

MEMORANDUM



✓ 47

THE WHITE HOUSE
WASHINGTON

Friday, January 28, 1966, 9 AM

MEMORANDUM FOR THE PRESIDENT

Subject: Walt Rostow's paper

Walt Rostow's paper (attached) is a new version of his persistent belief that we should make up Harold Wilson's mind for him on the nuclear business and get the British into a collective force with the Germans. I am sorry to say that this has become an obsession with Walt, as also with George Ball, Robert Schaezel and Henry Owen -- they keep coming back to it by one means or another, and this memorandum is simply one more try.

I myself think this simply will not work. If Harold Wilson goes out of the nuclear business, it will not be by selling shares to the Germans against the prejudices of his own people, the violent opposition of the Russians, and in the face of French objection and a French "independent" nuclear force. This is simply not going to happen unless you use a kind of pressure which would be extremely unpopular both in Europe and on the Hill. So my own view is that we should let the Germans and the British continue to talk this one out, and deal with the very important problem of India by quite different means.

I state my views quite strongly in this instance because these enthusiasts for a collective force have been a zealous lobby within the government for five years, and it is always quite a job to keep a proper eye on them. Dean Rusk does not do it, so the job has fallen to me in the last year or two, and I hope they won't trap anyone into another unmanageable idea like the MLF after I get out of here. (I myself spent a lot of time backing the MLF, but once burned, twice shy.)

McG. B.

McG. B.

THE WHITE HOUSE
WASHINGTON

Friday, January 28, 1966,
9 A. M.

MR. PRESIDENT:

Another Wise Man bites the dust

Douglas Dillon has just telephoned to say that he has the flu. I told him you might wish to call him in the next few days, and he said the operators would know where to reach him.

✓
M. B.

McG. B.

THE WHITE HOUSE
WASHINGTON

49

Friday, January 28, 1966
9:15 AM

MR. President:

I attach a substantial memo prepared by Bill Bowdler of my staff which will bring you up to date on Latin American matters. The most striking achievement is the Chilean copper price announcement. This is a real diplomatic achievement by the team of Harriman and Solomon under your leadership. I am frank to admit that I did not think it could be done.

✓

McG. B.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

Thursday - January 27, 1966
5:30 p.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Some Latin American Developments

49a
DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-239
By fw, NARA, Date 11-18-93

There have been several significant developments on the Latin American scene in recent weeks which I think will be of interest to you.

Reaction to the Tri-Continental Conference. The Latin American governments followed the communist-sponsored Havana meeting with unusual interest. The emphasis placed in the speeches and resolutions on armed struggle and support for guerrilla movements aroused the concern of the governments, particularly those most directly threatened by communist subversion (i. e., Venezuela, Peru, Guatemala, Colombia). The concern led Peru to propose action in the OAS denouncing the interventionist character of the Havana meeting and its sponsors. Support for a strong resolution looks good. This is the first time that the Latins have taken an initiative of this kind -- a most welcome development.

We are encouraging them in these moves and capitalizing on the propaganda advantage which the Havana meeting affords, especially in this hemisphere. We are working to get editorials and articles published in our press, as well as the Spanish editions of Life and Reader's Digest. Through State and USIA, materials on the meeting will be reaching friendly editors, columnists and writers in the principal Latin American countries.

Panama Negotiations. State and DOD have hammered out a negotiating position in the form of three draft treaties covering the sea-level canal, the present lock canal and military bases. The drafts are in the hands of the Panamanian negotiators who have asked until mid-February to study them. Negotiations will begin in earnest after that. We have no Panamanian reaction/yet to our drafts.

This week Bob Anderson and Tom Mann had a useful 2-1/2 hour session with Congresswoman Sullivan and members of her Subcommittee. She has not been converted, but the consultation may have softened her attitudes as she gained a better understanding of the issues and how we are approaching them. Anderson called me to say he was much encouraged.

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~~SECRET~~

-2-

Our Problem with Peru on the IPC Case. The Belaunde Government's inability to reach a settlement with the International Petroleum Company on its operating rights and our withholding of major development assistance pending a solution has resulted in one of the thorniest problems in our Latin American relations. It not only adversely influences our relations with Peru, but it also affects our image in the Alliance for Progress context. (Parenthetically, I suspect that Walter Lippmann's judgments on the Alliance may reflect some of Belaunde's attitudes traceable to the IPC case.)

Belaunde recently had a frank conversation with Ambassador Jones on the IPC question in which he expressed his unhappiness over the withholding of major U.S. aid and the need to solve the IPC problem. I think this conversation may provide an opening for us to go back at him with specific proposals for reaching an understanding on IPC which would permit aid to flow. Tom Mann and Lincoln Gordon are meeting today to discuss what our response to Belaunde should be. *I think Gordon will bring cool good sense to this one - we have been a shade rigid on it.*

The Dominican Situation. Now that Caamano and company have left Santo Domingo, Ellsworth Bunker has turned his attention to persuading Rivera Caminero and his colleagues to depart. The three-way conversations between Bunker, Garcia Godoy and Rivera Caminero this week show that there will be as much bargaining on this set of departures as there were with the Caamano group. Indications are that Rivera's conditions will center on Garcia Godoy getting rid of some questionable leftists in his entourage (some of the same types we have been asking him to get rid of) and giving assurances that the communists will be held in check. Garcia Godoy told Ellsworth yesterday that he is willing to do this. If it works out this way, we stand to gain more from the exercise than we originally thought.

My guess is that it will take a week or two to negotiate the departure of the Rivera group. What is worrisome is that during this interval some new incident may take place which would undo the hard-fought gains made since the Santiago incident last month. *- We'll have a new poll in about a month.*

~~SECRET~~

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-3-

Chilean Copper Price and Program Loan Questions. We have reached agreement with the Chileans both on the terms of the program loan and the 36 cents per pound price of Chilean copper sent to the U.S. during 1966. The Chilean Government announced the special price arrangement last Tuesday. To meet anticipated domestic criticism they explained in the announcement that we were making a \$10 million development loan for private investment (the understanding reached in the Frei-Harriman talks) and had agreed to Chile borrowing in our private capital market (which they are free to do anyway), and that the copper companies were making up a substantial part of the tax revenue loss. So far the adverse reaction in Chile to the price deal has not been significant.

With completion of the Chilean program loan negotiations, we can now move ahead with the loan-signing ceremony at the Inter-American Development Bank. This will be the subject of a separate memorandum.

McG. B.

McG. B.

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

January 27, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Call on you by Vietnamese Ambassador

The new Vietnamese Ambassador to Washington, Vu Van Thai, is leaving for Saigon late next week for consultation. It would be useful for us and, obviously, of great importance to him if he could call on you before he goes. A few minutes of conversation and a photograph would be all that would be necessary.

Thai (pronounced TIE) is a breath of fresh air in the Embassy here. After a long hiatus, we at last have a Vietnamese who is ready and eager to represent his Government effectively in the United States. He has travelled extensively and spoken to a large number of audiences since he took over. But more importantly, as a former (until early fifties) Staff Officer for Ho Chi Minh, he can and does take on the American protest movement with conviction and credibility. Obviously anything we can do to improve his image and the image of the GVN as an independent government will be all to the good. Your seeing him will help on both counts.

Yes

☒

No

☐

Can we see him today?
JV

McG. B.

McGeorge Bundy

DECLASSIFIED

Authority NLS 83-207

By iss, NARS, Date 10-24-84

CONFIDENTIAL

TRANSFERRED TO HANDWRITING FILE

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Thursday, January 27, 1966, 8:30 PM

(2)

MEMORANDUM FOR THE PRESIDENT:

Subject: Rundown on the Wise Men

Clifford, Dean, Dillon, Dulles and McCloy will be here. Lovett says it is really impossible. Since his name counts for a great deal, my suggestion is that you should talk with him on the phone tomorrow so that we can be perfectly clear that you yourself have had the benefit of his advice.

McG. B.

McG. B.

Thurs., Jan. 27, 1966
3:15 PM 27,

52

52

MR. PRESIDENT:

I hardly know whether to bother you with this or not, but I always hesitate to interfere with personal messages from one of your Ambassadors. This particular document will not surprise you: Bowles is a pausist still.

McG. B.

~~SECRET ATTACHMENT~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

53
Thursday, January 27, 1966
2:45 P. M.

MEMORANDUM TO THE PRESIDENT

SUBJECT: Your meeting with Michael Stewart and Dennis Healey

I attach a briefing memo from Dean Rusk.

He has called just this minute - to say two things:

1. He hit Stewart very hard on shipping to North Vietnam and Stewart has agreed to do everything they can do short of legislation, which they could not get.

2. Stewart asked him about the length of the pause. Rusk replied that the string had pretty well run out but he did not give a definite day. Rusk could not tell from Stewart's conversation whether Stewart knew of Wilson's exchange with you.

The discussions of the British Defense Review have gone fairly well this morning, at the "technical" level.

McG. B.

McG. B.

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Mandatory Review
Case # NLJ 83-208
Document # 53a E

53
SANITIZED

President's Talk with British Foreign
Secretary and Defense Minister

E.O. 123
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AND C5

SANITIZED

BRIEFING MEMORANDUM

Foreign Secretary Stewart and Defense Minister Healey
are in Washington for a day's talk with Secretary Rusk,
Secretary McNamara, and other officials.

Prime Minister Wilson, during his talks
with the President on December 16-17, outlined

its review of its overseas commitments. The President at
the time suggested that more detailed discussions would be
desirable and the Foreign Secretary and Defense Minister
are now in Washington for that purpose.

The President might wish to discuss the following
subjects:

1. Vietnam

The two Ministers would undoubtedly appreciate hearing
the President's assessment of the situation in Vietnam. It
should be noted that Prime Minister Wilson will be making
a visit to Moscow beginning February 21.

2. British Shipping to North Vietnam

The British have been made well aware of our serious
concern over the fact that British shipping continues to be
engaged in the North Vietnam trade. They know that public
and Congressional criticism is tending to focus on the UK
as other free world shipping pulls out of the trade.

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY urb DATE 1-11-84

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SANITIZED

Authority NLJ 83-208

By ics NARS, Date 3-2-84

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-2-

1-3(a)(3)(5)

3. Defense Review

Prime Minister Wilson announced to the House of Commons following his talks with the President in December that the UK would continue to play a world role.

1-3(a)(3)(5)

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January 27 1966 - Thursday 2:00 p.m.

MEMORANDUM FOR THE PRESIDENT

VIA JACK VALENTI

SUBJECT: Latin American Loan-Signing Ceremony

On January 13 I sent you a memorandum recommending that you participate in a loan-signing ceremony at the Inter-American Development Bank during the latter part of January and you agreed to do this.

Because Bank President Herrera will be out of the country until the end of next week, the earliest we can schedule the ceremony is for Monday, February 7. Our program loan agreements with Brazil and Chile will be ready for signature by then. The Bank loan which is to serve as the reason for holding the ceremony at IDB headquarters will not be the Peruvian loan as we had originally contemplated. Instead, it will be a larger and more important loan to Mexico for development of 5,000 miles of feeder roads designed to open up new agricultural lands and to incorporate isolated rural areas into the nation's economic mainstream.

The format for the ceremony will parallel the one we used here for the Central American loan last July. It will last about an hour and include: (1) a welcoming statement by Bank President Herrera. (2) a short address by you. (3) the signing of the agreements, followed by very brief remarks by the Ambassadors of the three countries and (4) light refreshments. The guest list will cover appropriate persons from the embassies involved Congress, international institutions, State, Treasury and AID the press and perhaps persons in the labor, business and cultural fields with interests in the three countries. The new Brazilian Ambassador, Vasco Leliao da Cunha, will be in Washington by then. Lincoln Gordon will also be on hand to participate.

If the suggested date and general format meet with your approval we will develop detailed arrangements with Bank officials which I will submit to you for review.

McG. B

Approve Monday, February 7 ____.

Prefer some other date ____.

Approve general format ____.

Prefer different format, see me ____.

Thursday, January 27, 1966, 3:45 PM

MEMORANDUM FOR THE PRESIDENT:

Subject: Three more Wise Men

I have talked today to Arthur Dean, Allen Dulles and Douglas Dillon. Acheson and Cowles are in Antigua; Black is out of the country; and Bradley is hidden somewhere in Florida and not yet found by the operators. Dean would resume pretty firmly and strongly. Dillon would resume with caution and moderation, and says he does not know enough to judge the timing. Dulles would resume, but not in a hurry and with a strong disposition to be doubtful about the real impact of air power in this situation. All three of them will be thoughtful and constructive.

So I now recommend a meeting of Wise Men tomorrow afternoon. Valenti has suggested 5:30. Rusk and McNamara strongly support such a meeting. The people we could get are as follows, subject to last-minute problems I am not aware of: Clifford, Dean, Dillon, Dulles, Lovett and McCloy.

McG. B.

Yes _____

No _____

Speak to me _____

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Thursday, January 27, 1966, 1:15 PM

MEMORANDUM FOR THE PRESIDENT

Re: Views of Arthur Goldberg

I reached Goldberg at the end of the morning and told him that you would like his considered recommendations on whether and how we should approach the UN after the pause. He said he would prepare his views and submit them promptly.

He went on to say that his current view is that you should take a middle ground between the advocates of immediate resumption and the advocates of the end of permanent bombing. By middle ground he means a continuation of the pause for about another three weeks. (This is a very bad length of time to choose because it puts us right under the gun of Wilson's visit to Moscow of February 21). Goldberg's argument is that a reasonable limited additional period would show that you are stretching to the limit in the interest of peace. It is in keeping with the position you have taken right along. It would have a very good reaction among those who have supported the pause but who have not given up hope. It would win almost unanimous respect. And it would not have unacceptable military or political consequences either in Vietnam or at home. He thinks it would deal with a Congressional feeling that people are not so much consulted as briefed, and he thinks it would be effective with rabbis and clergymen, of whom he has seen a large number lately.

If you should move in this direction, Goldberg thinks it ought to be leaked in the next day or two that you are offering such an additional grace period, and the proof of your readiness to go to the limit in spite of the absence of any interesting response so far.

Goldberg will be here tomorrow all day, and I told him I thought it quite likely that you might wish to have a word with him during the day, but I left the matter open for your final decision.

McG. B.
McG. B.

*I also told Arthur that I had told
Wickie he was all wet on Goldberg's role +
that Arthur was in on everything.*

Rec'd
Pres
1-27-66
11:00 am

THE WHITE HOUSE
WASHINGTON

Rec'd
2/15/66 58

Thursday, Jan. 27, 1966
10:55 A. M.

MR. PRESIDENT

Here is an extraordinarily interesting
dispatch from Ayub which makes
the best case against the resumption
of bombing that I have seen. I
still don't agree with it but I am
sure you will want to read it.

McG. B.

McG. B.

Thursday, 27 January 1966
10:25

~~SECRET~~

Text of Message from Ambassador McConaughy - Karachi 1510

I met on the evening of January 25 with President Ayub at my request. Our half-hour discussion was devoted entirely to Vietnam.

The meeting was at the Ayub residence, and he appeared informal, cordial, and candid in a manner reminiscent of our conversations prior to the rocky course of Pak-U.S. relations during 1965. In discussing Vietnam, President Ayub appeared desirous of imparting through me to President Johnson the views of a sympathetic and concerned friend who, while gratified at having been consulted in a matter of such serious import, also sought to offer as straightforward and responsible a response as possible.

