Date: 11/29/99

Page: 1

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MEMO FOR THE RECORD TO:

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1964.

DATE : 00/00/64

PAGES : 31

SUBJECTS: DCI MEETINGS

PRESIDENT

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ATTACHME



5 May 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion at Luncheon Meeting 5 May with The President, Rusk, McNamara, Taylor, Bundy and McCone

- 1. Ambassador Lodge's May 4th cable #2108 was discussed in considerable detail. The consensus was that the Khanh sentiments represent the most serious expressions since he has taken over, and that Ambassador Lodge's comments, though brief, indicated that he somewhat supported Khanh's appraisal of the situation and courses of action recommended although Lodge did not say so. It was decided:
 - a. McNamara should proceed to Saigon at the earliest, accompanied by Taylor, Bill Bundy and Forrestal. An alternative suggestion was made that the three-named parties precede McNamara by two or three days.

NOTE: Subsequently I discussed privately with Bundy having intelligence support, particularly such as Bill Colby, accompany or precede McNamara. No decision was made.

- 2. In discussing the pros and cons of dispatching a private warning to Castro, pointing out the demands of the domestic political situation, it was felt that any further discussions with Castro should be through U Thant of the UN since Castro had addressed a letter to U Thant.
- Balance of the luncheon was consumed discussing the numbered items 3 through 7 on the attached agenda, none of which have particular intelligence interest except the decision was made to continue the sale of Pratt-Whitney's T-30 engine (the engine for the TFX), to the French even though doing so would enhance the French nuclear capability.

JAM/mfb

Agenda for luncheon meeting, May 5, 1964

- Lodge's latest message and a draft answer. Yesterday Lodge sent in a report of an extraordinary conversation with General Khahn in which Khahn proposed that South Vietnam go on a "war footing," to include a major evacuation of Saigon, warnings to Hanoi, and a break in relations with France. The message is attached at Tab A, and I understand Secretary Rusk will bring a draft answer for discussion.
- 2. Further discussion of Cuba. I believe that there are two subjects which need discussion in a smaller group than the NSC.
 - (1) A possible private warning to Castro
 - (2) A possible private intimation to Castro that if things stay quiet, 1965 might be a year for serious discussions between Cuba and the U.S.
- 3. Plans for the forthcoming NATO meeting at Brussels -- Secretary Rusk and Secretary McNamara may wish to comment.
- 4. A report on the problem of tanks for Israel -- Bundy.
- 5. The problem of military cooperation with France.
- 6. Plans for the MLF Congressional briefings.
- 7. A British proposal for a tripartite non-dissemination declaration.





.- INCOMING TELEGRAM Department of State

32

Action

CONTROL: 1458

RECD:

MARY 4, 1964 5:43 A.M.

SS Info

FROM:

SAIGON

ACTION:

SECSTATE 2108

DATE

MAY 4,3 P.M. SEONE OFTWO

-TOP SECRET

EXDIS

TOP SECRET

FOR THE SECRETARY, MCNAMARA, HARRIMAN, AND BUNDY FROM LODGE

1. JUST AS I WAS LEAVING THE HOUSE THIS MORNING, I RECEIVED THE UNUSUAL MESSAGE TO CALL ON GENERAL KHANH AT 10:00 AM. WHEN I CAME IN, HE SAID HE HAD ASKED ME TO CALL PARTLY BECAUSE "I ALWAYS FEEL BETTER AFTER I TALK WITH YOU" AND PARTLY TO PUT TO ME THE FOLLOWING QUESTION:

- 2. SHOULD HE MAKE A DECLARATION THAT HE WAS PUTTING THE COUNTRY ON A WAR FOOTING?
- 3. THIS WOULD INVOLVE MANY THINGS AT HOME AND ABROAD. AT HOME IT WOULD INVOLVE GETTING RID OF THE SO-CALLED "POLITICIANS" AND HAVING A GOVERNMENT WHICH WOULD FRANKLY BE A GOVERNMENT OF TECHNICIANS. IT WOULD INVOLVE, AS HAD BEEN THE CASE UNDER LINCOLN IN OUR CIVIL WAR, THE SUSPENSION OF CERTAIN CIVIL RIGHTS. THERE WOULD BE A CURFEW; SAIGON WOULD CEASE TO BE A CITY OF PLEASURE; EVACUATION PLANS WOULD BE MADE WHICH WOULD BE CAPABLE OF BEING CARRIED OUT IN THREE TO FOUR MONTHS TO EVACUATE ALL OF THE TWO MILLION PEOPLE IN SAIGON UNDER THESE PLANS THE GOVERNMENT WITH THE DIPLOMATIC CORPS WOULD LEAVE SAIGON, AND AMERICAN DEPENDENTS WOULD BE EVACUATED.
- 4. ANNOUNCEMENT WOULD BE MADE TO HANOI THAT ANY FURTHER INTERFERENCE IN SOUTH VIETNAM'S INTERNAL AFFAIRS WOULD LEAD TO REPRISALS, AND HE SPECIFICALLY ASKED IF THE UNITED STATES WOULD BE PREPARED TO UNDERTAKE TIT-FOR-TAT BOMBING EACH TIME THERE WAS AN INTERFERENCE IN THE INTERNAL AFFAIRS OF SOUTH VIETNAM.

