

Pres file

42

~~TOP SECRET~~/
SENSITIVE

November 19, Tues., 1968
7:25 p. m.

MR. PRESIDENT:

Bob Murphy confirmed what this intercept
conversation suggestions; namely, [redacted]

3.4(b)(1),(3)

[redacted]
It is not firm. Murphy indicated that he did not
regard it as the best possible choice.

W. W. Rostow

~~TOP SECRET TRINE~~ attachment

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC 03-66
By Sj, NARA, Date 6-2-03

Pres file

43

Tuesday, Nov. 19, 1968
7:15 p. m.

~~SECRET/SENSITIVE~~

MR. PRESIDENT:

Herewith Thieu's rationale for his position and frame of mind as of 19 November.

He apparently envisaged at that time to confer with Bunker on 20 November and get out the joint statement within "2 or 3 days."

W. W. Rostow

~~SECRET/SENSITIVE~~ attachment (log 3508)

DECLASSIFIED
E.O. 13292, Sec. 3.5
NLJ 03-86 and FRDS, vol. VII, #225
By ms, NARA, Date 1-21-04

19 November 1968

MEMORANDUM

SUBJECT: President Thieu's Remarks on U.S./South Vietnamese Relations and His Justification for His Initial Negative Reaction to President Johnson's Announcement

1. On 19 November 1968 President Nguyen Van Thieu said that the Government of Vietnam (GVN) is now prepared to participate in the Paris talks. Referring to the impasse between the GVN and the United States on the Paris talks issue, he noted that while there was an understanding between the two governments that talks with the Communists would take place, the people of Vietnam were not psychologically prepared to accept talks on 6 November 1968. They were also unprepared for the presence of the National Liberation Front (NFL) at the conference table.

2. Thieu stated that this popular unreadiness did not apply to a bombing halt. Recalling the ready acceptance by the GVN and the Vietnamese people of the partial bombing halt, he said the Vietnamese were prepared to accept a total halt in the bombing, and if President Johnson's announcement had been confined to this issue there would have been immediate full support for his action by all Vietnamese. Thieu said that he had prepared the people and the GVN for a bombing halt and even for talks with Hanoi but he would have been faced with a complete breakdown of the government which, in turn, would have resulted in countrywide anarchy, if he had gone to the Paris talks without additional preparations. He admitted that communication between the government and the rural population is poor and observed that the Vietnamese would have been unable to comprehend a quick acceptance of the original formula.

3. Expanding on this latter point, Thieu said the Vietnamese military, divided into doves and hawks, were totally unprepared for talks with the NFL, as were the masses. An immediate acceptance of the 1 November (Saigon date) proposals would have inspired the hawks within

DECLASSIFIED

E.O. 13526, Sec. 3.5

NLJ-019A-42-4-13

NAR, Date 12-08-2017

By UCA

~~SECRET/SENSITIVE~~

~~SECRET~~/SENSITIVE

the military to renew coup plotting and attempt an overthrow of the administration. The doves in the military would have concluded that the war was lost and would have deserted in droves. He reviewed the disintegration of the Army after the 1954 agreements and said he must prevent a repetition of this at all costs.

4. Turning to popular civilian reaction Thieu said militant Catholic groups also were totally unprepared and would have demonstrated violently against the GVN. The Buddhists, who are softer on the peace issue than the Catholics, would have demonstrated against the Catholics and the GVN. In Thieu's view this would have produced serious political unrest throughout the country's population centers, with clashes in the streets and a breakdown of law and order. The people in the countryside, reacting to the political instability in the cities and towns, would have concluded that a Communist victory was certain and would have tried to reach an accommodation with the Viet Cong. Thieu observed that the only people in Vietnam prepared for talks as suggested by President Johnson were those involved in the discussions with the Americans.

5. Thieu admitted to reaching various agreements with the Americans during the pre-bombing halt discussions. He attributed the differences between the U.S. and the GVN to poor timing by the U.S. and to poor diplomatic mechanics. With respect to the timing he asked, "Why 1 November?", noting that 1 November is Vietnamese National Day. He asked if any reaction other than rejection could have been expected from an unprepared population being told on its National Day that its government would talk with an enemy whose political legitimacy is in question. Thieu also complained about "the offhand manner" in which President Johnson referred to GVN participation in the Paris talks and said that the President could have stated his views more diplomatically leaving the GVN some room to maneuver. He added that Johnson might have "invited" the Vietnamese to attend the talks rather than suggesting that their attendance was a matter of little concern. He said he appreciated Mr. Katzenbach's remarks discounting Madame Binh's claim of four-sided talks at Paris but in the same breath registered his anger at Secretary Clifford's press conference.

6. Referring to Secretary Clifford's press conference, Thieu said he found it difficult to believe that Mr. Clifford did not reflect President Johnson's views. He observed that the GVN Minister of Defense does not

~~SECRET~~/SENSITIVE

comment on matters of national policy without checking with the President. He stated he himself had not been aware in advance of the rebuttal to the Secretary's remarks made by Minister of Information Ton That Thien, adding that he censured the Minister for this. He continued by saying that although he was angry he has concluded that there is nothing to be gained by more recriminations and has suggested to all that both sides get down to trying to resolve their difference through quiet talks.

7. Thieu now believes that as a result of his delays, speeches and comments the Vietnamese people are prepared to accept the "our side-your side" formula for talks with the enemy. He said he is fully aware that at the conference table the GVN delegation will be talking to the NFL but he said this is not a matter that needs to be admitted in public. He also observed that the NFL still insists that the talks will be four-sided and that he realizes that the U. S. /GVN side does not have to agree to this position, despite enemy claims.

8. Thieu said that he had talked to the Foreign Minister earlier on the morning of 19 November and that the Ministry of Foreign Affairs would be delivering the GVN's draft of a new communique to the American Embassy within a few hours. He said that he hopes to be able to confer on the Vietnamese draft with the principal involved on 20 November and in "two or three days" a joint statement might be agreed upon. Thieu did not go into the details on the differences between the GVN and the U. S. on the "our side-your side" formula, noting that these are already a matter of record.

9. Thieu's manner during the interview was moderate, considerate, reflective and polite. He gave every indication of sincerely desiring a solution to the impasse, providing Vietnamese face and sensitivities are taken into account.

~~SECRET~~

Rusk

44

Meeting with the President
Tuesday, November 19, 1968, 6:15 p. m.

AGENDA

1. NATO (Sects. Rusk and Clifford)
Report.

2. Spanish Negotiation (Sect. Rusk)
Report.

3. Vietnam: Diplomacy (Sects. Rusk and Clifford)
Present state of U. S. -GVN negotiation on language, in preparation for 8:30 p. m. (Washington time) meeting between Bunker and Thieu. (We shall have to despatch cable to Bunker on most points before 6:15 p. m.).

4. Vietnam: Military Situation (Sect. Clifford)
-- DMZ situation.
-- attacks on small cities and towns.
-- supply movements from North.
-- apparent enemy intentions.

5. European Financial Crisis (W. W. Rostow)
Sitrep.

6. Other.

W. W. Rostow

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

ACTION

45

Tuesday, November 19, 1968 - 6:10pm

MR. PRESIDENT:

Pres file

The Captains Regent and Secretary of State for Foreign Affairs of the Republic of San Marino have sent you a message expressing their deep satisfaction at your decision to suspend bombing in North Vietnam.

The two Captains Regent together constitute the Chief Executive of San Marino -- a state with which we maintain consular relations.

A suggested reply is attached.

W. W. Rostow

Approve _____

Disapprove _____

Call me _____


JKN:mm

45a

Suggested Reply

Your Excellencies:

Thank you for your message concerning Vietnam. I appreciate the sentiments you expressed and share with you the fervent hope that the suspension of bombing in North Vietnam will lead to progress toward a peaceful settlement of the war.

Sincerely,


JKN:mm

456

14619

1968 NOV 2 AM 8 38

WNO2 30 VIA RCA

SAN MARINO 2 NOVEMBER 1968 1020

THE PRESIDENT

THE WHITE HOUSE

CERTI INTERPRETARE PENSIERO UNANIME GOVERNO ET POPOLO REPUBBLICA
SAN MARINO PREGHIAMOLA SIGNOR PRESIDENTE ACCOGLIERE SENTIMENTI
PROFONDA SODDISFAZIONE PER DETERMINAZIONE CESSARE BOMBARDAMENTO
VIETNAM DEL NORD FIDUCIOSI CHE RESPONSABILE DECISIONE CONTRIBUIRA
VALIDAMENTE AT AUSPICATO TERMINE TRAGICO CONFLITTO VIETNAMITA
FONTE COSTANTE PREOCCUPAZIONE INTERA UMANITA PUNTO CON

PRESERVATION COPY

A
ESPRESSIONI SINCERE AMICIZIE REPUBLICA SAN MARINO PORGIAMOLE
SIGNOR PRESIDENTE SENSI ALTA STIMA ET CONSIDERAZIONE
PIETRO GIANCECCHI ALDO ZAVOLI CAPITANI REGGENTI FEDERICO
BIGI SEGRETARIO STATO AFFARI ESTERI

3

2000

2

2000

PRESERVATION COPY

PRINTED BY THE STANDARD REGISTER COMPANY, U.S.A.

DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

14619

45c

(TRANSLATION)

LS NO. 5754
T-44/R-IV
Italian

WN02 80 VIA RACA

SAN MARINO 2 NOVEMBER 1968 1020

THE PRESIDENT
THE WHITE HOUSE

IN THE CERTAINTY THAT WE ARE INTERPRETING THE UNANIMOUS THOUGHT OF THE GOVERNMENT AND PEOPLE OF THE REPUBLIC OF SAN MARINO, WE BEG YOU, MR. PRESIDENT, TO ACCEPT THE SENTIMENTS OF DEEP SATISFACTION BROUGHT ABOUT BY YOUR DECISION TO HALT THE BOMBING OF NORTH VIET-NAM. WE TRUST THAT THIS RESPONSIBLE MOVE WILL BE A VALID CONTRIBUTION TO THE LONG-AWAITED END OF THE TRAGIC WAR IN VIET-NAM, WHICH HAS BEEN A CONSTANT SOURCE OF WORRY TO ALL MANKIND.

WITH THE EXPRESSIONS OF THE SINCERE FRIENDSHIP OF THE REPUBLIC OF SAN MARINO WE SEND YOU, MR. PRESIDENT, THE ASSURANCES OF OUR HIGH ESTEEM AND CONSIDERATION.

PIETRO GIANCETTI

ALDO ZAVOLI,

CAPTAINS REGENT;

FEDERICO BIGI,

SECRETARY OF STATE
FOR FOREIGN AFFAIRS

ACTION

46

Pres file

~~SECRET~~/HARVAN DOUBLE PLUS

Tuesday, November 19, 1968 -- 5:00 p. m.

Mr. President:

(Tab A)

You should know that Nick will send out the attached cable/you cleared, making it plain to Bunker that there might be last minute further recommendations as a result of your meeting with Sec. Rusk and Sec. Clifford. After we talked about it, he agreed to take out the bracketed sentence on page 7 because we never suggested in our outgoing that a political settlement could only in "separate private talks in South Vietnam." What we said was "these questions could be best solved by the South Vietnamese." The sentence could lead to unnecessary contention. Similarly, on page 8 he agreed to drop the phrase "and not shrink from this debate." We agreed that debate might imply that we expected the GVN to negotiate its internal political arrangements around the table. What we want them to do is to reply to the other side's speeches about a southern settlement without committing themselves to a Laos-type negotiated settlement of their internal arrangements. We both agreed that these two bracketed passages might add to Bunker's problem because of their obscurity.

If you wish them reinserted in the instruction, this can easily be done.

At Tab B is another cable very much in the vein of your last telephone call to me -- putting Bunker, at least, on notice that we can't wait much longer.

W. W. Rostow

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

~~SECRET~~/HARVAN DOUBLE PLUS

WWRostow:rlh

46a

OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

~~SECRET~~

Classification

Origin

ACTION: Amembassy SAIGON IMMEDIATE

Info

INFO: Amembassy PARIS IMMEDIATE

STATE

NODIS/HARVAN/DOUBLE PLUS

PARIS TODEL _____ FOR HARRIMAN AND VANCE.

Saigon Deliver to Ambassador at Opening of Business.

DECLASSIFIED

Authority NLJ 91-510

By mlp/jst NARA, Date 12-17-97

The following is a redraft of the text of the U.S. statement which you should use in your discussions with Thieu. It takes into account the previous discussion with Thanh. Where differences have arisen we have commented parenthetically at the end of each paragraph to indicate the reasons for the position taken.

Text Begins.

1. This statement is designed to answer the questions which have been raised by the Government of the Republic of Viet-Nam about a new meeting in Paris. (Comment: We agree to deletion of the phrase "the arrangements for.")
2. Prior to the President's announcement of October 31 of the stopping of bombing against North Viet-Nam, agreement had been

Dated by

EA:PGHabib/WPBundy:mk 11/19/63

Tab. No.

4235

Telegraphic transmission and

classification approved by

h&k lwp
The Acting Secretary

Clearance

White House - Mr. Rostow

S/S -

FOR OC/T USE ONLY

~~SECRET~~

Classification

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 convened in Paris. (Comment: You will note that we have dropped the word "promptly." If GVN objection rests on the reference to the promptness of the meeting, this change should be sufficient. In terms of the format of the statement alone, the paragraph is essential as a foundation for later references. Moreover, for our part, it is important to retain that we agreed to a meeting on the substance of a peaceful settlement. Anything ~~is~~ less would derogate from the purposes of these meetings and could possibly lead us to fall prey to what we suspect would be the GVN's preference that these meetings be considered preliminary or as dealing with arrangements prior to negotiation of a subsequent settlement. This is a matter of substance on which we should not concede. You may recall to Thieu that the Honolulu Communique, referring to the Paris talks, spoke of "discussions concerning the substance of a final settlement." The Honolulu Communique also expressed the agreement of the two Presidents that "The basic objective in the Paris talks is to open the way to a stable and honorable peace.")

3. During the earlier discussions with the North Vietnamese representatives, United States spokesmen made clear that the stopping of bombing

~~SECRET~~

Classification

~~SECRET~~

Classification

and the holding of such a meeting would not be possible without agreed provision for the participation of the Republic of Viet-Nam as a separate delegation forming with the United States 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. (Comment: We agree to the addition of the word "earlier" in the first sentence but prefer retaining the words "such a" rather than substitute the word "future" as applied to the meeting. If it will simplify GVN acceptance, we would be willing to have the phrase in the first sentence read "and the holding of such a future meeting." We wish to make clear the relationship between the meeting being spoken of in this paragraph and that described in the previous paragraph. You will note that we have re-inserted the last sentence of the paragraph. This is a fact not only which was spoken of in the Department's November 13 statement but repeated a number of times in the negotiations with the North Vietnamese. It is at the heart of the Our-Side Your-Side formula and should have been apparent to the GVN from the beginning. Thus, we believe we should have one last clear try at getting it into the statement. However, if it becomes the sole obstacle to final agreement, we could accept its

~~SECRET~~

Classification

~~SECRET~~

Classification

omission. The point is that Thieu must be in no doubt that this
remains the case, whether we say it ^{in this statement} or not.)