Noting the seriousness and criticality of Vietnam, I said President Johnson and Secretary Rusk had instructed me to inform him that we had received no indication whatsoever of interest from Hanoi in our current effort to promote the cause of peace in Southeast Asia. Quite the contrary, there had been considerable Viet Cong military activity even during the Tet New Year, continued infiltration from North Vietnam, and an evident wish to continue hostilities without regard for the suffering and welfare of the Vietnamese people, and a generally threatening and provocative posture. The U.S. has tried through a large number of approaches, including the initiative which Ayub had kindly taken with Premier Kosygin at Tashkent, to open a constructive dialogue with Hanoi. Now in view of the great seriousness of the problem, the U.S. Government is undertaking last minute soundings bearing on the question.

President Ayub agreed the Vietnam problem is an extremely serious and critical one which he had hoped might have been reviewed in light of some constructive Hanoi response. He assumed President Johnson's military advisors must now be pressing him very hard to resume bombing North Vietnam. Nonetheless, "As I told you before, I have a personal conviction, based on no evidence but a strong feeling, that among Vietnamese Communist ranks there must be some

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Authority NLS 83-208
By is, NARS, Date 3-2-84

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- 2 -

desire to talk. I say this for your and our own sake, once you resume bombing there will be a desperate situation and escalation. I would still advise waiting with the hope of getting some response. The Chinese are telling them not to negotiate, but it is the Vietnamese whose lives are at stake. You can bomb hell out of them or just sit tight, but they can't throw you out. Looking at the situation as a statesman as well as a soldier, I would say 'Come on you bastards, what can you do to us!'

I remarked that to sit tight would still mean numerous allied casualties. Ayub agreed but responded, "What can you do to that enemy in any event. The Vietnamese terrain doesn't lend itself to quick military decisions." Ayub then implied his understanding and sympathy for the criticism to which his recommended sit tight policy would subject President Johnson by remarking, "Look, I am being criticized for Tashkent, which I agree was a very important decision. But people are emotionally aroused and don't understand." With feeling and stress Ayub continued, "If you could get this message across, it is not in your own interest to escalate. Personally, I think you have such a large military force in South Vietnam the Communists couldn't do anything to you. Their boast to throw you out is nonsense. I still advise that you not to start things up again. As Kosygin said to me at Tashkent, "Yes, we are giving a bit of aid there, but you cannot fly aircraft off a penny, and it takes months to get into the front lines whatever we may decide to send." In my opinion if you start bombing again, you won't see them coming to the conference table. On the contrary, those inclined to negotiate would be silenced, and you would have to fight on for three or four years. If you just sit tight there, in six months or a year that will convince them. But if bombing starts again, moderate elements will be silenced and you will have to move up the scale of military operations."

I asked Ayub if he thought we could stand idly by and allow supply routes to be built up and thereby expose our forces to that buildup. Ayub argues that U.S. could interdict supply routes within South Vietnam as effectively as in North Vietnam. When I mentioned Laos, Ayub admitted that is a difficult problem, but he stood by his view that concentrated interdiction is possible within South Vietnam. I referred to the military doctrine of attacking a problem at its source, but Ayub maintained such a doctrine during the present situation would

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require isolating North Vietnam not only from South Vietnam but from China as well. Commenting again that he was speaking only as a friend, Ayub pointed to the extreme military difficulties of solid interdiction and reiterated his opinion that, "If you want to convince them they must come to the conference table, let them throw themselves against your superior fire power and sooner or later they will see the light."

I asked Ayub if he didn't think the Viet Cong could spin out indefinitely a U.S. sit tight policy such as he proposed, and bog us down inconclusively in Vietnam for years. Ayub pointed to the limiting factor of Viet Cong logistics which cannot support a major fighting force without air and sea supply routes. Despite being a soldier, Ayub again deprecated the primacy of the military factor in Vietnam, arguing that history has proven repeatedly the fallacy of seeking to enlarge one's area of operations for military reasons. It is necessary, he continued, to work backward from political-strategic considerations to the conference table. "Sit it out. Why present targets? Why move out into the country in vulnerable files? I spent six years under such conditions. You can't win on their terms; they always get in the first shot. You can't search a jungle area with fire. Therefore, I would adopt a different course and wait them out."

I referred to our experience in Korea and the critical role of our heavy military pressure in forcing negotiations beginning in 1951 which culminated in 1953 Armistice Agreement. Ayub agreed military pressure had been successfully employed in Korea. But he argued that the Vietnam situation was much different from Korea, what with larger armies, visible military actions, essentially non-Communist South Korea, distinction between friend and foe. He concluded, "In Korea you had to bring them to the conference table by fighting hard; in Vietnam you should wait them out." Commenting on the American penchant for resolving the dirty business of war quickly and decisively, Ayub said, "Your enemies expect you to be impatient, to commit more and more forces, and finally to weaken your resolve in the face of unsatisfactory military results and your own democratic pressures." While acknowledging there is always room for debate in such a matter, I suggested that General Westmoreland

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apparently had different ideas on the necessity of keeping down the military back-up activities in Vietnam. At the same time, I assured Ayub that President Johnson would give greatest care to all considerations as he contemplated the painful decisions facing him in Vietnam. Ayub then cited successful strategy in the Greek-Turkish War in 1922 in which Mustafa Kemal Pasha insisted upon remaining on the defensive and wearing down the enemy as they came in. This was an extremely unpopular strategy, particularly among his soldiers who wanted to seize the initiative and attack, but Mustafa waited for his opportunity and was successful.

I referred to the full report on Vietnam given to the Foreign Minister by Stull on January 25. I noted that the report made it quite clear there had been no real let down in Viet Cong military activities. Ayub indicated he had studied that report carefully and had it with him at the time. He said he assumed that Viet Cong military activity during the Tet period indicated the Viet Cong did not have complete control of all such activities throughout South Vietnam. He then reiterated his view that the U.S. has only the basic alternatives of sit tight until negotiations, or escalate and fight on for years.

I said that I took it he had no word from the Soviets or any other Communist Source of interest to the U.S. Peace Initiative. Ayub replied there had been nothing other than what he had related during our January 18 meeting about the talk with Kosygin at Tashkent. I remarked that this absence of constructive response was the same in all quarters. Ayub said, "Those who want the war to go on must nonetheless be worried by your initiative. They must be hoping that the bombing will start again in order to win over those who may wish to stop fighting." I then drew Ayub's attention to Secretary Rusk's January 23 internationally-televised interview. I gave Ayub a transcript of Rusk's remarks relating to Vietnam, and drew his special attention to the Secretary's observation that the U.S. does not consider itself "Gendarmes of the Universe," but we do have commitments on which we are determined to make good.

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SANITIZED

Wednesday, January 26, 1966, 7:30 PM

MEMORANDUM TO THE PRESIDENT

John J. I talked to *X* McCloy and *X* Lovett. *Dean* Acheson is in Antigua and Art *X* Dean was on his way to the West Coast by air. I have asked for him to call me early in the morning. Though they differ from each other in important ways, McCloy and Lovett are in favor of prompt resumption and a prompt Presidential statement thereafter.

McCloy thinks the pause has been good and useful on political and military grounds, but it has had no response. It makes no sense ^{now} to let the highways and bridges be repaired and put in use again after we have spent so much time bombing them. He thinks the risk of escalation is low

McCloy favors a low key statement but thinks that it should come from here. If it came from anywhere else the people would think the President was ducking it.

Lovett wishes we had never got into Vietnam because he has such a painful memory of Korea. He says he was a charter member of the Never Again Club. But now that we are in he would go a long way. He was against the pause in the first place, and he would favor a prompt and fairly massive air action in the North. He thinks we simply must give adequate support to the massive forces we have placed in Vietnam. In addition to air activity he would consider what he calls "a friendly blockade" of North Vietnam. He thinks keeping the pressure on is a kind of negotiation. He thinks the risk of escalation is low but he does report that his French contacts think the top ^{CHICOM} French leadership is getting a little edgy.

Both Lovett and McCloy would find it extremely difficult to come down here tomorrow because each of them has an important board meeting. But they agreed to telephone me in the morning if they have any second sober thoughts and of course they will come if you want them to.

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Copy NLS 82-115
100, NARS, Date 10-18-82

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- 2 -

Rusk and McNamara are pretty well pinned down with the British all day tomorrow from 10:00 until about 5:30 but could be pulled out for about half an hour about 12:30 if you want them.

I myself see no need for a meeting until 6:00, when we ought to issue orders subject to a later confirming execute message on Friday afternoon. At that time I will try to have necessary diplomatic messages and a preliminary outline of the content of a statement for use on Saturday if you choose.

or later or later

McG. B.
McG. B.

I still notice that we
have only "incidents," not
"attacks" in South Viet Nam --
Mortars and sabotage, not
attacks by military units on
military units. And Vietnam is still ~~in~~ loose,
in N.Y. Times terms.

I have also talked to Clark Clifford and he feels that the pause has now clearly failed with Hanoi as we all thought it would. He concedes that it has been helpful here and abroad. He says he wants to get out of Vietnam more than any other man he knows but the only way to do it is to use enough force and show enough determination to persuade Hanoi that a political contest is better than a military one. He would resume promptly with carefully measured attacks at first, and he would keep up the pressure until the other people decide that we are not the French. Clifford thinks the French experience is overwhelmingly important to the thinking in Hanoi.

I have not reviewed with any of these gentlemen the delicate problem of day-to-day timing that relates to Vietiane and the level of VC activity in the South.

~~SECRET~~

McG. B.
McG. B.

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Decision
relays to EUR (stand)
and SIS (watch) 61
EX
1-28-66

THE WHITE HOUSE
WASHINGTON

Wednesday, January 26, 1966, 2:20 p.m.

Through: Mr. Valenti

Mr. President:

- file
In the attached, Dean Rusk recommends that you receive Dutch Foreign Minister Luns for 30-45 minutes on either February 14 or February 16.

Luns is a major figure in European politics, and a good friend. He has taken a leading role in standing up to the French in the Common Market crisis. He has told Tyler that he is anxious to call on you.

frs
Francis M. Bator

Make an appointment _____

No _____

Bundy speak to me _____

Let Rusk handle this
Luns is a real friend of Dean Rusk's, but I think probably 20 minutes would be enough.

McG. B.
McG. B.

Wed., Jan. 26 1966, 11:50

62

Mr. President:

This is Lodge's weekly report, just arrived. It is interesting, especially on pacification, but there is nothing in it which is immediately urgent with respect to the present issues.

McG. B.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, January 26, 1966, 10:40 AM

MEMORANDUM FOR THE PRESIDENT:

I think you will want to read this important cable from Bangkok before our luncheon meeting -- it represents the summary of the views of Lodge and Westmoreland, Sharp and Bill Sullivan, General Stillwell and Ambassador Graham Martin, as they survey the prospects for 1966.

Bob McNamara is very annoyed by the reference to the shortage of iron bombs. He says there is no shortage except in the context of a perfectly fantastic rate of B-52 drops.

But this is not the main point. The point is rather that this cable gives the best summary we have had from the field of the plans for the next year as the men in the field see it.

Paragraphs 6 and 7 are of particular interest in the context of the decisions immediately ahead, but the whole telegram is worth reading.

McG. B.
McG. B.

~~TOP SECRET ATTACHMENT~~

152
~~TOP SECRET~~

Wednesday, January 26, 1966

(Text of cable from Embassy Bangkok 1470)

1. During the course of a restricted session of the Southeast Asia Coordination Meeting we examined the limitations facing both the U.S. and North Vietnam in prosecuting the Vietnam war. As far as the U.S. is concerned, we defined our limitations as those imposed by:

- A. The current mobilization base;
- B. Current and foreseeable weapons shortage (e.g., iron bombs);
- C. The marginal capacity for logistical and air bases in Southeast Asia;
- D. U. S. public opinion;
- E. Free world attitude;
- F. Political and military considerations affecting Vietnam's neighbor countries, and
- G. The fact that, although improving, the Government of Vietnam is still ineffective by western standards.

As far as North Vietnam is concerned, we defined the limitations as:

- A. Logistical;
- B. The requirement for clandestinity;
- C. Consideration of Sino-Soviet differences; and
- D. Morale.

2. In light of these evaluations, we attempted to project our view of the manner in which we expect the war to develop over the next year. As far as enemy action is concerned, we expect we may see a shift in his strategy. Rather than attempting to pursue his earlier campaign to seize control of the highlands from Pleiku to Qui Nhon, we may find him instead concentrating on Quang Tri and Thua Thien in the First Corps Zone, attempting to bite off the consolidated piece of territory immediately south of the Demilitarized Zone.

DECLASSIFIED

Authority FRUS 64-68, vol. 4, #45, attachment

By g, NARA, Date 7-9-03

~~TOP SECRET~~

3. We feel that the enemy may have been impelled to move to this strategy as a result of several factors.

A. Difficulty of maintaining forces in the Kontum-Pleiku complex against increasing concentrations of U.S. forces;

B. Difficulties encountered in operating a long Line of Communication through Southeast Laos in the face of increasing air attack;

C. Relative sparsity of U.S. and South Vietnam units in the northernmost regions of South Vietnam;

D. Relatively simple logistic lines across western regions of the Demilitarized Zone and the adjacent territory of Eastern Laos;

E. The need for some demonstrable military success to give a political stimulus both to Hanoi and to Viet Cong forces in South Vietnam.

4. Consequently we would expect to see the enemy concentrating infiltration effort on a rather limited area of terrain, partly within the Demilitarized Zone and partly in a shallow sector of Eastern Laos. While other more traditional elements of the Ho Chi Minh trail will continued to be used, we have evidence which suggests that an immediate concentration of effort will be in this strip of territory contiguous to the Demilitarized Zone. The enemy's motivation in this concentration is largely political, in his hope to precipitate an equivalent of Dien Bien Phu by taking significant territory, which we would have great difficulty in wresting back. The enemy would hope that this development would deliver such a blow to our public opinion and to our will to continue that we would be prepared to accept North Vietnam peace terms.

5. As for ourselves, we believe that the limitations imposed on us do not permit many imaginative options beyond those which already govern our current operations. With troops on hand or deployable, we cannot contemplate large scale ground operations outside South Vietnam territory, even if political considerations should permit. In any event we do not foresee any changes in those political considerations.

6. As far as air actions are concerned, we recognize that the sortie rate may have to be curtailed because of existing and foreseeable shortages in the supply of iron bombs. Although these sorties are now concentrated within South Vietnam and Laos, we assume their pattern will have to be realigned again when and as Rolling Thunder operations are resumed. In the resumption

of Rolling Thunder, we expect that there will be a removal of previous restrictions and an expansion of allowable targets to include a number of North Vietnam installations directly affecting the enemy's ability to sustain the infiltration effort. Among these are the Port of Haiphong, petroleum facilities, power plants, etc. While we do not believe that hitting these targets will have an immediate dramatic effect upon the enemy's ability to continue the war in the South, we nevertheless feel that the cumulative effect will be significant. Therefore, in moving to these new targets we should avoid giving the public impression that this is a panacea, but merely indicate that it is part of the bombing pattern required to reduce infiltration effectively.

7. Given these assumptions, we foresee the war in 1966 as a mutual effort to make the most of the resources at hand within the known limitations of both sides. For the U.S. this means three general features:

A. A more effective bombing campaign in North Vietnam and in Laos. Less resort to random sorties, especially in Laos. We must make the maximum use of intelligence assets in target acquisition and selectively control air strikes through the greater use of forward air controllers.

