

583

NOTES ON PRESIDENT'S MEETING WITH
HOUSE LEADERSHIP ON MONDAY
SEPTEMBER 9, 1968

THOSE ATTENDING THE MEETING WERE:

The President

SANTIZED
E.O. 12356, Sec. 3.4
NJ 86-159
By MP, NARA, Date 11-23-88

The President: The House of Representatives has acted in the best interests of this nation, particularly in the field of foreign affairs. In order to make the last few months beneficial, we have briefed the Presidential candidates. I want Secretary Rusk to brief you on the NPT, Vietnam, Czechoslovakia, the Middle East, and North Korea. Secretary Rusk and Ambassador Thompson and I have briefed Nixon.

Secretary Rusk: The rumors on the Pueblo appear unfounded. There have been no movements to free these men. We cannot confirm these rumors. The men are alive and in reasonably good shape. We will continue to work at it. The Soviets have made some effort.

CENTRAL EUROPE

Liberalization began in Czechoslovakia in summer of 1967. It began its end this summer when freedom of speech and assembly were permitted. The Soviets then met, sent troops to the border and the Politburo met. Ambassador Bohlen said the chances were 51-49 that they would move. They did move. This came in the midst of serious talks between the USSR and the U.S. on the ABM systems. They were condemned in world opinion. It put strains on other parts of the Communist system. They miscalculated the Czechoslovakian people and could not find anybody to take over under a Communist regime. The Soviets did not take this up with us until after the troops went in. They did not have the right to move into Czechoslovakia. Now there is a question of how far the Soviets will go in reversing liberalism.

NATO has a problem. The Soviet Air Force has moved in. The troops are on the border with Bavaria. NATO may have to reposition their troops. We will discuss this matter.

A week ago Friday it looked as though the Soviets might move against Romania. Dobrynin called and asked for a meeting. We issued a public

COPY FOR LIBRARY

warning and asked them not to unleash the dogs of war. Dobrynin said he had no instructions on Romania. He later said they did not plan to do so. We have a verbal assurance they will not move against Berlin or Romania from Dobrynin.

Bi-lateral relations with the USSR have been deeply affected. Czechoslovakia does not necessarily block the ABM discussions. Vietnam remains with us. The Middle East is still there. The world still has big problems. The NPT is before the Senate. We have a national, selfish interest in preventing the spread of nuclear weapons. We hope 120 non-nuclear parties will sign it.

The President: For the Russians or the United States not to sign it would be ruinous.

Secretary Rusk:

PARIS TALKS

We have tried to offer Hanoi quite a menu. 1. Troop levels. 2. DMZ. 3. Attacks on cities. 4. Political settlement. 5. Laos. 6. Cambodia.

They won't talk. Hanoi won't talk to Saigon. We have not been able to do any business. If North Vietnam would do almost anything we might be able to get something going.

Both candidates want peace before January if we can get it. Nobody can tell us what would happen if we stopped the bombing.

It is hard to say don't hit the enemy while they are seven miles away -- that's rude -- hit them when they are two miles away. If there is one shred of interest in peace on the other side, we are ready to talk. Hanoi is rigid in its stance.

LATIN AMERICA

Loss of Ambassador Main was tragic. He was shot by pro-Castro group. Last year was the first year in Latin American history that there was not a coup d'etat.

The Speaker: Any aggression from North Korea to South Korea.

Secretary Rusk: No real step-up. There is still guerilla activity.

There is a request by Israel for military equipment.

The President: There is a request for equipment. They want Phantoms.

We will act on it by January.

Walt Rostow: The Deputy Prime Minister wants 50 Phantoms right away. The new argument was that the Czech experience will encourage other actions in the Mid-East to take the spotlight off of Czechoslovakia. He said the Arbas will not begin to make peace until they know Israel is unattainable.

Congressman Arends: Do European members of NATO expect to take more action in contributing to NATO?

Secretary Rusk: The Germans plan to put extra \$800 million marks in Defense budget. Belgium and the Dutch put off their reduction in NATO.

