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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: January 26, 1968

SUBJECT: Foreign Minister Thanat's Tour d'Horizon with the Secretary

PARTICIPANTS: Thai Foreign Minister Thanat Khoman
Thai UN Ambassador Anand Panyarachun
Thai Ambassador Bunchana Atthakor

The Secretary
William P. Bundy, Assistant Secretary, East Asia
Moncrieff J. Spear, Country Director, Thailand

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1. The Pueblo Incident - The Secretary opened the conversation by saying we took a very serious view of this incident. The vessel had been under very rigorous instructions to stay at least 13 miles off the North Korean coast. Consequently a navigational error was most improbable and the seizure took place outside even the 12 mile limit which the North Koreans claim. There had been an operational problem. The skipper of the Pueblo on first being accosted apparently regarded this as the type of harassment which goes on almost continually between U. S. and Communist vessels in the Sea of Japan, the Mediterranean, etc., and apparently continued his mission, which was nearly completed. Between this first contact and the time the vessel was seized there had been no opportunity for U. S. preventive action. Following the report of the boarding there was a need to get aircraft into the area but by then darkness began hampering operations. Crucial time had been lost when something might have been done. Thanat asked if there had been no call for help. The Secretary noted again the pattern of harassments and surmised that because of this the captain of the Pueblo had not anticipated the seizure of the vessel. He noted that it was impractical to provide armed escorts for all of our vessels which might be subject to these incidents of harassment. North Korean motives were unclear. This might be part of

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of the build-up of incidents in Korea--over 500 in 1967 as compared to 70 in 1966 and culminating in the recent attempt to assassinate President Pak in Seoul. As for more general Communist motivation, it might be part of an effort to intimidate South Korea in retaliation for its troop contribution to Vietnam or it could be directed against the United States. There was no evidence, however, that it presaged a major North Korean assault against South Korea.

There will be no diversion of forces from Vietnam to Korea. We will be sending additional forces from the continental U. S. and these in turn will be replaced by the reservists called up.

We have received no satisfaction in our approaches through the Korean Armistice Commission. The "confession" of the captain of the Pueblo, which in all probability was written by the North Koreans, made a plea for leniency and this might be a hopeful sign. Later statements about punishing the crew "in accordance with law" were not so encouraging. We are confident the Pueblo was not in North Korean territorial waters at the time it was seized. International Law of the Sea permits a country to require a foreign war ship to depart its waters, by force if necessary, but not to seize the vessel. We would be taking the matter to the Security Council. Our efforts to get the Russians to intervene had not produced much; their initial response was to tell us to take the matter up with the North Koreans.

Thanat then asked whether the Secretary thought there had been prior consultation between the North Koreans and the Soviets. The Secretary replied he was sure the Soviets were interested in the equipment on the Pueblo and they now seemed more interested than before. The incident would probably be before the Security Council for three or four days and during that period we would be deploying additional air and naval forces to Korea. The question of additional ground forces is still under considera- that we would be keeping in touch with the troop contributing nations. Thanat then asked if he might, without embarrassing the Secretary, ask what we planned on doing next. The Secretary said that there had been no decision on the next steps beyond getting additional forces in position and reiterated that none of these would be withdrawn from Vietnam. This incident differed from the Tonkin Gulf episode because we were seeking the return of the ship and the crew; it was not just a matter of retaliation.

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There were no North Korean vessels which we might seize in retaliation and the North Korean ports in the area were all very small. We would find out in the Security Council what the chances were of getting the vessel and its crew back and would be studying the various alternatives open to us. The Secretary noted that the incident had made the United States look ridiculous and that the American public was extremely aroused over the matter.

2. Vietnamese Peace Prospects - In assessing peace prospects in Vietnam, the Secretary said that it was only necessary to compare the points in the President's San Antonio speech with the latest formulation by the North Vietnamese Foreign Minister in order to compare the major questions. The Trinh statement hadn't used the words "permanent" or "definitive" in referring to a stop in the bombing although the word "definitive" had been used in subsequent statements. The next issue was the question of when the talks would start. U Thant had indicated they might begin in three to four weeks, "but why not sooner?" Trinh had also stated that the talks would discuss "relevant questions". The question was, what were these? The North Vietnamese statement also spoke of discussing matters relating to North Vietnam, not South Vietnam. If this meant that the talks were to be concerned only with bombing and prisoners, this was entirely unsatisfactory to the United States. If the talks were to be concerned only with the NLF's four points, that too was unacceptable. The U. S. was prepared to approach these matters on a de facto basis; i. e., a reduction or pause in the hostilities didn't have to be on the basis of a pre-arranged contract. It thus appeared that we were a long way from closing the gap between the President's San Antonio speech (which was our rock-bottom position) and the North Vietnamese Foreign Minister's statement.