B. We must continue to destroy enemy forces wherever they can be found, attempting to make his casualty rate greater than his ability to replace casualties by infiltration and recruitment.

C. We must press forward actively with pacification and rural reconstruction efforts in expanding areas of South Vietnam.

8. We believe that if we can demonstrably increase enemy casualties well over and above his abilities to replace them, if we can significantly hamper his logistics system, and if we can prevent his seizure of any major new territorial gains, then we may effectively break his will to continue. If such a development could be combined with genuine pacification progress we might expect a rather rapid disintegration of the enemy's campaign in 1967.

9. At the same time we must expect, if and when the North Vietnam campaign begins to falter, that the Chicoms will turn to other fronts in order to occupy our attention and dissipate our strength. Their ability to stir up trouble in Thailand is not yet fully exploited and they can seriously harass Laos through direct support to Pathet Lao elements there. These areas therefore will require constant attention as we move through 1966.

~~TOP SECRET~~

10. The eventual cessation of hostilities in South Vietnam is unlikely to diminish the need for a U.S. presence in Thailand. On the contrary, for an undeterminate period there may be a reaction from Thailand that diminution would be evidence of U.S. withdrawal from Southeast Asia, which would in turn permit renewal of Chinese Communist pressures. U.S. planning should, therefore, assume the need for a continuing military investment in Thailand, as a premium for maintaining the U.S. /Free World position in Southeast Asia. In this connection it was emphasized that whatever future arrangements or official statements may be made by the U.S. regarding its willingness to withdraw from military bases, should be strictly limited to those in South Vietnam and the formulation "Southeast Asia" should be avoided. Care should be taken to avoid the implication that we would not continue to fulfill our SEATO commitment to Thailand.

~~TOP SECRET~~

Wednesday, January 26, 1966, 10:35 AM

MEMORANDUM FOR THE PRESIDENT:

Re: Phone conversation with John Hightower

I talked to John Hightower this morning. He wanted guidance on the probable future fate of the pause. I listened to him, and found that he had a very good internal feel. He was saying that it looked to him as if the President was carefully putting himself in the position where it would be clear to everyone except Fulbright and Mansfield -- and perhaps even to them -- that the absence of a serious diplomatic response and the continuing military activity of Hanoi gave the President no alternative. I refused to comment on this, but did not quarrel with it. I also refused to give any indication on the timing of any decision.

McG. B.

15

Monday, January 26, 1966, 10:30 AM

MEMORANDUM FOR THE PRESIDENT:

Subject: The CIA

I had a farewell meeting yesterday with the members of the Foreign Intelligence Advisory Board, and this morning Clark Clifford called me simply to thank me and to bring me up to date on the proceedings of the Board. In the course of the conversation, it became very clear that the Board is genuinely and deeply troubled about the leadership problem in CIA. These are men who have learned over the years how to keep their mouths damn well shut -- people like Bob Murphy and Bill Langer and Gordon Gray, and Clifford himself. So they are not the source of the gossip. But they see the same things in the Agency that some of the gossips hear about, and they are troubled about their obligation as your advisers.

In this situation, I think it might be wise if you were to get hold of Clark on your own terms and in your own good time, and talk with him about it. He has a good, clear sense of the shape of the problem and the degree of the urgency. (I myself do not think that any catastrophe is imminent, although I do think the situation is serious.) I also believe that if you should wish to execute a change skillfully and silently at any time, Clark is the man who can help most to get it done right. He has been extremely careful to maintain good human relations with all concerned.

McG. B.

DECLASSIFIED

Authority NLT 019-006-2-6

By JD, NARA, Date 12-11-01

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Wednesday, January 26, 1966, 9:30 AM

MEMORANDUM FOR THE PRESIDENT:

Subject: Phone conversation with Ted Kennedy

I talked with Ted Kennedy yesterday, and found that he had not definitely decided whether to make a speech or not. I gave him a short form of the arguments we were then developing for the Leadership meeting. Our conversation was broken off by other calls before we finished, but I had the impression that he was not likely to say anything very tough. Later in the day I saw Ed Gullion in connection with a brief greeting which I was giving to his Fletcher School students, and he told me that he had spent an hour with Ted Kennedy on Monday evening and thought he had talked him out of making a speech about prolonging the pause. Gullion said he had used the argument that he would hate to see another Kennedy attacked for advocating inadequate air cover.

As a side matter, Gullion impressed me greatly with his forceful support of our basic position, and I think he has come out well on the far side of the unhappy circumstances that led to his resignation.

McG. B.

McG. B.

✓ 12 66

Rec'd
10 05

rec'd
Pres. 1-25-66
2:45P

63 ✓

~~CONFIDENTIAL~~

Tuesday, January 25, 1966
2:00 P.M.

Mr. President:

In accordance with your instructions the attached memorandum regarding free world ships in the North Vietnam trade has been circulated to the departments and agencies concerned with this problem.

The instruction is classified "Confidential" because we do not think it should be publicized during the lull. At a future date we will make it public, noting that it was issued ~~on January 25.~~ *in January.*

Or you may have other ideas.

McG. B.

Attachment

1: Oct 8-283

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY ACTION MEMORANDUM NO. 340

TO: The Secretary of State
 The Secretary of Defense
 The Secretary of Agriculture
 The Secretary of Commerce
 The Administrator, Agency for International Development
 The Administrator, General Services Administration

SUBJECT: U. S. Government Shipments by Foreign Flag Vessels
 in the North Vietnam Trade

The President has directed that United States Government-financed cargoes shall not be shipped from the United States on a foreign flag vessel if such vessel has called at a North Vietnam port on or after the effective date of this memorandum.

Exceptions may be made as to any such vessel if:

- (1) the persons who control the vessel or vessels give satisfactory assurance that no ships under their control will, thenceforth, be employed in trade with North Vietnam so long as it remains the policy of the United States Government to discourage such trade; or
- (2) the persons who control the vessel or vessels give satisfactory assurance--
 - (a) that no ships under their control will thenceforth be employed in trade with North Vietnam so long as it remains the policy of the United States Government to discourage such trade, except as provided in paragraph (b), and

DECLASSIFIED

Authority NLS 83-207

By is, NARS, Date 10-24-84

~~CONFIDENTIAL~~

- 2 -

(b) that vessels under their control which are covered by contractual obligations, including charters, entered into prior to the date of the present action memorandum under which their employment in trade with North Vietnam may be required shall be withdrawn from such trade at the earliest opportunity consistent with such contractual obligations.

The form and content of any such assurances shall be essentially the same as are required for ships in the Cuban trade under NSAM 220, as amended, with any changes required by the circumstances. The Secretary of State is to be consulted on the form and content of the assurances. No vessel described in paragraph (2) (b) will be eligible to carry any cargo sponsored or financed by any of the agencies listed herein until such vessel has actually ceased to engage in trade with North Vietnam and has ceased to be under obligation to engage in such trade. If any assurance given in accordance with this directive is determined to be untrue or has not been complied with, all ships owned or controlled by persons making such assurance may be declared ineligible for the carriage of cargo sponsored or financed by any of the agencies listed herein.

The Secretaries of State, Defense, and Agriculture, the

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 3 -

Administrator of General Services Administration, and the Administrator of the Agency for International Development are directed to take such steps as may be necessary to carry out this policy.

The Secretary of Commerce is to make available to the appropriate Departments current pertinent information which he may have on ships engaged in trade with North Vietnam.

McGeorge Bundy

~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

676

~~CONFIDENTIAL~~

January 24, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Possible NSAM Regarding Free World Ships
in the North Vietnam Trade

The attached draft NSAM would deny U.S. Government financed cargoes from U.S. ports to any foreign flag ships that engage in trade with North Vietnam. It is modeled on NSAM 220 that similarly applies to trade with Cuba.

It is being put forward for your consideration in connection with other pending Vietnam actions.

The practical results of this NSAM will probably be very slight. Only a very few ships have called at both North Vietnam and U.S. ports in recent months. To our knowledge, none of these vessels have picked up Government-financed cargoes here.

The NSAM does, however, provide for a certification procedure that might marginally strengthen our diplomatic efforts with Free World Governments. Some of these Governments might be persuaded to demonstrate their cooperation with us by getting their shipping companies to certify that all ships under their control will be withdrawn from North Vietnam trade.

In terms of domestic impact, the new regulation might also meet some of the continuing pressures from the Hill for tougher measures against Hanoi. I understand that Congress may attach an amendment to the Vietnam supplemental calling for punitive action against nations engaged in trade or shipping with North Vietnam. The draft NSAM may not forestall this action, but will indicate your own, prior, concern.

McGeorge Bundy

DECLASSIFIED
Authority NLS 83-207
By ms, NARS, Date 10-24-84

~~CONFIDENTIAL~~

CONFIDENTIAL

January 25, 1966
Tuesday/2:30 pm

68

MEMORANDUM FOR THE PRESIDENT

Leonard Marks' latest idea looks good to me.
I've checked with State and they see no hookers.

All Leonard suggests for now is that you ask
Justice for a more complete report. I'd recom-
mend you do so, and ask for Justice's advice as
to whether and how you could act if you so chose.

Do so _____

Drop it _____

R. W. Komer

R. W. Komer

meB

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 8-2-83 BY *Deft* ON *8-2-83*
EXEMPT FROM THE PRESIDENTIAL RECORDS ACT
NOT A FINAL SECURITY
INFORMATION, E.O. 12356,
SEC. 1.1(a)

68a



UNITED STATES INFORMATION AGENCY
WASHINGTON

DIRECTOR

January 21, 1966

*Rec'd. Mr. J. Jan 24
4/10/66*

MEMORANDUM FOR: The President

The Turkish press has made a major issue of the efforts of the U. S. Immigration Service and Department of Justice to deport Mrs. Sukriye Zehra Tandogan.

Mrs. Sukriye Zehra Tandogan, 49, a Turkish nurse who was awarded the U.S. Bronze Star in Tokyo for her Korean War service, entered the U.S. on a visitor's visa in 1958 and has worked as a professional nurse in various U.S. hospitals. She is currently working at a hospital in Oakland, California. She has been able to stay in the U.S. because each hospital filed a petition with the U.S. Immigration Service to grant her a first preference visa which would ultimately lead to citizenship.

The problem is that her son, Necdet Jenc, 17, has been certified by the U.S. Public Health Service as insane and therefore, under the ground rules, she was asked in June of 1962 to leave the U.S. voluntarily. She didn't and has fought the move legally since.

Another hearing opened in January in San Francisco and was recessed to give her attorney time to call witnesses. She will be deported unless she can show that deportation would work a hardship on her and that she is a professional person whose services are needed.

The boy is the problem; he has a police record based on (as far as we have been able to determine) car theft and joy riding, apparently traceable to his mental illness.

I would recommend that you obtain a more complete report on this case from the Department of Justice. If the facts that I have set forth are verified, I would recommend the removal of restrictions to permit Mrs. Tandogan to remain in the country. Such action would have a very important effect on Turkish public opinion, particularly at this time when public opinion has been aroused by the recent disclosure of your correspondence with Prime Minister Inonu.

Edward H. Marks
Edward H. Marks

1/25/66

69

THE WHITE HOUSE
WASHINGTON

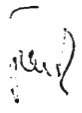
Tuesday, January 25, 1966, 12:20 p.m.

Through: Mr. Valenti

Mr. President:

In the attached, Dean Rusk asks you to receive Burke Elbrick, ^{our} Ambassador to Yugoslavia. Elbrick will be in town until Friday, February 4.

If your schedule is not too tight, a short session with Elbrick would be a useful signal to Tito that you care about your relations with him. As you know, for a Communist, Tito has been increasingly sensible and sympathetic to our situation in Vietnam.


Francis M. Bator

Make an appointment _____

No _____

Bundy speak to me _____

180
69a

RECEIVED
DEPARTMENT OF STATE

THE SECRETARY OF STATE

WASHINGTON

RECEIVED
STATE DEPT. OFFICE
January 21, 1966

105 JAN 21 1966

MEMORANDUM FOR THE PRESIDENT

105 JAN 21 1966

Subject: Request for Appointment for Ambassador
Elbrick

Recommendation:

I recommend that you receive Ambassador to Yugoslavia
C. Burke Elbrick to discuss, as a principal subject, the
development of our bilateral relations with Yugoslavia.

Approve _____ Disapprove _____

Discussion:

Ambassador Elbrick is returning to the United States
on January 22 for consultations. He will be available to
meet with you at your convenience during the following two
weeks.

Yugoslav officials generally have been determined to
try to avoid a deterioration of bilateral relations which
might result from differing appraisals of international
problems. Commercial, cultural, and educational exchanges
have proceeded normally. There are no outstanding bilateral
political problems.

Although Yugoslav attitudes toward Viet-Nam and several
other international problems have sometimes differed from
our own, the Yugoslavs have shown increasing understanding
of the American position regarding negotiations on Viet-Nam
and have endeavored to be helpful in our current peace efforts.
President Tito, during his recent meetings with Governor
Harriman, demonstrated great sympathy for your peace offensive,
and agreed to transmit your message to the USSR.

In view of Yugoslav sensitivity and fear of a direct
major power confrontation in Viet-Nam, and for the future of
United States-Yugoslav relations in this context, it would
be desirable for Ambassador Elbrick to be able to convey
your personal views upon his return to Belgrade. Ambassador

Elbrick's meeting with you would lend additional weight (which Yugoslav leaders would fully appreciate) to his efforts to emphasize that it is the continuing aim of United States policy to promote the further development of relations and understanding with Yugoslavia.

Dean Rusk

Dean Rusk

70
THE WHITE HOUSE
WASHINGTON

Tues., Jan. 25, 1966, 10:30

MR. PRESIDENT:

Here is a letter to Mrs. Gandhi, and
one to B. K. Nehru, with two forms
of address, not knowing whether you
prefer to call him "Mr. Ambassador"
or "B. K."

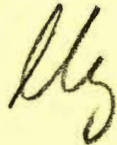
McG. B.

January 24, 1966

Dear Mr. Ambassador:

I enclose copies of an exchange of messages which I have had today with your Prime Minister, Mrs. Gandhi. As you undoubtedly know, she asked that I receive you to discuss some urgent problems. I have told her that I shall be very glad to do so just as soon as you get back, and I send this note to ask if you will call Mr. Marvin Watson on your arrival so that no time will be lost in having this discussion.

Sincerely,



Enclosures

His Excellency

B. K. Nehru

Ambassador of India

2107 Massachusetts Ave. N. W.
Washington D. C.

LBJ:McGB:mm

²¹
Mr. Bundy
sent to Valente
1/25

Dear Mr. Chancellor:

Mrs. Johnson and I send our warmest greetings to you on your birthday. Our thoughts are with you as you celebrate this happy occasion.

All Americans are grateful to you for your great leadership of the German people in the works of peace and freedom. We wish you good health and good spirits in the coming year.

Sincerely,

His Excellency
Dr. Ludwig Erhard
Chancellor of the Federal Republic of Germany
Bonn

LBJ:FMB:mst
Tuesday, January 25, 1966, 11:30 a.m.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Monday, January 24, 1966, 4:15 PM

MEMORANDUM FOR THE PRESIDENT

Subject: Papers for discussion with the Leadership

I attach at Tab A a sample of the telegrams we sent out at the start of the pause, and at Tab B a copy of the message which went to Prime Minister Wilson this morning. The points you have in mind as I understand them are the following:

1. We have conducted the most intense diplomatic effort, public and private, that we knew how for a full month. We have used third parties like the Poles, the Hungarians, the Russians, the Yugoslavs and the Vatican. We have used direct approaches in more than one capital, and we have been in constant touch with U Thant at the UN. We have stated our own just and generous position in 14 points and in the Goldberg letter to U Thant and in the State of the Union message.

