

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~TOP SECRET/SENSITIVE~~

INFORMATION
September 18, 1970

USAID review completed

MEMORANDUM FOR THE FILES

MORI C05099242

JCS review completed.

SUBJECT: Vietnam Ad Hoc Working Group, September 15, 1970

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Sullivan noted that we hadn't seen anything from Saigon about the GVN Senate convening this week on the Program Law. Nooter said that his information was that the Senate would meet next week. Sullivan declared that he would have a message sent to Mr. Shultz and Mr. Ehrlichman on this issue before they went to Saigon to inform them of the status of the Program Law.

Sullivan referred to a "passionate" memorandum from Secretary Laird on the need to go to Congress promptly for supplementals. He pointed to the fact that in this memorandum there was a recommendation for an additional \$100 million in economic aid for Vietnam presumably for FY 71. This was contrary to the NSDM on economic support for Vietnamization, and was also not needed, particularly if the GVN's reform package went through.

OSD Review Completed

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

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2

Sullivan referred to the NSSM-99 study, which in Strategy 3 called for ARVN intervention in Cambodia if necessary. He felt that Thieu would be reluctant to open a large-scale ARVN military campaign in Cambodia, and would keep a close watch on the situation there.

Sullivan asked Carver if anything new had come up on the number of groups in the infiltration pipeline. Carver stated that there were four groups on the way, but that we had to be careful of our assessment of strengths and destinations

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3

Nooter said that the Japanese loan of \$4.5 million to the Saigon Power Company had opened the whole question of loans to the GVN, which could constitute a new field of assistance. AID was drafting a cable giving guidance to the field on this. AID was reluctantly going along with the Japanese terms for the loans after having been assured by those who knew the Japanese that this was about the best deal which could be expected. Nooter also said that the Vietnamese had agreed orally to increase the required bank deposit rate for CIP imports from 30 percent to 100 percent, and for non-CIP imports up to 300 percent. This move would be very important in holding down the rate of inflation.

Carver brought up the functioning of the NSC PSYOPS Committee. He personally was very upset over the way this committee had been functioning, or more properly not functioning. It seemed to have bogged down in a whole range of minor operating details and was failing to focus on the policy decisions needed for conducting a PSYOPS program. General Smith agreed, and produced a folder containing a series of questions which had been considered but on which no decision had been made. I noted Mr. Smyser had much the same impression about the PSYOPS Committee. The representation had become very low-level, with the result that every item requiring decision needed to be referred back to principals. This had not been the intention when the Committee was set up; the original concept was to keep the membership at a high-level so that decisions could, in fact, be made. Sullivan said he would speak to Henry Loomis on this matter, and attempt to move the PSYOPS Committee along toward producing decisions.

Captain Scott concluded the meeting by giving the group a rundown of a meeting which Ross Perot had with the Chiefs. Perot had been very impressive in his presentation and had come through as a fairly altruistic and motivated man. Many of his suggestions had seemed realistic and practical for handling the POW issue. Defense was considering them. (Note: Up until recently Defense has been luke-warm toward Perot, and this marks a real change.)

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