

BACKGROUND BRIEFING
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TRANSCRIPT OF PRESS BRIEFING BY DEPUTY ASSISTANT SECRETARY
WILLIAM H. SULLIVAN
WEDNESDAY, OCTOBER 28, 1970, 3:30 PM

MR. KING: Good afternoon, ladies and gentlemen. This session was called to talk with you about Indochina, and we have asked Deputy Assistant Secretary Sullivan to come down and talk with you about it and then possibly we can get a few questions and answers.

Without further ado, I will turn it over to Ambassador Sullivan.

The ground rules are official sources.

DEPUTY ASSISTANT SECRETARY SULLIVAN: Background.

MR. KING: Well, sort of a refined background. Official sources.

Q That could be the janitor at the Commerce Department.

MR. KING: Official sources -- okay? Thank you.

DEPUTY ASSISTANT SECRETARY SULLIVAN: Well, first of all I am surprised to find that there are so many people in this building who have nothing better to do than this at this time of the afternoon on Wednesday. I am happy to be here.

I have been asked to talk with you about recent

events in Indochina. And I suppose it is as good a time as any to take some stock because we are at the change of seasons -- this is the change from the southwest monsoon to the northeast monsoon. And perhaps I might stop right there and try to explain what that is all about, because I often find that that is not too well understood.

We have the Annamite mountain chain that runs down about like this, along the spine of the frontier between Viet-Nam and Laos, and when the southwest winds come in from this direction, bringing in the moisture-laden air from the Gulf of Siam, they pile up against the hills here. The rain falls in Laos, Thailand, Cambodia and this portion of South Viet-Nam. When it shifts and goes in the other direction, and the winds come down from this side, the rain falls in North Viet-Nam, South China and this portion of South Viet-Nam.

We are right now at the point where the winds are changing.

The south monsoon which has been soaking this area is drying up. This area, therefore, will become an area where military and logistic actions are once again possible. And the area on this side is the area where there

will be difficulties introduced because of the weather.

This whole monsoon cycle has a lot to do with the pattern of warfare and the pattern of events in Southeast Asia and Indochina, and specifically at this time, as we are facing what is usually known as the dry season in the areas where allied and American forces will be fighting, we look forward to the renewal of North Vietnamese and Viet Cong military pressures.

I think in order to put all this into perspective, it is probably useful to go back to 1968, to Tet '68, that is the period in the dry season of 1968 when the buildup that became possible when the monsoon dried out had its major effect.

The 1968 Tet offensive was a very significant military move by the North Vietnamese, a radical departure from their previous guerrilla protracted warfare type operations, an assumption on their part that they should shift to conventional military actions and produce certain results.

The greatest result they wanted to produce by attacking the cities of Viet-Nam in '68 was to collapse the structure of government in South Viet-Nam and

with it the South Vietnamese military forces. From that they hoped to get what in their jargon they call the general uprising -- in other words, an upsetting of the whole political picture in South Viet-Nam.

The other objective of the Tet offensive in '68 was quite clearly not in Viet-Nam, but in the United States, where they hoped to create such a shock effect in American political opinion that they would collapse support for the war in this country. In that objective they were reminded of their previous experience with the French in '53 and '54 where they did accomplish that sort of result from operations such as Dien Bien Phu.

Now, in retrospect the '68 offensive, I think, the Tet offensive, can be evaluated as being quite largely a failure in terms of the military operations on the ground in South Viet-Nam. Although they held the city of Hue for some period and although they held sections of Saigon for some period, they did not succeed in achieving any lasting military advantage, they did not collapse the government, and they did not succeed in crushing or more particularly defecting any elements of any significance from the South Vietnamese armed forces.

Their success in the United States I would say was considerably greater. They did cause a severe political shock in this country. All of you who followed the events at that time are better able to evaluate and trace that than perhaps I am, because I was out of the country at that period.

But they produced another series of consequences in South Viet-Nam which they had not reckoned on, and which I think have set in motion the events that shape very largely the pattern of what has followed since that Tet offensive in '68.

For people who have not followed intimately the history of the fighting in Viet-Nam, it may come as something of a surprise to realize that although the country had been at war for at least twenty years, the South Vietnamese had no general mobilization prior to the Tet offensive of 1968. The one very significant consequence of that Tet offensive was to shock the urban population of South Viet-Nam into a participation in the war effort.

