

(b) Once a constitutional assembly is elected, we should sound out Vietnamese willingness to have assembly members visit selected countries which have recently faced problems similar to theirs (Korea, Mexico, Brazil and others). We would be prepared to finance this but would want it to be a collective effort of all the countries involved rather than solely American.

(c) We would arrange for the setting up in Saigon and perhaps elsewhere of a reading room for the general public containing pertinent literature and exhibits on election, political party, and constitution subjects. We would also arrange talks, seminars, film showings, etc., all with the purpose of informing people on these new issues in their public life.

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Life of the Present Government
(Item 18, Agenda for Talks with Ambassador Lodge)

The Problem

The April 14 ten-point communique of the National Political Congress and the GVN decree of the same date calling for constituent assembly elections did not specify what the status of the present government would be following elections and the convocation of the constituent assembly. The Directorate appears to assume the present GVN will remain in office until it can turn power over to a government elected under the constitution, and possibly is thinking in terms of being reconfirmed in power under the constitution. Other groups, including the militant Buddhists appear to assume that the Ky Government will come to an end after the elections and be replaced by the constituent assembly itself or a new government named by the constituent assembly. At some point this issue could lead to a full renewal of the GVN-Buddhist confrontation and interrupt the constitution-drafting process.

This presents the following options for U.S. action:

1. The U.S. could urge that the ambiguity of the GVN's status following elections should be resolved now, possibly in the election law. If the issue could be resolved by the electoral council and the GVN now, we would hopefully avoid the development of another serious GVN confrontation with civilian elements, particularly the militant Buddhists, during the period of constitution drafting. Early resolution of this issue could also prevent the GVN, after the elections, from engaging in a struggle to hang onto power in the face of growing popular demands for its resignation.
2. The U.S. could urge the continuation of the present government in power until a new government is formed under the constitution, or its resignation and reappointment as the interim government by the constituent assembly. The acceptability of the Ky Government to the civilian political elements might be enhanced should the Directorate broaden its membership either now or, perhaps politically more rewarding, immediately following elections to include some civilian participation reflecting the election results. This course could provide some assurance of continuity of GVN programs for perhaps several additional months and could be important in helping to achieve an orderly transition to whatever government is provided for in the constitution.
3. The U.S. could take a flexible position on this thorny issue for the time being, avoid pressing for its resolution now and instead take frequent readings on whether it appears more desirable for the present GVN to stay in power during the interim period or to give way to a government set up by the constituent assembly. Such a course would offer the advantage of allowing us to develop our position as events dictate on an issue on which our influence may be restricted considerably by political realities.

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By CS, NARA, Date 12/14

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Dampening Anti-Americanism in Viet-Nam.
(Item 18, Agenda for Talks with Ambassador Lodge)

Problem

As during past periods of political turbulence in South Viet-Nam since the fall of the Diem regime, the recent militant Buddhist campaign for early elections involved anti-American themes. Such themes are largely traceable to the widely-held notion that firm U.S. support for the GVN is the major obstacle to the achievement of the "strugglers'" objective, rather than to any deep-seated reaction against continuing the war or to U.S. assistance. Nevertheless, the inevitable irritations created by the massive U.S. military presence could this time have been responsible for the more strident themes and harsher action against individual Americans which occurred in recent weeks. More disturbing still has been the reappearance over the past weekend, particularly in Radio Hue broadcasts, of anti-American themes with noticeable Communist overtones.

Discussion

Although anti-Americanism in South Viet-Nam still appears to be a manifestation of surface irritations and may be transitory in nature, the large-scale American presence, increased frustration with a seemingly endless war, and continued unattained political objectives on the part of Buddhist militants could combine to produce more deep-seated anti-U.S. feelings with serious implications for our objectives in Viet-Nam.

Recommended Position

Anti-Americanism cannot be stamped out by repressive actions. The causes for anti-Americanism must be reduced so that a fertile field for exploitation is not given the Viet Cong.

We should favor the orderly development of political institutions, indicating publicly and privately that we will accept the outcome and favor no non-Communist group or individual against another; as an important corollary, we should make our view known that the Buddhist militants should be included, not excluded, from Vietnamese political life.

We should take every feasible measure to counter inflationary pressures, to enhance troop-community relations, and we should give careful consideration to the location of U.S. personnel and facilities in order to minimize daily irritations caused by the American presence.

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Recommended Position

Without regard to the political realities, the U.S. preference would clearly be for the continuation of the Directorate and Ky Government in power until replaced by a permanent government chosen under a constitution. In light of political realities, however, the U.S. should avoid committing itself to seek the continuation in office by the Ky Government in the interim period after elections. The resolution of this issue is likely to be a product of the political process itself. We could defeat our objective of continuity by entering into the debate. We should, therefore, continue to monitor the situation closely, and periodically renew the question of our intervention.

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TOP SECRET/SENSITIVE
FOR THE PRESIDENT ONLY

SUMMARY NOTES OF 559th NSC MEETING
June 17, 1966; 6:05 to 8:00 P.M.

Vietnam -- POL

The President summarized the actions required and the judgments which will have to be made in the next several weeks, emphasizing the decision to strike POL targets.

In general, we should seek, with minimum loss and minimum danger of escalating the war, to achieve the maximum effect on the North Vietnamese. We know that the North Vietnamese are dispersing their POL stocks in an effort to anticipate our bombing. The effect of not disrupting POL shipments to the North Vietnamese forces in the field is to pay a higher price in U. S. casualties. The choice is one of military lives vs. escalation.

A decision on bombing is not being made now and one is not imminent. The reasons for our delay include: the Secretary was at the NATO meeting, Canadian representative Ronning was visiting Hanoi, time was required to talk to Prime Minister Wilson and our allies, and some sounds have come from Hanoi. Every bit of information is needed in reaching a decision.

There is no uncertainty about my willingness to use the authority which is the President's.

There must be no discussion of this meeting. Everyone present can be trusted but we must be careful about talking to the press or even to staff members who might talk to the press. The highest security must be maintained.

Secretary Rusk: We have an elementary obligation to support our combat troops when they are carrying out an assignment. The American people have a feeling of impatience and, over time, they may demand a quick end to the war as the price for their continued support. This restlessness is evident in the public opinion polls. Opinion abroad hopes that no larger military measures will be necessary. It is difficult to separate in the minds of people attacks on POL supplies from attacks on the civilian economy. There is a major difference between a 2- to 3-day strike and strikes continuing over a long period. We are under constant observation by everyone abroad. We must get across to the public that if we widen the bombing program to include POL targets that this does not mean a change in our policy of making every effort to avoid killing civilians.

Secretary Rusk (cont'd.):

Many people who have no responsibility for the conduct of the war oppose a wider bombing program. As early as we can we must get a check on whether the Ronning mission to Hanoi produced any change in the North Vietnamese position. Mr. Ronning is reporting only to Canadian Foreign Minister Martin. He declined to tell our Charge in Vientiane whether the Hanoi leaders told him anything new.

The President: We must get the news fastest about the Ronning mission.

Secretary Rusk: Prior to executing any new orders on bombing, we must give 24-hour advance notice to several Heads of State, including Korea, Thailand, New Zealand, Australia, and the UK.

If the decision is negative, we have no problem. A go decision will produce sharp reactions throughout the world. There probably will be attacks on our Embassies. The reaction will be less if a decision is limited to a short, sharp action.

We must try to bring Hanoi to a decision. There is no evidence of their willingness to talk now. We cannot guarantee what the Chinese Communist reaction will be. Our guess is that there will be no military reaction from the Chinese Communists or the Soviets. There will be many problems in the UN.

Secretary McNamara: Strikes on POL targets have been opposed by me for months. The situation is now changing and the earlier bombing decision must be reconsidered. POL targets are military targets. The military utilization of these targets has been greatly increased. The North Vietnamese dispersion of their POL is lessening our chance of ever destroying their POL supplies. Military infiltration from the north is up sharply. Consequently, the pressure on their lines of communication has increased. Their POL imports have doubled. The military importance of their POL system is way up and will increase further.

The reasons for attacking POL targets are:

1. Our guess is that such attacks will limit infiltration from North Vietnam.
2. Those North Vietnamese troops in the south will worry about their source of supplies.
3. Pressure will be exerted on the political leaders in Hanoi. This bombing program seems to be the least costly way to tell them of our serious intentions.

Secretary McNamara (cont'd.):

The reason against the POL bombing program is that it moves us further away from a termination of the war, thus costing more U.S. lives.

General Johnson: The number of Vietnamese trucks has jumped from 6,900 to 10,000. Approximately 2,600 are en route to South Vietnam. All need fuel to operate. North Vietnamese POL imports are up from 900 to 23,000 tons.

The President: What is coming in the next few weeks or the next 60 days?

General Johnson: The North Vietnamese will reinforce the military power they now have and make a drive into central Vietnam -- possibly even further south. Hitting the POL targets will hurt them in moving rice and weapons to replace those we have captured. They have to step up the rate of supplies from the north to the south.

We will lose 3 to 4-1/2 percent of planes used on these missions. (Secretary McNamara interrupted to say this amounted to 20-25 planes.) More U.S. troops will be lost on the ground in the same time period than will be lost in the air strikes.

The off-loading capacity of the North Vietnamese in the port of Haiphong would be struck. However, the Chiefs' view is that POL targets should be hit as a first priority. These attacks might play a significant part in bringing the war to a halt. If the POL targets are hit, the North Vietnamese will have to find alternative ways of delivering POL. Meanwhile, the dispersion of their petroleum supplies is continuing.

Secretary McNamara: Already we have identified 70-80 POL dispersal points. POL tanks are being put underground and more POL is being stored in small tanks. Existing large tank farms would be destroyed.

The value to us of the destruction of their oil supplies has greatly increased.

Following are the risks:

a. Civilian casualties would be very small. The estimate is for 50 casualties in the three prime targets. If, as is possible, our bombs miss their primary targets, we will undoubtedly hurt our cause. The casualty figure could go as high as 12,000. Six thousand of these would be civilians and of the civilians, three thousand would be killed. The casualties caused if the bombs land on-target would be less than those which would occur on targets now authorized to

Secretary McNamara (cont'd.):

be struck. Our operation orders to our commanders are to minimize civilian casualties by being certain of their targets, i. e., positive identification, visual bombing, etc. We have made clear our views to Admiral Sharp regarding civilian casualties.

b. As to the military reaction to the widened bombing, every expert says the risk of this is small.

c. If we do not widen our bombing, the morale of U.S. troops and of the American people will suffer. People will say: If you consider a POL target a military target, why do you not strike it?

d. The risk of hitting a Russian or a foreign ship in a North Vietnamese harbor is very small.

The President: Have we hit targets deeper into North Vietnam and nearer to civilian centers? There will be a psychological reaction because our bombing will be nearer to the center of cities.

Secretary McNamara: The POL bombing program would hit areas further north and nearer civilian centers.

Secretary Rusk: The cities of Hanoi and Haiphong, rightly or wrongly, are symbolic. Although we have hit oil storage areas in the city of Vinh, the reaction would be different if targets in Hanoi and Haiphong were struck.

Walt Rostow: The military and political payoff of a strike on the POL targets hinges on the success of the effort. We will never be able to get them all.

Secretary McNamara: We probably cannot do the job in one strike and would have to go back at least once. We do not know how quickly they would be able to restore the oil storage facilities, but we doubt that frequent strikes would be necessary to prevent rebuilding.

Mr. Rostow: Striking the POL targets is an extension of our bombing program, not a change in our policy. We have been attacking their LOCs. Because of our restraint, the North Vietnamese have changed their military planning to take advantage of our existing target system.

Ambassador Goldberg: Have we previously struck at the civilian economy as we would be doing if we destroyed their supply of oil?

General Johnson: We estimate that 60 percent of POL is used by the military.

Mr. Rostow: Our bombing program is forcing the North Vietnamese to divert laborers to the repair of roads and bridges. Our policy should remain steady and our actions should be cool and professional. We should not be on the defensive. Our military effort is based on the violation of the Geneva Accords by the North Vietnamese.

Ambassador Goldberg: The risk of widening the bombing program to attack POL targets is too great. The results will not be what we think. All of us want to save U.S. lives but will such air attacks achieve this objective?

The Chinese and Soviet reactions to the headlines reporting the bombing of Hanoi and Haiphong will be a challenge to them to give all aid necessary to make up the loss. The Chinese Communists as well as the Soviets will not sit by. At the very least they will replace the petroleum and the facilities destroyed.

The Communist bloc is not going to let this outfit go down the drain. They see the Vietnam war as a confrontation. With minimum risk, they can make up for the damage we do to the North Vietnamese petroleum supplies. In addition, the world reaction would be strongly adverse -- even Canada would oppose our action.

During the President's absence from the meeting, Secretary McNamara estimated the probability of missing our targets as slight. This remark was in response to the Vice President calling attention to our having missed Mu Gia, pass on an earlier air strike. Added that a high level of damage was assured if we bombed the POL targets. He acknowledged that more than one strike would be necessary to do the job.

When the President returned to the room, Ambassador Goldberg said that the maximum military risk is that Chinese Communists will move in troops. The decision to bomb POL will mean that we will be isolating ourselves internationally. If we lose Canada and Japan as a result of these strikes, we will lose the Chinese representation issue in the UN.

The domestic reaction will be very adverse if we strike these POL targets and then this act does not end the war. The reaction domestically will be to demand stronger military action by the President. The country's mood will turn at election time if the war is still going on. The American people are supporting the President because he is cool and reserved. My judgment is based not on an interpretation of the polls but on my travelling about the country. We must delay at least until after the Ronning peace effort is safely out of the way so that if we take additional action, Mr. Ronning will be unable to say that we got a peace feeler in Hanoi and wrecked it.

The President: No one has been reckless. Had we been, we would have struck these targets already.

The Vice President: We have been up and down this hill many times. If we authorize these strikes, our action will be considered and looked upon as a change in policy even though it isn't. The action will complicate our problems in the UN and in Europe. We should wait until Ronning is out of the way. If the air strike is done cleanly, there will be less reaction. The North Vietnamese will not come to a conference table but will slowly withdraw. We should keep up the punishment we are inflicting on North Vietnam while seeking peace.

It would be a catastrophe if a Soviet ship were hit and if Soviet personnel were killed.

I have come around reluctantly to accepting the wider bombing program. Not to attack the POL targets would be to contribute to North Vietnamese strength. The strikes will complicate their logistic problem and exert pressure on Hanoi. As to the political consequences, it will play hell. But we should go ahead with the additional strikes, exercising precautions.

Secretary McNamara responded to the President's question by saying that every precaution to avoid civilian casualties had been taken. He again summarized the limitations placed on the pilots carrying out the air strikes.

Secretary Fowler: We should recall the Korean experience where we failed to strike military targets because of geographic limitations and where we failed to use our predominant military power.

a. Operational judgment on the strikes should weigh heavily with us. It is a most persuasive case which has been made. (Secretary McNamara added that the military advice was unanimous and very strong in favor of the strikes.)

b. We need to accelerate progress toward ending the heavy fighting in South Vietnam. The only way open to us now is to weaken Hanoi.

c. Time is important because the North Vietnamese are dispersing their storage of petroleum.

We should move ahead.

Assistant Secretary of State Bundy: Ambassador Reischauer rather surprisingly said that he believed we could put up with the Japanese reaction which he thought would be steep but supportable. This view is different than that stated by Ambassador Goldberg as to the effect on Japan.

Assistant Secretary of State Bundy (cont'd.):

The recent meeting of our Ambassadors in Asia recommended that we undertake the expanded bombing program.

CIA Director Raborn: We estimate that the Japanese reaction will not basically affect our relations with Japan. As to the Chinese Communist reaction, we think that by no means would they invade. It is very difficult for them to move into Vietnam and to support troops there. As to Soviet reaction, it will be vigorous and sharp and might involve their moving oil ashore by emergency means.

We should recognize that this is not a one-shot operation. These targets will be a cause of continuing concern. If we took out the two major targets, there would be a terrific effect, but not overnight, on the confidence of the North Vietnamese troops.

We learned in World War II that we should step up pressure when the enemy shows signs of weakness.

USIA Director Marks: We should not decide this question on the basis of world opinion but rather on a military basis. We have created our own problem in part by developing what have become sacred cows. We should make a statement concerning the importance of oil off-loading facilities to the North Vietnamese military effort. We should ride out the reaction rather than take to the TV.

Director Raborn: No statement as to our plans should be made because to make public our intentions would result in the loss of more U.S. planes.

Secretary Rusk: If we make any mention of our intention to strike POL targets, we will have given the other side preventive warning time.

The President: In order not to be lobbied on the decision, not another soul should be informed of this discussion.

Deputy CIA Director Helms: The petroleum supplies are feeding the meat grinder in South Vietnam and this North Vietnamese military effort will continue unless we take out their petroleum supplies.

General Johnson: Must we tell all our allies in advance?

The President: This is very worrisome. The fewest number of allies should be told on the shortest possible notice.