The President: Secretary Clifford will review the military aspects of all this.

Secretary Clifford:

VIETNAM

We do not know if this is the beginning of the enemy's third offensive. General Abrams has been conducting spoiling operations.

The first two weeks in August there were 2 bn attacks.
The second two weeks in August there were 11 bn attacks.

First 2 weeks in August, there were 71 small unit attacks.
Second 2 weeks in August, there were 145 small unit attacks.

First two weeks in August there were 4200 enemy killed in action.
Second two weeks in August there were 9700 enemy killed in action.

First two weeks in August the statistics were (5 X 1 and 6 X 1 enemy vs. friendly) 801 friendly 332 U.S.
Second two weeks in August 1600 friendly, 716 U. S.

There is an increased effectiveness on the part of ARVN which has been noted.

Ambassador Bunker says these attacks differ. They did not start at once.

The enemy command is now trying to hold down casualties.

They need a dramatic victory badly.

General Abrams has been able to blunt the offensive.

The enemy has had 76% of casualties of the May offensive.

The enemy has three options:

1. Increase the tempo of attacks for limited period -- all out effort.
2. Curtail offensive -- pull back.
3. Maintain offensive posture. Stretch it out.

The military commanders believe he is likely to choose alternative 3. The enemy's major goal is Saigon -- to weaken South Vietnam's people's confidence in their government. They must gain a psychological advantage over the United States here in the U. S.

They aim to weaken our will here at home.

At no place was there a request for more men or material from our men in Vietnam.

EUROPE

Enemy forces in Czechoslovakia 250,000
200,000 Soviet
33,000 Poland
1,000 East Germany
8,000 Hungary
3,000 Bulgaria

By moving men in to Czechoslovakia there is now a common border with West Germany. If the enemy moves with confidence, judgment and logic as they did it is worrisome to us.

The Soviets could not find a single prominent Czech to say he had invited the Soviets in.

The President: Yet Dobrynin told me that right across this table.

Secretary Clifford: They moved in so quickly. That is what concerns us. There is no evidence now of intervention in Romania.

There are seven division in Hungary, 12 in Bulgaria, 18 in USSR. That is a total of 37 Soviet Divisions.

The President: It was 70-30 against the Soviets moving in to Romania. Yugoslavia has 13 divisions. The Soviets could run over them easily. It concerns us that they might want to clean up Yugoslavia, Romania and Czechoslovakia at same time.

The next target could be Austria.

The NATO Forces include 24 divisions, 620,000 men. They could be a lot more ready. We will have 300,000 U. S. troops in NATO Countries. The group we are bringing back is committed to NATO. We should maintain 300,000 men there. We might advance airlift exercise.

We may have a NATO meeting.

Congressman Albert: What would happen if the satellite troops fold?

Secretary Clifford: NATO countries have substantial support. We have 680,000 troops [REDACTED] NATO countries could mobilize ten million to 12 million troops, plus good planes and equipment for a holding action.

(b,1)
(a,5)

The President: [REDACTED]

"

Secretary Clifford: 1. Some North Vietnamese commanders are getting orders they know they cannot carry out. 2. North Vietnamese troops are defecting. 3. The number of weapons the enemy is abandoning is going up. 4. The level of troop training is lower.

Yet they can still conduct a military effort against us.

The President: We estimated that \$6 billion would have to be cut. Congress will cut three to four billion in expenditures. Normally that would mean two to three that we would cut. Medicaid and CCC are up. Legislative action on postponing it will add on \$1 billion. There will be net reductions of \$500,000,000 to \$600 million. We will have the commitment met.

Arthur Okun: The first half of the year was too good. It was excessively inflationary. Since the enactment of the surtax we see returns. In the financial markets, there is a dramatic reduction. The rate of activity is still strong. The economy will go up by \$14 billion.

Prices rose markedly in the last two months. Our biggest challenge is to preserve our prosperity and to keep prices and wages in line.

#