2. In return, we have had nothing but repeated denunciation, public and private. There has been no deviation whatever from the insistence that we accept Hanoi's 4 points. All of those who have been in touch with Hanoi tell us that they have no response to give us, and we have no response ourselves on any of our direct lines.

3. The attitude of Hanoi has been one of public and private denunciation and of feverish effort to take advantage of the pause to repair and retrain and resupply. (A summary of the ^{North} Vietnamese position is attached at Tab C.) This is part of a larger document which can be declassified and published when we are ready.

4. We began the pause without thinking there was much chance that it would get a better response than all this. We began because there was real and honest concern among our friends, and even among many of our people who expressed with eloquence their belief that we should try it and see. From very important ~~leading~~ Communist sources it was suggested that we try a pause of from 12 to 20 days and see what happened. We have tried it for 20 days plus 12 days, and nothing has happened.

5. We have made real gains in public understanding. This is the testimony of Harriman and Goldberg and of our Ambassadors in many

72
Rtd 2/15/66

4:15
Rec'd
4:58 PM

capitals where there has been concern about our policy. We do not wish to lose these gains if we can avoid it. But since it is now clear that there is no response and no intent to respond, we are not justified in adding lightly to the dangers our troops face. This is the first big argument for ending the pause.

The second is just as important. If we give up the bombing when we get nothing but a brutal "No" from Hanoi, we will give them a wholly wrong signal and strengthen the hard-liners among them. They will reach the conclusion that we are weak and ready to quit, and the chance of moving to a peace settlement will go down, not up. All our evidence shows that the people who talk about an indefinite suspension are working against peace and not in favor of it.

So this is where we stand. I am not making a decision this afternoon. But we do want the Leadership to know the exact situation as we are stating it today around the world.

McG. B.



14135

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO~~TOP SECRET~~

Origin

ACTION: AmEmbassy LONDON 3674 PRIORITY

DEC 29 1 25 AM '65

Info

NODIS-PINTA

FOR CHARGE

~~XXXXXXXXXXXXXX~~

DECLASSIFIED

E.O. 12958, Sec. 3.5

NSC Memo: 1/30/95, State Dept. Guidelines

By: jc, NARA, Date 7-9-03

Please deliver following letter to Prime Minister Wilson

~~XXXXXXXXXX~~ from President Johnson soonest:

QUOTE As I told you during our visit I have been giving every possible thought to the ways and means by which we might bring about peace in Viet-Nam. For sometime the Soviet Union and some Eastern European governments have hinted that the major impediment to any diplomatic initiatives on their part was our bombing of North Viet-Nam and they have implied that if the bombing ~~EX~~ were suspended for a while they might be prepared to make efforts to bring Hanoi into line. However, none of the governments has given us the slightest assurance of any specific action that might follow a suspension of bombing.

Nevertheless I have concluded that I should test the

Drafted by:

Telegraphic transmission and

U:GWBall:ldp 12/28/65

classification approved by:

The Under Secretary

S/S-Mr. Read

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PROHIBITED UNLESS "UNCLASSIFIED"~~TOP SECRET~~

Page 2 of telegram to AmEmbassy LONDON

~~TOP SECRET~~

seriousness of these Communist hints to see if some progress toward peace could be made.

We have stood down bombing of North Viet-Nam since Christmas Eve and I intend to ~~continue the suspension.~~ for some days. ~~and I intend to/~~ of bombing/~~XXXXXXXXXXXX~~

~~XXXXXXXXXX~~ We are advising the governments of the USSR, Poland and Hungary that, barring a major provocation, ~~the suspension of the bombing~~ ~~XXXXXXXXXXXXXXXXXXXX~~ /will continue beyond the New Year. ~~XXXXXXXXXX~~ /I am taking steps to have the word passed directly to the regime in Hanoi [through our Ambassador in Rangoon.]

I have no great hope that anything useful will come out of this, but I do not want to leave any stone unturned in the search for peace. Obviously, we can make ~~no~~ commitments publicly or ~~privately~~ ~~freedom~~ that would limit our/~~XXXXXXXXXX~~ of action in the event of a major contingency or serious provocation. By the same token, I do not wish to commit myself now to any specific date for resumption.

We shall, of course, continue our air, ground and sea operations in South Viet-Nam and some reconnaissance of North Viet-Nam.

In furtherance of this initiative I am sending Ambassador Goldberg to Rome to see the Pope and am also sending Ambassador Harriman to Warsaw to see what can be developed there. While there will undoubtedly be considerable

~~TOP SECRET~~

Page 3 of telegram to AmEmbassy LONDON

~~TOP SECRET~~

speculation stemming from our continued stand-down of the bombing we do not propose to make any public announcement at this time.

I did not want to take this action without ~~if~~ your being fully informed. The whole story is known to only a handful of my top advisors and I would appreciate it if you would treat this information as a matter to be closely held between the two of us.

Of course, I should greatly appreciate any advice that you might have and any steps that you might feel you could usefully take. This is an enterprise that has the greatest importance for all peoples of the Free World. Sincerely, UNQUOTE

GP-1

END

RUSK

~~TOP SECRET~~

72c



~~SECRET~~

12/23/66

1/24/68

Draft Message to Prime Minister Wilson from the President

Now that our suspension of bombing has run for a month, I want to let you know where we stand now. It has been a great help to have your staunch support on Vietnam throughout these last months, and with some hard decisions right ahead of us, I want to be sure that you have a full picture of our thinking.

It seems pretty clear to us that the pause has been successful everywhere except in Hanoi and Peking. The other Communists make routine noises, but I think that they know as well as we do that the real obstacle to a peaceful settlement is not here but in Hanoi. We have the impression that Shelepin tried and failed on this matter, although it is not at all clear that he tried as hard as he could have. But we have nothing that is at all helpful from Hanoi. In recent days their Charge in Vientiane has made an approach to Souvanna Phouma, but nothing in what he said indicates any shift whatever in the basic four-point position. Since they have already gossiped about this probe in Paris in wholly distorted terms, we are persuaded that it is not a serious effort, but a last-minute attempt to pretend a response which has not in fact occurred. I am asking my people to give Patrick Dean the full details on this so that you will be able to judge it for yourself.

DECLASSIFIED

E.O. 12958, Sec. 3.6

NLJ 98-467

By is, NARA Date 10-21-99

~~SECRET~~

~~SECRET~~

- 2 -

All our evidence shows that the infiltration has continued and that there has been an intensification of training and repair and resupply in the North under the cover of the pause. The Communists in the South don't seem to honor even their own ceasefires, and ^{there was} ~~we now have~~ a total of ^{more than} ~~about~~ 80 incidents, large and small, in ^{the New Year Truce.} ~~the last three days.~~ Throughout the pause, all the allied forces in South Vietnam have been taking casualties, and the New Year truce period has been no exception.

So it seems pretty clear to us that the people in Hanoi have definitely decided not to respond at this time in any meaningful way. We have talked with the Poles, the Russians, the Hungarians and the Yugoslavs to see if their judgment is any different, and not one of them is able to tell us that there is any prospect of a response at this time. Back in the autumn the Russians made very pointed suggestions to us that we pause for 12 to 20 days and see what happened. Now we have had to tell them that we have tried their scheme ~~for~~ even longer than they suggested, but with no response.

In this situation, it is clear to all of us that we must not let the pause go on indefinitely. If we were to abandon the bombing of the North with nothing whatever to show for it, all our experts agree that we would simply encourage the extremists in Hanoi and decrease the long-term prospect that they may be persuaded to move toward a peaceful settlement. They would feel that their kind of "peace-lovers" were carrying the day in our country and among our friends, and the hard-liners among them would be strengthened. This

~~SECRET~~

~~SECRET~~

- 3 -

argument alone is persuasive, but I am sure I do not need to tell you that the American people simply would not sit still for ^{a one-sided action} ~~a decision of~~ this sort. The pause has had very strong understanding and support here so far, but this support is matched by a determination that if we get no answer from the Communists, we must do what is necessary to back up our ^{men} ~~boys~~ in the field. Our commanders have behaved with great discipline and strength over the last month, and they have been entirely loyal in their execution of my orders, but I have to take account of the feeling which one of them has expressed directly to us in Washington -- that the pause is making his people fight with one hand tied behind them. Our commanders want peace as much as everyone else, but I cannot explain to them or to anyone else why the pause should be continued after a full and fair trial has produced no response.

I cannot tell you today just when we may have to resume. It could be very soon indeed, but I am determined to keep my own freedom of action on this point as long as possible. We have strong indications that the Viet Cong are planning major attacks for the period immediately after the Vietnamese New Year, and my current thinking is that it will be wise to wait for a day or two to see what happens on the ground. Meanwhile, we plan to make it more and more clear to our own people and to the world that while the pause has been extremely helpful for ~~im~~proving our purpose of peace throughout the world, and increasing general diplomatic pressure on Hanoi, it has not been effective in producing a real response and therefore its days are plainly numbered.

~~SECRET~~

~~SECRET~~

- 4 -

At the same time, I am trying to make it as clear as I can that the end of the pause will not mean any slackening whatever in our general effort to find a way toward the peace table. I have instructed all my people to examine every possible means of continuing public and private political efforts, and in this connection I will be most grateful for any suggestions or proposals that you may wish to offer. Some people may say that the failure of the pause means that there is no chance of peace. I take the opposite view. I think we have to keep trying one thing after another on this front just as we do on the military front until finally we get it across to these people that they are not going to have their way by force, and that peace is in their interest just as much as it is in the interest of all the rest of the world.

When we do resume bombing, we shall have to make very careful and difficult decisions on the proper targets and on the proper weight of attack, just as we have had to do ever since we began sustained air attacks almost a year ago. We will take these decisions very carefully and one step at a time, and ^{we give no thought to an} ~~you can be sure that there will be no helter skelter~~ ~~escalation and no~~ bombing of civilian targets or population centers. The bombing is a way of increasing the costs of the war effort Hanoi has mounted against the South. It is not an end in itself, ~~and never will be while I am~~ ~~making the decisions~~. The decisive battlefield is still in South Vietnam, and it is there that we will continue to make our main effort.

~~SECRET~~

~~SECRET~~

- 5 -

Finally, let me say that when we do make the decision on the timing of the resumption of the bombing, I will make sure that word gets to you at once. There may not be much time between the decision and the first air operations, for the simple reason that I will not make this decision until it has become plainly necessary. Meanwhile, I think it important that as one of those who have most strongly supported our peace effort, you should have this full account of our thinking in advance.

72 e



~~SECRET~~
~~NO FOREIGN DISSEM~~

72f

OCI No. 0770/66

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
24 January 1966

INTELLIGENCE MEMORANDUM

Evidence of Continuing Vietnamese
Communist War Preparations

SUMMARY

1. There has been no indication in the public statements of North Vietnamese leaders since the 24 December cessation of air attacks that they are interested in discussing a political settlement of the war on anything but Communist terms. These terms, if fully implemented, would constitute an abject and unconditional surrender by US and South Vietnamese forces. The general theme of North Vietnamese propaganda since the lull has been a reiteration of intent to continue the fighting regardless of the current US peace initiatives. (paragraphs 1-7)

2. This intransigent public attitude has been accompanied by a feverish North Vietnamese effort to step up the flow of supplies through Laos to South Vietnam during the bombing stand-down. This is evident from analysis of aerial photography and from the reports of trained ground observers. Supplies, previously moved only at night, are now moving by day as well in North Vietnam and Laos. The North Vietnamese are also working as fast as possible to repair bomb-damaged bridges and roads which had caused transport bottlenecks. They are also expanding their alternate supply routes to help offset the effects of any new air strikes. (paragraphs 8-13)

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Authority NLI 83-206
By ics, NARS, Date 10-2-84

- i -

~~NO FOREIGN DISSEM~~
~~SECRET~~

3. It is probable that personnel have continued to infiltrate from North to South Vietnam during the bombing lull. One report of such movement mentioned a body of 1,000 men arriving in the south on Christmas Day. Due to the routine time lag in detecting and confirming infiltration, however, it will be several months before the full extent of the recent movement of personnel south is evident. (paragraph 14)

4. Viet Cong public statements since the bombing lull in North Vietnam have echoed Hanoi's belligerence, and have frequently declared an intent to fight on until the Americans are actually driven from Vietnamese soil. There is an impressive array of evidence from captured documents, interrogation of prisoners, and other sources which indicates that the Viet Cong plan to begin a vigorous campaign of military action against US and South Vietnamese forces after the Tet ceasefire. (paragraphs 15-26)

5. Even the cease-fire was honored largely in the breach by the Communists, with numerous attacks on US and South Vietnamese military forces, as well as brutal incidents of Viet Cong terrorism during Tet. (paragraphs 27-33)

6. Attached to the main body of this memorandum are several annexes which detail the Communist propaganda statements since the cessation of the bombing of North Vietnam, and which also provide a number of current examples of Communist brutality and terrorism.

73

FOR YOUR MEETING AT 6:15 p.m.

mjdr

Jan 24, 1966

6:10 p.m.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Retd 2/15/66
730

~~SECRET~~

Monday, January 24, 1966, 5 PM

MEMORANDUM FOR THE PRESIDENT

Subject: Pros and cons of immediate resumption of the bombing

I think this question narrows to one of timing. The arguments for a complete end of the bombing are unacceptable, and no one wants to bomb Hanoi tomorrow morning.

The real question is whether it is better to resume within the next two days or to wait another week or two.

The argument for prompt resumption has the following elements:

1. We can get started just ahead of a chorus of restraining voices which talk of delay but which really will always oppose any resumption.
2. The Saigon cables tell us that we will have real trouble with the GVN if we wait much longer.
3. The enemy has it within his power to give us a troublesome and ambiguous signal any minute, and it is a wonder he hasn't done it already.
4. The Republicans will begin to make headway if we keep hesitating.
5. Every day of delay is that much of trouble to our own troops.
6. We have already done more than we set out to do, and we will show weakness in patience if we continue.

The arguments for a delay are more subtle but they are not feeble.

1. There are still a lot of people of genuine good will who think that another week or two might show real progress. They cite the discussions on prisoner exchanges, the Vientiane open wire (~~a pretty feeble one~~), and the pressure from nearly all our friends abroad. (Goldberg rehearsed these points on Saturday.)

2. It is quite possible that Hanoi really wants us to resume the bombing and is trying to push us into that position while pretending to keep the

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Authority NLJ 83-207

By ics, NARS, Date 10-24-84

~~SECRET~~

- 2 -

Vientiane line open.

3. There has not been any important military action by Hanoi in the South, and until there is, we can easily say to our friends in Saigon that the suspension of bombing has in fact lowered the rate of aggression.

4. The country knows very well that the President is not weak, and is quite ready to stay with him another two weeks on the present peace effort.

5. It is quite possible to delay from day to day with no real loss and to wait for the Communists to stir up the fighting by a more impressive outrage than the one in Danang today.