Bill Moyers: We should be clear about what we say to the public. We should not oversell what we expect to accomplish. We should keep in mind what the increased bombing program will do as well as what it will not do. As to what it will do, we should stress the increasing burden and the cost of the war to Hanoi.

Secretary McNamara: The reality is that we are not going to get all of the petroleum supplies but the effect on the North Vietnamese will be to hoard the reduced petroleum supplies which remain.

Bill Moyers: No statement should be made to the public saying that we acted to shorten the war. If the air strike does not shorten the war, then later people will say we misled them.

Secretary Rusk: Will there be any public reaction to bombing SAM sites near Hanoi?

Ambassador Goldberg: There will not be a major reaction.

Mr. Rostow: The decision is a rational one. Taking out the petroleum supplies sets a ceiling on the capacity of the North Vietnamese to infiltrate men into South Vietnam. A sustained POL offensive will seriously affect the infiltration rate.

Each person in the room, during the course of the discussion, indicated approval of the recommendation to strike the recommended POL targets.

Bowdley Smith

LIST OF ATTENDEES, NSC MEETING

June 17, 1966; 6:00 P.M.

Vice President Humphrey

Secretary of State Rusk
Ambassador Goldberg
Assistant Secretary Bundy

Secretary of Defense McNamara

CIA Director Raborn
Deputy Director Helms

JCS Acting Chairman General Johnson

Secretary of the Treasury Fowler

USIA Director Marks

Walt Rostow
Bill Moyers
George Christian
Bromley Smith

NOTES OF THE PRESIDENT'S MEETING
WITH
THE NATIONAL SECURITY COUNCIL

June 22, 1966

Bill Bundy: It is very clear there was no response from Hanoi. We had a long read-out from Ronning. There is no give in their position. They indicated they wouldn't even talk as they did in Rangoon. There may be a slight lateral shift, but no forward move. Canada accepts that. Martin went before the House today. Our area of worry is their general underlying lack of sympathy with us. Martin said he would be disturbed if Canadians thought they had been used. They may charge we put them in a false position.

Secretary Rusk: We cannot accept the merit of Martin's argument.

Secretary McNamara: (Discussing proposed air attacks on POL)
What are the benefits and costs? Why now?

1. Why now? The situation has changed dramatically. This is now an important target. Tonnage to the South is increasing; truck traffic is up 100%, personnel infiltration 120%.

2. Costs? Criticism from abroad; dissension in the United States. There will be some civilian casualties, and the estimate is 50 to 300. (Secretary McNamara read the orders, directing that the strikes be made only under ideal conditions).

General Wheeler: A POL strike will not stop infiltration, but it will establish another ceiling on what they can support. There are three divisions there with another ready to move.

The President: How much chance is there of hitting a Russian ship?

General Wheeler: Negligible. There is a tanker in port now. It draws too much water to get close. We have never seen a tanker tied up at any other pier. They use a 250 foot floating pipeline. The strike area is 1500 to 1600 yards from the main tank centers. The tanker will be at least 1100 yards away.

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By LTS NARA, Date 1/8/24

The President: MIG's?

General Wheeler: Tactical surprise may prevent that. When there are later strikes, they may use MIGs to defend.

The President: How many planes will we lose?

General Wheeler: In all 7 strikes, we will lose about 10.

The President: Suppose your dreams are fulfilled. What are the results?

General Wheeler: Over the next 60 to 90 days, this will start to affect the total infiltration effort. It will cost them more. In a very real sense, this is a war of attrition.

The President: You have no qualification, no doubt that this is in the national interest?

General Wheeler: None whatsoever.

The President: People tell me what not to do, what I do wrong. I don't get any alternatives. What might I be asked next? Destroy industry, disregard human life? Suppose I say no, what else would you recommend?

General Wheeler: Mining Haiphong.

The President: Do you think this will involve the Chinese Communists and the Soviets?

General Wheeler: No, Sir.

The President: Are you more sure than MacArthur was?

General Wheeler: This is different. We had ground forces moving to the Yalu.

Secretary Rusk: How many days until we are ready?

General Wheeler: A week or ten days.

The President: Can that tanker shoot back?

General Wheeler: Is is unarmed.

The President: Will there be retaliatory pressure from the USSR?

General Wheeler: They could stop duty trains in Germany. In 1962 they ran maneuvers in the air corridors in West Berlin.

If the tanker is at the pier, we will not strike the pier.

The President: Are we adequately prepared?

General Wheeler: We have a family of contingency plans to counteract Soviet retaliation.

Secretary McNamara: No senior military leader recommends anything other than proceeding with this program.

The President: Would General Taylor give me his views.

General Taylor: I am optimistic. I think we have to press hard on all four fronts -- economic, political, military and diplomatic. I see a movement upward all the way. We should be escalating. Personally I would mine Haiphong at the same time and get the political flak over with.

The President: I think that public approval is deteriorating, and that it will continue to go down. Some in Congress are disgusted about the Buddhist uprising and are talking about pulling out.

Secretary Rusk: The overplay on the Buddhist matter hurt more than anything else.

The President: What is the difference between POL and the power plant?

Secretary McNamara: The plant is more dangerous in that they may react more forcefully.

General Wheeler: POL is recognized as a legitimate military target, related to the movement of military supplies. We have already hit 4 POL facilities.

Secretary Rusk: Llewellyn Thompson does not believe there is a danger from the USSR.

The President: Who should we talk to?

Secretary Rusk: The chiefs of governments with troops in Vietnam,

Mr. Wilson and Mr. Pearson.

Secretary Rusk: On this matter of retaliation, might the North Vietnamese try to hit our carrier?

Admiral McDonald: No problem.

The President (going around the table): How do you stand:

General Johnson: For, without qualification.

Admiral McDonald: I am too.

General McConnell: Agreed.

General Greene: I concur fully.

The President: Do we have enough men to prevent trouble?

General Johnson: Yes.

The President: If you were Ho, what would you do?

General Wheeler: Attack in Pleiku. Westmoreland expects that and has concentrated his forces. He has his eye on eventualities of this kind.

Admiral McDonald: If I were Ho, I would send IL 28's against the air base at Danang.

General McConnell: I would too.

Admiral McDonald: We would have a hard time stopping them at Danang.

The President: That is a little alarming. Bob, will you comment?

Secretary McNamara: He would lose his Air Force. It would be a fool-hardy military operation. Also, if we can't beat 6 obsolete bombers, we ought to abolish the carriers.

The Vice President: I reaffirm my position in favor.

Cy Vance: Fully agree.

Walt Rostow: Fully agree.

Ambassador Goldberg: I am still opposed. I do not think it will bring them to the conference table. I am the least expert of any in this room, but I can see these risks:

- More involvement of North Vietnam in the South.
 - No real shortage of supplies (Red China has plenty for them);
 - More involvement by the Chinese;
 - More involvement by the Soviets. (It is inconceivable that they can allow this significant action to pass without reaction of some kind.)
 - Attrition of friends abroad and people at home.
- This would be regarded in the world as a major step and there are bound to be reactions.

What are the alternatives? Don't withdraw. I think we are doing well. Beef up our forces, go after more successes and pressure of that type. Don't convert this to an extension of the war even to Hanoi. It is tougher and painful to absorb, but it will hopefully lead to an agreed solution to let the people in the South alone.

Secretary Fowler: I support it as an operational movement, and think it will increase the prospects for peace. The time is urgent.

Leonard Marks: I am for the target.

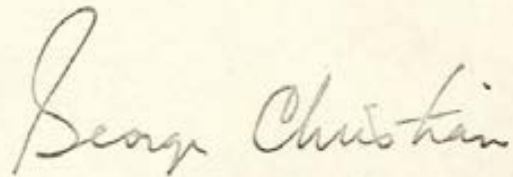
Mr. Raborn: I support. We need even more pressure, such as mining.

Dick Helms: The most effective thing we can do is mining. It would do extra damage of course. I agree there would be reaction from them.

The President: Any warnings you want to give me before I go to commune with myself and my God?

Mr. Ball: All things equal, this is a good thing to do, but it does not outweigh disadvantages. The world thinks Hanoi and Haiphong shibboleth that war not expanded. It will affect Europe. It won't affect North Vietnamese manpower. It would be hard for the Russians to take. They will have to supply POL across China. I am concerned about increasing the level of violence. I believe we have considerable trouble ahead on the political front. But if we are going to do it, do it now.

Mr. Bundy: I favor the strikes.

A handwritten signature in cursive script that reads "George Christian". The signature is written in dark ink and is positioned above the printed name.

George Christian

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FOR THE PRESIDENT

FROM: JIM JONES

SUBJECT: National Security Council Meeting in the Cabinet Room -
Wednesday, September 13, 1967

Meeting convened: 12:32 PM
President departed meeting 12:58 PM

Attending were: The Vice President, Secretary McNamara, Under Secretary Katzenbach, General J. P. McConnell, Leonard Marks, Ambassador Goldberg, Under Secretary Paul Nitze, CIA Director Dick Helms, Secretary Henry Fowler, Joe Sisco, Bromley Smith, Walt Rostow and George Christian.

The President opened the meeting calling on Under Secretary Katzenbach.

Katzenbach pointed out that Secretary Rusk will be going to the United Nations for the usual meetings of Foreign Ministers. He said these are very helpful and useful to have these bilateral discussions, although it is very wearing on Mr. Rusk. Katzenbach said that the Africans are better than they used to be. They held together well, and they are more realistic than they used to be. Katzenbach said the President's announcement of the U.N. Delegation with new and different people is very helpful politically both to the United Nations and to this Administration domestically. Katzenbach said that Joe Sisco briefed the NATO people on the Middle East and this was helpful, but he is not sure that they will stay considering the pressure the NATO countries are under. On Vietnam, Katzenbach said Goldberg has been having discussions with the U. N. delegates.

The President said he appreciated what Katzenbach said about the United Nations delegation. The President then called on Goldberg for discussion of the major issues facing the United Nations General Assembly.

Goldberg said there are about 100 items on the General Assembly agenda, many of these are repetitious. The principal issues listed by Goldberg were Middle East, Vietnam, non-proliferation, Chinese representation, oceanography and African problems.

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Authority *NY 91-202*
By *ITS*, NARA, Date *1/8/14*

Goldberg began with the Middle East saying that there are some signs of moderation in the Arab camp, and some signs of hardening in the Israeli camp. He said this presents a problem for us. Israel has serious internal problems and it is difficult for any Israeli spokesman to be "sweetly reasonable." Goldberg pointed out that Israel takes the President's statement of June 19 and uses those portions it likes and omits those portions it does not like. On the withdrawal issue, they have referred to the President's statement on June 19. Goldberg said he believes the United States has a sound policy. We don't charge the Israelis with aggression. Goldberg said it will be more difficult in the next session to hold the line against a resolution in line with our desire for peace in the Middle East. He said he believes Israel feels now that they would have been better to support the Latin proposal we supported which also included a withdrawal provision. They were with us tactically in getting the Latin Resolution voted, but they now say that was merely a tactical support, Goldberg said. Goldberg said the minimum conditions for a sensible peace in the Middle East is a commitment by the Arab states that they are not in a state of war with Israel. If the Arab states do this (and Goldberg pointed out that the Khartoum Conference did not say this) we may have to part with the Israelis on formulation.... Goldberg said the Israelis have not faced up to the demographic problem....

Goldberg then turned the discussion to Vietnam. He said he has not discussed this with all members of the Security Council. Our friends are timid and reluctant. They don't want to come along. They don't think the Security Council will reach a settlement. If they are solid in this belief, nothing could come out. He said Canada, Great Britain and the Danes have shown great diffidence. Russia says don't get into this. They said they would veto a straight resolution.

The President asked who feels we should go to the Security Council.

Goldberg said the general feeling is that we ought not to do it.

The President asked how many on the Council.

Goldberg replied 15. Goldberg pointed out that Argentina, Brazil and China are with us on going to the Council. Bulgaria is lukewarm, Denmark would rather not be involved, Ethiopia is a question mark, France is no, India is against us, Japan will go along but they are not enthusiastic, Mali is against us. Nigeria wants planes, and if we give them planes they will do whatever we ask. Russia is against us, United Kingdom is against, but will vote with us if pressured.

The President then summarized saying that actually there are only three for us.

Goldberg said he wanted to take exception to a statement made by Secretary Rusk that there will be a future time to go to the United Nations with this. Goldberg pointed out that this will be the last time we can manage the Security Council. He said that we could probably maneuver the Council if we put the maximum pressure, but that after January, this would not be possible, because we lose Japan for Pakistan, and Pakistan is no friend. We lose Mali. We lose Bulgaria for Hungary; Nigeria for Senegal; Argentina for Paraguay. Goldberg also pointed out that Russia may be playing a waiting game. They may try to go before the new Security Council with a Resolution condemning our bombing.

The President asked what was thought of our going to the U.N. and getting defeated.

Goldberg said I don't think this would be considered a rebuff, although the press may say it is a rebuff.

The President asked can we close off....

Goldberg said no, if they were solid we would have nine votes, but they don't want to be involved.

The President asked what Goldberg's recommendation was.

Goldberg replied I would go recognizing the great dangers. We could not come out with anything that would hurt us. I don't think anything would come out at all. There would be some who would say this was a rebuff, but this would show to the Mansfields and that group that we at least tried.

Secretary McNamara said I'd be for going before the United Nations if there was any possibility that it would pass. But I don't think it will and they will say it was a rebuff because of our unreasonable and inhumane action in the bombing. On balance, that would be a loss in my judgement.

Goldberg said I don't agree.

Katzenbach said he agrees with McNamara. If we got Ethiopia in and got the nine votes to inscribe it, and the question was on unilateral cessation, I figure there would be five in favor, five against, and five abstaining. Probably Algeria and Ethiopia would abstain. That would put Canada and the United Kingdom really on the spot. I think a 5-5-5 situation would be no gain for us.

McNamara said he believes such results would feed the Mansfields et al with new fuel to tell us to stop the bombing.

The Vice President said it depends on what the issue is. If we are rebuffed, the reason may be phrased because we held our old position of quid pro quo. While I am anxious to have the United Nations have some involvement in this, I don't think we should do it if we don't have the votes.

Goldberg said one thing that has been overlooked is that we may not get to the resolution at all. Russia will not support a move to amend on the bombing. Hanoi has already said this and Russia has picked up this line. In my judgement the resolution would just flounder into a state of disagreement and we would get credit for having tried.

The President asked, is that a plus in relation to where we are now? I feel that Mansfield might think that would be a plus, the President said.

Katzenbach said Mansfield would regard those evils as we do.

The President said you should talk to Mansfield when he gets back from Japan.

Goldberg then began discussing the non-proliferation treaty. Saying the likely situation will be that the ENDC will suspend its deliberations soon and the discussion of the non-proliferation treaty in the assembly will be in circumstances which there is no agreement on Article III. Our objective should be in concert with the USSR to maintain the present non-proliferation treaty intact to try to assure certain of the non-aligned of our willingness to consider the assurances problem within the context of the U.N. resolution. Our aim should be to have the matter returned to the ENDC so that further attention can be given to Article III and consultations can be undertaken within the ENDC to see whether the assurances problem can be taken care of in the form of the U.N. resolution.

The President departed the meeting at 12:58 PM, and turned the remainder of the meeting over to the Vice President.

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FOR THE PRESIDENT

FROM: JIM JONES *J*

SUBJECT: Congressional Democratic Leadership meeting - Tuesday,
October 31, 1967

Meeting convened: 5:35 p.m.

Meeting adjourned: 6:45 p.m.

Attending were: Speaker McCormack, Congressmen Carl Albert and John Moss, and Senators Mansfield, Russell Long and Robert Byrd.

The President opened the meeting asking if there was anything to report on the Continuing Resolution.

Senator Mansfield said that they met today.

The President asked about the D. C. Bill.

Senator Byrd replied that with luck it will be on the President's desk by Saturday next week or November 15 at the latest. "I guess you want the full limit of the federal payment of \$70 million?" Byrd asked.

"Yes" the President said.

The President asked Senator Long about the Social Security Bill.

Long said he hoped to have it reported Thursday and said he will need a few more days to draft it up. "We voted today that any additional increases we have will be paid for by additional taxes beginning in January, and I think this will help it." Long said.

The President asked if the House will buy it.

Long said he felt they would.

The President asked about the Poverty Bill.

Speaker McCormack said they are trying to get the Rules Committee to meet Thursday and bring up a rule on Friday that will give debate on Monday and Tuesday. McCormack said Colmer (William) has agreed to this. McCormack said otherwise we have the practical problem of next Tuesday being an election day in many cities and many Members will be gone and thus debate would have to be held over until the next week.

Carl Albert said he has talked to all Members of the Rules Committee and they say they will report it out Thursday and the Republicans have no objection. Albert said they will start reading the Bill for amendments on Wednesday.

The President asked if we can finish it during the week.

Albert said "I hope to but it will take pushing. I hope to clean it up next week." Albert said we have not done bad this year having passed a lot of bills. "But they (Republicans) are going to try to get the Poverty Bill and make this symbolic that we have not lived up to our promises," Albert said the Committee gave the Administration what was asked for on the button. He said there were some few changes such as giving more authority to local elected officials.