TOP SECRET

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TOP SECRET

-2- 2108, MAY 4, 3 PM, FROM SAIGON (SECTION ONE OF TWO)

5. CAMBODIAN WOULD BE TOLD: WE HAVE DONE WHAT WE COULD TO HAVE GOOD RELATIONS WITH YOU, BUT WE WILL NOT RESPECT ANYTHING YOU NEGOTIATE EITHER WITH HANOI OR WITH THE VIET CONG.

G A DECLARATION OF A STATE OF WAR OBVIOUSLY WOULD HAVE TO BE ACCOMPANIED BY ACTIONS TO PREVENT THE FRENCH SUBVERSIVE ACTIVITIES HERE WHICH HE WAS SURE WERE GOING ON. FOR ONE THING, THERE WAS NO DOUBT AT ALL AS TO THEIR ACTIVITIES IN CAMBODIA. THEIR PURPOSE OBVIOUSLY WAS TO GET THE UNITED STATES OUT OF THE WHOLE OF SOUTHEAST ASIA. COLONEL LAN, GENERAL VY, AND HUAN, THE FORMER MANAGER OF THE CARAVELLE, HAD MADE DECLARATIONS UNDER THE POLYGRAPH IN RESPONSE TO QUESTIONS BOTH DIRECT AND INDIRECT WHICH ESTABLISHED BEYOND DOUBT THAT GENERALS KIM AND XUAN WERE PV MAKE THE NEUTRALIST COUP. THERE WAS A LETTER WHICH VAN TAM THE WELL-KNOWN FRENCH CAT'S PAW, HAD WRITTEN TO BIG MINH BUT WHICH WAS APPARENTLY "LOST". HE ENVISIONED BREAKING DIPLOMATIC RELATIONS WITH FRENCE BUT KEEPING THE CONSUL.

7. HE ASKED ME WHAT MY PERSONAL REACTION WAS. I SAID, SPEAKING PURELY PERSONALLY AND DIRECTING MY REMARKS TO THE INTERNAL CHANGES, THAT, GIVEN THE STATE OF THE COUNTRY, WINNING THE WAR MUST COME FIRST.

AFTER THE WAR WAS WON, THERE WOULD BE PLENTY OF TIME TO GO AHEAD WITH DEMOCRATIC FORMS.

g. HE SAID THAT HE COULD NOT ENTHUSE ABOUT JUST "MAKING
THE AGONY ENDURE", THAT IT WAS FUNDAMENTAL COMMON SENSE AND
LOGIC TO TRY TO MOVE AHEAD AND GET A REAL VICTORY, OTHERWISE, IT
WAS INEXCUSABLE TO TAKE 2,000 CASUALTIES AND LOSE FIVE AIRPLANES,
AS THEY HAD DONE, SIMPLY TO ORDER TO STAND STILL.

9. BEFORE MAKING A DECLARATION THAT HE WAS PUTTING THE COUNTRY ONTO A WAR FOOTING, HE WOULD TELL THE PEOPLE AND THE WORLD WHY WAR HAD TO BE WAGED. HE WOULD SAY THAT AT THE TIME OF THE NOVEMBER FIRST COUP THE GVN HAD "LOST CONTROL" OF SOME SEVEN MILLION PEOPLE. IN THE LAST THREE MONTHS, THE GVN HAD "GAINED CONTROL" OVER TWO MILLION PEOPLE, LEAVING FIVE MILLION WHO WERE STILL NOT UNDER GVN CONTROL. EACH WEEK, IN ADDITION TO THE REGULAR MILITARY OPERATIONS, THE GVN WAS GAINING CONTROL OVER MORE AND MORE PEOPLE. LAST WEEK THEY GAINED CONTROL OVER 60,000. IT WAS INDISPENSABLE TO REGAIN CONTROL OVER THE WHOLE COUNTRY, AND THIS WAS WHY THE WAR HAD TO BEVED.

ADVANCE COPY TO S/S-O 5/G/64, 9:10 AM.

PASSED WHITE HOUSE 5/4/64, 9:50 AM.

PASSED OSD FOR MCNAMARA 5/4/64, 10:35 A.M.