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.

7. Whatever others may claim, the United States has not agreed and will not agree that the meeting is a four-sided or four-party conference, or properly so described. (Comment: We think this is more comprehensive than the GVN draft and accurate.)

~~SECRET~~

Classification

~~SECRET~~
Classification

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. (Comment: We believe we must retain the last phrase despite the points raised by Paris. However, the whole point of the reference "whatever they might claim" is to recognize that the other side will try to set ~~eat~~ themselves up as a separate delegation, and that such action by them repeat by them cannot be grounds for our walking ~~walking~~ out.)

9. In the discussions between the United States and North Vietnamese negotiators it was made clear throughout that, whomever 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 Vietnam (North Vietnam). Concerning the so-called National Liberation Front in particular, the United States Government has at all times regarded it as an agent of Hanoi's aggression against the Republic of Vietnam. The National Liberation Front is not in any sense a separate entity, much

~~SECRET~~

~~SECRET~~
Classification

less a government. (Comment: While we would be willing to accept the phrase "an emanation of North Vietnam and a tool of Hanoi's aggression against the Republic of Vietnam" in the penultimate sentence, we believe that the sentence as redrafted above is simpler and includes "aggression" which the Government of Vietnam apparently wishes to introduce. Our draft is also much more in keeping with the style to be expected in an official United States statement.)

10. Following the stopping of the bombing of North Vietnam, 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 Vietnam's delegation.

11. In the Paris meetings the Republic of Vietnam delegation will play a leading role, as was explicitly affirmed in the Honolulu Communique of July. The Republic of Vietnam will take the lead and be the principal spokesman on all matters which are of immediate and direct concern to South Vietnam. (Comment: Simply omitting "immediate and direct" is too broad to accept, for reasons you have already expounded. If the GVN still objects, acceptable alternatives for us would be:

~~SECRET~~
Classification

~~SECRET~~
Classification

- a. to omit the second sentence and expand the first to read
"a leading role in discussions concerned with the substance of a
final settlement in Vietnam, as was"
- b. "paramount concern" or "of concern primarily"
"principal spokesman on
- c. ~~Xen~~/all matters relating to the substance of a peaceful
settlement in Vietnam."

We cannot accept the inclusion of the GVN's paragraph "In the respect of national sovereignty of RVN, problems of internal politics will not be considered as proper subjects of discussion in the framework of these meetings." For reasons summarized in Deptel 273732, the United States is not prepared to agree to such a broad restriction. It is not correct to state that no sovereign government can permit its internal affairs to be discussed in an international conference. In fact, a sovereign government can discuss anything it wishes. Moreover, Thanh's comparison of the 1962 Geneva Conference is erroneous. At that conference, by agreement, negotiations of internal arrangements were conducted separately by the leaders of the three factions. [In this connection, we accept the comment in Paris 24093 that we not commit ourselves to seeking a political settlement only in "separate private talks in South Vietnam."] As we have pointed out previously we cannot allow the GVN [to believe that it can walk out if the DRV side raises internal matters]

~~SECRET~~
Classification

~~SECRET~~
Classification

If Hanoi raises the issue of a political solution in the South, our joint position -- primarily articulated by the GVN -- could be a political solution based, for example, on the principles of the Constitution, election, and reconciliation policy. The GVN should be prepared to set forth its political views as a sovereign government, ~~and not shrink from this debate.~~ Only in this way will its position be understandable in the United States and internationally. Moreover, it is only in this way that it can avoid leaving the field open to the other side without any logical reply.)

12. The new Paris meetings will be expected to explore all avenues to end Communist aggression against the Republic of Vietnam and to reach a subsequent 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 US representatives have concerned the stopping of bombing and the convening of a new meeting. As the President stated in his October 31 speech, "We cannot have productive talks in an atmosphere where the cities are being shelled and the DMZ is being abused." (Comment: Although we would have preferred to omit the word "subsequent" in the first sentence, we believe we ~~can~~ ^{cannot} argue forcefully against it in the light of our own belief -- and commitments to the TCC -- that a still wider format would be required to participate in

~~SECRET~~
Classification

Page 9 of telegram to Saigon, Paris TODEL

~~SECRET~~
Classification

Even more the final total "settlement." ~~XXXXX~~/seriously, we believe it is essential to change the third sentence in this fashion, since any claim that there were "agreements" concerning even the "circumstances" would be met by sharp rebuttal and is just not repeat not true. This was our mistake, and we now believe that we must have a formulation such as this to clarify the matter. Since Thanh and Duc previously suggested using the President's words, we would hope that the GVN could buy this change.)

13. In the new meetings the United States Government will operate in the closest cooperation with the Republic of Vietnam, and in continuing consultation with the nations that have ~~XXXXX~~ contributed military forces to the defense of South Vietnam.

14. 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 ~~XXXXX~~ is not freely chosen through democratic and legal process by the people of South Vietnam. The imposition of any coalition government would be in

~~SECRET~~
Classification

conflict with this principle.

GP-3

END

~~SECRET~~
Classification

OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

~~SECRET~~

Classification

466

FOR OFFICE USE ONLY

for clearance

Origin

ACTION:

Amembassy SAIGON IMMEDIATE

Info

STATE

DECLASSIFIED

NODIS/HARVAN/DOUBLE PLUS

Authority NLJ 91-510

By MP/jw NARA, Date 12-17-97

LITERALLY EYES ONLY AND PERSONAL FOR AMBASSADOR BUNKER FROM ACTING SECRETARY KATZENBACH

I thought it might be helpful to you to have some sense of feelings here ~~re negotiations~~. Despite occasional hopeful indications in last few days,

there remains great concern here that the GVN primary purpose in dealing with us at this stage is to stall for more time before going to Paris. We know that you are thoroughly conscious of and share this concern on our part. There is a good deal of feeling here that unless our differences with the GVN are resolved this week we may be forced to contemplate informing the GVN that we will feel obliged to proceed with serious talks in Paris, perhaps by late next week, in order to get on with the essential tasks of nailing down our understandings on the DMZ and safeguarding our other security and related interests.

This message is strictly for your own information at this stage but we thought it might be useful for you in your meeting with Thieu on the ~~XXXX~~ 20th, particularly if things do not go well,

Dated by

S/S:BHRread:jmj 11/19/68

5381

Telegraphic transmission and classification approved by:

The Acting Secretary *[Signature]*

Classification

White House - Mr. Rostow EA - Mr. Bundy *[Signature]*

~~SECRET~~

Classification

Page 2 of telegram to Amembassy NODIS/HARVAN/DOUBLE PLUS

~~SECRET~~

Classification

to be able to ^{impart}~~mark~~ the sense of growing impatience which we feel here at the GVN dilatory tactics.

END

~~SECRET~~

MEMORANDUM

Preside
47
INFORMATION

THE WHITE HOUSE
WASHINGTON

Tuesday, November 19, 1968
4:30 p. m.

~~SECRET~~

MR. PRESIDENT:

Herewith the text of Joe Fowler's meeting today with Kiesinger, et al. You may wish to get the background before you meet Bill Martin at 6:15.

At the moment, the critical factor is whether the French will sit still for this extremely limited German movement or proceed with a devaluation of 10% or more.

We shall monitor Couve's speech, but are uncertain when it will be made or if it will be broadcast. In any case, it will be on the ticker if and when it is made.

Walt Rostow

Attachment

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo. 1/30/95, State Dept. Guidelines
By 4, NARA, Date 2-19-98

47a

RECEIVED
WHICA

1968 NOV 19 20 54

BONN TELECON 13

PRESERVATION COPY

FOLLOWING ^{ARE} ~~OUR~~ DEMMING FRIED'S NOTES ON MEETING SEC. FOWLER WITH
CHANC. KIESINGER

GERMAN PARTICIPANTS: CHANCELLOR KIESINGER
MINISTER STRAUSS
STATE SEC. SCHOELLHORN
STATE SEC KARSTENS
DR. PRASS

AMERICAN PARTICIPANTS: SECRETARY FOWLER
AMB LODGE
UNDER SEC. DEMING
MR. FRIED

CHANCELLOR KIESINGER ASKED MIN. SCHILLER TO REPORT ON DEVELOPMENTS
SINCE OUR MEETING LAST NIGHT.

SCHILLER SAID THAT THE CABINET HAD HAD A MEETING WITH LEADERSHIP
OF THE BUNDESTAG. IT WAS NOT ANY MORE THAN A CONSULTATION, BUT THEY
DID COME TO A FIRM CONCLUSION. THERE WILL BE NO REVALUATION OF THE D-
MARK, BUT THE LEADERSHIP WILL SUPPORT THE TAX ARRANGEMENT HE HAD
SPOKEN OF LAST NIGHT. THAT ARRANGEMENT WOULD BE A 3 TO 4 PERCENT
REDUCTION IN THEIR EXPORT REBATE AND 3 TO 4 PERCENT LESS OF AN IMPORT
SURCHARGE. ON THE GERMAN ANALYSIS, THIS WOULD MEAN A REDUCTION
OF DM 4 BILLION IN THEIR TRADE SURPLUS IN 1969. THE GERMANS HOPE
THAT THIS OFFER CAN BE ACCEPTED AS AN EFFORT TO RESTORE BALANCE.
HE WAS SURE THAT THE LEADERSHIP OF BOTH PARTIES WILL SUPPORT IT
AND HE HOPED FOR PASSAGE BY NEXT WEEK IN THE BUNDESTAG AND IN
THE FOLLOWING WEEK IN THE BUNDES RAT.

FOWLER ASKED IF THEY HAD ANY MORE INFORMATION ON FRENCH INTENETIONS.
THERE WAS NO MORE INFORMATION.

SCHILLER WAS IN THE PROCESS OF TRYING TO NOTIFY ORTOLI (THE
CALL WENT THROUGH LATER). SCHILLER REPORTED THAT A REPRESENTATIVE
OF THE UNITED KINGDOM WAS COMING TO SEE HIM THIS EVENING (THIS IS SAM
GOLDMAN)

DECLASSIFIED
E.O. 13526, Sec. 3.5
NLJ - 0199-42-4-14
By LLK NAR, Date 12-08-2007

THE SECRETARY REPORTED ON A TELEPHONE CONVERSATION HE HAD HAD WITH CHANCELLOR JENKINS IN WHICH THE CHANCELLOR HAD SAID THAT HE ATTACHED ENORMOUS IMPORTANCE TO HAVING A 9-10 MEETING AT THE EARLIEST POSSIBLE TIME AND REGARDED IT AS ESSENTIAL THAT THE MEETING BE HELD TOMORROW (WEDNESDAY). HE THOUGHT THE MARKET SHOULD BE CLOSED IMMEDIATELY AND SAID THAT THE BRITISH HAD BEEN SUFFERING HEAVILY AND TODAY WAS LIKELY TO BE A VERY BAD DAY. IF IT WERE VERY BAD, THEY MIGHT BE FORCED TO ACT IN AN UNFORTUNATE WAY.

JENKINS THOUGHT THAT TO DELAY THE MEETING UNTIL THE WEEKEND MIGHT BE DISASTROUS.

THE SECRETARY WENT ON TO SAY THAT ON THE BASIS OF THE LATEST MARKET INFORMATION WE HAD, THE SITUATION WAS VERY SERIOUS AND HE URGED MIN. SCHILLER TO PROCEED WITH PLANS FOR THE MEETING AS SOON AS POSSIBLE.

SCHILLER SAID THAT HE HAD WANTED A WEEKEND MEETING. ON THURSDAY THE GERMANS HAVE BOTH A CABINET MEETING AND MEETINGS OF THE EXECUTIVE OF THE MAJOR PARTIES. THEREFORE, HE WOULD PREFER TO HAVE THE MEETING ON FRIDAY, BUT PERHAPS COULD DO IT ON THURSDAY.

THE SECRETARY QUOTED BILL MARTIN AS SAYING THAT MARKETS DO NOT WAIT FOR KINGS OR PRESIDENTS OR PRIME MINISTERS OF FINANCE MINISTERS OR CENTRAL BANKS, AND CONSEQUENTLY, ~~THE~~ THE QUICKER ~~THE~~ THE MEETING THE BETTER.

THE SECRETARY THEN WENT ON TO ASK PERMISSION TO REVIEW THE SITUATION AS WE SAW IT. HE USED THE FOLLOWING MATERIAL FROM THE TALKING PAPER.

(1) WE BELIEVE A UNILATERAL FRENCH MOVE - WITHOUT AN ACCOMPANYING DM CHANGE

(1) WE BELIEVE UNILATERAL FRENCH MOVE -- WITHOUT AN ACCOMPANYING DM CHANGE -- WILL RESULT IN THE BREAKDOWN OF THE INTERNATIONAL MONETARY SYSTEM AS PRESENTLY CONSTITUTED AND COULD BRING US BACK TO DISORDER IN ALL FORMS OF INTERNATIONAL ECONOMIC RELATIONS. IT COULD ALSO AFFECT OUR POLITICAL RELATIONS.

THESE ARE THE STAKES THAT WE SEE AT ISSUE IN THIS PRESENT MONETARY CRISIS.

(2) THESE ARE THE REASONS WE BELIEVE SUCH SERIOUS CONSEQUENCES COULD OCCUR:

(A) NO UNILATERAL FRENCH MOVE CAN BE SO SMALL AS TO BE INCONSEQUENTIAL BECAUSE:

- IT WOULD NOT BE CREDIBLE TO THE MARKETS
- IT WOULD NOT BE WORTHWHILE FOR FRANCE

(B) THEREFORE, ANY UNILATERAL FRENCH MOVE, AS WE SEE IT, WOULD HAVE THESE CONSEQUENCES:

--THE POUND WOULD FLOAT AT ONCE. THE BRITISH HAVE MADE THIS CRYSTAL CLEAR AND WE ALL KNOW THAT THEY WOULD HAVE TO FLOAT BOTH FOR ECONOMIC REASONS AND BECAUSE OF FOREIGN EXCHANGE PRESSURES.

PRESERVATION COPY

--THERE ALMOST INEVITABLY WILL BE OTHER PARITY CHANGES. WE CANNOT EVEN BE CERTAIN ABOUT ALL COUNTRIES OF THE SIX AND WE CERTAINLY WOULD HAVE DOUBTS ABOUT SCANDANAVIAN COUNTRIES, AUSTRIA, CANADA AND JAPAN

--WEAKER COUNTRIES ALMOST CERTAINLY WOULD FOLLOW WITH PARITY CHANGES OF FLOATS
 --MASSIVE CAPITAL MOVEMENT WOULD CONTINUE TO GO INTO GERMANY AND SWITZERLAND

(C) IT THIS SITUATION THE U.S. WOULD HAVE NO ALTERNATIVE BUT TO TAKE THE MOST DRASTIC KINDS OF ACTION WHICH PROBABLY WOULD INVOLVE

-SUSPENSION OF GOLD CONVERTIBILITY

--SAVAGE TRADE RESTRICTIONS WHICH COULD AGAIN COMPARTMENTALIZE THE WORLD

--REASSESSMENT OF OUR POSITION IN EUROPE

(D) I DO NOT BELIEVE THE DECISION ON THESE ACTIONS COULD BE POSTPONED FOR A NEW U.S. ADMINISTRATION, BUT I DO BELIEVE THAT A NEW U.S. ADMINISTRATION WERE IT IN PLACE COULD NOT ACT DIFFERENTLY

THE FACT IS THAT 7.. PUBLIC OPINION-- AND THIS INCLUDES BOTH POLITICAL PARTIES-- WOULD VIEW A UNILATERAL FRANC MOVE--ALLOWED OR MADE NECESSARY BY ITS EUROPEAN PARTNERS--AS IRRESPONSIBLE ACTION. THIS WOULD COME ON TOP OF A GROWING BELIEF IN THE U.S. THAT:
 --WE ARE ALREADY DISADVANTAGED IN THE TRADE FIELD IN LARGE PART BECAUSE OF OUR EARLIER EFFORTS TO CARRY OUT THE RESPONSIBILITIES OF A SURPLUS COUNTRY AND MAKE THE ADJUSTMENT PROCESS WORK.