The President said that he learned a long time ago that a project is worthless unless a city or a community shows some interest and financial participation. The President said he did not recommend the change but he has found in the past that it works. "We'll have a cleaner program if Congress passes it that way."

Carl Albert said there are some other areas where there will be problems. For example, a Job Corps trainee costs about \$7500 per year and the Republicans are going to fight that. He said Mrs. (Edith) Green has recommended a \$4500 ceiling. Bill Kelly says he cannot live with that but he will try. Albert also said there will be an effort to cut the appropriations for OEO down to \$1.2 billion.

The President said "that would be the worst thing yet. I hope they don't cut the program too much. I've been to two Job Corps camps and both are doing a good job." The President said Governor Connally had established a good Job Corps program in Texas.

Albert said the Job Corps in Oklahoma was also well received although the State program has not been good, primarily because of the Republican Governor and his appointee.

The President pointed out that the Administration will be blamed if the Poverty Bill gets defeated. "I am as strong for it as anything we have proposed," the President said.

The President then read a list of 21 bills upon which action is needed by the Senate before adjournment and 19 bills which are pending before the House.

Speaker McCormack and Carl Albert both urged Senate action on the Riot Control Bill.

The President directed Barefoot Sanders to talk to Attorney General Ramsey Clark in order that the strongest constitutional bill could be passed.

The President then talked about some of the protestors from the peace march of October 21. Of the 256 who allegedly burned their draft cards, a substantial number were crazy people who had previous history in mental institutions according to the FBI reports. Also, most of the cards supposedly burned were xeroxes or photostats or facsimiles of the draft card and therefore no prosecution is possible. The President noted that he did not want to be like a McCarthyite, but this country is in a little more danger than we think and someone has to uncover this information.

Senator Mansfield commented on some of the pending legislation in the Senate saying that out of the 21 pending, there is a good possibility that 6 or 7 will pass this week. He said the Civil Rights Bill is very difficult because of the filibuster and this will probably hold over until January.

Carl Albert said the Foreign Aid Appropriations will be reported Tuesday. The Product Safety Commission is awaiting a rule. Albert said the retail lobby has really gotten to the Members on the Truth in Lending Bill. A lot of people have told Albert that the Administration should back off from the Sullivan Bill.

On the Tax Bill, Speaker McCormack said that Wilbur Mills won't report it out until he gets the votes to pass it.

Albert said "Mills told me he would not report it out until the climate in the country is ready for it - whatever that means."

The President said it may be too late by next January because the interest rates may have gone through the ceiling by then. The President said he visited with Secretary Fowler today and Fowler is very worried. The President said he told Fowler to go to Congress and find out what it will take in cuts or otherwise to get it.

Fowler told the President that Martin (William McChesney) said this is a very dangerous situation.

Mansfield said he thinks the President should keep pounding away for a tax bill. "You should keep your skirts clean but I don't think we can pass it until next year."

The President said he does not want to be critical of Congress, "but I owe it to myself and to the country to candidly say what the effect of this will be."

Albert recommended that the President should get all the Appropriations Bills and the Poverty Bill before making further statements on the Tax Bill.

The meeting adjourned at 6:45 p. m.

12/21/67
12:20
THE WHITE HOUSE
WASHINGTON

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pa
Tuesday, November 21, 1967
11:40 a.m.

Mr. President:

Herewith for your diary are
Ed Fried's clear, terse notes on
your November 18 leadership meeting
on the sterling devaluation and tax
increase.

W. Rostow

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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Sunday, November 19, 1967

NOTES ON THE PRESIDENT'S MEETING WITH THE LEADERSHIP

SUBJECT: Sterling Devaluation and the Need for Tax Increase --
November 18, 4:30 to 7:00 P.M.

PRESENT:

The President	Senator Mansfield	Speaker McCormack
Secretary Fowler	Senator Long	Representative Boggs
Chairman Martin	Senator Anderson	Representative Ullman
Under Secretary Barr		
Under Secretary Deming		
Budget Director Schultze		
Walt Rostow		
Joe Califano		
Ernest Goldstein		
Art Okun		
Ed Fried		

Secretary Fowler -- Discussed actions to be taken in defense of the dollar during present crisis.

- The President's statement -- designed to remove any uncertainty regarding U.S. intention to stand firm.
- Financial diplomacy -- getting all other major countries to hold their rates with us and prevent a chain reaction.
- Building confidence in the dollar through demonstrating fiscal responsibility and other constructive measures to improve the balance-of-payments position. Read concluding portion of statement he made at November 16 press conference announcing programs to strengthen U.S. balance of payments. Stressed that enactment of President's tax increase program at this Session of the Congress was the single most important and indispensable step the nation can take now to protect the dollar, safeguard the international monetary system, and stop the interest rate escalation that threatened our domestic and international position. The devaluation of the pound now brought the requirements for fiscal action and the tax increase into even sharper and more critical focus.

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Authority NY 84-323

By CS, NARA, Date 11/8/24

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Chairman Martin -- Stressed the great uncertainty that currently plagues the securities market and the cost it is exacting in higher interest rates. He cited recent examples: a Nova Scotia bond that required a 7 1/4% yield; postponement of the U.S. steel issue when financing was not obtainable at 6 3/8%; a Treasury 5 3/4% that sold below par.

Essential to stop and reverse the trend of accelerating deficits or inflation would get out of hand. Sterling devaluation complicated the situation and made it all the more important to restore a position of confidence -- which required evidence of fiscal responsibility.

Under Secretary Deming (The President said Deming had been sent to meetings in Paris during the week in an effort to mobilize a multilateral support operation to save the pound.)

Deming noted two points:

1. Situation in London was black; nobody wanted to see the pound go, but in the end they could not see any feasible alternative.
2. U.S. last year, in its financing operations, paid back \$11 billion to the market in the second half of the year. This year, we would only be able to put back 2 1/2 billion -- even with a tax increase. This tremendous swing from last year would greatly tighten credit conditions.

Under Secretary Barr -- In the credit crunch, the big fellows would manage to meet their requirements but the smaller borrowers, the institutions, and housing will get squeezed and suffer.

Director Schultze -- Discussed possible expenditure reductions totalling \$4 billion:

- \$1 3/4 billion Congress had already made or would make in the 14 appropriation bills (of which 12 already completed);
- \$2 1/4 billion Administration could make in withholding expenditures if Congress prepared to stand the pressure.

The President -- Prepared to cut actual expenditures by one dollar for each dollar of tax increase. Secretary Fowler had been ready to offer 4 different proposals to achieve this end to the Ways and Means Committee, but the Committee acted without giving him the opportunity to put these proposals before it.

We will rue the day if we fail to face up to these critical responsibilities. If we don't act now it will not be possible to undo the harm that will result. Every day's delay is costly.

He had had nine discussions with Chairman Mills.

He was trying to convince those members of the leadership he could -- but the President cannot act for the Congress. He was prepared to accommodate his views to theirs and to this end advance proposals for a cut of \$4 billion in expenditures.

Secretary Fowler -- Senator Williams had written him a letter on November 7, which he has not yet answered. The letter is essentially a campaign document designed to hurt the Democrats if it were answered under present circumstances. (Fowler read letter which made two central points.)

1. A tax increase bill has not been introduced in either House.
2. Uncertainty is causing financial disruption with serious consequences for the economy and our international position.

Senator Mansfield -- Williams' argument is spurious. There is no indecision on the part of the Administration -- it had constantly advanced its tax increase proposals.

Rep. Boggs -- Normal to work from proposals. Was willing, ready, able and happy to introduce bill.

Speaker McCormack -- Need for tax increase. In his view President not asking for big enough tax increase.

Secretary Fowler -- Read his proposed answer to Senator Williams with stress on concluding portion outlining Administration's new proposal to break deadlock between spending and tax powers of the Congress.

Package would:

- reduce administrative budget deficit by \$11 billion in Fiscal '68, and relieve credit market to this extent;
- increase income taxes of individuals by \$3.9 billion;
- reduce actual expenditures (counting actions taken by Congress on appropriation bills) by about \$4 billion;
- increase corporate tax receipts by \$3.1 billion (\$2.3 billion surtax -- \$.8 tax collection speedup).

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Extending excise taxes could add \$.3 billion.

Stressed again that expert opinion overwhelmingly supported need for tax increase. Same with major organizations -- the Chamber of Commerce has now come around in support.

per Ford
The President -- He had reviewed the answer to Williams and the new proposal yesterday with Mills in light of the pending sterling devaluation and its serious potential consequences. He told Mills he wanted to review it with other members of the leadership. (He noted other members who had been invited to today's meeting, but were not available.) Mills had been unable to stay in Washington over the weekend.

The President summarized the situation. He said the President cannot impose reductions on the Congress. He is prepared to act and to share responsibility with the Congress if the Congress is prepared to accept its share. He does not want to cut expenditures, but each day of inaction brings increased costs and makes the situation worse. It will lead to some slippage in revenues and to automatic increases in expenditures (higher interest costs, more farm loans, etc.).

The Mills-Ford line is hard to break. Of course the public does not favor tax increases. Nobody likes them. But the leadership must accept its responsibilities or face far more serious difficulties. If reductions in appropriations are not adequate and there is no tax increase, then it will be necessary to impound expenditures -- notably for highways, public works and other areas where the Congress will immediately feel repercussions. (He noted highway expenditures now were a billion dollars over any previous figure and were feeding inflation.)

But do we start or not? The President doesn't want to make the decision alone. Last year the leadership accepted the responsibility of impounding expenditures. If we have to make reductions they will be drastic and they will have to be made soon. This should be done with the full knowledge and approval of the leadership.

If we don't act soon, we will wreck the Republic. The President can't spend what the Congress does not appropriate. The Congress has now acted on appropriations, and now the President must act. He then reiterated the need for the proposed package of expenditure reductions and tax increases.

Rep. Ullman -- Said he favors a tax increase, but a tax increase could not solve the situation alone. When Schultze testified before the Ways and Means there were ambiguities in expenditure reduction proposals.

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The President -- Cited instances where he had made clear the Administration was prepared to match tax increases and expenditure reductions dollar for dollar. He referred again to the Committee's unwillingness to hear Fowler's four alternative proposals to achieve this objective. He set the record straight on Schultze's testimony.

Rep. Ullman -- Sterling devaluation made this a new ball game. There is no point in recriminations. Said he believed there would be widespread repercussions on Monday throughout the economy. Repeated that he did not believe expenditure reductions had been adequately spelled out. But we should now try the new formula.

Secretary Fowler -- Reviewed formula again, together with proposal for President to set up special group to go over programs and prospective expenditure cuts.

The President -- Pointed to need for clearance from Government Operations Committee on \$4 billion expenditure reductions.

Rep. Ullman -- Important to try to put package together in next few days -- before Thanksgiving. The sterling crisis should be a vehicle for getting it done.

The President -- Asked for the views of the leadership on the proposal and on any alternatives they had to deal with the situation.

Senator Long -- Asked Rep. Ullman whether the Committee would report favorably on the tax bill without Mills' support. Answer -- probably not. Senator Long then said that Senator Talmadge doubted that the bill could be passed either in the House or the Senate. Said it would be even more difficult in the House, because the members had to run next year.

The President -- Said any action taken would be unpopular but it would have to be done.

Rep. Ullman -- The situation would be worse if we don't pass the tax bill. Unable to know the outcome beforehand.

Secretary Fowler -- Said it is essential to report out the bill and put it in the glare of domestic and international publicity. Then vote it up or down so everyone would know where each stood.

Rep. Ullman -- Said he would give every support he could.

The Speaker -- Made following points:

1. No tax bill is popular.

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2. We are faced with desperate situation and the Congress is on trial.
3. He had personally taken public position in favor of tax bill.
4. It should be possible to get bipartisan support and to begin through action by Mills and Mahon.

Senator Long -- Reserved judgment on his own position but suggested following procedure to break impasse:

1. Sit down with as few people as possible.
2. Heart-to-heart talk between the President and Mills.
3. If the House sent the tax bill over, the Senate would take a look but he was not in favor of the expenditure reductions part of the package.

The President -- Said this was not facing facts and pointed again to the consequences of sterling devaluation.

Senator Long -- Repeated that it was important to get together with Mills, but said Mills could not lay down conditions on which he can't deliver.

Director Schultze -- Pointed out that the tax increase bill provided for \$7 billion during the remainder of this fiscal year, and \$12 billion over the next fiscal year. It was essential to keep the latter in mind.

The President -- Pointed out that the Defense budget for Fiscal '69 that had now been received came to \$98 billion. If Congress did not act on a tax increase, then it would be necessary to start thinking not about a \$4 billion expenditure cuts, but about cuts of many billions of dollars.

Rep. Boggs -- He had given thoughtful consideration to the possibilities of the bill. He pointed out that the Poverty Program had come out much better than anyone had guessed three weeks ago. His judgment is that if the Chairman supports the bill, it would be passed in the House.

Rep. Ullman -- It was necessary to talk to Mills not only about the situation this year, but next year as well, and the consequences of a \$98 billion Defense budget. Also said that Ways and Means cannot originate action on the bill where other Committees have jurisdiction. It's different when the President proposes the bill, and next year's situation is clearly critical. In his view, if the bill gets to the Floor, it will have bipartisan support, but Mills' approval is essential. Mills is critical of a tax

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increase and his speech on Monday is in that vein but the speech does not close the door on action on a tax bill.

The President -- Asked when can we get the Committee to act.

Rep. Mahon -- The House voted by continuing resolution to cut expenditures by \$7 billion which was equivalent to a cut of \$14 billion in appropriations. In his view, expenditure cuts were worse than a tax increase.

The way to get a tax increase was for the President to stick his neck out and cut expenditures by \$4 billion -- even without a tax bill. The cuts should include programs which he considers among his best programs, e. g., Federal Aid to Education.

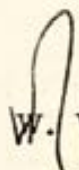
Mahon would then try to get his Committee to endorse those specific cuts.

He recognized the risk -- that the President would make cuts on his own and then end up without a tax bill.

Secretary Fowler -- Reviewed the formula proposal for making cuts under which responsibility would in fact be shared. (Use of either of the following, whichever is lower: (a) a cut of 2% in personnel and 10% in program; or (b) the difference between the original appropriation request for each program and what Congress appropriated.)

The President -- Stressed the need to work from the package proposal: the tax bill, the expenditure cuts (with the formula) and a review group. The need was to get the Committee to move now.

The consensus that emerged was to organize a meeting with the President Tuesday morning -- which was the earliest it would be possible to get Chairman Mills back to Washington. Speaker McCormack and Secretary Fowler would try to get in touch with Mills. Others at the meeting might include the Speaker, Representative Mahon, Senator Mansfield and Senator Long.

 W. W. Rostow

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Meeting Before Australian Cabinet

23

INFORMATION

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Monday, December 25, 1967
6:00 p.m.

Mr. President:

Herewith, hastily dictated, but accurate, is the key part of the Cabinet meeting with the Australians last Thursday morning.

W. W. Rostow

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WWRostow:rla

Determined to be an
administrative marking
By CTS On 1/8/68

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Meeting of the President With the Australian Cabinet
11:13 a.m., December 21, 1967, Cabinet Room, Canberra

Prime Minister McEwen opened by saying that he wished that we were meeting under happier circumstances. Nevertheless, he, the rest of the Cabinet, and all the Australian people were profoundly grateful to the President for taking this arduous journey on this occasion. It was an act of true greatness on the part of the President. He was likewise grateful to the British Prime Minister and others who had come.

The presence of the President, the Prime Minister and others was an indication that Harold Holt had made his mark on the world. He wished to note that the President's message to Mrs. Holt and the family had comforted them greatly.

Harold Holt was a warmhearted, generous man. He was seen by his own countrymen as a "typical Australian." There was no higher praise. His country had been proud of him. He dealt around the world with other heads of government as his peers and was accepted as such. There was more than mutual regard here. He demonstrated that, although he was a leader ^{of} a small country, he and that country were being taken to people's hearts.

Moreover, he took firm positions on the great issues of his time. Be in no doubt whatsoever: the new government will carry forward the policies that Harold Holt had initiated. They will stand with the U.S. in Vietnam right through to the end. They do not seek a crushing victory over the North Vietnamese or the VC, but we have set out to frustrate an effort to enslave a nation. We

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shall make sure that nation can stand on its own feet. That is the Australian attitude and policy from which they shall not be deflected. Australia shall continue to pursue the development of understanding relations with all these Asian countries. We are learning to trust them. They are learning to trust us. Thus Australia will continue to play its part along with the U. S. in the great constructive task of building a new Asia.

President Johnson. The President thanked the Prime Minister for *the beauty,* generosity and eloquence of his expression. He said it meant a great deal. It was a privilege to sit at this table again.

He was here in Australia because he wanted to be here; and he simply could not be anywhere else. A representative of the television network asked him a few days before what drew the President to Harold Holt. He answered: He was drawn to him because he was an Australian -- a man of character and tenacity, generosity and toughness, and a man of brotherly love.

