

MEMORANDUM FOR THE VICE PRESIDENT

SUBJECT: Your Mission to South and Southeast Asia.

Pursuant to your request, there is appended a country-by-country check list of the status of the various undertakings which, as authorized by the President, you made during your talks with the leaders of the countries which you visited during your mission to South and Southeast Asia. The communique issued in each country have been attached as Tab A.

This report is also being transmitted to the President, in accordance with his request of May 27 that he be provided a status report upon his return from Europe.

Attachments:

Classified Country Annexes.

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THE PHILIPPINES

The Vice President made no formal promises or commitments to the Philippines during his visit to Manila.

1. The Vice President discussed the Philippine desire for an increase in their permanent sugar export quota to restore their prewar share in the U.S. market.

STATUS: (Unclassified) The Philippine sugar delegation is in the U.S. awaiting hearings before the Congress. The date of the hearings has not yet been announced.

2. The Vice President discussed legislation pending in the Philippine Congress on easing restrictions on imports of U.S. leaf tobacco.

STATUS: (Unclassified) The Philippine Congress adjourned May 18 without taking action on this legislation. A special session may be called later in June and action is possible then.

3. The Vice President discussed steps which could be taken together to develop vigorous science programs for the Philippines and U.S.

STATUS: (Official Use Only) This proposal is under consideration within the administration, but no specific project has as yet been approved.

4. The Vice President discussed possible Peace Corps projects.

STATUS:

STATUS: (Official Use Only) These were discussed later in the week of May 16 between President Garcia and Mr. Shriver. Projects proposed have been approved, and we have a draft Circular 175 Agreement ready to be signed with the Philippines at an early date.

5. The Vice President discussed possible U.S. legislation reenacting the pre-war coconut oil tax refund.

STATUS: (Unclassified) After exhaustive review by all U.S. agencies concerned, the Philippine Government was informed in a note dated August 4, 1959 that the 3 cent coconut oil processing tax was considered an internal tax and not an ordinary customs duty. The request for the restoration of the refund was therefore rejected. There is no present intention to review this question, which is one of the so-called Philippine "Omnibus Claims" against the U.S.

6. The Vice President discussed the Additional War Damage Claims Bill (H.R. 1129, providing for the appropriation of \$73 million) now pending in the U.S. Congress.

STATUS: (Unclassified) A Department of State spokesman (Assistant Secretary Edwin M. Martin) on June 1, 1961 presented the Executive Branch position in testimony before the House Foreign Affairs Subcommittee in support of H.R. 1129 with an amendment providing for payment to all claimants in dollars.

7. The Vice President discussed a more vigorous development program for Mindanao. President Garcia promised to present a memorandum to Vice President Johnson on the subject, but the memorandum has not yet been received. The Department of State and ICA will presumably have action.

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STATUS: (Official Use Only) Sympathetic consideration of the general idea is assured, since ICA has been developing its own plans for this important area.

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COMMUNIQUE - MANILA - May 14, 1961

President Carlos P. Garcia of the Republic of the Philippines and Vice President Lyndon B. Johnson of the United States of America met at Malacanang Palace at 7:35 a.m. today and informally discussed matters of interest to their two countries and the Free World.

The meeting was cordial and friendly. The discussion was thorough, frank and specific. There was complete agreement on the seriousness of the situation in Southeast Asia. There was also complete agreement on the determination of the two nations to maintain effective strength against Communist encroachments in Asia. On this principle there is complete accord between the two nations.

Vice President Johnson stressed that he came at the request of President Kennedy to seek counsel and judgment and the views of President Garcia on the world situation.

Vice President Johnson presented to President Garcia a letter from President Kennedy.

The Vice President said he gained a greater understanding of the conditions in this part of the world and that when he returned he would present the viewpoints of President Garcia to President Kennedy. The Vice President told President Garcia that he had been deeply thrilled and moved by the enthusiastic welcome of the Philippine people.

He also expressed his admiration over the success of the Philippine reconstruction which he regarded as a tribute to the character and capacity of the Filipino people.

President Garcia congratulated Vice President Johnson for a very timely and heartwarming address before the joint session of Congress. The two leaders talked about problems which confront the Governments of their two peoples. Among other things, they discussed sugar legislation in the United States; the additional war damage claims bill now pending in the United States Congress; the steps which could be taken together to develop vigorous science programs for the Philippines and United States; the possible Peace Corps projects which will be discussed later in the week with Mr. Shriver; possible legislation re-enacting the pre-war coconut oil tax refund; and legislation pending in the Philippine Congress on easing tobacco import restrictions. President Garcia is going to present to Vice President Johnson a memorandum on the possibilities of a more vigorous development program for Mindanao.

Vice President Johnson assured President Garcia of the United States desire to approach all these matters in a spirit of constructive understanding and that he will report fully through appropriate channels upon his return to Washington.

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.

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(UNCLASSIFIED WHEN SECRET ATTACHMENT REMOVED)
DEPARTMENT OF STATE
WASHINGTON



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MEMORANDUM FOR MR. WALTER JENKINS
OFFICE OF THE VICE PRESIDENT

We are transmitting the message for the
Vice President which we have received from
Ambassador Nolting in Saigon.

BA

Brooks Hays
Assistant Secretary

Enclosure - SAIGON TELEGRAM No. 1820

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INCOMING TELEGRAM

Department of State

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Action
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Control: 19435
Rec'd: MAY 31, 1961
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Info

FROM: SAIGON

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TO: Secretary of State

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NO: 1820, MAY 31, 9 PM

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PLEASE PASS TO VICE PRESIDENT

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OPR

THANKS VERY MUCH FOR YOUR QUICK RESPONSE TO UNFORTUNATE DREW PEARSON ALLEGATION, AND FOR YOUR MESSAGE WHICH I WILL MAKE USE OF HERE. AS YOU KNOW, YOUR VISIT HERE HAS CREATED NEW ATMOSPHERE OF CONFIDENCE WHICH WE CANNOT ALLOW TO BE MARRED BY SUCH IRRESPONSIBLE WRITING. THERE IS NO DOUBT AT ALL IN MY MIND THAT PRESIDENT DIEM FOLLOWS CLOSELY US PRESS; HE HAS TALKED AT CONSIDERABLE LENGTH WITH ME ABOUT HIS DIFFICULTIES AT HOME WHICH HE BELIEVES ARISE IN PART FROM THE BAD PRESS WHICH HE GETS ABROAD. I MYSELF HAVE NOT FOUND ANY SUBSTANTIAL EVIDENCE FOR THE EXTREME ALLEGATIONS FREQUENTLY MADE CONCERNING THIS REGIME. I FEEL SURE THAT IF WE CAN BUILD UP THE ATMOSPHERE OF SUPPORT AND CONFIDENCE, BOTH HERE AND ABROAD, WHICH YOU STARTED, THERE WILL GRADUALLY FLOW FROM THIS THE SOCIAL, POLITICAL AND ECONOMIC MEASURES OF THE KIND WE DESIRE, AND IN MY JUDGMENT, DIEM DESIRES ALSO, AS ULTIMATE GOAL.

RMR

NOLTING

BP

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Authority State 6-30-78; 715c 10-23-79

By ip, NARS, Date 1-29-80

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Mr. Cottrell

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Task Force - Viet Nam

~~TOP SECRET~~

VIET NAM

1. The Vice President agreed to infuse into our actions a high sense of urgency and dedication.

STATUS: (~~Confidential~~) A Task Force for Viet Nam in Washington has been established and is in operation. A counterpart Task Force in Saigon is also in operation. All Task Force traffic will receive priority action at both ends.

2. The Vice President approved MAP support for a 20,000 force increase and noted Diem's statement that there was a problem of paying local currency costs for this increase.

STATUS: (Unclassified) MAP funds have been made available to provide all necessary military equipment and supplies for the force increase of 20,000. / (~~Secret~~) The GVN has called up only 6,000 due to the problem of local currency costs required to support the full increase. / U.S. financial experts are scheduled to depart for Viet Nam on June 16 to draw up an agreement on joint financing of local currency requirements for the increase. The mission consists of:

Dr. Eugene Staley,
Research Director,
Stanford Research Institute;

Colonel E. F. Black,
Military Assistant to the
Deputy Secretary of Defense;

Mr. Herman Kleine,
Assistant Deputy Director of
Operations, ICA;

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Mr. Paul Geren

Mr. Paul Geren,
Deputy Director, Office of International
Financial and Development Affairs,
Department of State;

Dr. William N. Diehl,
Chief, Far East Division,
Office of International Finance,
Department of Treasury; and

Mr. Warren A. Silver,
Task Force for Vietnam,
Department of State.

3. The Vice President obtained Diem's agreement that parallel political and economic action have equal importance with military measures but took note of Diem's view that political and economic actions must be those appropriate to Viet Nam as a country which is underdeveloped and subject to Communist subversion.

STATUS: (Unclassified) President Diem has issued a series of decrees reorganizing his government.

4. The Vice President agreed to an increase in MAAG personnel.

STATUS: (~~Secret~~)

Previous authorized MAAG strength	685
U.S. military personnel assigned Embassy	51
Army Communications personnel (arrived Saigon 14 May 1961)	93
Immediate augmentation as follows:	
First increments to train:	
(a) 20,000 increase	20
(b) Self Defense Corps and Civil Guard	50
(c) Junk	

- (c) Junk Fleet 12
- (d) Logistics and Supply 18

~~(Secret)~~ Of this group, the Department of the Army will provide 56 officers and 32 enlisted men on PCS status during June and July.

5. The Vice President agreed to MAAG support of and advice to the Self Defense Corps.

STATUS: ~~(Secret)~~ The Self Defense Corps is now being equipped by the ARVN from stocks recovered from the Civil Guard. Chief, MAAG cautions there is practically no leadership in the SDC, and not much more in the Civil Guard. Arrangements must be worked out with the GVN for the provision of a direct role for the advisors/instructors.

6. The Vice President pledged MAP support for the entire Civil Guard force of 68,000.

STATUS: (Unclassified) MAP support has been authorized for selected units of the Civil Guard increase from resources available in FY 61. MAP funds are programmed for the entire Civil Guard of 68,000 for FY 62. MAAG advisors and trailers have been assigned to Civil Guard units. ~~(Secret)~~ Selected leaders of Civil Guard units are now undergoing counter-guerrilla training under the supervision of U.S. Special Force trainers in three training areas.]

