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FOR THE PRESIDENT ONLY

SUMMARY NOTES FOR 581st INSC MEETING
September 7, 1968, 12:00 noon

Conte/Long and Symington Amendments--Vietnam

In the absence of the President, Secretary Rusk asked Under Secretary Katzenbach to present the issues confronting the government in providing military aid under the limitations imposed by the Conte/Long and Symington Amendments.

Under Secretary Katzenbach: State Department officials failed to convince members of Congress of the advantages of a flexible policy in dealing with military aid to poor or underdeveloped countries. The result is a series of amendments requiring the Executive Branch to limit military assistance and economic assistance if recipient countries refuse to hold down their levels of military spending.

The Vice President: We should get people in business and the labor unions to work on the sponsors of the restrictive amendments--i. e., Conte, Symington and Long. The Latin American Council, headed by Mr. Rockefeller, should be enlisted.

Under Secretary Katzenbach: Representative Conte and Senator Long won't listen to our statements concerning the effect of their amendments to the aid bill.

Secretary Rusk: The value of the amendments is as a threat to invoke on them. Once invoked, they are no longer useful.

The Vice President: We should get groups in local areas to put pressure on Congressmen. This is an election year. We should also lay it on the line with the Congressional leadership.

Under Secretary Katzenbach:

Secretary Fowler:

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Under Secretary Katzenbach:

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The President entered the Cabinet Room at 12:25 accompanied by Mr. Clark Clifford. He asked General Wheeler to discuss the military situation in Vietnam following the Tet offensive.

General Wheeler: An estimated 50,000 enemy troops participated in the Tet offensive. The ARVN is reluctant to move in Hue against the sacred pagodas there which are still held by the North Vietnamese. In Cho Lon, two Viet Cong battalions are holding out and the enemy is attempting to reinforce them. In the vicinity of Saigon there are two Viet Cong divisions.

Gen. Westmoreland reports from the field that the Hue-Danang area is the most serious problem. Three ARVN battalions are running out of gas. New forces are needed. U.S. troops are outside Hue. The weather is down on the deck, meaning that there is no logistic resupply by air. A new attack on Danang is possible. The North Vietnamese Second Division is in the area. More U.S. and South Vietnamese troops are moving in. Highway 1, which was closed at the Ai-Van Pass must be reopened. A U.S. combat engineer battalion is moving up to open the Pass.

In the Khe Sanh area, the village of Lang Viet, four miles from Khe Sanh, was attacked and taken by the 304th North Vietnamese Division. The forces in Lang Viet held out until daylight when they moved back to Khe Sanh. Five enemy tanks were destroyed. Lao refugees constitute a problem. They need food and they were used by the Viet Cong as human shields. We are trying to get them out of the area and back to Laos. The Khe Sanh runway has been cratered but we can provide ample support to the outpost.

Up to today, casualty figures in the Tet offensive are:

670	U.S. KIA
3,565	U.S. Wounded
1,294	SVN KIA
4,448	SVN Wounded
24,199	Enemy KIA
5,000	Detainees
No estimate of civilian casualties	

The IV Corps has been relatively quiet.

In order to meet the intense activity at Danang, a field army type headquarters will be set up there. It will in effect be a forward headquarters of MACV. General Abrams will move up to command this headquarters.

Secretary Rusk: The reaction in SVN to the Tet offensive has been reported by Ambassador Bunker in his weekly cable. After the initial stunning impact of the Viet Cong attack on the cities had passed, North Vietnamese leaders in Saigon began to show a more encouraging willingness to close ranks and work together. The enemy has suffered a massive military defeat. If President Thieu gives evidence of strong leadership and calls in all elements in support of his government, then what might have turned out to be a Pyrrhic victory for the Saigon government and its allies could be turned into a psychological victory as well. (see attached Bunker report for further details summarized at the meeting).

Secretary Rusk: There are many U. S. civilian casualties. About 30 U. S. civilians are missing in Hue.

Gen. Wheeler: The enemy made a point of acting against U. S. citizens.

Secretary Rusk: The estimate of 2,000 civilian casualties will undoubtedly turn out to have been low.

AID Administrator Gaud: There are 37 of his officials missing out of a total of 3,000 in South Vietnam.

CIA Director Helms: [REDACTED]

Secretary McNamara: Does the enemy have the potential to launch an air offensive?

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Gen. Wheeler: IL-28's are moving into North Vietnam and there is increased activity of the MIGs which are engaging in bombing practice. The smaller AN2's are also active. It is surmised that the enemy might try to use the air, give massive ground support to an attack on Khe Sanh, try to knock down our B-52s or launch a raid on our airbase at Danang. All our Commanders have been alerted to possible enemy activity.

Secretary Rusk: Do you anticipate an attack on U. S. carriers off South Vietnam by IL-28s?

Gen. Wheeler: No. The IL-28s carry only light weapons and the U. S. carriers have a strong aircap. In addition, the weather is bad at the North Vietnamese airbase in Phuc Yen.