--WE ARE BEARING A DISPROPORTINATE BUDGETARY COST AND A COMPLETELY INEQUITABLE FOREIGN EXCHANGE BURDEN TO KEEP A STRONG MILITARY POSITION IN EUROPE.

THE CONGRESS AND THE PEOPLE HAVE JUST COME THROUGH A GRUELLING STRUGGLE TO STRENGTHEN THE DOLLAR BY PUTTING A LID ON FEDERAL EXPENDITURES AND INCREASING TAXES 10 PERCENT IN AN ELECTION YEAR. THIS WAS A MAJOR PART OF OUR EFFORT TO STRENGTHEN THE INTERNATIONAL MONETARY SYSTEM AND BRING OUR BALANCE OF PAYMENTS INTO EQUILIBRIUM.

WE TOOK THE LEAD IN THE INTERNATIONAL ECONOMIC FIELD FOR TWO DECADES. AMERICANS WOULD NOT BE ABLE TO UNDERSTAND WHAT THEY WOULD REGARD AS IRRESPONSIBILITY BY COUNTRIES THAT ARE NOW STRONG.

(3) IT IS THIS LINE OF REASONING THAT LEADS US TO THE CONCLUSION THAT ANY PARITY CHANGE AT THIS TIME- AND PROBABLY IN THE FUTURE-- BY AN IMPORTANT COUNTRY HAS TO BE TAKEN IN A MULTILATERAL SETTING

--IT IS NOT A QUESTION THAT CAN BE RESOLVED UNILATERALLY OR BILATERALLY.

DEMING THEN GAVE OUR LATEST IMPRESSION OF THE SITUATION IN THE MARKETS. HE NOTED THAT CHARLIE COOMBS WAS IN FRANKFURT WITH TUENGLER AND THAT THEIR JOINT APPRAISAL WAS THAT TODAY WOULD BE AS BAD AS LAST FRIDAY IN TERMS OF GERMAN INTAKE, AND PROBABLY TWICE AS BAD AS LAST FRIDAY FOR FRANCE. FRANCE HAD LOST \$300 MILLION LAST FRIDAY. HE THOUGHT THAT IF THIS TURNED OUT TO BE THE CASE, THAT THE FRANCE SIMPLY COULD NOT HOLD (NOTE: THIS ESTIMATE TURNS OUT UNDULY PESSIMISTIC THE FRENCH LOSS WAS LESS THAN \$200 MILLION AND THE GERMAN INTAKE ABOUT 630 MILLION)

THE CHANCELLOR SAID THAT GERMANY SIMPLY COULD NOT REVALUE. HE REFERRED TO THE STRAUSS STATEMENT OF A FEW DAYS AGO WHICH STATED FIRMLY THAT THE MARK PARITY WOULD BE HELD AND SAID THAT THE ENTIRE CREDABILITY OF THE GOVERNMENT WAS AT STAKE. IT WASN'T POSSIBLE TO GET ANY PARLIAMENTARY SUPPORT FOR A REVALUATION. WHILE THE PARLIAMENT WOULD NOT HAVE TO ACT ON REVALUATION, THE GOVERNMENT WOULD BE HIGHLY UNCOMFORTABLE IN TAKING ANY ACTION WITH OUT PARLIAMENTARY SUPPORT. HE SAID THAT FRANCE HAS ASKED FOR A 12 PERCENT REVALUATION OF THE MARK, WHICH WAS OBVIOUSLY IMPOSSIBLE.

THE SECRETARY REFERRED TO HIS EXPERIENCE WITH THE TAX BILL IN THE U.S. IN THE BEGINNING, THE LEADERSHIP OF BOTH PARTIES REFUSED TO SUPPORT

IT. BUT AS TIME WENT ON, WHAT HAD SEEMED TO BE POLITICALLY UNACCEPTABLE DOMESTICALLY BECAME ACCEPTABLE IN AN INTERNATIONAL SETTING AND FOR THE PURPOSE OF STRENGTHENING THE DOLLAR AND THE INTERNATIONAL MONETARY SYSTEM.

HE POINTED OUT THAT THE PRESIDENT HAD SAID THAT PASSAGE OF THE TAX BILL HAD BECOME AN INTERNATIONAL AS WELL AS A NATIONAL RESPONSIBILITY. IN THE END THE CONGRESSIONAL LEADERS HAD TO CHANGE THEIR POSITION AND DISCHARGE THIS INTERNATIONAL RESPONSIBILITY.

THE CHANCELLOR SAID THAT GERMANY IS PREPARED TO TAKE THE TAX MEASURES. THAT WILL CUT THE GERMAN SURPLUS BY DM 4 BILLION TO DM 5 BILLION. THAT WOULD NOT BE A POPULAR MOVE, BUT THE GOVERNMENT AND THE PARLIAMENTARY LEADERSHIP WERE PREPARED TO TAKE THAT ACTION AGAINST POPULAR OPINION. EVERYONE WOULD BE AGAINST IT; FARMERS, WORKERS AND BUSINESS.

HE THEN ASKED "HOW CAN WE PREVENT THIS THREAT OF DISASTER IN PARIS AND LONDON? WE WANT TO PREVENT IT, BUT WE SIMPLY CANNOT COMPLETE LEGISLATIVE ACTION AT THE MINIMUM UNTIL A WEEK FROM THURSDAY. HE THOUGHT THAT THE ACTION COULD BE TAKEN. BUT WHAT COULD BE DONE TO BRAKE THE STREAM OF MONEY COMING IN ?"

SCHCELLHORN THEN REPORTED HIS LATEST INFORMATION ON MONEY FLOWING INTO GERMANY, AS OF THAT MOMENT; \$420 MILLION (THIS IS NOT AS HEAVY AS COOMBS'S HAD ESTIMATED).

THE CHANCELLOR SAID THE MONEY INFLOW IN THE MORNING, HOWEVER, HAD BEEN AS GREAT AS IT HAD BEEN ALL DAY YESTERDAY.

THE SECRETARY SAID THAT HIS PRESCRIPTION WOULD BE AS FOLLOWS:

MINISTER SCHILLER WOULD CALL A MEETING FOR A DEFINITE DATE IN THE NEXT DAY OR SO. THE FOLLOWING FOREIGN EXCHANGE MARKETS SHOULD BE CLOSED AT ONCE. THEY SHOULD BE CLOSED IN GERMANY, IN FRANCE, AND IN ENGLAND. THE NEW YORK MARKET WOULD THEN SUSPEND TRADING IN POUNDS, MARKS AND FRANCS. THE MARKETS SHOULD BE KEPT CLOSED UNTIL DECISIONS ARE ANNOUNCED. HE DID'NT THINK THAT THE MARKETS COULD BE KEPT CLOSED FOR A WEEK OR SO. WHEN THEY WOULD BE OPENED WOULD HAVE TO BE LEFT TO THE COLLECTIVE JUDGEMENT OF THE CENTRAL BANKERS WHO ARE EXPERTS IN THESE MATTERS.

THE CHANCELLOR AND SCHILLER THEN SAID ALMOST IN DUET THAT THERE WOULD BE SPECULATION IN OTHER CURRENCIES IF THE MARKETS IN GERMANY, FRANCE AND ENGLAND WERE CLOSED. THERE WOULD BE A CONVICTION THAT PARITY CHANGES WOULD COME AND THERE PROBABLY WOULD BE SPECULATION THAT WOULD AFFECT OTHER CURRENCIES.

THE SECRETARY SAID THAT HE RECOGNIZED THAT RISK, BUT WHAT WAS THE ALTERNATIVE? IF THE MARKETS DID NOT CLOSE, THE FRANC AND THE POUND WOULD GO.

THE CHANCELLOR SAID THAT THE ONLY POSSIBLE CHOICE WAS TO ACCEPT THE SECRETARY'S PROPOSAL AND TO CLOSE THE MARKETS. HE THOUGHT IT SHOULD BE ACCOMPANIED WITH THE STATEMENT THAT THE D-MARK WOULD NOT CHANGE. FOWLER SAID SCHILLER SHOULD CALL THE MEETING AND ANNOUNCE THAT THE MARKETS WILL BE CLOSED. CHANCELLOR JENKINS HAD SAID THAT IF THERE WERE A MEETING WITHOUT CLOSING THE MARKETS, IT WOULD BE DISASTROUS.

IT

SCHILLER SAID HE AGREED COMPLETELY WITH THAT POINT.

THE CHANCELLOR ASKED STRAUSS FOR HIS VIEW. STRAUSS SAID THAT HE HAD NOTHING TO ADD. THEN HE WENT ON TO SAY THAT THE POSITION OF THE FEDERAL REPUBLIC SHOULD BE DEFINED AT ONCE AS TO WHAT CAN BE DONE AND WHAT CANNOT BE DONE. HE ASKED FOWLER WHETHER THE MEETING OF THE GROUP OF 10 WOULD DEAL WITH THE MARK PARITY.

FOWLER SAID THAT WAS QUITE OBVIOUS. IT WOULD BE MAJOR SUBJECT.

STRAUSS THEN SAID THAT HE THOUGHT THIS WOULD BE A SELF-DEFEATING SITUATION. IF AN ANNOUNCEMENT WAS MADE THAT TAX MEASURES WOULD BE TAKEN WHICH WOULD REDUCE THE GERMAN SURPLUS BY DM 4 TO 5 BILLION, AND THEN AT THE MEETING WOULD BRING UP THE D-MARK PARITY, IT WOULD BE SELF DEFEATING. THEREFORE, A D-MARK CHANGE SIMPLY COULD NOT BE DISCUSSED.

CORRECTION TO LINE ABOVE:

DISCUSSED.. UNLESS THIS WERE CLEARLY THE CASE, THERE SHOULD BE NO

MEETING.

SCHILLER SAID THAT THE PRIMARY REASON FOR INSTABILITY IN THE SYSTEM AT PRESENT IS THE PRICE INCREASES IN THE U.S., IN FRANCE AND THE UNITED KINGDOM, OF 5 PERCENT EACH, AND THERE WAS PRICE STABILITY IN GERMANY.

THE SECRETARY SAID THAT IT WAS IMPOSSIBLE TO EXCLUDE DISCUSSION OF A D-MARK CHANGE.

SCHILLER SAID THAT THE FEDERAL REPUBLIC IS MAKING A REAL SACRIFICE. IF THIS WERE PROPERLY APPRECIATED, FRANCE WOULD HAVE TO CHANGE BY A VERY SMALL AMOUNT, PERHAPS 5 PERCENT OR LESS. THE UNITED KINGDOM MIGHT NOT HAVE TO CHANGE AT ALL, OR AT MOST UNDERTAKE A VERY SMALL CHANGE.

THE CHANCELLOR SAID THAT THERE COULD NOT BE A MEETING IN WHICH NINE OF THE TEN COUNTRIES WERE LECTURING THE GERMANS ON WHAT TO DO WITH THE D-MARK.

THE SECRETARY SAID THAT HE WAS USED TO BEING LECTURED, BOTH PRIVATELY AND PUBLICLY, ABOUT THE RESPONSIBILITIES OF THE U.S... IT WAS NOW GERMANY'S TURN AND HE WAS DELIGHTED TO HAVE HER IN THE WITNESS CHAIR. THE FEDERAL GOVERNMENT HAS GOTTEN SO STRONG THAT IT SIMPLY HAS TO DO SOMETHING. HE REFERRED BACK TO HISTORY AND SAID WE HAD ACCEPTED OUR RESPONSIBILITY AND WE WOULD EXPECT THOSE WHO ARE STRONG TODAY TO DO SAME. NEVERTHELESS, A WEEK AGO HE HAD HAD NO INTENTION OF URGING A D-MARK CHANGE. IN FACT, HAD SAID EXPLICITLY IN LONDON, IN PARIS, IN HOLLAND, AND IN BRUSSELS, THAT HE FAVORED NO PARITY CHANGE AT THIS TIME, AND DID NOT INTEND TO URGE IT AT ALL ON THE GERMANS. HE WAS COMPLETELY NEUTRAL ON THIS SCORE. BUT EVENTS HAVE OVERTAKEN US AND CONSEQUENTLY HE WAS NOW URGING SUCH A CHANGE.

KIESINGER SAID THERE HAD BEEN AN INTERESTING STORY IN THE "DAILY MAIL" THIS MORNING. HE ASKED THAT IT BE READ. IN SUMMARY, THE "DAILY MAIL" HAD SAID THAT GERMANY WAS UNDER PRESSURE FROM ALL HER PARTNERS TO RESTORE STABILITY TO THE INTERNATIONAL MONETARY SYSTEM. HER SINS WERE THAT SHE HAD KEPT PRICES STABLE, HAD KEPT GOVERNMENT SPENDING DOWN, HAD EXPANDED THE ECONOMY PROPERLY, ETC. NOW THE DEBTORS, AS USUAL, EXPECT THE CREDITORS TO SAVE THEM. THE SECRETARY RESPONDED THAT THE ARTICLE WAS A GREAT TRIBUTE. IT SHOWED HOW WELL GERMANY HAD DONE. CONSEQUENTLY SHE HAD A GREAT RESPONSIBILITY.

SCHILLER THEN SAID THAT GERMANY RECOGNIZED THAT SURPLUS COUNTRIES DO HAVE RESPONSIBILITIES AND THEY WERE TRYING TO EXERCISE THOSE RESPONSIBILITIES. HE SAID THAT HE HAD HAD A LETTER FROM CHANCELLOR JENKINS AND HE READ IT IN PART. THE LETTER SAID THAT JENKINS UNDERSTOOD THAT THE U.S. HAD URGED THE FEDERAL REPUBLIC TO CHANGE THE D-MARK PARITY AND THAT THIS MIGHT BE ACCOMPANIED BY A SMALLER DOWNWARD CHANGE IN THE PARITY OF THE FRANC.

KIESINGER SAID WE HAVE TRIED TO MAKE OUR PROPOSAL. DIDN'T THE U.S. THINK IT WOULD WORK?