These matters were being explored. While we did not have a reply or clarification as yet, we should have the results in a week or so. When this was received, and if it showed any signs of promise, we would be in touch with the seven troop contributing nations.

Thanat asked the Secretary whether he had the impression that the North Vietnamese were seriously interested in ending hostilities, because it was his own impression that they were simply making propaganda in order to divide U. S. and Western European public opinion. The Secretary noted that if this had been the Communist objective, they should not have

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seized the Pueblo, since it had inflamed and united opinion behind the Administration. Even the doves had been quieted. Thanat noted that there were still some Senators who seemed to question the Administration's positions and mentioned Senator Fulbright.

The Secretary said that it seemed evident that a serious military engagement was shaping up in the area of the demilitarized zone in Vietnam. Noting that the information was sensitive, he said that we were considering not applying the cease-fire in I Corps. This is a matter of some delicacy because the South Vietnamese stopped fighting during "our holidays" and Tet was theirs. We would be guided by South Vietnam's judgment on this matter, but it appeared that there would be a good-sized battle before long.

3. Cambodian Involvement - Thanat inquired whether this might not bring about Cambodian involvement. The Secretary noted there had been some increase in activity in the area of Dak To and Pleiku and this could involve incursions into Cambodian areas where there was little population and no Cambodian Government presence. Thanat then inquired about the latest incident in which allegedly three Cambodians were killed. The Secretary indicated that this incident took place down near the Saigon area. The Secretary then noted that Governor Harriman and Mr. Bundy had briefed the Foreign Minister on the Bowles mission and Cambodia. Tongue in cheek the Foreign Minister replied that the Thai had placed great hopes on the Bowles mission, hoping that Sihanouk would give the U. S. bases in Cambodia. Turning serious again, the Secretary and Thanat agreed that there was no evidence that the North Vietnamese were seriously looking for an end to the war.

4. U. S. Opinion - Thanat then raised the subject of U. S. opinion on Vietnam. The Secretary noted that there had been a general improvement in attitudes in support of the Administration since August, citing his travels and meetings with local officials, Congressmen, etc. Thanat referred to the publicity given Senators Robert Kennedy and McGee on TV, referring to this as a "one-sided presentation". The Secretary observed that naturally Senator Kennedy would get heavy publicity. Thanat characterized this as a strange sort of "freedom of the press" and noted that he would be meeting with the press here and had had an interview with the Washington Post. The Post editors had told him they were only

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responsible for the newspaper's editorial policy and not for the columnists and other expressions of opinion in the paper. Thanat asked then whether they didn't feel any responsibility if "a crime were committed in their house", to which, he said, they had no reply. He said this might be the U. S. concept of freedom, which U. S. newspapers were seeking to impose on Thailand, but that "we are not bound by this". The Secretary mentioned that he had spoken to Kay Graham (publisher of Newsweek) following the attack on the King.

5. U. S. Troop Presence - Thanat praised the conduct of U. S. forces in Thailand and the generally good state of U. S. -Thai relations and noted that this was not a problem. He returned to the matter of press and public criticism.

6. SEATO and Seven-Nation Meeting - Noting that France and Pakistan were inactive and the UK withdrawing from East Asia, the Secretary felt SEATO discussions at Wellington in April would be less important than a meeting of the seven troop contributors. Thanat agreed it would be desirable to hold such a meeting.

7. Balance of Payments Measures - The Minister indicated he had spoken to Eugene Black who had sought to reassure him on the impact of U. S. balance of payments measures. The Secretary made the point that our problems were "on current account". We held $115 billion worth in foreign assets so we were hardly "broke". Our current balance of payments program had three objectives: (a) maintaining our security obligations; (b) avoiding a descending trade spiral through protectionist measures; (c) protecting the legitimate interests of the developing nations. Consequently, the Western European countries with trade surpluses were naturally the major target of our measures. Thanat expressed considerable concern that the United States should hold the gold price steady at $35 an ounce. The Secretary pointed to the removal of the requirement for gold cover on our currency as evidence of our determination to do this. Thanat also asked whether we had any intention of suspending external payments in gold. The Secretary replied that this was not expected and noted that the London gold markets had calmed down following the President's reaffirmation of our determination to hold the gold price. Thanat stressed the importance of all this to Thailand which held the great bulk of its reserves in dollars. The Secretary repeated that we were well aware of our world responsibilities and would also be looking to the larger problem of international liquidity through new measures in the International Monetary Fund.

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