Up to that time, the urban population had been able to stay very largely out of the military aspect of the war and had viewed it pretty much as something that was

going on among the peasants out in the countryside. But bringing the war into the cities as they did, and particularly using the execution techniques that they used in Hue, really made quite a change. I think I can quantify the change by telling you that the population of South Viet-Nam, around 17 million, has about 5 million adult males of conscription age -- in their definition, from 16 to 50. Of those 5 million adult males, you now have 1.1 million in the armed forces, 2.1 million

in the popular self-defense forces, the home guard, another 100,000 or so in the police, 250,000 or so in the civil service, and about 150,000 working for United States and allied forces in various capacities. So that altogether you have better than 3.5 million out of the 5 million adult male population of South Viet-Nam mobilized.

This means two things. One, it means you have a much larger and more effective military machine in South Viet-Nam. But, two, it also means quite simplistically that you have got a bed-check on that number of people and they cannot be recruited into the Viet Cong manpower pool.

So that in the long run, the Tet offensive of '68 produced a shock that mobilized South Viet-Nam in a way that it had never been mobilized before.

Now, the fact that they did not succeed militarily didn't particularly deter the North Vietnamese from continuing this operation for at least another year.

In the 1968 time frame they sent down about 250,000 more infiltrators into the south. These were not guerrillas; they were in unit formations. They came to the south, they formed up in battalions and regiments, and in a couple of instances even into divisional strength. Those 250,000 constituted the core of a second effort which took place in February of '69.

Unless you were in Viet-Nam, I suspect few of you realize that on February 22, 1969, and for about six weeks thereafter, there was a military effort of almost the same dimensions as the one in '68. It was completely smothered because it did not achieve any element of surprise.

But by the spring of '69 the North Vietnamese realized that they had sacrificed too many lives with too few results, and that they had to change their approach and their strategy.

In the spring and summer of '69, they shifted to a very significant new pattern in Indochina. It was a

shift which had a number of consequences. The Primary effect of it was to take all their main force units out of South Viet-Nam, and put them over into Cambodia and Laos. What they left behind in South Viet-Nam they broke down into sapper squads, assassination units, and more particularly into small units that were intended to restructure what Le Duan called the springboard. Because in the '68 and '69 offensives, the North Vietnamese not only lost great numbers of their regular units from North Viet-Nam, but these fellows who are called the springboard -- these are not the hard core, the ganglia of the South Vietnamese Communist apparatus, but the guides and the couriers and the weapons cache guardians in the south. They operated up to that time in a clandestine mode. They exposed themselves in the two Tet offensives and they were pretty much eliminated.

A major effort, therefore, was replacing these people. Because they were not able to get recruits in the south in the numbers needed, they had their North Vietnamese cadre that remained in the country take on these tasks. But their main force units went out of the country, went over into Cambodia.

There has not been an engagement with a main force unit in South Viet-Nam since August of 1969.

What they were doing with the main force units was a very shrewd operation. They pulled them into Cambodia. Specifically they had four division equivalents right in this area, essentially thirty miles from Saigon, flanked along the Third and Fourth Military Regions, at that time III and IV Corps of South Viet-Nam.

Seventy percent of the population of South Viet-Nam lives south of the highlands here, in that concentrated area. Seventy percent of the population and the capital, administrative center of the country. Consequently, it is an area that they wanted to hit. If they did hit and capture or disrupt it, this would mean that they could effectively win the war.

Now, their plan of keeping main forces out of the country was one that economized tremendously in the cost of sending people down from the north. In addition, avoiding main force engagements economized in their casualties.

The operation here had a very significant Chinese flavor. We learned subsequently that it was originally introduced at the request of Chou En-lai speaking

to Sihanouk. All the shipping that came down from the north and through the port of Sihanoukville to provide the equipment for these people came in Chinese ships. The arms and ammunition were all of Chinese manufacture. The trucking companies that handled the shipment from Sihanoukville, Kompong Speu, over to the sanctuary areas were Chinese trucking companies based in Cambodia.

All the rice and all the local supplies that were purchased for these people were purchased by Chinese merchants, through bank drafts drawn on the Bank of China in Hong Kong.

There was a great deal of evidence that would suggest the Chinese, if they did not suggest this ingenious strategy to the North Vietnamese, certainly were very heavily involved in it and were part and parcel of its execution.