THE SECRETARY SAID THAT HE SIMPLY DIDN'T KNOW. HE CERTAINLY WASN'T REFUSING TO ACCEPT IT. HE HIMSELF HAD HOPED FOR NO PARITY CHANGE. BUT THE U.S. SIMPLY CANNOT STAND BY AND WATCH A UNILATERAL FRANC CHANGE THAT WOULD CAUSE WORLD-WIDE DAMAGE. HE THOUGHT SUCH A GERMAN PROPOSAL COULD HELP THE FRANC. THE QUESTION WAS, WOULD IT HELP IT ENOUGH? THE U.S. WAS PREPARED TO ENGAGE IN A BIGGER CREDIT PACKAGE FOR FRANCE. HE REFERRED TO THE FACT THAT WE HAD EXPANDED OUR SWAP WITH THE BANK OF FRANCE FROM \$100 MILLION TO \$700 MILLION AT THE BEGINNING OF THE FRENCH CRISIS.

SCHILLER AND STRAUSS IN BOTH SAID THAT THE FEDERAL REPUBLIC WAS AND IS READY TO HELP FRANCE ALSO. SCHILLER NOTED THAT THE GERMAN SWAP WAS \$300 MILLION, AND AN OFFER HAD BEEN MADE TO INCREASE IT TO \$500 MILLION.

THE SECRETARY SAID THAT WHAT WE NEEDED TO DO WAS RESOLVE THE PROBLEM.

SCHOELLHORN SAID THAT THE ONLY SOLUTION ANYBODY SEEMED TO OFFER WAS A D-MARK CHANGE. GERMANY MIGHT HAVE GROWN IN IMPORTANCE, BUT IT WASN'T THAT IMPORTANT. YOU CAN'T RESTORE STABILITY JUST BY A CHANGE IN THE D-MARK.

THE SECRETARY SAID WE HAVETO LOOK AT ALL OF THE THINGS THAT MIGHT BE DONE. AMONG OTHER THINGS, WE SHOULD CONSIDER THE POSSIBILITY OF A SMALL REVALUATION OF THE LIRE AND THE GUILDER (SCHILLER SNORTED), AND A FUND STANDBY SHOULD BE EXTENDED WITHOUT THE IMPOSITION OF OVERLY ONEROUS CONDITIONS ON FRANCE.

THE CHANCELLOR SAID EVERYONE WILL TELL US THAT WE NEED TO REVALUË, AND BY HOW MUCH. BUT IT IS CLEAR THAT WE HAVETO HAVE A MEETING. WE CANNOT AVOID IT. HOWEVER, THE ONLY AIM OF THE MEETING CANNOT BE TO GET A D-MARK CHANGE. BUT, ON THE OTHER HAND, WE CANNOT EXCLUDE THE SUBJECT FROM THE DISCUSSION.

STRAUSS THEN SAID AGAIN THAT HE THOUGHT IT WOULD BE A SELF-DEFEATING PROCESS IF THE TAX PROGRAM WAS ANNOUNCED, A STATEMENT WAS MADE THAT THERE WOULD BE NO D-MARK PARITY CHANGE AND THEN THE ONLY SUBJECT OF DISCUSSION WAS THE D-MARK.

DEMINGS SAID THAT HE AGREED WITH STRAUSS, THAT IF THE TAX MEASURES WERE ANNOUNCED AND THIS STATEMENT MADE, IT WOULD BE SELF-DEFEATING.

SCHILLER DISAGREED AND SAID THAT AS A PRACTICAL MATTER THE TAX CHANGE ALREADY HAD BEEN ANNOUNCED. THEY WERE BEING INTRODUCED INTO THE PARLIAMENT AT ONCE AND THE LEADERSHIP KNEW ABOUT THEM. HE WAS PREPARED TO SAY AT THE MEETING THAT THE D-MARK WOULD NOT BE CHANGED, BUT HE SIMPLY COULD NOT RULE OUT ANY DISCUSSION OF IT. THESE MEETINGS WERE DIFFICULT, BUT THEY COULD RESULT IN AN AGREEMENT, AN AGREEMENT ON A PACKAGE THAT WOULD STABILIZE THE INTERNATIONAL MONETARY SYSTEM. THAT PACKAGE WOULD INCLUDE THE GERMAN TAX MEASURES, PERHAPS A SMALL FRANC PARITY CHANGE, AND A CREDIT PACKAGE.

KIESINGER SAID THAT WHAT GERMANY WOULD DO IS TO TRY TO HELP BY OTHER MEANS THAN REVALUATION. THE GERMANS MUST STICK TO THEIR DECISION. CERTAINLY SWAPS SHOULD BE INCREASED AND THAT FACT SHOULD BE NOTED IN THE PACKAGE. HE HOPED FRANCE WOULD CONSIDER THE OFFER FAVORABLY AND PERHAPS WE COULD GET SOMEWHERE.

STRAUSS IS RIGHT. WE CANNOT BE SAYING THERE WILL NOT BE A D-MARK REVALUATION BEFORE THE MEETING AND THEN HAVE A DEBATE ON IT. IT WOULD NOT BE CREDIBLE.

SCHILLER SAID YOU CANNOT EXCLUDE DEBATE, BUT YOU CAN MAKE THE TAX OFFER.

THE SECRETARY SAID THAT IF IN THE LIGHT OF THAT CHANGE FRANCE CAN MAINTAIN ITS PARITY, THAT WILL BE FINE. BUT IF THE MEETING CONCLUDES

THAT THIS IS THE RIGHT PACKAGE AND THEN FRANCE ACTS, IT WILL BE SHOWN TO THE WORLD TO BE COMPLETELY IRRESPONSIBLE.

SCHILLER SAID THAT IT WASN'T POSSIBLE AT THIS TIME TO DISCUSS THE FULL SCENARIO OF THE MEETING, THAT WILL HAVE TO AWAIT THE MEETING. HE REALIZED THAT THERE MAY BE A CRISIS DURING THE MEETING AND A BARGAIN

THEREFORE WILL HAVE TO BE STRUCK IN THE END.

KIESINGER THEN SAID, ALRIGHT WE AGREE, THERE WILL HAVE TO BE A DEBATE, BUT THE FEDERAL REPUBLIC WILL NOT REVALUE THE MARK. HE SAID TO SCHILLER, "GO HEAD AND CONVEENE THE MEETING".

THE SECRETERARY SAID, "AND CLOSE THE MARKETS".

AT THAT POINT THE CHANCELLOR SUGGESTED THAT SCHILLER GET IN TOUCH WITH ORTOLI AND PASS THE OFFER TO HIM. MEANWHILE WE WOULD WAIT AND LEARN WHAT THE RESULTS OF SCHILLER'S CONVERSATION ARE. HE HAD TO GO OFF

AND SEE SENATOR JAVITS. THE REST OF US COULD AWAIT SCHILLER'S RETURN.

IN FIVE OR TEN MINUTES SCHILLER RETURNED, SAID THAT HE HAD SPOKEN TO ORTOLI, URGED HIM TO COME TO BONN FOR A G-12 MEETING THAT WOULD CONVEENE AT 4 P.M. TOMORROW. ORTOLI SAID THAT HE WOULD ASK COUVE AND COME BACK TO SCHILLER WITH HIS RESPONSE.

SCHILLER REPORTED ORTOLI'S BELIEF THAT THE GERMAN PROGRAM WAS NOT ADEQUATE, BUT THAT HE WOULD TALK TO COUVE. SCHILLER SAID THAT HE HAD ALSO SPOKEN ABOUT CLOSING THE MARKETS IN PARIS AND ORTOLI SAID THAT HE WOULD SPEAK TO COUVE ABOUT THAT ALSO.

SCHILLER SAID THE ONLY TOPIC ON THE AGENDA WOULD BE THE ACTUAL INTERNATIONAL MONETARY SITUATION.

BT
END OF TRANSMISSION

NNNN

~~TOP SECRET~~/
SENSITIVE

Tuesday, Nov. 19, 1968
4:25 p. m.

Pres file
48

MR. PRESIDENT:

Herewith a reassuring evaluation of the report to which I alerted you this morning of a possible movement of [redacted] on November 22. As you will see, they have all been tracked back to a single source. The report has had no other confirmation.

3.4(b)(1),(3)

W. W. Rostow

~~TOP SECRET/TRINE~~ attachment

SANITIZED
E.O. 12958, Sec. 3.6
NLJ/RAC03-66
By SJ, NARA, Date 6.2.03

~~As Lewis~~

49

ACTION

~~CONFIDENTIAL~~

Tuesday - November 19, 1968 - 3:45 pm

Mr. President:

*1. Summary
2. Pres file*

You asked me to see you about a possible trip to the Virgin Islands to attend a conference on Caribbean development next week, and you wanted to have a possible schedule. (Schedule attached - Tab A).

On checking further, I do not think this is a very good forum for a Presidential appearance.

- Attendance will be almost entirely at the technical level; although all were invited, none of the heads of government of the larger Caribbean countries plan to attend.
- The focus of the conference is heavily technical -- dealing with desalinization plant technology and economics. (Conference Program attached - Tab B).
- Many of those attending from the US will represent American business firms interested in selling desalinization plants to Caribbean customers;
- The Conference would not provide a good opportunity to speak about broader issues of Caribbean integration and development.

Both Covey Oliver and Harry McPherson recommend against your going. Harry says he has been hoping you would visit the Virgin Islands, but this conference does not sound to him like the right occasion. He adds that recent problems with Puerto Rico make this a poor moment to visit nearby St. Thomas.

I agree, and suggest that you drop consideration of this trip.

W. W. Rostow

- Will drop idea of making trip
- Still want to make trip, proceed with preparations
- Call me

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

Attachments - Tabs A, B and C.

SWLewis:mm
cc - Mr. McPherson, JJones

A
49a

November 19, 1968

POSSIBLE SCHEDULE
(Trip to Virgin Islands)

Monday - November 25, 1968

Leave Washington 7:00 a. m.
Arrive San Juan, Puerto Rico 10:15 a. m.

Leave San Juan (helicopter) 10:25 a. m.
Arrive St. Thomas, Virgin Islands 11:00 a. m.
(Hilton Hotel)

Make informal remarks (5-10 mins.);

Attend Luncheon for Conference
Delegates;

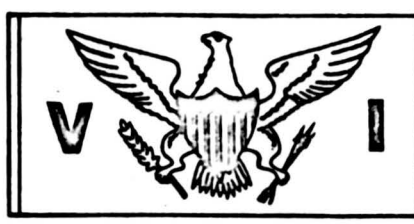
Spend part of afternoon touring
island.

Leave St. Thomas (helicopter) 5:00 p. m.
Arrive San Juan 5:35 p. m.

Leave San Juan 5:45 p. m.
Arrive Washington 9:10 p. m.

496

First Annual
VIRGIN ISLANDS
CONFERENCE
ON
CARIBBEAN
DEVELOPMENT



New Water:
Key to the Future of the Caribbean

November 24-27, 1968

Charlotte Amalie
St. Thomas, Virgin Islands

Sponsored by
Government of the Virgin Islands
Virgin Islands Water and Power Authority
College of the Virgin Islands

PROGRAM

November 24

6:00 p.m.

Reception – Government House

November 25

9:30 a.m.

Official welcome: "New Water – Key to the Future of the Caribbean"
Governor Ralph M. Paiewonsky

9:45 a.m.

Keynote address: The Hon. Stewart L. Udall, Secretary of the Interior, U.S.A.

10:15 a.m.

"The Environment of Paradise"
Lawrence Halprin, Lawrence Halprin Associates, Environmental Planning

10:45 a.m.

Break

11:00 a.m.

"Desalting Plants – Present and Future", Dr. Jack A. Hunter, Director, Office of Saline Water, U.S. Department of the Interior

11:30 a.m.

Questions and answers

12:30 p.m.

Luncheon
"Water Development Programs of the V.I.", Richard Cannard, Virgin Islands Water & Power Authority

2:00 p.m.

"Water Quality Considerations"
Dr. Edward Towle, Director, Caribbean Research Institute, College of the Virgin Islands

2:20 p.m.

"Opportunities for Financing Desalting Plant Construction"
James W. Bergford, Executive Vice President, Chase Manhattan Bank

November 25 (continued)

2:50 p.m.	Questions and answers – discussion
3:30 p.m.	Break
3:45 p.m.	“Desalting Plant Construction Experience in the Caribbean and Elsewhere” Gordon Leitner, Vice President, Aqua-Chem, Inc., Waukesha, Wisconsin
4:05 p.m.	“Baldwin-Lima-Hamilton Experience in Sea Water Desalinization” Robert A. Tidball, Chief Engineer, Desalinization Division, Baldwin-Lima-Hamilton, Philadelphia, Pa.
4:25 p.m.	Questions and answers
5:00 p.m.	Recess
8:00 p.m.	Dedication of Baldwin-Lima-Hamilton Desalting Plant at Krum Bay

November 26

9:30 a.m.	“The Role of the Architect-Engineer in Desalting Plant Planning and Construction” Ken Roe, President, Burns & Roe, Inc. Architectural Engineers
9:50 a.m.	“Puerto Rico Plans to Desalt the Caribbean” Eng. Orlando Gonzalez, Executive Director, Puerto Rico Aqueduct and Sewer Authority
10:10 a.m.	“A New Desalting Process Finds First Commercial Application in the Caribbean” Richard R. Bridge, Manager, Water Process Section, Colt Industries, Fairbanks-Morse, Beloit, Wisconsin

November 26 (continued)

10:30 a.m. Panel: "Utilization of Desalting Plants in Industrial Operations"
Chairman: Dr. J.I. Bregman, Deputy Assistant Secretary, Water Quality and Research, Department of the Interior

11:30 a.m. Leave for airport (subject to change)

12:00 noon Travel from St. Thomas to St. Croix

12:30 p.m. Lunch — St. Croix

2:15 p.m. Depart for Stearns-Roger plant in Christiansted

2:30 p.m. "The World's First Commercial VTE Desalting Plant"
David D. Kays, Project Manager
Stearns-Roger Co., Denver, Colorado

2:45 p.m. Plant Tour (technical)
(non-technical)

3:30 p.m. Depart for airport (island tour)

6:00 p.m. Leave St. Croix

6:30 p.m. Arrive St. Thomas

November 27

9:50 a.m. "Industrial and Municipal Growth Through Desalting"
Robert A. Baker, Jr., General Manager,
Heat Transfer Division, Westinghouse Electric Co., Philadelphia, Pa.