Out of his whole experience with Australians, he must assume that there are bad Australians, but he had never met one. With Australians you never need develop a crick in your neck to see if they are behind you. They are either beside you or out in front of you. They crease their hat a little differently and have a slightly different accent, but I regard them as my people. Now the Australians are showing courage in taking sacrifices to prevent a little, independent country from being gobbled up. The Australian effort in Vietnam has our admiration and gratitude. The Australians show stability in the face of a great challenge -- a great confrontation.

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Even before he met Harold Holt, an Australian had represented him at Commonwealth meetings-- Sir Robert Menzies. Before he went to one of these meetings, Menzies had asked what could I say on your behalf. I outlined our views. In fact, he went even further in defending our position than I had suggested.

There really is a special quality to the U.S.-Australian relationship. We do feel instinctively the same way about problems. It is reflected in the attitude of our boys in Vietnam. When they are asked where they wish to go for rest and rehabilitation, Australia emerged ⁵ ~~essentially~~ ^{universally} as their first preference. That was the way it was as the President himself knew during Second World War.

Our Economic interests occasionally conflict. But we manage to stay reasonably close together in these matters on a live and let live basis.

His last memory of Harold Holt was of Holt stretched out in the sun at Camp David, after taking a swim, calling back to his colleagues charged with economic affairs in Canberra to work out amicably some difficult problems.

I know where you are this morning. Four years ago we faced this kind of moment when President Kennedy was killed. Permit me to say this: Now is the time for you to live together and work together by the Golden Rule. Don't shoot from the hip. Don't divide up the family firm.

I kept the Kennedy cabinet. None has been fired. Many have stayed right down to the present. In ~~diversity~~ ^{adversity} a family gets together. That is why I am here.

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I remember well that I once called at the hospital to see my father who was then under an oxygen tent. He said, get me my britches, I am going home. When we argued against him, he said, "I want to be home where they know when you are sick and care when you die." That is the way it is between us.

In these days ahead you will find the U.S. will stretch a little in the face of Australian problems to make it easier for you.

I remember when Harold Holt said he would go "all the way with LBJ." I could see that was a slogan which might get him into political trouble -- it might be misunderstood or even a disaster for him. Harold simply shrugged. I tried then to interpret it as meaning that the U.S. would go all the way with Australia.

Australia is one of the principal reasons that we have committed our power so fully in this part of the world. The U.S. could probably survive even if Southeast Asia were lost to the Communists. Perhaps the others there might not be wholly necessary for U.S. security interests. But, if we are going to keep our ANZUS commitments, we must keep our alliances with others.

We have taken a hundred thousand casualties in South Vietnam, including the wounded. Hundreds of ^{dead,} thousands of wounded every month. But I am convinced in the long run this is the lesser cost. We would face a bigger war. It is better to stop this aggression at the takeoff than at the landing.

The purpose of an alliance is to make sure that if dictators start going after small countries, they will face the U.S. That is the kind of commitment we have to New Zealand and Australia, the Middle East and Europe and Latin America. Whether these commitments are right or wrong, we have them.

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I intend to honor them. ^{With} this kind of burden, it is good to find someone to stand up beside you. I want to thank you for your help in Vietnam. I want to thank you for your sturdy position in the face of British devaluation and your assistance in defending the dollar. The protection of our international monetary system, which is based on the dollar, is a serious matter, but somehow we shall cope with it. I shall be recommending measures next week which I almost shudder to mention here. But the speculator shall not prevail.

I want to thank you also for what Australia is doing for our boys; taking them into your homes; treating them like your own. This is what you did also when I was here in the Second World War.

Whatever you do in sorting out your domestic politics -- in whatever manner the people exercise their judgment, don't let it mix with foreign policy. Remember also that we in the U.S. are stretching out our hand in this period, not in a paternalistic way, but to be worthy of your friendship with you. We know that to have a friend one must be a friend.

We have been well served in this respect by Amb. Waller who was good enough to join us. If you have problems, let him know; he has the key to the front door and the back door of the White House. As for Ed and Ann Clark, I have been worried that he was going to run for political office -- in Australia. He has been the best Australian Ambassador to the U.S. I have ever known -- the most effective man in expressing Australian views and interests.

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These are sad hours. I know ~~that~~ in being here I am doing what is right. I have come to pay my respects to a fallen friend. And, when the services are over, we will be able to raise our chins a bit higher knowing that no one can come between us.

The Prime Minister replied, whatever shake out there may be in the government, the President can be assured that there will be no change in the Australian attitude and policy towards the U.S. or in its foreign policy. The President should know that Australians are proud to be your friend and ally.

The President then reviewed the troop situation; the recent accelerated delivery of 10,000 men and 600 tons in 18 days. We shall have 102 of our 106 combat battalions in place by Christmas, others will come in the spring. We look forward to an extra division from Korea; an extra 10,000 from Thailand; the extra 65,000 from South Vietnam which will soon be debated in the Assembly. [The enemy is building his forces in the South. We must try very hard to be ready. We may face dark days ahead.]

The Prime Minister responded that they face a new situation in the light of the U.K. withdrawal and will sustain forces in Malaysia.

The President said that we will be responding to their thoughts to the problem of *security* in that area, but we are counting on their keeping their present forces in place. President went on to thank Australia for providing evidence to the Cambodians of Communist use of Cambodian soil. The pressure on us from that use may be more than we can put up with; although we agree with Hasluck that we must be cautious in this matter.

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But it is hard to see the troops forming up to re-attack; although we wish to keep the war from widening. We hope that Sihanouk will see the light. He didn't denounce us after we presented the evidence. Perhaps there is some room for diplomacy here. But we must constantly bear in mind that 2 more divisions from the North are coming down into South Vietnam. We must take this into account in our plans and in our thoughts.

Foreign Minister Hasluck said that the Australian policy with respect to Sihanouk was to remain quiet. Pay no attention to the unpleasant noises he might make. We were pleased to pass on information on your behalf, but thought it the part of wisdom for Australia not to be associated with it.

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(continuation of Meeting with Australian Cabinet, Dec. 21, 1967)

Hasluck pointed out that Sihanouk was sending his Foreign Minister to the memorial service, but added that he was not a very important figure. Sihanouk manages his own foreign affairs. At one time they thought Sihanouk himself might attend the memorial service, but the Australians were pleased he finally decided against it. Sihanouk is pressing Australia for a declaration on his boundaries, which would be difficult to grant.

Hasluck then asked President Johnson as to whether prospects were for negotiation to end the war and how severe the pressure on the President was to negotiate with Hanoi.

The President said there was pressure and this accounts for some of the U. S. statements on the subject. He said that we went as far as we could at San Antonio with respect to cessation of bombing. He explained that there was ample time for Hanoi to react to this formula and mentioned the two months during which a circle was held around Hanoi. He said we are careful not to make a commitment on negotiations without consultation with our allies; but there will be times when we will have to state our own ideas about peace. [On the TV program, for example, he said we would stop our part of the war if they would stop their part of the war. We could not stop half of the war. There was no indication that Hanoi was now interested in negotiating, and bombing pauses would not help.]

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We have a new government in Saigon. It will not recognize the NLF knowing it is controlled by Hanoi. Thieu, however, stated that he would talk informally with members of the NLF. We ourselves feel that the best chance for peace is one worked out inside South Vietnam by the South Vietnamese. The other points the President made in his TV program related to the DMZ, the cessation of infiltration; and a constitutional government based on one-man, one vote. He is sure that Thieu would respond to any bona fide offer if it came; but it is the President's view that it is not imminent. Hanoi, thinking of the French, is testing the will of the U.S. and its allies. He believes they will wait until after the U.S. elections. In the meanwhile, [we must maintain our posture; not widen the war; not cut and run. We must avoid flirting with either extreme, and keep the pressure on. The President said that he felt that Hanoi was under extreme pressure to achieve some tactical victory. Northern forces were being infiltrated into the South. He foresaw kamikaze attacks in the months ahead. That is one reason he is pressing so hard for additional allied manpower. The President foresaw a sequence in which we maintain pressure without widening the war; imposed upon North Vietnamese increased losses; and then in time they would have to decide what to do in the face of the high cost and the continued frustration of their objective. Then, he believed, they would talk.]

Hasluck asked about an initiative in the UN on Vietnam.

President Johnson said Congress is anxious for us to make a proposal in New York. We had failed twice. We would probably fail again. There

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was some doubt as to whether we had enough votes to inscribe the issue. If inscribed, we did not know what would happen; for example, would the Soviet Union veto it. We know that Hanoi will pay no attention to this forum of possible negotiations. But a hundred Senators want it done. We have not yet decided how to act in these circumstances, but we shall act with extreme caution. We do not wish to see an amendment imposed on us requiring unilateral bombing cessation. On the other hand, we do not wish to be put in the position where we would have to exercise a veto.

McMahon then said he did not understand the President's reference to increased North Vietnamese forces. He was under impression the forces were decreasing.

The meeting broke up before the President was able to make a full response.

(WWR saw McMahon at the airport and explained that while VC forces in the South were diminishing, there was evidence of an increasing role for the North Vietnamese, including the problems early introduction of elements of 2 divisions.)

WWRostow:rin

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President's Meeting with Pope Paul (Dec. 23, 1968)

(from J. Valenti's notes)

President gave the Pope an aide memoire. It noted the Pope's appeal for a bombing halt.

"My country has tried this path before. I would not exclude the possibility that it may again appear wise at some point."

It cited two objections: 1) past sterile experience and danger to our troops
2) If Hanoi was able to improve its military position (because of a halt), any talks would be sterile and dilatory on Hanoi's part.

"Those judgements could change." It noted that the San Antonio offer had been rejected by Hanoi, publicly and privately.

Referred to his recent TV interview regarding elections and the possible role of NLF "individuals" in finding peace.

Discussed the question of POW's. Suggested Pope's sending a representative of NVN to discuss the matter and if possible look into the condition of our prisoners. Noted GVN would agree to a visit to SVN and observation of prisoners there.

Pope said that of course he could not support war ~~xxxxxx~~ but that he wanted to help.

Discussion of Kosygin. President recalled Glassboro.

Said he expected "kamikaze" tactics to be used by NVN/VC.

(above from back-up material on President's trip to Holt funeral and beyond)

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March 14, 1968

MEETING NOTES OF THE PRESIDENT'S
LEADERSHIP BREAKFAST

March 5, 1968
In the Mansion

Attending the meeting were:

The President	Lawrence O'Brien
The Vice President	Joe Califano
Speaker John McCormack	Mike Manatos
Senator Mike Mansfield	Marvin Watson
Senator Russell Long	Barefoot Sanders
Congressman Carl Albert	George Christian
Congressman Hale Boggs	

The President thanked the House for the Gold Cover Bill. He said that the Senate looks good on the bill, with the tally showing 15 or so against and 47 for, with many uncommitted.

The President reviewed briefly the "serious" financial and budget situation and copper strike.

The President and the leadership reviewed this House schedule for the week:

1. The San Rafael Wilderness Conference Report, left over from last session ... controversial, but a major conservation success if enacted. "We hope the leadership will be able to muster solid Democratic support for it on the floor," the President said. Congressman Albert replied: "We will get a good vote. I don't think it will be beat."

2. The National School Lunch Act Amendments, including the Child Nutrition Bill. The President said there seems to be no major controversy, but Congressman Albert said that there is "a little concern" about this one.

3. The Arms Control Authorization Bill, for \$33 million appropriation over a three year period. The President noted that the Republicans will offer an amendment to reduce the length of the authorization to 2 or even 1 year, and said he hoped this amendment could be defeated. Congressman Albert said that this will be tough, and that Congressman Findley will make a move to cut off funds for the non-proliferation treaty.

4. On the Civil Rights Bill pending in the Senate, the President said, "Once the bill has finally passed the Senate we would hope that the House leadership can schedule it promptly for Rules Committee consideration.

"We would like to have a rule making it in order for the House to concur in the Senate amendments to the House passed bill and so worded so that only one House vote will be needed - similar to what was done for House concurrence for the 1957, 1960 and 1964 Civil Rights bills."

Congressman Albert reported that Jerry Ford had indicated he had reservations about the Bill, but did not say he was against it. Speaker McCormack said that Ford will be under pressure to pass it.

The President asked how much help may be expected from Republican leaders outside the Congress. Mike Manatos reported that Richard Nixon had made some calls at Senator Percy's request during the Senate debate, but without much success. "The only votes we got were those we got ourselves," Manatos said.

Other matters discussed at the meeting:

1. Gold Cover - The President said he hoped that this bill, which has passed the House, will be passed by the Senate in the same form. It contains a small amendment which if adopted would require House concurrence, and the President hoped this could be deleted. "We had a close vote on final passage, 199 to 190, in the House, and want to avoid any further House action," the President said.

Senator Mansfield said Senator Sparkman is confident he can pass the House version. The President asked Mansfield to talk to Senator Proxmire and get his help.

2. Consumer Legislation -- (Reviewed by the President)

Fire Research and Safety - enacted.

Truth in Lending. In conference. We hope that both House and Senate Leadership can urge the conferees to start meeting soon. Mrs. Sullivan wants to hold out for a garnishment provision which was in the House bill. This is essentially a minor issue and should not be allowed to delay conference approval of this major bill.

Pipeline Safety. Passed Senate. House Commerce Subcommittee hearings continue.

Poultry Inspection. House Agriculture Subcommittee has concluded its hearings. We would like to have full Committee approval soon and early action by the Senate Agriculture Committee.

Hazardous Radiation. House Commerce Subcommittee approved the bill for full Committee action yesterday, Monday, March 4. We would like to have early House Committee approval.

Wholesome Fish. Pending in House and Senate Commerce Committees. Senate hearings are tentatively scheduled for early April. We need House hearings set.

Dangerous Drugs. House Commerce Subcommittee has concluded its hearings. Pending in Senate Labor Committee; no hearings scheduled.

Auto Insurance Study. House and Senate Commerce Committee hearings are tentatively set for mid-March.

Boat Safety. Pending in House Merchant Marine Committee. Not yet introduced in Senate but hearings are tentatively scheduled there for May 7.

Electric Power Reliability. Pending in Senate Committee and House Commerce Subcommittee. Hearings have been held.

Mutual Fund Reform. Senate Banking Subcommittee hearings held. House Commerce Subcommittee hearings begin March 12.

Deceptive Sales Act. Senate Commerce Subcommittee hearings underway. Pending in House Commerce; no hearings set.

Hearings on all appropriations are underway or scheduled in the House and in the Senate except in those cases where the Senate will wait until the House completes action.

We have 22 major authorization measures. Hearings are underway or set on most of these.

3. Rules Committee - "With the shortage of business on the House floor we would like to get rules on these bills soon," the President said. But on Highway Beautification, the President said that if the Republicans are going to oppose it, "maybe we ought not bring it out." He said he did not want to see it cut all to pieces on the floor. The President then asked if he was incorrect in his assessment that most in Congress now favor cutting expenditures. Both Congressman Albert and Larry O'Brien agreed that the prevailing attitude is to cut.

4. Tax Bill - The President asked Senator Long if he could finish the excise tax bill today. Long said he could not, but can have a one day hearing before Senate Finance. The President commented that Secretary Fowler had said nobody on the Committee would help him except Long.

5. Health Legislation.

The President suggested that Senator Long have hearings on drug prices. Long said he agreed, "That you pay about 100 times the cost of manufacture."

6. Government Reorganization. The President said Senator Ribicoff wants to set up another Hoover Commission to reorganize the government. The President said he suggested we may want to appoint an executive commission, but "you lose control of these things." At the Congressional Commissions, the President said members don't attend meetings.

"Could we satisfy him by appointing a task force and putting him on it? I would like to appoint 11 -- 2 from the House; 2 from the Senate; 3 from the Executive and 4 from the public."

Discussion of this idea was inconclusive.

THE WHITE HOUSE

WASHINGTON

~~TOP SECRET~~

Friday, March 15, 1968 -- 4:20 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: 5:00 p.m. Meeting, March 15, 1968

1. Ask Sec. Clifford to present his recommendations.
2. Questions, if not answered:
 - What level of draft call-ups go with the proposed package: in 1968; in 1969?
 - What are the budgetary implications of the proposed package: for FY 1968; for FY 1969?
 - What end strength figure for the Armed Forces goes with this package: end FY 1968; end FY 1969?
 - I note this package will bring our strategic reserve up to 7 divisions. How would this compare with the reserves before our commitment of major forces in mid-1965?
 - How thin has this package been pared: is the call-up sufficient to backstop the additional forces?
 - Do I take it that I am receiving from the Secretary of Defense a recommendation in which the JCS concurs?
 - How long can we maintain this posture without changing current personnel policies or calling up more reserves?
 - Has this recommended package been communicated to General Westmoreland?
 - Suppose the enemy commits his forces to a simultaneous offensive against: Saigon; Western Highlands; Khe Sanh; Quang Tri; and Hue. Is Westy in a position to deal with such an all-out offensive by the North Vietnamese regular units? In such an emergency, are there any additional forces that could be quickly generated or deployed?
 - What is your present assessment of enemy intentions over coming weeks?