It fits very neatly into the Chinese pattern of protracted warfare, because it permitted the pattern of military operations in South Viet-Nam to reach a very low level. The North Vietnamese knew that we were in the process of withdrawing forces out of South Viet-Nam. Apparently their hope /to let that continue all during 1970, until they reached the level of readiness where those four divisions and

equivalents, and the supplies that they could put forward through their springboard would make it possible for them to consider an attack in 1971 prior to the Vietnamese elections. They hoped this would achieve what they failed to achieve in 1968 capturing Saigon and in effect controlling seventy percent of the population that lived down there.

Now, all of this was going very swimmingly up until March 18 of this year when the Cambodian Government became fed up with the operation and deposed Sihanouk. I think it is necessary to point out that this was not a coup d'etat in the sense of a new group taking over in Cambodia. This was the same government that had been in power merely deposing Sihanouk who was their chief of state.

The first two things they did were to block the access to Sihanoukville, and the second was to impound all the trucks of the Hakly Trucking Company which had been acting as the shipping agent in Cambodia.

Now, to a great many external observers the North Vietnamese who found themselves in this position down here looked to be in a pretty bad way. The presumption was that they would try to negotiate, to pull back perhaps, go back up the Ho Chi Minh Trail and otherwise preserve their position, because they were not going to be able to be fed

or supplied in this area. Certainly it would appear that the French Government felt that that was a situation that might lend itself to negotiations. And on April 1, as you may recall, they suggested the idea of negotiations.

Circumstantial evidence would suggest that the Soviets were thinking pretty much along the same lines. Le Duan was in Moscow for about ten days in the early part of April, and the impression was that the Soviet advice to him was to make the best of a bad situation, negotiate a cut and back, /cut his losses. He didn't seem fully in accord with their view. On the 16th, when he headed back to Peking, on the way back to Hanoi, you may recall that Jacob Malik brought the Soviet position out into the open in a statement at the United Nations, in which he suggested it would be useful to have a conference.

But then Le Duan got to Peking and talked a bit with the fellows there who had engineered this exercise, he seems to have accepted the Chinese advice, and then he went back to Hanoi and very shortly after that they made their moves here.

Rather than pulling back into this area, rather than

attempting to negotiate, although they were still in contact with the authorities in Phnom Penh, they started

to move over to try to recapture their supply line down to Sihanoukville and possibly to try to take Phnom Penh -- we were never quite sure what their intentions were -- to re-insert Sihanouk. In doing this, they stated at the time -- and we have the documents which demonstrate it -- that they felt quite confident they could move out in this direction without any threat from the Americans because the Americans were going to be hamstrung by international and domestic opinion and couldn't act against them.

Well, as you know at that time the President did not consider himself hamstrung and did move in. The net result was that these sanctuaries were broken up. Almost all the food, about seventy percent of the ammunition and not much of the weapons -- because they took the weapons with them -- were taken. But most particularly these fellows found themselves cut off. They have by and large moved back up in this area, with the exception of some remnants that stayed down in this plateau area. But basically they pulled back up into here, the northeastern part of Cambodia,

which is not the populous part. Most of the population lives down here, and most of the rice and produce comes out of here. They have in effect split the rubber plantation area between them, with the North Vietnamese occupying some of the rubber plantations and some of the tea plantations. Basically they occupy the jungle area and the rain tree forest up through here, and only two significant population centers -- Stung Treng and Kratie.

Now, that in effect is the situation that obtained in the middle of the rainy season and has existed pretty much through the rainy season. We now have the dry season coming upon us, and what we need to look at it is what our estimate is of what the North Vietnamese face in the way of decisions to be made and what decisions they may decide to take in this time frame.

Essentially there are three options.

One -- they could make a major Tet level military effort, bring large forces and supplies down through the Ho Chi Minh Trail, through this whole area that is subjected to American bombing, into Cambodia. There, there is a much less sophisticated trail network, also subjected to allied air attacks, and/have to crack through the Cambodian ^{they}

defense lines. Then over and above that they have to crack through whatever South Vietnamese come around here to stop them, if they wish to try to re-establish that significant threat opposite Saigon, opposite the Third and Fourth military region where seventy percent of the people live. That would be a very significant military effort, and a very, very major military decision. It is not one that they could do within the economical approach that they have been able to introduce into their southern thrust in the last year or so. It certainly would be a reversion in a major way to the high level, high risk, conventional warfare that is contrary to their traditional pattern of protracted low-cost, long-haul operation.

There is no real evidence to date that they have embarked on such an enterprise. To do it would require major recruiting efforts, major mobilization efforts, major movements.