10:00 a.m. "Information Please"
General Participation
Richard Cannard, Chairman

11:30 a.m. Adjournment

CARIBBEAN GOVERNMENT

Antigua - No response

Aruba - Unable to attend

Barbados - No response

Minister of works
Nassau, Bahamas

Hon. Terrence Lettsome
Minister of Communications, Works and Industry
Tortola, BVI

Ralph T. O'Neal
Administrative Secretary
Tortola, BVI

Michael R. Biddle
Superintendent of Public Works
Tortola, BVI

Hon. Henry Louis Stoutt
Chief Minister
Tortola, BVI
Hon. Edward Le Blanc
Premier
Dominica

Peter Munro
Secretary & Chief Technical Officer of the
central Housing and Planning
Dominica

W. A. Lawrence
Chief Technical Officer
Public Works Division of Ministry of
Communications and Works
Dominica

Dominican Republic - No response

Hon. Eric M. Gairy
Premier
Grenada

Secretary General
Guadeloupe

Haiti - No response

Jamaica - No response

Martinique - Unable to attend

CARIBBEAN GOVERNMENT

William White
Manager Radio Montserrat
Montserrat'

Dudley Todd
Supervisor of Water Distribution, Public Works Dept.
Montserrat

His Hon. Denis R. Gibbs, Administrator
CVO, CMG, DSO
Montserrat

Hon. W. H. Bramble - plus wife
Chief Minister
Montserrat

Tom Robert Theobalds
Consulting Engineer
St. Lucia

St. Vincent - no response

Errot Mahabir and wife
Minister of Public Relations
Trinidad

Mervlyn Sankeralli
Engineer
Trinidad

Emile Warner
Technical Director of Water & Sewage
Trinidad

Emru Millette
Engineer
Trinidad

Jack Scheuren
Vice President - Metcalf & Eddy - Observer
Trinidad

CARIBBEAN GOVERNMENT

Orlando Gonzalez
Executive Director
Puerto Rico Aqueduct & Sewer Authority
Puerto Rico

Luis E. Maldonado
Special Assistant, PR Aqueduct & Sewer Auth.
Puerto Rico

Enrique Font
Chemical Engineer
Puerto Rico Aqueduct & Sewer Authority
Puerto Rico

Pablo Calderon
Director of Operations
Puerto Rico Aqueduct & Sewer Authority
Puerto Rico

Hon. W.F. Glasford
Minister of Agriculture & Labor
St. Kitts

Hon. F. C. Bryant
Minister of Education, Health & Welfare
St. Kitts

Mr. Lee Moore
Public Relations Officer to Premier
St. Kitts

Robert D. Edward Yearwood
President
St. Kitts Sugar Association
St. Kitts

Hon. Jack M. D. Vousquet
Minister for Housing, Community Development,
Social Affairs and Labor
St. Lucia

Vincent Floissac
Chairman
Central Water Authority
St. Lucia

Fritz Yorke
~~SECRETARY MANAGER~~ CENTRAL WATER AUTHORITY

WASHINGTON OFFICIAL

Mr. Kimmelman

Pat O'Meara, Information Officer
Office of Saline Water
Department of the Interior

Arnold Liebowitz- Director
Office of Technical Assistance
Economic Development Adminis.
Dept of Commerce

Glenn A. Munro, Chief and wife
Barbados, Eastern Caribbean & Bahamas Affairs
Department of State

George R. Millner
Office of Territories
Department of State

Edward T. Long, Director and wife
Office of Caribbean Affairs
State Department

OTHERS

Fred Berger, Vice President
Farley Manning Associates

Stewart Udall
Secretary of the Interior
Department of the Interior
Washington, D.C.

Hon. Ralph M. Paiewonsky
Governor of the U.S. Virgin Islands

PRESS

Martha Olson
Vice President
Farley Manning Associates, Inc.
New York, N.Y.

George Symons, Ph. D.
Editor
WATER & WASTE ENGINEERING

Robert Will
Editor
METRO. WATER DIGEST

John Concannon
Business Writer
NEWSWEEK

William Allan
Business & Financial Editor
PITTSBURGH PRESS

Arthur J. Snider
Science Editor
CHICAGO DAILY NEWS WIRE SERVICE
Chicago, Illinois

Elmer Lami
UNITED PRESS INTERNATIONAL

John Harris
HEARST HEADLINE SERVICE

David Newman
BUSINESS WEEK

Ray Fremed
CHEMICAL WEEK

Stanley Degler
BUREAU OF NATIONAL AFFAIRS

Clayton H. Billings
Associate Editor
PUBLIC WORKS

William S. Foster
Editor
THE AMERICAN CITY

Richard Arlen Smith
Editor
WATER DESALINATION

Dick O'Connell

OBSERVER

C. D. Hornberg
President
Desalting Systems and Services
Consulting Engineers

W. E. Bailie
Vice President
Desalting Systems & Services
Consulting Engineers

W. E. Busse
Product Manager
Chicago Bridge & Iron
Oak Brook

W. T. Donovan
Int. General Electric Public Relations

E. T. Krieger
President
Int. General Electric Public Relations

R. Bruce Cox
Universal Desalting Corp.
New York

G. A. Jenio, President
Universal Desalting Corp.
New York

Peter Nolan
Buckly & Taylot Ltd.
Castle Iron Work
Olham, Lanchire, England

Emil Dopyera
Reading & Bates Off-Shore Drilling Co.
Tulsa, Okla.

Walter Roehmer
Reading & Bates Off-Shore Drilling Co.
Tulsa, Okla.

Bernard B. Smyth
Vice President
Gulf General Atomics

Robert Wright
E. I. duPont

SPEAKER

**Richard Cannard, Director
Virgin Islands Water & Power Authority**

**Dr. Edward Towle, Director
Caribbean Research Institute
College of the Virgin Islands**

**James W. Bergford
Executive Vice President
CHASE MANHATTAN BANK**

**Ken Roe, President & Wife
Burns & Roe, Inc.
Washington, D. C.**

**Dr. John A. Hunter, Director
Office of Saline Water
Department of the Interior**

**Richard R. Bridge, Manager
Water Processes Section
Colt Industries, Fairbanks-Morse
Beloit, Wisconsin**

**Robert A. Baker, Jr.
General Manager
Heat Transfer Division
Westinghouse Electric Co.
Philadelphia, Pa.**

**Mr. David D. Kays
Project Manager
Stearns-Roger Co.
Denver, Colorado**

**Robert A. Tidball, Chief Engineer
Baldwin-Lima-Hamilton
Industrial Equipment Division
Philadelphia, Pa.**

**Dr. John I. Bregman
Deputy Assistant Secretary FWPCA
Department of the Interior**

**Gordon F. Leitner, Vice President
Aqua-Chem, Inc.
Waukesha, Wisconsin**

**Lawrence Halprin
Lawrence Halprin & Associates
1620 Montgomery Street
San Francisco, Calif.**

VIRGIN ISLANDS

Mr. Kirk Grybowski
Assistant Director
Comprehensive Health Planning
V. I. Department of Health
St. Thomas

Mr. Norrell E. Harrigan
Project Director
Caribbean Research Institute
St. Thomas

Dr. Francis J. Wunderlich
Associate Professor - Political Science
College of the Virgin Islands
St. Thomas

Dr. Albert E. Damann
Director of V. I. Ecological Research Station
St. Thomas

FINANCIAL

John S. Davis
Vice President
Republic National Bank of Dallas

Victor Pedroso
Bank of America

James Bergford
Chase Manhattan Bank

William Bates
Aetna Insurance

Mr. & Mrs. J. B. Ramsey
Wainwright & Ramsey
New York

Robert Brown
Vice President
First National Bank of Chicago

MANUFACTURERS HANOVER TRUST CO.

L. S. Glidden
Vice President & Treasurer
LIBERTY MUTUAL, Boston

INDUSTRIAL

Tony Santelli
Aqua-Chem

Worth Ware
Aqua-Chem

John Schell and wife
Director of Public Relations
Armour & Co.
Chicago

Frank L. Eubank
Westinghouse

Pavenich
Westinghouse

James Dalex
Westinghouse

Nils A. Anderson
Westinghouse

E. H. Schoonmaker and wife
BLH

John Kolsky
BLH

John Gados
BLH

J. B. Lawrence and wife
BLH

Andrew Liston and wife
Vice President
BLH

Perry A. White and wife
President
BEH

Larry Rogers
Stearns-Rogers

INDUSTRIAL

-2-

R. D. Rinesmith
Stearns-Rogers

Dave Karp
Stearns-Rogers

Gilbert A. Mondry (panel member)
Technical Vice President
Harvey Aluminum

Claude M. Gehrman (panel member)
Supervisory Engineer
Hotel Operations
National Bulk Carriers

Russell Hayden (panel member)
President
Ionics, Inc.

50

ACTION

SECRET/HARVAN DOUBLE PLUS

*Pres file
scap*

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 4-8-93

SECRET/HARVAN DOUBLE PLUS

WWRostow:rlh

50a

OUTGOING TELEGRAM Department of State

INDICATE: COLLECT
 CHARGE TO

~~SECRET~~

Classification

for clearance

FOR OC/T USE ONLY

Origin

ACTION: Amembassy SAIGON IMMEDIATE

Info

INFO: Amembassy PARIS IMMEDIATE

DECLASSIFIED

Authority NLS 91-510

STATE

By MP/jw, NARA, Date 12-17-97

NODIS/HARVAN/DOUBLE PLUS

PARIS TO DEL _____ FOR HARRIMAN AND VANCE.

Saigon Deliver to Ambassador at Opening of Business.

The following is a redraft of the text of the U.S. statement which you should use in your discussions with Thieu. It takes into account the previous discussion with Thanh. Where differences have arisen we have commented parenthetically at the end of each paragraph to indicate the reasons for the position taken.

Text Begins.

1. This statement is designed to answer the questions which have been raised by the Government of the Republic of Viet-Nam about a new meeting in Paris. (Comment: We agree to deletion of the phrase "the arrangements for.")
2. Prior to the President's announcement of October 31 of the stopping of bombing against North Viet-Nam, agreement had been _____

Dated by

EA:PGHabib/WPBundy:mk 11/19/63

Ref. Est.

4235

Telegraphic transmission and

classification approved by

h&k *lps*
The Acting Secretary

~~SECRET~~

Classification

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 convened in Paris. (Comment: You will note that we have dropped the word "promptly." If GVN objection rests on the reference to the promptness of the meeting, this change should be sufficient. In terms of the format of the statement alone, the paragraph is essential as a foundation for later references. Moreover, for our part, it is important to retain that we agreed to a meeting on the substance of a peaceful settlement. Anything ~~is~~ less would derogate from the purposes of these meetings and could possibly lead us to fall prey to what we suspect would be the GVN's preference that these meetings be considered preliminary or as dealing with arrangements prior to negotiation of a subsequent settlement. This is a matter of substance on which we should not concede. You may recall to Thieu that the Honolulu Communique, referring to the Paris talks, spoke of "discussions concerning the substance of a final settlement." The Honolulu Communique also expressed the agreement of the two Presidents that "The basic objective in the Paris talks is to open the way to a stable and honorable peace.")

3. During the earlier discussions with the North Vietnamese representatives, United States spokesmen made clear that the stopping of bombing

~~SECRET~~

Classification

~~SECRET~~

Classification

and the holding of such a meeting would not be possible without agreed provision for the participation of the Republic of Viet-Nam as a separate delegation forming with the United States 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. (Comment: We agree to the addition of the word "earlier" in the first sentence but prefer retaining the words "such a" rather than substitute the word "future" as applied to the meeting. If it will simplify GVN acceptance, we would be willing to have the phrase in the first sentence read "and the holding of such a future meeting." We wish to make clear the relationship between the meeting being spoken of in this paragraph and that described in the previous paragraph. You will note that we have re-inserted the last sentence of the paragraph. This is a fact not only which was spoken of in the Department's November 13 statement but repeated a number of times in the negotiations with the North Vietnamese. It is at the heart of the Our-Side Your-Side formula and should have been apparent to the GVN from the beginning. Thus, we believe we should have one last clear try at getting it into the statement. However, if it becomes the sole obstacle to final agreement, we could accept its

~~SECRET~~

Classification

~~SECRET~~

Classification

omission. The point is that Thieu must be in no doubt that this remains the case, whether we say it ^{in this statement} or not.)

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.

7. Whatever others may claim, the United States has not agreed and will not agree that the meeting is a four-sided or four-party conference, or properly so described. (Comment: We think this is more comprehensive than the GVN draft and accurate.)

~~SECRET~~

Classification

~~SECRET~~

Classification

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. (Comment: We believe we must retain the last phrase despite the points raised by Paris. However, the whole point of the reference "whatever they might claim" is to recognize that the other side will try to ^{set} ~~make~~ themselves up as a separate delegation, and that such action by them repeat by them cannot be grounds for our walking ~~walking~~ out.)

9. In the discussions between the United States and North Vietnamese negotiators it was made clear throughout that, whomever Hanoi chose to bring on its side, the arrangement ^{involved} ~~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 Vietnam (North Vietnam). Concerning the so-called National Liberation Front in particular, the United States Government has at all times regarded it as an agent of Hanoi's aggression against the Republic of Vietnam. The National Liberation Front is not in any sense a separate entity, much

~~SECRET~~

~~SECRET~~
Classification

less a government. (Comment: While we would be willing to accept the phrase "an emanation of North Vietnam and a tool of Hanoi's aggression against the Republic of Vietnam" in the penultimate sentence, we believe that the sentence as redrafted above is simpler and includes "aggression" which the Government of Vietnam apparently wishes to introduce. Our draft is also much more in keeping with the style to be expected in an official United States statement.)

10. Following the stopping of the bombing of North Vietnam, 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 Vietnam's delegation.

11. In the Paris meetings the Republic of Vietnam delegation will play a leading role, as was explicitly affirmed in the Honolulu Communique of July. The Republic of Vietnam will take the lead and be the principal spokesman on all matters which are of immediate and direct concern to South Vietnam. (Comment: Simply omitting "immediate and direct" is too broad to accept, for reasons you have already expounded. If the GVN still objects, acceptable alternatives for us would be:

~~SECRET~~
Classification

~~SECRET~~
Classification

- a. to omit the second sentence and expand the first to read
"a leading role in discussions concerned with the substance of a
final settlement in Vietnam, as was"
- b. "paramount concern" or "of concern primarily"
"principal spokesman on
- c. ~~Xen~~ all matters relating to the substance of a peaceful
settlement in Vietnam."

We cannot accept the inclusion of the GVN's paragraph "In the respect of national sovereignty of RVN, problems of internal politics will not be considered as proper subjects of discussion in the framework of these meetings." For reasons summarized in Deptel 273732, the United States is not prepared to agree to such a broad restriction. It is not correct to state that no sovereign government can permit its internal affairs to be discussed in an international conference. In fact, a sovereign government can discuss anything it wishes. Moreover, Thanh's comparison of the 1962 Geneva Conference is erroneous. At that conference, by agreement, negotiations of internal arrangements were conducted separately by the leaders of the three factions. [In this connection, we accept the comment in Paris 24093 that we not commit ourselves to seeking a political settlement only in "separate private talks in South Vietnam."] As we have pointed out previously we cannot allow the GVN to believe that it can walk out if the DRV side raises internal matters

~~SECRET~~
Classification

~~SECRET~~

Classification

If Hanoi raises the issue of a political solution in the South, our joint position -- primarily articulated by the GVN -- could be a political solution based, for example, on the principles of the Constitution, election, and reconciliation policy. The GVN should be prepared to set forth its political views as a sovereign government, ~~and not shrink from this debate.~~ Only in this way will its position be understandable in the United States and internationally. Moreover, it is only in this way that it can avoid leaving the field open to the other side without any logical reply.)