TOP SECRET

UNCLASSIFIED INI	ERNAL ONLY		[CONFADENTIAL SECRE
	ROUTIN	G AND	RECOR	D SHEET
SUBJECT: (Optional)				
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Chief, WH Division	1			DATE
TO: (Officer designation, room number, and building)	DATE		OFFICER'S	COMMENTS (Number each comment to show from w
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- 1. Raide were surrenful Sail raid Dec 73-
- 2. C.IA geored up unile -
- 3. Autonomous aprendren 1) artimes 2) Ray -

MR. McCONE:

the meeting today with the President on Cuba, McGeorge Bundy has prepared a 1-1/2 page summary covering the following:

- 1. Collection of information.
- 2. Covert propaganda.
- 3. Economic denial.
- 4. Contact with dissident groups.
- 5. Contamination of ships.(Bundy recommends continuation of all of the above.)
- 6. Maintenance of raiding capability.
- 7. Autonomous groups.
 (On 6 and 7 Bundy states that opinion is divided and this is the real point of the meeting.)

From the Department of Defense - Mr. McNamara, Mr. Vance, and General Taylor will attend. From the Department of State - Secretary Rusk, Mr. Mann and Mr. Johnson will attend. Bundy will be present.

The weekly lunch of the President with Rusk and McNamara is scheduled today at 1 o'clock.

W. Elder

THIS DOCUMENT CONTAINS CODE WORD MATERIAL

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GROUP 1
EXCLUDED FROM AUTOMATIC DOWNGRADING AND DECLASSIFICATION

TOP SECRET

SC No. 02971/64

WHITE HOUSE BRIEFING FOR THE DCI

7 April 1964

CUBA

- I. We have seen no change since the beginning of the year in the size of the Soviet military establishment in Cuba, but the evidence continues to point to an imminent turn-over of the SA-2 surface-to-air missile system to the Cubans.
 - A. We believe there are still about 7,000 Soviet military personnel in Cuba, making allowances for as many as 2,000 more or less.
 - B. The majority--perhaps as much as 80 percent--can and probably will be withdrawn when the Cubans complete their SAM training later this month.
 - C. An advisory and technical assistance group of perhaps one or two thousand will probably remain for some time.
- II. Cubans have been conducting comprehensive air defense drills throughout the island on an almost daily basis since early February. The exercises now include the tracking of live targets—including our reconnaissance flights—and the simulated destruction of MIG-21 targets flown by Cubans.

- A. Cubans have already assumed control over most early warning radar functions.
- B. The air defense system has been realigned from the two-sector organization the Soviets used, to conform to the three-sector pattern of the Cuban armed forces.
- C. Some of the more sophisticated radar and communications equipment we would not expect the Soviets to turn over has been removed from the SAM sites.
- D. Air defense activity conducted wholly by
 Soviets has been declining steadily, and
 Soviet radio operators are making increasingly frequent references to demobilization
 in May. One operator, in an unfortunately
 fragmentary intercept, referred to the
 arrival of six ships in April, six in May,
 and five in July.
- III. Cuban naval and ground forces have been improving their combat capabilities with more intensive
 and more realistic training, organizational improvements, and the streamlining of communications
 procedures.

- A. There are more and more joint exercises, simulating the repulse of raiding parties and landing forces.
- B. Cuba apparently is going to draft about 25,000 men a year for the next three years, but with simultaneous discharges, the Cuban force level of about 100,000 probably will not increase much, at least at the outset.
 - 1. Our photography, incidentally, has recently showed the enlargement of existing barracks, and the establishment and occupation of fairly extensive tent camps with field kitchens. This probably reflects preparations to receive the draftees.
- IV. Our evidence is that there may be as many as 1,500 Cubans training in bloc countries at present, suggesting that Cuba may be expecting additional Soviet military equipment soon.
 - A. Last month Soviet ships carrying otherwise non-military cargos brought in another six of the fast P-4 Soviet motor torpedo boats-making 12 in all--and some extra surface-to-air missiles.

-3-

- B. There have been three purely military cargos delivered to Cuba this year, and a fourth is on the way, probably carrying vehicles and spare parts. One of the earlier ships brought in 12 crated MIG jet fighters, probably as replacements, which are still sitting in their crates at San Antonio de los Banos.
- V. Castro himself has recently been preoccupied with economic matters and with the re-trial of Marcos Rodriguez, an old-line Communist charged with having betrayed student conspirators to the Batista police. Castro steered the second trial to center the blame on Rodriguez personally, rather than the party, thereby heading off a possible purge of the old guard Communists and putting them further in his debt.
 - A. The immediate economic concern is the sugar harvest now under way. Indications are the 1964 crop will be no bigger than last year's 3.8 million tons--possibly less.
 - B. Clandestine reporting and intercepts show that the crop is being adversely affected by labor shortages, by a somewhat lower sugar content in the cane, and by damage to the cane by the mechanical cane loaders.

