLY INDICATED TO HIM HOW SERIOUSLY WE CONSIDERED THIS MATTER, AND THAT WAS THE REASON I BROUGHT THE SITUATION TO HIS ATTENTION, AND ALSO URGED THAT HE CALL TO THE ATTENTION OF HIS GOVERNMENT THE SERIOUSNESS OF THIS PROBLEM.

8. IN ADDITION AS TO THE ARTILLERY ATTACKS TO WHICH I HAD JUST REFERRED, THERE HAVE RECENTLY BEEN SEVERAL FIRINGS AND ATTACKS ON LIGHT RECONNAISSANCE AIRCRAFT WHICH HAVE OVERFLOWN THE SOUTHERN PART OF THE DMZ.

9. AS FOR LAU'S CHARGE OF ALLEGED US AGGRESSION, I REJECTED THAT CHARGE AND WISHED TO STATE THAT THE AGGRESSION WAS THAT OF NVN AND OF THE NLF.

10. NEXT, CONCERNING THE QUESTION OF RECONNAISSANCE FLIGHTS BY THE US OVER DRV TERRITORY, THESE DO NOT CONSTITUTE, AS I HAD PREVIOUSLY SAID AND WANTED TO REPEAT AGAIN NOW, ACTS INVOLVING THE USE OF FORCE. AS LAU WOULD RECALL, WE HAD ACCEPTED THE WORDS THE DRV HAD PREVIOUSLY USED AND WE SUBSTITUTED WORDS OF OUR OWN, NAMELY, "ALL OTHER ACTS INVOLVING THE USE OF FORCE AGAINST THE ENTIRE TERRITORY OF THE DRV." WE USED THOSE

~~SECRET~~

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-2- PARIS 23918, SECTION 2 OF 4, NOV 14

WORDS BECAUSE RECONNAISSANCE FLIGHTS ARE NOT ACTS INVOLVING THE USE OF FORCE. WE BELIEVED THE DRV CLEARLY UNDERSTOOD WHAT THOSE WORDS MEANT. I SAID THAT RECONNAISSANCE FLIGHTS WILL CONTINUE TO BE BLOWN AS REQUIRED, AND THAT IF FIRING AGAINST THOSE RECONNAISSANCE AIRCRAFT WERE TO CONTINUE WE WOULD HAVE TO TAKE THE NECESSARY ACTIONS TO DEFEND OUR PLANES AND PROTECT OUR PILOTS. THIS COULD LEAD TO A VERY SERIOUS AND DANGEROUS SITUATION, WHICH I ASSUMED NEITHER OF US WANTED TO HAPPEN.

11. I SAID I HAD HAD MY GOVERNMENT INVESTIGATE THE ALLEGATIONS THAT US NAVAL VESSELS VIOLATED THE TERRITORIAL WATERS OF THE DRV ON NOVEMBER 4 IN THE VICINITY OF RON. A VERY CAREFUL INVESTIGATION HAD BEEN CONDUCTED AND EACH OF OUR SHIPS POSITIONS HAD BEEN PLOTTED, BOTH IN THE GULF OF TONKIN, AND IN THE SOUTH CHINA SEA. I COULD STATE AS A RESULT OF THAT INVESTIGATION AND THE PLOTS WHICH HAD BEEN MADE THAT NO US VESSELS HAD VIOLATED THE TERRITORIAL WATERS OF THE DRV AS HAD BEEN ALLEGED AT OUR LAST MEETING.

1.2. FINALLY, I SAID THE STATEMENTS MADE BY MY GOVERNMENT CONCERNING THE INCIDENTS IN AND ROUND THE DMZ WERE NOT SLANDEROUS ACCUSATIONS AS HE HAD CHARGED, BUT A SIMPLE STATEMENT OF FACTS, WHICH WERE NECESSARY TO SET THE RECORD STRAIGHT. I SAID I CATEGORICALLY REJECTED THE CHARGE THAT THEY WERE SLANDEROUS ACCUSATIONS.

13. IN RESPONSE, LAU SAID THAT FIRST, CONCERNING THE RECONNAISSANCE FLIGHTS, HE BELIEVED IT WAS A SERIOUS MATTER THAT THE US HAD GIVEN ITSELF THE RIGHT TO CARRY OUT RECONNAISSANCE OVER THE DRV, THUS INFRINGING UPON ITS SOVEREIGNTY AND SECURITY. LAU SAID THAT DRV RESERVES THE RIGHT TO STRIKE BACK AT THESE FLIGHTS IN ORDER TO DEFEND THE DRV SOVEREIGNTY AND SECURITY AND HE SAID HE WANTED TO PARTICULARLY DRAW OUR ATTENTION TO THE FACT THAT IF THIS SHOULD LEAD TO A MORE SERIOUS AND DANGEROUS SITUATION, THE UNITED STATES GOVERNMENT MUST BEAR FULL RESPONSIBILITY.

14. LAU SAID THAT WHETHER THESE RECONNAISSANCE FLIGHTS WERE MENTIONED CLEARLY IN THE AGREEMENT REACHED BETWEEN US OR NOT, THE FACT WAS THAT UNITED STATES RECONNAISSANCE FLIGHTS OVER DRV TERRITORY CONSTITUTED ILLEGAL ACTS. THERE IS NO INTERNATIONAL LAW WHICH TOLERATES VIOLATIONS OF SOVEREIGNTY AND SECURITY OF ONE COUNTRY BY ANOTHER. THERE IS NO INTERNATIONAL LAW WHICH GIVES THE RIGHT TO ONE COUNTRY TO SEND RECONNAIS-

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-3- PARIS 23918, SECTION 2 OF 4, NOV 14

SANCE PLANES OVER THE AIR SPACE OF ANOTHER. LAU SAID HE THOUGHT THAT THESE ACTIONS BY THE UNITED STATES GOVERNMENT AGAINST THE TERRITORY OF THE DRV WHICH MAY LEAD TO A SERIOUS SITUATION THAT IS, THE RESUMPTION OF HOSTILITIES-DO NOT SUBSTANTIATE SERIOUS INTENT AND GOODWILL OF THE US.

15. LAU SAID THAT NO MAN WHO HAS GENUINE GOODWILL AND SERIOUS INTENT CAN BELIEVE THAT ANOTHER COUNTRY CAN SEND PLANES AGAINST HIS COUNTRY AND THAT HIS COUNTRY IN TURN HAS NO RIGHT TO STRIKE BACK AGAINST SUCH FLIGHTS. THEREFORE, LAU SAID, ~~IF THE US GOVERNMENT CONTINUES THESE RECONNAISSANCE FLIGHTS BY WHATEVER TYPE OF PLANE OVER THE TERRITORY OF THE DRV, THE DRV WILL CONTINUE TO USE ALL NECESSARY MEANS TO DEFEND ITS TERRITORY, SOVERIEGNTY AND SECURITY.~~ HARRIMAN
BT

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

CONTROL: 4068Q
RECD: NOV 14, 1968
4:18 P.M.

W CRA954
***** ZZ RUEHC RUEHCR
DE RUFNCR 23918/3 3192100
ZNY SSSSS ZZH
Z O 142038Z NOV 68
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC FLASH 8140
INFO RUEHCR/AMEMBASSY SAIGON IMMEDIATE 2030
STATE GRNC

BT

~~SECRET~~ SECTION 3 OF 4 PARIS 23918

MODIS/HARVAN/DOUBLE PLUS

DELTO 959

ACTION COPY

16. AS FOR THE ACTIVITIES OF THE US NAVAL SHIP WHICH VIOLATED DRV TERRITORIAL WATERS, LAU SAID THAT MY ANSWER DID NOT REFLECT SERIOUS INTENT. IF THERE WAS NO VIOLATION OF THE DRV TERRITORIAL WATERS BY US NAVAL SHIPS, THEN LAU WOULD NOT HAVE RAISED THE QUESTION. LAU SAID THAT OUR NAVAL SHIPS HAD VIOLATED DRV TERRITORIAL WATERS. LAU SAID THAT WE DENIED THESE VIOLATIONS, AND, IN SO DOING, THE DRV THOUGHT THAT WE WERE NOT SERIOUS IN ACCEPTING THE FACTS AND CORRECTING THEM. LAU ASKED THAT WE CONTINUE OUR INVESTIGATION AND GIVE THE DRV A MORE SATISFACTORY ANSWER.

17. IN REGARD TO FIRING ACROSS THE DMZ, LAU SAID THAT ON THIS SUBJECT WE MUST DISTINGUISH BETWEEN THE ACTIONS OF THE LIBERATION ARMY AND THE PEOPLE OF SOUTH VIET-NAM IN OPPOSITION TO US AND SATELLITE TROOPS, AND ACTIONS BY THE DRV. THE ACTIONS OF THE LIBERATION ARMY AND THE PEOPLE OF SOUTH VIET-NAM INCLUDED THE SHELLING OF US AND SATELLITE POSITIONS, IN OPPOSITION TO SWEEP OPERATIONS BY US AND PUPPET TROOPS, AND SHOOTING AGAINST US PLANES, BE THEY HEAVY OR LIGHT. THIS, LAU SAID, IS THE LEGITIMATE RIGHT OF SELF-DEFENSE OF THE PEOPLE OF SOUTH VIET-NAM AND AS LONG AS US AGGRESSOR TROOPS REMAIN ON SOUTH VIETNAMESE SOIL THE SOUTH VIETNAMESE PEOPLE HAVE THE RIGHT TO SELF-DEFENSE.

18. LAU SAID IN REFERENCE TO MY STATEMENT THAT THERE HAD BEEN FIRING AGAINST LIGHT PLANES FLYING OVER THE SOUTHERN PART OF THE DMZ (AT FIRST LAU SAID IN VIETNAMESE, "THIS IS REGRETTABLE," BUT SUBSEQUENTLY ASKED HIS INTERPRETER NOT TO TRANSLATE THAT REMARK.), HE DID NOT KNOW THE FACTS BUT HE ASSUMED THAT SUCH FIRING HAD TAKEN PLACE AND THIS WAS THE RIGHT OF SELF-DEFENSE OF THE SOUTH VIETNAMESE PEOPLE.

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-2- PARIS 23918, SECTION 3 OF 4, NOV 14

19. LAU SAID THAT THE FOREGOING CONCERNED SOUTH VIET-NAM. NOW, AS FAR AS NORTH VIET-NAM IS CONCERNED, ~~SINCE THE US STOPPED SHELLING ACROSS THE DMZ AGAINST DRV TERRITORY, DRV ARTILLERY BASED IN THE DRV HAD STOPPED SHELLING US POSITIONS IN SOUTH VIET-NAM. THIS, LAU SAID, WAS IN ACCORD WITH THE STATEMENTS THAT HE HAD MADE IN THE PAST AND TO WHICH I HAD REFERRED TODAY.~~

20. LAU SAID THAT IN REGARD TO WHAT I HAD SAID ABOUT CERTAIN ELEMENTS OF THE NVA BEING PRESENT IN THE DMZ, ~~THIS COULD NOT BE TRUE AND HE REJECTED MY STATEMENT.~~ AS FOR MY LAST POINT AS TO WHO WAS THE AGGRESSOR AND WHO WAS THE VICTIM, LAU SAID HE THOUGHT THAT ON THIS MATTER THE DRV AND THE US HAD BOTH EXPRESSED THEIR VIEWS OVER THE PAST SIX MONTHS.

