January 27, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Draft message to Max Taylor

- 1. I attach a draft message from you to Taylor on the subject of my expedition to Saigon. I have suggested a Sunday departure to allow a few days for shakedown there and a couple for preparation here, but I can leave sooner if you wish.
- 2. I have also suggested that Lodge come in the same plane. I do not think we can get away with a notion that he simply happens to be in Saigon at the same moment that I am, and I think it is simpler if he simply comes at Max Taylor's invitation in the same plane. Moreover, the quick departure which I suggest hardly gives time to get him out to the area in any other way and, as I say, I am sure that there is no point trying to camouflage his presence.
- 3. I have spoken tentatively to Lodge and he says that he will be delighted to do anything you want. He of course wants to do only what is fully acceptable to Max Taylor and says that we could be assured that he would go out of his way with everyone to reinforce Max's authority. Will you give me a ring at your convenience on this? We ought to get the message out the way you want it by 6 o'clock this evening so that Max will have it promptly in the morning.
- 4. This is as good a moment as any to say how much Bob and I valued your comments this morning in response to our memo, and how proud I am that you are willing to entrust this particular mission to me.

DECLASSIFIED

Authority Still 3-27-78, 715C 9-15-78

McG. B.

By , NARS, Date 6-15-79

TOP SECRET

SECRET

January 27, 1965

MEMORANDUM FOR THE PRESIDENT:

DECLASSIFIED

Authority DSCLET 10/3/17

By MMQ, NARS, Date 11/14/77

Re: Basic Policy in Vietnam

- 1. Bob McNamara and I have asked for the meeting with you at 11:30 in order to have a very private discussion of the basic situation in Vietnam. In a way it is unfortunate that we are meeting the morning after a minor coup, because that is not the present point. All of us agree with Alexis Johnson that nothing should be done on that until we have particular recommendations from Saigon (though at that point we may well want to urge Taylor and Johnson to make the best of the matter and not try to undo it).
- 2. What we want to say to you is that both of us are now pretty well convinced that our current policy can ledd only to disastrous defeat. What we are doing now, essentially, is to wait and hope for a stable government. Our December directives make it very plain that wider action against the Communists will not take place unless we can get such a government. In the last six weeks that effort has been unsuccessful, and Bob and I are persuaded that there is no real hope of success in this area unless and until our own policy and priorities change.
- 3. The underlying difficulties in Saigon arise from the spreading conviction that that the future is without hope for anti-Communists. More and more the good men are covering their flanks and avoiding executive responsibility for firm anti-Communist policy. Our best friends have been somewhat discouraged by our own inactivity in the face of major attacks on our own installations. The Vietnamese know just as well as we do that the Viet Cong are gaining in the countryside. Meanwhile, they see the enormous power of the United States withheld, and they get little sense of firm and active U. S. policy. They feel that we are unwilling to take serious risks. In one sense, all of this is outrageous, in the light of all that we have done and all that we are ready to do if they will only pull up their socks. But it is a fact -- or at least so McNamara and I now think.

- 4. The uncertainty and lack of direction which pervades the Vietnamese authorities are to increasingly visible among town people, even the most loyal and determined. Overtones of this sentiment appear in our cables from Saigon, and one can feel them also among our most loyal staff officers here in Washington. The basic directive says that we will not go further until there is a stable government, and no one has much hope that there is going to be a stable government while we sit still. The result is that we are pinned into a policy of first aid to squabbling politices and passive reaction to events we do not try to control. Or so it seems.
- 5. Bob and I believe that the worst course of action is to continue in this essentially passive role which can only lead to eventual defeat and an invitation to get out in humiliating circumstances.
- 6. We see two alternatives. The first is to use our military power in the Far East and to force a chance of Communist policy. The second is to deploy all our resources along a track of negotiation, aimed at salvaging what little can be preserved with no major addition to our present military risks. Bob and I tend to favor the first course, but we believe that both should be carefully studied and that alternative programs should be argued out before you.
- 7. Both of us understand the very grave questions presented by any decision of this sort. We both recognize that the ultimate responsibility is not ours. Both of us have fully supported your unwillingness, in earlier months, to move out of the middle course. We both agree that every effort should still be made to improve our operations on the ground and to prop up the authorities in South Vietnam as best we can. But we are both convinced that none of this is enough, and that the time has come for harder choices.
- 8. You should know that Dean Rusk does not agree with us. He does not quarrel with our assertion that things are going very badly and that the situation is unraveling. He does not assert that this deterioration can be stopped. What he does say is that the consequences of both escalation and withdrawal are so bad that we simply must find a way of making our present policy work. This would be good if it was possible. Bob and I do not think it is.
- 9. A topic of this magnitude can only be opened for initial discussion this morning, but McNamara and I have reached the point where our obligations to you simply do not permit us to administer our present directives in silence and let you think we see real hope in them.

McG. B.

MEMORANDUM TO THE PRESIDENT

SUBJECT: Cable to Cairo

The attached is a cable to Cairo for Battle to draw on when he sees Nasser. It is important that it have your clearance because it undertakes to tell Nasser what your thinking is. I concur in the cable, which has had Dean Rusk's personal attention, but I also concur in the revision suggested by Bob Komer in the clipped language on page 2.

McG. B.

Send	as dr	afted l	by	Rusk
Send	with	Komer	's	amendment
Speal	k to n	ne e		

This matter is urgent because Battle may see Nasser any minute and because keeping the Egyptians quiet is assential to our own present efforts on the Hill.

MR. PRESIDENT:

Komer's prose is as strocious as usual, but if you can stand it, he makes good sense.

Compared to the problem of PL-480 and Nasser, this tough Jordanian crisis is trivial. So we may want to put it off beyond tomorrow if we are working on the Senate.

McG. B.

January 27, 1965

CONFIDENTIAL

MEMORANDUM TO THE PRESIDENT

SUBJECT: Probable leaks on your South American trip

- 1. In accordance with your instructions, we are now going ahead with the Brazilians to try to get firm arrangements for a meeting of heads of state early in May in Brazilia.
- 2. In accordance with your further instruction we are doing everything we know how to do to keep this plan quiet and to tell the Brazilians to do the same.
- 3. Nevertheless, I have to tell you that no one I know of believes that ten South American Presidents can keep their mouths shut at the same time. There is no alternative to inviting them, and no alternative to giving them about this much warning for a May meeting, if we are not going to hurt their feelings. It follows that we are stuck with this problem, and that if you are going to have a meeting of this kind at all we have to accept the risk of leaks.
- 4. On any scale of secret-keeping, if you were to rate yourself at 100, and the people you trust most at 80, the Defense and State Departments at 50, and the Congress as a whole at 30, you would have to rate most South Americans at 10.
 - 5. So we will expect the worst and hope for the best.

McG. B.

cc: Mr. Jack Valenti

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ/RAC 09-4

By AR, NARA, Date 12-8-09

CONFIDENTIAL

January 26, 1965

MEMORANDUM FOR

THE PRESIDENT

DECLASSIFIED

Authority SCLT 10/3/77

By MM9, NARS, Date 11/14/7

State, AID and DOD recommend the attached determination for a \$1 million military civic action program in Guinea. We'd train and equip an army engineer unit for construction work. No arms are involved.

Toure has been one of the radicals on the Congo, though not one of the worst offenders. Nor has he sent any aid to the rebels, as far as we know. Most important, we've mounted a fairly successful effort to help him shift away from Bloc aid. Toure was also very helpful on Zanzibar last year. So on balance this seems a useful small investment, especially since it goes to the Guinean army.

I'd suggest that you sign the determination but direct that State and our Ambassador review the optimum timing for telling the Guineans.

We would also watch that over here -- better than we did on food-for-Nasser.

R. W. Komer

McG. B.

Approv	/e
Disann	TOVA

MEMORANDUM FOR THE PRESIDENT

The attached intelligence memorandum represents a CIA assessment that a coup by Khank is quite likely tonight. The State Department agrees that the chances are substantial, but rates them a little lower.

McNamara, Rusk and I all agree that we can't second guess Alexis Johnson from here. He is the man on the spot, Max Taylor being in Bangkok on a long-delayed visit.

I discussed with a number of people whether we should try to move Max back in a hurry. The consensus is against it. He has less personal influence with these people than Alexis and is perhaps slightly less skillful in palaver. But what is more important -- if there is a coup, we do not want an emotionally explosive reaction from the Ambassador in the first twenty-four hours. We will want time to turn around, and it may even turn out that a change of government could provide the framework for a repair of our relations with these people.

Finally, no matter what happens in this particular rumor, there is strong feeling which I share that this back and forth in the government in Saigon is a symptom, not a root cause of our problem.

It is this basic issue of our own purpose and policy that I hope we can discuss in our 11:30 meeting with you tomorrow, and I will have a paper on that in the morning.

McG. B.

SECRET ATTACHMENT

62

January 26, 1965

MEMORANDUM FOR THE PRESIDENT:

I attach a summary of the Vietnamese situation which I think is better than the spate of confusing cables from all and sundry that we have had in the last two or three days. At the end of this memorandum (by my staff man Cooper) two choices are offered. One is to let the political mess play itself out in its own way, and the other is to try to keep it pinned together in roughly its present form at least until March. The latter is Cooper's choice, and it is clearly Max Taylor's as well. It has the advantage that in March under cover of a new National Assembly meeting there could be a reconstruction of the government without Huong.

It is certainly true that if Huong goes now, the Buddhists will be more irresponsible than ever. On the other hand, it is equally clear that Huong himself does not have the authority to govern without very heavy and visible U.S. support.

The one additional thought I have is that we might make one more effort to talk sense to the Buddhists through some American that they trust. Their particular hero is Cabot Lodge, but the dangers of sending him are obvious. The only way it could be done is on the basis of a direct invitation from Max Taylor, and I have asked my brother Bill to consider whether the idea is sufficiently promising for us to ask Max if he would like to do it. I feel sure myself that in this context Lodge would be a team player and I would be glad to know your own feelings about this.

McG. B.

Keep	Lodge	out of	it	
	you coing him		i a way	
Leave	st to	Tavio		

Finally, I continue to believe that a general discussion of Vietnam with Rusk and McNamara and myself is one of the two pieces of business that should be conducted before anyone goes to London. The other piece of business is a Middle East problem on which I will report separately.

MR. PRESIDENT:

This is the acknowledgment of Felix Frankfurter's note of January 22 which you asked for.

McG. B.

January 26, 1965

MR. PRESIDENT:

This is an acknowledgment of a letter from President Dacko of the Central African Republic which we received before his Ambassador presented his credentials to you on January 14. I am informed this reply is still needed to close out our correspondence. It will give President Dacko pleasure and do us that much good.

McG. B.

1/25/05 p.m.



THE WHITE HOUSE

WASHINGTON

January 25, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Charles Mortimer and East-West Trade Committee

I owe you a report on our efforts to get a committee going on East-West trade.

We have opened negotiations with Charles Mortimer of General Foods, and between us Jack Connor and I have him about 80% on board. His one remaining reservation is that he does not want to confront General Foods with a strike of housewives against pro-Communist activities by the head of the company. He agrees that this is in fact not a serious danger, but he needs to have his Board's agreement. That he hopes to get on February 3. Once Mortimer agrees, he, Connor, Wirtz and I will sit down to get a committee which will have strength and balance. I doubt if we will have much trouble. George Meany has already said that he will serve, and there is good evidence of interest among first-rate businessmen and others as well.

So we would hope to be in business sometime in the middle of February, and would have a report in April. This may not permit legislation in 1965, but it should certainly permit hearings and public discussion which would pave the way for action next year.

The quality of the report that such a committee would give is so important in building a base for legislation that I am inclined to stick to the current program. I am very much impressed by Mortimer and I am convinced that if he takes this job, he will turn out something both impressive and persuasive.

h.e.s. McG. B.

Keep going as you are	
Speed up Mortimer report	1/

THE WHITE HOUSE

WASHINGTON

Yegelm Valents Calle

January 25, 1965

myrs

MEMORANDUM FOR THE PRESIDENT

Re: Phillip Geyelin

Phillip Geyelin of the Wall Street Journal has an invitation from the publisher Praeger to do a quick book on the essence of American foreign policy in your Administration. He would write next summer and publish next fall, but he has to decide within the next week or two because of a need to arrange free time with his employers.

I think Geyelin is one of the four or five most responsible foreign affairs reporters in Washington, and Douglass Cater agrees. He would not do a wholly uncritical job, but he would do a basically friendly one. His basic attitude would be about as understanding as Scotty Reston, with more understanding of details and less brilliance. The book would, I think, be a solidly affirmative contribution to understanding of our work, especially abroad.

Geyelin's work would be assisted if members of your staff were authorized to talk with him on a reasonably forthcoming basis. I think both Cater and I would recommend that you give this authorization. Obviously, it would be better if he could have an interview with you, but my recommendation at present is that you not decide that question.

If you should prefer to discourage Geyelin and have him decide to do something else with his summer, we can take a cooler view.

Finally, let me say that Geyelin is not at all like his editors. He is responsible and broad-minded, and not at all partisan. Neither is he blinded by emotional attachment to any previous President.

			md, a.
			McG. B.
You and Cater help him	V		
I will help him V		Chech	was Valent
Discourage him			

Mr. President:

None of these papers is urgent, but if you are looking for work, they are work that is looking for you.

McG. B.

CIB 25 J n 65 Pres' daily brief
McG B memo to Pres 1/25/65 re Phillip Geyelin
log 320 Foreign repre at State Funeral for Churchill
ltr to Castello Branch, for sigt log 256
log 6323coop with UK on research & develop. involving Restr Data

SECRET - RESTRICTED DATA

MEMORANDUM FOR THE PRESIDENT

The Department of Defense and Atomic Energy Commission have recommended the extension of our ongoing program of cooperation with the UK on research and development involving Restricted Data. The current program formally expired December 31, 1964. The extension of the program was initially recommended through 1966. However, in view of the current fluidity of our relationship with the UK on nuclear matters, it is our combined recommendation that the program be extended at this time only through this year. In additiona approval is continued only with respect to those matters in which we are actively cooperating, and cooperation with respect to any new weapons systems is specifically withheld for your review and approval. This also fits the Gilpatric recommendation and will be O. K. with the British.

Your signature of the attached letter is recommended.

McG. B.

SECRET - RESTRICTED DATA

Authority <u>NSC la 10/18/11, ERDA les</u> By Img , NARS, Date 10/19/1-

January 26, 1965

MEMORANDUM FOR THE SECRETARY OF DEFENSE THE CHAIRMAN, ATOMIC ENERGY COMMISSION

Reference is made to your joint letter of December 23, 1964, concerning proposed cooperation with, and transfer of materials and atomic weapons parts to, the United Kingdom pursuant to the Agreement between the Government of the United States of America and the Government of the United Kingdom of Greet Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes.

I note that, pursuant to Executive Order 10841, the Atomic Energy Commission and the Secretary of Defense, acting jointly, have determined that the proposed cooperation and the proposed transfer arrangements for the materials and parts set forth in Enclosure 1 to your letter will promote and will not constitute an unreasonable risk to the common defense and security.

I hereby approve the program for the transfer to the United Kingdom of the materials and parts set forth in Enclosure 1 to your letter on the terms and conditions stated in Enclosure 1 with the following exceptions:

- (1) The extension of the program is approved only through December 31, 1965, and
- (2) with regard to paragraph 9, non-nuclear parts of atomic weapons involving Restricted Data and non-nuclear parts of atomic weapons systems involving Restricted Data related to artillary fired atomic projectiles are not to be sold to the UK without my prior consideration and approval.

/s/ LBJ

SECRET-RESTRICTED DATA

LBJ:CEJ:feg

DECLASSIFIED 5/24/77
Authority DSC Lts 10/18/19, ERDA Lts

By Mag, NARS, Date 10/18/19

January 25, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: U. S. Argentine Joint Commission on Hoof and Mouth Disease

As you know, a joint commission of U. S. and Argentine scientists was appointed in 1963 to study this problem in Argentina. Now President Illia has written to say that the Commission has made progress and to urge that it be continued. The fact is that both the American and Argentine scientists on the Commission are persuaded that we are in the wrong on this, but the Department of Agriculture, for obvious reason, is very reluctant to shift its stand. Thus for the time being the best compromise seems to be a continuation of the studies. Our scientists will go along reluctantly.

Somewhere down the road, if the Argentines are smart, they are going to make a case out of all this which will be extremely embarrassing to those who are trying to keep Argentine beef out of this Country. But that time is not yet. So I join with State, Agriculture and Don Hornig's office in recommending that you sign the attached letter to President Illia.

McG. B.

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL

January 25, 1965

MEMORANDUM TO THE PRESIDENT

DECLASSIFIED

Authority State 8-39-77; nsc 11-30-78

By NARS, Date 6-20-79

SUBJECT: More gossip on the Rialto

l. I suspect it is wasted advice, but I continue to believe that your own health is even more important than the Churchill funeral. I recognize that you are yourself the best judge of your own strength, but there is just no doubt at all that if a visit to London should have to be paid for by another visit to the hospital, it is not worth it in terms of what the world and your own countrymen ask of you. But I will admit if pressed that I do not see why this particular visit should be unusually strenuous.

- 2. Max Taylor has pressed the Vietnamese government -- civil and military -- to take firm action in Hue where the demonstrations against Americans have been strongest, and the Government has given undertakings to do so. We shall soon see whether they come through on this promise.
- 3. On the balance of payments, I had long talks this morning both with Don Cook and Bob Anderson. I outlined to each of them the program which is now being hammered out. Cook agreed with nearly all of it. He would prefer to see us remove the gold cover entirely, but he is obviously not as sensitive as Doug Dillon to the fact that a half-way program will go through the Congress about five times as easily, with that much less abrasive comment from critics of all sorts.

Cook believes that the balance of payments problem is real, but in no sense desperate. He believes that short-term capital outflows should be the principal target of our new program, which is what we also are coming to think. He believes that a moderate balance of payments deficit is essential to the economic growth of the whole free world, and says that our critics in Europe would be the first to squawk if there were to be no net addition of dollars to the free world's reserves each year. He says that our problem is at least as much a problem of technique and of public relations as it is one of substance. He would be inclined to begin on the short-term lending problem by giving the bankers a few weeks in which to pull up their own socks. He would do the same thing on investment abroad. But he would not give a year to either, and he thinks that in both cases one might need

to move to legislation quite quickly. We are likely to come down for prompt legislation on lending and a longer delay on equities, for pretty good reasons.

I was enormously impressed by Cook. This was the first long talk I have ever had with him, and I would strongly recommend him as against David Rockefeller to succeed Doug Dillon, though David is a very old personal friend.

Anderson's views were a little less optimistic. But he emphasized that we should not send up a message until we were ready, and that we have time enough to make up our minds. He is worried about exchange controls of any sort, but he admits that some limitation on capital flows is now the most important single action we can take.

Both Anderson and Cook strongly oppose a tax on tourist travel, and both of them believe that we should not now enforce any reduction in military costs. which does serious political damage.

Douglas Dillon now tells me that the immediate dangers are much lower than he had feared. Several hundreds of millions of the balance of payments losses of December appear to have been caused by a flight of capital in the wake of the challenge to the pound. Our own strong statements in January reversed the trend, and so far this month there has been at least an equally heavy flow of capital in our direction. So the picture in early February may be far from bleak, and a moderate and well-balanced program is likely to continue to keep confidence high.

I strongly agree with Cook that what we say about all this is at least as important as what we do, and I believe we should get him down here to work on the content and tone of your message, when the time comes. It now looks as if Dillon would have firm and final recommendations early next week, and the message ought to go up very shortly thereafter.

hold, McG. B.

CONFIDENTIAL

Rear hay the Rus.

THE WHITE HOUSE

WASHINGTON

January 24, 1965

SEGRET

MEMORANDUM FOR THE PRESIDENT

Subject: Gossip on the Rialto

DECLASSIFIED

Authority 775C (tts/0/3/77

By Jang, NARS, Date 11/14/77

1. Vietnam. There has been further intrigue in Saigon this week end. General Khanh tried to squeeze out the present civilian leaders Suu and Huong. A group of younger officers suggested that Khanh himself be removed. Taylor and Johnson have kept in touch with all this, doing their best to prevent upheaval of any sort, and just as we were getting quite excited about it, we received a cable in which it is reported that the pressure on Suu and Huong has been removed and that the Generals have asked the civilians to forget the whole thing. Taylor's last sentence is "Thus ends another quiet Sunday."

But even though the situation remains as it was, we have lost that much time and energy in another fruitless round of intrigue. This is the more irritating because there is more and more evidence that we could make real progress if people would only stop this nonsense.

- 2. We have had a bad accident at the main airfield for T-28s in Laos. By an accidental discharge of loaded machine guns into the fuel tank of an adjoining plane, fires were started which seem to have cost us 8 or 9 planes. Miraculously there were no serious casualties, and Sullivan reports that it was a genuine accident and not a case of sabotage. Arrangements are being made to replace the aircraft.
- 3. Before the week end intrigues began, Taylor was feeling out Huong and Vien on the evacuation of U. S. dependents. They have reserved judgment but their initial reactions were full of concern for the effect on Vietnamese morale. We are having figures on dependents analyzed in more detail to see if there is a middle ground in which all children might be removed and wives allowed to stay only if they were pitching in to the U. S. effort in some way. Lodge came by today, and in response to a question he told me that he would think it unwise to remove all dependents, although of course he will not criticize the decision if we make it that way.