7. The Vice President pledged material support for the Junk Force.

STATUS: ~~(Secret)~~ MAAG plans training advisory teams for three Junk Bases. The GVN

will provide

will provide junks and engines. MAP will provide weapons and radios. CINCPAC will assist in the development of standard operating procedures for GVN coastal patrols.

8. The Vice President noted that the U.S. was prepared to consider the case for a further increase in the strength of the GVN armed forces.

STATUS: ~~(Secret)~~ The JCS has requested CINCPAC and MAAG recommendations. Fiscal and budget considerations have been received from Task Force Saigon.

9. The Vice President obtained Diem's agreement to further urgent joint study of border control techniques.

STATUS: ~~(Secret)~~ The JCS, military departments, CINCPAC, and Chief, MAAG are all studying the problem. No recommendations have yet been received.

10. The Vice President obtained Diem's agreement to consider the establishment in Southeast Asia of a research and development facility.

STATUS: ~~(Secret)~~ A team of six DOD officers will depart June 4 for Saigon to help the GVN set up a research and development facility.

11. The Vice President obtained Diem's agreement to the use of U.S. military specialists to assist Vietnamese armed forces in health, welfare and public works activities at the village level. The Vice President took note, however, of Diem's insistence on tact on the part of foreign officials working in this field.

STATUS:

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STATUS: (Unclassified) Chief, MAAG requested the Department of the Army to assign a military civic action mobile training team for a period of 180 days, to arrive in Viet Nam at the earliest practical date. The team is to be composed of one public administrator, one engineer, one public health officer, and one administrative assistant.

12. The Vice President obtained Diem's agreement to renew border control negotiations with the Cambodian Government.

STATUS: (Task Force Viet Nam has requested Embassies Saigon and Phnom Penh to take first step by damping down press invective. After Sihanouk's return from Geneva, discussions will be encouraged.)

13. Obtained Diem's agreement on the desirability of using foreign non-American experts in counter-guerrilla field and took note of Diem's insistence that it would be up to the initiative of the GVN to request these experts and that they would have to work under its control.

STATUS: (Secret) The British have offered to pay for the services of three guerrilla experts to be offered by Malaya. Task Force Saigon is now discussing their appropriate role with the British and the GVN in Saigon.

14. The Vice President obtained Diem's agreement to the U.S. proposal for sending a team of U.S. economic and fiscal experts to work out a financial plan as basis for joint U.S.-Viet Nam efforts.

STATUS:

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STATUS: (Unclassified) A team of experts headed by Dr. Eugene Staley, Stanford Research Institute, departs June 16.

15. The Vice President obtained Diem's agreement to work together on a longer range economic development program for Viet Nam.

STATUS: (Unclassified) The above team will also explore with the GVN a long range economic development program.

16. The Vice President received a memorandum from Diem requesting additional defense support aid and recommending that the Buy American policy should not be applied to the aid program for Viet Nam.

STATUS: (Unclassified) The team will also examine defense support aid and the Buy American policy.

Lyndon B. Johnson, Vice President of the United States, has just completed a visit to the Republic of Viet Nam, on behalf of President Kennedy and on invitation of President Ngo Dinh Diem.

The enthusiastic welcome he received in Viet Nam reflected a deep sense of common cause in the fight for freedom in Southeast Asia and around the world.

This recognition of mutual objectives resulted in concrete understandings between the Republic of Viet Nam and the United States.

It is clear to the Government and the people of Viet Nam and to the United States that the independence and territorial integrity of Viet Nam are being brutally and systematically violated by Communist agents and forces from the north.

It is also clear to both Governments that action must be strengthened and accelerated to protect the legitimate rights and aspirations of the people of Free Viet Nam to choose their own way of life.

The two Governments agreed that this is the basic principle upon which their understandings rest.

The United States, for its part, is conscious of the determination, energy and sacrifices which the Vietnamese people, under the dedicated leadership of President Ngo Dinh Diem, have brought to the defense of freedom in their land.

The United States is also conscious of its responsibility and duty, in its own self-interest as well as in the interest of other free peoples, to assist a brave country in the defense of its liberties against unprovoked subversion and Communist terror. It has no other motive than the defense of freedom.

The U. S. recognizes that the President of the Republic of Viet Nam Ngo Dinh Diem, who was recently re-elected to office by an overwhelming majority of his countrymen despite bitter Communist opposition, is in the vanguard of those leaders who stand for freedom on the periphery of the Communist empire in Asia.

Free Viet Nam cannot alone withstand the pressure which this Communist empire is exerting against it. Under these circumstances--the need of Free Viet Nam for increased and accelerated emergency assistance and the will and determination of the U. S. to provide such assistance to those willing to fight for their liberties--it is natural that a large measure of agreement on the means to accomplish the joint purpose was found in high-level conversations between the two Governments.

Both

Both Governments recognize that under the circumstances of guerrilla warfare now existing in Free Viet Nam, it is necessary to give high priority to the restoration of a sense of security to the people of Free Viet Nam. This priority, however, in no way diminishes the necessity, in policies and programs of both Governments, to pursue vigorously appropriate measures in other fields to achieve a prosperous and happy society.

The following measures, agreed in principle and subject to prompt finalization and implementation, represent an increase and acceleration of U. S. assistance to the Republic of Viet Nam. These may be followed by more far-reaching measures if the situation, in the opinion of both Governments, warrants.

First, it was agreed by the two Governments to extend and build upon existing programs of military and economic aid and to infuse into their joint actions a high sense of urgency and dedication.

Second, it was agreed that regular armed forces of the Republic of Viet Nam should be increased, and that the United States would extend its military assistance programs to include support for an additional number of regular Vietnamese armed forces.

Third, it was agreed that the United States would provide military assistance program support for the entire Vietnamese Civil Guard Force.

Fourth, it was agreed that two Governments should collaborate in the use of military specialists to assist and work with Vietnamese armed forces in health, welfare and public works activities in the villages of Free Viet Nam.

Fifth, it was agreed that the assistance of other free governments to the Government of the Republic of Viet Nam in its trouble against Communist guerrilla forces would be welcome.

Sixth, it was agreed that, to achieve the best possible use of available resources, the Vietnamese and the United States, in prosecution of their joint effort against communist attacks in Viet Nam, a group of highly qualified economic and fiscal experts would meet in Viet Nam to work out a financial plan on which joint efforts should be based.

Seventh, it was agreed that the United States and the Republic of Viet Nam would discuss new economic and social measures to be undertaken in rural areas, to accompany the anti-guerrilla effort, in order that the people of Viet Nam should benefit promptly from the restoration of law and order in their villages and provinces.

Eighth, it was agreed that, in addition to measures to deal with the immediate Viet Nam guerrilla problem, the two Governments would work together toward a longer range economic development program, including further progress in the fields of agriculture, health, education,

fisheries

fisheries, highways, public administration, and industrial development.

These longer range plans and programs would be developed in detail after further consideration and discussion.

Their goal would be a Viet Nam capable of a self-sustained economic growth.

President Ngo Dinh Diem and Vice President Lyndon B. Johnson, on behalf of President Kennedy, established a sense of mutual confidence and respect which both believe essential to fulfillment of their objectives.

TAIWAN

1. The Vice President stated that the U.S. would stand by its allies in the Asian area. Nothing was said by the Vice President to make this commitment more specific; however, it will undoubtedly be construed by the GRC as meaning (insofar as the GRC alone is concerned) that the U.S. will fulfill its obligations under the terms of the US-GRC Mutual Defense Treaty of December 1954.

STATUS: (~~Secret~~) Top leaders of the Administration have on several occasions since January 20 made it plain that the U.S. will act in accordance with the US-GRC Mutual Defense Treaty to assist in the defense of Taiwan and the Pescadores. An extensive Military Assistance Program is being maintained by the U.S. to improve the GRC's own capacity to defend these territories, and joint US-GRC military defensive planning is being conducted through the US-Taiwan Defense Command.

2. The Vice President stated that the U.S. would continue to oppose the seating of the Chinese Communists in the US and to support the position of the GRC in that body. This commitment can be derived from the language of the wording of the Joint Communiqué of May 14, which states that: "The United States opposes the seating of the Peiping regime at the United Nations and regards it as important that the position of the Republic of China in the United Nations should be maintained."

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STATUS:

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STATUS: (~~Confidential~~) Again, leading Administration officials have stated on several occasions since January 20 that U.S. policy is to preserve the GRC's membership in the UN and under present circumstances to exclude Communist China from membership. In conjunction with representatives of the GRC we are conducting discussions on what tactics should be used to this end in place of the moratorium procedure, which we believe can no longer be made to work. We are also consulting with key allies along the same lines.

3. The Vice President stated that the U.S. would not recognize Communist China. This commitment is explicitly stated in the Joint Communiqué.

STATUS: (Unclassified) No specific action has been taken, but we have repeatedly made it clear in public statements that there can be no question of recognizing Communist China so long as Peiping demands Taiwan as the basis for such recognition and persists in a policy of bitter hostility toward the U.S.

4. The Vice President stated that the U.S. would continue to work with the GRC in support of the latter's accelerated economic growth program. This is also explicitly stated in the Joint Communiqué.

STATUS: (Unclassified) Provision for continuing economic assistance to the GRC has been made in the current foreign aid budget which is now being presented to Congress. It is envisaged that this aid will be administered as before through our Mutual Security Mission to China.

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5. The Vice President stated that the U.S. would consider giving executive direction to the anti-Communist nations of Asia in a NATO-like coalition to which each participant would be required to contribute according to its abilities. In his after-dinner conversations with President Chiang on May 13 the Vice President spoke in these terms, and presumably included the GRC in the category of anti-Communist Asian nations which he had in mind. The Joint Communique also noted that "new measures of cooperation among the free nations of Asia as well as with the United States and other countries are necessary and desirable."

STATUS: (~~Secret~~) No formal commitment was made by the Vice President on this topic, and U.S. involvement should be viewed more in terms of the Vice President's recommendation for a broad Asian-Pacific Alliance of free nations than as a specific understanding with respect to the GRC.

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6. The Vice President contemplated providing U.S. assistance to the GRC in sending Chinese technical experts to help in the development of other free Asian nations. As in the case of 5, above, such action could be undertaken within the scope of the Joint Communique's reference to "new measures of cooperation."