21. I SAID THAT LAU HAD REFERRED TO RECONNAISSANCE FLIGHTS AS ENDANGERING THE SECURITY OF THE DRV. I SAID ~~THAT SUCH RECONNAISSANCE FLIGHTS COULD IN NO WAY ENDANGER THE SECURITY OF THE DRV. SECONDLY, REGARDING THE QUESTION OF SOVEREIGNTY, THIS HAD NOT BEEN DISCUSSED BETWEEN US IN PREVIOUS MEETINGS. WHAT WE HAD SAID WAS THAT WE WOULD STOP ALL ACTS INVOLVING THE USE OF FORCE AGAINST THE ENTIRE TERRITORY OF THE DRV. UNTIL SUCH TIME AS WE APPROACHED CLOSER TO PEACE, IT WILL BE NECESSARY TO CONTINUE RECONNAISSANCE FLIGHTS. I ASKED LAU TO RECONSIDER HIS STATEMENT THAT THE DRV RESERVED THE RIGHT TO ATTACK OUR RECONNAISSANCE FLIGHTS. AS I HAD SAID, THIS COULD LEAD TO A SERIOUS AND DANGEROUS SITUATION WHICH I ASSUMED NEITHER OF US WANTED.~~

22. IN REGARD TO LAU'S SECOND POINT CONCERNING MY ANSWER ABOUT THE ALLEGED VIOLATION OF TERRITORIAL WATERS OF THE DRV, I SAID ~~THAT MY GOVERNMENT HAD MADE A VERY CAREFUL AND SERIOUS INVESTIGATION OF THAT ALLEGATION AND I HAVE REPORTED THE RESULTS OF THAT INVESTIGATION. IF LAU HAD ANY FURTHER INFORMATION ON THIS SUBJECT, I WOULD BE PREPARED TO LISTEN TO WHAT HE HAD TO SAY TO SEE WHETHER IT MERITED FURTHER INVESTIGATION. I SAID I COULD ASSURE LAU THAT THE ALLEGED INCIDENT HAD BEEN INVESTIGATED CAREFULLY, INCLUDING AN ACCURATE PLOT OF ALL UNITED STATES VESSELS IN THE AREA.~~

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-3- PARIS 23918, SECTION 3 OF 4, NOV 14

23. REGARDING THE DMZ, I ASKED LAU IF I WAS CORRECT IN UNDERSTANDING HIM TO SAY THAT ~~THERE ARE NO NVA TROOPS IN THE DMZ. I SAID HOWEVER, THAT EVEN IF THAT WAS CORRECT I WOULD NOT ACCEPT HIS EXPLANATION OR JUSTIFICATION THAT THE NLF IS FREE TO VIOLATE THE DMZ AND TO ATTACK US AND ALLIED FORCES WHO HAVE BEEN RESPECTING THE DMZ SINCE THE CESSATION OF BOMBARDMENTS AND ALL OTHER ACTS INVOLVING THE USE OF FORCE AGAINST THE ENTIRE TERRITORY OF THE DRV.~~

24. FINALLY, IN REGARD TO WHO WAS THE AGGRESSOR AND WHO WAS THE VICTIM, I SAID THAT BOTH SIDES HAD PREVIOUSLY EXPRESSED THEIR VIEWS FOR SIX MONTHS, AND I THOUGHT NOTHING FURTHER NEED BE SAID ON THIS ISSUE AT THIS TIME.

25. LAU SAID THAT IN REGARD TO ~~ANY MATTER RELATED TO THE NLF IN SOUTH VIET-NAM, THE REPRESENTATIVE OF THE NLF WAS NOW AVAILABLE IN PARIS AND THEY WERE PREPARED TO SIT DOWN FOR TALKS IN ACCORDANCE WITH OUR PREVIOUS AGREEMENT. LAU SAID HE DID NOT WANT TO SPEAK ON THEIR BEHALF.~~ AS FOR RECONNAISSANCE FLIGHTS, LAU ASKED, IF WE DID NOT THINK THEY WERE A THREAT TO THE SECURITY OF THE DRV, HE WANTED TO KNOW WHAT THE US ARMED FORCES

HARRIMAN
BT

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

CONTROL: 4074Q
RECD: NOV 14, 1968
4:49 P.M.

VV CRC925
..... ZZ RUEHC RUEHCR
DE RUFNCR 23918/4 3192110
ZNY SSSSS ZZH
Z O 142038Z NOV 68
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC FLASH 8141
INFO RUEHCR/AMEMBASSY SAIGON IMMEDIATE 2031
STATE GRNC
BT

ACTION COPY

~~SECRET~~ SECTION 4 OF 4 PARIS 23918

NODIS/HARVAN/DOUBLE PLUS

DELTO 959

WOULD DO IF SOME PLANES FROM ANOTHER COUNTRY FLEW RECON-
NAISSANCE OVER US AIR SPACE AND, IF THE US TROOPS SHOT
DOWN THESE PLANES, WOULD THE SERIOUS SITUATION CREATED
THEREBY BE THE RESULT OF ACTION BY THE US ARMED FORCES
OR THE ACTION OF THE COUNTRY WHICH HAD SENT THE RECON-
NAISSANCE PLANES OVER THE US.

26. ON THE SAME ISSUE OF RECONNAISSANCE, LAU SAID HE
WOULD LIKE TO DRAW OUR ATTENTION TO AN AP ITEM CARRIED
IN THE "LOS ANGELES TIMES" ON NOVEMBER 10. HE SAID THE
ITEM WAS CONSISTENT WITH MY STATEMENT THAT THE UNITED
~~STATES WILL TAKE NECESSARY ACTIONS TO PROTECT ITS PLANES
AND PILOTS. LAU THEN READ THE FOLLOWING EXCERPT FROM
THE AP ITEM:~~

"THE UNITED STATES INTENDS TO USE ANY MEANS NECES-
SARY--INCLUDING SUPPRESSIVE FIRE--TO RESCUE ITS RECON-
NAISSANCE PILOTS WHO MAY GO DOWN IN NORTH VIET-NAM
DURING THE BOMBING HALT. SUPPRESSIVE FIRE WOULD HARASS
AND DESTROY ENEMY ANTI-AIRCRAFT BATTERIES, MACHINE GUNS
AND GROUND TROOPS ATTEMPTING TO INTERFERE WITH EFFORTS
TO RESCUE DOWNED RECONNAISSANCE PILOTS. THIS WOULD INVOLVE
AIR-TO-GROUND CANNON FIRE, ROCKETS, AND POSSIBLY EVEN
BOMBS..."

27. LAU SAID THAT THE FOREGOING CONSITUTIED A DANGER-
OUS SITUATION AND IF THE SITUATION OCCURS IT WOULD BE
DANGEROUS INDEED. LAU SAID THAT IF THE US DID NOT SEND
RECONNAISSANCE PLANES OVER DRV TERRITORY, THE THE DANGER-
OUS SITUATION WILL NOT OCCUR. LAU SAID HE THOUGHT THIS

~~SECRET~~

~~SECRET~~

-2- PARIS 23918, SECTION 4 OF 4, NOV 14

~~WAS A VERY IMPORTANT QUESTION AND HE WANTED TO URGE THE USG TO CONSIDER SERIOUSLY THE DRV POINT OF VIEW. IF, AS WE SAID, THIS MATTER MAY LEAD TO A SERIOUS AND DANGEROUS SITUATION WHICH NEITHER OF US WANTED AND THE US REALLY WANTED TO AVOID IT, THEN WHY DID IT CONTINUE TO SEND RECONNAISSANCE PLANES OVER DRV TERRITORY?~~

28. IN REGARD TO THE DMZ, LAU SAID HE WOULD LIKE TO ADD ONE POINT. A REPORT DATED NOVEMBER 14 FROM SAIGON BY AFP STATED THAT A US SPOKESMAN HAD ADMITTED THAT THE ENEMY GUN EMPLACEMENTS WERE SITUATED SOUTH OF THE DMZ, AND NOT IN THE DMZ ITSELF, AND THAT THESE GUNS HAD OPENED FIRE AGAINST US AND GVN POSITIONS. THUS, IN THIS CASE, THE DMZ WAS NOT VIOLATED. LAU SAID THAT HE PROPOSED THAT I CHECK THIS STATEMENT BY THE US SPOKESMAN IN SAIGON. LAU THEN ASKED THAT I ANSWER HIS QUESTION ABOUT WHAT THE US WOULD DO IF ANOTHER COUNTRY FLEW RECONNAISSANCE OVER US TERRITORY.

29. I SAID I TOOK NOTE OF WHAT LAU HAD SAID. I WOULD ANSWER HIS SPECIFIC QUESTION, MAKE MY COMMENTS AND ASK A QUESTION. REGARDING WHAT WOULD HAPPEN IF SOME COUNTRY FLEW RECONNAISSANCE OVER THE US, ~~THE ACTION TAKEN WOULD DEPEND UPON THE CIRCUMSTANCES EXISTING AT THE TIME. THAT IS A HYPOTHETICAL QUESTION. WHAT WE ARE DEALING WITH IN VIET-NAM ARE REALITIES, NOT HYPOTHETICAL QUESTIONS, THE FACTS SURROUNDING WHICH ARE NOT KNOWN.~~

30. I SAID THAT IF THERE WERE NO FIRING AGAINST RECONNAISSANCE PLANES THERE COULD BE NO DANGER TO THE SECURITY OF THE DRV. ~~THE US HAS STOPPED ALL BOMBING AND ALL OTHER ACTS INVOLVING THE USE OF FORCE. UNTIL WE APPROACH CLOSER TO PEACE IT IS NECESSARY FOR THE PROTECTION OF OUR FORCES TO CARRY OUT RECONNAISSANCE FLIGHTS AND, IF THERE IS NO FIRING ON OUR PLANES, THERE CAN BE NO DANGER TO THE SECURITY OF THE DRV.~~

31. IN REGARD TO THE STATEMENT REPORTED BY AFP, I SAID I DID NOT KNOW TO WHICH INCIDENT OR INCIDENTS THE US SPOKESMAN WAS ALLEGEDLY SPEAKING. I DID KNOW THAT IN THE INCIDENTS OF NOVEMBER 10 WHICH I HAD DESCRIBED TO LAU IN OUR LAST MEETING THE FIRING HAD TAKEN PLACE FROM WITHIN THE DMZ AND THIS HAD BEEN CONFIRMED BOTH BY OBSERVERS AND TRIANGULATION.

~~SECRET~~

~~SECRET~~

-3- PARIS 23918, SECTION 4 OF 4, NOV 14

32. I SAID I WISHED TO ASK LAU AGAIN IF I WAS CORRECT IN UNDERSTANDING THAT HE HAD SAID THERE WERE NO DRV TOPPS C THE DMZ. LAU SAID, "THAT IS CORRECT."

33. LAU SAID HE COULD NOT ACCEPT OUR STATEMENT THAT UNTIL WE APPROACH NEARER TO PEACE IT WAS NECESSARY TO CARRY OUT RECONNAISSANCE FLIGHTS IN ORDER TO PROTECT OUR FORCES. AS FAR AS THE DRV WAS CONCERNED, IT RESERVED THE RIGHT OF SELF-DEFENSE IF PLANES VIOLATED ITS AIR SPACE.

34. IN CLOSING, I REPEATED MY PREVIOUS STATEMENT THAT IF LAU HAD ANY FURTHER INFORMATION ON THE ALLEGED VIOLATION OF DRV TERRITORIAL WATERS, I WOULD LISTEN AND INVESTIGATE FURTHER. LAU SAID HE TOOK NOTE OF MY STATEMENT.

35. BEFORE LEAVING WE HAD A CUP OF TEA, DURING WHICH TIME LAU ASKED IF THERE WERE ANY FURTHER DEVELOPMENTS IN REGARD TO SAIGON'S PARTICIPATION IN THE FOUR-WAY MEETING. I SAID WE HAD NOTHING NEW TO SAY.

36. COMMENTS FOLLOW SEPTTEL TOMORROW.

HARRIMAN
BT

~~SECRET~~

~~SECRET~~

Pres file

Monday, November 18, 1968 -- 8:45 a.m.

Mr. President:

Just to keep you informed, here is Fowler's discussion this morning with the Italian Finance Minister.

Ed Fried wired back channel that best current interpretation of German-French situation is as follows:

"The Germans would move -- by less than but close to 10%. French move in terms of percent would depend on extent of German move."

Generally, the news this morning is reassuring; but we shall have to see what Couve says this evening, Paris time.

W. W. Rostow

3.4 (b) (1)
 25X1A

181155Z. [REDACTED]

P. S. Ed Fried called this morning and said Joe Fowler wished us to turn over in our minds whether, if there was a major monetary meeting in Europe this week, Murphy should attend. I said I would pass it along but we did not envisage Murphy as a traveling man. My own feeling is negative.