12. The new Paris meetings will be expected to explore all avenues to end Communist aggression against the Republic of Vietnam and to reach a subsequent 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 US representatives have concerned the stopping of bombing and the convening of a new meeting. As the President stated in his October 31 speech, "We cannot have productive talks in an atmosphere where the cities are being shelled and the DMZ is being abused." (Comment: Although we would have preferred to omit the word "subsequent" in the first sentence, we believe we ^{cannot} ~~can~~ argue forcefully against it in the light of our own belief -- and commitments to the TCC -- that a still wider format would be required to participate in

~~SECRET~~

Classification

Page 9 of telegram to Saigon, Paris TODEL

~~SECRET~~
Classification

Even more the final total "settlement." ~~XXXXX~~/seriously, we believe it is essential to change the third sentence in this fashion, since any claim that there were "agreements" concerning even the "circumstances" would be met by sharp rebuttal and is just not repeat not true. This was our mistake, and we now believe that we must have a formulation such as this to clarify the matter. Since Thanh and Duc previously suggested using the President's words, we would hope that the GVN could buy this change.)

13. In the new meetings the United States Government will operate in the closest cooperation with the Republic of Vietnam, and in continuing consultation with the nations that have ~~XXXXX~~ contributed military forces to the defense of South Vietnam.

14. 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 ~~XXXXX~~ is not freely chosen through democratic and legal process by the people of South Vietnam. The imposition of any coalition government would be in

~~SECRET~~

Classification

conflict with this principle.

GP-3

END

~~SECRET~~

Classification

EYES ONLY

Tuesday, November 19, 1968 -- 2:35 p. m.

Mr. President:

Herewith two notes that Bob Murphy handed me in writing, after he talked with Mr. Nixon.

Note 1

"Nixon would like the President to know that he goes along with current approach to the critical European monetary problem, and he very much appreciates receiving such timely and close coordination."

Note 2

"Nixon asks whether Cy Vance could be asked tactfully and confidentially whether he would be willing to continue in Paris after January 20 depending, of course, on state of negotiations.

"Could you do this?"

W. W. Rostow

wwrostow:rlm

EYES ONLY

ACTION

Pres file

Tuesday, November 19, 1968 - 1:35pm

Mr. President:

Today is Mrs. Gandhi's 51st birthday. A message from you is not essential. Following the five-year rule, you sent her a greeting last year.

Chet Bowles and State just think that a brief personal word would be a nice gesture to the lady. I agree.

A proposed message is attached for your approval.

W. W. Rostow

Approve _____

Disapprove _____

Call me _____

WWR:HS:RM:lw

Proposed Message to Prime Minister Gandhi of India

Dear Mrs. Gandhi:

Mrs. Johnson and I send you warm wishes on your birthday. May you enjoy many more in the service of your great country.

With best personal regards.

Sincerely,

WWR:HS:RM:lw

INFORMATION

53

~~TOP SECRET~~

Tuesday, November 19, 1968
11:15 a. m.

Pres. file

Mr. President:

Herewith Prime Minister Wilson
responds to your message with relief;
but underscores the need for prompt
action.

W. W. Rostow

T 286/68

~~TOP SECRET~~

WWRostow:rln

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

53a

RECEIVED
WHCA

1968 NOV 19 16 08

1640BST

TO THE PRESIDENT
FROM THE PRIME MINISTER

~~TOP SECRET~~

T 286/68

PERSONAL MESSAGE FROM THE PRIME MINISTER TO THE PRESIDENT

MANY THANKS FOR YOUR HELPFUL RESPONSE TO MY MESSAGE OF YESTERDAY. ROY JENKINS HAS HEARD FROM FOWLER AND WE GREATLY WELCOME THE VIGOROUS EFFORT YOU ARE MAKING TO PERSUADE THE GERMANS TO ACT CONSTRUCTIVELY.

2. WE ARE FULLY IN ACCORD WITH THE APPROACH SET OUT IN YOUR SECOND PARAGRAPH. IF THE GERMANS RESPOND TO IT SATISFACTORILY, A HIGH LEVEL MEETING MAY NOT PROVE NECESSARY. BUT IF THEY DO NOT, THE SPECULATIVE PRESSURES UPON US ARE SUCH AS TO MAKE IT IMPERATIVE THAT THE MEETING SHOULD BE HELD NOT LATER THAN TOMORROW, WEDNESDAY, PREFERABLY IN BONN. WE UNDERSTAND THAT THIS IS ALSO FOWLER'S VIEW, BUT HE WILL NEED ALL THE BACKING YOU CAN GIVE HIM. ROY JENKINS WILL ATTEND THE MEETING IN PERSON.

3. WE CERTAINLY WISH TO CO-OPERATE FULLY WITH YOU. BUT IT IS ESSENTIAL FOR THESE EFFORTS TO BE BROUGHT TO FRUITION VERY QUICKLY INDEED.

MESSAGE ENDS

~~TOP SECRET~~

DECLASSIFIED
E.O. 13526, Sec. 3.5

NLJ - 019A - 424-15

By LKH NAR., Date 12-08-2017

PROCESSING NOTE:

There is no document #54 in this file (Vol. 107, Memos to Pres.)

MP 2/23/98

55

INFORMATION

~~SECRET/HARVAN DOUBLE PLUS~~

Tuesday, November 19, 1968 -- 10:10 a.m.

Pres file

Mr. President:

As the two attached cables indicate, we have now narrowed the problem with Saigon to two issues (see marked passage, para. 14, paperclipped).

Bunker sees Thieu at 9:30 a.m. tomorrow, Saigon time, which is 8:30 p.m. tonight our time.

We will be getting to you our proposed guidance to Bunker on these two points later today.

At Tab B is the latest GVN redraft of the proposed U.S. statement.

W. W. Rostow

Saigon 43017 (2 sections)
Saigon 43016 (

~~SECRET/HARVAN DOUBLE PLUS~~

WWRostow:rla

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



Department of State

55a

TELEGRAM

~~SECRET~~ ACTION COPY /

OO RUFNCR
DE RUMJIR 43017/1 3241130
ZNY SSSSS ZZH
O 191125Z NOV 68 ZFF-6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4684 NOV 19 AM 7 34
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 2947
STATE GRNC

05220

DECLASSIFIED

BT

~~SECRET~~ SECTION 1 OF 2 SAIGON 43017

Authority NLJ 91-510

NODIS/HARVAN/DOUBLE PLUS

By mp/jw NARA, Date 12-17-97

PARIS FOR HARRIMAN AND VANCE

1. FOREIGN MINISTER THANH NOVEMBER 19 HANDED US NEW REDRAFT OF US STATEMENT, INCORPORATING CHANGES FROM OUR NOVEMBER 17 DRAFT WHICH HE DISCUSSED WITH CALHOUN AND POLITICAL COUNSELOR AS FOLLOWS, NOTING THAT HE HAD WORKED THESE OUT WITH THE PRESIDENT. PARAGRAPH NUMBERS REFER TO THOSE IN SAIGON 42842.
2. PARAGRAPH 1 AS AMENDED BY GVN ENDS "ABOUT A NEW MEETING IN PARIS" (RATHER THAN "ARRANGEMENTS FOR A NEW MEETING IN PARIS"). THANH POINTED OUT OUR STATEMENT WOULD DEAL NOT ONLY WITH ARRANGEMENTS BUT ALSO WITH US POLICIES, E.G. WITH RESPECT TO COALITION GOVERNMENT. THIS SEEMS CORRECT.
3. OUR PARAGRAPH 2 WAS DELETED (MOST PROBABLY BECAUSE THE GVN STILL FINDS IT EMBARRASSING TO HAVE US POINT OUT THAT WE HAD AGREED WITH THE DRV ON A "PROMPT MEETING"). WE ASSUME THIS PARAGRAPH IS NOT ESSENTIAL.
4. IN PARAGRAPH 3 THERE ARE TWO CHANGES:
 - A. INSERTION OF THE WORD "EARLIER" AT THE BEGINNING, TO MAKE IT READ "DURING THE EARLIER DISCUSSIONS WITH NORTH VIETNAMESE REPRESENTATIVES..."
 - B. OUR LAST SENTENCE WAS DELETED. WE GAVE FULL REASONS WHY WE HAD INSERTED THE SENTENCE, INCLUDING FACT IT WAS USED IN DEP'S NOV 13 STATEMENT. WE BELIEVE THEY WILL STILL STRONGLY PREFER ITS DELETION AND PROPOSE TO ACCEPT IT IN LINE WITH PARAGRAPH 2 OF STATE 273052.
5. OUR PARAGRAPH 7 IS MODIFIED TO READ: "WHATEVER OTHERS MAY CLAIM, THE US HAS NOT AGREED AND WILL NOT AGREE A FOUR-SIDED OR FOUR-PARTY CONFERENCE. THANH SAID THIS WAS CLOSER TO OUR NOVEMBER 13 STATEMENT. IN A SENSE THIS IS TRUE BECAUSE IT REFERS TO WHAT WAS NOT AGREED, BUT THE GVN

~~SECRET~~

~~SECRET~~

-2- SAIGON 43017, 191125Z NOV, SECTION 1 OF 2, (NODIS/HARVAN/DOUBLE/PLUS)

FORMULATION COMBINES THE STRONGEST ELEMENTS OF OUR NOVEMBER 17 DRAFT AND OF THE NOVEMBER 13 STATEMENT. WE THINK IT IS TOO FLAT BUT BELIEVE THE GVN MIGHT ACCEPT "WHATEVER OTHERS MAY CLAIM, THE US HAS NOT AGREED AND WILL NOT AGREE THAT IT IS A FOUR-SIDED OR FOUR-PARTY CONFERENCE".

6. IN PARAGRAPH 9, PENULTIMATE SENTENCE, SOME NEW WORDS HAVE BEEN INSERTED TO MAKE IT READ: "CONCERNING THE SO CALLED NATIONAL LIBERATION FRONT IN PARTICULAR, THE US GOVERNMENT HAS AT ALL TIMES REGARDED IT AN EMANATION OF NORTH VIETNAM AND A TOOL OF HANOI'S AGGRESSION AGAINST THE REPUBLIC OF VIETNAM." WE BELIEVE THIS SHOULD BE ACCEPTABLE. (INCIDENTALLY, WE THINK IN THE FIRST SENTENCE OF THIS PARAGRAPH, "WHOEVER" SHOULD READ "WHOMEVER".)

7. AT THE BEGINNING OF PARAGRAPH 10, THEY WOULD LIKE TO SUBSTITUTE "STOPPING OF THE BOMBING" FOR "CESSATION OF BOMBING", AS THANK EXPLAINED BECAUSE THIS LATTER CARRIES MORE OF AN IMPLICATION (PERHAPS IN VIETNAMESE) THAT THE BOMBING MIGHT BE RESUMED UNDER CERTAIN CIRCUMSTANCES. THANK ORIGINALLY PROPOSED "BOMBING HALT" BUT ACCEPTED "STOPPING OF BOMBING" SINCE THIS APPEARED IN OUR EARLIER PARAGRAPH 2. WE THINK THIS SUBSTITUTION SHOULD BE ACCEPTABLE.

8. PARAGRAPHS 11 AND 12 HAVE BEEN COMBINED INTO ONE PARAGRAPH, DELETING THE WORDS "IMMEDIATE AND DIRECT." WE SAID A FLAT STATEMENT THAT THE GVN WOULD BE THE PRINCIPAL SPOKESMAN "ON MATTERS WHICH ARE OF CONCERN TO SOUTH VIETNAM" WAS QUITE UNACCEPTABLE. IT WAS AT VARIANCE WITH THE LANGUAGE CAREFULLY WORKED OUT AT HONOLULU AND IN EFFECT MEANT THAT THE GVN WOULD BE THE PRINCIPAL SPOKESMAN ON EVERYTHING. THANK REMONSTRATED THAT "IMMEDIATE" AND "DIRECT" WERE VAGUE TERMS THAT WOULD NOT BE UNDERSTOOD HERE. HE DENIED THAT THE GVN WISHED TO BE THE PRINCIPAL SPOKESMAN ON EVERYTHING AND SUGGESTED THAT WE WORK OUT A DIVISION OF SUBJECTS AND THEN FIND A WORD TO DESCRIBE THAT DIVISION. WE SAID THIS WAS UNNECESSARY AND TIME-CONSUMING IN TERMS OF THE DRAFT STATEMENT ALTHOUGH WE WOULD OF COURSE WISH TO WORK OUT UNDERSTANDING WITH THE GVN ON THE DIVISION OF LABOR; WE SAID ALL THAT WAS REQUIRED NOW WAS FOR THANK TO FIND A WAY OF EXPLAINING WHAT HE HAD JUST TOLD US, NAMELY THAT THERE WOULD BE A DIVISION AND THAT THE GVN DID NOT EXPECT TO BE PRINCIPAL SPOKESMAN ON ALL SUBJECTS. WE FINALLY SUGGESTED SUBSTITUTION OF "PARAMOUNT" FOR "IMMEDIATE AND DIRECT". THANK SEEMED DISSATISFIED BUT NOT UNWILLING TO COMPROMISE IF THE RIGHT WORD COULD BE FOUND. WE ALSO SUGGESTED "CHIEF" AND "SPECIAL" AND STILL GOT NOWHERE. FINALLY WE SAID THIS PARAGRAPH WOULD HAVE TO BE HELD OVER FOR DISCUSSION WITH THE PRESIDENT.

BUNKER
BT

~~SECRET~~



Department of State

TELEGRAM

~~ACTION COPY~~ /

OO RUFNCR
DE RUMJIR 43017/2 3241200
ZNY SSSSS ZZH
O 191125Z NOV 68 ZFF-6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4685
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 2948
STATE GRNC

5 2 2 2 Q

1968 NOV 19 AM 7 57

BT

~~SECRET~~ SECTION 2 OF 2 SAIGON 43017

N O D I S/HARVAN/DOUBLE PLUS

9. THE GVN REDRAFT ALSO INCLUDED A PARAGRAPH ALONG THE LINES OF THE ONE THAT WE HAD DELETED (PARAGRAPH 15 SAIGON 42772), READING "IN THE RESPECT OF NATIONAL SOVEREIGNTY OF RVN, PROBLEMS OF INTERNAL POLITICS WILL NOT BE CONSIDERED AS PROPER SUBJECTS OF DISCUSSION IN THE FRAMEWORK OF THESE MEETINGS." WE TRIED HARD TO SHOOT THIS DOWN, USING MOST OF THE AMMUNITION IN STATE 273051, PARIS 23982 AND PARIS 24003. AS DURING OUR LAST CONVERSATION, WE FOUND THANH MOST OBDURATE AND EMOTIONAL IN STATING THAT NO SOVEREIGN GOVERNMENT CAN PERMIT ITS INTERNAL AFFAIRS TO BE DISCUSSED AT AN INTERNATIONAL CONFERENCE, RECALLING THAT THE US AT THE 1962 GENEVA CONFERENCE HAD TAKEN A SIMILAR POSITION IN REJECTING COMMUNIST ATTEMPTS TO HAVE INTERNAL LAO MATTERS DISCUSSED, AND CLAIMING THAT THIS WAS THE KEY REMAINING PROBLEM OF OUR PROPOSED STATEMENT. AGAIN WE WAID THAT WE COULD NOT OBJECT IF THE GVN PUT THIS PARAGRAPH IN A STATEMENT OF THEIR OWN BUT THE USG COULD NOT SAY IT IN VIEW OF THE MANY TIMES WE HAD SAID BEFORE THAT WE WERE PREPARED TO HAVE ANYTHING RAISED. IN THE END THIS, TOO, WAS LEFT TO BE DISCUSSED ON THE PRESIDENTIAL LEVEL. WE HAVE SUBSEQUENTLY RECEIVED STATE 273732 AND WILL MAKE USE OF ITS ARGUMENTATION.