- 4. On other subjects, Lodge was knowledgeable, helpful and cooperative. He made his ideas on counterterrorist acitivity clearer than ever before, and they sounded sensible to me. Incidentally, he told me that back in September 1963 he tried to get Lansdale sent out to work with him, and that somewhere in Washington his proposal was blocked. This is the first time I had heard that one.
- 5. The Alfalfa Club dinner was only half as much fun without you, but Mr. Nixon fooled everybody by making a surprisingly cheerful and funny speech. His best line was that he was very grateful to General Eisenhower for all the sound political advice the General had given him -- pause -- and if we would give him a week he could think up an example. He finally declined the nomination in your favor, and as Abe Fortas put it -- he managed to conceal his real character very attractively.
- 6. The Evans and Novack story on Feldman hits a new low. Evans tried it on Bob Komer last week, and Komer did his very best to knock it down completely. Indeed, Komer was so sure that he had succeeded that I did not take it to Mike myself, which may have been a mistake. In any event, the facts are simple and clear, and Mike and I agree on them:
- 1. Decisions about Nasser as distinct from decisions about Israel have never been discussed with Mike unless he raised them with us. It would be simply unmanageable to give a right of automatic clearance on all Middle East decisions.
- 2. The matter of policy toward Nasser after the recent riots was no secret, and Mike had every opportunity to comment on it and chose not to do so because he did not conclude that there was a special interest from his point of view.
- 3. These episodes had nothing whatever to do with his resignation, and he has said so repeatedly in the last week to inquiring members of the Jewish community.
- 4. Finally, he and I will both make this point firmly and clearly to anyone who asks us, and I myself intend to find an occasion to make it in such a way that the Evans story will be discredited. There is no justification whatever for the notion that the White House is now somehow unresponsive to the interests of the Jewish community. The truth of the matter is that the wisest of the Jews know as well as we do that we cannot

afford to give in completely to our shared emotional feelings about Nasser.

- 5. On this same subject, I have had a call from young Chris Herter, who is Socony Vacuum's lawyer, telling me that the oil companies want very much to help us in preventing Congressional action which would cut off all food for Nasser. They believe that this would be extremely dangerous to U. S. interests in the Middle East, and are prepared to say so. I am planning to put them in touch with Hubert Humphrey on tactics unless you object.
- 7. The Churchill funeral will preoccupy the diplomats of all friendly countries during this week. I am sure you yourself should not go against doctors' advice on this, but if Dean Rusk is going, I believe that you do need a solid talk with him on two basic problems before he goes:
 - 1. Southeast Asia in this one McNamara and I should join.
- 2. Management of the Department of State this one has to be alone -- but if I can help in any way ahead of time, let me know.
- 8. Since the funeral is on Saturday, there is no hurry about the Rusk meetings. Get well first!

mu. ሌ. McG. B.

SECRET Eyes Only

January 23, 1964

MEMORANDUM FOR

The Secretary of State

The Secretary of Defense

The Director, Arms Control and Disarmament Agency

The Chairman, Atomic Energy Commission

The Chairman, Joint Chiefs of Staff

The Director of Central Intelligence

The Director, Office of Science and Technology

At the President's direction, I enclose for your personal use only a copy of the report prepared by the Gilpatric Committee on Nuclear Proliferation, together with the draft of an NSAM which would in the opinion of the Gilpatric Committee give execution to its recommenda-The President requests that the Secretary of State call an early meeting of the Committee of Principals -- and of Principals alone -- for the purpose of reviewing these recommendations and making a prompt report to him.

The President directs me to emphasize once again, with all possible force, that it is his direct order that these papers not be shown to anyone outside the Committee of Principals, without his direct approval in each case. This direction does not exclude the initiation of tightly restricted staff work on questions which may be relevant to the judgment of anyone of the Principals on the recommendations the Gilpatric Committee has placed before the President, but it does exclude the circulation of the report or any of its contents, except as the President himself gives authorization.

I cannot overstate the strength of the President's convictions and concern for the security of these documents. I have assured him of the complete reliability of the Committee of Principals, and have given him my word that there will be no distribution beyond that which he himself authorizes.

McGeorge Bundy

SECRET-Lyes Only

Authority Ascellus/3/17

By mg, NARS, Date 11/14/2

MEMORANDUM FOR THE PRESIDENT

Subject: Press appointments, January 11-23

I am a week behind in giving you an account of the press people I have seen lately.

In the week of January 11 I saw Scotty Reston, Jess Cook, Joe Kraft and Bill White for general talks on foreign affairs. All of these talks were uneventful except for the one with Kraft. I went after him pretty hard on a couple of columns he had written about the "new isolationism" and "the third world." He went away upset but unpersuaded, but I am inclined to think his tone may be just a little less snippy for a while.

I also saw Tom Wicker in connection with his long story on your current views, but you had already done most of the work on that one yourself.

This past week I saw Warren Rogers on Vietnam. He told me much that he had told you, and did more talking than listening. I also saw Max Freedman and Bill Stevens of the Houston Chronicle together at Max's request. We had a good round on foreign policy, and nothing startling happened.

I talked on the phone to Reston and Kiker. They were asking about reports that you were considering visits to Bonn and Paris after the Churchill funeral. On your instruction I knocked them down hard, and I think successfully.

I also had dinner with Joe Alsop before the Inaugural Ball, and had literally no conversation with him. I think you know that Joe is a close friend of mine, and will continue to be. But I have learned to be extremely careful with him, and I am trying to get him to stop using dangerous and incriminating adjectives about me in his column.

On Saturday I talked to Phillip Geyelin about a prospective book on American foreign policy today. I have considerable regard for him and I think this undertaking should be encouraged, but I will ask your judgment on this when you are back here.

McG. B.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Message from the Mexicans

The Mexican Ambassador called State this morning to relay phone messages from President Diaz Ordaz and Foreign Minister Carillo Flores. Both men want you to know that they are concerned about your health and wish you a very speedy recovery.

McGeorge Bundy

PERSONAL AND CONFIDENTIAL

January 22, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Balance of Payments Committee Work

This morning we had the best meeting yet of the Chbinet Committee on the Balance of Payments, but there is still several days' work before we will be in shape to talk with you.

There is now a pretty general agreement on a number of specific items. The most important are:

- a. The Gore Amendment to tax bank lending of one year or more, imposed at the present rate basis; (a large item)
- b. Encouragement of foreign investment in the U.S.; (a small but useful item)
- c. Limitations on free imports by U. S. donpiststions; (also small but useful)
- d. Increases in the interest equalization tax on capital outflow; (middle-sized)
- e. A quite general effort in partnership with the Fed and perhaps with an additional tax to control both bank and non-bank short-term capital movements. (This may be a quite substantial item, since there appears to be a large pool of short-term funds of U.S. corporations which is held abroad for very small interest advantages.)
- f. A further intensification of savings on the military dollar account. This is more for show than for use, and it has important budgetary costs because U. S. oil is more than twice as expensive as Middle East oil for some of our forces, but we all agree that it is worth including for appearances sake.
- g. Finally, there is agreement, at least for the moment, that we should open an attack on overseas investment in the developed countries, but not by proposing legislation this year. The idea is that with John Connor as your Chief of Staff you should mount a major campaign of personal leadership with the top business leaders whose firms do most of this investing. Connor and McNamara believe that this would have a very substantial effect for a year or so, and that then we could ease

Authority Reasons the Wiselm

By Mig_, NARS, Date_7/19/77

up if conditions improve or move to legislation with less business opposition than we would be sure to get now.

The ways and means of some of the more complex parts of this program -notably the limitations on short-term capital movement -- are being
examined over the week end. We are also trying to get harder figures on
projected savings, though there is inevitably a lot of guess work in all this.
We should have a further report for you then.

The one item which is losing ground in the Cabinet Committee is the tax on tourist travel. An interesting coalition led by Rusk, Ball, Connor and Herter is strongly opposed. Their arguments turn on the damage to our own citizens of a regressiva tax, the bad political impact abroad, the damage to our own tourist program, and effects on the Kennedy Round.

All of this will culminate in recommendations next week for a Presidential message. In addition, it looks as if you would be asked to take on three particular tasks:

- 1. The work with the business leadership on overseas investment already explained;
- 2. A message to Mike Pearson to emphasize to the Canadians the importance of limiting their very heavy borrowing in our market. (This would then be followed up hard by Treasury and State.)
- 3. A personal word from you to Bill Martin which would have two components:
 - a. You care even more about confidence in the dollar than he does, and this program is designed to prove it.
 - b. You expect to hold him to the promise he gave in the Committee today -- that if confidence can be sustained, U.S. domestic credit will be kept easy. This is regarded by Gordon, McNamara and Ackley as very important in the light of the strong possibility that we may need even easier credit before the end of this year.

The clearly dominant judgment of your Committee now is that we must have a strong widely based program. We don't have it yet, but we are getting there.

January 22, 1965

MEMORANDUM FOR THE PRESIDENT:

Subject: Interesting Cables of Today

At Tab A are cables on the de Gaulle-Erhard conversations, together with a comment by my colleague David Klein with which I agree -- namely that your decision on the Wilson talks (which as you remember I did not initially support) is what has prevented a dangerous split in Europe.

At Tab B is an account of Dobrynin's call on Thompson today to request information on our Kiwi test. This request has now crossed our inquiry about their venting. They look smart but are foolish on this one because we can give a full and complete explanation of the difference between our test and an explosion, while they have a very much tougher problem. Our next step will be to provide that explanation and then suggest to them that they match it on their own side. In all this we are trying mainly to defend the Treaty -- which would be very badly underminded if the Soviets do not give reasonable answers, and Thompson is emphasizing this point to Dobrynin at every opportunity.

SECRET Attachment

MEMORANDUM FOR THE PRESIDENT

Secretary Rusk has sent over this draft letter to Prime Minister Wilson on the subject of a possible invitation to Sukarno. He approves it as amended, but he says that it is a subject of such high importance that he hopes to have a talk with you about it after you have considered it yourself.

The arguments in favor of some such indertaking were fully rehearsed by Jones, and are familiar to you. You may be interested in the hard line arguments on the other side put forward by the office director under my brother Bill.

My own judgment is that if this matter is carefully prepared, and if we do not get a violent negative reaction from Wilson, an invitation to Sukarno is worth all the attached risks. Yourcawn estimate the pressure from conservative Americans better than I, but I believe this is the kind of situation in which it can be safely resisted on grounds of the higher national interest.

But my associate Chet Cooper points out one real cost -- if you have Sukarno, who is almost an enemy, you will get enormous pressure to receive Asian friends like Park of Korea and Thanom of Thailand.

McG. B.

SECRET Attachment

January 21, 1965

MEMORANDUM FOR THE PRESIDENT

RE: Agenda for your meeting with the Leadership

I think you are right to lead off yourself with general comments.

I suggest the following:

- 1. Vietnam is still our toughest problem. We reviewed it with Taylor in December, but just after his return there was a renewed outbreak of political turmoil, which has taken most of his time since then. You expect to ask Dean Rusk to comment on the political side and McNamara on the military side in a moment.
- 2. Europe and policy there -- especially nuclear policy -- was brought to a focus by Wilson's visit and the new British proposals. You carefully reviewed the advantages and disadvantages of trying to force an agreement upon reluctant Englishmen and divided Germans in the face of strong French hostility. You decided on a different course -- to allow the Europeans -- especially the British and the Germans -- to work on the problem themselves -- with our friendly help and our clear expression of interest -- but without U. S. pressure. The signal is being understood -- even by the Germans -- better than we at first expected. Erhard in particular is as firm and loyal as ever. Secretary Rusk may wish to add a comment on this point too.
- 3. The Congo paraticop drop. This was a difficult decision but a necessary one. The Belgians, expecially Spaak, showed courage and it would have been cowardly not to join with them. There have been political costs because of the violent emotions of African nationalism and Tshombe's own bad reputation. We are trying to work out a better political framework both in and around the Congo, and Secretary Rusk will say more on that.
- 4. The Egyptians and the Indonesians. Because of the Malaysia confrontation in the one case and pressure on the Congo in the other, we have had difficulties in both countries. You may want to emphasize your own strong feelings when our libraries are burned hydrobs and protection is not given. But you will also wish to emphasize that our real problem in both cases is to do what advances our national interest, and again I think you will want to ask Dean Rusk to comment.

Finally, you ma vish to call attention to your v v satisfactory meetings with Pearson, and to the automotive parts agreement. That agreement continues to get a good press except from the Washington Post and the British. Again Dean Rusk can comment further.

At this point you will probably wish to turn the meeting over to Rusk and when he is on Vietnam and the Congo. Bob McNamara will be ready to add military comments. Rusk, McNamara and I will coordinate this ahead of time. John McCone will also be ready to comment on the intelligence in all these areas. In particular, we plan to use this meeting to surface urgently the fact that there has been an increase in our estimates of North Vietnamese inviltration. This fact is getting out pretty widely and it would be dangerous to have a meeting of this kind without referring to it briefly.

McG. B.

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THE WHITE HOUSE

WASHINGTON



January 21, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: The Organization of the Department of State

- 1. This memorandum is in response to your request for a paper on this subject. I have written with complete frankness, and perhaps with a certain presumption. On the other hand, I have probably watched the Department as closely as anyone outside it for the last four years, and I have been so careful to avoid comment to others that the temptation in reporting to you is irresistible.
- 2. The Department of State probably has more talented men incompletely used than any other department of government. There are all sorts of reasons for this weakness -- the cautious and slow-moving personnel policy of the Foreign Service, the premium which is placed on safety and the avoidance of error, the mindless proliferation of committees and clearance processes, the inhibitions imposed by Congressional Committees which have not been properly cultivated, the inescapable difficulties of tension with other competitive departments, the tendency of all the rest of us to blame the State Department for the misbehavior of 120 other countries, and the Department's own dangerous tendency to see other nations, not the USA, as its preferred clients.
- 3. Yet with all these disadvantages, the fact remains that there is a great opportunity for effective management within the department which has been lost by default in the last four years. This is the product of the interlocking character of Dean Rusk and George Ball.
- 4. No man can have all the qualities of an ideal Secretary of State. Dean Rusk has more than his share. He has complete integrity and loyalty. He has discretion and experience. He is a master of exposition, both with diplomats and with Capitol Hill. He has the personal confidence of Committees of Congress and of representatives of foreign governments to a degree not matched since George Marshall, the man he most admires.
- 5. But he is not a manager. He has never been a good judge of men. His instincts are cautious and negative, and he has only a limited ability to draw the best out of those who work with him. His very discretion seems like secretiveness in his dealings with subordinates; it is a

DECLASSIFIED
E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines
By W., NARA, Date (0-12-9)

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constant complaint in the bureaus that even quite high officials cannot find out what the Secretary himself thinks and wants. This same concern gives great trouble to administrators like Bob McNamara and to Ambassadors like David Bruce.

- 6. Moreover, the Secretary has little sense of effective operation. He does not move matters toward decision with promptness. He does not stimulate aggressive staff work. He does not coordinate conflicting forces within his own department. The most notable example may be the course of the Department's policy on the MLF. He has never approved of it but he has never taken control of it.
- 7. George Ball does not complement Dean Rusk's weaknesses, although he has outstanding qualities of his own. He is a brilliant lawyer, a lucid and persuasive draftsman, and a formidable debater. He has a sharp, if erratic, eye for talent. He serves the President and the Secretary with zeal. He is a man of honor. But like many lawyers, he is a lone wolf and does not use the departmental staff effectively. He spends an excessive amount of time with the press. His judgment is jumpy. He is self-confident to the point of breeziness, and he constantly reaches for more administrative authority than he knows how to use. Unable himself to administer the department, he has consistently made it impossible for anyone else to do so.
- 8. The third-ranking member of the department, Averell Harriman, is probably the one man of the first magnitude on the 7th Floor. On world affairs he has courage, insight and force (though in domestic politics he is often foolish). He is fanatically loyal to the Presidency, and would wish nothing more than to be President Johnson's most effective diplomatic instrument. Moreover, he has an outstanding record for picking colleagues. But he is 73. He was never very flexible and now he is becoming both rigid and unpredictable. Moreover, he no longer has the strength to discharge continuous operational responsibilities. And unfortunately he and Dean Rusk are quite unable to communicate with each other.
- 9. The rest of the Presidential appointees of the Department of State are a varied group. A new Assistant Secretary for African Affairs is essential. A new man for Europe is also needed. New leadership is wanted in international economic affairs. The Department still has not found the right Congressional Liaison officer. The Department needs a replacement for Abe Chayes as top lawyer. Most of all, the Department needs an "old pro" to fill the job Alex Johnson had

as Deputy Under Secretary; Tommy Thompson hates it, does it very indifferently, and ought to go back to his real job as the best Kremlinwatcher there is.

10. On the other hand, the South American, Middle Eastern and Far Eastern Bureaus are led in different ways with competence and clarity. The Policy Planning Staff under Walt Rostow and Henry Owen needs more guidance from above but has the talent to become a major engine of initiative and imagination. The Cultural Affairs department under McPherson has too much luck to last. Public Affairs is well handled by Greenfield. Bill Crockett needs guidance and leadership but is good at his daily grind and very good with Rooney. Harlan Cleveland is the best UN staff officer since Dean Rusk. Tom Hughes is the best Intelligence Director ever.

Part Two: Possible Solutions

- 11. You have made it clear to everyone that you wish to keep Dean Rusk. There are excellent reasons for this, at least in the short run. Moreover, if you were to choose a successor it would be important to recognize that administrative energy and effectiveness might not be the first things you would look for. On any possible successor you would be insisting on many of the qualities which Rusk has and which are rare.
- 12. Nevertheless it is essential to recognize that as long as you have Dean Rusk it will be very difficult for you to organize the Department of State around or under him. It cannot be done at all -- and should not even be tried -- except through men in whom he himself has real and justified confidence.
- 13. I make this very strong point because of the history of confusion and failure in the Department of State when a President has tried to move around his Secretary to the No. 2 man. Hoover sometimes went past Stimson to Castle. Roosevelt often went past Hull to Welles. In the Kennedy Administration there was trouble when Bowles tried to have policies of his own.
- 14. Even though your own intention is never to do business that way, it is of the utmost importance that any arrangement that is made to tackle the management problem in the State Department be one about which the Secretary himself is genuinely content. This will not be easy. What makes it hard is that any solution will involve a deep disappointment to the understandable ambitions of George Ball. The Secretary has a proper and real affection for George, and I fear that he will find it very hard indeed to

believe that it is right and necessary to make arrangements that will hurt George.

- 15. Yet the absolutely essential requirement if any change is to work is that the Secretary should choose a man who shall be responsible directly to him -- and specifically not to George -- for the political and administrative management of the Department under his direction (in military terms, a Chief of Staff). Such an arrangement is conceivable through the use of the third-ranking job in the Department, but only if George Ball were specifically confined to the economic side, and if the arrangement were spelled out in writing and published to the Department. Otherwise the necessary authority simply could not be concentrated and used.
- 16. I do not know whether George Ball would consent to stay in such an arrangement, and I am honestly uncertain whether in fact it would be best from your point of view for him to go or to stay. From the immediate point of view of any man who might be asked to do this job, it would certainly be preferable to accept the immediate pain of his departure in the interest of long-run effectiveness. If that were done, then the new man should be given George's job, and still another man should be found to be Under Secretary for Economic Affairs.
- 17. Even aside from the problem of George Ball, I do not know whether there is a man whom you and Dean Rusk can agree on and to whom you can persuasively offer the confidence and the authority that a man would have to have for this assignment. The sooner you can find him the better. Every decision that is made before he is found will be a decision which would be better for the long-run effectiveness of the Department if he had sat in on it. Moreover, until you get this man, I think you will continue to find that the personnel recommendations of the Department of State are slow and uncertain and spotty. You and the Secretary need to begin the reconstruction of the Department as soon, and as near the top, as possible.

Part Three: What Change Might Accomplish

- 18. What specific reforms are possible in the Department of State under stronger leadership?
- 19. First, we must recognize that the great international problems do not yield to departmental management. What the Department can do is to analyze the problems, develop alternative courses, offer choices, signal opportunities, and execute decisions. The President and the

Secretary must <u>make</u> the decisions. Management cannot transmit to the troops decisions it does not receive -- it cannot and it must not try to usurp the responsibilities which the Constitution and people have placed elsewhere. Thus, in Vietnam the basic policy must be the President's.

