

Saigon Embassy's Response On Drawbacks in Laos Talks

Cablegram from Ambassador Maxwell D. Taylor in Saigon to Secretary Rusk, Aug. 9, 1964, with copies to the embassies in Vientiane and Bangkok and the Pacific command.

From our vantage point we can see positive disadvantages to our position in SEA in pursuing course of action outlined REFTEL.

1. In first place rush to conference table would serve to confirm to Chicom that US retaliation for destroyer attacks was transient phenomenon and that firm Chicom response in form of commitment to defend NVN has given US "paper tiger" second thoughts. Moreover, much of beneficial effects elsewhere resulting from our strong reaction to events in Gulf of Tonkin would be swiftly dissipated.

2. In Vietnam sudden backdown from previous strongly held US position on PDJ withdrawal prior to conf on Laos would have potentially disastrous effect. Morale and will to fight, particularly willingness to push ahead with arduous pacification task and to enforce stern measure on Khanh's new emergency decree, would be undermined by what would look like evidence that US seeking to take advantage of any slight improvement in non-Communist position as excuse for extricating itself from Indochina via conf route. This would give strength to probable pro-Gaullist contention that GVN should think about following Laotian example by seeking negotiated solution before advantage of temporarily strengthened anti-Communist position recedes.

3. General letdown in Vietnam which would result from softening of our stand in Laos just after we had made great show of firmness vis-a-vis Communists would undoubtedly erode Khanh's personal position with prospects of increased political instability and coup plotting.

4. It should be remembered that our retaliatory action in Gulf of Tonkin is in effect an isolated US-DRV incident. Although this has relation, as Amb. Stevenson has pointed out, to larger problem of DRV aggression by subversion in Vietnam and Laos, we have not yet come to grips in a forceful way with DRV over the issue of this larger and much more complex problem. Instead, we are engaged, both in Vietnam and Laos, in proxy actions against proxy agents of DRV. If, as both Khanh and Souvanna hope, we are to parlay the consequences of our recent clash with the DRV into actions which specifically direct themselves against DRV violations of the 1954 and 1962 agreements, we must avoid becoming involved in political engagements which will tie our hands and inhibit our action. For example, any effort to undertake credible joint planning operations with GVN re interdiction air strikes upon infiltration network in southern DRV and especially in panhandle would be completely undercut if we were engaged

in conf discussing the Laos territory in question.

5. Similarly, it would seem to us that Souvanna's willingness to hold fast on pre-conditions or substantive negotiations bears direct relationship to his assessment of US willingness to meet the problem where it originates—in North Vietnam itself. This fact shines clearly through his recent brief letter to Pres Johnson. Moreover, it would be folly to assume that Khanh, who is now in fairly euphoric state as result of our Gulf of Tonkin action, would do anything other than slump into deepest funk if we sought to persuade him to send GVN del to conf. [Two words illegible] is that he would resign rather than send [Two words illegible].

Intensified pressures for Geneva-type conf cited in REFTEL would appear to us to be coming almost entirely from those who are opposed to US policy objectives in SEA (except possibly UK which seems prepared jump on bandwagon). Under circumstances, we see very little hope that results of such conference would be advantageous to US. Moreover, prospects of limiting it to consideration of only Laotian problem appear at this time juncture to be dimmer than ever. Even though prior agreement reached to limit conf, we do not see how in actual practice we could limit discussion solely to Laos if others insist on raising other issues. To best our knowledge, we never "withdrew" from room when DRV attempted raise extraneous issues during 1961-1962 conf. Instead, we insisted to chair on point of order and had DRV ruled out of

order. Prospect of informal corridor discussions with PL, DRV and Chicoms is just what GVN would fear most and may well increase pressures on GVN to undertake negotiated solution so as to avoid their fear of being faced with "fait accompli" by US.

7. Rather than searching for "safety valve" to dissipate current "generalized pressures" SEA, it seems to us we should be looking for means which will channel those pressures against DRV; seems to us "safety valve," if needed (for example by Soviets), exists in current UNSC discussion. We should continue to focus attention in all forms on Communist aggressive actions as root cause of tension in SEA and reinforce our current stance. In the final analysis, this stance would be more valid deterrent to escalation by PL/VM than attempt seek accommodation within context Laos problem alone.

While not rpt not specifically within our province, we would point out that PL/VM appear to have capability of retaking territory regained by RLG in Operation Triangle at any time of their choosing and that therefore "territorial swap" envisaged in DEPTTEL may be highly illusory. Moreover, any territorial deal which seems to confirm permanent PL/VM control over corridor as an arrangement acceptable to US would be anathema to GVN and indicate our willingness accept infiltration network as tolerable condition on GVN frontiers. Such situation would in their and US mission opinions vitiate against any hope of successful pacification of GVN territory.