STATUS: (~~Secret~~) GRC technicians have already been sent to assist Viet Nam in an ICA-financed program. This program is being maintained and a possible expansion is being studied. (Joint US-GRC planning is also underway for a project entitled "Operation Vanguard" in which the GRC will send technical experts to various African countries and the U.S. will help pay the expenses.)

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The President of the Republic of China and the Vice President of the United States of America met Sunday at the President's Residence and held extended discussions regarding the threat of Communist aggression against the free nations of Asia. The discussions were held in an atmosphere of friendly accord.

The President expressed his pleasure at the visit of the Vice President and the latter noted with deep gratitude the warmth of the welcome he received.

The Vice President wished to note particularly the opportunity he was afforded to greet, meet, and shake hands in friendship with so many Chinese people on the streets of Taipei and Taoyuan.

In the discussions, there was complete agreement on the common purpose of the Republic of China and the United States of America to maintain the integrity of Free Asia.

There was candid exploration and consideration of the strategies required to assure effective action.

Both the President and the Vice President affirmed, as a matter of principle, that all people who desire freedom and are working for freedom should have freedom. Freedom, they agreed, is not for ourselves alone but must be preserved and extended to all who desire it.

The Vice President, on behalf of President Kennedy assured President Chiang that:

The U. S. means to stand with her allies in the Asian area; the U. S. has no intention of recognizing the Peiping regime.

The U. S. opposes seating the Peiping regime at the United Nations and regards it as important that the position of the Republic of China in the U.N. should be maintained.

The United States will continue to work with the Republic of China in support of its accelerated growth program.

Discussions encompassed a far-ranging consideration of the international situation in Asia, with reference to the serious situation in Southeast Asia and particularly with regard to the Vice President's visit to Viet Nam.

The joint communique issued at Saigon by President Ngo Dinh Diem and Vice President Johnson was noted with satisfaction.

The President and Vice President agreed that new measures of cooperation among the free nations of Asia, as well as with the United States and other countries, are necessary and desirable.

The President and the Vice President joined in expressing their common concern with the conditions of famine on the Mainland of China and

the mass suffering under Communist rule.

In the course of discussions, the President and Vice President agreed that the political, social, agricultural and economic progress in Taiwan, which is the result of the combination of conditions of peace on the Island, Chinese skills and industry and American aid, is an achievement worthy of note throughout all Asia and the world.

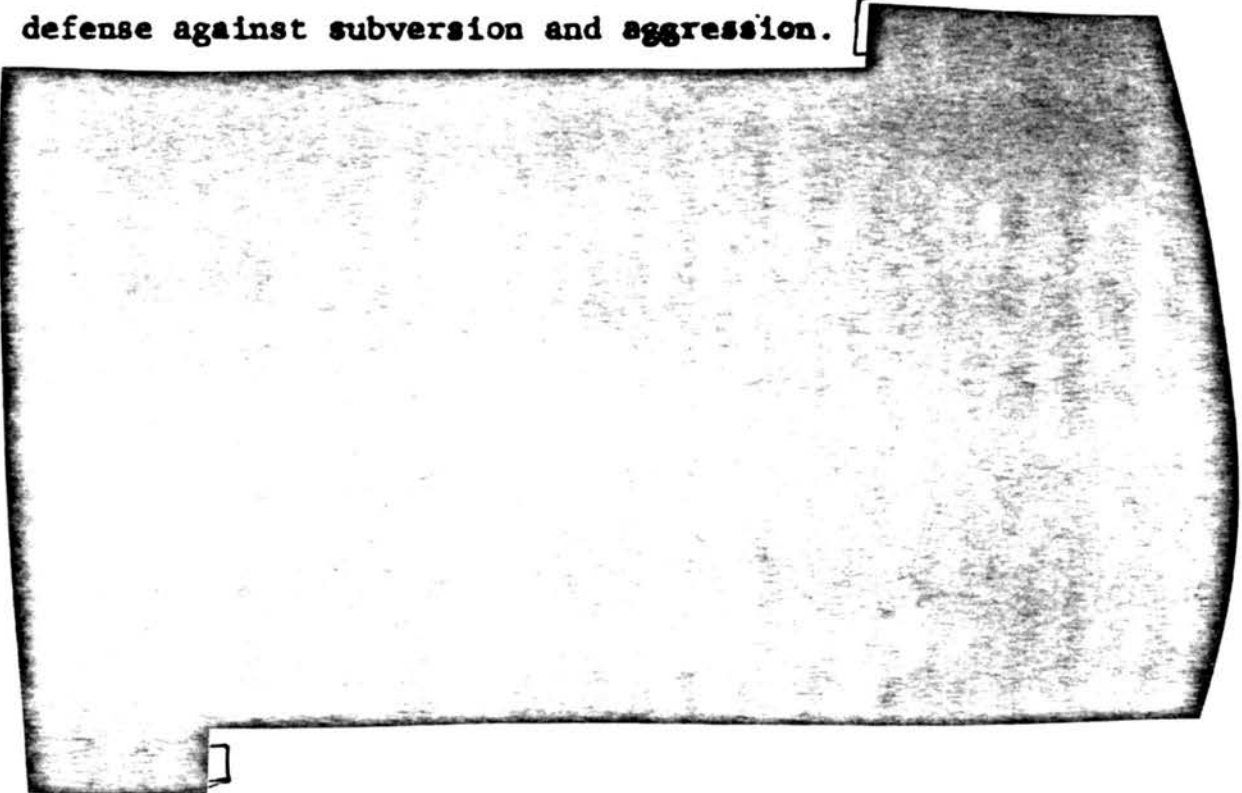
In conclusion, the President of the Republic of China and the Vice President of the United States expressed the high mutual regard and mutual respect in which the peoples of their two countries hold each other.

~~TOP SECRET~~
THAILAND

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1. The Vice President reaffirmed U.S. determination to honor its treaty commitments to support Thailand in its defense against subversion and aggression.



STATUS: (~~Top Secret~~) Current U.S. military planning is taking into account these attitudes of the Thai Government.

2. The Vice President indicated sympathy for Thai defense assistance, and asked what additional matching contributions the Thai Government would be prepared to make over and above its present budgetary outlays for military purposes.

The Prime Minister indicated that Thailand would be prepared to contribute 10% of any new U.S. contributions to the

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~~TOP SECRET~~

to the Thai military assistance program.

STATUS: ~~(Top Secret)~~ Military aid planning is proceeding on the assumption that any new U.S. contributions to the Thai military aid program will be matched by a Thai contribution equal to 10% thereof.

3. The Vice President suggested the possibility of a Pacific NATO covering the entire area from San Francisco westward.

The Prime Minister replied that this sounded like a good idea but inquired whether this would put SEATO into a deep freeze. The Vice President explained he was merely exploring a new concept since SEATO leaves many areas uncovered and excludes several firm allies.

STATUS: ~~(Top Secret)~~ U.S. planning agencies are re-examining U.S. treaty commitments in the Far East, including the status of SEATO.

4. The Vice President reaffirmed U.S. interest in joint economic projects designed to assist Thailand in mobilizing its resources for development. He referred to the scheduled arrival in Bangkok on May 19 of an ICA study team, whose mission it would be to review the entire U.S. economic aid program and to make recommendations for joint action in the field of economic and social development. It was noted that the Thai Government attaches particular

importance

importance to the irrigation projects in the Northeast.

STATUS: (~~Confidential~~) (a) The departure of the ICA study team for Bangkok was delayed at the specific request of Ambassador Young, who is returning to Washington on consultation on June 7. Following discussions here between the Ambassador, members of the team and interested State and ICA officials, it is expected that the team will arrange to leave for Bangkok at approximately the date of the Ambassador's return to his post on June 17. The team is headed by Sherwood Fine of ICA and includes the following members and associates: Nelson Peach, chairman of the Department of Economics of Oklahoma University; Henry Billingsley, former consultant to the House Foreign Affairs Committee; John Blumgart, Ford Foundation; Howard Bowen, President of Grinnell College; Glenn Johnson, Professor of Agricultural Economy, Michigan State; and Seymour Taubenblatt, DLF. (b) The Thai Government has been informed that the U.S. Government is favorably disposed to the irrigation projects and, on receipt of further engineering data requested from the Thai authorities, is prepared to give urgent consideration to the Thai application.

5. The Vice President and the Prime Minister discussed the planning and setting up of projects under the Peace Corps program.

STATUS: (Official Use Only) Mr. Shriver and a group of his staff recently visited Thailand and discussed a number of suggestions for Peace Corps volunteers to participate in the fields of health,

education

education and agriculture. Particular emphasis has been placed in this preliminary planning on English language instruction and malaria eradication.

6. The Vice President and the Prime Minister agreed that Ambassador Young and Deputy Prime Minister Thanom would be jointly responsible for the preparation of a memorandum setting forth the requirements for the Thai armed forces and other related points covered in the talks which took place during the Vice President's visit to Thailand.

STATUS: (~~Confidential~~) Ambassador Young is expected to return to Washington on June 7 with detailed recommendations following up the specific points raised by the Vice President in Bangkok.

The Vice President of the United States and the Prime Minister of Thailand have completed a series of meetings during the Vice President's visit to Thailand over the past two days. Their discussions covered many subjects of common interest, and reflected mutual objectives and undertakings of both Governments.

The Vice President stressed that the President of the United States had sent him on this mission to inform the Prime Minister personally and directly of the United States Government's complete understanding of Thailand's concern over the threats to peace and security in Southeast Asia, and conveyed the President's intense interest in the preservation of the independence and political integrity of Thailand and the other free countries of Southeast Asia.

Vice President Johnson also stressed that he had come at the personal request of President Kennedy to obtain the counsel of Prime Minister Sarit on what should be done in the immediate future to meet our common problems. Further, he stressed that he would report the views of the Prime Minister to President Kennedy.

The Vice President expressed his great appreciation for the amount of time, as well as the serious attention, which the Prime Minister and his colleagues devoted to these discussions. He also expressed gratitude for the warmth of the reception of the people of Thailand.

The Vice President noted that Thailand has made great social and economic progress. He cited the advances of Thailand in the fields of education, health, finance and economic development.

The Vice President expressed his interest in the challenge of the development of northeast Thailand where opportunities for development are being sought under the leadership of the Prime Minister.