- 20. Within this limitation, many important improvements should be workable with proper preparation in the Department and around the Government and on the Hill -- and with the President's support.
- (1) Most important of all, the Department can be given a sense of direction and self-confidence and pride and energy -- all the things which leadership and direction and zest can communicate.
- (2) As a fundamental part of this effort, the personnel policies of the Department of State can be gradually shifted in two directions: toward more rapid promotion of outstanding men, and toward a substantial and continuing reduction in the size of the enterprise. If the Department of State could be cut in half, and if half of the money saved were used for deserved salary increases, there would be a real diplomatic revolution of quality and energy in that agency. Nothing like that can be done overnight, but work can begin.
- (3) The Department can be imbued with a sense that it is responsible to the President for the advancement of the national interest broadly construed. At present its influence is low in many quarters because it does not dare to think in terms of the effective coordination and harmonization of all the interests and concerns of the President's government. It too often defends only the immediate diplomatic interest --very often that of a complaining foreigner. It should have a larger view of its role. I am confident that in general the other great departments will welcome such a generous and broad assertion of the State Department's role, because such an assertion would enlarge their own effectiveness and their own work. One of the great qualities of Alexis Johnson was his understanding of this general proposition -- and no Foreign Service officer is more admired in Defense and CIA. It needs support from higher up.
- (4) The Department can and should expand the good missionary work which Dean Rusk has done for himself as an individual on Capitol Hill. The Congress prefers strength to weakness as long as it is combined with courtesy and good faith. Much of the Department has been a frightened punching-bag since Joe McCarthy's time. There is no need for Dean Acheson's arrogance, but there is great need for

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intense and self-respecting attention to changing the Department's posture on the Hill.

- (5) A good Department of State can and should assume more responsibility than it has had in recent years for giving timely information to the President. President Kennedy wanted all this work done right under his own control, and my own office has tried to meet that interest. Moreover, in a measure the President's own staff can be expected to have a more intimate sense of his immediate interests than the Department of State. But there is really no reason why the State Department cannot do as well in keeping in touch with the President himself as Bob McNamara does with most of his important Pentagon problems. If my office is a bottleneck or a constraint on such activity, its own habits ought to be revised.
- (6) Finally, the Department can and should do a very much better and stronger job of explaining American policy to the Government, to the world, and to the American people. The Secretary needs both staff support and policy urging on this point. He should be pressed by both his President and his Department to a more vigorous role.

January 21, 1965

MEMORANDUM FOR THE PRESIDENT:

Subject: Your meeting with Chris Herter at noon

Herter's meeting is to give him private approval for his current plans, and public notice as he leaves to pick up the Kennedy Round negotiations. The negotiating position is agreed around the Government, including Freeman and Connor. In essence it calls for an effort to get the Common Market to show its hand on agriculture, while leaving open for a future decision our own choice of action if the Europeans (as I rather expect) refuse to show their hand on the agriculture side.

I think we will later face an important decision on the relation of agriculture to the Kennedy Roussi, but not today.

The other thing which needs to be settled is Herter's own position. I am assuming that you wish him to continue, at least through the coming months. If he is doing this effectively, he needs a word of support from you, because he is a direct Presidential appointee. He is a fussy man, but he is human, and as a Republican politician (unlike your Republican administrators) perhaps particularly sensitive to the fact that he needs your confidence.

Finally, the Kennedy Round itself needs a word of support from you, and our plan is to have Herter make a statement reaffirming this support as he goes out. This seems to us a little better than a direct statement from you at this stage, because the negotiation issues are not ripe for direct Presidential leadership at the moment.

At Tab A is a letter for internal use only which you might give to Governor Herter both as an instruction for these negotiations and as a word of support for him and his staff.

His memorandum is at Tab B.

His proposed statement is at Tab C.

January 21, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Your meeting with the Committee on Nuclear Proliferation

Attached is an advance copy of the report of the Committee on Nuclear Proliferation. The original of the report, signed by the members of the Committee, will be presented to you when you meet with them and your own senior advisers in this field at 12:30 today.

The members of the Committee are: Roswell Gilpatric, Arthur Dean, Allen Dulles, General Gruenther, George Kistiakowsky, John McCloy, James Perkins, Arthur Watson, William Webster and Herbert York.

Today's order of business is that Gilpatric will present the main conclusions of his committee and ask individual members to comment briefly on aspects on which they are expert. This committee has worked hard. Its subject matter is most important, and we all hope that you will want to take up to an hour to hear the arguments.

The committee comes down hard on one side of this tough question, and at least one of your advisers -- Dean Rusk -- has real doubts about its recommendations. For that reason there will be no public discussion of the report at present, and you yourself will probably wish to reserve your position until the matter has been studied by one of your own people.

The conclusions of the Committee are summarized in the first six pages of the report. The remaining sixteen pages are devoted to specific recommendations for action.

In brief, the Committee unanimously concludes that the spread of nuclear weapons poses an increasingly grave threat to the security of the nation; that we are rapidly approaching a point of no return in controlling nuclear spread; that it is clearly in the national interest that we act now to deal with the problem; that intensified efforts by the United States afford considerable promise of success; and that the costs of such efforts, though substantial, would be more than outweighed by even partial success in halting or greatly retarding the spread of nuclear weapons.

The Committee proposes urgent actions in three general areas: (1) formal multilateral agreements, such as a non-proliferation agreement, a comprehensive test ban, and nuclear free zones; (2) efforts by ourselves, and in conjunction with others, to influence the decisions of individual nations, such as India and Japan, which now have the capability of developing nuclear weapons; and (3) setting examples for non-proliferation by way of our own actions and policies.

Because of the urgency of the problem and the major significance of Soviet upport to the success of many non-proliferation measures, the Committee recommends early approaches to the Soviets seeking such support.

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT TO THE COMMITTEE ON NUCLEAR PROLIFERATION

Yesterday the Nation reaffirmed its dedication to the pursuit of peace. Today, we find that problem, once again, first on our national agenda.

Tomorrow and in the years ahead, our future and the future of the world will be shaped in no small measure by what we now do in the face of the complex and difficult problems posed by the spread of nuclear weapons.

I am grateful, therefore, that such distinguished and experienced men have today given me and my advisors the benefit of their patient and searching counsel.

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CONFIDENTIAL

January 19, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Ball memo

1. Your reference to the Ball memo reminds me that I had meant to put in a statement at least partially in defense of Mike Forrestal. As I said, Mike denies that he mentioned the Ball memo to Joe Alsop. I spoke to Dean Rusk about this the other day and asked him if he was confident of his source on this point, since I knew how greatly your opinion of Forrestal had been affected by this charge. I was startled to learn from Dean that his source for the report that Forrestal told Alsop is Joseph Kraft, who said this to Jim Greenfield.

WASHINGTON

- 2. Nothing is more invidious than comparisons of reliability, but I must say I would not wish to take Kraft's word against Forrestal's in a case of this kind.
- 3. Moreover, if Kraft was present when Forrestal and Alsop were talking, he probably contributed to the discussion himself, and he is in a very good position to know George Ball's views because he sees Ball frequently and has just completed a profile This is nothing against George, who is zealous in his loyalty to you, but it does suggest that Joe may have picked up his picture of the Ball memo from more than one source.
- 4. The Secretary is reluctant to dig to the bottom of this, because in his own experience indiscretions of this kind are a miserable fact of life, but a fact nevertheless. He himself does not hold the matter strongly against Forrestal, and in the light of the circumstances, I must say I hope you will agree it would be wrong to write off an able and dedicated youngster who is doing his damndest to carry on the best of his father's tradition.

Authority 715C 5-1-79 letter

By if, NARS, Date 9-25-79

January 19, 1965

MEMORANDUM FOR THE PRESIDENT:

Subject: Carl Rowan and Africa

I think Carl Rowan's memorandum to you of January 14 is based on his conversation with me. I had to let the Department of State know that you would not be sending messages or putting your own name behind the Rowan visit. Carl called me for an explanation and I told him that in your view this was a State Department trip and not one in which you would wish to be directly engaged. It was from this account of your views that Carl drew the quite natural conclusion that you were not enthusiastic about his going.

If you want me to, I can quite readily get this trip back on the rails, simply by telling Rowan that I misunderstood your position. It is certainly true that we have a major problem of image and reputation in East Africa as a result of the fanatical feeling of the Africans about Tshombe and their willful misunderstanding of our paratroop rescue. But whether Carl Rowan is the right man for the job is another question.

Leave	ie	alone
Speak	to	me

January 19, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Inaugural address

- I. I have passed to Bill Moyers all my suggestions on the Inaugural. I have particularly emphasised to him the importance of a couple of strong sentences on our commitments and engagements abroad. Scotty Reston called me this morning to ask me about the "new isolationism," and I think we ought to take out insurance against criticism on this by some pretty strong language in the Inaugural (we will also need some speeches later, but these can wait).
- 2. More generally, I think the Inaugural is rounding into very good shape, but it still needs editorial tightening, and a fusing of the different styles of Goodwin, Steinbeck and above all Johnson (the paragraphs about waste as the enemy are the strongest and the most Johnsonian in the speech).
- 3. Dick Goodwin is getting almost as tenacious about his favorite language as Ted Sorensen used to be. My own very strong advice is that you make Moyers the final editor under your direction, and lean on his side with respect to any phrases that he and Dick disagree about. Bill is wholly fair and unprejudiced.

January 19, 1965

MEMORANDUM TO THE PRESIDENT

THRU: Jack Valenti

SUBJECT: Appointment for Ambassador Luke Battle

- 1. Ambassador Luke Battle is back from Cairo for consultation, and it is highly desirable that his standing with Nasser be protected by reports that he has seen you during his visit.

 This can be done with mirrors if you prefer, but my own belief is that you would find it helpful to talk with Battle. We shall be very dependent on his reporting in the coming months, and his effectiveness will depend a great deal on his sense of your own attitudes. There is no substitute on both scores for a short face-to-face talk.
 - 2. Can we have 15 minutes?

Yes			
	-		-
No			
44.			

THE WHITE HOUSE

WASHINGTON

January 18, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Yesterday's Washington Post Editorial on Auto Arrangement with Canada. (Jack Valenti said you wanted a word of comment on this.)

Yesterday's Post editorial (attachment 1) attacking our automobile arrangement with Canada was by Harvey Segal, who writes most of their editorials on economic matters. As a free trade purist, Segal has no taste for measures which stop short of 100% free trade. He completely ignores the fact that the alternative was not complete free trade in automobiles but economic war.

The point is well made in an Ottawa despatch in this morning's New York Times (attachment 2): "The auto plan means that Canada had /sic/ abandoned the thought of creating a distinctly national and fully diversified automobile industry. It is willing to specialize."

Phil Trezise, of State, who has been principally responsible on our side for putting together the arrangement, will be talking to Segal this afternoon to try to straighten him out.

my. B.

McG. B.

Attachments (2) a/s

Free Trade for Whom?

President Johnson and Prime Minister Lester B. Pearson have reached an agreement to eliminate most of the tariffs in the automobile trade between Canada and the United States. A "free trade" compact, aimed at establishing a single and more efficient North American automotive market, has an instant appeal for proponents of a more liberal international order. But rhetoric can be treacherously misleading. The document to which signatures were affixed in Johnson City contains a number of unpleasant surprises. What is more, its success is contingent upon the fulfillment of a parallel agreement between the major United States automotive manufacturers and the Canadian government, an agreement that is shrouded in secrecy.

In an effort to improve her balance of trade, Canada in 1963 instituted a plan under which Canadian-based auto manufacturers earn duty remissions on the parts which they import by increasing exports to the United States. This export subsidy scheme worked to the advantage of the major American auto makers, the Big Three that operate on both sides of the border. But the consequent shift of production to Canada inflicted injury upon those independent parts manufacturers who produce only in this country. Legal action was brought to compel the Treasury to levy countervailing duties against the Canadians, and an effort to avert a tariff war led to the proposed agreement.

The three-year compact provides for a duty-free trade in automobiles and original parts that is limited to producers. Chrysler, Ford and General Motors can trade freely with their Canadian subsidiaries, but the same privilege is not extended to the Canadian citizen who would take advantage of lower prices in the United States. Genuinely free trade in automobiles would confer solid benefits on consumers through lower prices. But the outcome is in doubt when the freedom is limited to producers.

There is no doubt at all that the compact is discriminatory. The Canadian government is empowered to designate the manufacturers who would be eligible to engage in the duty-free trade with this country, thereby closing the "free market" to European and Japanese producers. These provisions clearly violate the spirit if not the letter of the General Agreement on Tariffs and Trade, a fact that will be underscored by strong protests from the excluded countries.

Free trade would tend a concentrate auto production in this country, and to avert that development the Canadian government has obtained assurances from the American producers that the output of their Canadian subsidiaries will be increased. The details are a secret, but it is understood that Canadian output will be boosted by \$250 million over and above the current growth trend. And to seal the political bargain, the United Auto Workers have been assured of adjustment assistance for displaced workers on terms which are sensibly denied under the Trade Expansion Act.

Good intentions have hatched a scheme, tailored to the needs of the major manufacturers, that bears an ominous resemblance to the bilateral trade restrictions of the 1930s. Unless Congress approaches it in a spirit of unflinching criticism, free trade will again fall victim to the deadly embrace of its "friends."

Vashington Post Jan. 17, 1965

act on Auto Trade Is alled A Boon to Industry in Canada

By JOHN M. LEE

Special to The New York Times

OTTAWA - Agg : ssive action Ranch 65 miles west of Austin,

by Canada has given this country a major economic breakthrough that points to an expansion of its hitnerto restricted as an able industry.

The program calls for the elimination of tariffs on motor which is an original equipment wards omes as a resolltion of a resiliced to an exception of a resiliced by Canada with an expert incentive program for

Acto parts.

Effective today, the controversial auto parts found which had threatened to upset aconomic relations between the two countries will be superseded by what has been described by C. M. Drury, Minister of Industry, as "a new far-reaching program."

The agreement, first announced Friday, was signed Saturday by Lesideat Johnson and Canadian Prime Minister Lester B. Pearson at the LBJ Continued on Page 26. Calumn 1.

Lester 2. Pearson at the LBJ Continued on Page 30, Column 1

Continued From Page 2

market carries a number of m plications. The auto plan means that Canada had abandoned the thought of creating a distinctively national and fully diversified automobile industry. It is

willing to specialize.

The nian also means greater economic interdependence of Canada with the United States. But both Canadian and United States officials here say that the auto industry offers special advantages for integration and that it would be a mistake to anticipate from Canada any great interest in economic union with the United States. Such a move is considered here to be politically unfeasible.

At a press conference Mr. Drurysisaid, "This program is designed to achieve a substantial expansion in production and employment and promote improved_competitive efficiency in this important sector of Canadian manfuacturing.

Gains Are Predicted

"By the 1968 model year," he continued, "production in Can ada of vehicles and parts going into their manufacture should be expanded by about one-third above their present level. This is in addition to normal growth."

He estimated the expansion at "several hundred million dollars annually of new Canadian production" and said the entire country should benefit.

EarleK. Brownridge, president of the Motor Vehicle Manu-facturer's Association, said in Toronto that the association kets.

Canada's trade imbalance agreement.

auto prices in the near future. tal balance of payments deficit. He said it would take time to adjust to the changes. The agreement is a continuing one, but is subject to review Jan. 1, 1968. by

Labor Unions Critical

Labor unions and manufacturers of replacement rather than original equipment parts have been critical of the proadian jobs. In addition, get a \$50 million annual benefit through the immediate elimination of the Canadian 17.5 amounted to an export subsicional per cent duty with no promise of immediately lower prices.

A new Chevrolet costs about 14 per cent more in Canada than in the United States. The higher price is attributed to Canadian duty on essential parts imported from the United States, shorter presented from the United States, shorter presented from the United States, shorter presented from the United States are undertaking to remove their duties, a Canada for the Canada than the United States are undertaking to remove their duties, a Canada for the Canada the William Canada the United States Government stalled on taking any well the Canada the William Canada the United States Government A new Chevrolet costs about

the United States and but cheapeg car without paying duty. Spily Canadian auto manufacturers may import cars, duty free and almost all auto manufacturing here is done by United States subsidiaries.
Thus, if G.M. concentrated its

Chevy production for the northeastern United States in Montreal, it could bring in duty free its other models to serve the. Canadian market.

Requirement Listen

Greater Canadian production will be achieved under the plan by the requirement that producers here must maintain the same ratio of productio. It sales as in the 1964 model year and must incorporate Canadian added value of auto parts in the same ratio as in 1964.

Canadians have been eo cerned about the small size of their automobile industry in view of the figures that Canada produces 4 per cent of the tota. North American output and consumes 7.5 per cer.

tion it was felt that higherpriced Canadian cars were notif being offered by their United

with the United States in autos Buf he warned against 'ex-pecting any early change in the pattern of production or any reduction of higher Canadian reduction of higher Canadian

To try to correct this situa-The tion Canada introduced an auto parts incentive program in November, 1962, and then expanded it with the controversial Drury plan of November, 1963.

Under this plan, United States auto subsidiaries may. import auto parts duty free to posed plan as threatening Can- the extent that they cause Casome nadian auto parts to be exportpersons are already criticizing ed in excess of a base persod. auto producers here, who will some United States parts are Some United States parts producers said this program counterveiling duties.
The United States Govern-

THE WHITE HOUSE

WASHINGTON

January 18, 1965

MEMORANDUM FOR

THE PRESIDENT

I noted with interest that my name was not included on the list of Special Assistants issued at the ranch on Saturday. A similar omission occurred in a previous list but George Reedy assured me then that it was inadvertent. Naturally, since I was appointed by you last January, the new list has raised questions in my mind concerning my status -- as it will also in the minds of those with whom I must deal.

I don't know whether there is a genuine problem but would like an opportunity to discuss it with you if there is. Otherwise, it seems to me that George ought to issue a formal correction if I am to discharge my responsibilities adequately.

10 squadrum? tourist.

Capital - got to face up to D.

fell Dillen.

Donald F. Hornig Special Assistant for

Science and Technology

January 18, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Yesterday's Washington Post Editorial on Auto Arrangement with Canada.

Yesterday's Post editorial (attachment i) attacking our automobile arrangement with Canada was by Harvey Segal, who writes most of their editorials on economic matters. As a free trade purist, Segal has no taste for measures which stop short of 100% free trade. He completely ignores the fact that the alternative was not complete free trade in automobiles but economic war.

The point is well made in an Ottawa despatch in this morning's New York Times (attachment 2): "The auto plan means that Canada had /sic/ abandoned the thought of creating a distinctly national and fully diversified automobile industry. It is willing to specialize."

Phil Trealse, of State, who has been principally responsible on our side for putting together the arrangement, will be talking to Segal this afternoon to try to straighten him out.

McG. B.

Attachments (2) a/s

FMBator:djw 1/18/65 SECRET

MEMORANDUM TO THE PRESIDENT

SUBJECT:

Weekend Developments of Interest

- 1. I think you have seen George McGhee's encouraging general cable of his meeting with Erhard, but I think you have not seen his personal report to you. This is attached at Tab A, together with a cable to me and a copy of the outgoing cable which I sent him at your direction. What it comes down to is that Erhard is not as worried as George was, and that your message to Knappstein had a very good effect. There never was much to worry about in Erhard's visit to de Gaulle; now there is nothing. We believe your press conference statement on the MLF problem will also be helpful.
- 2. As I said on Friday, Jones in Djakarta has recommended that you see Sukarno. The cable (Tab B) is interesting, but not wholly persuasive. Our preliminary judgment is that it would be much better if Hubert should go to Manila, Kuala Lumpur, and Djakarta sometime in the next month (he would be much better than the Attorney General, because it is closeness with you that counts now). Since this message, both Sukarno and Subandrio have been forthcoming in meeting our demands on a number of outstanding issues (notably on our libraries), so it may well be that it would be wise to have a visit by Hubert as a time-gaining exercise. I will check your reaction to this on Monday. Sukarno's own tactical view of his program is also interesting and is attached at Tab C. In essence, what he says is that our own confrontation with China will force us to give more support to Indonesia sooner or later.

McG. B.

(Tab A: 2651 fm Bonn

1/14/65xxx to McGhee fm Bundy

2652 fm Bonn for McG B

2643 fm Bonn

Tab B- 1358 fm Djakarat

Tab C - TDCS-314/00496-65)

Authority State 8-29-77: nsc 11-30-18

By NARS, Date 6-20-79

INCOMING TELEGRAM Department of State

(made better pend cy to pend)

SECRET

CONTROL:

12165

FROM:

BONN

RE CD:

JAN 16, 1965

6:48PM

ACTION:

SECSTATE 2651 PRIORITY

DATE:

JAN 16, 1 PM

SECRET

FOR THE PRESIDENT

NODIS

DECLASSIFIED
Authority State State State 14/78
By Mg, NARS, Date 2/21/78

I HOPE YOU WILL READ OUR EMBASSY TFLEGRAM 2643 DESCRIBING MY MEETING LAST EVENING WITH CHANCELLOR ERHARD ON THE EVE OF HIS VISIT WITH GENERAL DE GAULLE AT RAMBOUILLET. I BELIEVE THAT THIS MESSAGE WILL REASSURE YOU AS TO THE STATE OF OUR RELATIONS WITH THE CHANCELLOR AND THE GERMAN GOVERNMENT. THE CLOSING STATEMENT OF THE TELEGRAM QUOTES ERHARD'S ASSURANCES TO YOU THAT "NOTHING IN THE GERMAN PSOTION HAS CHANGED," THAT HE "VALUES HIS PERSONAL FRIENDSHIP WITH YOU," AND THAT GERMANY WOULD LIKE TO CONSIDER ITSELF "OUR MOST FAITHFUL ALLY," -- ALL OF WHICH I AM CONVINCED HE MEANT IN GREAT SINCERITY.