If they have started movements of that dimension, they are not detected. They are, of course, moving again down the Ho Chi Minh Trail in the dry season. They are moving significantly, /because they have got a significant problem. They no longer have this line of communications. Everything now has to come down here. But the dimension that I am talking about

to remount this sort of effort would be something beyond the scope of what we now see, although we don't rule it out as one of their options.

The other extreme option would be, of course, to negotiate -- to make no effort to re-establish themselves in military strength, but to negotiate seriously in Paris.

And the third option, which fits more nearly the tradition of their own and the Chinese prescription, is, of course, the protracted warfare, low-cost, long-haul option. This entails sending enough people down to replace some of their casualties, maintain their presence, keep up the actions, and particularly the sabotage, sapper, stand-off rocket attacks, and especially perhaps to do something a little more dramatic in Cambodia, but not at a level which would compare with the sort of Tet movements we had in '68-'69.

As of this stage, we really don't know what they are going to do. As I say, the protracted warfare one is the more traditional.

In the governmental situation in Hanoi, where you don't have any charismatic leader of the level of Ho Chi Minh, who could make dramatic decisions, it is perhaps more natural

for a collective leadership to follow a course more of inertia than of drama. We think that their options probably focus somewhere between continuing that course and accepting the idea of serious negotiations.

Now, to look at the idea of serious negotiations, I think you have to look again at the pattern of what has gone on in Paris, again going back to that period of 1968.

The first year, of course, was pretty largely consumed in the whole effort of the bombing halt. In the spring of 1969 they put their ten points on the table and there was evidence that they were thinking about serious negotiations. In the late spring of 1969, roughly the time that Le Duc Tho went back home, those signs froze and we have had no real movement since.

We have never quite known why they froze in the spring of '69. It coincided with Ho Chi Minh's first heart attack. But it also coincided with this new Chinese assistance strategy that counted so much on Cambodia. It also coincided with the period when they saw and began to believe apparently once again that the political opposition in this country was going to be significant. The mobilization movement, moratorium movement, were having their first effects at that time.

In any event, they froze in 1969 and went back to a constant restatement of their two maximum demands -- one, unilateral, unconditional withdrawal of U.S. forces; and two, the overthrow by the United States of the government in Saigon and its replacement by the United States with a government which would be more amenable to their interests.

Now, here in the summer of 1970 we have seen the first indications that they themselves realize those two maximum demands are un-negotiable. They put forward on September 17, through the agency of Madame Binh, their eight points, which didn't materially change their position. In fact, she stated from the outset that they did not change it, that they were merely an elaboration of their ten points -- but which certainly turned it around and presented it in a way that a couple of more cosmetic features were put forward.

They had the phrase "cease-fire" put forward; they had the phrase about the POWs put forward. And they left a lot of vague spaces which suggested that they wanted to talk about them. They also spread out through a variety of other sources indications that there was a lot more to these things than met the eye.

But now they have before them our own proposals of October 7. I think there is a lot of evidence that our

own proposals have some serious attractions for them. There are many people in North Viet-Nam who would look forward to a respite from the war. There are many people in the North Vietnamese camp who seem to be anxious to suggest that the North Vietnamese might be willing to negotiate. I don't know how many of you noticed recently a little item in the Czech broadcasting service, English language program, something which took great pains to point out that the North Vietnamese rejection of President Nixon's proposal should not be considered a rejection, but should be considered an interest in serious negotiations.

✓ ?

There is no question that one of the reasons they rejected our proposals so rapidly and so sharply was that they wanted to get the word to their own rank and file,

particularly the ones they are sending down the trail, that a cease-fire was not waiting for them at the other end of the line and, therefore, they didn't have to go.

Also an indication that they wanted to get out the line to their friends internationally that this one shouldn't be accepted immediately.

But our belief is that they do find it intriguing, and other members of their league find it of interest to them. Therefore, we think that in this set of options which faces them, that of continuing a protracted warfare, or of accepting to negotiate, there are reasons to feel that the latter has a fairly significant life to it.

Now, in the negotiating posture, of course, in Paris, they agreed, in connection with the bombing halt, that one of the participants in the negotiations would be the Government of the Republic of Viet-Nam. It was at that time the Thieu/Ky/Huong Government. They knew full well when they made that agreement that they were going to have to deal with those authorities.