Whenever the bombing resumes, it seems to me that the case is persuasive for a very carefully selected set of targets which should combine, as far as possible, the following characteristics: (a) low risks; (b) consistency with previous bombing patterns; (c) immediate relationship to the aggression against South Vietnam.

McG. B.
McG. B.

~~SECRET~~

Mon., Jan. 24, 1966, 6:15 pm

Mr. PRESIDENT:

Here is Mrs. Gandhi's answer to your message. She suggests that B. K. Nehru come and talk to you urgently about their pressing needs. A phone call to the Indian Embassy indicates that Nehru is still in India. If you decide to go ahead with the Freeman visit, the best answer to this message might simply be one to her asking if Orville can come -- along with anyone else you pick to go with him.

McG. B.



भारतीय राजदूतावास
वाशिंगटन, डी. सी.
EMBASSY OF INDIA
WASHINGTON, D. C.

January 24, 1966

Dear Mr. President,

I am directed by Her Excellency the Prime Minister of India to convey to you the following message:-

Begins

Dear Mr. President,

I am deeply touched by your warm message of congratulations which was delivered to me by Ambassador Chester Bowles. A heavy responsibility has fallen on my shoulders. I am heartened by the fact that in my new office, I inherit from my predecessors principles and traditions which have taken deep root in the hearts of our people, as well as the friendship and goodwill of many countries all over the world. The relationship between our two countries is, as you have pointed out, firmly grounded in our common dedication to the principles of human dignity, human welfare, democratic institutions and peace, and your assurance of friendship and cooperation in the pursuit of these ideals is a source of strength to me.

Prime Minister Shastri was eagerly looking forward to visiting your great country and meeting you. I am grateful to you for renewing the invitation to me. I accept it with great pleasure. However, for reasons you will appreciate, it will take a few weeks before I can go abroad and have the pleasure of meeting you and Mrs. Johnson.

Meanwhile, some of the problems facing us which would have been discussed between you and Mr. Shastri next week have acquired added urgency. I shall be most grateful, Mr. President, if pending my visit, you will be good enough to receive Ambassador B.K. Nehru to whom I have conveyed my thoughts and ideas on these matters. It is my earnest hope that after your talk with him, you will find it possible to issue appropriate direction to your Administration so as to avert the damage which could, in certain instances, be caused if decisions were deferred.

I treasure happy memories of my last meeting with you and with Mrs. Johnson and look forward to seeing you both again soon.

With warm regards,

Yours sincerely,

Sd/- INDIRA GANDHI.

Ends.

With my highest regard and esteem,

Yours sincerely,

P.K. Banerjee
(P.K. BANERJEE)
Charge d'Affaires.

The President,
The White House, WASHINGTON D.C.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 00-172
By Cb, NARA Date 10-27-00

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Monday, January 24, 1966
11:05 am

*Rec'd
11:20 am*

MEMORANDUM FOR THE PRESIDENT

FROM: Bill Moyers

Ted Kennedy called me at home at 10:45 this morning to make the following points:

1. He hopes you will continue the pause. While he recognizes that no response has been forthcoming from Hanoi, he feels the absence of bombing prolongs the possibility of a favorable set of circumstances in bringing about peace.
2. He feels that some effort should be made to explore contacts with the NLF. He claims their interests may not be the same as Hanoi's, and by ignoring the VC's political concerns, we may be foreclosing reasonable avenues to discussion. He knows that we have problems on this point with Saigon, but he believes it is possible to establish some kind of contact with NLF to ascertain more of their intentions.
3. He intends to make a speech on the Senate floor Wednesday "which will strongly support the President," although, I suspect in a subtle way he will raise these two points.

I suggested that he may want to talk in detail to McGeorge Bundy before deciding to speak or completing his statement.

*To Me —
for info - comments & action*

LN

TRANSFERRED TO HANDWRITING FILE

77

THE WHITE HOUSE
WASHINGTON

Monday, January 24, 1966, 10:45

MR. PRESIDENT

The attached two overnight cables are of interest. The one from Porter shows the usefulness of close private contact with Foreign Minister Do.

The second is from Byroade in Rangoon. He has received a very tough memo from the Hanoi Charge which pretty well closes that circuit.

There is also a short alerting message in from Kohler saying that he has a date with the Hanoi Charge, but as yet no reporting cable.

McG. B.
McG. B.

THE WHITE HOUSE
WASHINGTON

January 24, 1966

MEMO FOR Mac Bundy

FROM Joe Califano *gjc*

I think the President has already
passed along his wishes to you on
the attached. If not, I will decipher
my pen notes.

Attachment

Memo to President,
Jan 19, 1966

done
1

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday, January 19, 1966, 6:30 PM

MEMORANDUM FOR THE PRESIDENT:

Alexis Johnson called this evening to say that Douglas MacArthur has picked it up on the Hill that there may be a move to attach an amendment to the Vietnam supplemental calling for some sort of punitive action against nations which engage in trade or shipping with North Vietnam. He hopes to have a clearer picture of what this threat may be in the morning.

We have been holding an internal administrative memorandum which would instruct the Government to press friendly foreign governments on this issue, because we thought we ought not to be taking this kind of action during the pause. We have had it in mind that we would make such a recommendation to you next week.

Alexis asks whether you would not like to get an order out now before any amendment is put forward in the Congress. My own feeling is that it does not much matter as long as the amendment gives you some discretionary authority and that it is probably somewhat in our interest internationally to have it known that the Congress feels strongly on this issue. As a means of pressure on Hanoi it is foolishness because most of their trade comes with the bloc, and bloc ships can always be found. I will try to know more about this in the morning, but I thought I should get you this ~~important~~ information this evening as a starter.

McG. B.

McG. B.

① Best man in Govt
to go to friendly Govts
② ship shipments

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

NSC PRIMARY INTEREST

SANITIZED 80

LEJ LIBRARY

Mandatory Review

Case # NLJ 83-207

Document # 80

~~SECRET~~

Sunday, January 23, 1966, 1:45 PM

MEMORANDUM FOR THE PRESIDENT:

I attach the cables of interest in the night traffic. The first two are an outgoing to Sullivan and his reply of this morning. [REDACTED] (5) and we have now established a pretty good record of reply to the Hanoi feeler there. It turns out that the particular things said by the Hanoi man in Vientiane were totally different than the gossip which had been said to Joe Kraft, so that the propaganda aspect of this can be dealt with pretty firmly when the time comes. But you will notice that Sullivan thinks we can and should keep the Vientiane channel going even after the pause, and he urges us not to surface its existence. At the same time, Porter has come in saying that we need to be very sure that we tell the Saigon Government that this feeler exists, and we have authorized him to do so on a most private basis with Foreign Minister Do. Any other course would expose us to a very dangerous backlash. Moreover, we think Sullivan is very optimistic in his hope that the Vientiane feeler can be kept secret, [REDACTED] (5)

1.3 (5)

For the rest, we have a message from Porter saying that he thinks that Saigon will stand still if the pause extends a few days beyond Tet, but that it would be very bad if we should allow any serious Viet Cong or North Vietnamese attacks to occur without a resumption. We are reassuring him, and also telling him to show the Saigon Government the message you approved last night, which we have sent for Monday delivery to all the people who have been trying to get peace. This should show our friends in Saigon that the days of the pause are numbered, and strengthen their willingness to let you make your own choice on timing.

m.c.B.

McG. B.

~~SECRET~~

SANITIZED

Authority NLJ 83-207

By ms, NARS, Date 10-24-84

DP

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*Rec'd
1-22-66
6:52P*

MEMORANDUM

22

81

THE WHITE HOUSE

WASHINGTON

January 22, 1966
5:45 p.m. Saturday

✓

(2)

MEMORANDUM FOR THE PRESIDENT

Bundy has written a letter to John Bartlow Martin in answer to Martin's letter to you.

Rostow is working now on this matter and will have a paper ready by the middle of next week - January 26.

Bundy will keep you informed.

Jack Valenti

14
B+R
8/12
1:22
9:30am

81a

THE WHITE HOUSE
WASHINGTON

Saturday
Jan. 22, 1966, 9 AM

Mr. President:

I think this copy of my answer
to John Bartlow Martin's letter
is the quickest way of telling you
just where we are on an examina-
tion of the Lippmann idea for
Latin America.

McG. B.
McG. B.

B+R
ark

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Saturday, January 22, 1966

MEMORANDUM FOR THE PRESIDENT:

Subject: Your noon meeting today

I think we have three basic problems, two of which need not concern us much today. The first is whether to resume bombing. The second is when to resume bombing. The third is what targets to bomb.

I think question one should clearly be answered in the affirmative, and that question three can be pushed ahead of us, although I think it would be helpful to decide today that this is a very important question and should be most carefully reviewed. The easiest way to do this is to resume bombing on a pattern very much like that which existed before the pause. The Chiefs will not like this, but they will sit still for it in the context of a definite decision to resume.

The immediate problem and the hard one for today is when and how to start the bombing again. My brother Bill is bringing a timetable of diplomatic and political actions. I have not seen it, and he has been so busy that I have not wanted to interrupt for an advance description. But I think that the following questions are those that need to be considered.

1. Have we given adequate public warning that the pause is failing? I do not think we have, and I ^{attach} ~~attach~~ a paragraph that Harriman or Rusk or both might work from tomorrow, on television.

2. Are we doing everything we can to close all the circuits? It is already clear that Hanoi is trying to pretend that its Vientienne demarche was a serious response. Joe Kraft telephoned me this morning to say that he has reliable information from Paris that there has been a request for clarification from Hanoi on the 14 points. This can only refer to Vientienne and he admits that it comes from a Frenchman (whom he refused to name) who has talked to Bo in Paris.

3. How much private warning should we give to friends before the bombing actually begins? I think it is most important that men like Wilson and Pearson and Sato have advance notice even at the risk of leaks. This diplomatic advantage conflicts with the desire of CINCPAC and others to catch Hanoi off guard with a surprise resumption, and thus hit some rewarding

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Authority NLS 83-207By us, NARS, Date 10-24-84

targets in daylight.

4. What degree of Congressional consultation should there be before resumption? My own suggestion is that we should make it very clear that the pause has failed through such devices as the Tuesday Leadership meeting but not engage in any formal consultation about any resumption ~~itself~~ any more than we did about starting the pause.

5. In addition to special friends who get a day or two of advance notice, we must have diplomatic notice to everyone at the time the bombing resumes. I assume this item will be in Bill's scenario.

6. There should probably be a major statement on the results of the pause and on our continuing purpose of peace by the Secretary of State as it is on the record that the bombing has begun.

This memorandum does not address the question of the date of resumption. I think you will want to keep a free hand on that ~~day~~. I think you will find that Goldberg and Harriman are strong for another two weeks of delay and that Bob McNamara wants to get cracking. My own view is that once we have made the definite decision that we will resume, we are not in a hurry about the particular day. On the other hand, if you don't give the State Department a deadline, I doubt if they will get all their homework and wire closing done as fast as you want. So I think I would tell them today that I wanted to be free to send out the bombers by Thursday, and that in fact I would plan to hold my hand for another few days and tell no one.

McG. B.
McG. B.

SECRET

1/22/66

There were two central purposes in the pause in the bombing. One has been a great success. The other has been a failure.

The great success has been the convincing demonstration to our friends, to the non-aligned, and even to some among the Communists, that the U. S. is wholly ready for peace and for peace talks, as our 14 point program makes clear. We have found understanding and support throughout the world, and it is clearer than ever that the obstacle to peace is in Hanoi. This is a great gain.

But in a still greater purpose we have failed. Before the pause it was argued by many friends, and by some countries with close ties in Hanoi -- and also by many Americans -- that a pause would increase the chances for a real move toward peace from the other side. For a month we have tried on every channel to see what response we could get. We have waited in vain.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Friday, January 21, 1966, 6:15 PM

MEMORANDUM FOR THE PRESIDENT:

The attached letter from a bunch of Democratic Congressmen was delivered here this afternoon. I gather from Morris Udall, who is one of its principal sponsors, that it is also in the hands of the press, but marked for release tomorrow afternoon.

Henry Wilson heard of this early this afternoon, and he and I tried to call Udall to argue about some of the text, but by that time the letter had been signed by all these people and was on its way.

I did take the occasion to point out to Udall that we were feeling out the UN every day, and that all the most peace-loving people up there thought it would be a great mistake to make any formal approach of the sort that they suggest. Udall said that the language was so designed that he thought its real purpose would be met by keeping in close touch with the Secretary General, and I said we were doing that every minute.

I also told Udall that I disagreed with the next to last sentence of the letter. I called his attention to the statement of yours which Walter Lippmann liked in the supplemental request -- about whether this particular effort was successful or not, our purpose of peace would be pressed forward. He seemed comforted.

Finally, I told Udall that I took it that the people who signed this letter would not support the very dangerous course of a permanent ending of the bombing as the New York Times was now urging. I told him that this would be the best way in the world of preventing a real negotiation because it would encourage the people in Hanoi to think that a U. S. surrender was on the way, and they would simply stiffen their conditions. Udall said he agreed.

My own impression is that as we get to the point of decision, we should pick out half a dozen of the stronger and more reasonable members of this group and see if we can get them in position to give firm approval to the necessary resumption.

McG. B.

McG. B.

DICTATED BEFORE OUR PHONETALK

I'M DRAFTING AN ANSWER FOR YOU

SAT. MORNING REVIEW - A VERY FIRST CUT IS ATTACHED

January 22, 1966

Dear Mr. Congressman:

I am responding to you as the first in alphabetical order of those Members of the House who have written to me under date of January 21 on the search for peace in Vietnam. I hope you will share this answer with your co-signers.

I am grateful for your strong support of our effort to move the war in Vietnam to the conference table. This support is a real encouragement, coupled as it is with the equally strong support of our determination to meet our commitments in Vietnam.

I share your interest in effective action through the United Nations, and I want you to know that there is no part of this whole problem to which we give closer attention. I have reviewed this matter many times with Ambassador Goldberg, and we have repeatedly considered the suggestion you offer. You can be assured that he and I are firmly determined to make every possible use of the United Nations in moving toward peace, and toward an effective ceasefire as part of that purpose.

Unfortunately, you are correct in your statement that the response from the other side has not been encouraging. The evidence available to this government indicates only continuing hostility and aggressiveness in Hanoi and an insistence on the abandonment of South Vietnam to Communist take-over. We are making no hasty assumptions of any sort, but it is quite another matter to close our eyes to the heavy weight of evidence which has accumulated during the last month.

I can give you categorical assurance that there will be no abandonment of our peace efforts. Even though it is increasingly clear that we have had only a hostile response to the present pause in bombing North Vietnam, you can be sure that

our unflagging pursuit of peace will continue. As I said this week in a letter to Speaker McCormack, "Whether the present effort is successful or not, our purpose of peace will be constant; we will continue to press on every door."

And at the same time, I am confident that as elected representatives of the American people, you will share my determination that our fighting forces in Vietnam shall be sustained and supported "by every dollar and every gun and every decision" that they must have -- "whatever the cost and whatever the challenge." For a month we have held our hand in an important area of military action. But the infiltration of the aggressor's forces has continued, and so have his attacks on our allies and on our own men. I am sure you will agree that we have a heavy obligation not to add lightly to the dangers our troops must face. We must give them the support they need in fulfillment of the commitment so accurately stated in your letter -- "the determination of our Government to resist the terror and aggression which deny the people of South Vietnam the right freely to determine their own future."