I HOPE, THEREFORE, THAT YOU WILL NOT ALLOW THE TEMPEST WHICH HAS BEEN RAGING IN GERMAN POLITICAL AND NEWSPAPER CIRCLES DURING THE LAST TWO WEEKS TO RAISE ANY QUESTIONS AS TO ERHARD'S CONSTANCY AND FAITHFULNESS. THE ATMOSPHERE HERE IS THE WORST I HAVE ENCOUNTERED DURING MY STAY HERE OF ALMOST TWO YEARS. IT WAS SET IN MOTION BY EVENTS EMANATING FROM THE US, WHICH LED TO A GENUINE MISUNDERSTANDING OF THE US INTENTION 1) TO PROCEED WITH THE CREATION OF AN MLF AND 2) TO SUPPORT GERMANY IN A REUNIFICATION INITIATIVE. I SEE FROM THE REPORTS OF MY COLLEAGUES THAT THIS WAS NOT AN EXCLUSIVELY GERMAN REACTION BUT WAS WIDESPREAD IN EUROPE -- AND I BELIEVE EVEN IN THE US.

ERHARD'S

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SECRET

-2- BONN 2651 JAN 16, 1 PM

ERHARD'S REACTION TO THE CHANGE IN OUR PACE FOLLOWING THE NATIONAL SECURITY MEMORANDUM OF DEC 17 WAS, AS I PREDICTED TO YOU IN JOHNSON CITY, TO SEEK A DELAY IN OBTAINING OFFICIAL BUDESTAG APPROVAL FOR THE MLF UNTIL AFTER THE GERMAN ELECTIONS NEXT SEPTEMBER. ALTHOUGH THIS IS EMBARRASSING TO SCHROEDER AND DUES TO SOME EXTENT PLAY INTO THE HANDS OF THE GAULLISTS HERE, IT IS WARMLY WELCOMED BY THE CDU PARTY LEADERSHIP AS REMOVING A SOURCE OF TENSION BETWEEN GERMANY AND FRANCE DURING RHE ELECTORAL PERIOD. I ASSUME THAT THIS IS NOT, MOREOVER, AN ENTIRELY UNWELCOME DEVELOPMENT FROM OUR STANDPOINT.

MCGEORGE BUNDY HAS IN YOUR BEHALF ADVISED ME OF YOUR REACTION TO THE RECENT GERMAN NERVOUSNESS, AND OF THE FACT THAT YOU DO NOT "FIND IT AGREEABLE TO HAVE REPEATEDLY RENEWED GERMAN QUESTIONS ABOUT THE FIRMNESS OF (YOUR) PURPOSE OR THE DIRECTION OF (YOUR) POLICY." I CAN UNDERSTAND A REACTION TO THE RECENT GERMAN MOOD. INDEED, DURING THESE PERIODIC FLURRIES THE GERMANS BEHAVE IN A VERY IRRATIONAL AND IMMATURE WAY. THIS IS, HOWEVER, THEIR PRESENT NATURE, DERIVED FROM THEIR BASIC INSECURITY AND LACK OF CONFIDENCE IN THEMSELVES AND THEIR FUTURE. SINCE WE ARE NOT LIKELY TO CHANGE THEM, AND SINCE GERMANY IS SO IMPORTANT TO US AS AN ALLY, WE MUST I BELIEVE BE PATIENT AND WAIT THEM OUT. USUALLY, AS IN THIS CASE, THE TIDE AGAIN TURNS. FORTUNATELY, I BELIEVE THAT WE NOW FACE THE RAMBOUILLET MEETING WITH A DECIDED UPSWING IN OUR FAVOR.

IN ANY EVENT I VERY MUCH HOPE THAT YOU HAVE NOT OBTAINED FROM MY REPORTING THE IMPRESSION THAT ERHARD HIMSELF HAS NOT BEEN CONSTANT. HIS POSITION WAS DEEPLY AFFECTED BY THE POPULAR MOOD WHICH PREVAILED HERE; HOWEVER, HE HIMSELF DID NOT YIELD TO IT AND HE HAS NOW EMERGED, I BELIEVE, MASTER OF THE SITUATION HERE AND, AS EVER, A FAITHFUL FRIEND OF YOURS AND ALLY OF THE US.

GP-3.

MCGHEE

WVC/1

CHIPPIN

THE WHITE HOUSE

WASHINGTON

TOP SECRET

January 14, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Our last exchange with Taylor

Taylor came in on Monday with a long answer to your message of last Thursday. We owe him an answer.

Taylor still resists the immediate withdrawal of dependents. He says that it would not be practicable to cover it with hints of a reprisal policy in Saigon, and he says that if we tie the GVN to reprisals, they will feel a right to request reprisals after nearly any small act of provocation. So he goes back to his own recommendation that we wait on dependents until after the reprisal is ordered. Rusk, McNamara and I agree that we should go back to him with another proposal, but because we think this is a poor week to ask you for any major decisions, I suggest we send this one over Rusk's name without committing you at this stage. Our suggestion is that we stick to the notion of immediate withdrawal of dependents, ing to him that he sound out the Prime Minister on this matter and authorizens Max to propose to Huong that the withdrawal be covered and explained by a Presidential statement here. The object of this statement would be to indicate our firmness and determination without explicitly discussing reprisals. The experts think it might well do the job, but we need to give Max a chance to comment.

The statement we suggest is as follows:

"I have asked Ambassador Taylor to arrange for the evacuation of the dependents of all official American civil and military personnel in South Vietnam. In taking this action I recognize the personal hardships that will be imposed on these loyal Government servants who are already working in what are trying circumstances. Nevertheless, I feel a personal responsibility for the safety of the wives and children involved and consider that in view of the ever-present danger of indiscriminate attacks, and the irresponsibility of the Communist terrorists, they must depart. We continue to seek peace in South Vietnam as in all Southeast Asia, but as long as the Communists persist in their efforts to take over the country there will be danger to Americans as, of course, there also are to the long-suffering Vietnamese

DECLASSIFIED

E.O. 12356, Sec. 3.4

NLJ 86-72

By P, NARA, Date 4-14-87

TOPSECRET

people themselves. I also regard it as essential that American officials and military personnel in South Vietnam be relieved of every duty or responsibility unrelated to the effective execution of aid to the GVN and also that that Government not be asked to bear any burdens of support or protection which are not absolutely essential to its own safety. This evacuation therefore will begin at once and will, of course, be carried out in a manner to minimize hardship and difficulty for all those concerned."

Max's incoming also tries to tighten your commitment to Phase 2 operations. (Air attacks against North Vietnam that are not specifically reprisals.) We would propose to answer by saying that you would not be ready at this stage to go beyond the position stated in your last message, namely, that you are willing to have joint planning but must make it very clear that any decisions by the President on Phase 2 will'hecessarily be affected by performance" in reprisal actions, in military efforts within Vietnam, and in the struggle for political stability.

If the truce of the tea party holds and this line of action seems reasonable to you, we would try to keep Vietnam quiet until after Wednesday.

9 93

MEMORANDUM TO THE PRESIDENT

SUBJECT: John Loeb and Sweden

- 1. After consultation with Dean Rusk, George Ball tells me that the Secretary and he strongly recommend Sweden as against Portugal. Admiral Anderson has been in Portugal less than two years and his abrupt recall might give rise to some criticism.
- 2. I am less sensitive about Anderson, but I do agree with George Ball's statement that our relations with Sweden are very largely economic and that John Loeb would be very good at the job. Moreover, Stockholm is a highly attractive capital and the job is the most important in Saandinavia.

THE WHITE HOUSE

WASHINGTON

January 12, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: U. S. Foreign Policy since November 1963

This memorandum deals with this great topic in four sections:
(1) the prevention of panic and the victory in the election; (II) events and achievements area by area; (III) President Johnson's methods and policies as revealed both in moments of crisis and in sustained policy drives; (IV) elements of the Johnson agenda for 1965. (These assessments are designed for background use with reliable correspondents, but section IV should be treated with caution and it may be better to omit it altogether.)

I. Prevention of panic

- 1. President Kennedy's death sent shock waves around the world -both because of his own achievements and because of the enormous
 importance to all the world of the U. S. Presidency. President Johnson
 acted at once to prevent panic:
 - -- He held the Kennedy team together
 - --He gave immediate reassurances to foreign governments, especially the Soviet Union
 - --He won public confidence in the U.S. by his first messages
 - --He responded coolly to tricky emergencies in Panama, Guantanamo, and Cyprus
 - --He picked up and pressed through the unpopular but essential aid program
 - --He established a new level of economic confidence at home (indispensable as a base for foreign policy abroad)
- 2. The defense and vindication of basic foreign policy in the election campaign.

The most important event in the U. S. in 1964 was the Presidential election, and the election this year was at least as important for foreign policy as for domestic affairs. The nomination of Goldwater challenged the whole course of American policy since 1945. The President accepted this challenge. He reaffirmed American policy in at least six crucial areas, and the election was not only a personal triumph but a mandate to go forward in these fields:

- (1) Maintenance of balanced defenses as against excessive reliance on bombs and bombers.
- (2) Firm support of the UN as against suspicion and even possible rejection.
- (3) A continued effort to slow down the arms race, as in the test ban treaty; the nuclear cutback.
- (4) A policy of peace with the Soviet Union and intensified effort to end the Cold War.
- (5) A policy of responsibility and restraint in Presidential control of nuclear weapons.
- (6) A policy of firmness but prudence in crisis areas like Southeast Asia.
- (7) A policy commanding the trust and support of America's friends and allies, instead of their fear and opposition (the President would have won by an even larger percentage if the polls had been open to the whole Free World).

II. Events and achievements

1. Our immediate neighbors

President Johnson continued and extended the public concern shown by President Kennedy for relations with Canada and Mexico.

(1) Canada

He completed the Columbia River Treaty and is on the verge of producing a major new agreement on automotive production and an up-to-date air agreement. He has laid a basis of confident and intimate cooperation with Prime Minister Pearson so that they can call each other back and forth when either of them has a problem he needs to discuss with the other.

(2) Mexico

The President capitalized upon long friendship and understanding as a Texan and has been able to build a relation of trust, first with Lopez Mateos, and now with Diaz Ordaz. There is a better prospect than ever before of a fair and constructive settlement of the Colorado River/saline water problem.

2. Latin America

1964 was a consistently good year in Latin America.

The President began by concentrating authority in the hands of one man,
Thomas Mann. This concentration has increased U. S. effectiveness
on every front -- diplomatic, economic, and political.

In Venezuela and Chile there were elections in which political freedom was vindicated as against subversion and pro-Communism.

in Brazil and Chile a responsible and progressive new government has begun an important program of economic and social reform -- and the threat of a crumbling toward Communism has been removed.

In Panama a crisis created by long neglect has been ended and an imaginative and determined new offer has transformed the political atmosphere as we enter 1965.

In Cuba the effective handling of the Guantanamo water "crisis" made Castro look foolish for almost the first time. The strong OAS Resolution passed in July increased the political isolation of Castro. Our own restrictive campaign, coupled with Cuban mismanagement, produced a bad year economically. The Russian withdrawal of troops continued until only military technicians are left. As 1965 opens, the international prestige of Castro is at the lowest point since he came to power, and the Cuban issue which threatened to embitter American politics has all but disappeared.

Finally, the Alliance for Progress had a very good year. More Alliance loans were made in the first six months of 1964 than in all of 1963. The quality of loans was improved, and increased attention was given to self-help. In the last half of 1964, even better and more promising programs were put in motion for Brazil and Chile.

3. Europe

In Europe President Johnson maintained the steadfast commitments of 20 years in a year which was relatively quiet.

He established good relations with Douglas Home and Wilson of England, Erhard of Germany, Segni of Italy, and, as far as circumstances would permit, with General de Gaulle of France. The President avoided playing General de Gaulle's game by seeming to wrangle with him.

The President maintained his support for a reasonable solution to the nuclear problems of the Alliance, but he avoided a potentially dangerous and unproductive crisis by removing any sense of heavyhanded U. S. pressure for a fixed solution against a fixed time limit. (Here, the President may wish to point out that his famous NSAM was a shift of tactics and not of principle. He has not abandoned the MLF. He regards it as a constructive proposal, aimed at a real need. He is certain that the nuclear powers must take full account of the reasonable needs of non-nuclear nations. He has the same deep concern for fair treatment of Germany that all American Presidents have had since Mr. Truman's time. He has explicitly excluded any notion that satisfactory arrangements can be made without fair treatment of Germany. All that he has done, in other words, is to reaffirm at a timely moment the position so often stated by President Kennedy -- that the U. S. is seeking a solution which meets the real needs of the people of Europe, and is not going to prejudice the matter by trying to force any one solution of its own design. The people of Europe and the people of Germany in particular can count on the steadfastness of American nuclear protection while these difficult matters are being worked out.)

4. Africa

The situation in the Congo remains very difficult, but the last weeks have seen some progress. The U. S. continues to seek solutions in which other nations, especially in Africa, may play a constructive role. The wild terrorism of the rebels has produced a new factor which required an adequate response. But there has been no significant sag shift in U. S. policy, as some suggest. Tshombe is now the Prime Minister of the recognized central government, where formerly he was the head of a dissident province. We have worked responsibly with the legitimate government all the way through, and we still do.

The President's most difficult decision in Africa was the Congo paratroop drop. This was a timely and indispensable action by which hundreds of lives were saved, and for which we make no apology. It is already better understood than it was at first in Africa. Some of those who are most critical have revealed in unguarded comments that there all disappointment arises from their (unfounded) belief that the paratroop drop interfered with their wholly illegitimate ambition to support a rebel victory (Ben Bella has said as much, but his unguarded comment to Porter should not be revealed to Wicker.)

Elsewhere in Africa there were no major changes in 1964, except Tanganyika and Zanzibar became Tanzania. We cannot boast about it, but quietly energetic American diplomacy played an important role here in arousing alertness to the danger created by a Communist coup in Zanzibar. The solution which was found is typical of the degree to which'a stitch in time can save nine" in this increasingly unstable continent.

The forecast for Africa in 1965 and after is not good, and the President may wish to indicate that the problem has his close attention.

5. Asia, less Vietnam

The most important event in Asia in 1964 was the Chinese nuclear test. By timely action the President limited the impact of this event -- first, by instructing Secretary Rusk to give advance warning, when our own intelligence alerted us to the probability of such an event, and second, by a careful and extensive statement on the meaning of the event and of U. S. policy in response to it, on October 18.

The President established good relations with India and has prevented further deteroriation in our relations with Pakistan, which have been unfortunately affected by our Indian aid program. (The President hopes to do more on both of these fronts by meeting with Ayub and Shastri in 1965, and this can be said off-the-record.)

The situation in Laos and in Thailand improved during the year. Souvanna Phouma has been strengthened, largely by our own quiet but energetic support. US/Thailand relations have grown steadily better since a relatively low point in 1962, and they have been reinforced by personal discussions between the President and Foreign Minister Thanat. Relations with Japan and the Philippines have also improved, in spite of the accidental difficulties which Ambassador Blair has had in recent months. The President is now concluding a highly successful exchange with Prime Minister Sato.

6. The Middle East

There is a big story here, which reminds me of the Sherlock Holmes adventure of the dog that did not bark. 1964 is the first election year on record in which there was no trouble over Israel pressure on the American government. The reason for this is that both President Kennedy and President Johnson established a practice of close and direct relations with the Israeli government, so that both sides have done their own bargaining

outside the U. S. political arena. As a result, US/Israeli relations are at a stable and high level of friendship, while there has been no significant backlash among the Arabs (barring a very small reaction against the President's first speech last year.)

Our relations with Nasser are a problem, but this is a problem created by Nasser and not by the U. S. The President, as guardian of the national interest, may share the anger of Americans when our libraries are burned, but he is careful and restrained in his actions and in his words, because experience has proven that anger is not a good guide to action with these ardent nationalists. We are playing it very cool, and the President meant what he said in his State of the Union message, but we do not expect to give up our effort to live in peace and friendship with the Arabs, as with other peoples. Nor do we expect to break existing agreements on food because of particular outrages -- especially when reparations and apologies are forthcoming, as in this case.

The most troublesome area in the Middle East is still Cyprus. A brilliant diplomatic effort led by Dean Acheson did not produce a solution, but at least it can be said that without the U. S. there would have been war twice. In February and in June President Johnson made strong representations which were effective in preventing Turkish intervention, which would have been as catastrophic for Turkey as for everyone else. There have been costs in this U. S. effort, and we have had criticism from all parties. But the President has not changed his conviction that war over Cyprus would be the worst solution for all concerned.

7. The Soviet Union and Eastern Europe

1964 was essentially a quiet year in our relations with the Soviet Union. We had an election, and they had internal problems which culminated in the removal of Khrushchev.

Nevertheless the President established and maintained a posture of communication with the Soviet leaders, and of continuous efforts to find new steps toward peace. He accomplished the nuclear cutback, and his leadership produced five new disarmament proposals which were tabled in Geneva. He emphasized this aspect of his policy throughout the political campaign, and he has a mandate now to continue on this course, which would not have seemed likely five years ago.

In Eastern Europe, the President announced a policy of building bridges and concrete steps in this policy are being taken. We have agreed to important sales to Roumania, and progress has been made in developing a new climate of opinion on East/West trade. This program will continue.

- III. President Johnson's methods and policies as revealed both in moments of crisis and in sustained policy drives.
- 1. Crises. The President will remember what he did and why he did it in a number of such crises:
 - -- Panama
 - --Cyprus
 - --Guatemala
 - --Zanzibar
 - -- The Gulf of Tonkin (twice)
 - -- the Chinese bomb
 - -- The fall of Khrushchev
 - -- the Congo parachute drop

and others which are still classified like

- -- Laos overflights .
- -- possible reprisals for Vietnamese atrocities

To a member of his staff, the President's course of action in these crises offers a number of lessons:

- l. his insistence on getting the facts right -- a man's judgment is no better than his information.
- 2. his insistence on knowing the thinking and judgment of the senior advisers in the relevant Departments -- he has not always agreed with everyone, but he has never acted without knowing the thoughts of his Secretary of State, his Secretary of Defense and the Chairman of his Joint Chiefs.
- 3. his willingness to stand firm against majority advice when he finds it necessary (Panama) and his willingness to resist recommendations for action against similar majority advice when he is not persuaded (the second Gulf of Tonkin case).
- 4. his intimate sense of engagement and involvement when any given order places American lives in danger. (The Gulf of Tonkin, the Congo, and the Laos overflights)
- 5. his readiness to connect a given crisis to a wider problem, and his sense of the timing of this process -- thus the first Gulf of Tonkin leads promptly to a needed Congressional resolution which could not have been

presented before without destroying the legislative calendar, while on the contrary in the case of Panama the proposal for a wholly new treaty is held back until it is wholly disconnected from threats and pressures of the Government of Panama.

The President can get excited over small matters like the number of Ambassadors he has to greet or the errors in a given story, by a New York Times reporter, but he is always cool when there is really a serious decision to be made.

2. Basic underpinnings of foreign policy.

There are three of these, and all of them have been carefully attempted by the President in the last 14 months.

- 1. The first is diplomatic - the maintenance of relations of good faith and straightforward conduct with friends and adversaries alike. This is the kind of diplomacy the Johnson administration has used.
- 2. The second, and even more important, is the maintenance of strong, respected and balanced military strength. The President is proud of what has been achieved here, and his defense message next Monday will show that.
- 3. The maintenance of the basic economic strength of the U.S. Nothing would more rapidly destroy American foreign policy than a major U.S. depression. Even inflation would be dangerous. The President has maintained prosperity by protecting the stability of our basic wage-price pattern. In more direct ways the dollar has been defended, the Aid program sustained, and the complex and difficult work of the Kennedy Round has been carried forward.

3. The underlying purposes of the President.

In all of these crises, in all areas of the world, in all his diplomatic discussions and in his basic economic and military decisions, the President has been guided by a persistent belief that we really can make progress toward partnership with our allies, peace with our adversaries, and fair dealings with all.

IV Elements of the Johnson agenda for 1965

1965 has plenty of new and old problems. Most important is

Vietnam. As we said at the beginning, things did not go well in Vietnam in 1964. No new and capable government was established in the wake of the fall of Diem in November 1963. The Viet Cong made significant gains. Yet we ourselves increased our efforts and the military position of our side remains strong. The President has sent the very best men he could find and given them all the backing he could in a middle course in which both withdrawal and large-scale war are rejected. This argument is familiar ground and the President may wish to add a sense of his own determination to continue on this course just as long as our help is needed and wanted by the good people -- and there are plenty of them -- in Saigon.

There are of course problems of future choice in Vietnam, but there are the best of reasons for not tipping our hand at this stage on what we may do in various contingencies.

Other items in the agenda for 1965 are:

- 1. The continued overhaul and reinforcement of our machinery for foreign affairs. The President and the Secretary of State are now working hard on appointments which will be designed to give to all areas the kind of clear-cut and well-focused leadership that Secretary Mann has given in South America (if you believe it) and that we are also beginning to get to the Far East, where of course the President and the Secretary themselves are more directly involved than in day-to-day Latin American affairs.
- 2. The President expects to be able to spell out his own basic views in meetings and in speeches, in more detail than in 1964. His trip to Latin America and his trip to Europe should provide good platforms for both of these areas.
- 3. There may also be important trips by the Vice President, perhaps to the Middle East and Africa and Asia (I know this is not decided but it seems a good idea). There is literally no continent with which we do not expect to have important relations and with which we do not wish to have close and effective understanding and communication. The President enjoyed this work when he was Vice President, and it is one of the many important things that Vice President Humphrey may be asked to do.
- 4. There is unfinished business in trade and in aid, and in the balance of payments, but the President is determined to make

further progress on all these fronts, and while specific problems are many, he is enormously encouraged by the overwhelmingly strong basic position of the United States economy and the U. S. financial system.