At the conclusion of their talks, the Prime Minister and the Vice President agreed to the release of a joint communique covering the following points:

1. Both Governments found mutual understanding regarding the serious situation existing in parts of Southeast Asia. They reached full accord on Thai-United States objectives of peace and independence, and agreed that both Governments should work for these objectives.

2. Both Governments recognize that the foundation of freedom rests on the adequate education of the young, the health of the people. Both Governments pledged their diligent efforts to the advance of education, health, communications, and other fields of modern progress in Thailand.

3. The United States Government expressed its determination to honor its treaty commitments to support Thailand--its ally and historic friend--in defense against subversion and Communist aggression.

4. Both

4. Both Governments recognize the utmost importance of preserving the integrity and independence of Thailand.

5. Both Governments reiterated their determination to fulfill their SEATO commitments and to go forward in steadfast partnership.

6. Both Governments examined possible ways to strengthen Thai defense capabilities, agreed to explore ways in which this might be achieved through greater joint efforts and mutual sacrifices and the military assistance program involving the armed forces.

7. Both Governments expressed approval of specific joint economic projects such as irrigation projects in the northeast and the new thermal power plant, which are being developed in Thailand, as well as the planning, the setting up of projects under the Peace Corps program.

The Vice President and the Prime Minister rededicated themselves to work for an honorable peace in Southeast Asia, and to intensify the efforts of their countries for the defense and progress of the free nations of this region.

Finally, they agreed on the desirability of regular consultation with as much frequency as may be practicable.

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INDIA

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No specific undertakings were made in the case of India.

1. The Vice President discussed our programs for the peaceful exploration of outer space and mentioned the U.S. desire for international participation, particularly with regard to communication and weather satellites. Mr. Nehru expressed an interest on behalf of India. There is therefore an implied commitment to invite India to participate in the scientific exploration of space.

STATUS: (Official Use Only) No new invitation to scientific collaboration has been made. However, U.S. and Indian scientists are already collaborating in a joint high-altitude balloon project which was negotiated between the two governments Oct.-Dec. 1960, in addition to a number of other research projects unrelated to outer space.

2. The Vice President and the Prime Minister discussed at length the need for economic progress in South and Southeast Asia, progress from which the mass of people would benefit. Emphasis was laid on education, industrialization, and rural progress and reform (specifically: land reform, farming cooperatives, irrigation and rural electrification). Mr. Nehru explained India's unemployment problem, and the need for foreign exchange to carry out India's Third Five-Year Plan. The Vice

President

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Authority NLS 82-288
By us, NARS, Date 9-13-83

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President explained that no specific commitment of U.S. aid was possible, as only Congress has authority to make the necessary appropriations.

STATUS: (Unclassified) The IBRD Consortium on Aid to India held a resumed meeting May 31-June 2 in Washington. (Official Use Only: The leading role was played by the U.S. at the two meetings this spring.) At this most recent meeting it was agreed that the IBRD, the IDA, and six individual countries (Canada, France, Germany, Japan, United Kingdom and United States) would, subject to necessary legislative authorizations, provide the following amounts of aid to India:

\$1,295 million in 1961-62, of which the U.S. share is \$545 million.

An overall initial commitment to the Third Five Year Plan, 1961-66, of \$2,286 million, of which the U.S. share is \$1,045 million. In addition, the U.S. is providing large amounts of PL-480 surplus agricultural commodities (\$1,276 million worth in 1960-64).

This and other external aid to India will include projects in industry, education, power development, and rural improvement with particular emphasis on increased food production. Allocation of aid to specific projects will be made in the coming months upon receipt of requests from the Government of India.

3. The Vice President and the Prime Minister discussed the Peace Corps. Mr. Nehru expressed satisfaction over his talks with Mr. Shriver.

STATUS: (Unclassified) Negotiations for specific Peace Corps projects are proceeding satisfactorily.

4. The need for stability and progress in Southeast Asia was discussed and agreed upon. Mr. Nehru was urged to give

counsel

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counsel and leadership to insure economic advance and social reform in the area. Mr. Nehru demurred. Thus no commitment was made by either side except in general terms to support the goal of a neutral and independent Laos as set forth in the Communique.

STATUS: ~~(Secret)~~ The U.S. and Indian Governments are continuing to consult on the means of reaching this goal.

~~SECRET~~

The Vice President and the Prime Minister have had full and highly useful discussions covering a wide range of subjects of interest and concern to the two countries. At the outset, Vice President Johnson conveyed to Prime Minister Nehru the warm greetings of President Kennedy and told him of the President's admiration for the way in which India is waging its great battle against privation and poverty. He told of the President's interest in the Third Five Year Plan.

1. The Vice President said that while American assistance is dependent on the decisions of the Congress and also on parallel efforts by the other developed countries, it is the President's hope that American aid to the new Plan will be both substantial in amount and effective in form. The Prime Minister expressed his satisfaction at the President's interest in India's development plans.

2. The two leaders agreed that the common enemies of mankind, on which a major attack must now be mounted are ignorance, poverty and disease. The conquest of these everywhere is the first step to the assurance of peace and freedom.

3. The new American Administration agrees with the Prime Minister that the benefits of economic advance must accrue to those who need help the most. The Prime Minister stressed the importance of effective land reform in many underdeveloped countries as a vital step toward greater social and economic equality. The Vice President agreed on the importance of such reform and noted that the United States was a strong believer in home ownership and in the distribution of the ownership of land, particularly by those who work it.

4. The Prime Minister mentioned to the Vice President the Indian program for establishing universal free and compulsory education in the Third Five Year Plan. Both leaders agreed on the fundamental importance of education in economic development.

5. The Vice President told of President Kennedy's concern for assuring an effective cessation of hostilities in Laos and for getting a truly neutral and independent government which would be neither dominated nor threatened from any quarter. He expressed satisfaction and thanks for India's past assistance in obtaining a cease-fire. The Prime Minister expressed his full approval of the goal of a neutral and independent Laos and assured his continuing assistance and support in achieving this end.

6. The Vice President, who has long been associated closely with developments in exploration and research in space in the United States, stressed American concern for peaceful and concerted effort by all nations in the great adventure into outer space. He told of the imminent prospects for the development of a communications satellite with its promise of a possible break-through in the field of mass education. He outlined also the prospects for, and potential value of, the weather satellite. These developments will be of benefit not alone to Americans but to all mankind. They will

belong

belong to all mankind. The expense of development has so far been a barrier to participation by the scientists and engineers of the less developed countries. The United States would like now to find ways to broaden interest and participation in these epoch-making activities. The Prime Minister expressed much interest on behalf of India and promised the matter his close attention.

7. There was discussion of the Peace Corps. The Prime Minister stressed the importance of voluntary workers being men and women of good training who are also otherwise well prepared for their new life and tasks. He expressed satisfaction with his talks with the Director of the Peace Corps.

8. Early in their conversations the Prime Minister and the Vice President found a strong common interest in the field of electric power development. The Vice President was one of the pioneers in rural electrification in the United States, having at President Roosevelt's request, participated in the establishment of the largest rural electrification project in the United States. The Prime Minister told of his longstanding conviction that electric light, and all that went with it, were the greatest gift of modern industrial society. Because of the high capital costs and the heavy demands for foreign exchange that are involved, the development of power generating capacity has been an especially important area of American aid. The Prime Minister noted with satisfaction the accomplishments which could be attributed to this aid in the Second Five Year Plan and the two leaders reviewed the large demands for power to be met in the Third Five Year Plan. The Vice President expressed his hope that during the Third Five Year Plan there would be particular success in getting electricity to rural villages.

In concluding their talks, the Vice President and the Prime Minister returned again to hunger, illiteracy and disease which are basic problems of the peoples of the underdeveloped countries. The battle against them will not easily be won; but neither can it be longer delayed. The Vice President stated that India's experience in dealing with these basic problems is of great value to the United States which wishes to use its resources for aiding the peoples of the underdeveloped countries. The Vice President and the Prime Minister expressed a desire for close and continuing consultation on these problems. The Prime Minister expressed his warm appreciation of Vice President Johnson's mission and the opportunity the visit gave for frank and friendly exchange of views and ideas.

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PAKISTAN

DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 87-138
By sig NARA, Date 8-8-89

131
-8

1. The Vice President reaffirmed the U.S. interest in supporting the implementation of the Second Five-Year Plan.

STATUS: (Unclassified) The U.S. is participating in a Consortium sponsored by the IBRD to discuss a commitment to implement assistance to Pakistan's Second Five-Year Plan. In addition, the appropriate agencies of the U.S. Government are in the process of testifying before Congressional Committees in support of the President's requests for foreign aid programs. In the meantime, these agencies are also studying the various technical assistance and economic aid proposals of the Second Five-Year Plan and related activities.

2. The Vice President expressed interest in the water-logging and salinity control project of West Pakistan and said that he thought every consideration should be given to the assistance the U.S. might provide.

STATUS: (Official Use Only) The recently released report on this subject has been received and the contribution which the U.S. might make is under active consideration by appropriate U.S. agencies, with, among others, Finance Minister Shoaib, at present in Washington. Our existing reclamation program has been developed in response to requests from the GOP.

3. In his conversation with President Ayub, the Vice President suggested taking "20 to 30 of the best Pakistan primary teachers to the U.S. to train them in teaching by television alongside about the same number of American technicians who would

~~SECRET~~

would return with them to Pakistan to help install the system". He suggested the building of a television tower on the tallest local hill or building and arranging with U.S. television manufacturers to supply TV sets, about 400 to begin with, to be placed in market places or other convenient places in Karachi and nearby towns where they could provide first-grade education to large numbers of school ^{CHILDREN} teachers.

STATUS: (Official Use Only) ICA is prepared to study with Pakistani authorities the feasibility of low-cost educational television in Pakistan on request from the GOP. ICA has had considerable experience in educational television in developing countries and has invited representatives of industry to come to Washington on July 9 to discuss aid to education including the use of low-cost television. USIA in recent months has demonstrated closed-circuit television in Karachi, Lahore and Dacca in connection with the Pakistan industrial exhibits.

4. The Vice President suggested the U.S. should continue to help with the housing program.

STATUS: (Unclassified) The U.S. has under active review the contribution it might make bilaterally or multilaterally to improved housing.