W. W. Rostow

~~SECRET~~

WWRostow:rlm

SANITIZED
 E.O. 12958, Sec. 3.6
 NLJ/RAC 99-1
 By *isa* NARA, Date 11-4-02

1968 NOV 17 12 55

NOV 18 AM 0:05

WHITE HOUSE
SECRET

23a

DLAS97
OO YEKADS
DE YEKADL 2966 3251235
O 181232Z ZYH
FM ROME
TO THE WHITE HOUSE
ZEM

~~SECRET~~ 181155Z NOV 68 [REDACTED] 3.4(b)(1)

FM ED FRIED
TO THE WHITE HOUSE, FOR WALT ROSTOW
FOWLER HAD CONVERSATION WITH COLOMBO THIS MORNING. HE OUTLINED
THREE POSSIBILITIES IN DESCENDING ORDER OF PREFERENCE: (1) NO
CHANGE IN FRANC PARITY AND SUBSTANTIAL UPWARD CHANGE
IN DEUTSCHE MARK; (2) SUBSTANTIAL UPWARD CHANGE IN DEUTSCHE
MARK, SMALLER CHANGES IN LIRE AND GUILDER AND
NO CHANGE IN FRANC; (3) SUBSTANTIAL UPWARD CHANGE IN
DEUTSCHE MARK AND SMALL CHANGE IN FRANC. IN LATTER CASE
STRONG CURRENCIES MIGHT EITHER HOLD OR APPRECIATE BY
SMALL AMOUNT. WE HAD TO AVOID AT ALL COSTS A UNILATERAL DISRUPTIVE
MOVE. FOWLER ALSO SAID ANY CHANGE SHOULD TAKE
PLACE IN MULTILATERAL SETTING.

DEMING ADDED THAT ON TUESDAY LAVRE HAD SAID THERE WAS NO
ECONOMIC CASE FOR FRENCH DEVALUATION OF FRANCE DID
NOT WANT TO CHANGE RATE. DEUTSCHE MARK UPWARD CHANGE
WOULD TAKE PRESSURE OFF FRANC. WHETHER FRENCH ATTITUDE
HAD CHANGED SINCE TUESDAY IN LIGHT OF DEVELOPMENTS DEMING
COULD NOT SAY. HE ADDED THAT TIME WAS VERY SHORT.

COLOMBO SAID HE HAD NOT YET TALKED WITH CARLI AND SUBSEQUENTLY
COULD NOT SPEAK AUTHORITY ON ITALIAN GOVERNMENT POSITION.
HE ASKED TWO QUESTIONS: (1) DID WE FAVOR DEUTSCHE MARK UPWARD
CHANGE JUST TO TAKE PRESSURE OFF FRANC OR DID WE THINK IT
WOULD HELP MONETARY SYSTEM? (2) WAS MORE OPTIMUM SOLUTION A
BIG CREDIT PACKAGE FOR THE FRANC AND NO CHANGE IN ANY
PARITIES?

DEMING AND FOWLER THINK THAT WE HAD STARTED WITH THE
IDEA THAT THE OPTIMUM SOLUTION FOR THE TIME BEING WOULD
BE WHAT THE MINISTER HAD OUTLINED IN QUESTION 2. THAT NO LONGER
SEEMED REMOTELY WITHIN THE REALM OF POSSIBILITY. AS FOR QUESTION
(1) WE THOUGHT A CHANGE IN THE DEUTSCHE MARK PARITY WOULD
HELP THE MONETARY SYSTEM IN GENERAL BUT THE TIMING OF THE
CHANGE NOW WAS RELATED DIRECTLY TO HELPING THE FRANC.

COLOMBO SAID THAT HE AGREED THAT ANY CHANGE SHOULD BE
MADE IN A MULTILATERAL SETTING AND BY THAT HE MEANT
NOT ONLY IN THE SIX BUT ALSO IN A DISCUSSION INVOLVING ALL MAJOR
COUNTRIES; BY THAT HE MEANT THE GROUP OF TEN. THERE
WOULD BE, HE THOUGHT, A MEETING OF SIX PRIOR TO
THE GENERAL MEETING.

GP-1
350

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAL 99-1
By *id*, NARA, Date 11-5-02

PRESERVATION COPY

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

Sunday, November 17, 1968 -- 6:00 p.m.

Mr. President:

Monetary Crisis*Pres file*

1. As a result of conference call with Joe Fowler, Bill Martin, Joe Barr, Gene, Tony Solomon agreed we should send the attached message to Joe Fowler in Rome.
2. Joe Fowler had nothing of substance to report.
3. We shall talk with Joe from Bonn on a classified phone at 4:30 p.m. tomorrow from my office.
4. Our anxiety at the moment is a French devaluation so big (say, 25%) as to force everyone else to devalue also -- and thus put before us this unpleasant choice:
 - devaluation, which would in effect achieve old French objectives of new world price for gold; or
 - demonetizing gold.

The French may be using this threat for bargaining purposes, but we shall have to watch things closely.

W. Rostow

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *ly* NARA, Date 3-19-98

~~SECRET~~

Sunday, November 17, 1968
5:30 p. m.

For file

Mr. President:

Herewith a draft conclusion I did today in line with our conversation last night.

I shall give a copy to Harry McPherson tomorrow.

You will be able to make your own assessment and guide Harry in using or not using it.

W. W. Rostow

WWRostow:rla

25a

WWRestow draft
Sunday, November 17, 1968

Draft Conclusion for Encyclopedia Britannica Article

In looking back and looking forward, the most important fact about the Presidency is this: It was created by our Founding Fathers to insure that the Chief of ~~State~~^{State} would be a man who acted in the long-run interests of the nation on behalf of all the people.

But as our political life evolved, the President also became the head of his political party.

Thus, there was always a potential conflict between the President's official position and his party position.

We are a nation with great practical gifts. We solve all kinds of apparently insoluble problems by being sensible about them -- using common sense rather than abstract theory. And it is a remarkable fact that these two tasks of the President -- as Chief of State and head of his political party -- have been reconciled.

But as I looked ahead -- even during 1967 -- I increasingly doubted that the task of the Presidency could be effectively performed in 1968 if

I were the candidate of my party. And by March 31st I was sure that this was the case.

The reason was this: there were four great issues that had to be dealt with during 1968; and in each of these four cases my effectiveness as President would be reduced if I were also the Democratic candidate.

The four issues were:

-- the need for a tax increase;

-- the need, if necessary, to handle disorder and riots in the cities during the summer, if they should occur as they did in 1967;

-- the need to pursue peace in Vietnam;

-- the need to pursue peace in the Middle East.

I had been seeking a tax increase for more than a year. Our economy was moving ahead too fast. All the experts here and abroad agreed that the stability of the dollar required that we reduce sharply the budget deficit.

What was at stake was more than a technical question of the United States budget deficit -- or even the rate of inflation. The international monetary and trade system depended upon a sound dollar. With the British pound weak and gold production too low to supply necessary reserves, there was a real danger that the international monetary system might be plunged into the kind of crisis that we experienced between 1929 and 1931. Protectionists in our Congress and in other countries were ready to start the terrible game of "beggars-ty-neighbor." All the international economic gains we had made in the twenty-three years since 1945 were at risk.

In addition, the world was looking at the United States with skepticism. Here was the most powerful nation in the world -- the greatest democracy -- apparently incapable of the self-discipline required to keep its economic affairs in order. The President had tried and failed for more than a year to get the Congress to do what the interests of the United States and the world required that it do.

And now it was an election year with all the reluctance of men running for the Congress to carry the burden of a vote for a tax increase.

Moreover, I knew that there were critically important members of the Congress on the Republican side who were determined not to grant the President what he asked in an election year, even if it meant great danger to the United States and to world economic equilibrium. I became convinced that the tax bill could not go through if I were a candidate. Right or wrong, I was able to get the tax bill after March 31. It did stabilize the dollar and the international monetary system and, as a result, we shall turn over to our successors a budgetary and balance of payments position of which we can be proud.

As I looked ahead, it seemed possible that we might have in the hot summer months of 1968 riots in our cities at least on the scale of those which had made 1967 so difficult and tragic. The primary responsibility for dealing with such disorder lies, of course, with the

mayors and governors. But the President was asked to act with Federal forces during 1967. It was wholly possible that we would be called upon again in 1968. Every move the President might make in such circumstances would be subject to doubt and criticism if he were also a candidate.

People would ask: "Is the President acting with excessive force to gain on the law and order issue?" "Is the President acting with inadequate force to seek votes elsewhere?" I judged it essential for the nation's stability that the President be in a position so that no one could question his motives or doubt that he was simply doing what it was right and necessary for him to do as President.

As things turned out, the trouble in the cities was somewhat less than it had been in 1967. But, in retrospect, I am glad that the President was in a position to do what might have been required of him to do -- and was required to do in certain cases -- without the question and debate which would have surrounded the actions of the Federal government if the President were also a candidate.

The question of peace in Vietnam weighed, perhaps, more heavily in the balance than any of the other three issues. We had known during the autumn of 1967 that Hanoi, feeling victory slowly slipping from its grasp, would make a maximum effort during the winter and spring to break the government in Saigon through military action and force a Communist dominated coalition government. We followed closely the build up of the enemy forces in November, December, and January. I felt in my bones that if this massive effort failed, sometime in the course of 1968 we could begin to move towards peace.

To help deal with the coming offensive, I ordered Secretary McNamara to fly the 101st Airborne Division (check) out to Vietnam, at considerable additional expense, in December (check). I wanted General Westmoreland to have before Christmas every single additional unit that he could have, which we had promised him by June 1968. In fact, by Christmas 1967 he had 102 of the 106 maneuver battalions agreed for mid-year -- the other four still required training before they could enter combat and could

only arrive in the spring.

When I spoke to the Australian Cabinet on December 21, 1967, I said this: "The enemy is building his forces in the South. We must try very hard to be ready. We may face dark days ahead. ... we must constantly bear in mind that two more divisions from the North are coming down into South Vietnam. We must take this into account in our plans and in our thoughts. ... we must maintain our posture; not widen the war; not cut and run. We must avoid flirting with either extreme, and keep the pressure on. The President said that he felt that Hanoi was under extreme pressure to achieve some tactical victory. Northern forces were being infiltrated into the South. He foresaw kamikaze attacks in the months ahead. That is one reason he is pressing so hard for additional allied manpower. The President foresaw a sequence in which we maintain pressure without widening the war; imposed upon North Vietnamese increased losses; and then in time they would have to decide

what to do in the face of the high cost and the continued frustration of their objective. Then, he believed, they would talk."

I was confident that our forces and the South Vietnamese could turn back this offensive and that, in the course of 1968, the first really serious moves towards peace would become possible.

But I was also sure that any move I made towards peace, which might well involve a cessation of bombing of the North, could be interpreted and might be interpreted as playing politics with the war. I took it to be my first duty as President not to postpone movement towards peace by a single day for political reasons. I also took it as the duty of the President not to accelerate a movement towards peace by a single day for political reasons. But I was determined to move when the conditions we had obtained were right and our forces in the field and those of our allies would not be endangered.

It was with these principles in mind that I accompanied my decision on a partial bombing halt on March 31st with the statement which withdrew the President from the possibility of nomination by his party. This was my signal to our people and to the world that the President of the United States would be pursuing an honorable peace -- not a fake, but an honorable peace -- with every resource at his command. When, finally, in October movement in the direction we wanted took place in Paris, I was deeply grateful that I had made my decision of March 31st and was not a candidate.

It may have been difficult for some of our own people and many around the world really to believe that the timing of our decision on the bombing halt was in no way related to the timing of our election, so far as the President was concerned. That happens to be the fact. But it would have been almost impossible to proceed when opportunity offered if the President were also a candidate.

Finally, the Middle East. Because our own military forces were not engaged in the Arab-Israeli war of 1967, the terrible dangers in the

Middle East situation were, perhaps, not fully understood here at home.

In some ways the Middle East has been more dangerous than Southeast

Asia, because conflict there brings us close to direct confrontation with

the other great nuclear power, the Soviet Union. On March 31st I did not

know -- and I am not sure today as I write -- whether, in my Presidential

term, we can bring the parties together and start a serious movement to

bring peace to the Middle East. I did know that, in this area of vital

interest and mortal danger, it was the President's duty to bend his every

effort toward a Middle East settlement. Again, given the strong political

feeling of the United States about the Middle East, there was a danger that

moves the President might wish to make could be misinterpreted if he were

a candidate. It was essential, I felt on March 31st and I feel now, that the

President be in a position during 1968 to do what he judged right and necessary

there, without the burden of possible misinterpretation at home or abroad.