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Authority OSD 10-18-78, NSC 12-4-78
By LTS, NARA, Date 1/8/24

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3. ARVN

- How is recruiting proceeding?
- Do we have a plan to modernize ARVN equipment rapidly?
- If we give the rebuilding and reequipment of the ARVN top priority, does this package cut across that objective? If so, to what extent?

4. Timing.

(Obviously the timing of this announcement must be related to our situation with respect to the monetary consultations and your confidence that we can cover the extra costs fully by increased taxes and reduced expenditures. In any case, Joe Fowler and Bill Martin should be promptly informed of any decision at which you arrive.)

5. Vietnam General Review.

(You may -- or may not -- wish to discuss how we proceed to examine where we go with Vietnam policy after the winter-spring offensive. My strong recommendation is: have a separate meeting on that subject.)

6. Depending on your feeling and judgment at the end of the session, you may wish to:

- arrange for further Congressional consultation and/or leadership meeting;
- give Secretaries Rusk and Clifford guidance on the themes for your speech.

W. A. Rostow

~~TOP SECRET~~

NOTES ON THE PRESIDENT'S MEETING WITH THE CONGRESSIONAL
DEMOCRATIC LEADERSHIP

TUESDAY, MARCH 19, 1968

ATTENDING WERE:

Vice President Humphrey
Speaker John McCormack
Congressman Carl Albert
Senator Mike Mansfield
Senator Russell Long
Senator Robert Byrd
Postmaster General Larry O'Brien
Barefoot Sanders
Mike Manatos
George Christian
Jim Jones

MEETING CONVENED: Cabinet Room at 6:16 p.m.

MEETING ADJOURNED: 7:00 p.m.

The President opened the meeting discussing the excise tax. He asked that the conversation be kept confidential and that there be no leaks. The President said we have a budget of \$186,100,000,000. Of that about \$30 billion is touchable. We would like to, if we had the power to, get the same taxes as we had in 1964. If we did, we would be taking in \$23 billion and would have a surplus of \$3 billion. But it would hit heaviest on the little people. The ugly surtax name has got us in trouble. Nearly all say that there will be no taxes without a cut in expenditures. Everyone Thinks each cut is the wrong one.

The Senate and the House want us to say what we would go along with. I want to let Congress pick what economies they want like we did last year and whatever you lack we will pick up by a formula like the one last year, perhaps 2% payroll, and 10% expenditures or something of that nature. But then the word got out. George Meany was over today and brought this up. I told him let's see this thing - Vietnam is up over last year. Bill Martin says we will have 10-15% interest if we are not careful. We insist on doing more than we can pay for. If we have \$800 billion gross national product, I think we can pay for more but the Congress does not agree with me. It's desirable to get a \$10 billion tax bill and a \$10 billion cut in appropriations which will give a \$4 billion cut in expenditures. To cut more than \$4 billion will really cut someone's scalp.

MORE

I would hope in the next 30 days before we bring housing to a halt and jeopardize the dollar and shove interest rates so high, that we've got to have a tax bill. When Wilbur Mills realizes we've got to have more for Vietnam, I hope we'll have a bill. So what we're looking at is a \$10 billion tax bill, \$10 billion cut in appropriations and cut in expenditures of \$4, 4 1/2 billion or 5 billion.

Of the \$4 billion, about \$2 billion will be for stretching out of non-Vietnam defense. Although they may talk about it, no one will vote against Vietnam expenditures. But we've got to spend more. We'll have 2,700,000 more M-16 rifles needed. We have 900,000 now. Every body condemned the, but now everybody wants them. We need more helicopters, more ammunition.

For next year, we'll have more callups. So far there have been 10,500 and we'll call up others. But there won't be any 400,000 callup to get 200,000 men. But we will have enough to protect our men. Next year's budget will have that money.

If we're going to have a \$20 billion deficit, we've got to have a tax bill. But we won't get a tax bill without reductions. I do not want to initiate the reductions, but I will accept what Congress has guts enough to cut.

I'd like to cut appropriations about \$9 or \$10 billion and raise taxes \$9 or \$10 billion and save expenditures \$4 or \$5 billion. About 1/2 would be non-defense such as the minute-man missile, ABM's and some ships may be deferred. This won't materially hurt anybody. Poverty under this formula would get more than last year. Highways would get as much as last year. AID would be cut about \$500 or \$600 million. If we could get agreement with Mahon, Hayden, Russell, Wilbur Mills and Long we could do this.

So that is where we are on the tax bill. I hope in the next few days to look over our strategic reserves. We did have 12 divisions, and now we're down to 2/3 of a Marine division and 2/3 of an Army division. I want to build this back to about 7 divisions. To do that, we will have to call up a few thousand reserves. We'll have to send some out to Vietnam. There will be some combat and some support troops there.

We will have a 3+ billion dollar supplemental between now and June. Would you add that to the deficit? Even Wilbur must admit that we've got to have a tax bill. However, get Williams, Burns and Ford. It would be most desirable if Wilbur would take it if we would add in the Senate bill.

Carl Albert said we would have a hard time selling that to the House.

The President said it would be easier to amend in the Senate than make each of the cuts in the House.

Albert asked if anyone has talked to Wilbur Mills about repeating the 1964 Tax Bill.

MORE

The President said yes, but Labor would not stand for it.

Senator Russell Long said as of now, it seems that (Senator John) Williams is playing politics. His theory is that we've got to carry out the Vietnam war, violence in the streets and have a deficit in addition to a tax increase...

The President said the only thing worse is to devalue the dollar and have 15% interest rates. We've got to pay for some of the things we are doing or not do some of the things. I don't know if you can get a tax bill that way, but I hope we can. I need your help as my leaders.

Long said before we add an amendment to the Senate bill, I hope we can explore with Wilbur (Mills) to see if he would take it.

Mike Mansfield said I do not see why Wilbur can't see that inflation...

Carl Albert said the tax bill is one area where the House is free historically and they will put this up in May...

The President said I do not think that you can pass a tax bill if you can not get Wilbur and Russell to agree. I asked to see Wilbur for breakfast, but he was tied up.

The President said we are not going to ask for legislation from Congress on troop deployment in any numbers of 400,000 and 200,000. We are going to call up a few thousand for Vietnam and our strategic reserves. We will add to our deficit several billion dollars, probably between 8-12 billion and that will be added to the \$20 billion deficit. We expect 186.1 and add 10 to that for 197, which gives you a deficit of 31 billion. Our revenues will be 166.

The President said I do not think Mills will come up to that figure. I think he will be on the high figure until we can talk to Wilbur, Russell etc. I would not vote on the tax bill.

Carl Albert said I do not know where we are on the Civil Rights Bill, but it's being put off for some time.

The meeting adjourned at 7:00 p.m.

THE WHITE HOUSE

WASHINGTON

March 19, 1968

Tuesday, 5:20 p.m.

FOR THE PRESIDENT

FROM: Barefoot Sanders 

LEADERSHIP AGENDA

Tuesday, March 19

1. This week's schedule:

House: Coast Guard Authorization
Inter-American Development Bank
Hazardous Radiation

Senate: Ethics Bill
Excise Tax Extension (probable but unlikely)

The Coast Guard Authorization passed the House on a voice vote this afternoon, as did the Inter-American Development Bank measure.

A rule was granted on Hazardous Radiation, which is an Administration bill. I anticipate no problems on the floor.

The Ethics bill will probably occupy the Senate floor this week.

2. Expenditure Reduction - Tax Increase.

The press has given considerable play to possible Administration proposals to reduce expenditures in order to obtain Mills' support for a Tax Increase. I hear that Mills is talking of a \$10 billion appropriations cut, involving a \$5 billion expenditure reduction, as the price for Ways and Means approval of the Tax bill.

I recommend that you ask the Leadership their views, and their interpretation of Congressional views, on a substantial expenditure reduction. What will it mean politically - that is, will it drive our normal liberal supporters away from the Administration and toward Kennedy and McCarthy?

In this connection you may wish to mention whether there is any prospect of increased expenditures in Vietnam and the effect of those on the budget.

Also, in this same regard, you may wish to discuss with the Leadership the significance of the Gold agreement made over the week-end and the urgent need for a Tax bill to set our fiscal house in order.

3. Civil Rights.

House Rules Committee today set April 9 as the date to report the rule which will enable the House to concur in the Senate amendments. This will probably put the House floor vote over until after Easter.

I recommend that you emphasize to the House Leadership your great concern for this legislation and your interest in a prompt and successful vote to concur with the Senate amendments - which are, essentially, Anti-Riot and Open Housing.

4. Urgent Supplemental Appropriation.

This bill is in conference. The Senate added the following amendments: Summer Program (\$75 million), Head Start (\$25 million), Impacted Areas (\$90 million) and Farmers Home Administration lending authority (\$25 million). We have not clarified the Administration position with respect to these Senate amendments - although the Impacted Areas amendment is clearly contrary to the budget. You may wish to express Administration opposition to this amendment and leave the others open.

5. Conference Committees.

We have the following two bills in conference on which we would like to obtain early action:

Truth in Lending
Elected School Board for D. C.

We hope the Leadership can get these conferees moving.

6. D. C. Revenue bill.

This bill went to the House last week but has not been introduced. We need the Leadership's help in having the bill introduced and early hearings set.

Without enactment of this bill there will be no funds available for the increases in Police and Firemen's pay which have passed the House nor for increases in the teachers salaries which the Administration has recommended.

7. Vietnam Policy.

In view of all the publicity about "escalation" and increases in troop strength in Vietnam, you may wish to advise the Leadership of the present Administration position on this matter. (As I understand it, no decisions have been reached.) The Leadership will also be interested, of course, in the costs and the increased appropriations which may be necessary for additional troops in Vietnam.

8. Crime Legislation.

We urgently need Senate Judiciary approval of and Senate action on the Safe Streets bill. Can the Senate Leadership help move this legislation?

9. Political Situation. Nine Congressman, led by Carl Albert, took the floor today to endorse you for reelection and renomination. The Speaker, of course, has made his endorsement of you clear many times and most recently on Saturday.

We would hope that the Leadership will encourage Senators and Congressmen to express publicly their support of the President for renomination and reelection.

We can be sure that the Kennedy forces are trying to pick up Senators and Congressmen and we want to hold off this effort, particularly in the North and East.

March 19,
1968

Pres. Clifford, Rusk, Bundy, "Bundy, Rostow, Jordan,
Vice Pres, Fortas, Christian, Tom Johnson, McPherson.

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tax - minimum \$10 billion
cuts - appropriations \$10 billion
expenditures - \$5 billion

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Authority NY 82-89
By LS, NARA, Date 11/8/94

Rusk: major peace proposals, without cessation of bombing, nothing.
cessation of bombing, without enemy initiatives, dangerous.

Hanoi's rejections have divided us. Essentially, we are together.
I'm not sure what the effect wd be of a call-up of troops
and stand-down of bombing.

Rostow: Down the line (but ^{not} now) we hope to get Thieu to
accept NLF as part of political system. We can't
press him openly on this.

Appeal to Hanoi to focus on balloted box, away from battle.

Rusk: Element of hope has been taken away by TET offensive.
People don't think there is likely to be an end.

MacBundy: Right. Great fall-off in support
Hell of statement now is "here they come again,
with \$30 billion now forever instead of \$25 billion".
Can we convey impression that we are ready
for peace by saying "this is about the US share"?
People agree with the objectives, but wonder what it
will cost.

Clifford: Objectives:

1) Reiterate importance of Vietnam. Is it still really

important, within framework of other challenges.

Danger to SE Asia.

Why more troops? People were glad to learn last fall that there wd be a limit of 525,000. Now being exceeded.

- 1) * Gennis said o.k. if the re-inforcement is needed to protect the troops who are already there.
- 2) * Also important to mention enemy's movement of new troops.
- 3) * Just 3 or 4 mos could be a critical time in the war.

Is this an American war, are we just replacing SVN?

Cite GVN efforts.

Do we have anything to offer besides new war?

Reasonableness. Hanoi's unreasonableness.

We offer a program of de-escalation of the war? a gradual approach. Beginning of de-escalation.

* Stop all bombing N of 20° -- if in turn the enemy would stop their artillery, rockets and mortars from DMZ area into South Vietnam. (This is acceptable to Wheeler).

If you accept this, we'll have another offer. If you accept that, we'll have still another.

Rusk: This wd mean we wd still bomb in DMZ area?

Brady: don't need to trade. Just stop.

Clifford: alternative is that in exchange for stopping, NVN

wd get out of DMZ.

Bundy: Still don't see trade necessity. This speech needs a "left hook"

Clifford: They may not accept our offer, but it is a firm one, better than rhetoric.

Rusk: Agree w/ Bundy. Say "whether or not Hanoi will take advantage of this we don't know. But let's see"

Bundy: You'd resume if there were major attacks, or complete silence over long period of time. Anyway bombing ^{around Hanoi and Haiphong} doesn't do much.

Pres: It sure enrages the world.

Goldberg: Unless it is a ^{meaningful} ~~good faith~~ offer for peace, don't make it. Stand your ground. "I've tried, but it didn't work".

The only thing that offers possibility of ~~talks~~ is cessation of bombing.

American people only respond badly when our peace offers don't work. They want results.

Recommend trying to get direct US-Hanoi talks. Needn't involve the situation in the South. (Hanoi says NLF will decide the South). You could get those with a bombing pause.

Shelling across DMZ? Make that 1st order of business in the talks.

"2-handed" approach will not succeed this time.

"De-escalation" won't succeed as a policy initiative if it's

accompanied by additional forces.

Clifford: But maybe ~~it would~~ if it's tied to NVN action.

Costow: I think Hanoi-Haiphong bombing has far greater impact on world opinion than troop increases in South Vietnam.

Pres: Standing down bombing gets the Hawks furious.

Rusk: "I'll stop the bombing if the 2 cochairmen and 3 members of ICC meet and make themselves available for all parties."

Pres: Bunker's argument is that any overture would hurt SVN.

Fortas: Limited obj for speech: need for troops + economy.
Specific peace moves will be lost in this speech.
offer will be taken as sign of weakness.

People's feeling of discontent is over whether the effort is being prosecuted intelligently and firmly.

Our combination of war and peace is confusing.

Troop reinforcement: strength + resoluteness.

Dramatize SVN involvement.

Clifford: In WWII, "prevail we will" would work because conditions ~~were~~ were right. Now they aren't.

Bill Bundy: Sit is worse ^{in I Corps} than most imagine

Goldberg: Can we continue this effort w/out erosion of public confidence

Pres: We are mixing two things when we include peace initiatives. Let's make it troops + war. Later we can revive and extend our peace initiatives.

LUNCHEON MEETING, MARCH 22, 1968

ATTENDING THE MEETING WERE:

The President
Secretary Rusk
Secretary Clifford
Secretary Fowler
Attorney General Clark
Justice Fortas
William Bundy
McGeorge Bundy
Walt Rostow
Harry McPherson
George Christian

The President opened the proceedings with the statement that Senator Hayden was not going to run for re-election. He said that he was glad that he was not taking on Goldwater and that Hayden was one of the finest and best men he had ever known. The President also said that he had talked to Governor Rockefeller and told him that the people close to him had mixed reactions on the Governor's decision. "Those who want me to run were glad you stepped out, and those who do not want me to run are sorry you are not going to be in the race."

The President referred to Secretary Freeman's confrontation with jeering students at the University of Wisconsin and said he thought Freeman handled the matter very well.

Justice Fortas said that he had seen Leon Keyserling on television, and it was the the meanest thing he had ever seen directed against Bobby Kennedy.

The President said he feels there has been a dramatic shift in public opinion on the war, that a lot of people are really ready to surrender without knowing they are following a party line.

Secretary Clifford said he thought Senator Kennedy was too "shrill" this early. He referred to Kennedy's comments holding the President

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By CLS NARA, Date 1/8/84

responsible for all the evils of society. Secretary Clifford said at this stage a moderate appeal would be better for Kennedy.

The President asked Secretary Clifford to check and see if the National Guard and Reservists who have been called up are doing anything. He said two of his best backers had told him that their sons did not have anything to do, and intimated that Pat Nugent had told him the same thing. He suggested that Secretary Clifford might get Rivers to take somebody and make a study of manpower in the services. He said he went through this during the Kennedy call-ups and hated to see it happening again.

The group then began work on Harry McPherson's draft of a speech incorporating suggestions from McGeorge Bundy, Bill Bundy and Walt Rostow.

Secretary Fowler said the speech did not have a "sense of crisis" on inflation. Fowler also contended that we continue to play to people who are against the tax and budget cutting program. "If we pass this program, it will be the 268 conservative votes. The liberals don't have the guts to vote for a tax bill. They don't want either taxes or a cut."