-4-

- C. In general, however, Cuban officials are cocky about their economic situation at present, and optimistic over prospects for improvement. You have probably read Che Guevara's gloating remarks at the UN Trade and Development Conference in Geneva. The Cubans are convinced they have, as they say, "broken the back" of our economic denial effort.
- D. The Cubans had a balance of about \$100 million in convertible currency, largely from
 sugar sales, at the end of 1963. The sugar
 agreement Castro negotiated with the Soviet
 Union on his January visit makes them feel
 that sugar earnings will continue to increase.
 This confidence seems to be reflected in the
 credit ratings the Cubans are getting.
 - 1. Intercepts show that the Cubans are also working out repayment schedules for balances owing a number of Free World countries, such as Japan and Italy.
- 2. Against this background, Cuba is becoming a much more attractive market for non-bloc countries, so much so that the Cubans feel they may be in the driver's seat.

3. Japan used to be Castro's biggest single trading partner in the Free World, but last year both exports and imports fell off. Now the Cubans are telling Japanese firms that unless they trade with Cuba, Havana will feel compelled to switch the business it does in Japan to Western European firms.

-6-

INCOMING TELEGRAM Department of State

 \mathbf{H} Action

CONTROL: 1503

RECD:

MAY 4,1964 7:25 A.M.

SS

Info

FROM: SAIGON

ACTION: SECSTATE 2108

MAY 4,3 P.M. SETWO OF TWO

EXDIS

TOP SECRET.

FOR THE SECRETARY, MCNAMARA, HARRIMAN, AND BUNDY FROM LODGE

10. I ASKED HIM THE SPECIFIC QUESTION WHETHER HE THOUGHT THERE WAS ANY POSSIBILITY AT ALL OF A COMMUNIST VICTORY SIMILAR TO THAT WHICH HAD BEEN WON AT DIEN BIEN PHU IN 1954. THAT IS, A KEY BATTLE SOMEWHERE WHICH WOULD HAVE A TOTALLY. DEMORALIZING EFFECT AND CAUSE CAPITULATION TO THE COMMUNISTS.

11. SPEAKING AGAIN TO HIM PERSONALLY, I SAID THAT I THOUGHT ANYONE CONTEMPLATING STEPS OF THIS KIND WOULD HAVE TO FIGURE OUT WHERE IT ALL MIGHT LEAD AND WHAT REPRISALS THE ENEMY MIGHT TAKE. IT WAS ONE THING FOR THE US AND THE GVN TO BOMB NORTH VIETNAM BUT HOW WOULD THEY RETALIATE? IF WE BLEW UP THEIR GASOLINE REFINERY, WE SHOULD EXPECT THEM TO BLOW UP OURS. IF WE DESTROYED THEIR POWER DAM, THEY WOULD DESTROY OUR POWER DAM. WAS IT CERTAIN AT THIS TIME THAT IN SUCH AN EXCHANGE WE WOULD COME OUT AHEAD?

12. THEN I SAID THAT IF NVN UNDERTOOK TO INVADE SVN WITH ITS ARMY. THAT WOULD RAISE A HOST OF NEW QUESTIONS OF VERY ACUTE INTEREST TO THE UNITED STATES. THE POSSIBILITY OF THE CHINESE ARMY ITSELF COMING IN HAD 'TO BE COMSIDERED. HE ASKED WHETHER THE UNITED STATES WOULD BE PREPARED TO FOLLOW THROUGH WITH ALL THE CONSEQUENCES WHICH MIGHT VERY WELL INVOLVE CHINA. ULTIMATELY, NVN WOULD HAVE TO BE LIBERATED FROM CHINA.

IF THE CHINESE ARMY CAME IN, SAID I, THE QUESTION AROSE AS TO WHETHER THIS ARMY COULD BE PREVENTED FROM FUNCTIONING BY

TOP SECRET

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TOP SECRET

-2- 2108, May 4, 3 P.M., (SECTION 2 OF 2), From Saigon

BCMBING ITS SUPPLY LINES AND THIS IN TURN RAISED THE QUESTION IN MY MIND AS TO WHETHER THE SUPPLY LINES COULD BE EFFECTIVELY INTERDICTED WITH CONVENTIONAL BOMBING OR WHETHER NUCLEAR WEAPONS WOULD BE NECESSARY: I DID NOT HAVE THE ANSWERS TO SENSIBLE PERSON WOULD ASK. HE AGREED.