In assessing the decision I announced on March 31, it is worth recalling that the President swears at his inaugural, before all the people, an oath to uphold the Constitution of the United States. The Preamble to that Constitution states its purposes:

- more perfect Union
- justice
- domestic tranquility
- the common defense
- the general welfare.

In 1968 our domestic unity, as well as the balance between tranquility and a sense of justice, was in jeopardy because of our racial and urban problems. The common defense was in jeopardy because there was no peace in Southeast Asia and no peace in the Middle East. The general welfare was endangered because the dollar was in question without a tax increase and, with it, the whole world system of money and trade.

I simply could not, under these circumstances, both uphold the oath of office I had taken on January 20, 1965, and be the Democratic candidate in 1968.

INFORMATION

Pres file

~~SECRET--SENSITIVE~~

Sunday, November 17, 1968 -- 4:15 p. m.

Mr. President:

Herewith insights from Ky on GVN delegation plans and domestic politics.

Once we get the GVN aboard, it may be wise for you to write Thieu and say, in effect:

- the delay has cost unnecessary Vietnamese and U. S. casualties;
- you expect him to make up the delay by getting to work hard and promptly on peace;
- no horsing around in Paris -- just hard, sincere work.

W. W. Rostow

DECLASSIFIED
 E.O. 12356, Sec. 3.4
 NJ 91-514
 By lif, NARA, Date 7-2-93

~~SECRET--SENSITIVE~~

WWRostow:rln

[REDACTED]
SANITIZED

91-512

[REDACTED] Date: 12-18-92

17 November 1968

MEMORANDUM

SUBJECT : Government of Vietnam Plans for Forming Delegation
to Paris Talks

1. [REDACTED]

1.3(a)(4)

[REDACTED] the delegation will be sent to Paris as soon as the American Mission gives a verbal response to the latest Vietnam Government proposal. Ky discussed the composition of the delegation with President Nguyen Van Thieu at two different meetings on 16 November. Although no decisions have yet been made, the name of former Deputy Prime Minister Nguyen Luu Vien is the one most commonly discussed as delegation chairman. Everyone agrees that the Chairman must be a Southerner. Vien has the added qualifications of being intelligent, having impeccable anti-communist credentials, and being acceptable to Thieu, Prime Minister Huong and Ky. He is however, not articulate and his English is poor.

2. According to present plans the delegation will consist of five delegates, with four alternates. The delegates will consist of the chairman, plus one delegate for each of four major specializations: (A) military and security affairs, (B) diplomatic and foreign affairs, (C) internal and political affairs, and (D) public and press affairs. The alternate delegates will head up the four associated secretariats.

3. Both Thieu and Ky want former IV Corps Commander Lieutenant General Nguyen Duc Thang to serve as the military specialist. Thang is playing hard to get but will probably agree to go in the end. Ky has suggested his special assistant, Dang Duc Khoi, as the delegate for press affairs, but Khoi has expressed reluctance to be tied to the conference table, preferring to operate behind the scenes as Ky plans to do. Ky has already asked Khoi to leave for Paris on 15 November to head up an advance party that will concern itself primarily with housing accommodations for the delegation. The GVN plans to have the delegation take along its own cooks and servants to reduce security problems in the delegation's quarters. The GVN also wants to locate quarters somewhere that would make demonstrations unlikely.

[REDACTED]
1.3(a)(4)

17 November 1968

4. Ky has been urging Thieu to reshuffle and strengthen the cabinet as the best way to support the delegation in Paris. He believes a number of ministers, particularly those of Information, Education and Foreign Affairs, should be replaced.

[REDACTED] 1.3(a)(4)

5. [REDACTED] the Senate interpellation of Huong and several of his ministers scheduled for 20 November may be significant. There are numerous reports that Senators Nguyen Van Ngai, Pham Mam Sach and other members of their revolutionary Dai Viet clique intend to make an all-out effort to embarrass Huong, Defense Minister Nguyen Van Vy, Information Minister Ton That Thien and Foreign Minister Tran Chanh Thanh during the 20 November session. Ky is not abetting this Dai Viet effort. (CAS Saigon comments that the controversial Education Minister Le Minh Tri, is also scheduled for Senate interpellation, but is leaving for a visit to the U. S. on 19 November.)

1.3(a)(4)

6. [REDACTED]

1.3(a)(4)

[REDACTED] In any case, Ky will not be the delegation chairman or even an official member of it. Ky said he is now discussing with Thieu who should be on the delegation, adding that Thieu is being his usual vague self and he, Ky, is never certain when he has Thieu's approval on a given point. Ky said it is unlikely the delegation will reach Paris before the end of the month. However, if Thieu gives him the green light, he would like to send an advance party to Paris during the week of 17 November to look for housing, set up communications, and take care of other similar matters.

7. Ky said his personal choice to head the delegation is former Deputy Prime Minister Nguyen Luu Vien. The number of possible choices is very limited because of the qualifications he must have. First of all, he must, everyone agrees, be a Southerner. Secondly, he must not be vulnerable to propaganda attacks by the North Vietnamese and Viet Cong, who can be expected to do their best to make the delegation members "look dirty." For example, it is vital, Ky said, that the communists not be able to describe the delegation head as a former lackey

[REDACTED] 1.3(a)(4)

Page Three

17 November 1968

of French imperialism or as a corrupt GVN official. Since Vien fought against the French with the Viet Minh as a doctor, has a good nationalist record since then and is free of charges of corruption, he meets the necessary qualifications. Also in his favor is the fact he is older than many other possibilities and is a former Deputy Prime Minister, which give him sufficient prestige to head a delegation which includes the Foreign Minister.

8. Ky has asked former IV Corps Commander Lieutenant General Nguyen Duc Thang to prepare the military briefing papers for the Paris talks and to go to Paris himself if Ky can arrange Thang's appointment. In relating Ky's request to a colleague on 16 November, Thang said he is willing to prepare the briefing papers but prefers not to go to Paris. He did not explain the reasons for his reluctance. [REDACTED] Thang is still opposed to the Tran Van Huong Government and he is also aware that Lieutenant General Vinh Loc also has been working on preparations for the Paris talks and hopes to go there as a military referent. In the end, Ky will probably be able to persuade Thang to go.)

1.3(a)(4)

9. Ky said that before the delegation reaches Paris he would very much like to see changes in the GVN, including replacement of Prime Minister Huong. He reasons that many good Northerners would be willing to come back into the government and to support Thieu if Huong and some of his more rabid sudiste supporters left the government. Ky is arguing for a true government of national unity, which he thinks the present Huong government is not. Ky claims Northerners are excluded or refuse to cooperate because of the narrow southern basis of the Huong cabinet.

10. Ky said he may possibly go to the U. S. for the inauguration of Richard Nixon. He reasoned that since Vice President Humphrey came to Saigon for Thieu's inauguration, it would be good protocol for the GVN to send its Vice President to Washington for Nixon's inauguration.

1.3(a)(4)

~~CONFIDENTIAL~~

Sunday, November 17, 1968 -- 1:45 p. m.

Mr. President:

You should know:

-- Averell Harriman plans, unless ordered to the contrary, to return to the U. S. on December 4 to be here for the December 5 ceremony on Human Rights. Harriman is the President's representative on Human Rights Year.

-- Cy Vance would like to come back about December 23 to be with his family for Christmas, returning to Paris about December 28th.

Harriman's return might be the occasion for deciding whether he stays until January 20 or withdraws earlier -- which Nick Katzenbach recommends.

W. W. Rostow

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 4-8-93

WWRostow:rla

~~CONFIDENTIAL~~

INFORMATION

~~SECRET~~

Sunday, November 17, 1968
11:45 a.m.

Mr. President:

This summary of the rather successful NATO Ministerial meeting may interest you.

I believe you are leaving NATO in extremely good shape for your successor, given de Gaulle, Vietnam, balance of payments problems, etc.

Pres file

W. W. Rostow

USNATO 5845 (SECTO 43)

~~SECRET~~

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By WJ, NARA, Date 2-19-98

WWRosto@:rln



Department of State

28a

TELEGRAM

~~SECRET~~ 045

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ACTION EUR 20

INFO SSO 00, NSCE 00, USIE 00, CIAE 00, NSAE 00, DODE 00, GPM 04, NSC 10,
SP 02, SS 25, RSC 01, L 03, H 02, OIC 05, ACDA 16, TRSY 11, E 15, NEA 13,
IO 13, CCO 00, FILE 02, AEC 11, SCI 05, P 04, INR 07, SA 01, SAL 01,
RSR 01, /172 W

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TO SECSTATE WASHDC IMMEDIATE 4114
INFO AMEMBASSY ANKARA IMMEDIATE
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AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY THE HAGUE
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
RUDKMD/AMEMBASSY MADRID 35
AMEMBASSY MOSCOW
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USDOCOSOUTH
USCINCEUR
USLOSACLANT

DECLASSIFIED
Authority FRUS Vol XIII, I km 337
By [Signature] NARA, Date 2-19-98

~~SECRET~~ USNATO 5845

SECTO 43

SUBJECT: ~~WRAP-UP OF NATO MINISTERIAL MEETING, NOVEMBER 1968~~

1. AGAINST THE BACKGROUND OF CONTINUING ALLIED CONCERN FOLLOWING

~~SECRET~~
24



Department of State **TELEGRAM**

~~SECRET~~

PAGE 02 NATO 05845 161415Z

THE INVASION OF CZECHOSLOVAKIA, THE NATO PARTNERS MET IN BRUSSELS A MONTH EARLY THIS YEAR TO UNDERSCORE BY WORD AND DEED THEIR REACTION TO THE SOVIET AGGRESSION. THEIR RESPONSE HAS BEEN POSITIVE AND CONSTRUCTIVE. THE ALLIES HAVE FORMALLY RECOGNIZED THE CHANGED SECURITY SITUATION IN EUROPE AND MOST KEY MEMBERS OF THE ALLIANCE HAVE PLEDGED THEIR DETERMINATION TO SPEND MORE MONEY TO IMPROVE THEIR MILITARY FORCES. IT IS POLITICALLY SIGNIFICANT THAT THE CONSTANT TREND TOWARD REDUCTION OF MILITARY EXPENDITURES BY THE EUROPEAN ALLIES HAS BEEN CERTAINLY STEMMED AND HOPEFULLY REVERSED. THE MILITARY SIDE OF THE ALLIANCE WAS GIVEN NEEDED ATTENTION.

2. ALL FIFTEEN ALLIES -- INCLUDING FRANCE--SHOWED UNEXPECTED COHESION ON THE KEY POLITICAL ISSUES. THE MINISTERS APPROVED A CLEAR BUT NON-PROVOCATIVE SIGNAL TO THE SOVIETS THAT ANY FURTHER ADVENTURES IN INTERVENTION WOULD "CREATE AND INTERNATIONAL CRISIS WITH GRAVE CONSEQUENCES". WHILE AGREEING THAT DETENTE REMAINS A LONG-TERM GOAL OF NATO POLICY, THE NAC INDICATED SOBER REALIZATION THAT TODAY'S ACCENT IS ON MILITARY PREPAREDNESS.

3. THE FRENCH HAVE BEEN REASONABLY CONSTRUCTIVE THROUGHOUT IN CONTRAST TO THE CANADIANS. THE BERLIN AND GERMANY SECTION OF THE COMMUNIQUE PREPARED BY THE BONN GROUP WAS APPROVED SWIFTLY AT THE QUADRIPARTITE DINNER. THE MAJOR ISSUE OF STATING THE DETERMINATION OF THE MEMBERS TO CONTINUE THE ALLIANCE WAS DEALT WITH RESPONSIBLY BY THE FRENCH WHO ADDED A CONCURRING OPINION TO THE OTHERWISE AGREED FORMULA. THE FRENCH EXHIBITED A CLEAR APPRECIATION OF THE SIGNIFICANCE OF SOVIET ACTIONS AS THEY AFFECT THE SECURITY SITUATION IN EUROPE. BEYOND THE SPECIFIC FRENCH ACTION THE MANNER IN WHICH DEBRE HANDLED HIMSELF IMPRESSED MANY DELEGATIONS. THERE WAS A MARKED CHANGE IN THE MANNER OF FRENCH PERFORMANCE, WHICH SEEMED TO US MORE THAN MERELY A DIFFERENCE IN PERSONALITY BETWEEN DEBRE AND COUVE.