- 5. The President's hopes for contacts with the Soviet leadership are real and strong.
- 6. The President is determined not to let the UN be torn apart because its bills don't get paid, and he is confident that in the end a reasonable answer will be found. He is certainly not seeking any cold war confrontation with the Russians on this point, but rather a fair and reasonable way to get on with the UN's work.

Business on all of these future programs will be guided by the same insistent passion for peace that has been at the root of the President's approach to all foreign problems for 14 months.

MEMORANDUM FOR THE PRESIDENT

Subject: Assignment for John Loeb

George Ball's first reaction is that Sweden would be best and Portugal next best. He is checking with the Secretary and I should have more definite dope tomorrow.

TOP SECRET

January 12, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Message to the Soviet Leadership

This is a revised draft beefed up in three ways. I have added concreteness to the discussion of our defense reduction. I have put in a couple of sentences about the sincerity of our purpose of nondissemination. I have mentioned your satisfaction with Hornig's report and your meeting with the returned business leaders. Tommy Thompson has reviewed this draft and has no problems with it. If you approve it in this form, it can be delivered promptly to Dobrynin.

McG. B.

Authority 95 Clas 8/15/197

By JK, NARS, Date 8/26/17

TOP-SECRET

January 12, 1965

MEMORANDUM FOR THE PRESIDENT:

This is Max's weekly report which tells us that the second communique is coming out and that the tea party will occur "tomorrow evening" (Wednesday morning our time). The underlying political position remains unresolved, with Khanh's own ambition as the principal unknown. If he were really content to maintain a watch-dog position, we could move forward with some confidence. But there is good reason to suspect him of a desire to return to full power in the manner of de Gaulle, and that his why we are dealing still with an interim government.

Moreover, the recent telegrams make it fairly clear that serious communications between Khanh and the United States Government do not now exist. After a little time for cooling off, we may wish to raise with Max the question of real contact with Khanh. After all he exists.

January 12, 1965

MEMORANDUM FOR THE PRESIDENT

The attached cables show the currently troublesome political attitude in Germany. George McGhee says he is sending recommendations, and when we get them they will be promptly considered and some suggestions will come forward to you.

But there is one immediate prescription. It is that you should use your meeting with Wicker to clarify one aspect of your MLF/ANF policy. The Germans and the British are both talking as if we had abandoned it, and some of the British go further and say that we have adopted their view.

This is of course not the case. You have given us instructions for us not to use strong-armed tactics to get agreement, but it is still our position that the surface fleet is a good idea and that it is necessary to have British participation in it if the idea is to work. If you say this to Wicker in the same way that you emphasized other parts of the matter to Reston, it will have a healthy impact as Erhard gets ready to go to Paris next week and Wilson gets ready to go to Bonn a few days later.

I will have precise language in my memorandum for your Wicker talk tonight.

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WASHINGTON

January 11, 1965

CONFIDENTIAL

MEMORANDUM TO THE PRESIDENT

SUBJECT: John McCone's briefing on the Hill

- 1. John McCone called today to say that, whatever the tickers say, his briefing on the Hill was in fact about the Soviet strategic position. He said that Russell put out the Vietnamese topic primarily as a cover, although there were in fact a few questions about it.
- 2. John said the briefing went 4 hours and was on the whole very good, although he continues to believe that Senator Russell is concerned about our own strategic posture and will question Bob McNamara quite hard.

McG. B.

DECLASSIFIED

Authority CIRCLE 8/4/77, NSC Lu 2/1/28

By Mag, NARS, Date 2/23/28

January 11, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Your meeting with Sato

make music together.

(Tab A) I attach a good quick summary/of the Sato meeting, prepared by my colleague, James Thomson (whom you may not have met but will see in my place at the dinner tomorrow night -- in line with your policy of rotating White House invitations). Thomson's memo gives some of the details around the main problem, but I repeat my own conviction that it is item 3 on Communist China and Taiwan which is the heart of the matter. If Sato can take away a sense of your own realistic awareness that this problem will get bigger and bigger and that we want to go at it in close cooperation with the Japanese, that will be all he needs for the As I said on the phone, my own belief is that the key to UN strategy is that we should be prepared to press Chiang & Company not to be the first to quit when some ambiguous formula is put forward.

Sato shares my opinion on this, so that if you do too, you and he can

I also attach (Tab B) another copy of the Secretary of State's briefing memo in case yours is not right at hand.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Handling of Visiting Foreign Chiefs of State/Government

THROUGH: Mr. Valenti

- 1. Last week, Jack Valenti, Angie Duke and I met with other key people in the foreign visits business to establish basic, somewhat flexible formats for the various types of visits from foreign chiefs of state/government you will be faced with after the Inauguration in 1965. During our discussion, we were most sensitive to the need to be as sparing of your time and energy (especially on non-substantive activity) as possible. I think that the formats we came up with reflect this sensitivity and, at the same time, ensure that each visitor will leave the U.S. with the feeling that he has been treated with warmth and cordiality and that he has had ample opportunity to discuss substantive issues with you.
- 2. Generally speaking, you will be faced with four kinds of visits in 1965.
- (a) State Visits Youwwill probably have about 5 or 6 of these in 1965 (Yameogo of Upper Volta, Kenyatta of Kenya and Azikiwe of Nigeria are already scheduled). The format at Tab i indicates that, on the first day, you will greet the Chief of State at 11:30 A. M., talk with him in the afternoon and give him a dinner. On the second day, you will have a brief afternoon meeting with the visitor for purposes of issuing a communique and will attend his reception for you for as long as you like; in this latter regard, we feel that, if we are generally consistent with all State visitors, we can resist the considerable pressures for you to attend a meal hosted by the visitor. On the third day, you will have nothing to do since the Vice President will head the Farewell Committee.
- (b) Official Visits You will probably have about 6 or 7 of these in 1965 (Moro, Ayuh Khan and Shastri are already scheduled). The format at Tab 2 indicates that, on the first day, you will meet with the visitor in the afternoon and give him dinner; you don't have to endure the arrival ceremonies since the Vice President will be tagged with this chore. On the second day, you will have a brief afternoon meeting for purposes of issuing a communique and will attend the visitor's reception for you once again, for as long as you like.

DECLASSIFIED Authority State 8-29-11;	NSC 11-30-7	8 CONFIDENTIAL
By, NARS, Date,	6-20-79	

- (c) Informal Working Visit + It is hard to say how many of these you will have in 1965 (a guess - 6) since they are usually used to discuss current problems and are frequently arranged at the last minute. The format at Tab 3 indicates that informal working visits can vary widely. Generally speaking, in the future, an informal visit will mean (I) little or no participation by you in ceremony, (2) a White House lunch instead of a dinner, and (3) no need for you to be entertained by the visitor.
- (d) Private Visits and Visitors to UNGA and World's Fair Once again, it is hard to say how many of these there will be since they are last-minute affairs (a guess - 8 to 12). The format at Tab 4 indicates that these will take a minimum of your time - one meeting of an hour or less.
- 3. The next step is tomut our planning into action. Accordingly, we need

your views on the	following subjects:
(a) How do you	s feel about the formats for the various types of vielts?
	Approved.
	Speak to me.
	nt me to speak to the Vice President about his participation
in the various type	ss of visits?
	Yes.
	No. I will do it myself.
	Speak to me.
(c) Protocol fe	sels that while it isn't essential, it would be nice to make
	nner a white tie affair when a State visit is involved (about
The second of th	Protocol argues that this much ceremony tones up the
	wa Chiefs of State to wear their decorations; some Chiefs
of State will be dis	app@inted if they can't.
	tritte at a

Black tie. Speak to me.

McGoorge Bundy

CONFIDENTIAL



WASHINGTON

CONFIDENTIAL

January 11, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Press contacts, week of January 4

- l. I am slow in reporting my contacts with the press for last week. I saw Marianne Means and Robert Spivak, at George Reedy's request. Both of them were working on stories about the way your White House works, and I found them both reasonably responsive and friendly.
- 2. I also saw Henry Brandon of the London Sunday Times, with less success. He was working hard on the line that we are reverting to a kind of neo-isolationism. Some of this is seeping out of the big Departments as a result of our NSAM on the MLF/ANF. Some of it is coming out of a feeling that we may be following Lippmann and Dick Russell in relatively isolationist attitudes toward Africa and Southeast Asia. The particular contrast that Brandon was pursuing was between President Kennedy and President Johnson and, as usual, I did everything I could to point out the basic continuities of policy and to give examples of your own active direction on important matters. I was not altogether successful.
- 3. I also saw Joe Alsop, after making a treaty with him which excluded Southeast Asia from the conversation. He was interested in the East-West trade elements of the State of the Union message and seemed quite friendly on this point.
- 4. The reason for not discussing Southeast Asia with Joe is that he has it in his mind, from conversations going back over the years, that I am probably a bit of an activist in that area, and he would try to use anything I said as proof that "President's advisors" share his gloomy views.
- 5. This week I have agreed to see Joe Kraft, and Jess Cook of TIME. I am seeing Kraft because he seems to be off base in somewhat the same way Brandon is, and Cook because TIME is doing a wrap-up on your foreign policy for next week.

DECLASSIFIED

Authority Met. 8-29-77, NSC 11-30-78

By , NARS, Date 6-20-79

h.в. мсG. В.

MEMORANDUM FOR

MR. VALENTI

Here is the package for the President's appearance before the National Committee for International Development.

I have somewhat revised the President's remarks. They are designed mainly for release after the meeting, but they will only take a few minutes to read informally to the Committee.

The President may wish to look at the talking points which are suggested for private comment with the Committee, at Tab 4. My own view is that he knows how to talk to a group like this much better than the drafter of those talking points.

When you have had a chance to mok this over, I would be glad of a call about any further problems.

THE WHITE HOUSE WASHINGTON January 11, 1965 MEMORANDUM TO THE PRESIDENT SUBJECT: Interview with Scotty Reston Scotty Reston came in today, at his request, for a general goaround on foreign affairs. He does not seem to have any of the worries of the Brandons and Krafts, and for once I had the feeling that my department was not where his needle would fall next. He let fall two comments of some interest on other topics; (1) He said the Times had heard that Averell was coming in this afternoon to resign. I stonewalled by asking Scotty what he thought Averell should do, and his prompt answer was that it was now time for Averell to write his memoirs. He feels that Harriman's strength and alertness are not what they were a year ago, and that it is not fair to risk a spotty ending to a distinguished career. I kept open the option of a roving Ambassador's job -- which he mentioned first -- but I did not quarrel with him. (2) Scotty is doing a piece about you for the Sunday Times and he claims that he was totally stymied until he figured out that the best explanation of your character and quality had been written decades ago by Frederick Jackson Turner in describing the character of the

American Frontiersman. Reston said this with such obvious affection and relish that he made me nervous, but he did not give me a clear

McG. B.

account of what it was that old Turner said.

WASHINGTON

TOP SECRET

January 10, 1965

MEMORANDUM FOR THE PRESIDENT:

You may have heard of the Red Chinese announcement that a Chinese Nationalist U-2 was shot down over the Chinese Mainland early today. Our intercepts and other data confirm this report, and the Chiang government is now announcing that one of its aircraft is missing and presumed lost.

This is the fourth shoot-down over a period of 2 1/2 years (September '62, October '63, July '64, and January '65). We have two aircraft still in Taiwan, and three Chinese pilots, but they will stay on the ground until we learn more.

We believe the Chinese are using surface-to-air missiles, but we have less information than we would like on how many there are and where. We also need to review the technical aspects of electronic defense for these aircraft.

On the propaganda front, we try to keep out of this entirely, and the Chinese Nationalists have always been very good about taking the responsibility and avoiding chatter. In that way we have so far kept these episodes from having the political impact of the U-2 lost over the Soviet Union, and we plan to follow the same line this time.

hof. B. McG. B.

TOP SECRET

DECLASSIFIED E.O. 13292, Sec. 3.5

NLJ 99-46 ISEAP Appeal

TRANSFERRED TO HANDWRITING FILE

TOP SECRET

January 10, 1965

MEMORANDUM FOR THE PRESIDENT:

Back on Election Day, the Soviets gave us a pen pal message of a fairly general type. I asked the State Department to draft an answer but the Secretary decided it would be better to go forward with his own discussions with Gromyko and then to see where we stood. Tommy Thompson concurred in this judgment, and I did not pursue the matter, which I now think may have been a mistake. In any event, Dobrynin asked me informally last week whether there was going to be an answer to the November letter, and Tommy Thompson and I, after further consideration, now think it would be wise to go back to them. There is a slight possibility that the absence of an answer may have been an element in their relatively cool response to the State of the Union, and at the very least a letter of this kind will do us no harm.

I attach a draft which Tommy Thompson prepared and which I have revised. After some routine but necessary response, it hits hard on trade and on the Soviet leaders' visit and will show the seriousness of those positive proposals in your State of the Union message. If you concur, we plan to deliver it in the usual informal way to Dobrynin this week.

TOP SECRET

McG. B.

Yes	
No	
Speak to me	

DECLASSIFIED
E.O. 12958, Sec. 3.5

NSC Memo, 1/30/95, State Dept. Guidelines
By Cb , NARA, Date 2-17-98

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January 9, 1965

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NSC LETTER 11/30/78 + 5
By JK NARS, Date 1/4/70

8-29-77

MEMORANDUM FOR

THE PRESIDENT

Carl Rowan trip to Africa (which Rusk mentioned to you) is State's idea. The State people proposed around two months ago that Carl visit East Africa in order to counter the bad name we were getting there from the activities of such Agro extremists as Malcolm X. The violent African reaction to our Congo paradrop,

have led State to redouble its urgings. Carl has now agreed to a quick two-week swing around just the five key East African capitals.

He's a bit reluctant to include <u>Leopoldville</u>, but we Congo fighters have convinced him a stop there would ease Tshombe's anxiety to come here, and add a persuasive voice to our efforts

Rusk, Harriman, and their African experts are eager to have Carl make this trip. We badly need to refurbish our reputation in Africa by getting across our own story, and it's hard to pick a better man than Carl to do so. In fact we'd also like to have him take on the diplomatic chore of helping to convince sensitive leaders like Kenyatta, Nyerere, and Obote to withdraw support from the Congo rebels.

Bundy and I think this trip would be a good investment. We badly need to get some political negotiation going to forestall a renewed flare-up in the Congo, and Rowan's trip could be very helpful here. In fact, to arm him properly we'd suggest you give him a "Presidential" blessing (some statement like the attached) and provide him with a few brief oral messages to key leaders (which we'd clear with you later).

SANTZED

RWK

R. W. Komer

mg. B.

McGeorge Bundy

Approve_

Saa Ma

COPY

Lyndon Baines Johnson Library

As I indicated in my State of the Union message, this Administration is deeply committed to furthering good relations between the United States and Africa, and to helping the new nations of that continent take their rightful place in the international community.

In pursuit of this commitment, I have asked Carl Rowan, the Director of the U.S. Information Agency, to visit several East African countries as my special representative. I have asked him to speak in my behalf with the leaders and citizens of these countries, and to impress upon them my deep personal interest in helping those who seek to strengthen their independence and to improve the well-being of their citizens. He will also solicit African viewpoints on a variety of questions so as to report to me and the Secretary of State on the African attitudes and aspirations that affect vitally relations between the United States and Africa.

Mr. Rowan will leave around January 22 on this mission, which will be primarily to East Africa.

(14) Communicado

THE WHITE HOUSE

WASHINGTON

January 8, 1965

CONFIDENTIAL

Determined to be an administrative marking

By MIE

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Heller's Suggestion for Closed-Circuit Television

to the 50 States

After a preliminary study prepared on this subject, I do not believe the advantages of such a service justify the funds necessary for construction and availability. The end can be achieved at much less cost through the telephone, even though you personally cannot now talk to all 50 Governors at once.

The study analyzed three option's of service providing a wide range of possible applications. The cost factors and service dates provided are estimates.

Option 1 -- the cheapest -- would give you one-way TV from here to the Governors. It would cost in excess of \$1.75 million for construction, \$50,000 monthly recurring charge for access, and \$16,000 hourly for actual use time. All options give only audio capability for Hawaii.

Option 2 provides selective video origination from state houses and would cost over \$2.25 million for construction, \$57,000 monthly for access, and approximately \$16,000 hourly for use time.

The option providing the widest service, with complete two-way participation, could approach a cost of one-half to one billion dollars for construction, with a \$100,000 monthly access and \$33,000 hourly use charge. This service would not be available for two years.

I am sending Walter Heller a copy of this memo, and I think he'll agree that your favorite instrument, the telephone, will do all we need, at these prices.

ሕ / ß. McG. B. 109

UNIVERSITY OF MINNESOTA Department of Economics

128/21017 1090

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Minneapolis, Minnesota

December 15, 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Closed-circuit TV With 50 Governors

- 1. The folding of the Reserve units into the National Guard reminds me of an idea that may be worth investigating (if it hasn't been done to date):
 - Hook up the White House with the 50 State Houses by closed-circuit TV.
 - Then, in case of national emergency, urgent Federal-State problems and perhaps some ceremonial functions, the President could be in direct touch with all 50 governors at once.

2. Advantages:

- The obvious ones of <u>quick and easy communication</u>, <u>especially for defense purposes</u>.
- The symbolic value as a visible step toward a closer partnership with the States.

3. Disadvantages:

- Possible costs and technical problems (on which I am ignorant).
- Possible charge that it's a "gimmick" which won't be used enough to warrant the expense.

Walter W. Heller

markanty to comments

TRANSFERRED TO HANDWRITING FILE

WASHINGTON

CONFIDENTIAL

January 7, 1965

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MEMORANDUM FOR MR. BUNDY

After an all-day hassle, the communications experts tell me I may have been misled on the telephone conferencing capability. Although it is possible, the White House is not presently equipped to handle such a large number in one conference call. It would necessitate installation of a number of new lines and a "reconfiguration" of the switchboard - all of which costs money. Frustrated, but wiser in the ways of my fellow man, I move on to the next problem.

Knowing the President's strong feelings on economy, I recommend you not attempt to offer alternatives. A couple of things come to mind, i.e. radio broadcasting and teletype, but all cost money. I just do not see a need in this area for which any great expenditures should be made. It seems to me that the President would want to address himself to the entire nation in a real national emergency and emergency action plans to pre-empt TV and radio for this purpose are in effect. I would assume that contact with military units, regular or national guard, would be done through Defense facilities.

If it is necessary to talk to all the governors it can be done by telephone, even though it would take a number of calls (about 10). I have added a sentence to the suggested reply should you wish to mention the telephone. I hope to give the effect that although the telephone does not give simultaneous capability it is the cheapest means of communication available and should meet the need.

DECLASSIFIED

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Art McCafferty

CONFIDENTIAL

Jan. 8, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Soviet reaction to State of Union

This is Tommy Thompson's comment on the Soviet reaction to the State of the Union message. As you will see, he explains it mainly in terms of their own internal problems.

Determined to be an administrative marking By MI On 4/1/7?

THE WHITE HOUSE

WASHINGTON

January 8, 1965

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Heller's Suggestion for Closed-Circuit Television to the 50 States

After a preliminary study prepared on this subject, I do not believe the advantages of such a service justify the funds necessary for construction and availability. The end can be achieved at much less cost through the telephone, even though you personally cannot now talk to all 50 Governors at once.

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The option providing the widest service, with complete two-way participation, could approach a cost of one-half to one billion dollars for construction, with a \$100,000 monthly access and \$33,000 hourly use charge. This service would not be available for two years.

I am sending Walter Heller a copy of this memo, and I think he'll agree that your favorite instrument, the telephone, will do all we need, at these prices.

h./ B. McG. B.

Minneapolis Minnesota

December 15 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Closed-circuit TV With 50 Governors

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 - Then in case of national emergency urgent Federal-State problems and perhaps some ceremonial functions the President could be in direct touch with all 50 governors at once.

Advantages:

- . The obvious ones of quick and easy communication, especially for defense purposes.
- . The symbolic value as a visible step toward a closer partnership with the states

3. Disadvantages:

- an ignorant)
- . Possible charge that it's a "gimmick" which won't be used enough to warrant the expense

Walter W Helier

January 7, 1965

MEMORANDUM FOR THE PRESIDENT

Having heard that George Meany was a little puzzled by the East-West trade reference in the State of the Union message, I talked to him this morning and explained that there was nothing going on that he had not heard about, and that you hoped very much that any group that explored this matter would have Labor representation -- either George Meany himself, or someone else that he and we might think fitted. He said this sounded fine to him. He emphasized that Labor thinks this is fundamentally a political problem, not simply one of business profits. I told him that our overriding interest was political.

In accordance with your earlier remarks to me, I told Meany that when the time came you hoped to have a word with him about this yourself. He was pleased.

He understands that our first business is to get a Chairman and that for obvious reasons the Chairman will probably come somewhere from the business community.