13. I SAID THESE WERE VERY LARGE QUESTIONS INVOLVING THE HIGHEST LEVEL IN TME US GOVERNMENT, THAT I DID NOT PRETEND TO HAVE THE ANSWERS, THAT I PERSONALLY HAD BEEN BROUGHT UP ON THE IDEA, SO OFTEN VOICED BY GENERAL MAC ARTHUR, THAT IN ASIA THE UNITED STATES COULD HAVE GREAT INFLUENCE WITH ITS ARMIES BUT THAT IT WAS OUT OF THE QUESTION FOR THE UNITED STATES TO COMMIT A LARGE LAND ARMY TO THE MAINLAND OF ASIA. PUTTING AN ARMY INTO ASIA COMPARABLE TO THE ARMY IT HAD PUT INTO EUROPE DURING WORLD WAR II.

14. HE APPRECIATED THIS; BUT HE HOPED THAT WE WOULD CONSIDER THE BIG THINGS WHICH COULD BE DONE WITH AN "ARMY CORPS" OF US SPECIAL FORCES. HE THOUGHT THAT ANY "ARMY CORPS" OF SPECIAL FORCES NUMBERING 10,000 MEN COULD DO IN ASIA WHAT AN ARMY GROUP HAD DONE IN EUROPE. HE SAID ONE AMERICAN CAN MAKE SOLDIERS OUT OF TEN ORIENTALS. IF AN ARMY GROUP IN EUROPE COULD COVER A HUNDRED MILES, HE THOUGHT AN ARMY CORPS OF SPECIAL FORCES COULD COVER THE WHOLE CAMBODIAN-LAOTIAN FRONTIER.

15. HE THOUGHT IT WAS ILLOGICAL, WASTEFUL, WRONG TO GO ON INCURRING CASUALTIES "JUST IN ORDER TO MAKE THE AGONY ENDURE". HE FELT THAT THE SHOW OF DETERMINATION WHICH HE WAS OUTLINING WOULD MAKE THE VIET CONG CHANGE AND THAT IT WOULD NOT BE NECESSARY TO GO TO THE ULTIMATE LIMIT, BUT HE WANTED TO BE HONEST AND CANDID AND HAVE US FACE UP TO THESE ULTIMATE LIMITS.

IG. I ASKED WHETHER HE WANTED TO CONTINUE WITH THE PRESENT PLAN OF CONCENTRATING THE EFFORT IN THE PROVINCES AROUND SAIGON, AND HE SAID BY ALL MEANS BUT THAT MUCH MORE THAN THAT OUGHT TO BE DONE IN ORDER TO DEVELOP A REAL SHOW OF DETERMINATION AND AN OFFENSIVE SPIRIT.

COMMENT: THIS MAN OBVIOUSLY WANTS TO GET ON WITH THE JOB AND NOT SIT HERE INDEFINITELY TAKING CASUALTIES. WHO CAN BLAME HIM?

TOP SECRET

TOP SECRET

-3- 2108, MAY 4, 3 P.M., (SECTION 2 OF 2), From Saigon

HIS DESIRE TO DECLARE A STATE OF WAR, LEAVING OUT SPECIFIC DETAILS SUCH AS THE PLANS FOR EVACUATING SAIGON, SEEMS WHOLLY IN LINE WITH OUR DESIRE TO GET OUT OF A "BUSINESS AS USUAL"

HE IS CLEARLY FACING UP TO ALL THE HARD QUESTIONS AND WANTS US TO DO IT, TOO.

GP-1.

CFN 10. 1954 11 12 13. 14. 10,000 15 16 . LODGE

NOTE: ADVANCE COPY TO S/S-O AT 9:36 A.M., 5-4-64.
PASSED WHITE HOUSE 10:31 A.M., 5-4-64.
PASSED OSD FOR MCNAMARA 10:59 A.M., 5-4-64.

TOP SECRET

THE WHITE HOUSE WASHINGTON

SECRET

May 5, 1964

MEMORANDUM FOR

THE PRESIDENT

The decision to sell the TF-30 aircraft jet engine to France should be reassessed since it has developed that the French may use it in a new aircraft with a strategic as well as a tactical capability.

The TF-30, one of the most advanced jet engines in the world, has been developed by Pratt and Whitney for use in our TFX aircraft. Last fall, Pratt and Whitney agreed to sell to France two TF-30 engines for use by SNECMA, a French engine firm with close operating ties with Pratt and Whitney, and is now negotiating the sale of an additional dozen. It was originally assumed that the TF-30 would be used in the French Mirage III V, a relatively short range, tactical fighter bomber with a vertical take-off capability.

It now appears, however, that the French may also use the TF-30 engine in a new aircraft, the Mirage III F, which although advertised as a tactical fighter bomber, will have a strategic capability comparable to the Mirage IV, the present French strategic bomber.