4. THE MEETING PROVIDED OPPORTUNITY FOR THE SECRETARY TO HAVE BILATERAL MEETINGS WITH SUCH KEY FIGURES AS BRANDT, DEBRE, STEWART, CAGLAYANGIL AND BROSIO. IN ADDITION TO THE SPECIFICS FACING THE MINISTERS, THE SECRETARY WAS ABLE TO DISCUSS IN SOME DEPTH THE PROSPECTS FOR EUROPE IN THE POST-CZECHSLOVAKIA PERIOD AND HOW THE ALLIANCE SHOULD FACE THE FUTURE. AS USUAL BERLIN AND GERMANY RECEIVED CLOSE AND SYMPATHETIC ATTENTION, THE SECRETARY STRESSING THE IMPORTANCE OF MAINTAINING THE

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

PAGE 03 NATO 05845 161415Z

VIABILITY OF BERLIN.

5. THE SESSION WAS OPENED BY AN NDAC MEETING WHICH WENT WELL. SECRETARY CLIFFORD PICKED UP WHERE HE LEFT OFF AT THE BONN NPG MEETING IN BRINGING HIS FELLOW MINISTERS ALONG TOWARD GREATER UNDERSTANDING OF THE NUCLEAR PROBLEM IN THE DEFENSE OF EUROPE. THE SERIOUS AND SOBER CONSIDERATION OF THIS SUBJECT REVEALED THAT MINISTERS HVE ACQUIRED A BETTER APPRECIATION OF THE TERRIBLY DIFFICULT DECISIONS INVOLVED IN THIS WHOLE AREA, A POINT THE SECRETARY OF STATE NOTED IN HIS NAC PRESENTATION. SEVERAL MINISTERS EMPHASIZED THE VALUE THEY ATTACH TO THIS ACTIVITY.

6. THE BALANCE OF PAYMENTS PROBLEM RECEIVED MORE HIGH LEVEL ATTENTION THAN AT OTHER MINISTERIAL MEETINGS, SECRETARY FOWLER PERSONALLY INTERVENED, AN HISTORIC FIRST FOR A NATO FINANCE MINISTER IN THE DPC DISCUSSION WITH A FORTHRIGHT EXPLANATION OF THE COMPLICATED AND CRITICAL NATURE OF THE ALLIANCE'S FINANCIAL PROBLEM; MINISTERS SHOWED UNDERSTANDING BUT WERE RELUCTANT TO MAKE SPECIFIC COMMITMENTS. THE GENERAL REACTION, HOWEVER, WAS SUCH THAT WE NOW HAVE A BASIS FORSEEKING MORE SERIOUS CONSIDERATION OF THIS SUBJECT IN CAPITALS THAN HAS BEEN THE CASE PREVIOUSLY. THE COMMUNIQUE PARAGRAPH DEALING WITH THIS MATTER HAS PROVED TO BE ONE OF THE MORE DIFFICULT TO DRAFT IN ACCEPTABLE LANGUAGE.

7. PUBLIC REACTION TO THE MINISTERIAL MEETING HAS BEEN, ON THE WHOLE, POSITIVE. COINCIDENTAL PUBLIC MEETING OF NORTH ATLANTIC ASSEMBLY HAD EFFECT OF BRINGING PROMINENTLY TO ATTENTION OF PRESS MUCH OF SUBJECT MATTER AND CONSIDERATIONS WHICH ALSO BEFORE MINISTERIAL MEETING. ALLOWING FOR FACT THAT PARLIAMENTARIANS PRESENT ARE GENERALLY ALLIANCE SUPPORTERS, THE RECOMMENDATIONS THEY GENERATED PROVIDED HELPFUL BACKDROP OF PARLIAMENTARY EXPRESSIONS. ASSEMBLY RECOMMENDATIONS RECOGNIZING NEED FOR OVERCOMING MILITARY DEFICIENCIES, RESOLVING MILITARY BALANCE OF PAYMENTS AND SIGNALING NATO CONCERN TO SOVIETS WERE ESPECIALLY HELPFUL IN THIS REGARD. RECOMMENDATIONS REPRESENTED UNDERTAKING BY THOSE PARLIAMENTARIANS, MOREOVER, TO HELP TRANSLATE ASSEMBLY'S SENTIMENTS INTO NATIONAL ACTIONS.

8. THE SPECIFIC CONTRIBUTIONS FROM MEMBERS (REPORTED SEPARATELY) REVEALED GROWING AWARENESS BY EUROPEAN LEADERS THAT THEY MUST EXPAND THEIR CONTRIBUTIONS IN SHARING BURDEN

~~SECRET~~



Department of State

TELEGRAM

~~SECRET~~

PAGE 04 NATO 05845 161415Z

OF COLLECTIVE DEFENSE. THE UNIQUE NOVEMBER MINISTERIAL MEETING HAS CAPPED OUR EFFORTS TO CARRY OUT THE SCENARIO DEVELOPED IN RESPONSE TO THE PRESIDENT'S DIRECTIVE LAST SEPTEMBER. THE SPADE WORK DONE BY AMBASSADORS IN THE VARIOUS CAPITALS, BY USNATO AND THE INFORMAL OCTOBER 7 MEETING OF FOREIGN MINISTERS IN NEW YORK HAS PAID OFF. WHILE THIS MINISTERIAL MEETING HAS NOT YET BY ANY MEANS SOLVED NATO'S PROBLEMS, WE CAN TAKE ENCOURAGEMENT FROM THE FACT THAT THE EUROPEAN ALLIES HAVE INDICATED BY THEIR ACTIONS THAT THEY RECOGNIZE WHAT MUST BE DONE AND MORE IMPORTANTLY, THEY SEEM WILLING TO MAKE THE SACRIFICES NECESSARY TO PRESERVE THE COMMON SECURITY. AS A RESULT OF THIS MEETING WE HAVE A BASE FROM WHICH TO MOVE FORWARD TOWARDS GREATER EUROPEAN EFFORTS IN THEIR OWN DEFENSE. RUSK

~~SECRET~~

INFORMATION

~~SECRET/HARVAN DOUBLE PLUS~~

Pres file

Sunday, November 17, 1968 -- 11:40 a. m.

Mr. President:

Herewith, Tab A, the text of the redraft statement for the GVN, which Bunker submitted today to the Foreign Minister.

If they want to get to Paris soon, this redraft should permit them to do so.

Bunker made it clear that he expects a reply tomorrow their time.

Also attached, Tab B, Bunker's exploratory cable on the particular points at issue and his decisions on how to handle them in the redraft.

W. W. Rostow

Saigon 42842
Saigon 42840

DECLASSIFIED
Authority 91-514
By WJ/ip NARA, Date 6-8-93

~~SECRET/HARVAN DOUBLE PLUS~~

WWRostow:rln



Department of State

~~SECRET~~

29a
TELEGRAM
ACTION COPY

P 170905Z NOV 68
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC PRIORITY 4562
INFO RUFNCR/AMEMBASSY PARIS PRIORITY 2922
STATE GRNC
BT

4752Q
1968 NOV 13 AM 2:19

~~SECRET~~ SAIGON 42842

NODIS/HARVAN/DOUBLE PLUS

REF: SAIGON 42838

FOLLOWING IS TEXT OF REDRAFT SUBMITTED TO FOREIGN MINISTER TODAY:

1. BEGIN TEXT. THIS STATEMENT IS DESIGNED TO ANSWER THE QUESTIONS WHICH HAVE BEEN RAISED BY THE GOVERNMENT OF THE REPUBLIC OF VIET-NAM ABOUT THE ARRANGEMENTS FOR A NEW MEETING IN PARIS.

2. PRIOR TO THE PRESIDENT'S ANNOUNCEMENT OF OCTOBER 31 OF THE STOPPING OF BOMBING AGAINST NORTH VIET-NAM, AGREEMENT HAD BEEN REACHED IN PARIS BETWEEN NORTH VIETNAMESE AND UNITED STATES NEGOTIATORS THAT A MEETING ON THE SUBSTANCE OF A PEACEFUL SETTLEMENT IN VIET-NAM SHOULD BE PROMPTLY CONVENED IN PARIS.

3. DURING THE DISCUSSIONS WITH NORTH VIETNAMESE REPRESENTATIVES, UNITED STATES SPOKESMEN MADE CLEAR THAT THE STOPPING OF BOMBING AND THE HOLDING OF SUCH A MEETING WILL NOT BE POSSIBLE WITHOUT AGREED PROVISION FOR THE PARTICIPATION OF THE REPUBLIC OF VIET-NAM AS A SEPARATE DELEGATION FORMING WITH THE US DELEGATION ONE SIDE OF THE MEETING. UNITED STATES NEGOTIATORS MADE CLEAR TO HANOI THAT IT MIGHT BRING ON ITS SIDE OF THE TABLE ANY PERSONS IT WISHED. IT WAS UNDERSTOOD THAT BOTH SIDES WOULD ORGANIZE THEMSELVES AS THEY CHOSE.

4. THE NORTH VIETNAMESE REPRESENTATIVES IN PARIS ACCEPTED THIS PROPOSAL AND INDICATED THAT THEY WOULD BRING TO THE MEETING MEMBERS OF THE SO-CALLED NATIONAL LIBERATION FRONT.

5. THIS WAS AND IS THE SOLE AGREEMENT CONCERNING REPRESENTATION IN THE NEW PARIS MEETINGS.

6. IN THE LIGHT OF THESE FACTS THE ARRANGEMENTS AGREED IN PARIS PROVIDE IN ESSENCE FOR A TWO-SIDED MEETING. HANOI CLEARLY UNDERSTANDS THAT OUR SIDE WILL BE CONSTITUTED AS SEPARATE DELEGATIONS OF THE REPUBLIC OF VIET-NAM AND THE UNITED STATES.

DECLASSIFIED

~~SECRET~~

Authority 76991-510

By Ag/jw, NARA, Date 4-6-93

4752Q 11/17/68

~~SECRET~~

7. WHATEVER OTHERS MAY CLAIM, THE UNITED STATES WILL NOT AGREE THAT IT IS PROPERLY DESCRIBED AS A FOUR-SIDED OR FOUR-PARTY CONFERENCE.

8. CONSISTENT WITH OUR VIEW OF THE NATURE OF THE SO-CALLED NATIONAL LIBERATION FRONT, WE WILL REGARD AND TREAT ALL THE PERSONS ON THE OTHER SIDE OF THE TABLE -- WHATEVER THEY MIGHT CLAIM FOR THEMSELVES -- AS MEMBERS OF A SINGLE SIDE, THAT OF HANOI, AND FOR PRACTICAL PURPOSES AS A SINGLE DELEGATION.

9. IN THE DISCUSSIONS BETWEEN UNITED STATES AND NORTH VIETNAMESE NEGOTIATORS IT WAS MADE CLEAR THROUGHOUT THAT, WHOEVER HANOI CHOSE TO BRING ON ITS SIDE, THE ARRANGEMENT INVOLVED NO ELEMENT OF RECOGNITION WHATEVER. THE UNITED STATES GOVERNMENT HAS REPEATEDLY MADE CLEAR PUBLICLY AND PRIVATELY THAT IT DOES NOT RECOGNIZE EITHER THE NATIONAL LIBERATION FRONT OR THE DEMOCRATIC REPUBLIC OF VIET-NAM (NORTH VIET-NAM). CONCERNING THE SO-CALLED NATIONAL LIBERATION FRONT IN PARTICULAR, THE UNITED STATES GOVERNMENT HAS AT ALL TIMES REGARDED IT AN EMANATION AND TOOL OF NORTH VIET-NAM. THE NATIONAL LIBERATION FRONT IS NOT IN ANY SENSE A SEPARATE ENTITY, MUCH LESS A GOVERNMENT.

10. FOLLOWING THE CESSATION OF BOMBING OF NORTH VIET-NAM, IF HANOI FULFILLS ITS REPEATED UNDERTAKINGS TO ENTER INTO SERIOUS TALKS -- UNDERTAKINGS REPEATED THROUGHOUT THE CONTACTS BETWEEN NORTH VIETNAMESE AND AMERICAN REPRESENTATIVES IN PARIS -- THE NORTH VIETNAMESE DELEGATION MUST TALK DIRECTLY AND SERIOUSLY WITH THE REPUBLIC OF VIET-NAM'S DELEGATION.