McG. B.

CC: Secretary Wirtz

January 7, 1965

MEMORANDUM FOR THE PRESIDENT

You will be interested to know that Ambassador Alphand has let us know in the most categorical way that there is no truth whatever in the Press reports I have told you about to the effect that you would be more welcome in Paris if you were not coming as only one part of a general European tour. Alphand has most categorically stated that you will be most welcome in Paris whenever you come there. This is an interesting change of tone, and it indicates that you may have checkmated the French on this point by your State of the Union announcement. They obviously do not want to have you visit Europe and omit France.



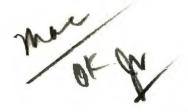
January 7, 1965

MEMORANDUM FOR THE PRESIDENT

Re: Soviet response to State of the Union

This first comment by my colleague David Klein will, I think be interesting to you. It reports the somewhat disquieting first Soviet public comment. I am asking Tommy Thompson and the CIA experts for a more thorough analysis, and expect to have it by tomorrow.

hes. B.



WASHINGTON

January 7, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Charles Mortimer

- 1. This is just a note to remind that you were going to check out Charles Mortimer of General Foods as a possible chairman of our exploratory group on peaceful trade with Eastern Europe and the Soviet Union.
- 2. I have talked about Mortimer at length with David Rockefeller, John McCone, and Jack Connor, and find each one more enthusiastic than the last about him. Connor is particularly keen about him and says that he would be even better than Crawford Greenewalt, about whom I still have a lingering reservation because of his connection with the cold war instrument, Radio Free Europe.
 - 3. I will wait for word from you.

M.d. S. McG. B.

MEMORANDUM FOR THE PRESIDENT:

At your request I have looked at Douglass Cater's excellent memorandum to you on handling the news.

I agree with most of it. Specifically:

- 1. I agree that there should be regular pre-scheduled press conferences about twice a month. Scheduled press conferences are of particular value in foreign affairs, in that they give you contact with expert reporters and provide questions on which your comments can give real enlightenment as to the shape and temper of your policy. There is considerable feeling that the White House does not say enough on foreign policy, and a scheduled press conference is one of the very best ways of dealing with this problem. I also agree on the value of the press conference briefing session, and I think informal meetings with the White House reporters are essential to keep them happy.
- 2. I believe in departmental news programs, but the most important thing from our point of view is that news of White House interest should be in our hands early enough for a sound decision on its handling, and I think our existing arrangements are pretty good on this score -- although not infallible as the Agriculture action on food for Nasser showed.
- 3. On the whole I am opposed to scheduled meetings of the NSC and the Cabinet. Neither organization is a good instrument of real work, and make-work meetings will drive you crazy and be cancelled as often as not. I think it better that the Cabinet should be called together when you have something you wish to say to them as a body, and the NSC when there is either a particularly interesting briefing or a crisis which requires visible NSC consideration. This situation may be different when we get the Director of OEP off the NSC and if we reach a stage where the top ten people are the men you really want to have around you. But right now a number of people have standing invitations to NSC meetings whom you do not necessarily wish to see every two weeks.

Obviously, if you feel differently on this point, it would be easy to arrange the meetings.

- 4. I agree that the President's appointment calendar should be somewhat more public and that the majority of visitors can be sent in and out through the Lobby.
 - 5. I agree in the value of periodic reports.
- 6. I agree on the value of evening background meetings, although I myself believe that the scheduled press conference is still more valuable.
- 7. I fully agree on the value of informal television programs. Since the State of the Union was televised at a moment of maximum visibility, we probably do not want another TV program immediately, but after the main messages are on their way, I can see great value in a Great Society program, and equal value in a foreign affairs review.

WASHINGTON

January 7, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Material for your backgrounder this evening

- 1. Douglass Cater has kindly shown me his talking points for your backgrounder tonight. I think most of them are fine, if you get time to make them, but I would recommend against discussing the Common Market in the terms described in his memo on the view from the Kremlin. Our problem with the Common Market is now going to be primarily agricultural, and until that is settled, a praise from you of the grains price agreement could be quite touchy with American farmers and their friends at both ends of Pennsylvania Avenue. I would also avoid any detailed balance sheet on Soviet good and bad behavior, except off-the-record.
- 2. Beyond Doug's memoranda, I suggest that you may wish to explain your philosophy of travel -- including both the invitation to the Soviet leaders and your own hope to go to Europe and to Latin I think the notion that a man's judgment is only as good as his information enters in here. So does the notion that both in Europe and in Latin America we are hout of a period of immediate crisis and urgent decision-making and entering a more spacious phase in which we have time to take counsel together and to talk about our common long-range purposes in an atmosphere which is hopeful in Latin America and secure in Europe. This is very different from 1961, with its Bay of Pigs and its Vienna meeting. Your own contribution, of course, is Tom Mann's 1964 in South America, with special emphasis on the two-act Panama drama -- and your defusing of the MLF crisis without losing confident connection with the Germans. Some talk about your faith in George McGhee and your sense of close relationship to Erhard would be helpful and would get reflected back to Germany in a constructive way.
- 3. On Vietnam I think you know your own mind better than anyone. A modestly hopeful attitude toward the immediate political crisis is proper, and an expression of your confidence in Max and your sympathy with the Vietnamese would be useful. You might make your good point against discussion of future military and security plans. And we can always emphasize that while avoiding "wider war" and ignominious withdrawal, we are constantly at work trying to strengthen our program there on every front.

- 4. On Nasser and Sukarno, I would be inclined to avoid comment, simply because the President of the United States ought never to get into a wrangle with these wild nationalists. You could say that your point of view toward outrages like the burning of libraries has been well covered in your State of the Union, but I would not go quite so far in defending Sukarno and Nasser as Doug Cater's memo. Any explanation of how they could damage us should be very much off-the-record, though of course it is the controlling reason for our restraint.
- 5. One more general thought occurs to me, and that is that the greatest power in the world is the inevitable target of other people's frustrations. This is a familiar point, but it is often forgotten. The way everyone blames us in the Cyprus affair is perhaps the simplest illustration.

h.f. 5. McG. B.

118

January 6, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting with NBC Foreign Correspondents

If you have time, I am in favor of a meeting with the NBC foreign correspondents. It has the effect of increasing their direct understanding and appreciation of your policies, and they are an important component of the single most influential reporting system we have. Moreover, Levine, Harsch, and Brelis, the ones I know, are able men with interesting views of their own. Perhaps the best time would be the end of the morning Wednesday, the 13th, since the early afternoon is not as good for you, and they have their general reception from 5:30 to 8:30. If you agree to see them, Doug Cater and I between us will make sure there is a background paper.

McG. B.

Yes		
***	 	 -
-		
No		
-	 	 -

cc: George Reedy Douglass Cater

January 6, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Sihanouk's letter-to-the-editor

- I. If you did not see this, it may be interesting as a demonstration of the problem of dealing with Sibanouk.
- 2. We are continuing to press the State
 Department on this subject, but my own inquiries
 so far indicate that we have been as reasonable
 as possible, in the circumstances. The one
 thing we can do better is border control, but
 that requires cooperation from Vietnamese
 generals, who are only too well aware that
 Cambodia is a "privileged sanctuary" for the
 Viet Cong.

There remains the problem of the public explanation of this matter, and there it is clear that Ambassador Bonsal was outdone by the Cambodians. On the other hand, the attached letter suggests that a slanging match with Sihanouk is not something we want.

ito hostile threats, aggressions, plus and attempted coup d'etats which are the work of year country-chica and Thalland, in association with all and martal entmies in Salgon and

Our seconded privileged situation is not due to chance, but is the result of our own efforts and

chance, hist is the result of our own efforts and sacrifices to our nation which has been victorious in its resistance to your imperialism, which is hated by the peoples of Asia, Africa and Latin-America. Furthermore, there is no canation of our becoming a anterire of the Peoples Republic of China.

11 If we have this China, it is because she supports no politically in intermedical affairs and she strictly respects our sovereignty and our neutrality. If is evident that if China were to act toward us as you do, we would, have no reason to adopt toward her an attitude other than the one we have adopted inverte you and your two manifolds.

d be sahamed to held ate to the the efficiency to beloging about in the near factors a suspectation between to the profitting of South Visit Ross, Gen, de Geatte bisneelf and recognised

cide to accept such a solu-

ODOM STELANDING

MENUN FROM QUICK COPY

January 6, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: Your meeting with Hodges, Connor and a group of business people who went to Moscow to discuss trade with Soviet officials.

Your noon meeting tomorrow will be attended by about fifty of the ninety-two senior businessmen who went to Moscow last November under the auspices of a public relations organization called Business International, to talk about trade and related matters with some ninety high Soviet officials, including Kosygin, Mikoyan, Gromyko, and Patolichev (the Minister for Foreign Trade). They will be reporting their principal findings and what they call their "judgments" about U. S. policy to Hodges et al, at a morning and afternoon session at Commerce. We do not yet know the details -- they are working on their report this evening -- but we do know that they will support liberalization. They are clearly for our taking sensible steps to increase trade with the Soviets.

After your session with them, Hodges and one of the group will talk to the press. We will be working with them on an appropriate statement early tomorrow morning.

Attached at Tab A is a statement which you might wish to use in greeting them; at Tab B is a list of the business people who will attend; at Tab C a Commerce summary of what they were told by Kosygin during a two-hour question and answer period.

McG. B.

After the meeting, we would expect Hodges and a spokesman to go out through the Lobby under George Reedy's auspices, and have George give out an account of the meeting and a copy of your statement. This should make an evening story as a follow-up on the State of the Union East-West trade statement.

122

MEMORANDUM FOR THE PRESIDENT

Subject: Your meeting with Adlai Stevenson

- 1. I have only hunches to go on about what Stevenson has on his mind, and I have not been able to reach him this afternoon.
- 2. My first guess is that he wants reassurance about his own future, although he will probably not start out in that vein. If you want him to stay at the UN -- which Dean Rusk and I strongly recommend -- this is a good time to say so, and if he agrees, it would make a good story for George Reedy's hungry lions.
- 3. If this is agreed, then you might want to say a word or two to the press yourself about Ambassador Stevenson's distinguished service. It might be well to emphasize particularly that he has shown both understanding of the rights of other nations and eloquence as a spokesman for the policies and interests of his own country. (This is a good time for such a pat on the back, because of Adlai's really first-class performance during the Congo rescue.)
- 4. Stevenson may also be eager to bring you up to date on the Article 19 situation, which is still in an undecided stalemate and on which he has the latest tactical information.
- 5. Finally, Stevenson also likes to talk about larger issues, and you may wish to thank him at first hand for his last memorandum, which is attached.

January 5, 1965

123

MEMORANDUM TO THE PRESIDENT

THRU: Mr. Jack Valenti

DECLASSIFIED

Authority State 8-29-77: NSC 11-30-76

SUBJECT: Two German Visitors

By____, NARS, Date_ 6-20-79

- 2. More difficult is an urgent request both from the German Embassy and from George McGhee that you agree to receive Rainer Barzel, who is the new leader of the Christian Democrats in the Bundestag. He is an extremely able and ambitious younger man who may well be Chancellor in another 10 years. He has invitations from de Gaulle and Wilson, but he wants to begin in the United States and he wants the prestige of a picture with you.
- 3. On balance, I am inclined to recommend this quite firmly. But you are entitled to know that the other parties, and especially the Social Democrats, will promptly request equal treatment. I know you have seen Brandt, and I think you have seen Fritz Erler, so that this request will probably not give us much trouble.
- 4. The real advantage in your seeing Barzel would be for you to tell him face to face about three things:
- (1) We are still the firm and indispensable protectors of Germany, and we expect our friends in Germany to recognize this fact.
- (2) The U.S. is both relaxed and reliable on the nuclear defense problem, and we continue to insist on equal treatment for the Germans in any new plans.
- (3) We are very much in favor of reunification, as you have said many times. But we do look to the Germans -- as you said to Erhard -- to help us in developing realistic plans that might really lead to progress and not simply to slogans. (He may not like this last message, which makes it all the more important for him to get it.)

							meeting,		
take 20	min	ites at	the o	utside. I	t can al	so be	backgroun ndents. he in Febr	ided in	to a
gooding	s ewi	tory,	with k	nowledge	able cor	respo	ndents.	If you	agree,
the Bar	zel r	neetin	g woul	d probab	y be so	metin	e in Febr	uary.	

· ·	
Yes	No

McG. B.

CONFIDENTIAL

January 5, 1965

MEMORANDUM TO THE PRESIDENT:

The attached is one of the most interesting dispatches I have seen in recent months. It shows our Ambassador, William Porter, in a straight out talk with Ben Bella. Bearing in mind that one man is a head of government and the other is a diplomat, I think you will agree that Porter did an astonishing job of stating his case while maintaining communication with his target. He also surprised Ben Bella into unusual frankness about his attitudes.

Finally, in his concluding section, Porter shows that he is not a bit taken in by Ben Bella and understands precisely how B. B. is playing into the hands of the Soviets -- not because he is a Communist, but because of his own fanatical emotions.

The policy question we face, of course, is whether it helps to cut off PL-480 to a man like this. My own estimate, which the intelligence community shares, is that as a matter of cold national interest it would do us no good -- in the sense that it would not bring Ben Bella "to his senses" and would only confirm him in his fundamental emotional convictions. Cutting off Algeria would also play right into Soviet hands. It's precisely what Moscow would like us to do.

On the other hand, food does not buy his friendship, and if it is politically very unpopular here, it should be cut back gradually in ways that are not visibly connected to his foreign policy. Ben Bella, unlike Nasser, has done us no injury within his own territories -- at least so far.

What we currently have is a freeze on discussion of new projects with Ben Bella, and I think this is right for the present.

One more point about this meesage is that it does show Porter's own quality. He has been under something of a cloud at the State Department for reasons which I do not understand, and unless you disagree I plan to put in a plug for him over there.

McG. B.

SECRET Attachment

January 5, 1965

MEMORANDUM TO THE PRESIDENT

The attached report has the ring of truth to me, all the way through. The most important thing it says is that our personnel policies in Vietnam are wrong. The Army is running it in a regulation way, and that means that we have too much staff, too much administration, too much clerical work, too much reporting, too much rotation, and not enough action. (I was an Army staff officer for three years, so this is not just imagination.)

Taylor and Westmoreland are probably the ablest regulation officers we have, but that is not what we need, and in any case much of the trouble is here in Washington, which sets the policy on rotation and reporting and more other forms of paper work.

For reasons that are not clear to me. Bob McNamara has always been hesitant about going behind the regulations on this side of the matter. But today I found him more responsive than ever before.

It may be that a real push from you would produce quite new results on the military side now.

It is true that Bob is very much opposed to larger U. S. forces. But when I asked him why, it turned out that what he is against is more of the overhead and administration and general heaviness that the attached report describes. I think he would be responsive to an instruction to develop a new plan for volunteer fighting forces that would proceed with a minimum of overhead and a maximum of energy in direct contact with the Vietnamese at all levels. At the very least it is worth asking him. We plan to have a meeting with you on Wednesday on this subject.

January 5, 1965

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MEMORANDUM TO THE PRESIDENT

SUBJECT: Amb. McGhee's talk with Chancellor

- 1. The attached dispatch reports George
 McGhee's talk with the Chancellor this morning.
 The Chancellor is delighted that you are coming
 to Europe, and George was able to give him
 effective reassurance on Dean Rusk's backgrounder.
- 2. I agree with George's estimate that there will be some pressure on Schroeder, and, to a less extent, Erhard, as a result of our more relaxed policy, but I also believe that Erhard in particular is strong enough to deal with it.

McG. B.

SECRET attachment

This was Mr. Bundy covering memo on that

Newsweek article (or was it U.S. News and World

Report?) that you read the end of last week.

Rosed 65.

THE WHITE HOUSE

WASHINGTON

January 4, 1965

MEMORANDUM TO THE PRESIDENT

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h.d. s, McG. B. U.S. News & World Report - used ix for this back grounder last night.

CAN U.S. WIN IN VIETNAM? 1/8/64 AN INSIDE REPORT

U. S. is getting in deeper and deeper in the Vietnam war. Yet victory seems further off than ever. Why? Sol W. Sanders of the staff of "U. S. News & World Report" has covered that jungle war for years, and has been a close observer of U. S. involvement. He has just returned to Washington, where he was interviewed by colleagues on the magazine's news staff.



-USN&WR Photo

Q Just what's gone wrong in Vietnam?

A To start with, people ought to stop talking about what is wrong with the Vietnamese, because we know what is wrong with the Vietnamese.

If it weren't wrong with them, we wouldn't have to be out there in the first place. The American job is to get the Vietnamese to do what they have to do to win the war and save themselves.

We have announced from the roof tops for five years that South Vietnam staying non-Communist is essential to U. S. security. If so, the job has to be done no matter what the odds.

It's not really a question of how much money we spend or how many American soldiers we send out there. It's a question of where we spend the money and what kind of Americans we have there.

Q Then what is meant when the President and Gen. Maxwell Taylor, the Ambassador, say that the Vietnamese are the ones who must win this war?

A Just this: Unless you are prepared to go into Vietnam with unlimited American divisions and march them north, drop bombs wherever you have to, use atomic weapons wherever you have to, take on the Chinese if necessary, and so on—then you've got to depend on the Vietnamese to win their own war.

After all, the guerrillas are Vietnamese, too. So there ought to be no reason why our side couldn't fight as well as their side. Anyway, beyond a certain point, the American presence in Vietnam is probably a minus rather than a plus.

Q What do you mean?

A Inevitably, the more Americans you have in Vietnam, the more weight it gives to the big argument of the Communists—namely, that the Americans have come to Vietnam to replace the French, that they want control of this territory. This is the strongest political line the Communists have, and it is one reason they can keep young men fighting.

My guess is that of the 23,000 American military that are now in South Vietnam, probably 15,000 to 20,000 are in the Saigon area. Are they really necessary in that location?

If you go to Da Nang, only a few miles from Communist North Vietnam, you find that the PX there has an assortment of stereo high-fidelity sets as elaborate as any you're likely to find in any small shop in the United States. Is that really necessary?

Now, you can argue that the American soldier is being sent out to die, perhaps, in the rice fields of South Vietnam and you ought to make it as good as you can for him. But that is not the way you're going to win a war. It is a mean, cold, cruel world and you win wars by sacrifice.

Q Just who is General Khanh? Is he for or against the U.S. role in Vietnam?

A Khanh is one of the most experienced military officers in the Vietnamese Army. He was a paratroop commander even under the French, as far back as 1950—and that means a lot in an officer corps that has largely been put together since the country was partitioned and the French withdrew in 1954. He is ambitious—thinks of himself as a politician, a sort of De Gaulle of Vietnam. But he has even less of a political base than most Vietnamese politicians. He is largely dependent on the support of the younger officers and his wife's political connections—she is a Northerner and he is a Southerner, very important factors in Vietnam.

I have had fairly long talks with Khanh. He certainly knows that, without the U.S., he and South Vietnam are doomed. But he also knows that being considered too much of an American stooge can be the kiss of death out there.

That's why he shows off his independence.

Also, there is a good-sized feud between Khanh and our Ambassador, General Taylor. It started with Khanh's belief, whether right or wrong, that Taylor preferred Khanh's archrival, Gen. Duong Van Minh—the man who led the coup against Diem last year—to Khanh. It got further aggravated last summer when Khanh kept calling for strikes against the North, and Taylor kept knocking the idea down. Also, Khanh is bitter about Taylor and the Americans denying his charges last summer that regular Northern units were infiltrating into South Vietnam. Khanh feels that the American denials were politically motivated, and told people last summer that he knew "Johnson had an election to win, but I have a war to win."

Q What is General Taylor trying to do?

A Taylor feels that a military government can't win the war in Vietnam, that you have to rally the population to the (continued on page 46)

to a large extent a nationalistic conflict. But, if a crisis came involving either country, they might come back together. Despite their nationalistic disputes, both are members of the Communist camp.

Q What steps do you think should be taken by the United States and Japan, once China has a nuclear stockpile and

a delivery system?

A Obviously it is a serious problem once China has nuclear arms. We hear rumors that China may explode its second bomb in the near future, perhaps next spring. I do not know what action the United States will take then, or when China has a delivery system. As for Japan, you should note that we took China's first test explosion calmly. This was because we have confidence in the U.S.-Japanese security arrangements. We intend to base our defense on these arrangements.

JAPAN AND NUCLEAR POWER-

Q Japan will not build a bomb of her own?

A Japan is the only country in the world that has suffered from disasters of atomic bombs, Because of this experience, Japan has declared to the world she will not arm herself with nuclear weapons. I intend to follow this policy.

Q Mr. Sato, were you surprised by the lack of violent opposition last autumn to the first visit of a U.S. Navy nu-

clear-powered submarine to Japan?

A In fact, I was disturbed by the amount of opposition that appeared. I was embarrassed by the lack of proper scientific knowledge among the Japanese. As you know, the visits were by nuclear-powered, not nuclear-armed, submarines. Japan's Science and Technology Agency had conducted tests to determine the amount of radiation that would result from such visits. Despite our careful monitoring tests, which made it clear there was no danger, opposition still appeared.

Of course, if the question of nuclear weapons had been involved, the opposition would have been stronger and of a

far different quality.

