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HR70-14

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STATE MESSAGE

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ACTION #	F	OGCR 2, OER 3, DCD 2, IDA		DDO, NISSA,	3	6
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T 896433 EIA031 PAGE 01

TOR:281253Z MAR 75

R 281003Z MAR 75  
FM AMEMBASSY SAIGON  
TO SECSTATE WASHDC 4285  
BT

APPROVED FOR  
RELEASE DATE:  
13-Sep-2010

~~CONFIDENTIAL~~ SAIGON 3701

E.O. 11652: GDS  
TAGS: PBOR, PFOR, VS  
SUBJECT: AIR SERVICES CONTRACT  
REF: STATE 068553

1. DURING CALL TODAY ON PRIME MINISTER KHIEM WITH US ARMY CHIEF OF STAFF, GENERAL WEYAND, I TOOK OPPORTUNITY TO INFORM HIM OF SUBSTANCE OF REFTEL, CONVERING FULLY CONTENT OF PARA 5 A.
2. PRIME MINISTER SAID IT WOULD NOT BE FEASIBLE FOR AIR VIET-NAM TO UNDERTAKE CONTRACT IN SUPPORT OF CAMBODIA AT PRESENT TIME AND THAT, IN ANY EVENT, AIR VIET-NAM WOULD BE FULLY OCCUPIED BY ADDITIONAL DUTIES IN VIEW OF PRESENT INTERNAL EMERGENCY. HE SAID THAT AIR VIET-NAM ASSETS WERE BEING DIVERTED FROM INTERNATIONAL RUNS TO ASSIST IN REFUGEE EVACUATION. HE SUGGESTED, THEREFORE, THAT WE PROCEED TO DIRECT CONTRACT WITH CASI.
3. IN VIEW OF CURRENT EMERGENCY SITUATION WHICH OBVIOUSLY NECESSITATES QUICKEST POSSIBLE ARRANGEMENTS TO ASSURE ORDERLY TRANSITION WE HAVE MOVED TO FALL-BACK POSITION AUTHORIZED IN PARA 6 REFTEL AND HAVE ASKED TECHNICAL STAFF TO START EXPLORATORY TALKS WITH CASI AND AIR AMERICA, PENDING ARRIVAL OF CONTRACT NEGOTIATING TEAM WHICH WE HOPE AID/WASHINGTON WILL DISPATCH SOONEST.
4. WE NOTE PARA 6 AUTHORIZES CONTRACT BETWEEN EMBASSY AND CASI. WE HAVE NO OBJECTION TO THAT COURSE OR TO HAVING CONTRACT BETWEEN AID AND CASI AS AID TRADITIONALLY HAS BEEN BETTER VERSED IN ADMINISTRATION OF AIR TRANSPORT SERVICE CONTRACT. WHICHEVER COURSE SEEMS BETTER TO WASHINGTON IS PERFECTLY ACCEPTABLE TO US. WE ASSUME CONTRACTING TEAM WILL BRING DECISION WHETHER EMBASSY OR AID WILL CONCLUDE CONTRACT WITH CASI WHEN NEGOTIATING COMPLETE. MARTIN

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