They have since that time reneged on that understanding and attempted to take the position that they cannot deal with this Government. That was their first position. They have now modified it to say, "We can deal with that Government, but not with those three men", which again is a sophistry. It is quite clear that if they are going to have any negotiations on a political settlement in South Viet-Nam in due course,

they have to recognize that they will deal with the Government that is not only constituted there but which has since 1968 achieved infinitely greater strength, solidity and ability.

This, then, is the primary stumbling block that they face.

I think if you examine their reactions to the negotiating proposals this is the particular petard which they find it most difficult to move from.

Having set you up on that petard, I guess maybe we will stop and move to colloquy.

Q Aside from that Czech broadcast that you mentioned, is there anything else that you can cite to indicate that they are intrigued by the proposal?

A Not that I can cite; but there are other things, yes.

Q Like what?

A Like things that I can't cite.

Q But can't you be more specific? Are these things that are classified?

A Yes, for the most part.

Q Are they words that have been passed on by third parties?

A They are both.

Q What is the truth about the report that the South Vietnamese forces have thirty percent communists? If that is so, how can your argument be correct?

A First of all, I think it is essential that you get our false reports accurate. It was not thirty percent; it was a statement that there are 30,000 infiltrators, or 30,000 penetrations, I think. If I can say it without sounding caustic, this is one man's estimate of what he thinks the organization may consist of that is targeted for penetration. This is an extrapolation of various pieces of information. The fact that 30,000 people might, in his judgment, be assigned to the task by no means means that there are 30,000 who have been effective in achieving that. If every employee we have in this man's parent agency were

an effective penetration into the other side, we would be pretty well spread, in a way in which we are not, throughout the globe. And if we had any accurate information which could demonstrate that there were 30,000 such people, then, of course, there would be commensurate action taken. That is, at best, an estimate based on extrapolation of rather limited information.

Q Sir, can you give us some idea of the size of the North Vietnamese force in Cambodia? And can you estimate if Cambodia is able to cope with this force without outside military help?

A Yes. When you say North Vietnamese, I think you have to realize that now, having been pulled out of their base areas, where a great many of the Viet Cong were able to live and had lived for years as residents, the Viet Cong who managed to extricate themselves and go with the NVA units, became pretty much involved together. You have North Vietnamese and Viet Cong mixed up together.

If we were to give an estimate of Vietnamese communist forces in Cambodia

we would put it somewhere in the 30,000 to 40,000 range. Not all those are combat forces. The current level of combat forces targeted against the Cambodians is obviously significantly less than that figure. I think there is every reason to assume that the combat forces targeted against the Cambodians will be augmented in the dry season. The Cambodians have built up their armed forces from about 35,000 to something over 120,000 now, and they are still enlarging them.

Now, the question whether those 120,000 can take care of the type of force that will be thrown against them and the numbers that will be thrown against them has to be seen in some perspective. I think that a crack North Vietnamese regiment, or a crack North Vietnamese division, put into battle against Cambodian forces of equal number would probably shake the Cambodians up considerably. They haven't yet had engagements and encounters of that dimension. So far, they have been having skirmishes. They have had very light casualties. But I think the one thing that we have to assume is that it is not the desire of the North Vietnamese to come in and capture Phnom Penh or to try to occupy the population of Cambodia and administer it.

For example, with twenty million North Vietnamese and a 500,000 man force, they have always been able, if they wished, to occupy and administer Laos, but they have never done it. Their prime target is South Viet-Nam. They will concentrate on getting forces through Cambodia for the purpose of getting back down in the area which gets to the heart of their problem. To send forces over into here and waste people occupying and administering Cambodia is a dissipation of their resources. So capabilities and intentions, I think, have to be kept separate.

Q Bill, what would happen in Cambodia on the ground if the communists accepted the cease-fire?

A We would have a very interesting situation.

Q Much more interesting than elsewhere?

A Yes. I think the Cambodians have made it quite clear that as far as they are concerned a cease-fire would not be tantamount to a territorial division and political redrawing of lines.

Q In other words, they would be able to continue military measures?

A Well, there are all sorts of measures, some diplomatic, some otherwise. If you have a cease-fire and there is no augmentation of movement of supplies coming down the Ho Chi Minh Trail in Laos, some of these would be hard put to live up there.

Q Bill, will you extend your analysis to Laos and what the dry season there is likely to mean insofar as the northern war and the Ho Chi Minh Trail?