11. IN THE PARIS MEETINGS THE REPUBLIC OF VIET-NAM DELEGATION WILL PLAY A LEADING ROLE, AS WAS EXPLICITLY AFFIRMED IN THE HONOLULU COMMUNIQUE OF JULY.

12. THE REPUBLIC OF VIET-NAM WILL TAKE THE LEAD AND BE THE PRINCIPAL SPOKESMAN ON ALL MATTERS WHICH ARE OF IMMEDIATE AND DIRECT CONCERN TO THE SOUTH VIET-NAM.

13. THE NEW PARIS MEETINGS WILL BE EXPECTED TO EXPLORE ALL AVENUES TO END COMMUNIST AGGRESSION AGAINST THE REPUBLIC OF VIET-NAM AND TO REACH A PEACEFUL SETTLEMENT. THEY WILL START WITH A CLEAN SLATE. THE SOLE AGREEMENTS THAT HAVE BEEN REACHED IN THE EARLIER PARIS TALKS BETWEEN NORTH VIETNAMESE AND UNITED STATES REPRESENTATIVES HAVE CONCERNED THE CESSATION OF BOMBING, THE CONVENING OF NEW MEETINGS AND THE CIRCUMSTANCES REQUIRED TO ACHIEVE AND MAINTAIN THESE, IN PARTICULAR THOSE RELATING TO THE DMZ AND INDISCRIMINATE ATTACKS AGAINST MAJOR CITIES IN SOUTH VIET-NAM.

~~SECRET~~

4752Q 11/17/68

14. IN THE NEW MEETINGS THE UNITED STATES GOVERNMENT WILL OPERATE IN THE CLOSEST COOPERATION WITH THE REPUBLIC OF VIETNAM, AND IN CONTINUING CONSULATION WITH THE NATIONS THAT HAVE CONTRIBUTED MILITARY FORCES TO THE DEFENSE OF SOUTH VIETNAM.

15. THE SUBSTANTIVE POSITION OF THE AMERICAN GOVERNMENT WILL CONTINUE TO BE BASED ON THE MANILA COMMUNIQUE, THE HONOLULU COMMUNIQUE AND ON OTHER PUBLICLY STATED POSITIONS. IN PARTICULAR, THERE HAS BEEN NO CHANGE WHATEVER, AND WILL BE NO CHANGE, IN THE POSITION OF THE UNITED STATES GOVERNMENT TOWARD A SO-CALLED COALITION IN SOUTH VIETNAM. THE UNITED STATES DOES NOT BELIEVE AGGRESSION SHOULD BE REWARDED AND WILL NOT RECOGNIZE ANY FORM OF GOVERNMENT THAT IS NOT FREELY COSEN BY THE PEOPLE OF SOUTH VIETNAM. THE IMPOSITION OF ANY COALITION GOVERNMENT WOULD BE IN CONFLICT WITH THIS PRINCIPLE. END TEXT.

BUNKER

BT

NNNN



Department of State

296
TELEGRAM

~~SECRET~~

ACTION COPY

P 170440Z NOV 68
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC PRIORITY 4561
INFO RUFNCR/AMEMBASSY PARIS PRIORITY 2921
STATE GRNC

BT

~~SECRET~~ SAIGON 42840

NODIS/HARVAN/DOUBLE PLUS

PARIS FOR HARRIMAN AND VANCE

REF: A. STATE 273051
B. STATE 273052
C. PARIS 24003
D. STATE 272956

04749
1968 NOV 17 AM 1 18

DECLASSIFIED

Authority 769 91-510

By MS/jw, NARA, Date 4-6-93

1. WE HAVE THIS MORNING NOVEMBER 17 SUBMITTED TO FOREIGN MINISTER THANK THE REDRAFT OF OUR PROPOSED STATEMENT IN CONFORMITY WITH INSTRUCTIONS IN REF A AND B. COVERING LETTER SUGGESTED THAT THIS REDRAFT, REPRESENTING OUR UTMOST EFFORT TO BE HELPFUL, BE DISCUSSED IN FULL MEETING WITH PRESIDENT AND VICE PRESIDENT IF POSSIBLE TOMORROW, NOVEMBER 18.
2. FOR EASIER FUTURE REFERENCE, WE ARE TELEGRAPHING THE FULL TEXT OF THE AMENDED REDRAFT AS WE SUBMITTED IT. THE NUMBERED PARAGRAPHS ARE THOSE OF THE ORIGINAL DOCUMENTS.
3. DEPARTMENT WILL NOTE THAT IN LINE WITH PARA 2 REF B AND PARA 2 REF C WE HAVE INSERTED THE SENTENCE "IT WAS UNDERSTOOD THAT BOTH SIDES WOULD ORGANIZE THEMSELVES AS THEY CHOSE" AT THE END OF PARAGRAPH 3. (WE HAD PROPOSED THIS ORALLY AT OUR NOVEMBER 16 SESSION WITH THANK, AND HE HAD RESISTED IT.) IN ACCORDANCE WITH INSTRUCTIONS IN PARA 2 E REF D WE WILL ELIMINATE THIS SENTENCE IF AS EXPECTED IT BECOMES A SERIOUS STICKING POINT. AT THE SAME TIME, IN ACCORDANCE WITH REF B WE WILL POINT OUT THAT IF WE ARE QUERIED ABOUT THE DISCREPANCY BETWEEN OUR PROPOSED STATEMENT AND THE DEPARTMENT'S NOVEMBER 13 STATEMENT, WE WILL HAVE TO AFFIRM THE ACCURACY OF THE LATTER. (WE THINK THAT WILL NOT PARTICULARLY TROUBLE THE GVN SINCE THEY ARE MAINLY CONCERNED WITH THE IMPACT OF OUR PROPOSED STATEMENT ON DOMESTIC VIETNAMESE OPINION WHICH MIGHT NEVER LEARN OF ANY SUBSEQUENT EXEGESIS IN WASHINGTON.)

~~SECRET~~

~~SECRET~~

-2- SAIGON 42840 NODIS HARVAN DOUBLE PLUS 4749Q 11/17/68

4. DEPARTMENT WILL NOTE THAT PARAGRAPHS 2 I AND J OF TEXT AS PER REF D HAVE BEEN PULLED TOGETHER INTO A LONGER PARAGRAPH 9, WITH THE WORDS "IN PARTICULAR" INSERTED IN THE PENULTIMATE SENTENCE. WE HAVE ACCEPTED THIS BECAUSE THANH AND DUC THOUGHT IT WOULD IMPROVE APPEARANCES HERE. (WE ON OUR PART POINTED OUT THE INSERTION MAKES THE SENTENCE AWKWARD IN ENGLISH.) WE ASSUME THIS NON-SUBSTANTIVE CHANGE IS ACCEPTABLE.

5. RE PARAGRAPH 13 OF OUR NEW REDRAFT, ALTHOUGH PARA 2 A OF REF A INDICATED THAT THE DEPARTMENT COULD "LIVE WITH" THE PHRASE "AGGRESSION AND EXTERNALLY SUPPORTED TERROR", WE CHOSE TO GO BACK TO THE ORIGINAL GVN WORDING, "COMMUNIST AGGRESSION" WHICH IS LESS SWEEPING AND PROBABLY STILL ACCEPTABLE TO THEM. WE THINK THANH AND DUC SUGGESTED ADDITION OF LANGUAGE ABOUT INTERNAL VIOLENCE BECAUSE WE HAD PROPOSED TO SUBSTITUTE "EXTERNAL AGGRESSION" FOR "COMMUNIST AGGRESSION." HOWEVER, WE MAY HAVE TO FALL BACK ON LANGUAGE IN PARA 2 A REF A IF NECESSARY.

6. IN RESPONSE TO QUESTION IN PARA 1C AND REF A, WE HAVE NOT YET MADE USE OF THE AUTHORITY CONTAINED IN REF D TO SAY THAT WE WOULD STAND WITH THE GVN IN REJECTING AN AGENDA ITEM ON INTERNAL POLITICAL MATTERS. HOWEVER, WE MAY NEED TO USE THIS AUTHORITY, OR SOMETHING VERY CLOSE TO IT, IN ANY DISCUSSION ON THIS MATTER AT THE PRESIDENTIAL LEVEL WHICH WE MAY HAVE TOMORROW.

BUNKER
BT

NNNN

~~SECRET~~

INFORMATION

~~SECRET~~

Sunday, November 17, 1968
11:37 a. m.

Pres file

Mr. President:

Herewith Ed Fried reports on
Carli's views on the European monetary
crisis.

Joe Fowler will be calling at 5:00 p. m.
today. I will have the group (who work
on these matters) assembled in my office.
If there are any decisions that must come
to you from Joe's call, I shall be in
touch.

W. W. Rostow

~~SECRET~~

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg, NARA, Date 4-8-93

WWRostow:rln

~~SECRET~~

30a

Rec'd 11/17/68

THE FOLLOWING WAS RECEIVED

3.4(b)(1)

"PLEASE PASS FOLLOWING MESSAGE TO WALT ROSTOW,
WHITE HOUSE FROM ED FRIED, IMMEDIATELY? FOLLOWING ARE CARLI'S
VIEWS:

1. BELIEVES GERMAN REVALUATION WOULD BE HELPFUL -- AND
IN CURRENT SITUATION PROBABLY UNAVOIDABLE, DIDN'T VOLUNTEER
ANY FIGURE HIMSELF BUT IN DISCUSSION THOUGHT 1% PER CENT IN
BALLPARK,

2. OPPOSED TO ANY MOVE FOR LIRA BECAUSE: A) HE EXPECTS
INFLATIONARY PRESSURES WITH ANY NEW ITALIAN GOVERNMENT AND
B) THERE IS NO SPECULATIVE CAPITAL MOVING INTO ITALY. DEMING
PRESSED CARLI ON POSSIBLE SPECULATIVE ACTIVITY IN LIRA IMMEDIATELY
AFTER ANY MARK REVALUATION BUT CARLI UNIMPRESSED, BAFFI, DEPUTY
BANK OF ITALY, SUGGESTED THAT BEST INSURANCE FOR LIRA WOULD BE
FRANC DEVALUATION SIMULTANEOUS WITH GERMAN REVALUATION. THIS
APPARENTLY HAD BEEN EARLIER ITALIAN POSITION. CARLI NOW REJECTS
IT BECAUSE FRANC MOVE WOULD ADVERSELY AFFECT OTHER COUNTRIES.

3. CARLI INDIFFERENT ABOUT GUILDER AND SAW NO REASON FOR
CHANGE IN SWISS PARITY.

4. CARLI BELIEVES ANY CHANGE IN PARTITIES SHOULD BE TAKEN
IN CONTEXT OF INTERNATIONAL MEETING WITH INTERNATIONAL BLESSING
AND A CREDIT BACKUP. WOULD PREFER WASHINGTON BECAUSE FUND IS THERE,
BUT FEARED IT MIGHT PROVIDE PROBLEM FOR FRENCH. AS HE SEES IT, ROME
WOULD BE ONLY ALTERNATIVE.

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 99-1
By iso, NARA, Date 11-5-02

~~SECRET~~

~~SECRET~~

5. CARLI EXPECTS DISCUSSION AT BASLE SHOULD RESULT IN GERMAN AGREEMENT PUT BACK IN FRANCE DOLLARS NOW FLOWING OUT OF FRANCE INTO GERMANY. SEES THIS AS UNIQUE SPECIAL ARRANGEMENT MADE NECESSARY BY CURRENT SITUATION AND SEPARATE FROM ANY PROSPECTIVE INCREASE IN GENERAL SWAP LINES.

COMMENT: PROSPECT IS FOR ROUGH WEEK AHEAD. ALL HANDS SHOULD STAY LOOSE. WE WILL KEEP IN TOUCH.' "

~~SECRET~~

INFORMATION

~~CONFIDENTIAL~~

Sunday, November 17, 1968
11:35 a. m.

Mr. President:

Herewith Sec. Rusk responds to
the outgoing you directed me to send
yesterday (also attached).