The President: Why do we not go in and get their planes?

Secretary McNamara: An air attack is a possibility but it probably would not be effective. It is possible that some spectacular action from North Vietnam is ahead of us.

The President: We should assume that we are going to be surprised and disappointed. We may have to act quickly. We should know where our people are who can be moved now.

General Wheeler: A study is under way which will be considered by the Chiefs later this afternoon.

The President: Can our allies help?

General Wheeler: The Australians are incapable of assisting in the time available. Korea can offer no additional help. The Thai troops are in training and to move them now would be a detriment to our activity. The Philipinos are not combat troops.

The President: It narrows down to U.S. troops?

General Wheeler: Yes

The President: What about the possibility of a second front in Korea? What are the things that we might want to do?

General Wheeler: The bad weather along the Vietnamese coast around Hue is bothersome because we cannot engage in air logistic resupply. The First Cavalry Division, plus several thousand other U.S. forces depend on this LOC. It would be prudent for us to get Highway 1 open. General Abrams' plan to do so is acceptable.

The President: Do we have enough facilities for the wounded?

General Wheeler: Yes. We are moving wounded men out rapidly but we have the capacity of 6,400 hospital beds. Of these, 2,900 are occupied by military personnel and 1100 by Vietnamese civilians.

Secretary McNamara: We are in good shape to handle the wounded. In the last 24 hours the cause for serious concern is the area of Cho Lon, a part of Saigon where the enemy is staying and reinforcing. Their intention may be to seek to cut the area off from the rest of the city.

General Wheeler: The appearance of tanks is surprising. Apparently the North Vietnamese began moving these tanks from Hanoi about last September. It is an unusual logistic feat.

Mr. Walt Rostow: Can we supply Danang by sea?

General Wheeler: The problem is to get goods from Danang north. The Ai-Van Pass from Hue is of major importance. The beaches in the area are excellent but there are no roads back from the beaches to the hard high-ways. Goods would have to be moved from the beach by waterways to the highways.

The North Vietnamese could engage in harassing rocket attacks on our base at Cam Ranh Bay but could not launch a major attack against it.

The President: What intelligence are we getting from the detainees?

General Wheeler: We are getting some tactical intelligence and stories that the present attack is a decisive action. Of the 15 Viet Cong main force units, ten are no longer combat effective. The North Vietnamese are heavily represented in the north, in I Corps, but none are in the IV Corps in the Delta. There are from 12,000 to 15,000 North Vietnamese troops within a day's march of Khe Sanh.

The President: Why can't we find them?

General Wheeler: The country is rugged jungle.

The President: Will bombing get some of them?

General Wheeler: Yes. We have observed secondary explosions which means that we have hit ammunition dumps.

The President: What effect does the weather have on bombing?

General Wheeler: We can fly some part of every day. The B-52s operate in any weather.

The President: Should we give way in the hill portion (of Khe Sanh)? Are you worried?

Secretary McNamara: Yes. We are worried but not about the possibility of a military defeat. The military judgement is that we should not withdraw.

General Wheeler: We should not take the situation around Khe Sanh seriously.

The President: We are trying not to.

General Wheeler: Khe Sanh can be held. It may mean heavy fighting because General Giap may be prepared to take heavy casualties.

The President: Has General Westmoreland asked for anything?

General Wheeler: No. The list of the things he needed are already under way to him.

The President: Asked Secretary Rusk to report on the Pueblo and on his appearance on the Hill. There are Giaps in this country.

Secretary Rusk: We have had four meetings at Panmunjom. We have obtained the name of one Pueblo crew member who died and the names of three other crew members who were injured.

Secretary McNamara: The evidence we have is that those wounded were hurt in destroying the sensitive equipment on the Pueblo and not by firing from the North Koreans.

Deputy Secretary Nitze: The coding cards were apparently destroyed and most of the sensitive equipment. However, classified publications may have been compromised.

The President: During this period it is important for State and Defense officials to watch the news tickers constantly. Every Senator or Congressman who makes an accusation should be answered. The leaders of the party should be asked to speak to other members of the Congress. Unless prompt replies are given, those who criticize get up a head of steam; it is like taking dope. Should General Goodpaster brief Mr. Nixon?

General Wheeler: There is an answer to one question being asked as to why the number of dead was so high in comparison to the number of weapons captured. Over 900 crew-served weapons were captured, each with a crew of four to five men. Suicide crews often have no weapons and are equiped only with satchel charges or grenades. Our experience is that we capture one weapon to three or four enemy dead. In addition, some enemy killed were not combat troops but porters and laborers.

Secretary Rusk: The day after tomorrow we expect to talk business at Panmunjom. An improvement in South Korean public opinion is near. As to the briefing of the Congress on the Pueblo, a statement was made to the Congressmen explaining the Panmunjom meeting and answering their questions, such as why this type of intelligence gathering is important, why there were no escort ships, why the North Koreans did not have the law on their side and why it is important for us not to make a bad case. We should not get into the question of why we do not escort such ships. A ship on the high seas is the least provocative way of gathering intelligence. We should not cripple our intelligence effort. The press misconstrued what was said on the Sunday TV program.