During the discussions on the speech, the President and Secretary Rusk left the room to talk on the telephone to Sargent Shriver in Madrid. During their absence, McGeorge Bundy said that extreme care had to be taken in the President's statements. That a speech like the one last Saturday will cost the President the election. Secretary Clifford agreed, saying that the President's Saturday speech to the National Alliance of Businessmen had caused concern among thoughtful people because the President seemed to be saying that he was going to win the war no matter what the cost in American lives.

When the President and Secretary Rusk returned, Secretary Clifford advised that Joe Fowler take the economic part of the speech and he would take the call-up part and they would try to make these sections stronger and more palatable. He wanted to tie in the American call-up with the additional Vietnamese soldiers.

The President suggested that his advisers should get together on their thinking. He said he felt that Congress was going to interpret the speech as pressure on the tax payers and that others would say it was a speech for the campaign year if he made the address before a Joint Session. He said he thought he should make the statement from his office on television, talking about taxes, troops and reserves, negotiations and peace.

The President said it had been his feeling that when the weather is bad we should take advantage of possibilities for changes in bombing. He said we might provide a circle around Hanoi and Haiphong again and wait two weeks on possible developments.

Secretary Clifford said the major concern of the people is that they do not see victory ahead. He said the military has not come up with a plan for victory. He thought the people were discouraged as more men go in and are chewed up in a bottomless pit. Since the men Westmoreland wants won't get there until summer they really aren't going to be any use to him in the emergency. Secretary Clifford suggested that possibly we should call up the reserves but not commit any troops other than those we had promised Westmoreland. He said we could be training now and make the decision later. He said he thought support troops only should be sent.

Secretary Clifford suggested that the President have General Wheeler meet General Westmoreland at Manila and discuss it with him.

The President asked for opinions on how to proceed on more peace moves. Secretary Clifford suggested that de-escalation be started by a limited cessation of bombing above the 20th parallel, with reciprocal action by the enemy by stopping shelling from the DMZ or just north of the DMZ.

Secretary Rusk said this would be alright if there were no hard conditions on the enemy. He did not believe Hanoi would reciprocate.

Bill Bundy said that in Bunker's judgment this would cause major difficulties in Saigon. He said he would be skeptical of the idea but had no alternative.

Walt Rostow said Hanoi would know full well that we were taking advantage of the bad weather. He said it might have some effect on doves and some effect in Europe, but would not succeed and would cause them problems. Secretary Rusk said a critical time for a peace offensive is later after the winter fighting has subsided. He said that if we do this and the enemy hit Saigon, we would have to be prepared to hit Hanoi very hard in retaliation.

Secretary Fowler said he did not think the speech need to commit us to measured escalation.

Justice Fortas said the decision would be criticized as too little, too late and insincere. He said the speech lacks an essential ingredient in that it does not explain why we are in Vietnam.

If we do not talk in terms of Communism, it is like a production of Hamlet without the prince. He said he would emphasize the invasion of Laos by the North Vietnamese and the brutal murders of the civilians during the Tet truce. He said he did not believe the people would give the President the support we need in the speech's present form.

Mac Bundy said he thought Secretary Clifford's proposal would have a short life diplomatically, but he was not against it. He agreed with Rostow that if you wanted to do more later, it is smarter to do less now.

Justice Fortas suggested that we might get somebody else to sponsor the peace plan like the Pope or U Thant because it is going to fail. Both Bill and McGeorge Bundy thought this was going to be a good idea.

George Christian
George Christian

SECRET

Meeting began: 12:15 p. m.
Meeting ended: 1:30 p. m.

NOTES ON MEETING IN CABINET ROOM APRIL 8, 1968

THOSE ATTENDING THE MEETING WERE:

The President
Secretary Rusk
Secretary Clifford
Walt Rostow
George Christian

DECLASSIFIED
Authority NLJ 82-51
By LTS, NARA, Date 1/8/24

The President examined a proposed reply to Hanoi's message which arrived through our Ambassador at Vientiane at 4:00 a. m.

Secretary Rusk said that the South Vietnamese would have a strong preference for New Delhi as the site of the talks. He said there was something to be said for Rangoon. The President said he would prefer Rangoon or Djakarta. Mr. Rusk proposed that we suggest a range of four cities.

Secretary Clifford pointed out that the President and others have said that we would meet anywhere, anytime. The President said, "We have to assume there is drinking water there." He was referring to the need for communications and other facilities necessary for discussions.

Secretary Rusk said the North Vietnamese might choose Vientiane and this would not be a bad place for us. The President said that from their selfish standpoint he would think they would take New Delhi. Secretary Clifford said if he were the North Vietnamese he would stick Phnom Penh because it is their first choice and they are trying to test us.

The President said he had heard General Westmoreland's views for many hours, was still sorting it out in his mind how to interpret them. He said he did not accept Westmoreland's view that North Vietnam is crying for peace because of battle wounds. He said he saw some bitterness in the General, who feels he has been made the goat and has been pulled out because he didn't get support in Washington.

Secretary Clifford said that General Wheeler had reported that Westmoreland had some bitterness but none toward the President.

The President said that Westmoreland was Marshallesque and reserved, but he did tell Mrs. Johnson on the telephone that he got full support

~~SECRET~~

from the Commander-in-Chief.

The President said that Westmoreland reported that he had a good meeting with President Eisenhower.

The President and the two Secretaries discussed the method of bringing Cyrus Vance into the talks as a companion of Ambassador Harriman. The President said he wanted Vance's participation to be on a joint basis with Harriman.

The President then discussed the possibility of bringing Ambassador Bunker to Camp David tomorrow. The two Secretaries thought this would be a good idea. Neither felt the President should attend the King funeral.

The President said Bunker's big job is going to be to work on the South Vietnamese. He said they have to realize we've got to finish up by January 20. The President said Bunker is highly important in achieving this.

The President urged Secretary Clifford to solve "the gun problem." He said, "If you can't shove the M-16's, shove the M-14's as fast as you can."

Secretary Clifford said he understood the ARVN did not want the M-14 because it was too heavy, but he would get onto the situation again.

~~SECRET~~

NOTES OF THE PRESIDENT'S MEETING
WITH THE CONGRESSIONAL LEADERS

May 7, 1968
In the Mansion
8:30 a.m.

ATTENDING THE MEETING WERE:

The President
The Vice President
Speaker McCormack
Senator Mansfield
Senator Long
Senator Byrd
Congressman Albert
Congressman Boggs
Budget Director Charles Zwick
Mike Manatos
Barefoot Sanders
Joe Califano
George Christian

Senator Byrd asked the President about the Pueblo. The President replied that incidents in Korea are increasing, and that the North Koreans are trying to milk as much propaganda as they can out of the ship and its crew. He reviewed briefly his meeting with President Pak in Honolulu, and pointed out that the U.S. is planning to put in \$100 million extra military assistance. The President said none of the military leaders recommended military action, since it would probably kill the crew of the Pueblo.

The President said the cable traffic indicated the Communists want to steam up things prior to the peace talks. He said the USSR, China and North Korea will join in this, and noted that the enemy had hit us in 110 places in South Vietnam over the weekend.

The President reviewed the offer of the Pope to use the Vatican as a location for peace talks, and said there had been other suggestions for Bucharest, Algiers and other places.

As for Paris the President said, "We think DeGaulle will be proper, but he doesn't want to see us come out with anything, because he didn't."

The President said we didn't expect Hanoi to match our action of restraint, and they ought not to feel they can get away with hitting cities like Hue and Saigon without retaliation. He said in the last four months between 80,000 and 100,000 men have been sent toward and into South Vietnam, and there have been 35,000 detected since March 31.

The President reviewed charts showing corporate profits, personnel income, tax receipts, and tax rates. These charts were later used in the Presidential remarks at the signing of the Veterans Loan Bill this day.

Senator Long questioned whether the charts are in constant details. He said the people are better off, but not as much better off as the charts indicate because population increases and other factors are not "cranked in." Mr. Zwick said this was correct, but the tax rates were the significant things.

The President said "We can't survive without more taxes." He pointed out that since World War II we have sent \$30.9 billion worth of food over-seas. "Some think we ought to spend \$2 billion more now on food stuffs for our own poor people," he said. "We can't go that high, but we have to do something."

The President said the worst thing that could be done would be to turn the appropriating authority over to the President.

On the proposal that expenditure cuts be increased from \$4 billion to \$6 billion, the President used the material in appendix A.

"We can live with \$4 billion," the President said. "You can have it 4 or 6, if we cut 6, I predict Congress by its own vote will put it back."

Senator Long expressed the view that Senator Williams is an adroit Republican who believes we must have a tax increase, but wants to do it in a way that will defeat the Democrats. Long said the Senate conferees cannot decline something that the Senate voted (\$8 billion), but the President pointed out that "you are getting \$18 billion in the other plan."

The President suggested that Senator Mansfield and the Speaker should give the conferees the alternatives of reducing the budget by the additional \$2 billion.

PROGRAM REDUCTIONS REQUIRED
TO ACHIEVE AN ADDITIONAL \$2 BILLION
OF EXPENDITURE REDUCTION IN FY 1969*

An expenditure reduction of \$6 billion can be achieved in one or a combination of the following ways:

1. Take it out of the employees' hides, Highways, and Public Works

By postponing for one year the pay increase that becomes effective July 1, 1968, we could save \$1.6 billion in expenditures during the year. This would require Congress to enact new legislation postponing the provisions of existing law. The additional \$400 million might be obtained by a very drastic deferral of the trust fund-financed Federal Aid Highway Program. Since less than 20% of the commitments are spent in the first year, it would require a holdback of at least \$2 billion of budgeted new commitments to the States, starting almost immediately. (A holdback of \$600 million was already contemplated in the 1969 budget.)

Alternatively, the deferral of the pay raise (\$1.6 billion) could be combined with a \$1 billion additional holdback in highway funds (\$200 million) and a very restrictive policy on other public works which would include no new starts and shutting down those projects that are not more than 50% completed (\$200 million). This would, for example, close down 70% of the Corps of Engineers projects now underway.

* All of these cuts are on top of a \$4 billion FY '69 reduction.

2. Drastic reduction in credit programs

A \$2 billion reduction might be accomplished by a no-new-loans policy in the following loan programs:

Farmers' Home Administration
Small Business Administration
Export-Import Bank
VA loans
REA loans

With credit tightening and marginal borrowers already finding it extremely difficult to continue in business, this is a very drastic action.

3. Take it out of the cities and key social programs

A \$2 billion reduction could be accomplished by severe reductions in social and urban programs. The following are examples by agency of the actions which will have to be taken.

Agriculture --

Hold the Food Stamp and direct food distribution programs to their 1968 levels or below.

Commerce --

Reduce economic development assistance to 1968 levels or below.

HEW --

Cut Elementary and Secondary Education grants below their 1968 levels. Curtail further loans to higher educational facilities, the scholarship program for needy students, and other higher educational activities. Slow down grants for Hill-Burton hospitals and medical and health care facilities.

HUD --

Hold such key social programs as Urban Renewal, Urban Mass Transportation, Model Cities Program, and Housing for the Elderly to levels lower than Congress will provide for in appropriation actions.

Interior --

Hold back on education and welfare programs for the Indians.

Labor --

Reduce Manpower Development and Training below levels contemplated in the budget.

OEO --

Reduce OEO programs to 1968 level or below. A \$6 billion reduction would probably require shutting down the new JOBS program.

In a \$4 billion reduction, an effort could be made to protect the above programs to a significant degree.

~~SECRET~~

32

Lunch Meeting With the President
Tuesday, June 11, 1968 - 1:00 p.m.

AGENDA

1. Message to Kosygin. (Secretaries Rusk and Clifford)

Tab A. Sec. Rusk's suggested redraft attached as well as Amb. Bunker's proposed revision.

2. Instructions for Wednesday Meeting in Paris. (Sec. Rusk)

Tab B. The key question here is whether they should get into item (c) at the bottom of page 2 and the top of page 3.

It has been agreed there will be no reference to bombing between the 19th and 20th parallels.

3. Defense budget cuts. (Sec. Clifford)

The President asked for a report by Tuesday. Sec. Clifford will be ready.

4. Violations of North Korean air space. (Sec. Clifford)

Sec. Clifford was apprised of the President's interest in this matter. He will report steps that have been taken.

5. Seabeds issue. (Secretaries Rusk and Clifford)

The issue will arise in the UN on Monday, June 23. Sec. Rusk will present a proposed U.S. position.

6. Naval vessels in the Black Sea. (Sec. Clifford)

Sec. Rusk has raised this matter with Sec. Clifford; and it was suggested the issue be aired with the President.

7. Amb. Goldberg's suggestion that the President speak at the close of the Special General Assembly. (The President)

We put this on the agenda because it would be one way to dramatize the President's interest in the NPT as well as an occasion to talk more generally on the search for peace in the world.

8. Other.

DECLASSIFIED
Authority NY 82-51
By WJS NARA, Date 6/5/84

~~SECRET~~

W. W. Rostow

*Copy for
Lambert 6/11/68
Bla*

~~SECRET-NO DIS~~

June 10, 1968

Dear Mr. Chairman:

See Rusk's draft

I was very glad to receive your letter of June 5 and have given it the most careful study. I think you and I agree as to the great importance of a peaceful resolution of the Vietnamese problem and of a halt to the bloodshed. I think you and I would also agree that the Soviet Union and the United States have a very special responsibility with respect to the reduction of tensions and the stabilization of peace in the world.

We are prepared to end the bombardment of the Democratic Republic of Vietnam if it would we know it will lead to a de-escalation of the war. In this connection, I have given special attention to your statement that a cessation of bombing and other acts of war against the Democratic Republic of Vietnam cannot result in any kind of negative consequences for the United States in the sense of damaging the interests of its security.

Does this statement apply to the security interests of the United States with respect to our own and allied forces in Vietnam? Obviously, the military capability of the DRV would be further enhanced by the total cessation of bombing. A decision must be made by the DRV not to take advantage of this cessation; we and Hanoi must be clear on this point. Such a decision need not be made public. You will understand that I must be concerned about the position of our troops and allied forces in South Vietnam and the safety of its civilian population. Any light which you can throw upon this vital point would be appreciated.

DECLASSIFIED
Authority NSC 1 Stat 91, 91, 91, 91
By CTB, NARA, Date 1/8/74

Int A

We shall make every effort to discuss these matters constructively with the representatives of the DRV in Paris. We are prepared to stop the bombing of North Vietnam as a first step. We do need to have assurances, which may be entirely private, as to the next steps for the de-escalation of the violence.

Of course, Mr. Chairman, we would be glad to pursue these matters directly with the government of the Soviet Union. If, for example, you are in position to provide us assurances with respect to the military consequences to our own and allied forces if we stop the bombing, we are prepared to accept your assurances and would issue the necessary orders.

We appreciate the fact that you have informed the leaders of the Democratic Republic of Vietnam of our interest in unofficial contacts between our respective delegations in Paris, as well as the fact that you believe that all forms of contact between the parties should be utilized. Our delegation in Paris is ready for such contacts and we would hope very much that the delegation of the Democratic Republic of Vietnam would be responsive.

I do believe it important that we keep in close touch with each other on this matter.

6/10/68
Bunker draft

320

Dear Mr. Chairman:

I was very glad to receive your letter of June 5 and have given it the most careful study. I think you and I agree as to the great importance of a peaceful resolution of the Vietnamese problem and of a halt to the bloodshed. I think you and I would also agree that the Soviet Union and the United States have a very special responsibility with respect to the reduction of tensions and the stabilization of peace in the world.

We are prepared to end the bombardment of the Democratic Republic of Vietnam ~~if it would lead to a de-escalation of the war.~~ In this connection when there is agreement on the steps Hanoi will take to de-escalate from its side. I have given special attention to your statement that a cessation of bombing and other acts of war against the Democratic Republic of Vietnam cannot result in any kind of negative consequences for the United States in the sense of damaging the interests of its security.

~~Does this statement apply to the security interests of the United States with respect to our own and allied forces in Vietnam?~~ Obviously, the military capability of the DRV is already being enhanced by the present restriction of bombing and it would be greatly further enhanced by the total cessation of bombing. We have already made a major move to deescalate whereas Hanoi has countered with increased infiltration and attacks in the Northern Provinces of South Vietnam and by indiscriminate terror attacks on the civilian population of Saigon and other cities. This imbalance cannot be tolerated indefinitely. Moreover, a decision must be made by the DRV not to take advantage of ~~this~~ any total cessation,

DECLASSIFIED
Authority NSC State guidelines
By LRS, NARA, Date 1/8/24

SECRET-NODIS

Tab A

and there must be a clear understanding between us and Hanoi on this point.

Such a decision and understanding need not be made public. You will understand that I must be concerned about the position of our troops and Allied forces in South Vietnam and about the welfare of the civilian population of South Vietnam. ~~Any light which you can throw upon this vital point would be appreciated.~~

We ~~shall~~ will make every effort to discuss these matters constructively with the representatives of the DRV in Paris, but we must have a satisfactory understanding. ~~We are prepared to stop the bombing of North Vietnam as a first step. - We do need to have assurances, -~~ which may be entirely private, as to ~~the next~~ specific steps for the de-escalation of to be taken to de-escalate the violence. We are prepared to move step by step in this direction provided there are visible compensating steps taken by the other side.