A separate and equally important consideration is that the French apparently hope to market the Mirage III F as an alternative to our TFX, anticipating that its lower cost will compensate for its reduced capability. The availability of this French aircraft, powered by U. S. engines, probably would put pressures on this country to make the TFX available to our other allies, a decision we have deliberately postponed for reasons relating to its strategic capabilities.

The arguments in favor of continuing the agreement to sell the TF-30 engine to France, despite the above considerations, is that: (1) Cancellation of the existing agreement to sell the TF-30 engines would probably have significant political repercussions; and (2) the French could buy a comparable engine for the Mirage III B from the British (i.e., the SPEY engine produced by Rolls Royce).

McG. B.

SECRET

EYES ONLY

4 May 1964

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Deputy Director (Intelligence)

SUBJECT : Comments on Saigon LimDis Cable 2108

(Attached)

We have the following comments on Khanh's remarks to Ambassador Lodge:

- Khanh has had several recent sessions with Lodge at which he had an opportunity to raise some of the very fundamental points referred to in this telegram and did Thus, we wonder whether the views here atnot do so. tributed to Khanh do not, perhaps, represent more of a brainstorm than a well thought out program. In any case, they indicate increasing impatience possibly even bordering on desperation. These views might reflect an over-reaction to the weekend's events in Saigon. However, we do not feel that the overall situation warrants such sudden, extreme alarm. We are surprised that the Ambassador did not reflect this in his reporting or comments. Frankly, we find it difficult to factor out the Ambassador's views from those of Khanh.
- 2. Taken at face value, Khanh's remarks reflect a very disturbing, new element in his approach toward the war. In many respects, these views run counter to the basic strategy against the Viet Cong which has been recently and painfully worked out. While Khanh indicates that he should continue to proceed on a "province-by-province basis," the impatience he displays, not only with the progress of his efforts, but with the long, grinding process that our strategy involves is fundamentally inconsistent with much of what the US now believes as necessary to defeat the Viet Cong.

EYES ONLY

EYES ONLY

- 3. Evacuating Saigon, eliminating all vestiges of a democratic government and injecting a substantial number of American combat troops into the war would, in our view, be extremely counterproductive; Khanh is just now beginning to achieve a certain degree of popular support and sympathy. These particular measures would almost certainly produce just the opposite reaction to that which Khanh (and presumably Lodge) anticipate: they would be widely interpreted as signs of weakness and despair, and would give the Viet Cong considerable psychological and propaganda advantage.
- 4. We are, of course, in complete sympathy with the desire to inject a greater GVN and US sense of urgency into the struggle. We also agree that these ends could be served by certain carefully chosen and calculated new US military moves in South Vietnam and adjacent areas. Nevertheless, we feel that the general philosophy involved in the oil spot approach is still valid and that we and the GVN must face up to a long, tough, gradual process of extending GVN influence and control and reducing that of the Viet Cong. In this context, we still think that the GVN has a long way to go in mobilizing the assets, resources, and people available for fighting this war and to do this effectively, Khanh must demonstrate a steady sense of purpose and present inspiring and confident leadership.
- 5. I discussed this message briefly with Sullivan over the phone. He told me that he had talked to the Secretary of State about it who in turn was going to discuss it with the President. Sullivan also said there will probably be no official US reaction to this until Secretary McNamara deals with it in Vietnam on 12 May.

CHESTER L. COOPER

Chairman

CIA South Vietnam
Task Force

The state of

5 May 1964

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Khanh's Data on "Population Control"

(Paragraph 9, LimDis Cable 2108)

Khanh's figures re population control warrant close examination. For one thing, the figure of 7 million claimed as being lost to Viet Cong control as of last November is considerably higher than the most pessimistic MACV estimate, which puts it at 15 percent of the 15.3 million population. More important, Khanh's claim to have "recovered" 2 million people during his administration is invalid. The only real gains made in countrywide clear and hold operations have been in Binh Dinh and Quang Tin Provinces. These gains can be measured in thousands - rather than millions - of people, and actually occured in areas shown on existing situation maps as already being under government control. Gains in these areas may, in fact, have been offset by losses in other areas, particularly the Delta, where the Viet Cong drive continues unchecked.

RAY S. CLINE

Deputy Director (Intelligence)

Memorandum for Discussion of Covert Program Against Cuba

U. S. covert operations against the Castro regime have recently been reviewed in the Special Group (54/12), and a number of issues are presented which require discussion and decision at a higher level.

The present covert program is designed in support of a general policy of intense economic and political isolation of Castro, accompanied by methods short of war to get rid of the Castro regime. Parts of the program authorized in July 1963 have in fact been held up for various reasons, and it is now important to decide whether or not certain substantial and expensive activities should be (a) actively continued; (b) held in readiness; (c) reduced, or (d) abandoned.