Secretary Rusk: Turning to Vietnam, silence had met our peace probes and the Tet offensive was a significant signal to us.

The President asked CIA Director Helms to prepare a paper outlining Communist use of statements made by US experts and for a summary of the peace probes made so far and whether we had received any significant word from the North Vietnamese.

Secretary Rusk: We have received no word which probably means we will get nothing. There have been no defections and further North Vietnamese attacks are likely. Referring to a story by Saville Davis recalling Dunkirk, he said he was puzzled by the attitude in the U.S. toward the Tet offensive. Obviously, pacification has been disrupted. Additional refugees are a burden. U.S. forces were on full alert for the attacks during Tet. Our forces are now in pursuit of the defeated North Vietnamese forces.

The President: What was our position on the eve of Tet?

General Wheeler: About 50% of the South Vietnamese troops were on leave for the Tet holidays.

Secretary Rusk: We were not surprised except as to the timing of the Tet attacks.

The President: Control is very difficult. Despite 300 White House policemen, people can get inside the White House.

Secretary Rusk: Returning to the Pueblo case, the answer to why we took no military action to get out the crew is that military action would have given us only the corpses of the crew and we wanted them out alive.

The President: At 1:30 P.M. the President turned to consideration of the Conte/Long and Symington amendments. The Vice President and Assistant Secretary Oliver should visit Latin America. Following Senator Gore's trip to Latin America he took a constructive attitude toward Latin American problems. We should send several Senators to Latin America within the next 60 days. Under Secretary Katzenbach should also go.

Under Secretary Katzenbach: Summarized the origin of the Conte/Long and Symington Amendments citing the Indian-Pakistan war, the Arab-Israeli problem, and the request for F-5s.

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The President: Why don't you call in the legislators who are the roughest on this problem and talk it out with them.

Under Secretary Katzenbach: We are taking Congress seriously but some of our problems are summarized in the paper you have.

The President: Secretary McNamara and Clark Clifford should work on Symington.

Secretary Fowler: [REDACTED]

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Under Secretary Katzenbach: The Symington Amendment creates a situation which is liveable but put together with the Conte/Long Amendment, we face an impossible problem.

The President: Get the Cabinet officers together with those House and Senate officials most concerned. A list should be made of those who would be most helpful and perhaps Clark Clifford should be added to those meeting with the legislators.

Browley Smith

Sunday, February 4, 1968

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FOR THE PRESIDENT FROM BUNKER (Saigon 17920)

Herewith my thirty-seventh weekly message:

DECLASSIFIED

E.O. 12356, Sec. 3.4

NEJ 93-465

By ~~AP~~, NARA, Date 5-10-94

A. General

Because of the emergency caused by the widespread enemy attacks which began in the early hours of January 31, I have regretfully had to delay this week's message. It thus covers a period of ten days from January 25.

The early days of the period, although witnessing a continuation of the massive build-up of enemy strength along the DMZ and the norther part of the First Corps, with anticipatory preparations for the Tet holidays underway, began in an atmosphere of relative calm. It began, however, with what to me was an occasion of great significance, an occasion largely overlooked as so many important developments here tend to be because of the concentration on the military situation. Appearing as the nation's freely elected President before the freely elected legislative branch, President Thieu delivered his first State of the Union message. It was a sober, positive, and constructive speech, wide-ranging and comprehensive in scope, outlining plans to benefit the Vietnamese people. He began by a reference to the constitutional framework now in place and expressed the hope that the executive and legislative branches can work effectively together to serve the nation. He indicated his plans to move quickly in establishing the other institutions called for in the constitution, notably the judiciary, the inspectorate, and the advisory councils. But he noted that the democratic system cannot exist only through an external form; that it demands fundamental changes in organizations and laws as well as in political structures and habits; and he noted the importance of the development of political parties.

While he mentioned some of the substantial achievements which had already been accomplished, the main thrust of his speech looked to the future. Here he covered both plans for the longer term and short range priority programs on which the government proposed to concentrate in the next six to seven months. These included judicial and administrative reform, expansion of educational opportunities; the development of industry and agriculture; the stimulation of land reform, in the social field, vigorous measures to improve the refugee situation; to expand public health measures; to improve the conditions of labor and measures and incentives to bring the youth into the service of the nation. To carry out these programs, he presented a budget of 95 billion piasters which the Assembly is scheduled to take up as the first order of business when it resumes its session on February 6. It is almost certain, however, that by mid-year the government will have to submit a supplementary budget since the amounts provided in its present submission for the military effort are inadequate.

In dealing with the government's position on the question of peace and negotiations, Thieu stressed the fact that the Government of Vietnam is merely acting to defend itself against aggression and re-affirmed the government's adherence to the principles established by the Manila Summit Conference. Implicit in this program is the desire and intention of the Government of Vietnam to strengthen its position before any negotiations open. The contrast between Hanoi's methods and that of President Thieu's government is very great and, I hope, instructive to the critics of this regime and our effort in support of it.