Of course, Mr. Chairman, we would be glad to pursue these matters directly with the government of the Soviet Union. If, for example, you are in^a position to provide us assurances with respect to the ~~military consequences to our own and allied forces~~ steps Hanoi will be prepared to take if we stop the bombing, we are prepared to accept your assurances and would issue the necessary orders.

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I do believe it important that we keep in close touch with each other on this matter.



Department of State

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NODIS/HARVAN

DELTO 255

FROM HARRIMAN AND VANCE.

WE ARE SUBMITTING IN THIS MESSAGE A DRAFT OUTLINE FOR THE JUNE 12 MEETING. WE SUGGEST A DISCUSSION OF THE OUTLINE DURING OUR VISIT THIS WEEKEND.

1. WE WILL OPEN. WE PROPOSE MAKING A BRIEF OPENING STATEMENT DEFINING OUR IMMEDIATE PURPOSE IN SPECIFIC TERMS DEALING WITH THE CONNECTION BETWEEN CESSATION OF LIMITED BOMBING OF NORTH VIET-NAM AND WHAT WE HAVE CALLED "RELATED MATTERS."

2. THE STATEMENT WOULD REFER TO THE LACK OF PROGRESS AND THE FACT THAT THE OTHER SIDE HAS BEEN USING THESE MEETINGS AS A PROPAGANDA FORUM RATHER THAN DISCUSSING THE NECESSARY ISSUES. WE WOULD INDICATE NO INTEREST IN PURSUING THE PROPAGANDA LINE AND SUGGEST THAT WE NOW FOCUS ON THE ESSENTIALS AS THEY HAVE EMERGED.

3. WE WOULD DEFINE THE HEART OF THE MATTER AS BEING THEIR DEMAND FOR THE DETERMINATION OF AN UNCONDITIONAL CESSATION OF ALL BOMBING BEFORE CONSIDERING MATTERS RELATED TO THIS DETERMINATION, AS AGAINST OUR CALL FOR CONSIDERATION OF CESSATION OF BOMBING TOGETHER WITH RELATED MATTERS WHICH INCLUDE RESTRAINT ON THEIR PART AS A SIGN OF GOOD FAITH.

~~SECRET~~

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Authority 11493-110
By CTS, NARA, Date 1/8/14

Tab B

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PAGE 02 PARIS 15760 071306Z

4. WE WOULD INFORM THE NORTH VIETNAMESE THAT, CONTRARY TO THEIR CHARGES THAT WE HAVE INTENSIFIED THE WAR IN THE NORTH SINCE MARCH 31, WE HAVE EXERCISED A DEGREE OF RESTRAINT EVEN BEYOND THAT ANNOUNCED IN THE PRESIDENT'S SPEECH OF THAT DATE. AS THEY MUST HAVE NOTED, WE HAVE SHOWN, FOR THE TIME BEING, AN EXTRA MEASURE OF RESTRAINT BY NOT BOMBING IN THE AREA BETWEEN THE 19TH AND 20TH PARALLELS SINCE APRIL 4. MOREOVER, NONE OF OUR TROOPS OR THOSE OF OUR ALLIES HAVE BEEN OPERATING IN THE SOUTHERN HALF OF THE DMZ SINCE THEN. THIS EXTRA MEASURE OF RESTRAINT ON OUR PART HAS BEEN APPARENT TO THE AUTHORITIES IN HANOI. UNFORTUNATELY, HANOI HAS RESPONDED WITH THE OPPOSITE OF RESTRAINT AND HAS INTENSIFIED ITS EFFORTS TO TAKE OVER THE SOUTH BY FORCE. SUCH ACTIONS CREATE SERIOUS DOUBTS IN OUR MIND THAT COMPLETELY STOPPING THE BOMBING OF THE NORTH WOULD EVOKE ACTS OF GOOD FAITH ON THE NORTH VIETNAMESE SIDE.

5. QUOTING FROM THE PRESIDENT'S SPEECHES, WE WOULD EMPHASIZE THE IMPORTANCE OF THEIR TAKING RELATED ACTION IN CONNECTION WITH A TOTAL BOMBING CESSATION. WE WOULD DEFINE RELATED MATTERS AS THOSE ACTIONS WHICH IN THE ABSENCE OF BOMBING COULD ENABLE THE NORTH VIETNAMESE, IF THEY WERE TO ACT IN BAD FAITH, TO INCREASE THE INTENSITY OF THE WAR AND THUS ENDANGER THE LIVES OF OUR MEN AND THOSE OF OUR ALLIES.

6. WE WOULD THEN STATE OUR FUNDAMENTAL POSITION THAT NORTH VIET-NAM MUST NOT IMPROVE ITS MILITARY POSITION AS A RESULT OF A US CESSATION OF BOMBING. THAT IS WHY WE HAVE PROPOSED AMONG OTHER THINGS THE EARLY RESTORATION OF THE DMZ TO ITS PROPER AND ORIGINAL STATUS. WE WOULD REGARD AS ACTS OF BAD FAITH INCONSISTENT WITH OUR OWN RESTRAINT ANY ATTEMPTS BY THE NORTH VIETNAMESE TO IMPROVE THEIR MILITARY POSITION AS A RESULT OF A US CESSATION OF BOMBING. SUCH ACTS OF BAD FAITH WOULD INCLUDE: (A) ARTILLERY OR OTHER FIRE FROM AND ACROSS THE DMZ; (B) GROUND ATTACKS ACROSS THE DMZ OR THE MASSING OF ADDITIONAL FORCES OR SUPPLIES IN NORTH VIET-NAM OR THE DMZ IN A MANNER WHICH POSES A DIRECT THREAT TO ALLIED FORCES IN SOUTH VIET-NAM; (C) AN INCREASE IN THE MOVEMENT OF NORTH VIETNAMESE TROOPS AND SUPPLIES INTO SOUTH VIET-NAM,

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~~SECRET~~

PAGE 03 PARIS 15760 071306Z

TAKING INTO ACCOUNT THAT THE INCREASE IN INFILTRATION RATE OF RECENT MONTHS IS ABNORMAL AND THAT WE ARE THINKING IN TERMS OF THE RATE WHICH PREVAILED IN MID-1967.

7. WE WOULD MENTION AGAIN OUR CONCERN OVER THE LEVEL OF NVA-VC TERROR ATTACKS DIRECTED AGAINST SAIGON AND REMIND THE NORTH VIETNAMESE THAT CONTINUATION OF THESE ATTACKS IS NOT CONDUCTIVE TO PROGRESS AT THE PARIS TALKS.

8. WE WOULD CALL UPON THE NORTH VIETNAMESE TO RECOGNIZE THAT THE PROSPECTS FOR PROGRESS IN THESE TALKS LIE LARGELY IN THEIR HANDS. THEY MUST FACE UP TO THE REALITIES OF THE SITUATION AND RECOGNIZE THE NEED FOR WHAT THE PRESIDENT HAS CALLED "SOME GESTURES ON THE OTHER SIDE TOWARD PEACE." IF OUR RESTRAINT AND OUR GOODWILL CONTINUE TO MEET ONLY INFLEXIBILITY, BELLICOSE STATEMENTS AND EVASIONS, WE WILL NOT MAKE ANY PROGRESS TOWARD ACHIEVING AN HONORABLE PEACE. WE ARE PATIENT, BUT WE ARE DETERMINED.

9. WE WOULD PROPOSE THAT, IN LINE WITH THE SERIOUSNESS OF PURPOSE WHICH WE ARE DEMONSTRATING TODAY, THEY ONCE AGAIN CONSIDER OUR EARLIER SUGGESTION TO REDUCE THE PROPAGANDA OUTPUT IN THE WAKE OF EACH MEETING. WE WOULD SUGGEST THAT EACH SIDE AGREE THAT FOLLOWING THIS AND FUTURE MEETINGS NEITHER SIDE WOULD ISSUE FULL TEXTS OF STATEMENTS MADE AND THAT EACH SPOKESMAN WOULD ONLY PRESENT A GENERAL DESCRIPTION OF POSITIONS TAKE BY EACH SIDE. WE WOULD HOPE THEREBY NOT ONLY TO DEMONSTRATE THE SERIOUSNESS OF OUR OWN PURPOSE, BUT TO MAKE IT CLEAR TO THE WORLD THAT WE WERE NOT APPROACHING THE PROBLEMS OF PEACE WITH POLEMICS AND PURE PROPAGANDA.

10. WE WOULD CLOSE BY REPEATING ONCE AGAIN THE STATEMENT USED AT THE JUNE 5 MEETING AS FOLLOWS: "YOU HAVE ASKED THAT WE ACKNOWLEDGE OR DETERMINE OUR RESPONSIBILITY FOR THE CESSATION OF ALL BOMBING. AS WE HAVE STATED THIS HAS NEVER PRESENTED AN INSURMOUNTABLE OBSTACLE TO US, AND WE ARE PREPARED, IN FACT, TO CEASE BOMBARDMENT AT THE APPROPRIATE TIME AND CIRCUMSTANCE. ACCORDINGLY, I HOPE THAT WE MAY PROCEED FORTHWITH TO DISCUSS RELATED MATTERS".
HARRIMAN

~~SECRET~~



Department of State

32d
TELEGRAM
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~~SECRET~~

CONTROL: 1703

REC'D : JUNE 7, 1968
8:33 A.M.

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TO SECSTATE WASHDC IMMEDIATE 2741

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N O D I S/HARVAN

11. THIS STATEMENT AT THE LAST MEETING RECEIVED NO RESPONSE.
WE BELIEVE THEY NOTED OUR FORMULATION, AND WE WILL BE
WATCHFUL FOR ANY REACTION FROM THE NORTH-VIETNAMESE.
HARRYMAN

~~SECRET~~

DECLASSIFIED
Authority NIJ 93-16
By CRS, NARA, Date 1/8/24

~~SECRET~~

Lunch Meeting With the President
Tuesday, June 11, 1968 - 1:00 p.m.

AGENDA

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The issue will arise in the UN on Monday, June 23. Sec. Rusk will present a proposed U.S. position.

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We put this on the agenda because it would be one way to dramatize the President's interest in the NPT as well as an occasion to talk more generally on the search for peace in the world.

8. Other.

33a *Carriage for
Lima 4/11/68*

~~SECRET~~-NODIS

June 10, 1968

Dear Mr. Chairman:

See Russia's draft

I was very glad to receive your letter of June 5 and have given it the most careful study. I think you and I agree as to the great importance of a peaceful resolution of the Vietnamese problem and of a halt to the bloodshed. I think you and I would also agree that the Soviet Union and the United States have a very special responsibility with respect to the reduction of tensions and the stabilization of peace in the world.

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Does this statement apply to the security interests of the United States with respect to our own and allied forces in Vietnam? Obviously, the military capability of the DRV would be further enhanced by the total cessation of bombing. A decision must be made by the DRV not to take advantage of this cessation; we and Hanoi must be clear on this point. Such a decision need not be made public. You will understand that I must be concerned about the position of our troops and allied forces in South Vietnam and the safety of its civilian population. Any light which you can throw upon this vital point would be appreciated.

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Authority ~~NSC~~ *Staff guidelines*
By *CTB*, NARA, Date *1/8/24*

Int A

~~SECRET-NODIS~~

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We shall make every effort to discuss these matters constructively with the representatives of the DRV in Paris. We are prepared to stop the bombing of North Vietnam as a first step. We do need to have assurances, which may be entirely private, as to the next steps for the de-escalation of the violence.

Of course, Mr. Chairman, we would be glad to pursue these matters directly with the government of the Soviet Union. If, for example, you are in position to provide us assurances with respect to the military consequences to our own and allied forces if we stop the bombing, we are prepared to accept your assurances and would issue the necessary orders.

We appreciate the fact that you have informed the leaders of the Democratic Republic of Vietnam of our interest in unofficial contacts between our respective delegations in Paris, as well as the fact that you believe that all forms of contact between the parties should be utilized. Our delegation in Paris is ready for such contacts and we would hope very much that the delegation of the Democratic Republic of Vietnam would be responsive.

I do believe it important that we keep in close touch with each other on this matter.

##

SECRET-NODIS

33b

6/10/68
Bunker draft

Dear Mr. Chairman:

I was very glad to receive your letter of June 5 and have given it the most careful study. I think you and I agree as to the great importance of a peaceful resolution of the Vietnamese problem and of a halt to the bloodshed. I think you and I would also agree that the Soviet Union and the United States have a very special responsibility with respect to the reduction of tensions and the stabilization of peace in the world.

We are prepared to end the bombardment of the Democratic Republic of Vietnam ~~if it would lead to a de-escalation of the war.~~ In this connection, when there is agreement on the steps Hanoi will take to de-escalate from its side, I have given special attention to your statement that a cessation of bombing and other acts of war against the Democratic Republic of Vietnam cannot result in any kind of negative consequences for the United States in the sense of damaging the interests of its security.

~~Does this statement apply to the security interests of the United States with respect to our own and allied forces in Vietnam?~~ Obviously, the military capability of the DRV is already being enhanced by the present restriction of bombing and it would be greatly further enhanced by the total cessation of bombing. We have already made a major move to deescalate whereas Hanoi has countered with increased infiltration and attacks in the Northern Provinces of South Vietnam and by indiscriminate terror attacks on the civilian population of Saigon and other cities. This imbalance cannot be tolerated indefinitely. Moreover, a decision must be made by the DRV not to take advantage of ~~this~~ any total cessation,

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By CTS, NARA, Date 1/8/24

SECRET-NODIS

Tab A

and there must be a clear understanding between us and Hanoi on this point.

Such a decision and understanding need not be made public. You will understand that I must be concerned about the position of our troops and Allied forces in South Vietnam and about the welfare of the civilian population of South Vietnam. Any light which you can throw upon this vital point would be appreciated.

We ~~shall~~ will make every effort to discuss these matters constructively with the representatives of the DRV in Paris, but we must have a satisfactory understanding. ~~We are prepared to stop the bombing of North Vietnam as a first step. - We do need to have assurances, -~~ which may be entirely private, as to ~~the next~~ specific steps for the de-escalation of to be taken to de-escalate the violence. We are prepared to move step by step in this direction provided there are visible compensating steps taken by the other side.

Of course, Mr. Chairman, we would be glad to pursue these matters directly with the government of the Soviet Union. If, for example, you are in^a position to provide us assurances with respect to the ~~military consequences to our own and allied forces~~ steps Hanoi will be prepared to take if we stop the bombing, we are prepared to accept your assurances and would issue the necessary orders.

We appreciate the fact that you have informed the leaders of the Democratic Republic of Vietnam of our interest in unofficial contacts between our respective delegations in Paris, as well as the fact that you believe that all forms of contact between the parties should be utilized. Our delegation in Paris is ready for such contacts and we would hope very much that the delegation of the Democratic Republic of Vietnam would be responsive.

I do believe it important that we keep in close touch with each other on this matter.



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NODIS/HARVAN

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Authority *ML 93-10*
By *LS* NARA, Date *1/8/24*

FROM HARRIMAN AND VANCE

WE ARE SUBMITTING IN THIS MESSAGE A DRAFT OUTLINE FOR THE JUNE 12 MEETING. WE SUGGEST A DISCUSSION OF THE OUTLINE DURING OUR VISIT THIS WEEKEND.

1. WE WILL OPEN. WE PROPOSE MAKING A BRIEF OPENING STATEMENT DEFINING OUR IMMEDIATE PURPOSE IN SPECIFIC TERMS DEALING WITH THE CONNECTION BETWEEN CESSATION OF LIMITED BOMBING OF NORTH VIET-NAM AND WHAT WE HAVE CALLED "RELATED MATTERS."

2. THE STATEMENT WOULD REFER TO THE LACK OF PROGRESS AND THE FACT THAT THE OTHER SIDE HAS BEEN USING THESE MEETINGS AS A PROPAGANDA FORUM RATHER THAN DISCUSSING THE NECESSARY ISSUES. WE WOULD INDICATE NO INTEREST IN PURSUING THE PROPAGANDA LINE AND SUGGEST THAT WE NOW FOCUS ON THE ESSENTIALS AS THEY HAVE EMERGED.

3. WE WOULD DEFINE THE HEART OF THE MATTER AS BEING THEIR DEMAND FOR THE DETERMINATION OF AN UNCONDITIONAL CESSATION OF ALL BOMBING BEFORE CONSIDERING MATTERS RELATED TO THIS DETERMINATION, AS AGAINST OUR CALL FOR CONSIDERATION OF CESSATION OF BOMBING TOGETHER WITH RELATED MATTERS WHICH INCLUDE RESTRAINT ON THEIR PART AS A SIGN OF GOOD FAITH.