Covert programs against Cuba fall into the following categories:

- 1. Collection of intelligence, to include the infiltration and exfiltration of agents and covert supply of agent operations.

 Recommendation: It is unanimously recommended that this program be continued.
- 2. Covert propaganda aimed to encourage low-risk forms of active and passive resistance and to stimulate tension within the regime and between Cuba and the Soviet bloc.

 Recommendation: It is recommended that these programs be continued with regular review of their operational guidelines.
- 3. Cooperation with other agencies in economic denial by selective economic action with respect to products critical to the Cuban economy.

Recommendation: It is recommended that this program be continued.

4. Attempts to identify and establish contact with potential dissident elements near the power centers of the regime.

Recommendation: It is recommended that this program be continued.

TOP SECRET

- 5. Indirect economic sabotage with a low level of visibility and detection. Programs of this sort involve possible overseas sabotage of Cuban ships and possible addition of contaminating elements to sensitive Cuban imports (not food).

 Recommendation: It is recommended that these programs be continued.
- 6. CIA-controlled sabotage raiding apparatus in Florida which conducted five raids in the summer and fall of 1963, before authority for such raids was suspended for political reasons.

 Recommendation: Opinion is divided on this issue and it is recommended that higher authority hear the arguments of different parties.
- 7. CIA-supported (but not directly controlled) autonomous Cuban exile groups operating from Central America. These groups will begin operations soon unless action is taken to try to stop them.

 Recommendation: Again opinion is divided and it is recommended that higher authority hear the arguments.

7 April 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting at the White House 7 April 1964

Subject - Review of Covert Program directed

against Cuba

PRESENT: The President.

> State Department: Secretary Rusk. Deputy Under Secretary Johnson, Assistant Secretary Mann, and The Coordinator of Cuban Affairs,

Mr. Crimmins.

Defense Department: Secretary McNamara and Deputy Secretary Vance.

JCS: General Maxwell Taylor.

The Director, Messrs, Helms and FitzGerald.

White House Staff: Messrs. Bundy and Dungan.

- 1. Mr. Bundy presented to the meeting a memorandum to guide discussion concerning the Cuban program against Cuba. Seven categories of activities were listed in this memorandum as follows:
 - Collection of intelligence. (1)
 - (2)Covert propaganda to encourage low risk forms of active and passive resistance.
 - (3) Cooperation with other agencies in economic denial.
 - (4) Attempts to identify and establish contact with potential dissident elements inside Cuba.

- (5) Indirect economic sabotage.
- (6) CIA-controlled sabotage raiding.
- (7) Autonomous operations.
- 2. Mr. Bundy's paper recommended continuation of the first five items listed and recommended discussion of the last two.
- 3. There was a brief discussion of item (5) during which various methods of economic sabotage were described. There was no disposition on the part of those present to interfere with this program.
- With respect to sabotage raiding by CIA-controlled assets, Secretary Rusk said that two things presently militate against a resumption of the program: (a) the pending OAS matter with respect to the Venezuelan arms cache which may be strengthened by discovery of arms in the Argentine as well as in Brazil, and (b) the prospective turnover of the SAM sites by the Russians to the Cubans in April or May. Secretary Rusk said that we would wish to maintain a clean hands posture while the OAS case is pending and that if the Cubans are to misuse the SAMs we would wish the onus to be fully on their backs. Secretary Rusk said that in addition he does not believe that hit-and-run raids are in any event very productive; that they have a high noise level and, furthermore, that he suspects the Cuban exiles who actually conduct the raids of possibly wishing to leave fingerprints pointing to U.S. involvement in order to increase that involvement. Mr. Bundy said that in the past he had been an advocate of sabotage operations, but in view of the history of the program since June, he had come to the conclusion that it is unlikely that an effective sabotage program will be conducted. In explanation he pointed out that the policymakers, each time for good reasons, had turned sabotage operations on and off to such an extent that a program of the type envisioned in the June paper simply does not, in the nature of things, appear feasible.
- 5. Mr. McCone called attention to the paper dated 8 June 1963 which is the basis of the Agency's current program against Cuba. He quoted from the 8 June paper as follows:

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Paragraph 2: "The ultimate objective of this policy would be to encourage dissident elements in the military and other power centers of the regime to bring about the eventual liquidation of the Castro/communist entourage and the elimination of the Soviet presence from Cuba."

With respect to the interdependence of the various courses of action comprising the program, he quoted from paragraph 5 of the paper as follows: "Unless all the components of this program are executed in tandem, the individual courses of action are almost certain to be of marginal value, even in terms of achieving relatively limited policy objectives. This is clearly a case where the whole is greater than the sum of its parts."