5. The Vice President suggested the U.S. should continue its assistance to Pakistan in its health program.

STATUS: (Unclassified) The U.S. has under active review the contribution it might make bilaterally or multilaterally to improved health facilities.

6. The

6. The Vice President suggested that the U.S. would provide Peace Corps volunteers to work in such fields as health, education and agriculture.

STATUS: (Official Use Only) A survey group representing the Peace Corps has recently returned from Pakistan with a number of suggestions for Peace Corps volunteers to participate in the fields of health, education and agriculture. Efforts are being made to find appropriate types of volunteers to fill these requirements as well as preparing the administrative organization needed to implement a Peace Corps operation in Pakistan.

7. The Vice President expressed an interest in maintaining and increasing in Pakistan a mobile defense force capable of making a substantial contribution to free world security.

STATUS: (Secret) In the FY 62 presentation, provision has been made for limited modernization including tanks, tank carriers and trucks. The U.S. is in the process of delivering one squadron of F-104's and has recently undertaken a study of Pakistan's need for a more modern air transport squadron.

The President of Pakistan and the Vice President of the United States of America met Saturday, May 20, 1961 at the President's House for talks, which were conducted in a frank and friendly atmosphere reflecting the continuing close cooperation of Pakistan and the United States in pursuit of common objectives.

The Vice President expressed the friendly greetings and warm good wishes of President Kennedy and the American people for the President and the people of Pakistan. The Vice President noted that the United States anticipated with pleasure President Ayub's visit in November. In this connection, Vice President Johnson extended a personal invitation for President Ayub to visit the Vice President's ranch home in Texas during the stay in the United States. President Ayub recalled that he had previously visited Texas which reminded him of Pakistan and expressed pleasure in accepting the Vice President's invitation.

Vice President Johnson explained that he had come at the request of President Kennedy and presented to President Ayub a personal letter from the President of the United States. The Vice President said that President Kennedy wanted him to discuss with the leaders of Pakistan and other countries of South and Southeast Asia what might be done further to strengthen peace and freedom and to enhance the general welfare of the people. Vice President Johnson said the exchange in Karachi would be of great value toward a closer understanding of Pakistan and the views of Pakistan's leaders toward regional and world problems.

In the course of the conversations, President Ayub and Vice President Johnson noted with satisfaction the many common objectives and specific programs of cooperation that link the two countries. They welcomed continued cooperation in regional collective security arrangements, such as CENTO and SEATO, and the growing economic and social cooperation among the regional members of these alliances. They discussed measures to strengthen these alliances.

President Ayub and Vice President Johnson agreed that the long-term security of the free world must be built on a foundation of progress assuring greater opportunity and a better life for the people.

Specifically:

1. President Ayub reviewed the objectives of Pakistan's Second Five Year Plan and progress in its implementation. The Vice President reaffirmed the United States' firm interest in supporting Pakistan's implementation of this far-sighted program.
2. The two leaders discussed the great problems arising from the loss of agricultural lands in Pakistan due to water-logging and salinization. The President outlined the energetic program planned to cope with this problem, and the Vice President received documentation for use in considering further means by which the United States might assist.

3. The importance of education was emphasized. President Ayub described the substantial educational programs of his country to which both government and private assistance is being extended from the United States. Means of further cooperation in this field were considered.
4. It was recognized that the provision of adequate housing is an essential primary need of any community or nation. In this context, assistance being extended by the United States to supplement Pakistan's housing programs was reviewed.
5. The provision of greater health facilities was discussed at length.
6. Plans for the assignment to Pakistan of members of the American Peace Corps were discussed, and President Ayub expressed particular interest in the assignment of Peace Corps members to work on projects in such fields as health, education and agriculture.
7. President Ayub discussed Pakistan's land reform programs in which millions of acres have been re-distributed, giving new ownership to hundreds of thousands of people who work the lands.
8. Vice President Johnson said that the United States has high expectations that international cooperation in scientific developments will be of great benefit to countries on every continent. He mentioned in particular possibilities from weather, communication, navigational and mapping uses of space vehicles.
9. The President and Vice President discussed the possible advantages of a meeting to be held in the near future of heads of nations of Asia and the Pacific area to review their common aspirations, objectives and problems and to seek means of greater cooperation among themselves.

~~TOP SECRET~~

14

OFFICE OF THE VICE PRESIDENT

WASHINGTON
June 15, 1961

MEMORANDUM FOR THE VICE PRESIDENT:

Copies of the attached Pakistan Military Requirements have been forwarded as follows:

Secretary of State
Secretary of Defense
Secretary of the Army
Secretary of the Navy
Secretary of the Air Force

Each Department has been requested to forward reactions as expeditiously as possible.



WM. F. J.

4 Inclosures:

Ltr, President Ayub Khan

One (1) Copy Each: Pakistan Army, Navy, Air Force
Requirements

When inclosures are not attached,
this memorandum is unclassified.

~~TOP SECRET~~

From: Field Marshal
Mohammed Ayub Khan, H.Pk.,H.J.

President's House
Rawalpindi

29th May 1961.

My dear Vice-President

I am enclosing herewith six copies of military requirements of the three fighting Services as desired by you. It is apparent that there are major deficiencies which will militate against our Armed Forces taking the field and remaining in it in an effective manner and for any length of time. This may have disastrous consequences for our mutual cause.

May I say how pleased we were to see you, your wife and the rest of your party in Pakistan, only your stay was too short. I hope you can stay with us for a much longer period next time.

I am looking forward to visiting your great country in coming November. Meanwhile, I wish you all the best.

with warmest regards

*Yusuf Suhaimi
Ayub Khan*

Mr. Lyndon B. Johnson,
Vice-President,
United States of America,
Washington.

~~SECRET~~

15

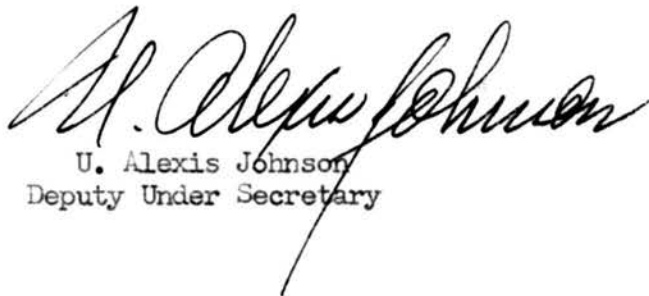
DEPARTMENT OF STATE
WASHINGTON

July 11, 1961

Dear Mr. Vice President:

In accordance with our telephone conversation of this morning I enclose the information you requested.

Sincerely yours,



U. Alexis Johnson
Deputy Under Secretary

Enclosures:

1. Table I - United States Aid to India by Year and by Type.
2. Table II - United States Aid to Pakistan by Year and by Type.
3. Table III - Total United States Economic and Military Aid to India and Pakistan.

DECLASSIFIED

Authority State 6-30-78, 75C 10-23-79

By if, NARS, Date 1-29-80

The Vice President,
United States Senate.

~~SECRET~~

UNCLASSIFIED

TABLE I

UNITED STATES AID TO INDIA BY YEAR AND BY TYPE
AS OF JUNE 30, 1961
(In Millions of Dollars)

FISCAL YEAR	MUTUAL SECURITY PROGRAM						WHEAT LOAN	PUBLIC LAW 480				EXPORT IMPORT BANK	TOTAL
	TECHNICAL ASSISTANCE	DEVELOPMENT ASSISTANCE	SPECIAL ASSISTANCE	ASIAN ECONOMIC DEVELOP. FUND	DEVELOPMENT LOAN FUND	TITLE I		TITLE II	TITLE III	OTHER			
1951	-	4.5	-	-	-	189.7	-	-	-	-	-	194.2	
1952	-	52.8	-	-	-	-	-	-	0.4	-	-	53.2	
1953	-	44.3	-	-	-	-	-	-	0.8	-	-	45.1	
1954	27.0	60.2	-	-	-	-	-	-	1.7	-	-	88.9	
1955	13.1	72.5	-	-	-	-	-	-	27.9	-	-	113.5	
1956	12.8	47.2	-	-	-	-	-	3.5	29.3	-	-	92.8	
1957	3.8	61.5	-	-	-	-	362.3	1.2	17.8	-	-	446.6	
1958	6.2	(-.1)	8.7	20.0	65.0	-	55.3	-	17.6	4.0	151.9	328.6	
1959	7.4	(-.6)	10.2	-	120.0	-	261.6	-	19.4	-	-	418.0	
1960	7.7	-	15.5	-	148.3	-	616.9	-	8.9	2.5	13.7	813.5	
1961	8.0	-	13.0	-	183.1	-	412.8	.3	5.9	-	72.4	695.5	
TOTAL	86.0	342.3	47.4	20.0	516.4	189.7	1708.9	5.0	129.7	6.5	238.0	3,289.9	

UNCLASSIFIED

UNCLASSIFIED

TABLE II
ECONOMIC
UNITED STATES AID TO PAKISTAN BY YEAR AND BY TYPE
AS OF JUNE 30, 1961
(In Millions of Dollars)

FISCAL YEAR	MUTUAL SECURITY PROGRAM			EMERGENCY WHEAT LOAN	PUBLIC LAW 480			EXPORT IMPORT BANK	TOTAL
	TECHNICAL ASSISTANCE	DEVELOPMENT ASSISTANCE	DEVELOPMENT LOAN FUND		Title I	Title II	Title III		
1952	-	10.6	-	-	-	-	0.1	-	10.7
1953	-	42.0	-	67.4	-	-	0.4	-	109.8
1954	8.2	14.5	-	-	-	-	0.7	-	23.3
1955	5.3	66.0	-	-	25.0	9.5	4.8	-	110.7
1956	8.7	98.9	-	-	13.5	31.1	11.4	-	163.6
1957	6.0	92.7	-	-	59.5	-	9.7	-	167.9
1958	5.6	50.0	38.6	-	52.2	8.0	1.9	3.3	159.6
1959	5.8	95.0	63.2	-	62.1	-	0.7	-	226.8
1960	7.1	90.0	102.0	-	93.7	-	1.2	4.0	298.0
1961	7.5	95.6	27.2	-	63.0	-	3.9	6.4	203.6
TOTAL	54.2	655.3	231.0	67.4	369.0	48.6	34.8	13.7	1,474.0

UNCLASSIFIED

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TABLE III

TOTAL UNITED STATES ECONOMIC AND MILITARY AID
TO INDIA AND PAKISTAN

Total Amounts and Per Capita

(Millions of U.S. Dollars)

	<u>INDIA</u>		<u>PAKISTAN</u>	
	<u>Total</u>	<u>Per Capita</u> ^{1/}	<u>Total</u>	<u>Per Capita</u> ^{1/}
I. Programmed Economic Assistance Through FY 1961				
<u>TOTAL</u>	\$3,290.0	7.50	\$1,474.0	15.70
II. Military Assistance 1954-1961				
Programmed	--	--	553.7	5.90
Delivered	--	--	493.0	5.25

^{1/} Based upon population of approximately 438 million for India and 94 million for Pakistan.