Q Does this mean that Japan then will never permit nuclear weapons, controlled by Americans, to be brought here?

A This is a very serious problem. I have been thinking about it. This comes under the category, in the security treaty, of an "important question" which requires consultation between the two countries.

Of course, if the U.S. were making any serious changes in its weapons system for the protection of Japan, we would have to be consulted. But I do not see any need to think about this problem now.

Q Do you think Red China and Nationalist China can ever simultaneously be members of the U. N.?

A Not at the present stage of history. I don't know if it could ever happen in the future.

Q Could Japan play a useful role in mediating between

Red China and the United States?

A I can't see them getting together at the present time. Of course, I cannot say about the future. But it is impossible for the time being for Japan to play any mediating role. If China and the United States were friends, I would be willing to act as a go-between to bring them together. But right now they consciously oppose each other.

Q Do you think Communist China will ever be a first-

rate industrial power?

A Certainly time will be needed before China will ever become a first-class power. Look at the history of both Japan and the Soviet Union: It takes time to build economic power, just as it takes time for a child to grow up into an adult. A country, like a child, has to pass through various stages before it reaches maturity.

Q Doesn't Japan's experience since 1945 indicate Red

China, too, could industrialize speedily?

A Well, don't forget that Japan built up an economic structure long before 1945, during the century after the Meiji restoration. Also, we accomplished our postwar recovery through democratic institutions and free enterprise. This was a framework under which the energy and creativeness of our people were mobilized. I doubt very much that any totalitarian country could do the same thing under similar circumstances.

Q Mr. Sato, what are the major problems or issues that

may be considered during your visit to Washington?

A Politically, the Okinawa and Bonin issues. In the economic field, there is a problem of civil aviation, fisheries, textiles, and the monetary issue involving the interest-equalization tax.

Q Is the civil-aviation question important?

A There has been great discontent here on these agreements. The agreements signed immediately after the termination of the occupation are considered inequitable.

Japan wants an air route circling the world. To do this, it must have landing rights to fly from San Francisco, or the West Coast, to New York and then on to Europe. This problem has existed for a long time. Of course, an amicable agreement can be reached only through administrative talks, but I hope to facilitate a solution of the problem.

Q Does Japan find U.S. restrictions on the flow of capital to Japan burdensome? Aren't these temporary measures?

A Yes, the interest-equalization tax is due to expire in 1965. But we are not absolutely certain what the United States will do about this in the future.

Also, remember, Japan plays an important role in international finance. We recently contributed a great deal to support sterling. Perhaps the United States should try to attract overseas capital to America and not just consider the problem of the outflow of capital.

Q Do you hope to arrange loans in the United States? A What I have just said does not mean I am going to

the United States to borrow money.

Q Do you think Japan's economy will keep on growing

at the fantastic rate of the past few years?

A The situation is somewhat different now than it was during the past few years, when Mr. Ikeda was Prime Minister. It is rather doubtful that the high growth rate can be continued. We have received recommendations that the growth rate should be kept at about 8.1 per cent a year, compared with the average of 9.9 per cent the last 10 years.

Q Will you be able to continue the program of doubling

the income?

A I think so. When the program is completed, Japan's per capita income should be \$579.

TRADE WITH RED CHINA-

Q Will trade with Red China be important in this program?

A Our trade with that country will be very slow. It will take at least five years before trade with China represents 3 per cent of our over-all trade.

Q Then Red China's trade is not vital to Japan-

A Our total trade now is about one third with North America, one third with Asia, and the remainder with

Europe, Africa and other areas.

Now, 3 per cent is not very large. Last year, for instance, only 1 per cent of our total exports went to China, and 1.1 per cent of our imports came from China. This year our imports from Red China rose slightly, to 1.9 per cent of our total. That is not very large, and yet 3 per cent of our two-way trade with any single country can be important.



CAPTIVES: guerrillas', taken by South Vietnamese. Says Mr. Sanders: "One reason the Communists can keep young men fighting" is the Reds' claim that "Americans have come to replace the French."

WHAT WAR IN VIETNAM IS COSTING U.S.

COST IN LIVES:

239 Americans killed and 1,511 wounded through 1964.

COST IN DOLLARS:

\$3.3 billion in aid since 1954.

HOW U. S. GOT INVOLVED:

Pre-1954-U. S. had small group in Vietnam overseeing military and economic aid to French in anti-Red war. 1955-1960-With French departure, several hundred U. S. advisers started working directly with Vietnamese. 1961-1965-Entire U. S. effort stepped up sharply, with thousands more U.S. troops sent to Vietnam in buildup

that still is growing.

THE COMMITMENT NOW:

23,000 U.S. servicemen in South Vietnam. Aid of \$520 million promised this year.

U. S. AIMS:

- To maintain U.S. position of power in Asia that Americans established at great cost in World War II.
- To prevent an eventual Communist Chinese take-over of all Southeast Asia.
- To preserve credibility of U, S. as protector of anti-Communist nations in rest of world.



CASUALTIES: South Vietnamese are aided by a U.S. marine. "Between 1,000 and 1,500 Vietnamese-South and North—are killed every month. This has gone on for years."

VICTIMS: the peasants. "They just want to be left alone. They're tired of being bombed by Government planes and assassinated by Communist terrorists."



U.S. NEWS & WORLD REPORT, Jan. 11, 1965

... "80 per cent of peasantry doesn't care who rules in Saigon"

Government's side with a civilian regime. He believes that Khanh proved that last summer, when the Buddhists were able to pull the rug out from under Khanh when he tried to impose a Gaullist constitution. And he believes, apparently, that would be the same fate of a military government-or even a civilian government dominated by the Young Turk officers who pulled the December coup.

Q Many Americans wonder if the Vietnamese themselves

are really trying to win the war-

A You've got to remember one thing: Between 1,000 and 1,500 Vietnamese-South and North Vietnamese-are being killed every month, and this has been going on for years.

All right, it's not World War II or even the Korean War. But it's a war in which everybody is getting it in the neck. Even if you're a Vietnamese living in Saigon, you have relatives who have been knocked off. You've got young sons in the Army. It is a demoralized, fractured society you're talking about here.

Out in the country, I'm convinced, 80 per cent of the peasantry doesn't care who rules in Saigon or in Hanoi. They just want to be left alone. They're tired of being bombed by Government planes, and they're tired of being assassinated

by Communist terrorists.

In Saigon, the politically literate Vietnamese may care who wins. But they're not convinced that the United States will stand firm, come what may.

Q Even after the assurances given by the President and General Taylor?

A This may be a little hard for us to understand, but here is a population which saw the Japanese come in as conquerors in 1941 and make a deal with the French. It saw the Japanese pull out in 1945. It saw the Communists come in and take the cities, then be pushed back into the countryside. It saw the French come back and install Bao Dai as Emperor. It saw the French, and Bao Dai, pull out in 1954. It saw Ngo Dinh Diem set up what looked like a stable government in 1955-then be ousted and murdered in 1963.

The Vietnamese would be out of their minds to accept

our assurances at face value.

IMPROVING U.S. WAR EFFORT—

Q What about our military techniques? How good are they for the war being fought in Vietnam?

A You've got 20-odd U.S. generals in our headquarters in Saigon. I would argue that they are not really operational. Their main job is reporting the war back to the Joint Chiefs in Washington. Some military men have suggested to me that what you really need in Vietnam for the Americans is one brigadier general and a few colonels who are actually operational.

Incidentally, I don't think it is an insignificant fact that the American command sits three miles away from the Vietnamese Joint High Command. If an American general is there to advise a Vietnamese general, it ought to make more sense for them to sit in the same office-or, at least, in the

same building.

A certain kind of mentality seems to thrive in that setup. For instance, let me tell you about one highly placed Amer-

ican general who went out to visit a province chief.
You have to understand the background. A province chief is likely to be a Vietnamese 25 or 35 years old. He's grown up in war. He's probably had part of his family killed, one way or another, in the last 20 years of war with the Japanese, the French, the Communists. Intuitively, he knows all sorts of things about the situation in Vietnam. Sure, he may

be a crook. He may be overly ambitious. He may be incompetent. He may be all sorts of things-but he does have this 'feel" for the situation.

Well, anyway, this American general arrives and meets the province chief. Then the American says to the interpret-Tell the province chief that we've got to get in there and root out this Communist infrastructure." The interpreter translates to the province chief. Then the general tells the interpreter: "Remind the province chief that the mission of the police is to be a friend of the people.

I don't know what the province chief thought at that point, but I would doubt that he had a very high opinion

of the Americans running the war in Vietnam.

AMERICANS: GOOD AND BAD-

Q Do we need a different type of American soldier for this kind of war?

A I think so. We need more dedicated persons. We need more improvisation on the scene. We need longer tours of duty. Actually, I think we could get a large part, if not all, of our Vietnam force from volunteers who would stay long enough to do some real good. As it is now, an American is rotated out of Vietnam in a year, just when he might be

learning what the job is and how to do it right.

In each of the 43 provinces we have a young American officer as adviser to the province chief. We have taken bright, young American officers and they have performed very, very well-considering the fact that they have had no training, that they have hardly been briefed before coming to their jobs, that it takes six to eight months to understand the problems they're up against, and by that time their term is coming to an end.

Q What kinds of problems?

A It all gets down to very detailed and primitive factors at the local level.

You've got to know, for instance, that the chief in district B is a narcotics addict and you can't go over his head because his uncle is a cabinet minister in Saigon. So you have to find some other way to get around him.

You've got to know that family X and family Y have been fighting over five acres of land for the last 200 years, and that a young juvenile delinquent in family X went off into the jungle to join the guerrillas, so that now family X is pro-Communist, but family Y is anti-Communist.

You've got to know that there was a bridge five miles up the canal over which all the bicycles and the hand carts and the bullock carts had to pass with the rice that is coming to market, and that bridge was blown up eight months ago, and, for one reason or another, it hasn't been rebuilt, so the whole district is going Communist.

That's the level at which this war is being fought. It won't be fought with books on counterinsurgency published by big foundations in the United States. It won't be won by great theories born in the Pentagon. It's got to be fought and won right there on the ground-at the district and local levels.

Q But can't Americans learn to deal with these problems? A Certainly they can. Let me give you one example, be-

cause if this man could do it, we ought to have no trouble in finding enough to do the same kind of job.

This fellow, a major, was an adviser in one of the worst provinces in the country. It is a province where the Communist Party was first organized in French Indo-China. Between 1945 and 1954, the French never reoccupied it.

In 1954, when the Communists agreed to withdraw north of the seventeenth parallel, the province became part of

· · · "This is a civil war in which families are divided"

South Vietnam, so 45,000 young men and boys went north with the Reds. Well, about three years ago we sent in this officer as an adviser. He was a tobacco-chewing infantryman who had got his commission on the battlefield in Korea.

There was nothing in his career to prepare him for the job, and Lord knows that Saigon and Washington weren't very helpful in telling him what he had to do. But he went in there with something I've seen in a lot of these young American officers—a kind of missionary zeal. It was his prov-

ince, and he was really going to do a job.

He did a great job. It involved all sorts of things. It involved diplomatic handling of the province chief—coaxing him, threatening him, somehow getting him to do what had to be done. It involved straightening out the American military advisers who, at the drop of a hat, wanted the Vietnamese Army to shell or bomb a village which might or might not be in Communist hands. In this war, the Communists always try to push the civilians into your line of fire so that you whack a lot of civilians over the head and they join the Communists, too.

This major found out that a clandestine Communist newspaper was being circulated in the province. He went down to Saigon and got the U.S. Information Service to help him with the province chief in putting out a newspaper to coun-

teract the Reds.

Well, to make a long story short: This major was very successful. Everybody thought he was successful. The Vietnamese thought so. Our military men in the field thought so. Our diplomats thought so. The foreign press thought so.

What happened? When his term was up, he went back to Saigon. He made a one-hour speech on what he thought had to be done. Everyone thought it was wonderful. Then he was sent off to his new post in Arizona without even seeing his replacement. And, as far as I know, that is the last he ever had to do with the American effort in Vietnam.

MORE EFFICIENCY NEEDED-

Q Are there many such Americans in Vietnam?

A A great many. It is interesting how many of them who are really committed, for example, learn rather quickly to speak the local language.

You know, we could organize a "machine" that could win this thing in Vietnam. But we have to get down to details,

and make the best use of our men and money.

I'm thinking now of a very important Vietnamese administrator who has all kinds of metropolitan problems to contend with. Instead of giving him a really good political type as our adviser, we've given him an artillery officer—who is no good to him at all. This Vietnamese told me: "What I really need is somebody who knows something about trade-unions, and can help me with the strike I've got."

Here's another illustration of what I mean: There was a Vietnamese division commanded by a young officer who is now in his early 30s, maybe. He doesn't have much formal military training, but he has been wounded five times. He is courageous, he has come up from the ranks, and he is popular

in his home province.

Now, we have had some problems with this officer. He is "wild" and ambitious, and he has associated with some poli-

ticians that we'd rather he didn't associate with.

We wanted to advise this young man. So what did we do? We sent along an American officer in his middle 50s, nearing retirement, and at least 30 or 40 pounds overweight. The American's offices were on one floor, those of the Vietnamese general on another. They saw each other by appoint-

ment, usually. At the day's end, the American went home to his air-conditioned room and refrigerator, and the Vietnamese officer went off on his own.

This young officer is one of the men who participated in

the December coup d'état.

Obviously, this is not the way to operate. I'm sure we have the same kind of ambitious and courageous young American officer who could teach this Vietnamese officer something, and learn something from him, too. It isn't a simple problem of the American going in and saying, "Do this, do that." The Vietnamese very often is aware of his problems. He may even know what to do about them, but he hasn't got the resources or, perhaps, the detailed skills, or he hasn't the weight to swing in his own bureaucracy.

DIEM ... IN RETROSPECT—

Q Politically, what's our trouble in Vietnam?

A First, I'd say we played a role there in 1963 which does not redound to our credit. Instead of using more patience and more subtlety in trying to persuade the Diem regime to change its ways, we decided to change the Government.

Whether or not you think the Diem regime was as bad as it was said to be—that is not the point. The real point is that it was irresponsible for us to go along with the ousting of the regime without knowing what was coming in its place. And our officials did not know what they were going to put in its place. Diem's brother Ngo Dinh Nhu once told me: "Whoever follows us will have to be even more authoritarian." That has turned out to be true.

You have to understand the real situation. Superficially, Saigon looks very good—wide boulevards lined with trees, telephones that work, good restaurants, and so on. But all the time in that city Communist agents are operating covertly. It is never easy to find out who they are because this is a civil war in which families are divided. One brother may be Hanoi's Ambassador to East Germany, and another brother is one of General Khanh's top aides in Saigon. You are never absolutely sure who is on whose side.

In that situation, it is extremely naïve for Americans to believe that a government can run the country without using secret police or repressive measures on occasion.

Q Have Americans changed their thinking since Diem's murder?

A It had to change. I remember one American official who complained bitterly to me in 1963 that we should not permit the Diem regime to continue using strong-arm methods against Buddhist demonstrators. The Government had said it could not permit sit-down strikes in the streets—if you had 500 women sitting in front of a Government building, it was an occasion for the Communist terrorists to throw a grenade in there, then blame it on the Government.

A few months later, this same American was complaining just as bitterly because the Khanh Government would not discipline the student demonstrators when the whole country seemed to be falling apart. Today, the present Government is back to the position that it won't tolerate violence in the

streets

Sure, we've changed our thinking, but the ousting of Diem was an expensive lesson. Some of my anti-Communist friends are saying things like this to me: "Now you want a 'strong' government. Last year we had one, and you helped bring it down." Or they say: "How many Vietnamese have to die before you Americans decide you're going to fight this war?"

Now that sounds pretty hostile, but you have to take into

(continued on next news page)

... "We can lose Vietnam in 1965 — and pay the price in 1970-80"

account other things-for example, the fact that Vietnamese troops are constantly being fired on from across the Cambodian border, and we won't do anything about it or let the

Vietnamese do something about it.

It is common knowledge in Saigon that Communist supply lines, hospitals and rest camps operate in Cambodia and Laos. Yet we are continuing to pretend that this isn't true. We even announced that we were prepared to discuss the problem with Prince Sihanouk of Cambodia, and there was not a single Vietnamese present at the discussion. Yet, we like to say that we don't interfere in the internal affairs of Vietnam or push the Vietnamese around.

ATTACKING RED BASES-

Q What about Communist bases outside Vietnam? Should we attack them?

A The answer to that question has to be decided by tak-

ing into consideration two things:

First, there's the military aspect. You have some very important targets that we could hit. For instance, I understand that we have aerial photographs of what we think is the general headquarters of the whole guerrilla movement, located on the Cambodian border. Or there is Haiphong harbor, which is the entry point for 75 or 80 per cent of the material going into North Vietnam. If you dropped aerial torpedoes in that harbor one night and sank 15 or 20 merchant ships, it would create quite a problem for the Communists, and we wouldn't be killing civilians.

However, every military person with any expertise I've asked about this admits that our past experiences do not indicate that bombing the Communists in the North or in Laos or Cambodia will stop the war. One officer says he doesn't think guerrilla activity would decline by more than 10 per cent over a sustained period if we sealed off the borders completely—which would call for far more than bombing on

That gets you down to the psychological effect if we carried out something like that. There's a feeling that the South Vietnamese then would know that we were going to do whatever was necessary to win the war, even at the risk of

Chinese intervention.

Q There's a lot of talk now about a political settlement with the Communists to end the war-

A The Communists might very well buy that. Why not? They want the Americans out, because they know that without us there will be no resistance in Vietnam. They'll be prepared to give us all kinds of face-saving devices to get us out.

Actually, I don't think the Communist strategy is to try for a dramatic military victory. That might just stir up the "crazy Americans" and bring them into an all-out war against the Reds. Sure, the French pulled out in 1954 after losing Dienbienphu. But the French weren't militarily beaten in Indo-China. We have to assume that the Communists are trying to drag out the war, make it as mean and ugly as possible so that the Americans will become disgusted and go home.

I can assure you of this: If we decide to pull out next spring, every anti-Communist I know in Vietnam will try to get out as fast as he can. Many of them already are trying to get out, because they foresee an American withdrawal. If they leave, who will be left to oppose a Communist take-over of a "neutralist" or "coalition" government?

Q Can the country be "neutralized" and still be kept out of Communist hands?

A I think the odds are overwhelmingly against it. The

only really concrete proposal I have heard from French and Communist Vietnamese sources is called "the two-Germanys solution." The Communists, according to these people in Paris, would be willing to call off the war if there were a government in Saigon which would "entertain normal commercial and cultural relations" with North Vietnam. But that's meaningless. The North needs rice and rubber from the South, but could provide nothing as payment in return, except some low-grade coal, which is more expensive to move than fuel oil from the Middle East. Normal cultural relations would mean the sending of Communist propaganda and agents to the South to further cripple any non-Communist effort.

Q Well, then, is there any real chance of winning the war out there?

A I don't think there are any easy or simple answers, and any real solution is going to take a long, long time. That has to be said over and over again when we're talking about Asia.

Pulling out isn't going to solve anything. We lost China in 1949, and we're paying the price now. We can lose Vietnam in 1965, and we'll be paying the price in 1970 or 1975 or 1980.

Here is an illustration of what I mean by that:

India has been politically stable because—in part, anyway—of the split in the Communist Party. But one of the most experienced men in Indian politics told me recently: "Americans cannot pull out of Vietnam. If they do, it will be enough to put the Communist Party together so they can take over India."

THE PRIZE: ALL ASIA-

Q Are you saying that once Vietnam falls the rest of Asia will go Communist?

A I don't see any other answer.

For instance, you still have the Chinese camped on India's borders. They've built a very elaborate system of roads in Tibet. Once the Chinese got to the Tibetan plateau, you see, they were only 2,000 or 3,000 feet below the Himalayan passes leading to India, and they had the advantages of a fairly dry climate. It was almost a downhill run by comparison with the job facing the Indians, who are having to build roads from sea level, almost, up to 17,000 or 20,000 feet—through torrential rains and slides much of the time.

Q Have the Chinese there pretty well neutralized India as a threat to their plans?

A I think so.

Q What about the Japanese?

A The Japanese are Asians. Suppose they see the Americans pulling out of mainland Asia—can the Japanese hold out? After all, they've already got an opposition group there that is large enough to veto any Japanese attempt to play a big role in the world, despite the fact that it's the fifth or sixth largest industrial nation. Many Japanese simply feel that Japan should not take any risks, and it is inevitable that this feeling will grow enormously if the Americans decide to leave Asia to the Communists.

This is the danger that is growing for us, really. Already there is the feeling, more and more, that inevitably the Chinese Communists are going to dominate Asia and that the Americans are going to have to pull out. That is why Cambodia is giving help to the Reds now, and why President Sukarno of Indonesia feels free to wage a war of nerves against neighboring Malaysia.

Q What is that trouble around Malaysia all about?

. "We're getting richer and Asians are getting poorer"

A Basically, Sukarno's trouble is that the creation of the new Federation of Malaysia put a time bomb right on his doorstep. You see, for years, Sukarno has been ruling the peoples and the islands of Indonesia pretty much as dictator of a highly centralized Government-building up a big Army, crushing all opposition, taking aid from America while getting chummy with Red China, and reaching out for more territory wherever he could get it.