10. OUR PARAGRAPH 13 HAD BEEN CHANGED IN TWO RESPECTS.

A. BY INSERTION OF THE WORD "SUBSEQUENT" BEFORE "PEACEFUL SETTLEMENT" AT THE END OF THE FIRST SENTENCE. WE POINTED OUT THAT THIS INSERTION WOULD PRE-JUDGE THE MANNER IN WHICH A FINAL SETTLEMENT WOULD BE REACHED, AND IT ALSO SEEMED TO BE IN CONFLICT WITH PRESIDENT THIEU'S EARLIER POSITION (AND ALSO WITH THE HONOLULU STATEMENT) THAT A CEASE-FIRE MUST BE PART OF THE FINAL SETTLEMENT. THANH SEEMED TO UNDERSTAND, ALTHOUGH HE WAS CHARACTERISTICALLY SILENT.

B. THE FINAL CLAUSE WAS MADE TO READ "IN PARTICULAR THOSE RELATING TO THE DMZ AND INDISCRIMINATE ATTACKS AGAINST CITIES (OR POPULATED AREAS) IN SOUTH VIETNAM." WE WAID WE WOULD DROP "INDISCRIMINATE" BUT THAT "(OR POPULATED AREAS)" WAS

IMPOSSIBLE BECAUSE IF CONFLICTED WITH OVE ACTUAL UNDERSTANDING. THANH DEMURRED, CLAIMING THAT PRESIDENT THIEU HAD ALWAYS SAID THAT ALL POPULATED AREAS MUST BE PROTECTED FROM ATTACK. ONCE MORE WE POINTED OUT THAT THE WAR WAS CONTINUING AND WE WISHED TO KEEP MILITARY PRESSURE ON THE ENEMY IN SVN; OUR UNDERSTANDING WITH THE DRV WERE OF NECESSARILY LIMITED NATURE. WE THINK THE GVN SHOULD BE SATISFIED WITH OUR DROPPING THE WORDS "INDISCRIMINATE" AND "MAJOR".

11. FINALLY, IN THE PENULTIMATE SENTENCE OF PARAGRAPH 15, THE GVN COUNTER-DRAFT HAS AN INSERTION, MAKING IT READ "THE US DOES NOT BELIEVE AGGRESSION SHOULD BE REWARDED AND WILL NOT RECOGNIZE ANY FORM OF GOVERNMENT THAT IS NOT FREELY CHOSEN THROUGH DEMOCRATIC AND LEGAL PROCESS BY THE PEOPLE OF SOUTH VIETNAM." WE SAID WE THOUGHT THIS AN IMPROVEMENT AND BELIEVED IT WOULD NOT CAUSE DIFFICULTY.

12. THANH ALSO SAID AGAIN THAT IN OUR NOTE CONFIRMING THE UNDERSTANDING ABOUT "RUSES OR PROPAGANDA MANEUVERS" HE WOULD EXPECT RECONFIRMATION OF WHAT HAD BEEN AGREED ABOUT PROTOCOL MATTERS (PARAGRAPH 7 SAIGON 42838). WE SAID AMBASSADOR BUNKER WOULD BE PLEASED TO RECONFIRM THESE MATTERS ORALLY WHEN HE SEES THE PRESIDENT, BUT WE DID NOT SEE ANY NEED TO PUT IN WRITING BETWEEN ALLIES AN ASSURANCE ON PURELY PROTOCOL MATTERS WHICH HAD ALREADY BEEN GIVEN BY THE AMERICAN AMBASSADOR. WE SAID THERE IS NO DOUBT ABOUT THESE POINTS EITHER IN WASHINGTON, SAIGON, OR PARIS.

13. AT THE END OF OUR CONVERSATION THANH ASKED HOW WE WOULD PROCEED IN PARIS WITH RESPECT TO CONCERTING OUR POSITIONS AND TACTICS. WE SAID WE THOUGHT IT IMPORTANT THAT WE HAVE MORE FREQUENT CONSULTATION MEETINGS HERE IN SAIGON ON SUBSTANTIVE MATTERS AND BROAD STRATEGY, WITH TACTICS TO BE COORDINATED FROM DAY TO DAY ON THE SPOT IN PARIS. THANH REMARKED THAT IT WOULD TAKE SOME TIME TO ASSEMBLE A DELEGATION AND WORKING STAFF--THEREBY INDICATING THAT HE ASSUMES WE WILL REACH AGREEMENT ON THE STATEMENT AND THAT THE GVN WILL PARTICIPATE IN THE TALKS. HE ALSO SAID HE WISHED TO TALK FURTHER ABOUT HOW THE TCC CAN BEST BE ASSOCIATED WITH OUR STATEMENT.

14. NOTWITHSTANDING WHAT WE REPORTED IN THE PRECEDING PARAGRAPH, I THINK WE STILL HAVE TWO MAJOR PROBLEMS:

A. ~~FINDING A FORMULATION BETWEEN "ALL MATTERS WHICH ARE OF DIRECT AND IMMEDIATE CONCERN TO SOUTH VIETNAM" AND "ALL MATTERS WHICH ARE OF CONCERN TO SOUTH VIETNAM."~~

B. ~~THE STRONG FEELING HELD HERE THAT THE GVN MUST NOT GO INTO THE NEGOTIATIONS WITHOUT SOME CLEAR UNDERSTANDING THAT DISCUSSION OF INTERNAL MATTERS WOULD BE A VIOLATION OF ITS SOVEREIGNTY.~~

-3- SAIGON 43017, 191125Z NOV, SECTION 2 OF 2, (NODIS/HARVAN/DOUBLE 'PLUS)

15. BUI DIEM CALLED CALHOUN AFTER THE ABOVE MEETING TO SEE HOW IT HAD GONE. HE WAS GIVEN A BRIEF RUNDOWN AND TOLD OF OUR MAJOR DIFFICULTIES WITH THE ABOVE TWO POINTS AND THANH'S UNWILLINGNESS TO MOVE ON THEM. DIEM SAID THE PRESIDENT WAS EAGER TO BRING THIS MATTER TO A CONCLUSION. CALHOUN REPLIED THAT THIS WAS OBVIOUSLY OUR WISH AS WELL AND THAT WAS WHY THE AMBASSADOR PROPOSED TO DISCUSS THESE POINTS WITH THE PRESIDENT WEDNESDAY AND SEEK TO RESOLVE THEM WITHOUT FURTHER DELAY.

16. WE EXPECT THE NEXT MEETING WILL TAKE PLACE ON THE PRESIDENTIAL LEVEL, PROBABLY TOMORROW, NOVEMBER 20. IF THE DEPARTMENT HAS ANY IDEAS ON HOW WE CAN HELP TO MEET THE TWO PRINCIPAL DIFFICULTIES ABOVE, AND ANY COMMENT OR PROPOSALS ON THE OTHER MATTERS RAISED BY THANH TODAY, WE WOULD APPRECIATE RECEIVING THEM AT THE OPENING OF BUSINESS TOMORROW.

(I HAVE JUST HAD WORD THAT THIEU WILL SEE ME AT 9:30 A.M. TOMORROW.)

17. REVISED GVN TEXT IS CONTAINED IN NEXT FOLLOWING TELEGRAM.

BUNKER

BT



Department of State

W 18 55b

TELEGRAM

~~SECRET~~

~~ACTION COPY~~

OO RUFNCR
DE RUMJIR 43016 3241145
ZNY SSSSS
O 191053Z NOV 68 ZFF-6
FM AMEMBASSY SAIGON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4681
INFO RUFNCR/AMEMBASSY PARIS IMMEDIATE 2944
STATE GRNC
BT

5 2 2 3Q

1968 NOV 19 AM 7 59

~~SECRET~~ SAIGON 43016

DECLASSIFIED

NODIS/HARVAN/DOUBLE PLUS

Authority NLJ 91-510

PARIS FOR HARRIMAN AND VANCE

By MP/jw NARA, Date 12-17-97

FOLLOWING IS TEXT OF LATEST GVN REDRAFT US STATEMENT HANDED US NOVEMBER 19:

1. BEGIN TEXT. THIS STATEMENT IS DESIGNED TO ANSWER THE QUESTIONS WHICH HAVE BEEN RAISED BY THE GOVERNMENT OF THE REPUBLIC OF VIETNAM ABOUT A NEW MEETING IN PARIS.
2. DURING THE EARLIER DISCUSSIONS WITH NORTH VIETNAMESE REPRESENTATIVES, UNITED STATES SPOKESMEN MADE CLEAR THAT THE STOPPING OF BOMBING AND THE HOLDING OF THE FUTURE MEETING WILL NOT BE POSSIBLE WITHOUT AGREED PROVISION FOR THE PARTICIPATION OF THE REPUBLIC OF VIETNAM 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.
3. 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.
4. THIS WAS AND IS THE SOLE AGREEMENT CONCERNING REPRESENTATION IN THE NEW PARIS MEETINGS.
5. 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 VIETNAM AND THE UNITED STATES.
6. WHAT EVER OTHERS MAY CLAIM, THE UNITED STATES HAS NOT AGREED AND WILL NOT AGREE A FOUR-SIDED OR FOUR-PARTY CONFERENCE.
7. 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.

~~SECRET~~

~~SECRET~~

-2- SAIGON 43016, 191053Z NOV, (NODIS/HARVAN/DOUBLE/PLUS)

8. IN THE DISCUSSIONS BETWEEN UNITED STATES AND NORTH VIETNAMESE NEGOTIATORS IT WAS MADE CLEAR THROUGH OUT THAT, WHOMEVER 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 VIETNAM (NORTH VIETNAM). CONCERNING THE SO-CALLED NATIONAL LIBERATION FRONT IN PARTICULAR, THE UNITED STATES GOVERNMENT HAS AT ALL TIMES REGARDED IT AN EMANATION OF NORTH VIETNAM AND A TOOL OF HANOI'S AGGRESSION AGAINST THE RVN. THE NATIONAL LIBERATION FRONT IS NOT IN ANY SENSE A SEPARATE ENTITY, MUCH LESS A GOVERNMENT.
9. FOLLOWING THE STOPPING OF THE BOMBING OF NORTH VIETNAM, 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 VIETNAM'S DELEGATION.
10. IN THE PARIS MEETINGS THE REPUBLIC OF VIETNAM DELEGATION WILL PLAY A LEADING ROLE, AS WAS EXPLICITLY AFFIRMED IN THE HONOLULU COMMUNIQUE OF JULY. THE REPUBLIC OF VIETNAM WILL TAKE THE LEAD AND BE THE PRINCIPAL SPOKESMAN ON ALL MATTERS WHICH ARE OF CONCERN TO SOUTH VIETNAM.
11. IN THE RESPECT OF NATIONAL SOVEREIGNTY OF RVN, PROBLEMS OF INTERNAL POLITICS WILL NOT BE CONSIDERED AS PROPER SUBJECTS OF DISCUSSION IN THE FRAMEWORK OF THESE MEETINGS.
12. THE NEW PARIS MEETINGS WILL BE EXPECTED TO EXPLORE ALL AVENUES TO END COMMUNIST AGGRESSION AGAINST THE REPUBLIC OF VIETNAM AND TO REACH A SUBSEQUENT 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 BOMBING HALT, THE CONVENING OF A NEW MEETINGS AND THE CIRCUMSTANCES REQUIRED TO ACHIEVE AND MAINTAIN THESE, IN PARTICULAR THOSE RELATING TO THE DMZ AND DISCRIMINATE ATTACKS AGAINST CITIES OR POPULATED AREAS IN SOUTH VIETNAM.
13. IN THE NEW MEETINGS THE UNITED STATES GOVERNMENT WILL OPERATE IN THE CLOSEST COOPERATION WITH THE REPUBLIC OF VIETNAM, AND IN CONTINUINO NONSULTATION WITH THE NATIONS THAT HAVE CONTRIBUTED MILITARY FORCES TO THE DEFENSE OF SOUTH VIETNAM.

~~SECRET~~

~~SECRET~~

-3- SAIGON 43016, 191053Z NOV, (NODIS/HARVAN/DOUBLE/PLUS)

14. 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 CHOSEN THROUGH DEMOCRATIC AND LEGAL PROCESS BY THE PEOPLE OF SOUTH VIETNAM. THE COMPOSITION OF ANY COALITION GOVERNMENT WOULD BE IN CONFLICT WITH THIS PRINCIPLE.

END TEXT.

BUNKER

BT

~~SECRET~~

ACTION

56

Tuesday, November 19, 1968 -- 10:10 a. m.

Mr. President:

Pres file

Sec. Rusk is scheduled to arrive at 5:40 p. m. today at Andrews. Depending upon whether he gets any sleep, you might schedule a meeting on his arrival.

In any case, you may wish to have him chopper into the White House lawn.

Early in the afternoon we might, if you direct, send a message to the plane asking if he would find a meeting, after his arrival, tiring?

W. W. Rostow

Have Sec. Rusk chopper into White House lawn _____

no _____

Call me _____

Arrange meeting upon arrival _____

No _____

Call me _____

Send message of inquiry as to whether
post-arrival meeting acceptable in view
of long flight _____

No _____

Call me _____

WWRostow:rln

57

INFORMATION

~~SECRET~~

Pres file

Tuesday, November 19, 1968 -- 9:45 a. m.

Mr. President:

You should know that we are checking out a West German intelligence report (Tabs A and B) plus a Ministry of Defense report in the Netherlands (Tab C) that Soviet, Hungarian, and Polish troops may cross the Rumanian border on 22 November.

This could be either an agreed Warsaw Pact maneuver or an invasion -- or misleading intelligence.

We are working hard on it.

W. W. Rostow

SECRET

WWRostow:rla

DECLASSIFIED
Authority MLJ D19-042-44
By 9, NARA, Date 1/21/02

58

INFORMATION

EYES ONLY

Tuesday, November 19, 1968
8:25 a. m.

Pres file

Mr. President:

Herewith Joe Fowler outlines the package he wishes to present very shortly to Kiesinger. As you will see (para 6), he believes that the foreign exchange markets, including the U. S. , should be closed for the rest of the week. In the further attached message from Dewey Daane of the Federal Reserve Board, the reasons are given:

-- enormous movements into the German Deutschemark;

-- British judgment that they would have to float their exchange rate and thereby unhinge the international monetary system, unless the markets are closed.

I shall check this judgment with Bill Martin and others who are on their way in.

W. W. Rostow

EYES ONLY

WWRostow:rlh

1968 NOV 19 13 01

58a

BUN TELECON #6

WH TELECON 10

FOLLOWING ARE THE TALKING POINTS SECRETARY FOWLER WILL USE AT T XX HIS THREE OCLOCK MEETING WITH CHANCELLOR KIESINGER AND THE REST OF HIS GROUP. WE

BPLAN TO LEAVE EMBASSY W:30.