A Well, as you know, there are two separate wars in Laos, and the war up here in the north is complicated by the fact that there is a Chinese movement here in this area. But there is no question that, because of the fact that the entire logistics effort now for South Viet-Nam has been thrown onto the Ho Chi Minh Trail, there will have to be an augmentation of the North Vietnamese efforts to move equipment and men through the Ho Chi Minh Trail area.

I think it is fairly clear that shortly after the Cambodian operation, when they moved over to take Saravone and Attopeu they did it for the purpose of expanding the area and enhancing the value of the trail to them. That is one thing.

The other thing is that the caches that they had in here in April and May when we were operating in Cambodia, caches that have come down the Ho Chi Minh Trail were down in this area in their maximum number. They came down during the dry season and were to be drawn on during the rainy season. These were not defended; they were fully exposed. I think they felt as soon as we were moving in here that we might be interested in changing the ground rules and moving in here. So they actually pulled people out of South Viet-Nam back here to enhance the strength of their military defense of their trail structure on this flank. So they have augmented their forces in this flank, expanded their operations on this side, and are putting a bigger flow coming through here. Therefore, the number of North Vietnamese present in southeast Laos and the panhandle has increased, and in that dimension the war in the south has increased.

In the north we don't know. It has been a traditional seesaw pattern: dry season -- rainy season. This rainy season the Lao did not attempt to make major

moves back up in the Plaine des Jars, like they did in 1969. They did re-establish some of their areas of control along the edges of the Plaine des Jars. The North Vietnamese apparently evacuated Muong Soui and let the Laos neutralists go back in there. Whether they will make a major push out of the Plaine des Jars to try to knock off some of these areas in the dry season is yet to be seen. I, frankly, don't see what it would avail them. Again it is a question of dissipation of forces. They have about all they need in this area, and to push out of there would seem to be a diversion.

Q Will you give a figure on the forces in Laos, particularly southern Laos, of the communists?

A It is always hard to give a figure with precision, Stu, but we feel that military forces, engineering forces, coolies, anti-aircraft crews, etc., has probably gotten up in the 65,000 to 70,000 range now.

Q Just in the south?

A Just in the south.

Q Is this North Vietnamese?

A Almost exclusively. A few Pathet Lao types used to be over here in the Lovens tribes. General Phouma's units are over in this area now too, but they are not very effective.

Q Is it still a form of collective leadership in North Viet-Nam, or has Le Duan emerged as the main force?

A He is the First Secretary of the Communist Party. He is the primary spokesman for their major declarations. Certainly the one he gave for the Party Congress on 4 February was the most significant statement made by the North Vietnamese.

Q You had two options that seemed most likely of the three: one, the protracted war, which is called the Chinese option, supported by Chinese weapons, etc.; then you said there was some evidence that they might follow the negotiation pattern, or at least it was attractive to some people in Viet-Nam. And the evidence that we get here often comes from European communists, as opposed to Asian communists. Do you get any sign from Asian communists that this might be acceptable; or is there any reason to believe that they would follow

what European communists may be urging upon them when they have all that Chinese support and if this is what they have been doing for the last 25 years?

A I think there is absolutely no sign from the Chinese, who take quite the opposite view, that there should not be any negotiations, that protracted war is the answer. We don't have a hell of a lot of contact with other Asian communists. If you know any we would be happy to talk to them.

But the only other evidence that I might point to in the Asian context is the talk by Le Duan on 4 February. The speech was largely dedicated to the history of the Party. And he talked about the great genius of Ho Chi Minh in 1945 and 1946 when he was faced with the dual problems of Chinese Nationalist occupation -- you remember the Chinese occupied down to the 17th parallel -- on the one hand and the French desire to return to colonial control again on the other hand. Le Duan said at some length in his speech that the great genius of Ho Chi Minh was to decide that the thing to

do was to negotiate and make a temporizing deal with the French so he could get rid of the Chinese, and then deal with the French later. Now, you can draw your own conclusions of who is Chinese and who is French in

the current configuration. But the more interesting thing about it is that Le Duan, in the chronology of the history of the Party

devoted to this more room, much more space in the speech, than they would deserve in pure chronology.

And the second, more intriguing, aspect is that if you look up Ho Chi Minh's writings of the time in 1946 and 1947, he doesn't attribute this to his own genius. In fact, he says it was a mistake and he was against it.

Q What I am trying to get at, though, is the official optimism about the possibilities of negotiation, as opposed to all the evidence that we, who cannot get classified documents, are confronted with. And we only find that classified document support when it is published later on. And we are trying to understand the official optimism -- at least I am.