NOTE: Grant economic assistance to Pakistan from 1951 to 1961 totalled approximately \$700 million. Grants to India in the same period were about \$300 million. If grant military assistance to Pakistan is included, the total for Pakistan rises to approximately \$1.2 billion. (In addition some of the proceeds of PL-480 sales have been extended as grant aid to both countries.)

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JUL 11 1961

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Sincerely yours,

/s/ U. Alexis Johnson

U. Alexis Johnson
Deputy Under Secretary

Enclosures:

1. Table I - United States Aid to India by Year and by Type.
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3. Table III - Total United States Economic and Military Aid to India and Pakistan.

The Vice President,
United States Senate.

DECLASSIFIED
Authority State 6-30-78, 75c 10-23-79
By if, NARS, Date 1-29-80

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UNCLASSIFIED

TABLE I

UNITED STATES AID TO INDIA BY YEAR AND BY TYPE
AS OF JUNE 30, 1961
(In Billions of Dollars)

FISCAL YEAR	MUTUAL SECURITY PROGRAM										TOTAL	
	TECHNICAL ASSISTANCE	DEVELOPMENT ASSISTANCE	SPECIAL ASSISTANCE	ASIAN ECONOMIC DEVELOP. FUND	DEVELOPMENT LOAN FUND	MIDRAT LOAN	PUBLIC LAW 480					EXPORT IMPORT CANCE
							TITLE I	TITLE II	TITLE III	OTHER		
1951	-	4.5	-	-	-	189.7	-	-	-	-	-	194.2
1952	-	52.8	-	-	-	-	-	-	0.4	-	-	53.2
1953	-	44.3	-	-	-	-	-	-	0.8	-	-	45.1
1954	27.0	60.2	-	-	-	-	-	-	1.7	-	-	88.9
1955	13.1	72.5	-	-	-	-	-	-	27.9	-	-	113.5
1956	12.8	47.2	-	-	-	-	-	3.5	29.3	-	-	92.8
1957	3.8	61.5	-	-	-	-	362.3	1.2	17.8	-	-	446.6
1958	6.2	(-0.1)	8.7	20.0	65.0	-	55.3	-	17.6	4.0	151.9	326.6
1959	7.4	(-0.6)	10.2	-	120.0	-	261.6	-	19.4	-	-	418.0
1960	7.7	-	15.5	-	148.3	-	616.9	-	8.9	2.5	13.7	813.5
1961	8.0	-	13.0	-	183.1	-	412.8	.3	5.9	-	72.4	695.5
TOTAL	86.0	342.3	47.4	20.0	516.4	189.7	1708.9	5.0	129.7	6.5	238.0	3,289.9

UNCLASSIFIED

UNCLASSIFIED

TABLE II

UNITED STATES AID TO PAKISTAN BY YEAR AND BY TYPE
AS OF JUNE 30, 1961
(In Millions of Dollars)

FISCAL YEAR	MUTUAL SECURITY PROGRAM			EMERGENCY WHEAT LOAN	PUBLIC LAW 480			EXPORT IMPORT BANK	TOTAL
	TECHNICAL ASSISTANCE	DEVELOPMENT ASSISTANCE	DEVELOPMENT LOAN FUND		Title I	Title II	Title III		
1952	-	10.6	-	-	-	-	0.1	-	10.7
1953	-	42.0	-	67.4	-	-	0.4	-	109.8
1954	8.2	14.5	-	-	-	-	0.7	-	23.3
1955	5.3	66.0	-	-	25.0	9.5	4.8	-	110.7
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UNCLASSIFIED

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TOTAL UNITED STATES ECONOMIC AND MILITARY AID
TO INDIA AND PAKISTAN

Total Amounts and Per Capita

(Millions of U.S. Dollars)

	<u>INDIA</u>		<u>PAKISTAN</u>	
	<u>Total</u>	<u>Per Capita</u> ^{1/}	<u>Total</u>	<u>Per Capita</u> ^{1/}
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Programmed	--	--	553.7	5.90
Delivered	--	--	493.0	5.25

^{1/} Based upon population of approximately 438 million for India and 94 million for Pakistan.

NOTE: Grant economic assistance to Pakistan from 1951 to 1961 totalled approximately \$700 million. Grants to India in the same period were about \$300 million. If grant military assistance to Pakistan is included, the total for Pakistan rises to approximately \$1.2 billion. (In addition some of the proceeds of PL-480 sales have been extended as grant aid to both countries.)

OFFICE OF THE VICE PRESIDENT
WASHINGTON

16

14 Jun

3 Copies handed to me
by Hig Carpenter for
safe keeping.

HVB.

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17

FL

THAILAND

Supplemental Military
Assistance Program

FY - 1962

CHJUSMAG , Thailand
17 May 1961

DECLASSIFIED

Authority OSD Ltr. 11/16/76, State Ltr. 12/24/76
By rmg, NARS, Date 6/6/77

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PROPOSED \$30 MILLION ADDITIONAL THAILAND 1962 MAP

	<u>MILLIONS</u>
1. Modernization of Army Communications	\$4.7
2. AF Communications and Navigational Aids	\$2.0
3. Complete initial equipment for 4th (Cavalry) Division	\$5.6
4. Aircraft Control and Warning Radar	\$0.9
5. 32 M-41 Tanks, spare parts and ammunition	\$2.5
6. Mekong River patrol	\$0.2
7. Modernize Marine Communications	\$0.5
8. One Coastal Minesweeper (MSC)	\$2.8
9. Twenty five T28B Aircraft with spares	\$2.5
10. Air Mobility - additional transport aircraft and supporting equipment	\$6.0
11. Architectural and design charges for additional construction	\$1.0
12. One Coastal Minesweeper (MSC)	\$2.8
TOTAL	<u>\$31.5</u>
ADDITIONAL	
13. One 90 mm AA Battalion	\$2.6
GRAND TOTAL	\$34.1

Note: The above expansion of Military Assistance for Thailand was based on \$39 million funding for MAP as submitted through regular channels. If a lesser amount is allocated for Thailand, any additional funds should first be used to complete the regular program.

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DEFENSE SUPPORT FUNDS

ADDITIONAL MILITARY CONSTRUCTION FOR THAILAND - FY 62

Programmed	\$6.4
Balance of Chachoensao-Prachinburi Road	\$0.8
Camp for 21st RCT-Chonburi	\$2.9
TOTAL IN LOCAL CURRENCY	\$10.1

In addition there is \$4.4 million included in Military Assistance Program, as submitted, for AirForce construction.

If it is proposed that there be \$10 million additional construction, the present 5 year construction plan will be advanced.

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X✓

~~CONFIDENTIAL~~

CHECK LIST FOR TALKS WITH PRIME MINISTER NEHRU

U. S. SIDE

INDIAN SIDE

Vice President
Mr. Smith
Ambassador Galbraith

Prime Minister Nehru

BEGIN with photographing and initial greetings on the record. Press cleared out.

EXPRESS appreciation opportunity visit India and see Prime Minister.

HAND President Kennedy's letter to the Prime Minister.

ASSURE Nehru that:

- (1) Kennedy Administration appreciates counsel and wisdom of Indian political leadership. We view India as the great force for stability in Asia and the world.
- (2) India can count on American help in its great attack on poverty. This battle is regarded by Americans as the great challenge of our time.
- (3) As he well knows by now we are not out collecting military allies. We are seeking peace and the stability that comes from promise of a better life.

NOTE that:

- (1) President Kennedy is deeply concerned that our aid be made as useful and effective as possible. This is the purpose of the new aid legislation.

DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By cbu/jc, NARA, Date 2-26-09

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- (2) We are concerned to obtain the advice and suggestions of Indian leaders on how this can be accomplished.

SUGGEST

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- (2) We recognize the need for planning and for financial commitments for longer than a year. This is a difficult matter but we are seeking a solution.

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TURN TO NEW SUBJECTS

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CHECK LIST FOR TALKS WITH PRIME MINISTER SARIT

U. S. SIDE

THAI SIDE

Vice President
Mr. Smith
Ambassador Young
Mr. Unger

Prime Minister Sarit
Foreign Minister Thanat
General Chalermchai

DECLASSIFIED

Authority State 6-30-78; 75c 10-23-79

By ij, NARS, Date 1-29-80

Introduction

- 1. Begin with photographing and chatting on the record. Press cleared out if they are there.
- 2. Repeat your own and the President's grave concern over the Communist threat to Thailand.

Thailand

- 3. State preservation of Thailand's independence and integrity is of highest importance to USA.
- Give solemn assurances from the President of U.S. determination to honor our treaty commitments and to support Thailand, as a friend and ally in SEATO.
- Emphasize necessity be strong and ready if cease-fire breaks down.
- Assure the Prime Minister that our pledge to defend Thailand and halt Communist advances in Asia, while made in the form of the SEATO treaty, is not conditioned on the unanimous agreement of all SEATO members.
- Inform the Prime Minister that the President wants to pursue the question of stationing a SEATO force in Thailand.
- Ask him
 - 1. Would he welcome such a force?
 - 2. What should its mission be?
 - 3. What should its size and composition be?
- Add U.S. willingness put just its own forces in Thailand if Thai Government so desires and it is impossible to get agreement in SEATO.

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- Suggest bilateral Thai-US action to establish a strong Mekong River Patrol force composed of Thais but with the US supplying reconnaissance planes, helicopters and river patrol boats, and training for guerillas.
- Assure him of our willingness also to discuss on an urgent basis additions and changes to our Military Assistance Program to strengthen Thai defense capabilities. He wants 2 RCTs, patrol craft, air warning, etc.
- Suggest Ambassador Young is authorized on behalf President and yourself to start work today or tomorrow with Prime Minister's designee on a new comprehensive program with the aid of Thai military authorities, Chief JUSMAG, and USOM.