IMI 2:30.

NCN

(1) WE BELIEVE A UNILATERAL FRENCH MOVE -- WITHOUT AN ACCOMPANYING DM CHANGE -- WILL RESULT IN THE BREAKDOWN OF THE INTERNATIONAL MONETARY SYSTEM AS PRESENTLY CONSTITUTED AND COULD BRING US BACK TO DISORDER IN ALL FORMS OF INTERNATIONAL ECONOMIC RELATIONS. IT COULD ALSO AFFECT OUR POLITICAL RELATIONS.

THESE ARE THE STAKES THAT WE SEE ARE AT ISSUE IN THIS PRESENT MONETARY CRISIS.

(2) THESE ARE THE REASONS WE BELIEVE SUCH SERIOUS CONSEQUENCES COULD OCCUR:

(A) NO UNILATERAL FRENCH MOVE CAN BE SO SMALL AS TO BE INCONSEQUENTIAL BECAUSE:

--IT WOULD NOT BE CREDIBLE TO THE MARKETS

--IT WOULD NOT BE WORTHWHILE FOR FRANCE

(B) THEREFORE, ANY UNILATERAL FRENCH MOVE AS WEE SEE IT WULD HAVE THESE CONSEQUENCES:

--THE POUHXXX POUND WOULD FLOAT AT ONCE. THE BRITISH HAVE MADE THIS CRYSTAL CLEAR AND WE ALL KNOW THAT THEY WOULD HAVE TO FLOAT BOTH FOR ECON IC REASONS AND BECAUSE OF FOREIGN EXCHANGE PRESSURS

--THERE ALMOST INEVITABLY WILL BE OTHER PRITY CHANGES. WE CANNOT EVEN BE CERTAIN ABOUT ALL COUNTRIES OF THE SIX AND WE CERTAINLY WULD HAVE DOUBTS ABOUT SCANDANAVIAN COUNTRIES, AUSTR IAL CANADA AND JAPAN

--WEAKER COUNTRIES ALMOST CERTAINLY WOULD FOLLOW WITH PRITY CHANGES OR FLOATS

DECLASSIFIED

E.O. 13526, Sec. 3.5

NLJ-0198-42-417

By 444 NAR., Date 12-08-2017

PRESERVATION COPY

--THERE ALMOST INEVITABLY WILL BE OTHER PARITY CHANGES. WE CANNOT EVEN BE CERTAIN ABOUT ALL COUNTRIES OF THE SIX AND WE CERTAINLY WOULD HAVE DOUBTS ABOUT SCANDANAVIAN COUNTRIES, AUSTRALIA, CANADA AND JAPAN

--WEAKER COUNTRIES ALMOST CERTAINLY WOULD FOLLOW WITH PRITY CHANGES OR FLOATS

--MASSIVE CAPITAL MOVEMENTS WOULD TONICXXX CONTINUE TO GO INTO GERMANY AND SWITZERLAND

(C) IN THIS SITUATION THE U. S. WOULD HAVE NO ALTERNATIVE BUT TO TAKE THE MOST DRASTIC KINDS OF ACTION, WHICH PROBABLY WOULD INVOLVE:

--SUSPENSION OF GOLD CONVERTABILITY

--SAVAGE TRADE RESTRICTIONS WHICH COULD AGAIN COMPARTMENTALIZE THE WORLD

--A REASSESSMENT OF OUR POSITION IN EUROPE

(D) I DO NOT BELIEVE THE DECISION ON THESE ACTIONS COULD BE POSTPONED FOR A NEW U. S. ADMINISTRATION, BUT I DO BELIEVE THAT A NEW U. S. ADMINISTRATION WERE IT IN PLACE COULD NOT ACT DIFFERENTLY

THE FACT IS THAT U. S. PUBLIC OPINION -- AND THIS INCLUDES BOTH POLITICAL PARTIES--WOULD VIEW A UNILATERAL FRANC MOVE--ALLOWED OR MADE NECESSARY BY ITS EUROPEAN PARTNERS--AS IRRESONXXX IRRESPONSIBLE ACTION. THIS WOULD COME ON TOP OF A GROWING BELIEF IN THE U.S. THAT:

--WE ARE ALREADY DISADVANTAGED IN THE TRADE FIELD IN LARGE PART BECAUSE OF OUR EARLIER EFFORTS TO CARRY OUT THE REPOSIBILITIES OF A SURP US COUNTRY AND MAKE THE ADJUSTMENT PROCEESS WORK

--WE ARE BEARING A DISPROPORTINATE BUDGETARY COST AND A COMPLETELY IN-EQUITABLE FOREIGN EXCHANGE BURDEN TO KEEP A STRONG MILITARY POSITION IN EUROPE.

THE CONGRESS AND THE PEOPLE HAVE JUST COME THROUGH A GRUELLING STRUGGLE TO STRENGTHEN THE DOLLAR BY PUTTING A LID ON FEDERAL EXPENDITURES AND INCREASING TAXES 10PERCENT IN AN ELECTION YEAR. THIS WAS A MAJOR PART OF OUR EFFORT TO STRENGTHEN THE INTERNATIONAL MONETARY SYSTEM AND BRING OUR BALANCE OF PAYMENS INTO EQUIBXXX EQUILIBRIUM.

WE TOOK THE LEAD IN THE INTERNATIONAL ECONOMIC FIELD FOR TWO DECADES. AMERICANS WOULD NOT BE ABLE TO UNDERSTAND WHAT THEY WOULD REGARD AS IRRESPONSIBILITY BY COUNTRIES THAT ARE NOW STRONG.

KEL IT IS THIS LINE OF REASONING THAT LEADS US TO THE CONCUSION THAT ANY PARITY AT THIS TIME-- AND PROBABLY IN THE FUTURE AA -- FXX BY AN IMPORTANT COUNTRY HAS TO BE TAKEN IN A MULTILATERAL SETTING.

-- IT IS NOT A QUESTION THAT CAN BE RESOLVED UNILATERALLY OR BILATERALLY.

WE-- AND THE REST OF THE WORLD-- HAVE AS MUCH INTEREST IN A FRANC CHANGE AS HAS FRANCE AND IN A COMBINED DMARK-FRANC CHANGE AS HAVE GERMANY AND FRANCE. OUR INTEREST--AND THAT OF THE WORLD-- IS IN MAINTAINING THE SYSTEM WITH STABILITY AND CREDIBILITY. AS WE SAID LAST NIGHT, WE BELIEVE MINISTER SCHILLER'S PLAN MAKES ECONOMIC SENSE. SUCH ACTION TAKEN A MONTH OR SO AGO MIGHT WELL HAVE BEEN THE CORRECT ANSWER TO THE BASIC OR FUNDAMENTAL PROBLEM AND IT IS THE KIND OF APPROACH WE MIGHT WELL EXPLORE IN THE FUTURE AS AN IMPORTANT AND CONSTRUCTIVE ADDITION TO OUR INTERNATIONAL MONETARY AND ECONOMIC MACHINERY.

(4) BUT THE PROBLEM NOW IS OF DIFFERENT PROPORTION AND OF DIFFERENT KIND. THE FRANC--DESPITE THE FACT THAT WE BELIEVE IT TO BE IN NO FUNDAMENTAL DISEQUILIBRIUM-- SIMPLY CANNOT STAND ANY MORE. THE DMARK CANNOT ESCAPE SPECULATIVE FLOWS WITH THE SCHILLER PROGRAM. WE SEE ABSOLUTELY NO ALTERNATIVE TO A DMARK REVALUATION.

IN OUR JUDGMENT A RELATIVELY SMALL BUT CREDIBLE DMARK REVALUATION WOULD
--STOP THE SPECULATIVE FLOWS, AT LEAST AFTER A SHORT TIME
--MAKE A SMALL FRANC DEVALUATION CREDIBLE
--PERMIT THE U. K. TO HOLD ITS PRESENT PARITY
--HENCE STRENGTHEN THE SYSTEM, OR AT THE LEAST ALLOW IT TO CONTINUE UNCHANGED

5. TO ACCOMPLISH THESE PURPOSES WE URGE THAT:

--G-10 TO CONVENED IMMEDIATELY WITH SCHWEITZER OR HIS DEPUTY IN ATTENDANCE

THE MEETING TO BE IN BONN OR ANYWHERE ELSE THAT SEEMS REASONABLE

--THE FRG ENTER THE MEETING RESOLVED TO MAKE ITS CONTRIBUTION IN THE FORM OF A DMARK REVALUATION OF AROUND 3 PERCENT

--FRANCE ENTER THE MEETING RESOLVED TO MAKE THE SMALLEST CREDIBLE DEVALUATION -- POSSIBLE 5 TO 7 PERCENT

-- ITALY AND THE NETHERLANDS BE URGED TO TAKE SMALLER REVALUATION THAN THE FRG -- PERHAPS 3 TO 4 PERCENT IN THE INTEREST

OF AVOIDING SPECULATIVE CAPITAL INFLOWS TO THEM, STRENGTHENING THE SYSTEM AND MAKING POSSIBLE A SMALLER FRANC DEVALUATION-- OR EVEN NO FRANC DEVALUATION AT ALL.

-- A MASSIVE CREDIT PACKAGE BE DEVISED TO AID FRANCE IN THE EVENT OF POSSIBLE SHORT-TERM CAPITAL OUTFLOW (6)

--THE MEETING PUBLICLY SUPORT ANY ACTIONS RESULTING FROM IT IN ORDER TO CONVINCCE THE WORLD THAT THESE ACTIONS HAVE BEEN TAKEN IN A MULTILATERAL SETTING AND ARE REGARDED AS TO BE SUFFICIENT AND ALL-INCLUSIVE TO MEET THE PROBLEM. (7)

6. IN ORDER TO CARRY OUT THIS PROGRAM WITH SUCCESS AND FEASIBILITY ALL IMPORTANT FOREIGN EXCHANGE MARKET TRADING MUST BE SUSPENDED IMMEDIATELY FOR THE REST OF THE WEEK. THE U. S. WOULD BE PREPARED TO TAKE THE LEAD IN CALLING FOR SUCH SUSPENSION. (WITH RESPECT US MARKET, DAANE TRYING TO CONTACT COOMBS). (8)

KK

586

#4

RECEIVED
WHCA

1968 NOV 19 12 18

WH TELECON 8

FROM DAANE FOR CHAIRMAN MARTIN

HOLD MESSAGE FOR MARTIN WHO WILL COME IN
AND READ. DAANE CALLING MARTINE IMI MARTIN SOON TO ADVISE
HIM OF MESSAGE. MESSAGE FOLLOWS.

COOMBS IN FRANKFURT EXPECTS ADVERSE MARKET DEVELOPMENTS
TODAY OF GREATER MAGNITUDE THAN FRIDAY IN EXCHANGE
MARKETS. HE ESTIMATES LEXXX LOSSES FOR U. K. WELL BEYOND FRIDAY, FOR FRAN
E DOUBLE FRIDAY, FOR
GERMANY GAINS MORE THAN FRIDAY. COOMBS RECOMMENDS OUR TAKING
INITIATIVE IN GETTING EXCHANGE
MARKETS CLOSED FOR REST OF WEEK ALTHOUGH HE NOT YET AWARE OF
PROPOSED G-10 IMI G-10 MEETING. CHANCELLOR JENKINS EXTREMELY
NERVOUS AND ANXIOUS TO CLOSE MARKETS. HE INDICATES U. K. MAY BE
FORCED TO FLOAT IF MARKETS NOT
CLOSED AND WANTS G-10 IMI G-10 MEETING HELD EXX WEDNESDAY. SECRETARY
FOWLER WILL TAKE LEAD IN CLOSING MARKETS SUBJECT YOUR JUDGMENT
AND URGES YOU COME BONN AS SOON AS POSSIBLE. MY
JUDGMENT URGE MARKETS CLOSED AS SOON AS POSSIBLE.
COOMBS SAYS GERMANS PREPARED CLOSE AND AWAITING
OUR INITIATIVE. KK

DECLASSIFIED
E.O. 13526, Sec. 3.5

NLJ 0198-42-4-18

By 447 NAR, Date 12-08-2017

~~CONFIDENTIAL~~

ACTION

Tuesday - November 19, 1968

Mr. President:

Ambassador Freeman has checked informally with President Diaz Ordaz concerning the proposed ceremony at the Chamizal early in December. Diaz Ordaz thinks it is a fine idea, and would be delighted to meet you in El Paso for this occasion. It would be convenient for him any time between December 2 and December 6. To help him coordinate some other matters in his own schedule, he would like to settle on the date in the next day or two with you.

If you want to combine this with a weekend at the Ranch, we could set it up for either Monday, December 2, or Friday, December 6. If not, I suggest Wednesday, December 4.

You can fly to El Paso, meet Diaz Ordaz at the middle of the bridge, take part in a brief ceremony at the new Chamizal, and then have lunch together in El Paso along with a few other officials on both sides. A rough outline schedule is attached.

The last time you met at the Chamizal in 1967 involved an elaborate ceremony and was part of Diaz Ordaz's State Visit. This "last act" in the Chamizal Settlement should, I think, be low key. It can be a fine occasion for the two of you to underscore the results of the close collaboration between Mexico and the United States during your Administration. The more informal the occasion, the more that theme will appear.

I would like to have your decision on this as soon as possible, so we can work out the details with President Diaz Ordaz.

W. W. Rostow

Approve trip, go ahead with detailed planning ____

Call me ____.

Approve schedule ____

Call me ____.

Approve keeping group very small
and ceremony brief and informal ____

Call me ____.

DECLASSIFIED

White House Guidelines, Feb. 24, 1983

By rg, NARA, Date 4-8-93

cc - JJones
SWLewis:mm

59a

November 19, 1968

PROPOSED OUTLINE SCHEDULE

(Trip to Chamisal)

December 4, 1968

Leave Andrews AFB, Washington	-	8:00 a.m. EST
Arrive El Paso	-	11:00 a.m. CST
Arrive at New Channel	-	11:30 a.m.
Meet President Diaz Ordaz	-	11:40 a.m.
Ceremony on US side		
(Platform only)	±	12:00 Noon.
(Ceremony ends)	-	12:45 p.m.
To luncheon site in El Paso	-	1:00 p.m.
Luncheon	-	1:15 p.m.
Receive press (if desire)A	-	2:45 p.m.
Return to Bridge to say goodbye to President Diaz Ordaz	-	3:15 p.m.
Leave El Paso Airport	-	3:45 p.m. CST
Arrive Andrews AFB	-	8:45 p.m. EST.

60

INFORMATION

Confidential

Tuesday - November 19, 1968

Mr. President:

Bill Bowdler has arrived in San Salvador and presented his credentials to President Sanchez. Their first meeting was a very friendly one. President Sanchez recalled the good time he had with you last July and asked that his personal greetings be conveyed to you.

Bill is arranging a special showing for President Sanchez of the film covering your July visit.

W. W. Rostow

DETERMINED TO BE AN ADMINISTRATIVE
MARKING. CANCELLED PER E.O. 12958
SEC. 1.3 AND ARCHIVIST'S NOTE
MAR. 16, 1983.

BY 12 ON 4-15-93

SWLewis:mm