The massive, countrywide terrorist attacks on centers of population which began in the early morning hours of January 31 have been fully reported. I will not attempt to duplicate this reporting here. It is obvious that they were premeditated and planned well in advance. It is equally clear that they were coordinated and correlated with the massive and open invasion in northern First Corps by North Vietnamese Forces.

It is evident, too, that the initial success of the attacks was due in part to the element of surprise and to the fact that they were made in flagrant violation of the Tet truce period which Hanoi as well as the Government of Vietnam had proclaimed. I think it's fair to say also that there was some failure of intelligence on our side, for a sizeable number of Government of Vietnam troops and many Government of Vietnam officials were on leave.

That these widespread, concerted attacks will result in a massive military defeat for the enemy is evident in the casualty figures reported Saturday morning. From 6:00 p.m. January 29, the beginning of Tet Truce period, to midnight, February 2 according to our figures, 12,704 of the enemy were killed, and 3,576, many of who will become prisoners of war, were detained; 1,814 individual and 545 crew-served weapons were captured. Allied losses were 983 killed of which 318 were U. S., 661 Army of the Republic of Vietnam, and 4 other free world; the number of allied wounded was 3,483. Enemy casualties for these few days are considerably larger than for any previous month of the war. Based on the enemy casualties, I asked General Westmoreland for an estimate of the total number of enemy committed and he said he thought that this was probably in the neighborhood of 36,000.

Enemy military operations have been well orchestrated with their psychological warfare. As you know, for a considerable period, both Hanoi and the National Liberation Front have spread rumors that negotiations and a resulting coalition government were imminent after Tet. The inference, of course, was clear: If peace is so near, why go on fighting and getting killed? When the attacks came, the Liberation radio called for everybody to rally to the revolution, alleged that many Army of the Republic of Vietnam troops had defected, and of course claimed great victories, that the "U. S. bandits and their lackeys had never before been dealt such stinging blows." Liberation radio also spread the rumor that U. S. forces were cooperating with Viet Cong attacks in order to put greater pressure on the Government of Vietnam to agree to a coalition government; and Hanoi radio announced the formation of a "front of national, democratic, and peace alliance" in Saigon and Hue.

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Given the fact that the enemy has suffered massive military defeat, the question arises whether he has secured in spite of it a psychological victory; whether peoples trust in the invincibility of the allied forces has been shattered; whether their confidence in the ability of the Government of Vietnam to provide security has been shaken; or whether on the other hand Viet Cong perfidy in flagrant violation of the truce during the traditional Tet holiday, their use of pagodas, hospitals, and residential areas as sanctuaries and their terrorist tactics have aroused peoples indignation and resentment. While our information at this point on the reaction of the Vietnamese, especially in the provinces, is sketchy, it seems apparent that both reactions have occurred. But it also seemed to all of us here that if the Government of Vietnam would take prompt action, if Thieu would give evidence of strong leadership, would call in all elements in support of the government, then what might have turned out to be a pyrrhic victory for the Government of Vietnam and its allies could be turned into a psychological victory as well.

It is for this reason, as I have reported, that I saw Thieu Thursday morning and told him that I thought this was the psychological moment for him to demonstrate his leadership and to galvanize the nation by a statement which would constitute a declaration of national unity. I said it would not only reassure the civil population especially in the provincial centers, but could also be a positive declaration to give life and meaning to the main programs and priorities he had spelled out in his State of the Union message. I suggested that he might want to meet with leaders of both houses of the Assembly and perhaps have them associate themselves with his declaration and intentions. I think Thieu was impressed with the arguments for taking advantage of the present situation to mobilize greater popular support. The next morning, he held a meeting of the National Security Council and included the Presidents of both Houses of the Assembly to lay out an action plan of relief and recovery for the civil population. In the afternoon, he recorded a speech to the nation which was delivered on TV and radio the same evening.

As I have reported, at a meeting of the mission council yesterday morning, we agreed that it would be useful to propose to Thieu that a joint task force be formed, reporting to him, that could address itself to problems across the board in Saigon and the provincial centers affected by the Viet Cong attacks; and that he might want to consider delegating supervision to Vice President Ky. On the Government of Vietnam side, the appropriate Ministries could be instructed by the Prime Minister and Ambassador Komer would serve for the U.S. as his opposite number. General Westmoreland and I, therefore, saw Thieu and proposed that we jointly set up such a task force. We went into considerable detail with him regarding the scope of measures which could be taken to turn the psychological situation around and to gain the people's participation and support; and said that with the resources we both had we should be able to demonstrate quickly that the government was on top of the situation. Thieu reacted favorably to our suggestion and agreed that we would meet the next morning (Saturday) to go into the matter in greater detail. General Westmoreland, Bob Komer, and other members of the mission council and I met with President Thieu and his colleagues Saturday morning. With him were Vice President Ky, Prime Minister Loc, Secretary General Nguyen Van Huong, Defense