A When you move to the Washington Post you can become a professional pessimist.

Q Bill, let me ask about that in a naive way. When did you begin to draw this conclusion -- within recent days?

A Draw what conclusion?

Q The conclusion that there was some evidence that they might be willing to negotiate.

A I would say essentially when we started to devise the plan which the President made public on October 7, shortly after the Cambodian operation, May or June.

Q You mean that this plan that the President presented was a response to a conclusion?

A An opportunity. It was very definitely not a response to the September 17 eight points. I don't know whether their proposal was an effort to preclude what they sensed was coming; or perhaps they read Terry Smith and thought they knew what was coming.

Q Bill, could I get a handle on just how optimistic -- what optimism we are talking about here?

A Marilyn is the one that is talking about optimism. I am giving you some realistic assessments.

Q Is it realistic to think there is one chance in ten they will be serious about negotiating?

A I am not one of the systems analysts. I can't get into this quantification. I just say these are the two options. We think one has attraction. Without trying to quantify it or count members of the Politbureau, I can't give you that sort of response.

Q Bill, in that connection, do you think they are waiting to see what the outcome of the American election is before they decide to negotiate?

A Possibly. I don't know if they can learn any more by the elections than anybody else.

Q Bill, did I understand you to say in the spring and summer of 1969 Chou En-Lai asked Sihanouk? In other words, Sihanouk for a year was in cahoots with them for the strategy?

A Can I say anything off the record here?

MR. KING: It depends.

Q Your second and third options are not really exclusive, are they, Bill?

A No.

Q Include them together, wouldn't that be more likely? For a while, until they determine the success of the protracted war, they might not be willing to negotiate?

A I would say so.

Q In that context, wouldn't you expect them to try and strike some sort of a blow which would enable them to think they were able to negotiate from a position of strength?

A Yes, that is always intriguing to them. We think they had two plans. They were intending in the late spring or early summer to spring a very significant blow down here in the Fourth Military Region. This was completely disrupted by the Cambodian operation. But they also attempted one up in here, coming out of the Ashau Valley. We basically broke its back. That was a major effort. So they did make the attempts. They didn't succeed.

Now, they have an easier task to launch a blow if only for dramatic effect, in Cambodia against the Cambodians. It wouldn't mean

anything militarily, but it might get a lot of headlines in the world press. If that is what they want as background pattern for any negotiation, they might do that.

But I don't think we should look at these fellows as all that facile/^{or feel}that they are really concerned entirely with questions of face or with questions of what their national public posture looks like. They have a serious and dedicated objective, to take over South Viet-Nam. And I think they are not going to waste large quantities of their manpower, or any other of their resources, purely for propaganda effect.

Q Bill, it is becoming apparent that the economic problems for the Thieu Government are getting greater as time goes on and American forces pull out. How do you see the ability of the Saigon Government to get on, go ahead on an even keel, assuming there is no negotiated settlement?

A Well, I think the economic problems in South Viet-Nam are not really getting greater. The nature of them has shifted and changed, and the awareness

of them has become more acute, for two reasons:

One, because there is less direct sort of breath-taking concern with military events; second, because they see the new dimension and see it in the longer term.

Now, the new dimension essentially is that, because of this massive mobilization of manpower and resources, they have found themselves at a level of budgetary expenditure where they are vastly overspending on their defense budget relative to the resources that they can collect in taxes or other domestic earnings. This means that they have a budgetary imbalance. They have got, therefore, a piaster overhang. They have more money in circulation, inflationary pressures, and the possibility of the inflation running away unless there is some way you can mop up the excess purchasing power.

Now, the excess purchasing power in the past has been mopped up by two means: about half by expenditures of the United States Defense Department on goods and services purchased in Viet-Nam; the other half by the introduction of commodity imports, say, United States goods which are sent in and sold for

piasters, and, therefore, obviate the need for foreign exchange. As we draw down the number of U.S. forces there, reduce the construction of new bases and new facilities, etc., our defense expenditures go down. Their defense expenditures, however, and their piaster overhang, remains the same.

Now, we cannot shift -- and they recognize this -- the entire level of this form of defense expenditure, which came to them in free dollars, over into the commodity import program. Our commodities are tied. They have to be non-luxury items, etc. Over \$200 million a year of that defense expenditure in the past

has been spent in Japan. This means that the United States has been subsidizing Japanese exports to Viet-Nam to the tune of \$200 million a year. Now the Vietnamese are looking to the Japanese, perhaps, to do something about picking up some of the costs on this. But, in any event, what the Vietnamese are concerned with is that the normal source of the foreign exchange which has served as a buffer against the inflation is going to have to shift.