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Tab B

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4. WE WOULD INFORM THE NORTH VIETNAMESE THAT, CONTRARY TO THEIR CHARGES THAT WE HAVE INTENSIFIED THE WAR IN THE NORTH SINCE MARCH 31, WE HAVE EXERCISED A DEGREE OF RESTRAINT EVEN BEYOND THAT ANNOUNCED IN THE PRESIDENT'S SPEECH OF THAT DATE. AS THEY MUST HAVE NOTED, WE HAVE SHOWN, FOR THE TIME BEING, AN EXTRA MEASURE OF RESTRAINT BY NOT BOMBING IN THE AREA BETWEEN THE 19TH AND 26TH PARALLELS SINCE APRIL 4. MOREOVER, NONE OF OUR TROOPS OR THOSE OF OUR ALLIES HAVE BEEN OPERATING IN THE SOUTHERN HALF OF THE DMZ SINCE THEN. THIS EXTRA MEASURE OF RESTRAINT ON OUR PART HAS BEEN APPARENT TO THE AUTHORITIES IN HANOI. UNFORTUNATELY, HANOI HAS RESPONDED WITH THE OPPOSITE OF RESTRAINT AND HAS INTENSIFIED ITS EFFORTS TO TAKE OVER THE SOUTH BY FORCE. SUCH ACTIONS CREATE SERIOUS DOUBTS IN OUR MIND THAT COMPLETELY STOPPING THE BOMBING OF THE NORTH WOULD EVOKE ACTS OF GOOD FAITH ON THE NORTH VIETNAMESE SIDE.

5. QUOTING FROM THE PRESIDENT'S SPEECHES, WE WOULD EMPHASIZE THE IMPORTANCE OF THEIR TAKING RELATED ACTION IN CONNECTION WITH A TOTAL BOMBING CESSATION. WE WOULD DEFINE RELATED MATTERS AS THOSE ACTIONS WHICH IN THE ABSENCE OF BOMBING COULD ENABLE THE NORTH VIETNAMESE, IF THEY WERE TO ACT IN BAD FAITH, TO INCREASE THE INTENSITY OF THE WAR AND THUS ENDANGER THE LIVES OF OUR MEN AND THOSE OF OUR ALLIES.

6. WE WOULD THEN STATE OUR FUNDAMENTAL POSITION THAT NORTH VIET-NAM MUST NOT IMPROVE ITS MILITARY POSITION AS A RESULT OF A US CESSATION OF BOMBING. THAT IS WHY WE HAVE PROPOSED AMONG OTHER THINGS THE EARLY RESTORATION OF THE DMZ TO ITS PROPER AND ORIGINAL STATUS. WE WOULD REGARD AS ACTS OF BAD FAITH INCONSISTENT WITH OUR OWN RESTRAINT ANY ATTEMPTS BY THE NORTH VIETNAMESE TO IMPROVE THEIR MILITARY POSITION AS A RESULT OF A US CESSATION OF BOMBING. SUCH ACTS OF BAD FAITH WOULD INCLUDE: (A) ARTILLERY OR OTHER FIRE FROM AND ACROSS THE DMZ; (B) GROUND ATTACKS ACROSS THE DMZ OR THE MASSING OF ADDITIONAL FORCES OR SUPPLIES IN NORTH VIET-NAM OR THE DMZ IN A MANNER WHICH POSES A DIRECT THREAT TO ALLIED FORCES IN SOUTH VIET-NAM; (C) AN INCREASE IN THE MOVEMENT OF NORTH VIETNAMESE TROOPS, AND SUPPLIES INTO SOUTH VIET-NAM,

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TAKING INTO ACCOUNT THAT THE INCREASE IN INFILTRATION RATE OF RECENT MONTHS IS ABNORMAL AND THAT WE ARE THINKING IN TERMS OF THE RATE WHICH PREVAILED IN MID-1967.

7. WE WOULD MENTION AGAIN OUR CONCERN OVER THE LEVEL OF NVA-VC TERROR ATTACKS DIRECTED AGAINST SAIGON AND REMIND THE NORTH VIETNAMESE THAT CONTINUATION OF THESE ATTACKS IS NOT CONDUCTIVE TO PROGRESS AT THE PARIS TALKS.

8. WE WOULD CALL UPON THE NORTH VIETNAMESE TO RECOGNIZE THAT THE PROSPECTS FOR PROGRESS IN THESE TALKS LIE LARGELY IN THEIR HANDS. THEY MUST FACE UP TO THE REALITIES OF THE SITUATION AND RECOGNIZE THE NEED FOR WHAT THE PRESIDENT HAS CALLED "SOME GESTURES ON THE OTHER SIDE TOWARD PEACE." IF OUR RESTRAINT AND OUR GOODWILL CONTINUE TO MEET ONLY INFLEXIBILITY, BELLICOSE STATEMENTS AND EVASIONS, WE WILL NOT MAKE ANY PROGRESS TOWARD ACHIEVING AN HONORABLE PEACE. WE ARE PATIENT, BUT WE ARE DETERMINED.

9. WE WOULD PROPOSE THAT, IN LINE WITH THE SERIOUSNESS OF PURPOSE WHICH WE ARE DEMONSTRATING TODAY, THEY ONCE AGAIN CONSIDER OUR EARLIER SUGGESTION TO REDUCE THE PROPAGANDA OUTPUT IN THE WAKE OF EACH MEETING. WE WOULD SUGGEST THAT EACH SIDE AGREE THAT FOLLOWING THIS AND FUTURE MEETINGS NEITHER SIDE WOULD ISSUE FULL TEXTS OF STATEMENTS MADE AND THAT EACH SPOKESMAN WOULD ONLY PRESENT A GENERAL DESCRIPTION OF POSITIONS TAKE BY EACH SIDE. WE WOULD HOPE THEREBY NOT ONLY TO DEMONSTRATE THE SERIOUSNESS OF OUR OWN PURPOSE, BUT TO MAKE IT CLEAR TO THE WORLD THAT WE WERE NOT APPROACHING THE PROBLEMS OF PEACE WITH POLEMICS AND PURE PROPAGANDA.

10. WE WOULD CLOSE BY REPEATING ONCE AGAIN THE STATEMENT USED AT THE JUNE 5 MEETING AS FOLLOWS: "YOU HAVE ASKED THAT WE ACKNOWLEDGE OR DETERMINE OUR RESPONSIBILITY FOR THE CESSATION OF ALL BOMBING. AS WE HAVE STATED THIS HAS NEVER PRESENTED AN INSURMOUNTABLE OBSTACLE TO US, AND WE ARE PREPARED, IN FACT, TO CEASE BOMBARDMENT AT THE APPROPRIATE TIME AND CIRCUMSTANCE. ACCORDINGLY, I HOPE THAT WE MAY PROCEED FORTHWITH TO DISCUSS RELATED MATTERS".
HARRIMAN

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N O O I S/HARVAN

11. THIS STATEMENT AT THE LAST MEETING RECEIVED NO RESPONSE.
WE BELIEVE THEY NOTED OUR FORMULATION, AND WE WILL BE
WATCHFUL FOR ANY REACTION FROM THE NORTH VIETNAMESE.
HARRIXAN

DECLASSIFIED
Authority NIJ 93-14
By CTS NARA, Date 11/8/24

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Authority: State 10SD guidelines NY 82-86
By: ~~CB~~, NARA, Date: 1/8/21

10/16/68

Meeting with the President, Monday, October 14, 9:40 a.m., in the Cabinet Room.

Present: Secretary Rusk, Secretary Clifford, General Wheeler, Mr. Helms, General Taylor, Mr. Rostow (later joined by Mr. Christian and Mr. T. Johnson)

Secretary Rusk informed the President that all present had now been briefed on events since Friday. The President might wish to get their reactions and then consider next steps.

The President, noting a question raised by Thieu asked why infiltration was not involved in our formula.

General Wheeler explained that it was difficult to monitor infiltration performance unilaterally and that it was better to keep our bombing of Laos going. Secretary Rusk underlined the critical importance of the apparent acceptance by Hanoi of GVN participation. This was a real turning point and would so be understood in Asia and the world, as well as by the VC in the South.

The President asked: Why is participation of the NLF being accepted? Secretary Rusk responded that this would not be a three-cornered confrontation; that is, with Saigon and the NLF together confronting Hanoi on the one side and Washington on the other. The arrangement would be our side-your side.

But the real importance was that Hanoi, which had vowed never to talk to the "Thieu-Ky clique," was now prepared to acknowledge the reality of the GVN. This means that there can be no settlement in Vietnam without the assent of the GVN. We have always said that there would be no problem in having the views of the NLF heard.

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GVN participation could have a major effect on the political and psychological situation inside South Vietnam; the Chieu Hoi rates should go up; there should be more defectors; etc. Vance had told Secretary Rusk that the acceptance of the GVN was the most difficult of all our conditions. Vance, in fact, believed that they would never accept. Acceptance of the GVN will be fully understood by our Asian friends. Critical issues of face and prestige are involved for Hanoi, as well as favorable factors for Saigon.

The President then asked: Suppose they do accept the GVN and nothing happens in a month or for several weeks? What if we have a stalemate in the talks? What do we do then?

Secretary Rusk replied that if there are no attacks across the DMZ or on population centers, we could go a month or so in a stalemate. But if there is a buildup for later large military operations, that would be a different matter. We should give them until about December 1st before we resume bombing, to see if the talks in fact become serious. If they attack across the DMZ or attack the cities, then we could resume at any time according to the conditions we have put to them.

On the other hand, Secretary Rusk pointed out there would be costs in resuming the bombing too soon; for example, in 10 days. Before we resume we must be in a position to demonstrate that we tested their good faith. Then we could publish our record.

Mr. Helms said that the CIA had been brainstorming the situation developing in Paris over recent weeks. They saw the one great danger in the

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- The one great vulnerability -

situation -- the one hole [^]invulnerable in our position was the question of GVN participation. If the GVN did not participate, all his experts believed there was doubt that the GVN could hold steady. It would probably collapse. Hanoi's concession on the GVN is therefore very important. It is the one thing that fills in the big hole in our negotiating position. It is very significant. Helms agreed fully with the evaluation of Secretary Rusk. Secretary Rusk said that it was his impression that the CIA analysts believed that Hanoi would never accept the GVN at the table. Helms confirmed this as correct.

The President then asked about reconnaissance. Does our formula permit us to continue reconnaissance? Secretary Rusk said that our instruction, referring to "acts of force" rather than "acts of war," would permit reconnaissance. Moreover, he had just bluntly made the point to Dobrynin, who did not react negatively.

The President then asked: Do they understand the "facts of life" about the DMZ and the cities?

Secretary Rusk said that if the other side accepted in silence our statement of the "facts of life", we should be prepared to move on that "assumption."

The President asked: What if we stop bombing and they hit the cities?

Secretary Rusk said that we would have to resume bombing. What they do will determine our behavior. If they violate the "facts of life," we would be back with "business as usual."

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Secretary Rusk noted that we had just pulled back the NEW JERSEY from around the Vinh area to a point closer to the DMZ.

The President pressed on. He said he did not wish our understanding to be "fuzzy." It was necessary that there be clarity among us. If they take advantage and violate the "facts of life" as we have stated them, what do we do?

Secretary Rusk said we would resume bombing and disclose the full record. LIFE magazine had referred to the President and the Secretary of State as the "two lonely men." They would still be here.

The President then turned to Secretary Clifford and asked him to brief the group, first on his trip with General Wheeler to Europe, and then to give his reactions to the situation we now confronted with respect to Vietnam.

Secretary Clifford said that the nuclear planning group meeting he had just attended was the best that had ever been held. There had been great candor and seriousness among all the members.

He had called on Chancellor Kiesinger for a half hour, but the meeting went an hour and a half.

He had made the point with great force to Chancellor Kiesinger that "unless the Germans did something by the end of the year," the pressures in Congress for withdrawal of U. S. forces would rise and, in his judgment, Congress would act.

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Kiesinger had talked about his political problems with the budget and especially pressure from the farmers. But he said that the one deterrent to Soviet action against Germany is the "presence of U. S. forces in Europe" -- not the nuclear weapons, but the forces. Secretary Clifford observed that Kiesinger was a bit of a "soft-soaper" but he (Clifford) had kept the gut issue before him: the U. S. position on forces in Europe would only hold to the end of the year unless Germany "did something."

Clifford also had seen Schroeder with Gen. Wheeler. Schroeder is making plans to expand the German military budget and to improve German military forces. They are considering an order for 88 Phantoms which would cost \$488 million. The Germans wished to have certain components for these Phantoms produced in Germany. We are agreeable, but made it clear that they would have to bid successfully on a competitive basis for these parts.

Secretary Clifford said that we are now beginning at last to get "some movement" out of the Germans. In the past there was talk; now there was action.

He believed that the Czech crisis had saved a dangerous situation which was almost lost on the Hill. Now there is a little time if the Germans and the others act.

Secretary Clifford reported that his trip to Berlin had been very valuable. He spent a half-day there and made six speeches. His visit received enormous press coverage. He had met with several different groups in Berlin;

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visited the Brandenburg Gate; the U. S. brigade; and had lunch with the Mayor of Berlin. Throughout, he had used Secretary Rusk's language. When asked about what the U. S. would do if access to Berlin were blocked, he had said: The U. S. will take appropriate action in case of interference with ingress or egress to or from Berlin.

On Saturday night he had a dinner with the Schroeders (ladies present) where there was a good firm discussion.

On Sunday he met with the troop commanders in Stuttgart: Generals Lemnitzer, Wade, Polk, Burchinal, and Admiral Wendt. There was a full and frank exchange on what lay ahead for NATO.

Clifford thought that these had been a "uniquely productive four or five days."

The President urged Secretary Clifford to read Nixon's speech on NATO.

General Wheeler German
Secretary Clifford then reported that in conversations with/General de Maiziere, certain plans that would be recommended by the military to the German government became more clear. The government had already decided on an increase in the military budget of 750 million DM (\$165 million). They were planning certain improvements in the force; for example, Phantoms for recce, also some new helicopters. They wished to call up reserves for training to improve the manning of their forces. They planned more noncoms.

If others in NATO did more, the Germans would go still further with the expansion of their military budget. Clifford believed that within the next couple of days a "series of firm proposals" would come forward to the German government from their military.

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General de Maiziere said he would like to go above the 458,000 German military manpower ceiling. He envisaged no new structures in the German military forces, but wanted better manning of existing forces, which are now at about 80-85%. If this proposal were accepted, he would like U. S. support, with our other NATO allies, to help allay fears about an expansion in the German armed forces.

Secretary Clifford summed up:

- the Germans are working hard to improve their forces;
- the visit to Berlin was a tremendous plus and received excellent coverage, noting parenthetically that U. S. armed forces broadcasts were listened to by Germans and probably had an audience of 20-30 million.

The President expressed gratification at Clifford's remarks.

Secretary Rusk said that one of the most important things that has happened in Germany is the understanding that the use of nuclear weapons is a serious and most dangerous business and that conventional forces are being taken very seriously.

(at this point, note-taking was picked up by Tom Johnson)

CEA--November 14, 1968

The Economy: Accomplishments and Agenda

I. Prosperity as the Normal State of the American Economy

A. The End of Business Cycle Mentality

1. "I do not believe recessions are inevitable."
President Johnson - January 1965
2. The first Presidency in a century unblemished by recession

B. The Growth Record

1. Chart on "Summary of Economic Gains" -
7-1/2 million jobs; the equivalent of 10 extra weekly paychecks
2. Closing the gap - Chart on "Output and Price Changes"

C. The Contribution of Policy

1. Using the Budget to help balance the economy
2. The "Troika" - fire-prevention rather than fire-alarm
3. The "Quadriad" - coordinating with the independent - but responsive-Fed
4. Changing prescriptions from curing a chill to curing a fever -
the cost of delay

D. The Remaining Tasks

1. Assuring more timely action on taxes and the budget
2. Assuring fiscal-monetary coordination
3. Public education on fiscal flexibility

II. The Challenge of Combining Prosperity and Price Stability.

A. The Costs of Inflation

1. Haphazard impact
2. Pointless tug-of-war: Chart on "Increases in Wages and Purchasing Power"
3. Balance of payments

B. Some cures are worse than the disease

1. Destroying prosperity
2. Controls

C. Unanswered questions

1. What price performance is socially "acceptable" ?
2. With steady growth and ideal fiscal-monetary policy, what unemployment rate would accompany that price performance?

D. Dealing with the trade-off dilemma

1. Voluntary cooperation -- more representation in setting of guideposts?
2. Aiming at troublespots - the Cabinet Committee on Price Stability
3. "Remember the Price Level" in all Government policies and programs

III. Sharing the Fruits of Prosperity

A. With the disadvantaged - achievements

1. Unemployment rates among groups - Chart
2. Reduction in poverty
3. Negro economic gains

B. With the disadvantaged -- remaining tasks

1. Jobs through prosperity
2. Jobs for the hard-core; bringing the Employment Act to the individual
3. Cash benefits for those who cannot work - key decisions of social philosophy
4. Ending the vicious legacy from parents to children

C. With Public Needs

1. The Urban Environment -- housing, transportation, community facilities, pollution
2. Federal resources -- assessing the fiscal dividend
3. The key role of defense requirements
4. Techniques for aiding States and cities and for enlisting private participation - panaceas vs. pragmatism