Minister Vi, Foreign Minister Do, Chief of the Joint General Staff Vien, Minister of Interior Vien, Minister to the Prime Minister Cang, Director General for Information Linh, Brigadier General Thung (Army of the Republic of Vietnam Pol. War Department). Thieu opened the meeting by saying that they had considered the proposals we had made the day before, outlining what preparations the Government of Vietnam had been making, agreed that a joint task force should be set up which would report to him, and that Vice President Ky would serve as the supervising head for the Government of Vietnam. Overnight, General Westmoreland had had our suggestions put into diagrammatic form and made an excellent presentation to the President and his colleagues. With no hesitation at all, it was agreed that we should proceed immediately, the meeting was adjourned, and Ky, Bob Kom and some of their associates went to Ky's office to begin work on establishing the organization. One interesting thing we observed was the fact that on the Government of Vietnam side the group included some who until now had scarcely been on speaking terms, but now seem to be working closely together. This is, at least, a hopeful sign. Thieu informed me also that both Houses of the Assembly would convene as soon as members could get into Saigon from the province.

As of the moment, there is still cleaning up to be done in Saigon and elsewhere in Hue and in some of the Delta provincial capitals. General Loan estimates that there are still eight Viet Cong Companies in Saigon on the edges of the 7th and 8th districts, varying in strength from 50 to 130 each. He believes that he may be able to eliminate these by Monday or Tuesday of next week. But General Cao Van Vien believes that the enemy has the strength to stage a second wave attack on Saigon that the elements of the 5th, 7th, and 9th Viet Cong Divisions still could be committed to such an attack. In the meantime, the curfew has been lifted from 0800 to 1400 hours. People are moving around, trucks are being sent to some districts of Saigon to sell rice, pork, bread, and frozen chicken to the people, and the Ministry of Social Welfare is making strenuous efforts to provide food and shelter to victims of the fighting in the city. People have been advised of points in the city where they can find food and shelter. Another encouraging factor is that General Loan reports that the police are getting many telephone calls from people alerting them to locations where Viet Cong are holed up, a good indication that there has been no "popular uprising" in support of the Viet Cong.

One naturally considers what the motives and purposes of Hanoi and the Front have been in staging these massive attacks and apparently preparing momentarily to launch extremely heavy ones in Northern First Corps. Were they prepared to suffer these tremendous casualties in order to gain a psychological and propaganda victory? There are some evidences that they might actually have had some expectations of popular uprisings, and in any case they are publicly claiming that these have occurred. The British ambassador, who has had much Asian experience, remarks that the Viet Cong, having made these claims, will suffer, in Asian eyes, a very serious defeat if they prove to be not true. Had they planned these offenses hoping to put themselves in a strong position to enter negotiations, hoping to force a coalition government by demonstrating that the National Liberation Front commands the loyalty of the South Vietnamese people and must have a major voice in any peace settlement; conversely hoping to demonstrate that the Government of Vietnam is a weak puppet government and can be ignored?

Or is this part of a longer Winter-Spring offensive which would endeavor to exert pressure to the extent of the enemy's capabilities at least until our election hoping if possible to score some major victory, but in any case to inflict heavy casualties on our troops in the expectation that they might create adverse psychological reactions in the United States and thus a chance in policy?

I am inclined to the former theory. It seems to me that the primary purpose of this particular operation was probably psychological rather than military, that it was designed to put Hanoi and the Front in a strong position for negotiations by demonstrating the strength of the Viet Cong while shaking the faith of the people in South Vietnam in the ability of their own government and the U. S. to protect them. This would be consistent with the determination on their part to press toward peace talks.

In my talk with him today, Thieu expressed somewhat similar views. He felt that Hanoi and the Front are tired and would like to get into negotiations, that while their power has been steadily diminishing, they still have the capability to mount operations such as the recent one and the current invasion of the First Corps. They are, therefore, willing to make a major effort and to take heavy losses in the hope of gaining enough advantage, especially psychological, both here and abroad, to put themselves in a strong bargaining position at the table. Failing in this, Thieu believes that they will endeavor to keep on as much pressure as they can during the summer in the hope that they can at least give the impression of a military stalemate, so as to maintain themselves in a strong bargaining position. We are sending in a more detailed, though preliminary, discussion and estimate of our views of the enemy's purposes.

Progress continues to be made at cleaning up the situation, though as I mentioned above, there is a possibility of a second wave attempt by the enemy. General Westmoreland reported that the enemy has not yet committed his 7th Division in the Third Corps area. In the meantime, enemy casualties continue to mount. As of this morning, February 4, our reports are that to midnight February 3, the enemy had suffered about 15,000 killed, approximately 4,000 detainees, with 3,000 individual and crew-served weapons captured. General Westmoreland is having an audit and spot checks made of the country and believes that these figures are conservative. They are substantiated to some extent by the high count of weapons captured. On our side, casualties for the same period amounted to 1,111 of which U. S. were 367, Army of the Republic of Vietnam 738, and free world forces 11. Enemy losses for the previous five days have been approximately 50 percent greater than the highest casualties he has suffered in any month of the war to date. He has thus met with an extremely heavy military setback.