The only other alternative is to introduce a sharp cutback through austerity. Frankly, this would be politically disastrous. The Vietnamese know it; so do we. The prosperity that now exists in the countryside is one of the significant factors in the shift of sentiment of the people in the countryside toward the Vietnamese Government and away from the Viet Cong and North Vietnamese.

This is an artificial standard of living in terms of resources that the country can provide itself. But it is not a new pattern. We did the same vis-a-vis Japan in the period after 1945. We did the same with Korea. We did the same with Taiwan. And these countries built their resources up so eventually they could meet that standard of living. So it is not our intention to drop the standard of living, to press them into austerity, but rather to find resources for them.

This provides ample opportunity for several colloquies in the Congress, I think, in the next session.

Q Bill, is Marilyn's optimism and your sober assessment based on anything more than what you hear

from third parties, perhaps something a little more direct?

A I never quite know what the basis for Marilyn's optimism is. But my sober assessments are based upon the things I have laid out to you, and the other ones you have asked about before which I told you I couldn't tell you about.

Q But you have been at the other end of many of these hints from third parties before. Do you give greater credence to these?

A We get a lot of hints from so-called third parties who really don't have any information of their own, but just wishful thinking.

Q Do you get anything direct?

A That is a leading question. We don't talk about the question he is leading up to.

Q Could you tell us how well the North Vietnamese are doing in building up political functions, mobilizing in Cambodia?

A We think they are doing poorly, Peter, as far as we can see. Again I think we have to look at some of the complexities of this. Sihanouk is in

China, and Sihanouk is essentially a captive of the Chinese. The people who are operating in Cambodia under the title of the FUNK Front are North Vietnamese. The only people that we know that are Cambodians that are with that organization are Cambodians who have essentially been responsive to Hanoi rather than Peking. There is a whole cluster of people who were in Peking with Sihanouk but not in Cambodia. If the North Vietnamese were to have a real drawing card and real attraction and real catalyst upon which to try to attract political support in Cambodia, it would have to be Sihanouk. They don't have him. In fact, there is no indication the Chinese ever want to let him get to Cambodia, and there is no indication he wants to go there either. So the North Vietnamese are having to use means that are less than optimal in their recruiting. As far as we know from what intelligence we get out of this, they are not doing very well. At the first flush they were able to do a little something, particularly in the border areas and the southern areas here, because they were able to say that they were recruiting people to resist the incursions of the American imperialists and

the South Vietnamese border-crossing territory grabbers. That has sort of worn off, and people are beginning to drift back into the Cambodian camp. We see no evidence that they have been able to recruit significantly.

I think that is one of the things that would deter them from trying to move in a large way into the populated areas in a military sense, because they do not have any local apparatus they can work with there. The Khmer Rouge who had been the only communist apparatus, are in a position of being, one, violently anti-Sihanouk because he always locked them up and executed some of their leaders; and, two, anti-Vietnamese, not because of any ideological problem, but because in their whole effort they tried to build up a nationalist movement, and nationalism was against the ^{Thai} / and against the Vietnamese.

So they have got a lot of pretty dull instruments to work with, and as far as we can see they haven't been able to work very well.

Q Have they done any recruiting among the Vietnamese living in Cambodia?

A Yes, they have picked off a lot of these people. A lot of these people who work in the plantations

here were recruited. A lot of Vietnamese live up through here, and they have been trying to get over into this area. These are fisher people. They have been trying to get over into this area and do some recruiting, but ^{there is} no evidence so far that they have been effective. Most of these people want to stay out of the war.

Q Bill, you said before that the Cambodians were not willing to agree to a cease-fire that represented any territorial change or anything. My question is, are the South Vietnamese willing?

A No, I don't think so. But the fact is that there is damned little of South Viet-Nam that is occupied by anybody other than South Vietnamese forces, certainly any populated area that has anything other than South Vietnamese forces. And mostly the main force units are out of the country. So it is not as acute and critical a problem as it is to these fellows.

Q But even in the small areas, is there any willingness of Saigon to agree to any form of

political power sharing in even small and isolated areas of the country?

A The use of the words "political power sharing" would take another half hour of colloquy.

[Whereupon, the briefing ended at 4:40 p.m.]