Sincerely,

LBJ

Honorable Brock Adams
House of Representatives
Washington, D. C.

LBJ:McGB:ab

1st draft

1/21/66

Gentlemen:

I am grateful for your letter of January 21 expressing your strong support for our effort to move the war in Vietnam to the conference table. This support is a real encouragement, ^{coupled as it is with} ~~along with~~ your staunch support of our determination to ^{meet} ~~sustain~~ our commitments in Vietnam.

I note with sympathy your concern for effective action through the United Nations, and I want you to know that there is no part of this whole problem to which we give closer attention. I have reviewed this matter many ^{+ we have repeatedly} ~~times~~ ^{including the suggestion you offer,} with Ambassador Goldberg, ^{and} ~~and~~ you can be assured that he and I ^{are} ~~continue~~ ^{in a firm} ~~determination~~ ^{to} make every possible use of the United Nations in moving toward ^{toward} ~~early~~ peace, and to an effective ceasefire as part of that purpose.

Unfortunately, you are ~~quite~~ correct in your statement that the response from the other side has not been encouraging. ~~The truth is that~~ ⁶ Every bit of evidence available to this government indicates only the most hostile and aggressive response to our effort in Hanoi. We will certainly make no hasty assumptions of any sort, but it is quite another matter to close our eyes to the heavy weight of evidence which has accumulated ^{during the last} ~~over a period of almost~~ ~~a month. month.~~

I can give you categorical assurance that there will be no abandonment of our peace efforts. Even though it is increasingly clear that we have had only

a hostile response to the present pause in bombing North Vietnam, you can be sure that our unflagging pursuit of peace will continue. As I said this week in a letter to Speaker McCormack, "Whether the ^{present} ~~peace~~ effort is successful or not, our purpose of peace will be constant; we will continue to press on every door."

^{And}
~~But~~ at the same time, I am confident that as elected representatives of the American people, you will share my determination that our fighting forces in Vietnam shall be sustained and supported "by every dollar and every gun and every decision" that they must have -- "whatever the cost and whatever the challenge." We must give them this support in fulfillment of the commitment so accurately stated in your letter -- "the determination of our Government to resist the terror and aggression which deny the people of South Vietnam the right freely to determine their own future."

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January 22, 1966

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Sincerely,

Honorable John Brademas
Honorable Jeffery Cohelan
Honorable Donald Fraser
Honorable James O'Hara
Honorable Henry Reuss
Honorable Morris Udall

LBJ:McGB:ab

copy for Mr. Bundy
83 d

Congress of the United States
House of Representatives
Washington, D. C.

January 20, 1966

MEMO TO DSG MEMBERS:

From: Reps. Brademas, Cohelan, Fraser, O'Hara, Reuss and Udall

In the belief that by taking prompt action we can materially affect the course of crucial decisions on Vietnam now under consideration, we have jointly drafted the enclosed message to the President. The growing dialogue on this question makes it increasingly difficult to sustain a moderate position. We believe the President has taken such a stand and that he needs and deserves our support and encouragement. Toward that end we would like to send the enclosed letter over the signatures of several dozen of our number.

If you wish to join with us in this expression of support, please advise Peter Clute in the office of Jeff Cohelan (Ext. 2661) or Dick Moose in Mo Udall's office (Ext. 4067) no later than noon on Friday, January 21. To achieve the desired effect we believe the message must be sent during the coming weekend.

(orig. ret'd to Henry Wilson)

Congress of the United States
House of Representatives
Washington, D. C.

January 21, 1966

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

We strongly support the vigorous efforts you have undertaken to bring the war in Vietnam to the conference table. Specifically, we applaud you for the moratorium on bombing North Vietnam and for the extensive personal contacts you have initiated with the leaders of other nations to make clear our unrelenting desire for a just peace. We would like to suggest that you consider one additional dimension to this diplomatic offensive, that we formally request the United Nations to seek an effective cease-fire and that we pledge our support and our resources to such an effort.

While the response from the other side has not been encouraging, we do not believe we should yet assume that the door has been firmly closed. We cannot expect that a conflict which has raged so bitterly for so long will be quickly or easily resolved. Neither can we ignore the alternative to negotiations, a prolonged and probably expanded war with attendant costs in human suffering and material resources.

We staunchly support the determination of our Government to resist the terror and aggression which deny the people of South Vietnam the right freely to determine their own future. We continue to support you in that commitment. We recognize that there are those who urge a resumption of bombings of North Vietnam and a premature abandonment of our peace efforts. We are, however, concerned that unless we can halt or reverse the escalation of the last months it will become increasingly difficult to achieve a further pause, a cease-fire and meaningful negotiations. We urge you, therefore, to continue your present determined search for peace until such time as it becomes clear that no reasonable hope remains for a just settlement by peaceful means.

Sincerely yours,



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

~~CONFIDENTIAL~~

FARIDKOT HOUSE
NEW DELHI-1 INDIA

December 28, 1965

MEMORANDUM FOR MR. ROBERT T KOMER
THE WHITE HOUSE

SUBJECT: Our Chance of a Rousing Success in India

Progress During the Past Month

1. The Administration has a right to feel proud of the progress of its India policy since I last wrote you a month ago about the problems of aid resumption. The U.S. has helped engineer what could be a breakthrough for Indian agricultural expansion:

- a. The new near-term and longer-term agricultural program that Subramaniam, with Shastri's support, pressed through the Cabinet and announced in Parliament the week of December 5 has more solid content and promise than any comparable program since Independence. It is more radical in its emphasis on
 - . fertilizer imports
 - . enlistment of foreign private investment in fertilizer, pesticide, and seed production, and
 - . resort to the free market, especially for fertilizer distribution,

than anyone could safely have forecast even two months ago.

- b. Certainly the timing and probably the content of the new program owe much to U.S. pressure -- both our recent generalized pressure in behalf of agricultural self-

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By JON WARA Date 12-6-17

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reliance and the specific negotiations that reached high gear in the Freeman-Subramaniam Rome talks.

- c. The outcome is all the healthier because our specific role in the exercise has been closely held; indeed, most of the Indian Cabinet are not fully aware of it.
- d. The timing as well as the substance of the President's December 9 announcement of the 1.5 million tons of wheat and the \$50 million fertilizer loan admirably met the internal Indian political need for a forthcoming U.S. gesture before the Johnson-Shastri talks -- especially since the "gesture," instead of being cosmetic, was so plainly responsive to urgent practical needs.
- e. Our concern over the near-term food emergency has been emphatic, conspicuous; is appreciated, is helping intensify India's own preparations for the emergency. (We shall of necessity be so heavily engaged in this quarter in the next few months that we must take particular pains not to lose sight of the longer-term possibilities and issues that mainly concern us.)
- f. The agriculture and food momentum established earlier in the month was reinforced during Subramaniam's Washington talks.
- g. In some ways the most auspicious development of all has been the GOI reaction to our performance conditioning of the \$50 million fertilizer loan:
 - . The assurances we asked were all sensible, all economic, all in the Indians' own interest; and we emphasized (i) the directness of our (PL 480-connected) concern over the adequacy of the Indian agricultural effort and (ii) the fact that this new style of AID lending is being adopted worldwide, not just for the subcontinent.

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- . Nevertheless our list of conditions was a yard long and of a kind which would have made the Indians bridle a few months ago.
- . Not only did the GOI give all the requested assurances, including its determination to recruit foreign private investment in about 1 million tons (nitrogen equivalent) of new fertilizer production capacity during the next six months; it gave the assurances briskly and cheerfully, agreeing readily to periodic reviews of progress. Moreover, this streamlined negotiation was conducted, not with Subramaniam's Food and Agriculture Ministry, but with T. T. Krishnamachari's Finance Ministry.
- . Obviously the negotiation was facilitated by the fact that the Indians had just adopted most of our conditions on their own the week before. But the very fact that they had done this and then immediately observed the way good self-help pays off should speed the acceptance of similarly conditioned assistance in the future.

Seizing the Opportunity for a Major Success

2. The mood and momentum have now been established for a resumption of aid that, while in no sense easing up on our new style of tougher performance conditioning, can drive forward swiftly -- if the President's talks with Shastri go well -- to exploit the opportunity for major long-term gains which our tactics of recent weeks have opened up. This memo is about that opportunity. My fear, as I noted last month, is that in our concern not to be soft touches about aid resumption (which we certainly shouldn't be), we may forget that our suspension of assistance has not just been squeezing the Indians; it has been delaying our own chance of making a very big U.S. foreign policy score in India.

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3. This thesis is presumptuous on one count: It assumes that, if Indo-Pak hostilities had not interrupted the process, the President before this would have emerged from the intensive review of the South Asia economic assistance programs he ordered and undertook himself last spring with a strong "GO" rather than "slow down" decision. Personally, I've never had much doubt of this because

- a. closely examined, India's importance to us is so great and the opportunity for a U.S.-promoted Indian economic breakthrough is so ripe (see below); and
- b. the whole potential Indian show so clearly fits the President's personal style of operations. I judge this last largely from the close-in view of his style I got when I was with CEA:
 - . What's called for in India is a combination of hard-headed, economizing toughness and far-sighted, risk-taking expansiveness. This is exactly the formula the President has used in his domestic program. Two years ago he stunned us all with his FY 1965 budget -- and he's never relaxed his management of the budget. But the purpose of the toughness and economy has been to muster support for the most expansive domestic human betterment program on record.
 - . The stakes in India are big and they require a bold attack.
 - . They demand concreteness in the pursuit of people-oriented objectives that too often have left other politicians looking like dreamers.
 - . India offers him a good shot at a first-rank, historic foreign policy success at a time when such opportunities elsewhere in the world are scarce.
 - . The circumstances call for a new assistance program -- a new aid deal -- that can bear the President's own distinctive hallmark. And we know what that program should be.

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The Dimensions of the Opportunity

4. As you well know, the needed program is what, within the AID and IBRD families during the past year, we've been calling "the Big Push." It is our notion of what should happen during India's Fourth Five Year Plan (1966/7-1970/1). The scheme has two aspects:

- a. It would push hard on the Indians by conditioning Fourth-Plan Consortium assistance on major improvements in Indian policies, particularly with respect to
 - . agricultural production
 - . family planning
 - . de facto exchange rate adjustment
 - . economic liberalization, especially of imports
 - . export expansion
 - . promotion of foreign private investment
 - . mobilization of idle manpower
- b. It would cut back aid if the Indians failed to move on the above counts; but if they made convincing commitments to move, it would support their effort to speed up their economic expansion with a revamped aid program.

// The phrase "Big Push" turns out to be more descriptive of the results that can be had from such an effort than of its aid costs. During the first two or three years of the Fourth Plan, while the new approach was being tested and proven we would propose that, without notably increasing Consortium pledges,

- (i) the whole Consortium reallocate its aid heavily toward nonproject loans for financing increased imports of raw materials, spares, and components in order to break production bottlenecks, run existing facilities up to full

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capacity, and thereby provide the maintenance-import backing for liberalization and exchange rate adjustment, and

- (ii) the U.S., in particular, channel more of its loan assistance to agriculture and its supporting industries.

(1969)
Thereafter, if the Indian economy responded as we expect, it would justify some increase in loan assistance -- temporarily, for a few years -- as a means of getting the aid job done right and yet done sooner.

- . You have the projected details of the Big Push approach, which I believe is being built into the briefing papers for the Shastri visit.
- . As a result of continuing analysis, discussion, and refinement during the past year, the approach has won the support of just about every U.S. AID and Indian specialist.
- . Although the Consortium would need to take special care to assure itself that the economy was not being dangerously skewed toward defense activity (such skewing at present seems very limited), the approach requires no major modification in the light of the Indo-Pak hostilities.
- . Accordingly, rather than detailing the Big Push strategy the balance of this memo concentrates on the dividends the strategy could yield.

5. Indian economic performance during the past 15 years has been pretty fair -- a slow, steady climb -- but not good enough. The essence of the Big Push scheme is to engineer a kink, a break, in the trend -- to tilt the growth path more sharply upward in a hurry, and then keep it rising at the steeper rate. Is the economy really ripe for such acceleration?

The answer is an emphatic yes.

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- a. You know the story now in agriculture. Every Indian Food Minister since the early '50s has had a program for accelerating India's pretty-fair 3% annual rate of foodgrains expansion to the needed 4-1/2-5%. But Subramaniam's is the first program likely to do the job -- both because the program itself is more solid and incisive, with its proper emphasis on fertilizer, outreach to foreign private investors, and plan for hosing the inputs to improved varieties in sizeable intensive agriculture areas; and because the cumulative impact of past efforts (e. g., upon the demand for fertilizer) has laid a good base for the push now starting.
- b. The industrial economy also is poised for rapid, sustainable speeding up -- for the simple reason that for several years now it has been running far below capacity for the lack of essential imported raw materials, spares, and components. Breaking these bottlenecks can yield an immediate substantial response.

6. With strenuous effort and a little good luck, what can be done is this:

- . Average annual growth in food production can be raised from 3% to 4-1/2-5%, making India self-supporting in food within 10 years.
- . The average annual growth of total GNP (corrected for price changes) can be raised from its recent scent 4% to 6% if -- with agriculture moving as indicated -- industry can be freed up and grubstaked with additional maintenance imports.
- . This freeing up process (see our Big Push documentation) can be the best stimulus one could devise for promoting indigenous substitutes for imports, pushing exports, and attracting foreign private investors.

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- . Per capita annual growth of food production can rise from 1/2% to 2-2-1/2%, and the per capita advance can more than double its grudging 1-1-1/2% annual rate of the past 15 years. Moreover, as the population growth rate is curbed and as India proves her capacity for exceeding an annual 6% growth rate in total output once the acceleration process has been well launched, these initial Big Push per capita gains can be substantially exceeded within a very few years.
- . Not only would such a quick doubling or trebling of average annual improvement in individual well being be an enormous improvement by Indian standards and robustly reinforce the country's commitment to constitutional democratic processes of change; it would measure up to almost the best ever achieved for a sustained period anywhere. Such a performance would finally make the world's largest democracy the developmental showcase we have long wanted it to be.

7. It is only such an acceleration of Indian performance that can put us out of the aid-to-India business -- successfully. We can pull out any time, of course, but not without inviting a spreading disaster in Asia until India can keep growing fast enough to keep peace internally while paying her own way in the international market. Faster growth, which can accelerate savings, import-substitution, and exports, is the one feasible means by which the country can begin to narrow its trade deficit.

While no exact forecast can be made, India should be rapidly approaching self-support 10 years from now if the Big Push strategy is adopted and pressed. At the present pace, on the other hand, there is no visible tendency for exports to start overtaking imports. The need for aid looks endless.

8. The broad political and strategic payoffs that could accrue to us as the prime external accelerators of Indian economic performance

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have been treated in a number of Embassy messages and papers. At any rate, you know the subject better than I, and I shall not dilate on it here. However, two matters of practical political timing are worth noting:

- a. The proximity of the next (February 1967) Indian General Elections is bound to condition the GOI's response to our aid negotiations -- in some respects, adversely. For example, the proximity of the elections might forestall an earlier departure of TTK from the Cabinet. On balance, however, the proximity of the elections should heighten the GOI's desire to get aid commitments for the earlier phases of the Fourth Five Year Plan tied up. This should increase the GOI's receptivity to the economic-performance conditioning of our assistance -- especially if the full extent of the conditioning is not publicized.
- b. A quick and strenuous launching of the Big Push strategy could yield impressive results before the U.S. general election of November 1968.

