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Tuesday, March 26, 1968
12:55 p.m.

MR. PRESIDENT:

You may wish to have the meeting proceed as follows:

1. Just as a tidbit and to cheer them up a little, you might read the marked passages from this latest Bunker cable, attached.

2. You might ask Gen. Abrams to comment on two matters:

-- the performance and prospects for the ARVN, including their present strengths in the field including the Regional and Popular Forces. In this connection, ask him at some point: How bad is it in the countryside?

-- what are the prospects for the battle against the main North Vietnamese units in the western highlands and especially in I Corps? In his judgment, what is the timing of that battle?

3. I would then ask Mac Bundy to summarize the views presented this morning.

4. You may then wish to go around the table and ask for brief supplementary statements from the individuals.

W. W. Rostow

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E.O. 12356, Sec. 3.4(b)

White House Guidelines, Feb. 24, 1983

By 29, NARA, Date 4/92

Tuesday, March 26, 1968

FOR THE PRESIDENT FROM AMBASSADOR BUNKER (Saigon 23069)

I took Ambassador Berger to call on President Thieu this morning and we had about an hour with him. Following are the highlights of the conversation.

I recalled to the President that I had already discussed with him and separately with the Prime Minister the question of adequate procedures to assure the deferment of essential civilian personnel from the current mobilization effort. I added that I had the impression that this was being handled quite well in terms of the central government and the Saigon area, but in the provinces there were reports of some essential civilian personnel already being drafted. I emphasized that it was important to get a uniform policy established; otherwise the government and the economy in the provinces could be seriously affected. Thieu said he planned to discuss this question further today with Ministers Vy and Vien and General Cao Van Vien. I reiterated the suggestion that the mobilization directorate be moved up to the Prime Minister's or President's office in order to assure coordination of all the Ministries.

Thieu then said that he was announcing today the appointment of five new Province Chiefs for the provinces of Bien Hoa, Go Cong, Kien Hoa, Phong Dinh, and Vinh Binh. He expected to make a few more appointments within the next day or two, including Gia Dinh, where he stressed that he wanted to get the best man for the job.

With respect to increased tax measures, Thieu said he was sending a draft law to the National Assembly, proposing a surtax for reconstruction and solidarity which he hoped would bring in about 3 billion piasters; on March 30, he plans to issue an Executive Order increasing taxes on luxury and imported goods. He stated that Assembly action was not required and he anticipated about 4 billion piasters from this measure. Thieu added that with respect to petroleum products taxes, he planned to move in two stages since these products were so widely used in the economy and affected all the main means of transportation, especially since Tet. He did not wish too drastic an impact and therefore as a first step, would raise the tax per liter from 9 piasters to 13. He thought that in one or two months he could raise it again to 17 piasters. This measure should bring in an additional 2 billion piasters, for a total of 9 billion.

In connection with these measures, Thieu made a plea for our authorities to work closely with his own to tighten up on supplies from American sources getting into illegal channels of trade. He noted that non-taxable gasoline will obviously become more attractive and said that he would talk with General Westmoreland about this and the related question of PX supplies getting into the economy. He claimed that

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Authority NLS/CBS 10~~SECRET/EXDIS~~By sis, NARS, Date 11-28-83

large sales of cosmetics and other ladies' items had posed serious competition for the local merchants which he hoped could be controlled effectively. I asked Thieu about his measures to limit the black market trade in all these items. He said that he had instructed the mayor to keep up the pressure on the illegal street traders, and added that he planned to check this activity himself.

In connection with this discussion Thieu said he would like to have a detailed exchange of views with us on the pacification policy, on how we should proceed and how the pacification program should be tied into other military policy. I said I thought this a very good idea and that I thought it also might be useful to have periodic meetings of two or three top leaders on both the U. S. and Government of Vietnam side to discuss these problems and others. Thieu agreed.

I then asked Thieu how his plans for the organization of civil defense were developing. He reiterated that he had asked the Vice President to take hold of this subject and come back to him with recommendations for a comprehensive plan which would apply throughout the country. Thieu agreed that veterans could be a useful focal point for this organization. He said one must first develop and help the cadre in the countryside and that financial support was important to this effort.

I asked Thieu how he thought things were going in the Fourth Corps. He said one of the main problems was getting the cadre out into the villages and hamlets and talking to the people there. The Viet Cong were very active in the villages with their propaganda and the Government of Vietnam was very much in need of highly qualified cadre to put over the Government's objectives and programs in a meaningful way to the people. I told Thieu that General Westmoreland was very pleased with the way Generals Thang and Lan were taking hold of their new positions. Thieu agreed that things seemed to be going well in both the Second and Fourth Corps and enemy activity was on a reduced scale. He thought the enemy was reinforcing and preparing for the next offensive, which he still anticipated would be some time during the period from May or June to October.

I referred to our earlier conversation about the Vice President's duties and asked Thieu whether he was moving ahead with the draft legislation on the councils and other bodies. Thieu said that he had sent draft laws on the Inspectorate, the Supreme Court, the Special Court, and on political parties to the Assembly on March 22. He plans to send the laws governing the three Councils which the Vice President will head to the Assembly on March 26, and on March 28 he will submit a draft law to govern the press. In about a week he expected to submit drafts governing the National Security Council and the Armed Forces Council. He is planning to address the Lower House when it convenes about April 1 in order to explain these legislative drafts.

I said that I had heard reports of the setting up of a Council of Spiritual Advisors and I wondered how his efforts to appoint advisors was coming along. Thieu said that so far 18 individuals had agreed to serve and he is planning to talk to three or four others before making any announcement. As he described it, these advisors would be both spiritual and temporal. He said Phan Quang Dan and Ha Thuc Ky had

both agreed to serve. Tran Van Huong had agreed to serve privately as an advisor at any time that the President wanted to see him but did not wish to be officially listed as such. They had all agreed that it was best not to try and meet formally in a large groups since this would not lend itself to frank and constructive discussion in all cases. He had therefore decided that meetings with these advisors would normally be in small select groups, or individually.

I referred to our earlier conversation about Tran Van An's appointment as Information Minister and said I had heard that Nguyen Ngoc Linh had decided not to serve as Vice Minister. Thieu confirmed this and said Linh had preferred to remain as head of Vietnam press. I remarked that Thieu really needed a good press relations man in the Presidency. Thieu thought that Linh could act as government spokesman in his position as head of Vietnam press. I mentioned one or two other names such as Dang Duc Khoi, Ton That Thien, and Nguyen Thai. Thieu showed an interest in Thien.

I suggested to Thieu that it might be useful to consider a further relaxation in the curfew hours, particularly from the viewpoint of the morale of the population. Thieu said that as a matter of fact he planned to review this question with the Recovery Committee when he meets with them on March 27. Thieu also noted that he had spent several hours yesterday with Bui Diem, who had explained the atmosphere in Washington in detail. We did not go into this conversation further but I am reporting separately a subsequent talk which I have had with Bui Diem.