Laos

4. Assure the Prime Minister of our determination to seek acceptable results from the Geneva Conference on Laos.
- Impress on him the urgent necessity for Thailand to send a delegation to the conference to work side-by-side with us to insure these results.
- Examine Prime Minister's proposal that forces from all or at least some of the SEATO member countries be sent into Laos if the conference fails. What is timing?
- Assure him that our agreement with British proposal to suspend action on "Charter Yellow" does not indicate any change in our stand on Laos.
- Impress on him that this was done only when a cease-fire in Laos was certain and we did not want to wreck chances of Geneva conference.
- Agree on urgency of keeping defensive forces (Thai) in Laos and training Lao forces during any cease-fire. The President has already directed this.

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Regional Relations

5. Urge need for good Thai-Cambodian relations.
- Suggest desirability closer liaison between Thai and
 Vietnamese on matters of mutual worry.

Thai Economy

6. Express interest in US - Thai cooperation to develop the
 depressed area of Northeast Thailand.
- Inform the Prime Minister that the US Government favors
 the granting and rapid processing of DLF loans
 which Thailand has requested for irrigation
 projects (\$21.5 million in cost).
- Explore with him other ways in which the US can assist
 Northeast Thailand - Peace Corps, etc.
- Encourage the Thai Government to develop a sound long-
 range economic and social development program.
- Offer US advisors to assist in this task as a first
 step toward US consideration of long-term loans.
- Congratulate the Prime Minister on Thailand's rapid economic
 development over the past ten years and on its
 stable currency.
- Urge him not to allow Thailand to become static but
 to continue its dynamic economic growth by
 creating favorable conditions for investment.

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19a
Aug #18

CHECK LIST FOR TALKS WITH PRIME MINISTER NEHRU

U S SIDE

INDIAN SIDE

Vice President
Mr. Smith
Ambassador Galbraith

Prime Minister Nehru

BEGIN with photographing and initial greetings on the record. Press cleared out.

EXPRESS appreciation opportunity visit India and see Prime Minister.

HAND President Kennedy's letter to the Prime Minister.

ASSURE Nehru that:

- (1) Kennedy Administration appreciates counsel and wisdom of Indian political leadership. We view India as the great force for stability in Asia and the world.
- (2) India can count on American help in its great attack on poverty. This battle is regarded by Americans as the great challenge of our time.
- (3) As he well knows by now we are not out collecting military allies. We are seeking peace and the stability that comes from promise of a better life.

NOTE

that:

- (1) President Kennedy is deeply concerned that our aid be made as useful and effective as possible. This is the purpose of the new aid legislation.

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E.O. 13292, Sec. 3.4
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May 23, 1961

MEMORANDUM

TO: The President

FROM: The Vice President

SUBJECT: Mission to Southeast Asia, India and Pakistan

The mission undertaken May 9, 1961, at your request, was informative and illuminating far beyond my expectations. Unusual candor--as well as unusual length--marked exchanges in each country. Each leader visited welcomed and sought to take full advantage of my presence as a means of transmitting to you their strongly held personal views on many matters.

The purpose of this memorandum is to convey such of my own impressions and evaluations as seem most pertinent to decisions now under your consideration. It would be unrealistic to assume that such limited visits afford a basis for detailed substantive policy judgments. It would be equally unrealistic not to recognize that the circumstances and timing of this mission elicited a depth and substance of expression not normally present in exchanges through usual channels. My purpose is to offer perspective--not, I wish to emphasize, to propose details of policy.

The Impact of Laos

There is no mistaking the deep--and long lasting--impact of recent developments in Laos.

Country to country, the degree differs but Laos has created doubt and concern about intentions of the United States throughout Southeast Asia. No amount of success at Geneva can, of itself, erase this. The independent Asians do not wish to have their own status resolved in like manner in Geneva.

Leaders

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Leaders such as Diem, Chiang, Sarit and Ayub more or less accept that we are making "the best of a bad bargain" at Geneva. Their charity extends no further.

The Impact of the Mission

Beyond question, your judgment about the timing of our mission was correct. Each leader--except Nehru--publicly congratulated you on the "timing" of this mission. Chiang said--and all others privately concurred--that the mission had the effect of "stabilizing" the situation in the Southeast Asian nations.

What happened, I believe, was this: the leaders visited want--as long as they can--to remain as friends or allies of the United States. The public, or, more precisely, the political, reaction to Laos had drastically weakened the ability to maintain any strongly pro-US orientation. Neutralism in Thailand, collapse in Vietnam, anti-American election demagoguery in the Philippines were all developing prior to our visit. The show of strength and sincerity--partly because you had sent the Vice President and partly, to a greater extent than you may believe, because you had sent your sister--gave the friendly leaders something to "hang their hats on" for a while longer.

Our mission arrested the decline of confidence in the United States. It did not--in my judgment--restore any confidence already lost. The leaders were as explicit, as courteous and courtly as men could be in making it clear that deeds must follow words--soon.

We didn't buy time--we were given it.

If these men I saw at your request were bankers, I would know--without bothering to ask--that there would be no further extensions on my note.

The purpose

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- 3 -

The Purpose of Joint Communiques

Starting with President Diem at Saigon, it was my conclusion that the interests of the United States would be served-- and protected--by the issuance of joint communiques. My purpose was this: to attach the signature and the name of each of the leaders to a joint public statement embodying their acceptance of an agreement with the details of your letters which I delivered in your behalf. Without such statements in writing, it was clear that the United States would be victimized later by self-serving statements that you--and the Administration--had offered "nothing" or "too little," etc.

As you recognized, the joint communiques followed item by item the statements in your letters. In most instances, where substantive pledges and policies were involved, the communiques were cleared through Washington before issuance. The extensive, important and almost unprecedented communique with Nehru largely reflects the high regard the Indian Government holds for Ambassador Galbraith.

I should make these two points clear: assurances I gave were those you sent me to convey, and no commitments were asked and none were given beyond those authorized in your letters. In some instances, for various reasons, I did not express all the commitments or proposals authorized in the State position papers.

The Importance of Follow-Through

I cannot stress too strongly the extreme importance of following up this mission with other measures, other actions, and other efforts. At the moment--because of Laos--these nations are hypersensitive to the possibility of American hypocrisy toward Asia. Considering the Vienna talks with Khrushchev--which, to the Asian mind, emphasize Western rather than Asian concerns--and considering the negative line of various domestic American editorials about this mission, I strongly believe it is of first importance that this trip bear fruit immediately.

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Personal Conclusions from the Mission

I took to Southeast Asia some basic convictions about the problems faced there. I have come away from the mission there--and to India and Pakistan--with many of those convictions sharpened and deepened by what I saw and learned. I have also reached certain other conclusions which I believe may be of value as guidance for those responsible in formulating policies.

These conclusions are as follows:

1. The battle against Communism must be joined in Southeast Asia with strength and determination to achieve success there--or the United States, inevitably, must surrender the Pacific and take up our defenses on our own shores. Asian Communism is compromised and contained by the maintenance of free nations on the subcontinent. Without this inhibitory influence, the island outposts--Philippines, Japan, Taiwan--have no security and the vast Pacific becomes a Red Sea.
2. The struggle is far from lost in Southeast Asia and it is by no means inevitable that it must be lost. In each country it is possible to build a sound structure capable of withstanding and turning the Communist surge. The will to resist--while now the target of subversive attack--is there. The key to what is done by Asians in defense of Southeast Asian freedom is confidence in the United States.
3. There is no alternative to United States leadership in Southeast Asia. Leadership in individual countries--or the regional leadership and cooperation so appealing to Asians--rests on the knowledge and faith in United States power, will and understanding.
4. SEATO is not now and probably never will be the answer because of British and French unwillingness to support decisive action. Asian distrust of the British and French is outspoken. Success at Geneva would prolong SEATO's role. Failure at Geneva would terminate SEATO's meaningfulness. In the latter event, we must be ready with a new approach to collective security in the area.

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We should consider an alliance of all the free nations of the Pacific and Asia who are willing to join forces in defense of their freedom. Such an organization should:

- a) have a clear-cut command authority
 - b) also devote attention to measures and programs of social justice, housing, land reform, etc.
5. Asian leaders--at this time--do not want American troops involved in Southeast Asia other than on training missions. American combat troop involvement is not only not required, it is not desirable. Possibly Americans fail to appreciate fully the subtlety that recently-colonial peoples would not look with favor upon governments which invited or accepted the return this soon of Western troops. To the extent that fear of ground troop involvement dominates our political responses to Asia in Congress or elsewhere, it seems most desirable to me to allay those paralyzing fears in confidence, on the strength of the individual statements made by leaders consulted on this trip. This does not minimize or disregard the probability that open attack would bring calls for U. S. combat troops. But the present probability of open attack seems scant, and we might gain much needed flexibility in our policies if the spectre of combat troop commitment could be lessened domestically.
6. Any help--economic as well as military--we give less developed nations to secure and maintain their freedom must be a part of a mutual effort. These nations cannot be saved by United States help alone. To the extent the Southeast Asian nations are prepared to take the necessary measures to make our aid effective, we can be--and must be--unstinting in our assistance. It would be useful to enunciate more clearly than we have--for the guidance of these young and unsophisticated nations--what we expect or require of them.
7. In large measure, the greatest danger Southeast Asia offers to nations like the United States is not the momentary threat of Communism itself, rather that danger stems from hunger, ignorance, poverty and disease. We must--whatever strategies

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- 6 -

we evolve--keep these enemies the point of our attack, and make imaginative use of our scientific and technological capacity in such enterprises.

8. Vietnam and Thailand are the immediate--and most important--trouble spots, critical to the U. S. These areas require the attention of our very best talents--under the very closest Washington direction--on matters economic, military and political.