// he just resigned - a victory for us.

Recommendations

9. The post-talks pace of economic aid resumption. In October the talk around Washington was of a slowly staged and phased resumption of aid after the President's projected meeting with the Prime Minister. However, two things have changed -- one for sure, one apparently:

- . Through no fault of either the Indians or ourselves, the talks are occurring nearly two months later than hoped for. With new loan and grant assistance (with the important exception of the \$50 million fertilizer loan) remaining stopped, the economy will have been wrung out a great deal more than we had expected -- since the wringing out process becomes cumulative as supply interruptions spread from one industry to another.

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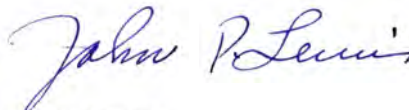
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- It had earlier appeared that the political conditioning of our aid resumption might be fairly severe from the Indian viewpoint. This suggested the need for a considerable lapse of time for observing political performance before full resumption of economic assistance could be decided. The situation is quite different, however, if the difficult conditions we propose putting to the Indians are primarily economic.

If, therefore, the President decides to go for the Big Push approach and if his meeting with Mr. Shastri is generally reassuring, I would hope for a quick full-tilt start on Big Push bargaining. Because it will be so heavily and elaborately performance-conditioned, the bargaining is bound to be strenuous and prolonged in any case. If this is the direction we are to go, I hope we can get started no later than February.

(For the purpose of this memo, I am by-passing the question of how much interim nonproject assistance may be appropriate for bridging to that point in time when a longer-term deal has been completed.)

10. The post-talks pacing of aid-to-India decision making. In the foregoing I have been surmising, in effect, that one of these days, maybe soon, the President may want to turn a pretty sharp corner in the India program. He is not, I am sure, going to want to soften our day-to-day decision making as to new loans and projects. But he may want radically to speed it up, and this may require some explicit effort. Inevitably when an administrative team is kept for a long time under as tight a rein as he's had on us since last spring, the team gets awfully cautious. I see it myself and in my Washington colleagues: We've slipped out of a can-do into a go-slow pattern of operations. If the President should now shortly want us to get jumping -- not loosening up on our individual standards, but, exercising our discretion to move good programs wherever we can -- it may pay the White House to give us all a nudge in this direction.



John P. Lewis

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Friday, January 21, 1966 5:00 pm

MEMORANDUM FOR THE PRESIDENT

I have been slow in getting you these letters of thanks to Acheson, Black, Clifford, Rockefeller and Dillon as members of your private review committee on the aid program.

I have the impression you like the report except for its comment on the question of direct White House management of specific aid decisions. I toyed with the idea of putting in a sentence of gentle complaint about this paragraph, and decided against it on the ground that the President ought not to argue with private advisers on a point of this sort, but just do whatever he pleases in fact.

We are not going to do everything that this committee has recommended, particularly for tax reasons, but on balance I think they will be pleased with our program and we may easily ask them to do a little quiet lobbying, or even testifying, on the Hill when the time comes. A letter like this should keep their hearts warm, and in the meantime thank them for what was quite unusually faithful and thoughtful committee service.

McG. B.
McG. B.

Fri., Jan. 21, 1966, 4:15pm

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MR. PRESIDENT:

Here is Byroade's report on his closing conversation in Rangoon. As the advance flash says, it is clear that the man from Hanoi had nothing to say. I also find it striking that he has said that his government has made its position clear in "public statements."

This comment may be useful to us when we come to the problem of arguing that the public statements are the whole Hanoi position.

McG. B.

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Attachment

RANGOON Flash 364, Rangood 365

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Friday - January 21, 1966
10:00 a.m.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Your visit with Venezuelan Emissaries

Enclosed is an English translation of the letter from President Leoni which his emissaries will present at your noon meeting.

As I suspected, the first item of business is the boundary dispute with British Guiana. The Venezuelans claim two-thirds of British Guiana. With independence for the colony set for May 26, 1966, the Venezuelans would desperately like us to persuade the British to make some concession regarding their claim.

The line which we should hold to -- as stated in Tom Mann's briefing memorandum -- is one of not taking sides and avoiding giving the Venezuelans a basis for saying that we sympathize with their claims.

McG. B.

Enclosure

Translation of
President Leoni's
letter.

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E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By jc, NARA, Date 7-9-03

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Ret'd 2/15/66
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Thursday, January 20, 1966
12:30 pm

MEMORANDUM TO THE PRESIDENT

SUBJECT: David Bell's Report

1. This is David Bell's written report, of which he gave you a brief oral summary last week. I think you will find it well worth reading all the way through.

2. I agree with nearly all of it, and so does Bob McNamara. I do not yet know Dean Rusk's view. The one point which is worth emphasizing is that Dave is certainly right when he describes his own aid management out there as thin. This point has been emphasized to me separately by Tex Thornton of Litton Industries, Warren Wiggins of the Peace Corps, and Chester Cooper of my own staff. I have talked to Bill Gaud about it today, and he is going to talk with Dave to see if they cannot come up with some specific recommendations to go into effect at the same time as the basic recommendation about Ambassador Porter. We will have more on this in a day or so.

3. Unless you object, I plan to distribute this report to the following tomorrow:

The Vice President
Secretary Rusk
Secretary McNamara
Admiral Raborn
Mr. Marks
Mr. Schultze

McG. B.
McG. B.

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By iss, NARS, Date 10-24-84

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON
VICE PRESIDENT'S OFFICE

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OFFICE OF
THE ADMINISTRATOR

January 19, 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Non-military aspects of the effort in Vietnam - January 1966

I spent the period January 1 to 5 in Vietnam, accompanied by Chet Cooper of the White House staff, Rud Poats and others of A.I.D., and Dick Cooper of the Bureau of Economic Affairs in State. We concentrated on the problems of inflation, port congestion, and the pacification of the countryside. Our principal conclusions and recommendations are reported in this memorandum. I would be glad to amplify them in any way you may wish.

1. Pacification/Rural Construction.

Now that the introduction of U.S. troops has arrested a deteriorating military position, the highest priority problem in Vietnam, in my opinion, is to develop a tested and reliable system for "pacifying" the countryside. "Pacification" means, once major VC or NVN military units have been swept from an area, to establish effective local security against terrorism, to identify and eliminate the hidden VC cells (the "invisible government"), to establish effective institutions of local government including means for popular participation, and to commence solid programs of economic and social development (education, health, agricultural improvement, etc.).

The joint GVN-US objectives in Vietnam require a steady widening of the "pacified" areas, behind the shield of military protection. And yet it is a striking and melancholy fact that no significant progress has been made in pacification for the past several years, despite a great deal of effort.

Now a new effort is underway under the title of "rural construction." In some ways the new effort is more promising than anything that has gone before: it has good leadership and backing within the GVN, and is based on more realistic plans and timetables than anything tried previously. There is as yet, however, no basis for optimism. The pacification task is inherently very complex and difficult and will require years to complete under the best

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Authority FRUS 64-66, vol. 4, #28
By jc NARA, Date 7-9-03

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conditions. The new effort is still almost entirely on paper. And neither the GVN nor the U.S. approach to the pacification effort, in my opinion, is yet strong enough or well enough organized to get the job done.

In view of the importance of this subject, I attach to this memorandum as Annex A a fuller discussion of the present situation.

In summary, my recommendations are:

- that higher priority - second only to that given the seeking out and destruction of major enemy troop units - be given to the pacification program by all U.S. elements in Vietnam;
- that, since all elements of the U.S. Mission in Vietnam are necessarily involved in pacification, a single point of responsibility be established in the Mission for managing the U.S. effort in support of the GVN rural construction program. My own suggestion for accomplishing this is to assign this responsibility to Ambassador Porter as his first priority assignment. Under this concept, Ambassador Porter, supported by a small staff and working with the heads of the country team units (MAC/V, A.I.D., JUSPAO, etc.), would be responsible for preparing integrated plans and schedules for the various action programs and, when they have been approved by Ambassador Lodge, for supervising their execution. (In preliminary discussions of this recommendation in Saigon, General Westmoreland and Mr. Mann expressed agreement with it, and Ambassador Lodge seemed to receive it favorably.);
- that, in view of the experimental nature of the pacification effort at present and the need to develop as soon as possible a proven system, a strong, continuing program of evaluation and analysis be undertaken with the objective of building a tested doctrine for Vietnamese pacification. I would suggest that this should include a thorough review of progress and problems in Saigon at least once a quarter, with high level participation each time from Washington. Ambassador Porter has been asked for a first report of this type on March 31st.

2. Economic problems of the war effort.

With the step-up in the scale of fighting and the involvement of more U.S. troops over the last nine months, the economic situation has changed radically - from a position of some underemployment of resources and relative price stability to one of severe shortages of resources, particularly of skilled labor, and strong inflationary pressures which have already resulted in price increases on the order of 40 per cent since the beginning of 1965. The prospects

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are for even stronger inflationary pressures this year, stemming from large GVN budget deficits, more spending by U.S. troops, and a larger military construction program, and for even greater pressure on scarce resources - labor, transportation facilities, etc. Remedial action of at least three kinds is required.

(1) There is now serious port congestion in Saigon and in the coastal ports. The latter problem should be short lived; actions now underway are expected within three or four months to enable the coastal ports to handle the anticipated traffic.

The port of Saigon is a different matter. There is agreement in the U.S. country team on the steps that are necessary to enlarge the capacity of the port of Saigon, but these steps will require strong and continuous managerial energy in the GVN, which is not now in sight. Accordingly, with Ambassador Lodge's approval, I recommended to Prime Minister Ky that he name a single, strong port manager, reporting directly to him, with sufficient authority to get the job done. The U.S. would name a single senior U.S. adviser to the port manager, who would have such staff as he needed and who would have authority over both the MAC/V and A.I.D. resources needed to improve port efficiency.

The Prime Minister accepted this recommendation in principle. If he carries it out, there will still be needed steady and continuing effort over a period of months to raise the capacity of the port to what is required. And beyond the problem of port expansion as such there will be further difficult problems of warehousing, internal transport, and other logistics elements.

(2) A strong and vigorously executed anti-inflation program will be necessary for the foreseeable future to prevent what could become a runaway inflation. The GVN leaders are seriously concerned, as they should be, by this prospect, and Bui Diem gave me unequivocal assurances, "speaking for the Prime Minister," that the government intends to do whatever is necessary to meet the problem.

The GVN has already taken the most important single step in an anti-inflation program, namely, to decide on an austerity expenditure budget for 1966. While I was in Saigon, a number of additional steps were agreed on: raising GVN taxes, requiring advance deposits of piasters by importers, eliminating the grace period on customs duty payments, increasing government bond sales, and at least doubling the rate of imports financed by the GVN and by our economic aid (both AID and P.L. 480). Moreover, General Westmoreland

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has been most cooperative in seeking ways to limit troop spending on the Vietnam market, and to limit the impact on the Vietnamese economy of the military construction program.

Nevertheless, GVN and U.S. economists are agreed that the measures adopted thus far are not sufficient to hold price increases during 1966 to a reasonable figure (say 20-25 per cent). We discussed with the GVN a number of possible monetary measures, some of them rather unorthodox, which might help, but could not reach agreement on proposals which promised both to be useful and to be politically acceptable.

Accordingly, it is necessary to regard the inflation problem as unfinished business, and to keep working urgently with the GVN to reach agreement on a sufficient program.

(3) The underlying problem of resource allocation also remains a very important one for which neither GVN nor U.S. programs and actions are yet strong enough. On the GVN side, the government is roughly in the position of trying to run a war without a War Production Board or a War Manpower Commission. The overall demands on men and on material are not gathered in one place, examined in relation to each other, and the hard choices made of what to eliminate when it is plain that not all demands can be met. (For example, I was told that little progress can be expected on land reform this year because the technical men in the Department of Agriculture needed to carry on the work have been drafted into the army or have gone to work for construction companies - not as a result of conscious decision as to priorities but simply the haphazard working of the present system. The same is true of our village health station program.)

On the U.S. side there are the beginnings of arrangements to deal with issues of resource allocation, principally country team committees to consider competing demands on the ports and on construction materials and skilled labor. Stronger arrangements will clearly be needed both in the GVN and in the U.S. country team. I suggest:

- that a small staff be established in the U.S. country team to study anticipated requirements and availabilities for key resources, and to propose means for enlarging resources and for allocating scarce items according to proper priorities;

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- that the U.S. country team develop a proposal for establishing staff and organizational arrangements in the GVN to deal with problems of resource mobilization and allocation.

3. As one means for improving the non-military aspects of the U.S. program in Vietnam, I discussed with Ambassador Lodge the idea of sending high-level teams from the United States to examine our work in such fields as agriculture, education, and health. Such teams could achieve three valuable results:

- to provide expert appraisals of our present programs and recommendations for improvement - particularly as to how these non-military activities can better support the pacification/rural construction effort;
- to emphasize to senior GVN officials the importance of these non-military fields and the nature of the program they ought to be supporting;
- to re-emphasize the importance that the U.S. gives to these fields.

As you know, the Ambassador agreed with the idea of sending out such teams, provided their trips were carefully prepared and focused on what it is practical to do in Vietnam under present circumstances. While I was in Saigon, the Ambassador discussed with the GVN the proposed visit of the first such team, to be headed by Secretary Freeman. GVN officials welcomed the proposed visit, which is now planned for sometime in February.

I recommend that we plan now to send further teams in the field of education (headed perhaps by Assistant Secretary Keppel) and in the field of health (headed perhaps by Dr. Boisfeullot Jones of Atlanta and by Assistant Secretary Philip Lee of HEW). The possibility of additional teams could be examined in the light of the experience gained in sending these three.

4. A few miscellaneous observations:

(1) I visited three camps for refugees - one at Hoi An, south of Danang, and two at Qui Nhon - and talked at length with the A.I.D. people in charge of refugees nationwide. At present, the number of refugees is fairly static at around 400,000 in recognized camps, with some still arriving but some also returning to their villages or becoming resettled in urban areas.

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All are receiving food and are under shelter. Much remains to be done to provide schooling for the children, training for adults, and assistance in resettlement.

(2) At Averell Harriman's request, I looked into the matter of help and advice to other free world aid donors. In order to improve our performance in this area, the A.I.D. Mission is now establishing a special office whose sole job will be to act as liaison with other donors - to offer advice on the kinds of aid that will be most valuable, to arrange for logistic support for aid teams from other free world countries, etc.

(3) I talked with staff of A.I.D., Embassy, and General Lansdale's group about the problem of economic warfare - that is, the effort to deny medicines, food, and other items to the VC. This is a very complex problem on which the combined U.S. Mission is beginning to focus. We are proposing to assign an experienced senior officer to work full time on this task, which will require strong coordinated efforts by the police, the military, and the economic agencies in Vietnam.

(4) The A.I.D. Mission in Vietnam is being expanded rapidly - from about 650 Americans to around 900-1000. It is by far the largest A.I.D. mission in the world, and has a much faster-moving, more operational set of responsibilities than most other missions. We are striving hard to find the executives we need, by reassignment from within A.I.D., by borrowing from DOD, by recruiting from outside. We have not yet caught up with the workload, and I expect that for months to come our top management in Saigon will be spread very thin. This is basically the result of the fact that A.I.D. has less of a career personnel system than any of the other U.S. agencies in Vietnam.