Pres file

W. W. Rostow

~~CONFIDENTIAL~~

DECLASSIFIED
White House Guidelines, Feb. 24, 1983
By rg . NARA, Date 4-8-93

WWRostow:rlh

~~25a~~
31a

3

DLA554

[Redacted]

~~CONFIDENTIAL~~

3

O 17--35Z ZYR
FM MADRID
TO WHITE HOUSE

25X1

1968 NOV 17 11 43

~~CONFIDENTIAL~~

[Redacted]

FOR WALT ROSTON FROM SECRETARY RUSK

I AM MOST GRATEFUL FOR THE PRESIDENT'S KIND
THOUGHT. PLEASE ASSURE HIM THAT I HAVE NOTHING
MORE THAN THE COMMONEST OF COMMON COLOS; I WILL
REST TODAY AND SHOULD BE MODERATELY FIT BY TO-
MORROW. SCHEDULE NOW CALLS FOR US TO BE BACK IN
WASHINGTON LATE TUESDAY AFTERNOON.

SP-1

~~CONFIDENTIAL~~

SANITIZED

Authority NLJ.019.042.003/5

By jc N/A/A, Date 12-28-09

library review for State Dept and NSC equity required

PRESERVATION COPY

~~CONFIDENTIAL~~

3

ZCZCDSI134

[Redacted]

FM WHITE HOUSE
TO AMEMB MADRID

25X1

[Redacted]

~~CONFIDENTIAL~~
FOR SECRETARY RUSK, MADRID, SPAIN, FROM WALT ROSTOW

THE PRESIDENT IS DISTRESSED THAT YOU ARE ILL AND WISHES YOU
TO MAKE YOUR OWN RECOVERY AND WELL BEING YOUR PRIMARY CONCERN--
AT THE EXPENSE OF ANY AND ALL APPOINTMENTS.

THAT'S HOW I FEEL, TOO.
050

1968 NOV 15 22 14
NOV 16 PM 5:37

WHITE HOUSE
SITUATION ROOM

NNNN

~~CONFIDENTIAL~~

Library review for State Dept. and NSC equities required

SANITIZED

Authority NLJ-019-042-003/6

By JC NARA, Date 12-28-09

Pres file

32

Saturday, Nov. 16, 1968
3:45 p. m.

~~CONFIDENTIAL~~

MR. PRESIDENT:

Herewith a leading group of Vietnamese
Senators take leadership in making it easy for Thieu
to go to Paris.

I wish our Senate operated like this sometimes!

W. W. Rostow

Attachment (Saigon 42825)

DECLASSIFIED
White House Guidelines, Feb. 21, 1983
By lg, NARA, Date 4-8-93

32a

WRIGHT

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PAGE 01 SAIGON 42825 161226Z

~~CONFIDENTIAL~~ LIMITED OFFICIAL USE

17
ACTION EA 15

1968 NOV 16 12 36 PM 04, H 02,
INFO CIAE 00, DODE 00, NSAE 00, NSCE 00, SSO 00, USIE 00, INR 07, L 03, NSC 10, P 04, RSC 01, SP 02, SS 25, SAH 02, IO 13, RSR 01,
/089 W

037397

P R 160945Z NOV 68
FM AMEMBASSY SAIGON
TO SECSTATE PRIORITY 4552
AMEMBASSY PARIS
INFO AMEMBASSY BANGKOK
AMEMBASSY CANBERRA
CINCPAC
AMCONSUL DANANG
AMEMBASSY MANILA
AMEMBASSY SEOUL
AMEMBASSY VIENTIANE
AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE SAIGON 42825

CINCPAC FOR POLAD

PARIS FOR VIET NAM MISSION

SUBJ: ^{UR} FOKSTEEN INFLUENTIAL SENATORS APPEAL FOR UNDERSTANDING OF US POSITION

1. FOLLOWING STATEMENT, SIGNED BY 14 SENATORS, WAS RELEASED NOVEMBER 15:
2. QUOTE: THOSE REPUBLIC OF VIETNAM SENATORS WHOSE SIGNATURES APPEAR BELOW SOLEMNLY STATE:
3. ASTOUNDED AT THE WORDS OF US SECRETARY OF DEFENSE CLARK CLIFFORD AND REGRETTING THE REMARKS OF THE MINISTER OF INFORMATION TON THAT THIEN:

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LIMITED OFFICIAL USE

PAGE 02 SAIGON 42825 161226Z

4. CONCERNED LEST SUCH EXTREMIST STATEMENTS HAVE A DETRIMENTAL INFLUENCE ON THE FRIENDLY RELATIONS BETWEEN THE TWO COUNTRIES, WHICH TOGETHER HAVE SHED SO MUCH BLOOD TO PROTECT THEIR COMMON INTEREST, FREEDOM;

5. MOST SOLOMNLV CALL UPON THE PRESIDENT:

A) TO ORDER THAT THE GOVERNMENT OF VIET NAM AND ALL OFFICIAL AGENCIES DESIST FROM SUCH INFLAMMATORY UTTERANCES, WHICH ONLY SERVE OUR ENEMIES;

B) TO ISSUE INSTRUCTIONS TO ALL AGENCIES WHICH DEAL WITH THE UNITED STATES TO UNDERSTAND CLEARLY THE PRESENT POSITION OF THE UNITED STATES WITH REGARD TO FINDING A POLITICAL SOLUTION TO END THE WAR, ESPECIALLY (THE US POSITION) WITH REGARD TO THE TWO MOST IMPORTANT POINTS; "THE NATIONAL LIBERATION FRONT" AND "COALITION GOVERNMENT." IN THIS WAY UNDERSTANDING WILL BE INCREASED AND THE TWO GOVERNMENTS CAN HAVE A COMMON POSITION. UNQUOTE.

6. THE STATEMENT WAS SIGNED BY THE FOLLOWING SENATORS:

DO QUANG GIAI
DANG VAN SUNG
PHAM VAN TRIEN
PHAM NAM TRUONG
NGUYEN VAN NGAI
PHAM NAM SACH
NGUYEN VAN MAN
HOANG XUAN TUU
TRAN VAN LAM
NGUYEN PHUONG YEM
VU NGOC ANH
TRAN VAN DON
HONG SONG DONG
TRAN NGOC NHUAN

7. COMMENT: AMONG THESE ARE THE CHAIRMAN OF THE FOREIGN AFFAIRS AND INFORMATION COMMITTEE (GIAI), NATIONAL DEFENSE COMMITTEE (DON), AND INTERIOR COMMITTEE (LAM); SEVERAL REVOLUTIONARY DAI VIETS; AND SEVERAL NORTHERN CATHOLIC MEMBERS OF THE GREATER SOLIDARITY FORCE. THIS APPEAL FOR A REASONED LOOK AT THE POSITION IS A MOST WELCOME SIGN OF MODERATION ON THE PART OF A NUMBER OF MOST INFLUENTIAL SENATORS.

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Rusk

33

Saturday, Nov. 16, 1968
3:10 p. m.

MR. PRESIDENT:

You should know that Sect. Rusk is ill,
in Madrid.

His doctor says it's flu.

He's scheduled for Lisbon after Madrid --
but may cancel.

W. W. Rostow

INFORMATION

~~SECRET--SENSITIVE~~

Saturday, November 16, 1968 -- 12:40 p. m.

Pres file

Mr. President:

^{It}~~This~~ is unclear whether someone else -- unauthorized -- is getting into the Vietnam act, in this rather obscure report.

Nevertheless, because of certain references, I thought you ought to be aware of it.

We shall try quietly to get a fix on Gardiner.

W. W. Rostow

~~SECRET--SENSITIVE~~

WWRostow:rlu

DECLASSIFIED

Authority NLS 00-232 (#8)
by *CB/jc* NARA, Date *12-29-09*

929 PM 11-15-68 RDR

PRIORITY

TO: WHITE HOUSE SITUATION ROOM, ATT.: MR. BROMLEY SMITH 005
FROM: DIRECTOR, FBI

1968 NOV 15 02 39

~~SECRET~~ - NO FOREIGN DISSEMINATION

34a
DECLASSIFIED
Authority: NIS 019R 012.003/9
By: [signature], NARA, Date: 3-17-14

EMBASSY OF VIETNAM

ON NOVEMBER FIFTEEN, INSTANT, A CONFIDENTIAL SOURCE, WHO HAS FURNISHED RELIABLE INFORMATION IN THE PAST, FURNISHED THE FOLLOWING INFORMATION:

ON INSTANT DATE ONE JACK GARDINER CONTACTED MR. TROUNG BUU DIEN, FIRST SECRETARY OF THE VIETNAMESE EMBASSY, (WASHINGTON, D. C. (WDC), AND MADE ARRANGEMENTS TO HAVE LUNCH TOGETHER THIS DATE. GARDINER INDICATED HE DESIRED TO MEET WITH DIEN OUTSIDE OF THE EMBASSY, FOR REASONS WHICH WOULD BE CLEAR TO DIEN WHEN THEY GOT TOGETHER. GARDINER INDICATED HE MIGHT BE ABLE TO DO SOMETHING FOR DIEN'S COUNTRY (VIETNAM). DIEN INFORMED GARDINER THAT HE, DIEN, WAS NO LONGER IN CHARGE OF THE PRESS, AND GARDINER ADVISED THAT HE WANTED TO TALK TO DIEN

S A FRIEND OF "FATHER DIEGA'S" (PHONETIC), IDENTIFIED AS THE PRESS SECRETARY TO FORMER VIETNAMESE PRESIDENT DIEM, GARDINER INDICATED HE WANTED DIEN'S ADVICE ON CERTAIN THINGS AND TO GET AN "INFORMAL STEAR,"
END PAGE ONE

PAGE TWO ~~SECRET~~ - NO FOREIGN DISSEMINATION

INDICATING THAT THESE WERE VERY IMPORTANT TIMES FOR BOTH COUNTRIES (VIETNAM AND THE UNITED STATES). DIEN INQUIRED AS TO WHETHER GARDINER DESIRED THAT HE, DIEN, BRING SOMEONE FROM THE PRESS OFFICE (VIETNAMESE EMBASSY), BUT GARDINER DECLINED, STATING NOW WAS NOT THE TIME, BUT PERHAPS LATER.

AT APPROXIMATELY TWELVE FIFTY-SIX P.M. NOVEMBER FIFTEEN, INSTANT YELLOW CAB NUMBER FIVE FOUR SIX, CURRENT WDC LICENSE HB FIVE FOUR SIX WAS OBSERVED TO DISCHARGE AN UNIDENTIFIED WHITE MALE, APPROXIMATELY SIXTY YEARS OF AGE, APPROXIMATELY FIVE TEN INCHES IN EIGHT, WEIGHING APPROXIMATELY TWO HUNDRED AND TWENTY POUNDS, WEARING A BLACK HAT, BLACK TROUSERS, DARK GREY SPORTS COAT, BLACK SHOES AND A TAN RAIN COAT. THIS INDIVIDUAL IMMEDIATELY ENTERED THE VIETNAMESE CHANCERY, TWENTY TWO FIFTY ONE, R STREET, N. W., WDC.

AT APPROXIMATELY ONE ZERO FOUR P.M. INSTANT DATE, THE UNIDENTIFIED WHITE MALE (NUMBER ONE) EXITED THE VIETNAMESE CHANCERY IN THE COMPANY OF AN UNIDENTIFIED VIETNAMESE AND PROCEEDED ON FOOT TO THE TOKYO RESTAURANT, SEVENTEEN THIRTY SIX CONNECTICUT AVENUE, N. W., WDC. FROM APPROXIMATELY ONE TEN PM TO APPROXIMATELY TWO O'CLOCK P.M., THESE INDIVIDUALS ATE LUNCH. DURING THE COURSE OF THE LUNCH UNIDENTIFIED INDIVIDUAL NUMBER ONE CARRIED ON MOST OF THE CONVERSATION, AND WAS HEARD TO EXPRESS ANGER AND STATE HE WAS AT A LOSS FOR WORDS. THE UNIDENTIFIED VIETNAMESE MAN INQUIRED AS TO WHETHER THE FINAL DECISION HAD TO COME FROM HIM (NOT FURTHER IDENTIFIED).
END PAGE TWO

PAGE THREE ~~SECRET~~ - NO FOREIGN DISSEMINATION

THE UNIDENTIFIED INDIVIDUAL NUMBER ONE SAID THAT EVERYTIME SOME-ONE "OPENED HIS MOUTH" HE IS "KNOCKED DOWN", AND THAT HE FELT THE TIME WAS EXTREMELY PROPITIOUS FOR THE MOVE HE SUGGESTED, AND IT SEEMED AS THOUGH HE REFERRED TO A MEETING WITH "SCRANTON."