Since I began dictating this section yesterday, rapid progress has been made in the establishment of the joint task force. At the meeting presided over by Ky, which followed our joint meeting with Thieu, reported earlier, rapid agreement was reached on the setup of the organization. Ky will head it up with the Prime Minister and Bob Komer at the policy level. General Thang and General Forsythe will act as the operating heads. The public image will be that of a Vietnamese organization, but

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we will have opposite numbers at every level. In effect, the Vietnamese people have accepted all of our functional and organizational suggestions but they will be out in front and we in the background back-stopping and supporting which is as it should be. It was agreed that daily breakfast meetings will be held to review the situation and to make necessary plans. Bob Komer reports that the first meeting was held this morning (Sunday) and that Thang and Forsythe have already gone into action. Two thousand five hundred cadre are to be brought from Vung Ta to help with operations in the Saigon area. Ky is to go on TV tonight to explain the organization and what the Government of Vietnam, through it, will do to provide prompt relief to the civilian population and to get the country back to normal as quickly as possible.

In closing this section, I want to say a word in tribute to all members of the U. S. mission here, military and civilian. To every demand made upon them they have responded with great courage, calmness, devotion, and determination. They have worked long hours and performed difficult and exhausting tasks willingly and cheerfully with never a word of complaint. Through the country, they have been exposed to great dangers and hazards and have met every challenge fearlessly and with a high sense of duty. They deserve well of their countrymen and I am immensely proud and humble to have the privilege of being at the head of such a mission.

B. Political

As I reported in the General section, after the initial stunning impact of the Viet Cong attack on the cities had passed, Vietnamese leaders at least here in Saigon began to show a most encouraging willingness to close ranks and work together. The Assembly in particular has rallied to the government in an effective way. The chairmen of both Houses issued a communique on the morning of February 3 which denounced the "treacherous scheme of the Viet Cong, who propose a seven day cease fire in order to take advantage of that opportunity to carry out a predetermined military plan". The statement went on to say that the Assembly is "cooperating closely with the executive to carry out effective measures aimed at restoring security and order", and called on the people to support the government.

Earlier, on February 2, the Senate National Defense Committee issued a resolution calling on the government to strictly apply the 24-hour curfew and use all necessary means to restore security. The Lower House met February 3, but took no action because they did not have a quorum, many deputies still being in the provinces where they had gone for the Tet holiday. Under the rules, the House may take action without a quorum on the second such day, and the Lower House is in fact meeting again this afternoon. They are expected to issue a statement of support for the government.

Individual legislators and opinion leaders have also voiced to us their desire to back the government and get the situation here back to normal. Former Deputy Premier and leading political figure Tran Van Tuyen told an Embassy officer yesterday that he and many of his supporters are most anxious to take part in any effort to restore the situation. He complained that the government was not taking the lead in mobilizing those who are outside official ranks but who nevertheless want to "struggle" against the enemy. I hope that this kind of spirit will prompt a broad and effective response to the government's appeal for help from such citizens when the task force operation center is set up. We will certainly be encouraging people such as Tuyen to pitch in.

There is, of course, a good deal of criticism of the government as well. Senator Nguyen Van Ngai, for example, told an Embassy officer on the morning of February 2 that the attacks clearly revealed the "weakness and ineffectiveness" of the government security apparatus. He went on to speak of a possible vote of no-confidence in the government because of its failure to protect the population. At the same time, however, Ngai observed that the people were outraged by the Viet Cong use of the Tet holiday and it is up to the government actively to seek their assistance so as to share with them "anti-Communist responsibilities".

Senator Juhnny Van Cao pointed out to an Embassy officer that despite Viet Cong propaganda, there seems to have been no instance in which the Viet Cong were welcomed by any part of the city population, and there were apparently no defections from police or military ranks. From the limited reports available from the provinces, this seems to be the case throughout the country. I think it clearly gives the lie to the Viet Cong claim that the people support their cause.

Some citizens and officials are not waiting for the central government to organize their active support. Senator Nguyen Van Huyen, for example, was off early this morning to visit the wounded and make his own survey of the needs of the Saigon population. Mayor Cua has been at his office day and night, along with most of his staff. Dr. Nguyen Day Tai, a man close to Tri Quang and not noted for any pro-government sympathies, was busy getting water to hospital operating rooms that had none -- his own clinic being well supplied. Thich Tam Giac announced that his pagoda would provide shelter and food to victims of the fighting. Thich Tam Chau put out a communique calling on all Buddhists to support the government and oppose the Communists. (The whereabouts of Tri Quang and some other militant Buddhist leaders of the An Quang faction is unknown at this time, however.