The basic decision in Southeast Asia is here. We must decide whether to help these countries to the best of our ability or throw in the towel in the area and pull back our defenses to San Francisco and a "Fortress America" concept. More important, we would say to the world in this case that we don't live up to treaties and don't stand by our friends. This is not my concept. I recommend that we move forward promptly with a major effort to help these countries defend themselves. I consider the key here is to get our best MAAG people to control, plan, direct and exact results from our military aid program. In Vietnam and Thailand, we must move forward together.

a) In Vietnam, Diem is a complex figure beset by many problems. He has admirable qualities, but he is remote from the people, is surrounded by persons less admirable and capable than he. The country can be saved--if we move quickly and wisely. We must decide whether to support Diem--or let Vietnam fall. We must have coordination of purpose in our country team, diplomatic and military. The Saigon Embassy, USIS, MAAG and related operations leave much to be desired. They should be brought up to maximum efficiency. The most important thing is imaginative, creative, American management of our military aid program. The Vietnamese and our MAAG estimate that an additional \$50 million of U. S. military and economic assistance will be needed if we decide to support Vietnam. This is the best information available to us at the present time and if it is confirmed by the best Washington military judgment it should be supported. Since you proposed and Diem agreed to a joint economic mission, it should be appointed and proceed forthwith.

In Thailand

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b) In Thailand, the Thais and our own MAAG estimate probably as much is needed as in Vietnam--about an additional \$50 million of military and economic assistance. Again, should our best military judgment concur, I believe we should support such a program. Sarit is more strongly and staunchly pro-Western than many of his people. He is and must be deeply concerned at the consequence of his country of a Communist-controlled Laos. If Sarit is to stand firm against neutralism, he must have--soon--concrete evidence to show his people of United States military and economic support. He believes that his armed forces should be increased to 150,000. His Defense Minister is coming to Washington to discuss aid matters.

9. The Republic of China on Taiwan was a pleasant surprise to me. I had been long aware of the criticisms against Chiang Kai-shek and his government and cognizant of the deep emotional American feelings in some quarters against him. I know these feelings influence our U. S. policy.

Whatever the cause, a progressive attitude is emerging there. Our conversations with Chiang and Mme. Chiang were dominated by discussions of measures of social progress, to my unexpected but gratified surprise. As with the Republic of Germany in Western Europe, so I believe we might profitably and wisely encourage the Republic of China in Asia to export talents, skills, and resources to other Asian lands to assist in programs of progress.

10. There is a great reservoir of good feeling toward America among Filipinos, with many of the usual Latin qualifications. Significantly at the time of our visit there were a number of editorial expressions which took a critical, mildly anti-American tone. This undoubtedly reflected feelings regarding Laos but also may have been influenced by the current Presidential election politics in the Philippines. Overall, our mission to the Philippines probably was more important and more necessary than had been indicated and served usefully to strengthen those Philippine leaders who are most unswerving in trust for the United States. It is my judgment

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- 8 -

that we should not take the Philippines for granted but should work closely, sympathetically and realistically in efforts to encourage the strengthening of the unity and the progress of Philippine development.

11. India could well be the subject of an entire report. Nehru, during our visit, was clearly "neutral" in favor of the West. This Administration is highly regarded and well received in India. Only part of this flows out of hope or expectation of aid. Mainly, there is an intellectual affinity, or an affinity of spirit. This, in my judgment, should be exploited not with the hope of drawing India into our sphere-- which might be as unnecessary as it would be improbable-- but, chiefly, with the hope of cementing under Nehru an India-U. S. friendship which would endure beyond any transition of power in India.

12. President Ayub in Pakistan is the singularly most impressive and, in his way, responsible head of state encountered on the trip. He is seasoned as a leader where others are not; confident, straightforward and I would judge, dependable. He is frank about his belief, offensive as it is to us, that the forms of representative government would only open his country to Communist take-over at this time. Nonetheless, Ayub understands--and is in agreement with--the aims of eradicating poverty, ignorance and disease. We can have great influence and--because of his administrative organization-- achieve dramatic success by supporting Pakistan's needs. Our military should see how to improve the effectiveness and achieve modernization of Pakistan's army. Ayub is wisely aware of Pakistan's strategic position, wants to make his forces more modern, and wants to resolve the Kashmir dispute to release Indian and Pakistani troops to deter the Chinese rather than each other. He spells out the fact that U. S. leadership rests on our own self-confidence and confidence we permit Asians to have in us.

To recapitulate, these are the main impressions I have brought back from my trip.

The fundamental

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The fundamental decision required of the United States-- and time is of the greatest importance--is whether we are to attempt to meet the challenge of Communist expansion now in Southeast Asia by a major effort in support of the forces of freedom in the area or throw in the towel. This decision must be made in a full realization of the very heavy and continuing costs involved in terms of money, of effort and of United States prestige. It must be made with the knowledge that at some point we may be faced with the further decision of whether we commit major United States forces to the area or cut our losses and withdraw should our other efforts fail. We must remain master of this decision. What we do in Southeast Asia should be part of a rational program to meet the threat we face in the region as a whole. It should include a clear-cut pattern of specific contributions to be expected by each partner according to his ability and resources. I recommend we proceed with a clear-cut and strong program of action.

I believe that the mission--as you conceived it--was a success. I am grateful to the many who labored to make it so.

Lyndon B. Johnson

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~~SECRET~~MEMORANDUM

August 16, 1962

SUBJECT: VIET-NAM - Current Status of Items Discussed
Between Vice President Johnson and
President Diem

The following points were discussed (some appeared in the Joint Communique of May 13, 1961). Each is followed by a description of its present status:

1. Agreed to infuse into our actions high sense of urgency and dedication.

Achieved on both sides, as evidenced by the American military build-up, improved Vietnamese morale, exchanges of messages between President Kennedy and President Diem, and the momentum behind the strategic hamlet program in Viet-Nam. President Diem told Ambassador Nolting last month that US-Vietnamese cooperation was excellent. Both sides are agreed on the importance of helping the peasants quickly by means of the strategic hamlet program.

2. Diem pleased U.S. has approved MAP support for 20,000 force increase but pointed to problem of paying local currency costs for this increase.

The present regular armed forces level is now about 200,000, or 50,000 above the level in May 1961. The local currency problem has not been completely solved. However, GVN deficit financing, higher yields on US-financed imports, increased tax collections, combined with US assurances that we will provide resources needed to stem possible inflation, have been sufficient to move ahead with the build-up.

3. Agreed parallel political and economic action has equal importance with military measures but stated political and economic actions must be those appropriate to Viet-Nam as country which is underdeveloped and subject Communist subversion.

There has been political and economic progress since May 1961, although Diem's popular support has probably declined. This is counterbalanced by momentum achieved in the strategic hamlet program already underway, which shows great promise to reverse the trend as villagers get security, more local

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self government, economic benefits and a greater stake in the outcome of the war.

4. Agreed to increase in MAAG personnel.

A steady increase of U.S. training, advisory and logistic support personnel commenced in May 1961. The number has risen from 700 to 10,000, including those in operational units attached to the new Military Assistance Command/Viet-Nam (MAC/V), of which MAAG is now a component. MAAG advisers in each province are doing a terrific job.

5. Agreed to MAAG support and advice to Self-Defense Corps.

The training and rearming of SDC units is proceeding rapidly and they are giving a good account of themselves.

6. Diem pleased with MAP support for entire Civil Guard force of 68,000.

Training has been speeded up with a target of training and re-arming all CG units by the end of calendar 1962. The strength target for FY 1964 is now 90,000.

7. Diem accepted offer of material support for the Junk Force.

Construction is underway to develop a force of 28 Divisions (20 junks per Division). Four divisions are now operational and performing their mission to harass VC seaborne communications and stop infiltration from outside.

8. Noted that we are prepared to consider the case for further increase in the strength of GVN armed forces.

We have established a force goal of 225,000 (an increase of 50% from May 1961) to be achieved by June 1964.

9. Agreed to further urgent joint study of border control techniques.

Plans and concepts for border control are still under study by RVNAF and US advisors. Intelligence on infiltration is improving, especially as patrols of mountaineers are being rapidly formed. U.S. planes and helicopters and improved radio communication now make it possible to bring Vietnamese troops quickly to any threatened point.

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10. Agreed to consider establishment in Southeast Asia of research and development facilities.

Combat test development centers have been established and are in operation in Viet-Nam and Thailand. Research has led to many improvements, e.g. better arms and armament for helicopters.

11. Agreed to use of **US** military specialists to assist Vietnamese armed forces in health, welfare and public works activities at village level. Stressed importance of tact of foreign officials in working in this field.

US forces are working in all forty provinces to train the Vietnamese Armed Forces in civic action and civil affairs, as well as mounting their own civic action programs.

12. Agreed to renew border control negotiations with the Cambodian Government.

In spite of repeated efforts by the U.S., joint Vietnamese-Cambodian control has not been effected and incidents are frequent, causing friction and helping the Viet Cong. Cambodia did, however, invite the GVN to send a military commission to visit border areas and determine the extent of Viet Cong activity on the Cambodian side. The GVN has accepted and will dispatch a team shortly. It might develop into a joint operation.

13. Agreed on desirability of using foreign non-American experts in counter-guerrilla field, but stressed it would be up to initiative GVN to request these experts and they would have to work under its control.

The British have sent a highly qualified advisory mission. Many of its recommendations have been accepted. Australia has sent thirty trainers to augment US MAAG activities. Other countries have sent survey missions or are being approached to provide help.

14. Agreed to proposal for sending US economic and fiscal experts to work out financial plan as basis for joint efforts.

A mission under Dr. Eugene Staley worked out a plan with the Vietnamese and completed its work in Viet-Nam in July 1961. The plan was adopted and embodied in National Security Action Memorandum 65, August 11, 1961. As a result the Vietnamese have added import taxes so that aid dollars now generate more piasters.

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15. Agreed we should work together on a longer range economic development program.

The GVN has announced a formal 5-year plan, but it is more in the nature of a catalogue of projects than an integrated plan. The on-going AID program is continuing to contribute to long range development, but conditions in Viet-Nam have required a shift in emphasis to programs with an early pay-off which can help win the war sooner.

16. Diem presented memo to Vice President on need for additional commodity aid and for relaxation of "Buy American" policy on aid to Viet-Nam.

The amount of assistance which could be absorbed by Viet-Nam was a matter of dispute in May 1961. The Staley Mission subsequently established criteria which have proven workable for that portion of commodity aid channeled through the private sector. In addition, commodities and equipment procured directly for the public sector (e.g. materials for strategic hamlet construction), which are not affected by the absorptive capacity of the private sector, have been increased significantly.

FE:WG/VN:CBWood/CRSpurgin/mph
8/16/62

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