With respect to the sabotage program, he quoted from paragraph 6.E. as follows: "It must be recognized that no single act of sabotage by itself can materially affect the economy or stimulate significant resistance. However, it is our opinion that a well-planned series of sabotage efforts, properly executed, would in time produce the effect we seek."

Mr. McCone pointed out that five relatively low-key sabotage operations since June 1963 do not in effect constitute a test of the program and that the statements quoted from the 8 June paper remain valid. He said that there was a surge of anti-Castro sentiment during the fall of 1963, corresponding with the period during which the sabotage raids were conducted, but that resistance sentiment has now fallen into apathy. He said that the five items for which approval is recommended in Mr. Bundy's paper would not have the effect envisioned by the 8 June paper although they might have the effect of slowing down Castro's consolidation of his regime.

6. The Secretary of State said that part of our problem has to do with the Soviet Union which is now going through a crisis period, particularly with respect to the Sino-Soviet split. He said that he felt sure that were Ambassador Thompson present at the meeting he would

indicate the danger of forcing Khrushchev to take a militant defensive attitude with respect to Cuba. Secretary Rusk said that should the Cubans shoot down a U-2, raid peaceful shipping off the coast or should there be a strong OAS resolution, the question of the conduct of sabotage raids could be reconsidered. (I do not think that I am in error in quoting the Secretary as equating a U-2 shootdown with a good OAS resolution as a basis for resuming raiding operations.)

- 7. Mr. Mann said that his attitude towards CIA-conducted raiding operations would depend upon getting a clear legal basis for action against Cuba out of the OAS. He said that he doubted that all seven courses of action combined would result in the overthrow of Castro. He said that he leans away from CIA-conducted raids and towards autonomous operations. He said that at the present time, particularly in the light of the Brazilian events, favorable action by the OAS on proposed paragraph two of the resolution looks like a fifty-fifty chance. In reply to Secretary Rusk's query, I said that I believed that CIA-controlled raiding assets could be held together for another two months pending the resolution of the Secretary's two points (OAS and Cuban use of SAMs).
- 8. I briefed the President on the present status of autonomous operations, including the fact that Artime is planning to launch his operational program on the 12th of April. There was some discussion of these plans but no one appeared disposed to try to stop Artime. I said that Manolo Ray's plans were not as well known to us but that he had made it clear that he intended to move by May.
- 9. The Secretary of Defense said that it was his opinion that the covert program has no present chance of success in terms of upsetting Fidel Castro. He suggested that it might be useful, for reasons which had not been brought out at this meeting, and pointed out that the principal decision to be made was a broader one -- presumably what the overall U.S. attitude should be with respect to Fidel Castro. He said that he felt that the present raiding assets should be held in being pending resolution of Secretary Rusk's two points but that in the meanwhile the fundamental question should be debated. Mr. Vance said that he agrees with the suggestion of continuing these assets in being but that he believes that

the program, if permitted to go forward as planned, would at least have the advantage of hindering Castro in the consolidation of his power. He pointed out that the noise level of the raiding operations had not in fact been very high. He would advise resuming raiding operations following the resolution of Secretary Rusk's points. General Taylor said that the Joint Chiefs favor the program in its entirety, that they believe the program has never been given a fair test and that we should move forward with it in the interests of making Castro's life as hard as possible. Mr. Bundy said that the CIA covert program is the only matter to be resolved today, that the matter of our negotiations with the British on the economic program and sugar support would be ready for discussion next week.

- 10. Secretary Rusk recommended to the President that we keep the raiding assets in being for the next two months and that the question be discussed again following the resolution of OAS events and the Cuban use of the SAM sites.
 - 11. The President accepted this recommendation.

Desmond FitzGerald

Chief Western Hemisphere Division

SEE ATTACHED ADDED NOTE BY DCI

Dictated by Mr. McCone:

McCone went on to say the real issue to be considered at the meeting and by the President was a question of whether we wished to implement the policy as outlined in the 8th June paper and also less specifically in the paper circulated in the meeting by Mr. Bundy, or abandon the basic objective of bringing about the liquidation of the Castro Communist entourage and the elimination of Communist presence in Cuba and thus rely on future events of an undisclosed nature which might accomplish this objective. Specifically McCone said that he could envisage such issues as extreme economic distress caused by sharp drop in sugar prices or other external factors arising which might cause Castro great pain and, ultimately, his downfall. In summing up his position McCone stated that the actions favorably looked upon, that is, intelligence gathering, propaganda, economic denial and surreptitious acts against Cuban ships all would have some effect but definitely would not accomplish the stated objectives.

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