Although our reports from the provinces are scattered, there is no denying that many people see the events of the last few days as initially a substantial Viet Cong victory despite the heavy losses suffered by the enemy. The fact that the Viet Cong were able to enter and in some cases hold for extended periods so many provincial capitals has certainly shaken the confidence of the people in the ability of the government to provide security. At the same time, as noted above, there is no evidence that anyone welcomed or helped the Viet Cong in the province towns. The political and psychological damage in the provinces can be repaired, but it will take time and vigorous government action.

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One continuing problem will be the need to dispel the rumors and half truths floated by the Viet Cong. The Viet Cong radio at one point announced that American forces were cooperating with them to set up a coalition government. This of course played on the worst fears of the nationalists here, and I felt it essential to respond at once to the Prime Minister's request for an official statement of denial and support for the Government of Vietnam. Another similar rumor is being heard in many parts of the country, to the effect that we deliberately allowed the Viet Cong to enter the cities in order to put pressure on the government to come to terms with the National Liberation Front.

The Communists are also busy trying to back up their claims that the populace met them with open arms. Hanoi radio claims the formation of a number of "popular" organizations, including peace fronts and peace forces in Saigon and Hue. In Hue, the "peace alliance" is allegedly headed by a Hue University professor who was active in the 1966 Buddhist "struggle". Radio Hanoi has also alleged the formation of "uprising committees" in Saigon and other cities. Any further outbursts of terrorism which the enemy may be able to mount -- and I anticipate a strong effort to make further attacks, even if they are only token -- will probably be portrayed as the work of these phantom organizations. We must mount a major psychological war offensive and I strongly urged this on Thieu and his colleagues at our joint meeting yesterday.

Concern that the U. S. will force an unacceptable settlement on South Vietnam remained very high during this reporting period. Although President Thieu has told me he thinks the crest of this wave is past, I am not yet certain that this can be said with a great degree of confidence. The pre-Tet press continued to express misgivings about our intentions. On January 21, the politically important Catholic Greater Solidarity Force held a "seminar" in the Saigon City Hall and adopted a resolution which strongly opposed any recognition of the National Liberation Front and warned against a coalition government. Among the participants in the "seminar" were influential Senators Nguyen Gia Hien and Tran Van Lam. The Senate Foreign Affairs Committee on January 24 heard Foreign Minister Do's views. This session was part of the committee's investigation of the government position in the face of rumored U. S. pressure for Government of Vietnam contact with the National Liberation Front and the formation of a coalition government. Active and influential Senator Nguyen Van Ngai in particular questioned Do closely on the possibility that the U. S. could force a coalition government on South Vietnam.

The government itself obviously continues to be very sensitive on the question of a coalition government. In both his Tet message to the nation and in a series of speeches made during a trip to the First Corps just before Tet, President Thieu made strong statements opposing any form of coalition government. These statements were picked up by Vietnam press. In his Tet message to the nation, Thieu said "the purpose of my visit (to the First Corps) was to reiterate the government commitments and the determination of the armed forces to never accept a coalition with the Communists nor to surrender to the Communists any inch of our land". Earlier, on January 27, Vietnam press carried a statement by Prime Minister Loc: "Coalition with the Communists would amount to suicide and would be a form of surrender to the Communists." In his January 31 emergency message

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President Thieu threatened severe punishment for all political movements aimed at helping the Communists through the so-called "peace and coalition government."

Fears of coalition government and a "false peace" have been fed somewhat by the "professor's" appeal. Before Tet, sixty-five university teachers issued a simplistic and emotional appeal calling for "all the belligerent parties to extend indefinitely the Tet ceasefire and to negotiate immediately a peaceful settlement". The appeal suggests no prior conditions for the cease-fire, a situation that would, of course, permit the Communists to continue infiltration and terrorism.

The group issuing the appeal is very young and junior in academic circles, and most of the signers are both relatively unknown and politically naive. Among the signers are some extremist Buddhists with very shady backgrounds. Nevertheless, the government felt it necessary to respond directly to their statement, and on January 27 the Ministry of the Interior put out a communique spelling out the government's position on the Tet truce. The communique refers directly to the professors' appeal and notes that "the President of the Republic and the government of the Republic of Vietnam have affirmed and reaffirmed that the question of a coalition with the Communists will never arise and that the government of the Republic of Vietnam will never recognize the so-called National Liberation Front".

As I have mentioned, in his state of the union message, President Thieu referred to the importance of political party formation. While noting that "at present we do not have strong political parties to assume power and form the opposition", he expressed his conviction that such parties will be developed.

Thieu, in part, persuaded by our representations, has in fact decided to form a party to support his program and policies. He has appointed his Secretary General, Nguyen Van Huong, to serve as chief organizer of this pro-government party, and we understand from Huong that he intends to convene a preliminary party congress which will launch the party sometime in March. While Huong is not an ideal choice for a party organizer, we are hopeful that Thieu can put together a strong national organization which will back his program and his candidates in future elections.