Now comes the Federation of Malaysia, and it is everything that Indonesia isn't. First of all, it is a federation composed of Singapore, the old Federation of Malaya itself, and part of Borneo-all with a fair amount of freedom and auton-

omy which Indonesians don't enjoy.

Then the economic contrast makes Sukarno look silly. Indonesia has a controlled economy which is in a mess-the rupee now stands at something like 5,500 to the dollar, instead of the official rate of 45 to 1. The Federation, on the other hand, has a free economy which is just about the most prosperous in Asia, with the strongest currency.

Sukarno is always attacking the West and kicking foreigners around, while Malaysia has a British base in Singapore

and co-operates with the West.

Another thing is that the sultans in the Federation come from families based in Indonesia, and the same Chinese families who control the business community in Malaysia have relatives who control the business community in Indonesia.

So, you see, this thing sits on Sukarno's doorstep, ticking away. He has to do something about it. Right now, it's mostly harassment of Malaysia by means of isolated attacks from paratroopers and that sort of thing, but if the Communists take over all of Vietnam, he'll feel free to make his big move, with the Communist blessing.

Q What is it that all these countries need from us?

A One thing, obviously, is time to build up a sense of nationalism so they will want to withstand the Chinese. That's a difficult job because, in most parts of Eastern Asia, you are talking with peasants who are 80 per cent illiterate and not interested in anything beyond the village.

FREEDOM'S FIRST STEPS—

Q What kind of government can we get in those countries?

A It's clear you are not going to have voting machines in South Vietnam, or many other places, for a long time. But you can get representative government. They have representative government and a free press in the Philippines. They have it in spite of a roaring increase in population, in spite of poverty, in spite of a Communist movement that once threatened to take over the country. Maybe Americans can take some of the credit for this in the 40 years they ruled the country.

Now we don't have 40 years in which to get a similar result in other countries. That's true. But we do have more resources for doing the job than we had when we came to the Philippines in 1900. Presumably we've learned some-

thing since then, too.

Q What are some of the problems that will have to be

A To begin with, poverty-poverty the like of which doesn't exist anywhere else in the world, poverty so grinding that statistics on family income are meaningless.

Then there is technology. Here is one indication of what

has to be done there:

Some Norwegians who are running a technical-assistance program on the southwest coast of India say that in Western Europe no one has fished as these people do for more than 1,000 years. They fish from the shore. Their nets are terrible. They know next to nothing about fish habits. Yet, they live near some of the largest shrimp beds in the world.

In most of South Asia, peasants use a wooden plow which doesn't permit them to turn the soil to a depth that is

necessary for good plant growth.

And here is a better example of what I'm talking about: One American expert tells me that 75 per cent of the water used for irrigation in India is being lost. The water flows over farmland too fast because the land is graded too steeply. To correct that situation, you have to send a young man who knows a little bit about mathematics and has a couple of primitive surveying instruments so he can show every farmer how to regrade his land.

Well, fine. But how are you going to find enough young men who are going to visit something like 550,000 villages and stand in the hot sun day after day talking to ignorant

and suspicious farmers?

A "CATASTROPHE" BREWING-

Q Do you come out of Asia with a hopeless feeling?

A The problems in India-and to some extent in Pakistan -are so bad I don't see how anybody can be optimistic. Some of the problems are getting even worse-language, for instance. India has 14 major languages, so the British-educated elite use English. But what has happened in the 17 years of independence is the growth of regional nationalism and the increasing use of local languages so that the level of competence in English is falling all the time.

Then you get into the population problem. The official estimate is that the population of India is increasing at about 2.2 or 2.3 per cent a year. But a good many Indian econo-

mists feel that it's closer to 3 per cent.

Only in rare instances has any country in the world had agricultural growth of 5 per cent a year. So you can see that improving the standard of living in India is extremely difficult. In fact, the Indians have had four years with no increase at all in food-grains production.

I don't think we have lived up to our responsibilities in Asia. We have known from the very beginning of all this effort at economic development that the two principal problems are food production and population. Yet, by and large, those are the two things that we permitted the Indians to

ignore while financing their economic development.

Unless we can find some way to really help Asians, we're in trouble of the worst sort. We're getting richer and they're getting poorer. We're getting more educated, but illiteracy in India, for example, is growing, not declining. If we can't find some way to give these people a stake in the world, they're going to become even more embittered and more frustrated, and will try to find some way to get at us.

My own feeling is that America is heading for catastrophe unless there is a revolutionary change in our approach to

the whole area.

Q What do you mean by that?

A Simply this: If we pull out, and if country after country is pulled into Red China's orbit, it is going to hasten the Chinese buildup for an explosion against the West. And that means America, principally.

Q Yet the Chinese have trouble at home-

A Look: The Chinese have not solved one basic problem that they had when the Communist regime took over in 1949. They can't grow enough food. But they are able to make an atomic bomb. There you have the perfect example

"Communists haven't solved the basic problems in China"

of what we're up against in Asia. There will be no American security in a world where two thirds of the population is

facing a steady decline in its living standards.

The population of China is growing at something like 20 million a year. The population of India grew by about 15 million last year, I believe. Now, these people are not going to be able to feed themselves. They are not going to be able to educate themselves. They are not going to be able to clothe themselves. In fact, the gap between their living standards and ours is growing year by year.

But if they have the kind of government that you find in China now, they will be able to do things which can threaten the security of the rest of the world. They're going to try

to get what we have in one way or another.

The optimists here in Washington say: "All right, the Chi-



SOUTH VIETNAMESE TROOPS-"You've got to depend on the Vietnamese to win their own war," Mr. Sanders believes

nese have an atomic bomb. But they can't deliver it." Well, just now, I can't foresee any way that they can deliver a bomb. I can't tell you how they might be able to deliver it 10 years from now. But it seems to me that it's pretty reckless optimism to believe that in 10 years' time they won't find a way to make themselves an effective menace to the United States itself.

Q What about our allies in that part of the world?

A Everyone will be trying to make a deal once they're positive that the Americans are on the way out.

Take a country like Thailand, for example. Right now, the Thai are carrying on virtually no trade with China. They don't want anything to do with Peiping politically-and the Chinese don't have much to offer them economically.

But if we pull out of South Vietnam, there'll be tremendous pressure in Thailand to try to get closer to the Chinese. And the Communists have a need for the food and other things that Thailand produces-so they'll try to exploit the Thai and the rest of Southeast Asia the same way that the Russians exploited Central Europe after World War II.

Q Is there fear of this happening in those countries?

A Of course. Many Indians, for example, have a very peculiar attitude toward the Chinese. They're afraid of the Chinese, they hate the Chinese, and they consider China their principal enemy-they don't forget the border war of two years ago.

At the same time, you find a grudging admiration in the

Indian middle class and in the Indian leadership for the fact that, while Red China may not have solved its real problems, it has recovered its self-respect and has made itself feared, if nothing else, by the rest of the world.

That feeling was evident even before the Chinese exploded their A-bomb. You find the attitude even more pronounced among the Pakistanis, who are supposed to be

Q Do Asians think Communism is going to solve their problems?

A No, and the more enlightened Communists are pretty realistic about it, too. I remember a Communist intellectual in Calcutta telling me once: "Communism has no answers

Again, however, look at China. There, they haven't solved the basic problems. But, with terror and discipline, they've been able to make China into a military power that the rest of the world must reckon with.

Q Are you saying that the Chinese hope to use the resources of Asia in a showdown with America?

A I would certainly think so. When you look at the area reaching from Hong Kong to the borders of India and south to Indonesia, you find it underpopulated by Asian standards. Those countries have surpluses of rice-though the productivity per acre, in countries like Thailand and Burma, is maybe one fifth or one sixth of the rate in Japan. In Burma, you could grow three rice crops a year, but nobody does it.

So the Chinese could throw immigrants into those countries in enormous numbers, solve some of their own population problem that way, and maybe solve a good part of their

food problem, too.

I think it's estimated that, since the Chinese took over Tibet in 1951, they've pushed something like 20 million people from China proper into Tibet, and the areas just east of Tibet. Of course, colonization schemes can be very expensive and very difficult to organize. But colonization carried out by a Communist regime that doesn't care about human suffering wouldn't be terribly expensive, or difficult to organize. You just say to x number of villagers: "Go! With the clothes on your back!" If half of them die before they get to Thailand-well, even then, it is a net gain insofar as Red China's population worry is concerned.

Q Will the Chinese go to war in Southeast Asia to get

what they want?

A I don't think it has to mean a Chinese conquest. What they want is to dominate Asia-build up a new colonial structure for their benefit.

"HOLD THE LINE IN ASIA"-

Q How long are we going to have to deal with this problem?

A A long, long time. Our only chance, it seems to me, is to keep the Chinese in the present condition of armed truce, if you can call it that, for two or three decades.

Maybe then we can find, or the Chinese people themselves will find, a way in which the growing population and the

growing power of China can live peaceably in this world.
Until then, we're simply going to have to hold the line in Asia-and right now, that means in Vietnam. If the United States, with all of its intellectual resources and all of its technology, can't find a way to lick this problem in Vietnam, then it's pretty sure we're not going to be able to solve the 101 other problems facing us anywhere else in the world.

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THE WHITE HOUSE

WASHINGTON

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January 4, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Averell Harriman

- 1. Down at the Ranch last week you said you would like to see Averell Harriman on your return and talk out his future with him directly. Jack Valenti has given me a tentative time of 12 noon, Wednesday, January 6, for this meeting.
- 2. It is important that this talk occur soon, because without it there will not be a clear opening for a new Under Secretary.
- 3. I believe you wanted to suggest to Harriman that he will be happier without a formal appointment in the Department and should instead be available as a counselor and occasional troubleshooter in the same way that Acheson is. I understood you to say that you preferred to do this yourself, but if you want Dean or me to do it, of course we are available.

McG. B.

Confirm Harriman at noon,	Wednesday
Speak to me	
	DECLASSIFIED
	Authority State 8-29-77 ' NSC 11-30-78
	By, NARS, Date 6-20-19

CONFIDENTIAL

January 4, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Comment from Bob McNamara on the State of the Union

- 1. Bob McNamara called this morning on other matters, and I asked him what he thought of the State of the Union. He said he liked it, but had one worry. He wonders whether the statements on Vietnam on pages 6 and 7 are too strong in the light of our current policy. I said that they were no stronger than things we had said a dozen times before, but I gathered from Bob that he thought they were stronger than our actions. I get the implication that he fears that if we do not intend stronger action, we may regret these sentences.
- 2. My own view is that, whatever we may decide to do on particular matters in the coming months, it is absolutely essential to maintain a posture of firmness today. I believe that without firm U. S. language, the danger of further erosion in Saigon is bound to grow. I therefore not only approve, but strongly recommend, the language on pages 6 and 7. Nevertheless, I think you should know Bob's worry.

McG. B.

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T MEDICAL	NSC letter, 11/30/18 + State 8-29-77
	By JX NARS, Date 1/4/79

January 4, 1965

SANITIZED

MEMORANDUM TO THE PRESIDENT

SANTED G

SUBJECT: Visit by Prime Minister Pearson

- 1. You asked Jack Valenti about a possible visit by Prime Minister and Mrs. Pearson to the Ranch on January 15.
- 2. I am sure the Prime Minister and Mrs. Pearson would be delighted to come to the Ranch. Not only would they enjoy it because of a chance to see you.

Nor do I see any dangerous precedent since Diaz Ordaz has already had a visit, and Canada and Mexico are our only two contiguous neighbors.

- 3. The one disadvantage is in the use of your own time. The original theory was that he would need nothing more than an hour's talk with you here anytime Friday. If he comes to the Ranch you will have him for an evening and part of a morning, at the least.
- 4. One quite minor aspect is that the Pearsons have invited the Rusks, the McNamaras, and the Bundys for dinner January 15 at the Canadian Embassy. This of course would be cancelled
- 5. In sum, it seems to me you have an absolutely free choice between an office appointment or a small lunch on Friday, January 15, or an overnight visit at the Ranch. Pearson would surely prefer the latter, but at present he is entirely content with the former which is all be has asked for. Will you check your preference?

McG. B.

Invite him to the Ranch Friday

Office appointment Friday



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THE WHITE HOUSE

WASHINGTON

CONTINCIAL

January 3, 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: State of the Union Message

Authority State 8-29-77; NSC 11-30-78

By , NARS, Date 6-20-79

- 1. I have just sent to Bill Moyers my comments and suggestions on this morning's draft of the State of the Union. My comments are of marginal importance, and I find that I seem to care most about things that really matter least, like one or two of Dick Goodwin's rhetorical phrases which seem to me overblown or meaningless. In substance, I think the draft is in good shape -- both foreign and domestic.
- 2. The one subject on which I still have doubt is the visit to Europe. This is not because it can do any harm, but rather because it may involve you in two weeks of strenuous effort with not much to show for it afterwards. Largely by your own wise choice, 1965 is now likely to be a year of slow motion in Europe. The Germans and the French and perhaps the British -- will have national elections. The Kennedy Round will go its weary way, and if there is a crisis over agriculture, you will probably not wish to be in the center of it. The ANF/MLF discussions will not move very fast. We are unlikely to be able to get serious proposals for the settlement of the German problem.
- 3. No matter how much we down-play it, a visit by the American President to four European capitals will generate an enormous amount of newspaper interest. There will be endless speculation, and a great deal of advice pro and con. Men as different as Acheson and Lippmann will think the trip is a mistake (unless they change sharply from what they said in December). They will be wrong (because the pessimists exaggerate as much as the optimists) -- but they will not be silent.
- Another element in this problem is the inevitable comparison between your circuit tour and President Kennedy's. He went in 1963, after the extraordinary triumph of the second Cuba. He was well known after more than two years of exposure as President, and he had the twin emotional centers of his homeland, Ireland, and of Berlin, which was just emerging successfully from a crisis. As a result, his visit was a great personal triumph, of a kind which will be hard to beat, simply because of the force of circumstances. I can already see the Krafts and Barretts of the world setting themselves up as crowd-counters, and the initial odds would be against us in such an exercise.
 - 5. You have accomplished so much in the last year -- and in particular

you drew such tremendous crowds in the election campaign -- that I am not prepared to predict the outcome. I am only predicting a lot of invidious comparisons, one way or another.

- 6. All in all, a trip of this kind, with its preparations and its aftermath, is likely to take the best part of a month out of your life. Probably the world will stay still while you travel, but there is always the risk of a real crisis when the real war is, in Vietnam. I wonder whether it is worth it. At the very least I owe you this expression of uncertainty before the pressures of the State of the Union drive us to a decision that may be premature.
- 7. If your decision holds, you can be sure of my fullest support. About two really good speeches would probably win the day, and I am sure we can get them for you, under your guidance.

hፈ. ሌ. McG. B.

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THE WHITE HOUSE

WASHINGTON

January 2, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT:

Letter on foreign affairs

Mr. Herman Finer is a somewhat volatile but extremely intelligent political scientist, and I think you may be interested in this outburst. I agree with most of it, except for his notion that somehow we can choke off an adventure like the Yemen without paying for it heavily.

McG. B.

Encl

ltr frm Prof Finer

THE UNIVERSITY OF CHICAGO

CHICAGO 37 · ILLINOIS

DEPARTMENT OF POLITICAL SCIENCE 1126 EAST 59TH STREET

December 21,1964

Dear Mr. Bundy,

You probably know me from some among my various writings and my long teaching career (part at Harvard) as a political scientist.

Knwoing your central position in our political life, I write to you in the hope that some of the errors of thought concerning American foreign relations responsibilities as bandied about in the Press may not be allowed to become our actual policies.

1. <u>VIETNAM</u>. Korea demonstrated that (in all probability) a presence of 10,000, perhaps only 5,000, U.S. troops near the 38th parallel would have saved us 142,000 casualties later to get back to where we had been and could have been, except for a fault of political and military judgment.

Presence costs far less than re-conquest.

We all know that the fundamental war is with Mao-Tse-Tung. In 1945-1949, we let Chiang down, when with all his deficiences (which I know only too well) our national interests, as we now see, would have been better served than by the monster in Peking. Don't do this with whoever rules in Vietnam. Do not demand more of our allies, motrally and culturally, than Moscow and Peking demand of theirs.

Tell Ho Chi Minh openly that the U.S. A. will not be the victim of his general Giap's sneering remark that he must win because democracies cannot hold out for years of casualties. He was thinking mainly of France; let him know that U.S.A. is not the France of the Fourth Republic. It is time that some open declaration of this kind were made, actually quoting Giap's fulmination. There's not so much risk in making Kanh etc etc., more testy with us than they already are.

If Ho Chi Minh continues his state-shaking campaigns in S. Vietnam, have we no ways of making life in North Vietnam miserbale. Do you meanto tell me that all of our brains, Rand, the psychological warfare experts, etc etc., cannot think out ways of giving him and his firends the jetters every day? What about leaflets urging a strket against taxes, and work, and for higher pay, and so on? There must be dozens of ways of makingx disruption of everyday life in the north. Is sabotage of their chemical and cement works etc an impossibility? Can't it be made plain that unless he calls off his campaign in the south, he'll make no progress in the north?

Churchill once said (and I heard it) that if Baldwin and Chamberlain had even only given one good, healthy growl, Hitler would not have become the total villain that he became. Why on earth are we afraid to give a healthy growl? You know that smiling, good nature won't do it.

2. THE CONGO. The foundations are being laid for the evolution of a century. We cannot be other than involved; it is inevitable.

Every gambit now will have its significance for us and commit us, by action or neglect, in the future.

Please, stop trying to get Tshombe to take in "rebel" leaders into this Cabint. Prague, Budapest, Poland (Lublin), Bucharest, etc etc., have taught us that they dump, and dump forever, their non-Communist colleagues.

Double, triple, quadruple, the aid we are now giving. It's cheap now, but with every access of strength from Cairo, the Sudan, Moscow and Peking, it will cost us the square of their doses of help. If Ben Bella sends men, let us send men. If Nasser sends men and arms, let us do likewise, and do it in such a measure that they'll get heartbreak. Don't feel guilty tawards Nkrumah or the rest of the claque, mainly self-serving, and not nation-serving, opportunists and saviors I'm glad that Stevenson spoke out against their rabid nonsense; four days before he did, I wrote to him, as an old acquaintance to say that this was a Churchillian moment, and that if these advancturers, intoxicated by their Hyde Park rhetoric (which I well know, having observed it over the years in London — and I was for their rights) could not be taught reason in their own homelands, because they have destroyed all opponents, then they must be taught firm the outside.

3. Nasser and Ben Bella. Why are we so complaisant and pusillanimous with these two mischeef-makers? Eden's predictions about Nasser are uncannily sound. So are my own in my <u>Dulles over Suez</u>. I wish they were not, but they are. What lack of backbone and self-respect permit the continued assistance to Cairo when it is converted into armies in Yemen, the Sudan, and now the Congo? There must be ways of choking off these adventures. What are we afraid of?

I would not wish our foreign policy to be a creature of fear of loss of votes, but unless more strength is shown in these three areas, then November 1962 will be a bad year for the Administration, and it will deserve to be rebuked. I say this with a reford of stalwart and expensive support in the campaigns of 1952, 1956, 1960, and 1964(via George Reedy and Jack Valenti and in the Illinois area).

Too little is being said from the Whote House on foreign policy. If this Administration ought to be anything especially, it ought to be a <u>Teaching</u> administration. You know very well the vagueness of the recent campaign. In 1968, it may be too late to do the teaching about our world position that needs to be done it ought to be done every day. But above all, I hope we show more strength in the three areas I have mentioned above. I do not mind speaking softly, so long as there is also a big stick; but a <u>soft</u> stick, where our interests are vital?

Well, a Happy New Year....

Cordially,

han huer

Professor Herman Finer

SECRET

January 2, 1965

MEMORANDUM TO THE PRESIDENT

SUBJECT: Joe Alsop's column of Dec. 30

- 1. I asked my brother Bill to examine a possible relation between Joe Alsop's column of December 30 and a leak from Max Taylor, and I attach his answer, which is interesting.
- 2. I am sure of Max Taylor's innocence simply on grounds of personal integrity, but I am glad the circumstantial evidence supports this view.

McG. B.

SECRET attachment

DECLASSIFIED

Authority State 8-29-77: NSC 11-30.78

By , NARS, Date 6-20-79

SENT

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DECLASSIFIED

Authority State 8-29-77; NSC 11-30-28

By , NARS, Date 6-20-79

FROM: HORACE BUSBY
TO : MCGEORGE BUNDY

CITE: LBJWH002

COM INCH

1//CONFIDENTIAL///

FOR YOUR PLANNING PURPOSES, THE PRESIDENT SAYS OKAY ON YOUR MEMO REGARDING HOLIDAYS. HE REQUESTS THAT ALL CONCERNED GIVE THE DATES INVOLVED TO JOHN MACY AND TO KEEP MACY INFORMED REGARDING HOLIDAYS AND HOW TO BE REACHED. ON MEMO RE PRESIDENTIAL MEETINGS WITH FOREIGN HEADS OF STATE, THE PRESIDENT SAYS NO FURTHER RESEARCH NEEDS TO BE UNDERTAKEN REGARDING THE NUMBER OF FOREIGN VISITORS

DTG: 01/0445Z JA

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