THE UNIDENTIFIED INDIVIDUAL NUMBER ONE STATED THAT HE HAD FANTASTIC CONTACTS WITH RETIRED STATE DEPARTMENT PEOPLE AT EXTREMELY HIGH LEVELS. HE SUGGESTED THAT THE UNIDENTIFIED VIETNAMESE MIGHT WANT TO TALK OVER THE "SUGGESTION" WITH WHOMEVER HE WANTED AND THEN THEY COULD GET TOGETHER ON TUESDAY NOVEMBER NINETEEN, NEXT. THE UNIDENTIFIED INDIVIDUAL NUMBER ONE INDICATED THAT HE WAS IN THE NEWSPAPER BUSINESS AND FREQUENTLY VISITED WDC FOR TWO OR THREE DAYS AT A TIME. HE STATED THAT ON MONDAY, NOVEMBER EIGHTEEN NEXT HE WOULD BE STAYING AT THE "DACOR HOUSE" (DIPLOMATIC AND CONSULAR OFFICES RETIRED) SEVENTEEN EIGHTEEN H STREET, N. W., WDC., AND THAT IF THE VIETNAMESE CHOSE THEY COULD MEET THERE.

UPON EXITING THE TOKYO RESTAURANT AT APPROXIMATELY TWO O'CLOCK P.M., BOTH INDIVIDUALS WERE OBSERVED TO PROCEED TO DUPONT CIRCLE, N. W., WHERE THEY SAT ON A PARK BENCH AND TALK FROM APPROXIMATELY TWO ZERO EIGHT P.M. TO APPROXIMATELY TWO THIRTY TWO P.M., WITH THE UNIDENTIFIED INDIVIDUAL NUMBER ONE DOING MOST OF THE TALKING AND GESTURING WITH HIS HANDS. THEREAFTER, THEY SEPARATED AND THE UNIDENTIFIED INDIVIDUAL NUMBER ONE PROCEEDED SOUTH ON CONNECTICUT AVENUE, N.W.,
END PAGE THREE

PAGE FOUR ~~SECRET~~ - NO FOREIGN DISSEMINATION

AND AT APPROXIMATELY TWO FIFTY EIGHT P.M. AND ENTERED THE DACOR HOUSE, SEVENTEEN EIGHTEEN H STREET, N. W., WDC.

ON INSTANT DATE, IT WAS DETERMINED THAT JOHN P. GARDINER WAS IN THE BUILDING, NOT CURRENTLY REGISTERED, AND THAT GARDINER IS A MEMBER OF THE DACOR, AND HAD MADE RESERVATIONS ON INSTANT DATE FOR MONDAY AND TUESDAY NOVEMBER EIGHTEEN AND NINETEEN NEXT. REPORTEDLY JOHN P. GARDINER IS A RETIRED FOREIGN SERVICE OFFICER OF THE UNITED STATES DEPARTMENT OF STATE, AND A NEWSPAPERMAN FROM BOSTON, MASSACHUSETTS, CURRENTLY STAYING WITH FRIENDS IN THE WASHINGTON, D. C. AREA.

IT IS NOTED THAT THE REGISTER OF THE UNITED STATES DEPARTMENT OF STATE DATED NINETEEN FIFTY LISTED ONE JOHN PENNINGTON GARDINER, BORN AT COHASSET, MASSACHUSETTS ON AUGUST THREE NINETEEN ZERO FIVE. THE REGISTER INDICATED THAT AS OF SEPTEMBER NINETEEN FORTY EIGHT GARDINER WAS FIRST SECRETARY AND CONSUL AT SEOUL, KOREA, AND WAS FOREIGN SERVICE OFFICER CLASS THREE.

GP-1

END

Pres. J. Lee

Saturday, November 16, 1968
12:30 p. m.

35

~~SECRET~~

MR. PRESIDENT:

You will have seen the agreed estimate of the intelligence community that there were about 140 - 160,000 North Vietnamese personnel in South Vietnam at the end of August. (Our in-house estimate would have put this at a somewhat lower figure; but my personal inclination is to be grateful they have agreed on one set of figures -- after much debate -- and not argue.)

Since the end of August the North Vietnamese have withdrawn 30 to 40,000 troops. Thus, taking the community's end-of-August estimate as a base point, there would now be 100 to 130,000 in South Vietnam. (Our in-house estimate is 90 - 110,000.)

The important operational fact is that perhaps half of these units are now located in four major groupings:

- in Laos, southwest of Khe Sanh, about 9,000 men;
- in Quang Nam Province, to the southwest of Da nang, approximately 8,000 men;
- in the highlands, on the Cambodian/Pleiku border, 6,000 men;
- in Tay Ninh and Binh Long Provinces or Cambodia along the border of these provinces, approximately 25 - 30,000 men: opposite Saigon.

The remainder of the North Vietnamese personnel are scattered throughout I, II, and III Corps.

There is evidence that they are planning increased offensive action in the near future.

My personal estimate is that they would logically attempt something to show their manhood at the time we sit down in Paris for renewed negotiations -- you will recall they did this in May.

The most serious attacks will probably be attempts to overrun isolated outposts in Quang Nam, Pleiku, Tay Ninh and Binh Long Provinces.

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Authority NLS-CBS 23

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By isa, NARS, Date 6-29-84

The propaganda value and benefits to morale of victories in such attacks might inspire them to employ fairly large numbers of troops. But they may try something more ambitious; for example, an attack on Danang.

Aside from making a demonstration of fighting capacity in connection with renewed negotiations, there is evidence that Hanoi may feel they have come out on the short end of the bombing halt deal and that the pacification effort plus intensive bombing in Laos are hurting them. Just recently an NLF representative in Laos complained bitterly about increased bombings in South Vietnam and stated they would have to "start a new offensive shortly to answer the new US challenge."

In any event, you should know there is a trend towards increased fighting. I know General Abrams is watching the situation closely and is confident of his ability to meet any threat.

W. W. Rostow

Attachment

SOUTH VIETNAM ADMINISTRATIVE DIVISIONS



Profile
36~~TOP SECRET~~Saturday, November 16, 1968
12:10 p. m.

MR. PRESIDENT:

I find this memorandum to me from Bob Ginsburgh a useful appreciation of where we are two weeks after the bombing halt.

I would add to his analysis one factor which may be decisive in answering the question he poses towards the end of his memo. The question he raises is: Will Hanoi negotiate for a quick settlement or delay?

That critical factor is whether the accelerated pacification effort continues at its October pace.

If, in fact, they are moving ahead at 3% a month, the enemy simply cannot afford to sit still. Control over population is, after all, his ultimate bargaining position in the political settlement in the South.

If the November figures show anything like a maintenance of the October momentum, then we can expect:

- a prompt effort at some sort of cease-fire to preserve the enemy's southern assets for political negotiation;
- but if this fails and we hold steady, an effort at a prompt settlement of the whole matter.

W. W. Rostow

~~TOP SECRET attachment~~

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By is, NARS, Date 6-26-84

TOP SECRET

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

November 15, 1968

MEMORANDUM FOR MR. ROSTOW

SUBJECT: Two Weeks After

~~Two weeks after we stopped the bombing, the situation continues to provide us with a net military advantage.~~

~~The general level of activity in South Vietnam is about the same as it was before November 1 in terms of the following monthly rates:~~

	October	November
Enemy-initiated attacks	141	141
Enemy battalion-level attacks	0	2
Attacks on population centers *	40	48
Sabotage/terrorist attacks	92	96
Enemy KIA	8,168	7,410
Friendly KIA	1,376	1,290
Enemy shelling	7,414	8,840

* 20 or more rounds per attack

~~The bulk of the air effort against North Vietnam has been shifted to Laos. On November 1, before the bombing halt, 179 tactical sorties were flown in Laos and 311 over North Vietnam. Since November 1, an average of 375 sorties per day have been flown in Laos, plus 17 B-52 sorties a day. As the weather improves in Laos, we could anticipate that the sorties over Laos would increase.~~

~~Truck sightings in the Laos panhandle since November 1 have been running at the rate of 840 per month compared with 1,043 in October. We would expect these to increase as the good weather returns to Laos. For the time being, I would judge that there has been no major increase in the capability of enemy forces in northern SVN or of forces withdrawn into Laos.~~

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By ica, NARS, Date 6-26-84

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Truck sightings in the lower part of North Vietnam have increased substantially as shown by the following monthly rates:

July	4,900
August	3,340
September	1,958
October	1,488
November	8,820 (preliminary)

We would have anticipated a major surge once the bombing stopped in order to (a) relieve privations, (b) repair bomb damage, and (c) supply troops withdrawn from South Vietnam. However, if the figures are correct, they represent a greater surge than I would have anticipated. This raises the possibility that the enemy may be planning to renew major actions across the DMZ or at least may be creating the option of doing so. We will want to watch this closely.

Infiltration is down substantially in terms of those entering the pipeline:

July	23,900
August	12,000
September	3,300
October	3,400
November, to date	600

Infiltration arrivals will also be down substantially from the summer peaks of 30,000 to an estimated

- 11,500 for November; and
- 8,800 for December.

Infiltration could probably drop lower and still permit the enemy to sustain roughly his present strength at current casualty rates (7,410 KIA). However, current casualty rates are about the same as in 1967. I would doubt that the enemy would wish to sustain such rates for an extended period of time with no prospects for a turn of events in his favor.

Evidence on enemy intentions is unclear and conflicting. It is possible to hypothesize that the enemy:

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① - ~~is ready to negotiate a quick settlement in favor of political rather than military competition because:~~

- he is hurting badly and the future looks worse;
- his assets in the south continue to dwindle and the GVN is gaining strength;
- emphasis on the alliance points in that direction;
- he might think Nixon would be tougher;
- the Soviets might be pressing him;
- extended negotiations might weaken him more than us.

② ~~will hold out for a settlement on his terms because:~~

- although he is hurting badly, he has the capacity to sustain current casualty rates for six months to a year -- or more if he sees an improvement in his situation;
- the cessation of bombing gives him a much-desired respite;
- he may believe his propaganda that the bombing cessation was a victory for him and indicates U.S. desire to end the war on his terms;
- he may think that Nixon will be weaker because the American public is desperately anxious to end the war on any terms;
- he may be planning to renew offensive actions with a view toward shaking U.S. and GVN confidence under the assumption that the U.S. is unlikely to resume bombing under any conditions (if true, we can expect him to engage in a series of tests of the DMZ and the cities to see what the traffic will bear).

③ ~~has not yet decided on his ultimate course of action because:~~

- he may have the same division in his government as we have as to how badly he is doing;
- he may be unsure as to our intentions;
- he may be unsure as to the future trend of events on the ground in South Vietnam (politically and militarily) in Paris and the U.S.

Against this range of possibilities, ~~the consensus seems to be that Hanoi is fully prepared to negotiate for six to twelve months on its terms. This is Habib's view.~~ I am attracted to the consensus in light of my June 1967 estimate of July 1969 as the most likely V-V day (Victory in Vietnam). Others (in CIA and ISA) hold the view that Hanoi is prepared to hold out more or less indefinitely, varying its military and negotiating tactics to take maximum advantage of the evolving situation.

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My own view is that the possibility of a quick settlement is somewhat more likely than the consensus would admit (Jim Grant seems to agree).

The variation in these estimates results primarily from differing estimates as to how well we are doing on the ground in Vietnam.

The major uncertainties in my mind are:

- the enemy's willingness to take the costs and the risks of renewed offensive action across the DMZ;
- the enemy's willingness to pay the costs of sustained action using Cambodia as his primary line of supply.

Hopefully, we would get a better idea of the enemy's intentions after we get the GVN to join us at the negotiating table. However, we must also anticipate that, in the early sessions at least, Hanoi will want to:

- probe to see what our intentions really are;
- attempt to exploit differences between the U.S. and the GVN in order to improve its position;
- modify its fight-talk strategy accordingly;
- conceal its own weaknesses to give us the impression that they are quite willing to talk -- and fight -- forever.

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ROBERT N. GINSBURGH

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