Senator Tran Van Don is also moving ahead in organizing a political machine. In addition to his Ndong-Cong Binh group which did so well in the Senate race and which reportedly has a number of affiliated members in the Lower House. Don is apparently having some success in finding new allies and in developing another organization, the Freedom Fighters.

Don is known to be trying to bring both militant An Quang and moderate Tam Chau Buddhists in line behind his group, and he seems to have captured some support from individuals though he certainly cannot claim the backing of either Buddhist organization. In the Senate, he has formed an alliance with Dai Viet leader Nguyen Van Ngai and put together a Senate bloc of 9 Senators. While the degree of cooperation between the Dai Viets and Don's supporters outside the Senate is still unclear -- and both sides are evidently planning to use each other and maintain a degree of independence -- the alliance could flower if more common interests develop.

Don formed a Veterans organization before his Senate campaign but did little with it. Recently, however, he held a meeting of this group, the Freedom Fighters, at which he claimed a total of 20,000 members throughout the country. Statements in the Freedom Fighters "platform" issued at the meeting suggest that Don may hope to use all of the various groups under his influence as a nucleus for a broadly based political party. He has also been talking with Tran Quoc Bui about using the labor party organizations in the provinces as nuclei.

Don's apparent success would be encouraging if we were more certain of the source of his funds. He has been spending a good deal more money than we think he and his chief allies have, most recently purchasing a very expensive newspaper which will soon begin publishing under Don's aegis. We will be trying to learn something more about where these funds are coming from.

C. Economic

Economic movement is usually almost at a complete stand-still during the Tet holiday, so the initial impact of the Viet Cong attacks was not too great. Now, however, it is urgent to get supplies moving normally into the cities. The government is giving such movement a high priority, and while there will probably be some transitory shortages, we do not anticipate any prolonged squeeze.

Before Tet, the Saigon Retail Price Index stood at 326, up from the 318 of the previous week and the 308 of my last regular weekly report. This was the result of the Tet holiday, a period when prices traditionally move up sharply. (The upward price movement was the result of increases in commodities other than rice, which declined six to nine percent this week.) The upward movement of the Retail Price Index was countered by a continued fall in the Import Price Index, which dropped to 219 the week before Tet. Gold also continued to fall, from 214 to 211 to 208.

Six thousand demonstration rice kits, each sufficient to plant 1/10 hectare, will be made available to farmers in most provinces in Vietnam this spring. The kits, containing than nong (IR-8) rice seed, will be a major promotional tool in the coming campaign for farmer adoption of the new rice varieties in the country. Materials will include 4 kilos of than nong rice seed, plus chemical fertilizer and insecticide.

D. Chieu Hoi

During the period January 8-15, there were 291 Chieu Hoi returnees, and for the period January 15-21 there were 26. This compares with 420 and 592 for the same periods last year. The total for this year is 1,033.

Unfortunately, the Chieu Hoi rate has not yet experienced any Tet upsurge like that of last year. Last year's rate was twice as high during January and jumped to over 1,000 per week during and after Tet. Chieu Hoi Minister Phong attributes the current low rate to the intensified Viet Cong anti-Chieu Hoi campaign, increased enemy military operations and the apparently successful Viet Cong propaganda ploy regarding negotiations and coalition government. Phong proposes, and we agree, to mount a post Tet psychological war campaign playing up non-fulfillment of the Viet Cong promise of coalition government.

E. Vietnamese Killed

In the week ending January 20, the Viet Cong killed 131 Vietnamese civilians, wounded 180, and kidnapped 187. For the week of January 21-27, the figures are 147, 206, and 179, respectively. (Since January 1, 1968, 501 civilians have been killed, 1030 wounded, and 593 kidnapped by the enemy.)

THE WHITE HOUSE
WASHINGTON

February 6, 1968

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Suggested Order of Business for NSC Meeting
(Wednesday Noon, February 7, 1968)

1. Vietnam Briefing (about 5 minutes)

General Wheeler is prepared to summarize the current military situation.

2. Military Aid and the Coats/Long and Symington Amendments.

- a. Secretary Rusk is prepared to present the issues but he will probably ask Nick Katzenbach to do this.
- b. Discussion of the issues. (Attached is a briefing memo including questions you may wish to ask.)
- c. To conclude the meeting, you may wish to say that you would like to have promptly for consideration an agreed statement of policy to use in briefing Congress on how we are handling the amendments.

Branley Bush
For W. W. Rostow

SERVICE SET

LIST OF INVITEES, NSC MEETING

February 7, 1968; Wednesday, 12:00 Noon

Vice President Humphrey
Secretary of State Rusk
Under Secretary Katzenbach
Secretary of Defense McNamara
Deputy Secretary Nitze
Secretary of Treasury Fowler
CIA Director Helms
JCS Chairman Wheeler
USIA Director Marks
AID Administrator Gaud
OEP Director Daniel

Walt Rostow
George Christian
Tom Johnson
Bromley Smith
Clark Clifford