SUMMARY NOTES OF 554th NSC MEETING
August 5, 1965; 6:00 P.M.

Vietnam:

Secretary Rusk: Reported to the President on his recent meeting with the House Foreign Affairs Committee. For the present, there is good support in the committee.

Secretary McNamara: In both the Senate and the House Committees, there is broad support, but this support is thin. There is a feeling of uneasiness and frustration. There is criticism of our allies for not helping more in Vietnam. A minority of committee members believes we are not bombing targets of value. The Republicans are making political capital by overstating the effect on the U.S. economy of the cost of the Vietnam war.

General Taylor: The increase in U.S. forces gave a lift to the South Vietnamese. We do agree with Vietnam on war aims, even though General Ky may state, for domestic consumption, that he wants to invade the North. The Saigon Government accepts the principles of the Geneva Accords and is not going to march North. Viet Cong attacks are slowing down. Saigon does not object to our contacts with the other side, but it would worry if we stopped our military pressure on Hanoi during any talks.

General Ky is a young man, but he is better than one would imagine. He may mature. General Thieu is a stabilizing force. He prefers to sit in the background, consequently, he will not take the post of Prime Minister. The present Saigon Government framework is solid but the members of the new government are not well-known to us. General Ky is no administrator but he has a strong social conscience.

The present military situation is serious but not desperate. No one knows how much Viet Cong resiliency is still left. The arrival of additional U.S. forces must have convinced Hanoi that their chance of winning the war is lessening.

No problem has yet arisen as to the U.S.-South Vietnamese command structure. We are not raising the issue, but are dealing with it on a case-by-case basis.

By the end of 1965, the North Vietnamese offensive will be bloodied and defeated without having achieved major gains. Hanoi may then decide to change
its policy. 1966 could be a decisive year. We should seek to increase the South Vietnamese military forces and limit the size of U.S. forces.

Political fragility continues in South Vietnam. We hope that the political situation is at last settling down. Based on recent local elections, a national election held now would not go to Ho Chi Minh.

The military side of the war in South Vietnam is not overstressed as some allege. Security must come before a satisfactory political situation can develop.

At the time our combat forces arrived, the morale in South Vietnam was uncertain but their confidence grew when we began our bombing. This bombing is effective in that it reminds Hanoi of the increasing cost of the war to them. As to the effect of the bombing pause, on balance it was neutral -- not all good and not all bad.

As to the press, thanks to the press attaché, Barry Zorthian, relations with the correspondents are much better than two years ago. There continue to be a few irresponsible correspondents who cause trouble and have a desire to express things in the negative.

The President: We are getting only bad things from the press.

Zorthian: A minority of the correspondents cause trouble. Unfortunately, they get more coverage because they work for some of the wire services and some TV networks. Many foreigners represent U.S. press agencies in Saigon. There is a certain amount of advocacy and many of the young correspondents have chips on their shoulders. We should demand that news editors in the United States present a balanced picture in their news reports. AP reporter Arnett is extremely critical of the entire war effort.