Nevertheless, I was for the most part impressed and pleased with the calibre of the A.I.D. personnel in Vietnam. We agreed on some replacements while I was there, and on some improved and simplified organizational arrangements. My present judgment is that if we are careful not to add low priority assignments to their present workload, the A.I.D. Mission in Vietnam will be able to carry out its assignments successfully.

David E. Bell

David E. Bell

Attachment

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Annex A

The Problem of "Pacification" or "Rural Construction"

When I was in Vietnam in the spring of 1964, the phrases used to describe the action underway to defeat the VC were "search and destroy" and "clear and hold." The most striking and accurate statement I heard on that trip was General Khanh's remark that the government could "clear" any area in Vietnam, but had not learned how to "hold" it.

Today the GVN by itself can no longer clear any area in Vietnam. The growing participation of U. S. forces is in process of restoring that power. But it is still true that the GVN has not developed the ability to hold an area once cleared.

Good men are working on the problem. Colonel Sam Wilson, head of the AID Mission's field operations; General DePuy, J-3 of MAC/V; General Thang, Minister of Rural Construction in the GVN, with all of whom I discussed this problem, are top notch men, capable analysts and strong executives, among the very best men in Vietnam. But the fact remains that the combined GVN-US effort in Vietnam has not yet demonstrated the capacity to hold any area of the countryside after it has been cleared of sizeable organized units of VC and/or NVN troops.

The most that can be said is that the problem of pacification is better understood than it has been previously, that more realistic plans are being made to deal with it, and that some promising efforts are starting in limited areas which may, if followed through strongly, achieve in 1966 the first successful pacification results. Each of these points deserves brief explanation.

Understanding the problem. The inhabited countryside in Vietnam falls roughly into three categories:

- areas under GVN control, where the people generally support the government and normal government services are available (category A);
- contested areas, where the people's loyalty is mixed, some of the young men are with the government forces and some with the VC, the

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E.O. 13292, Sec. 3.5
NLJ 03-244
By ins, NARA, Date 11-4-84

Annex A - 2

government may have reasonable control in the daytime but the VC may control at night, and normal government services are limited and spotty (category B);

- areas under VC control, where the people generally support the VC, normal government services are virtually non-existent, and GVN or U.S. personnel can safely move only with sizeable armed forces as escort (category C).

Estimates vary as to what proportion of the countryside falls into each category, and it is a difficult estimate to make because the three categories shade into each other and conditions are changing over time. Certainly not less than two-thirds of the rural areas would fall into categories B and C.

Although there is no standard definition at the present time, I think it would be agreed by the best analysts of the problem in all U.S. agencies that an area of the countryside can be said to be "pacified" when:

- organized VC and NVN military units have been pushed out of the area and GVN-US forces are in a position to assure that they do not return;

- reasonable local security has been established against VC infiltration, terrorism, night-time intimidation, etc., through regional and popular forces, police units, and local intelligence networks;

- the local VC "cadre" or "infrastructure" - the invisible VC local government of political, propaganda, and control cells - has been identified and rooted out, its members incarcerated or converted;

- a functioning local government has been established, including appropriate means by which popular grievances can be aired and rectified, and the local people have become both able and willing to participate in their own defense and development;

- normal governmental services have been established in the fields of education, health, agriculture, etc., and a basis has been laid for their steady growth and improvement, including appropriate arrangements for local participation in deciding what should be done and in helping to do it.

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Annex A - 3

It is probably true that all of these conditions do not exist anywhere in Vietnam, and in this sense pacification work is needed everywhere. In category A villages, the security conditions have been met, but there are probably unidentified VC agents, the arrangements for local government are certainly defective (e. g., little or no popular participation, capricious and haphazard governmental response to grievances), and governmental services can be substantially improved even within the limits imposed by overall manpower shortages and the general handicaps natural to Vietnam as an underdeveloped country. In category B villages, the general but not the local security condition has been met but everything else remains to be done, and category C villages are essentially untouched so far, except in the negative sense of having borne a considerable share of the devastation and civilian injuries caused by the fighting.

To accomplish these changes, particularly in the category B and C villages, is extremely difficult. It will require clear concepts, strong leadership, and substantial resources (both men and material) from both the GVN and the U. S. In particular, the GVN will have to make major changes in the attitude of many military and civilian leaders toward village problems and village people, and significant legal changes with respect to such matters as the establishment of local village councils and land tenure reform. A great deal needs to be done to bring all this about. It is a sign of some real progress that leading officials of both governments understand the pacification problem in the broad sense outlined above, but there is no strong, effective, hard-driving, centralized management for the pacification effort - on either the GVN and the U. S. side. And most of the actions needed are still prospective.

Planning for pacification. Present plans for the pacification effort, as formulated by General Thang's Ministry, start at the right place. They recognize that the central problem is political - to present to the villagers an effective program of action that will appeal to them, to persuade them that the government side is best for them, to convince them to join in their own defense and in the work of development.

To this end, the plans center on "cadre" teams, now expected to number 80 persons each, which would live and work in one village at a time, under the protection of GVN and/or US troops, until the complete pacification

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Annex A - 4

job is finished in that village. I was told that it is expected that a cadre team might need to stay for a year in one village. When I asked General Thang about this, he said he didn't know whether a year would be long enough; in any event the cadre should stay in a village "as long as necessary."

There are impressive elements of realism about this planning. It incorporates the generally successful experience of the People's Action Teams (P. A. T. 's) which have been organized and in operation for the last eighteen months or so, [REDACTED]

3.3
(b)(1)

[REDACTED] The PAT's are 40-man groups, civilian in nature though armed for their own protection, which are highly trained and continually re-trained to work in the villages (mainly so far in category B villages), ferreting out the VC infrastructure and propagandizing for the government side.

Under the new plans, the 80-man teams will include a PAT element, plus a "census grievance" unit, (to help find out what the people in the village want and need, as well as to help identify VC families and individuals), plus units to start up the local political and administrative machinery. All this represents a heavy investment of manpower in a village, but is thought by most observers to be no more than is necessary in view of the depth and stubbornness of the problem. As General Walt said to me about the area just south of Danang where pacification efforts of this kind are being started, under the security protection of the Marines, "the VC have been working in that area for eleven years; it's a big job and a slow one to change the situation."

Another element of realism in the present plans is that the Vietnamese officer in charge of selecting and training the 80-man cadre teams, under General Thang, is Col. Chau, formerly chief of Kien Hoa province, and generally thought by the Americans to be the Vietnamese who best understands the pacification problem. Col. Chau has several Americans working with him, and has asked John Paul Vann, (a retired Army colonel with a fine record as a MAC/V adviser in the delta, now working in the AID Mission under Sam Wilson) to move into the office next to him as his principal adviser.

Moreover, the new cadres are expected to be given their initial training at the national training center at Vung Tau, where the PAT's have

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Annex A - 5

been trained, which is considered by the Americans to be the best training center in the country.

Finally, it has been recognized that it will be necessary to concentrate the pacification effort in 1966 in certain limited areas, for two reasons: only limited areas can be assured of the needed security from major attack by sizeable units of VC and NVN troops, and only limited numbers of cadre teams can be made available by General Thang's ministry. Accordingly, four national priority areas for pacification have been selected, one in each of the Corps areas - the area just south of Danang in Quang Nam province, the area north and west of Qui Nhon in Binh Dinh province, Gia Dinh province surrounding Saigon, and An Giang province in the Delta. In addition, each Corps has designated further areas to be given priority if security can be provided and resources can be made available, and each province chief will of course do what he can to advance the pacification objective in his province.

These objectives are modest in one sense. If pacification is successfully carried out in 1966 in the national priority areas, it will affect less than one-tenth of the rural population - and some of these people already live in category A areas (such as the Hoa Hao villages in An Giang province).

In another sense, these objectives are very ambitious. They will require far stronger and far better coordinated efforts by both the GVN and the US than have yet been put into pacification. And if successful, they will mean the accomplishment of something wholly new in Vietnam - the true expansion of the area of security and progress. If this can be done in 1966, even on a small scale, an essential step will have been taken toward eventual victory over the VC in Vietnam. This is plainly an enormously important target.

And yet any sober assessment of the chances of success in these pacification efforts for 1966 would have to rate them as no more than even. On the GVN side, few people in government yet grasp the concept of pacification and the effort that will be necessary to carry it out; most GVN officials - military and civilian - still have a distant, superior, unhelpful attitude toward villagers and their problems; the major reorientation of

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Annex A - 6

GVN ministries and programs to support the pacification effort has only begun; and the management arrangements to ensure the necessary strong and coordinated effort by all ministries, while impressive on paper (a coordinating committee under General Co, the Deputy Prime Minister), has yet to prove itself in practice.

On the U. S. side, there are also serious deficiencies, in my opinion. All elements of the U. S. country team must be heavily involved in a successful pacification effort, according it priority in disposition of U. S. and GVN resources second only to the most crucial major combat operations.

Much is being done by all agencies, but there are obvious gaps and lacks. For example, an agreed concept of the pacification program has evolved in the U. S. country team in the past two weeks - as a result of the Warrenton meeting - there is no strategy directive nor any integrated plans and schedules showing how all agencies will support the GVN pacification effort. Higher priority and much stronger management arrangements will be necessary, in my opinion, to remedy these deficiencies. Hence the recommendations made in the text of the memorandum to which this is an annex.

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20
Thurs., Jan. 7 1966
7:30 pm

MR. PRESIDENT:

These are the two papers I referred to in our meeting this evening that you may wish to read. One is George Ball's brief against any resumption of the bombing. And the other is a quite careful estimate of probable reactions of the Communists and others to various possible lines of decision on this issue.

McG. B.

F 89
Attachments
in "hold"
pending return
for P



THE WHITE HOUSE
WASHINGTON

Thurs., Jan. 20, 1966
7:05 pm

MR. PRESIDENT:

Here is Bowles' account of his first interview with Mrs. Gandhi. She would like to come very much, but cannot get away while she is Cabinet-making in the next week or so. She hopes she can make it by the end of February.

McG. B.
McG. B.



TRANSFERRED TO HANDWRITING FILE

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

RECEIVED
JAN 21 1966
SEC. 1.1(a)

BY DCM ON 8-2-83

~~CONFIDENTIAL~~

Thursday, January 20, 1966
3:15 pm

MEMORANDUM TO THE PRESIDENT

SUBJECT: Conversation with Walter Lippmann

1. I had a long-delayed lunch with Walter Lippmann today. I began by assuring him that his comments on Latin America had led you to press us all for a most careful study of the problem of regional scale development in the interior of the South American continent. I told him that at your instruction I had already talked with Lincoln Gordon about this, and that Gordon and I agreed that Walt Rostow was the man to staff it out. Walter had a more sophisticated view of this problem than I had expected, and I am inclined to think that his columns were a kind of shorthand for some quite interesting and important ideas. He in turn spoke warmly of your appointment of Lincoln Gordon, and he and I agreed that Tom Mann's unpopularity in some quarters in Latin America was unfair -- even though real.

2. But our main business of course was Vietnam. Walter asked me where things now were, and I told him just as accurately as I could, leaving out only the most sensitive diplomatic communications. I told him that we had had no response and that I could not now tell him that I was optimistic about the prospects for a serious move toward negotiation as a result of our current peace effort. He was not surprised, or even downhearted. He said that he thought the best thing you had said had been the remark in the supplemental request that even if this effort fails we will continue to press on every door. I told him that this was a simple statement of your firm conviction and that he could rely on it.

3. Lippmann and I discovered, as usual, that we have radically different views of the reality of the situation there. He says he genuinely believes it is a civil war, and that it was not started by Hanoi. I told him I was quite sure that the members of the Politburo in Hanoi would tell him different if they were frank. I said he was saying what French intellectuals said, and I thought the evidence went the other way. He asked for such evidence, and I am going to try to assemble some material for him.

4. Our other basic difference, of course, is on the question whether the U.S. can and should operate on the ground in Asia. Walter says Korea is an exception, and that in Vietnam it simply won't work. He quotes MacArthur on his side of the argument. He thinks the best answer is to let the place go Communist as gracefully as possible. He seldom is quite so candid in public. I told him that he was looking at our troubles and not the troubles of the enemy, and that there was a good deal of evidence that the Viet Cong were hurting and that the balance was less unfavorable

CONFIDENTIAL

-2-

Jan. 20, 1966

than he assumed. He asked if I could give him such evidence, and again I said I would see what I could do.

5. In sum, this was the most cordial and easy conversation I have had with Walter in a long time. He does have deep emotional feelings about Vietnam, and I don't think I changed them, but I think he went away feeling somewhat better about the good sense of the Administration. We shall see.

mg 5

McG. B.

92

Sent to Mr. Hopkins so draft letters
at Tab A can be put into appropriate
final form. Thursday, Jan. 20. 11:00 A. M.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Thursday, January 20, 1966
9:55 A.M.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Applying the Interest Equalization Tax to Oil Exporting Countries

The letters at Tab A, for your approval and signature, put the Congress on notice that you intend to apply the Interest Equalization Tax to nine oil-producing countries now exempt: Adu Dhabi, Bahrain, Indonesia, Iran, Iraq, Kuwait-Saudi Arabia Neutral Zone, Libya, Qatar, and Saudi Arabia. (You have the power to apply the tax by Executive Order within 30 days after notifying the Congress. We gave preliminary public notice in the Federal Register on December 7.)

This was one of the Balance of Payments Committee recommendations which you approved in December. It is designed to reduce the large dollar drain of oil investments in the Middle East. Some of the countries, particularly Iran, will make a fuss, but George Ball, with whom I have checked this personally, believes with the rest of us that the balance of payments gain is worth it.

I have also checked with Jack Connor. He expects no trouble with the companies.

Joe Fowler's and Charlie Schultze's letters recommending that you go ahead are at Tabs B and C.



Francis M. Bator



Approved _____

Disapproved _____

Speak to me _____

My dear Mr. Speaker:

Pursuant to Section 4916 of the Internal Revenue Code of 1954 and Executive Order Numbered 11224 dated May 14, 1965, certain countries have been designated as less developed countries for purposes of the Interest Equalization Tax.

Subsection (b) of Section 4916 provides that the President shall not terminate the designation of any country as a less developed country unless, at least 30 days before such termination, he has notified the Senate and the House of Representatives of his intention to terminate such designation.

Therefore, in accordance with Subsection (b) of Section 4916 of the Internal Revenue Code, please take notice that on or shortly after February , 1966, I intend to issue an Executive Order which will have the effect of terminating the designation of the following countries as less developed countries for purposes of the Interest Equalization Tax:

Abu Dhabi

Bahrain

Indonesia

Iran

Iraq

Kuwait--Saudi Arabia Neutral Zone

Libya

Qatar

Saudi Arabia

Such Executive Order will apply to all acquisitions of stock or debt obligations made on or after the date of its filing with the Federal Register, unless made pursuant to a fixed commitment which was undertaken prior to December 7, 1965, the date on which notice of my intention to issue such Executive Order appeared in the Federal Register. Acquisitions made pursuant to such fixed commitments will retain their present right to be excluded from the Interest Equalization Tax.

Sincerely,

Honorable John W. McCormack
Speaker of the
House of Representatives
Washington, D. C.

My dear Mr. President:

Pursuant to Section 4916 of the Internal Revenue Code of 1954 and Executive Order Numbered 11224 dated May 14, 1965, certain countries have been designated as less developed countries for purposes of the Interest Equalization Tax.

Subsection (b) of Section 4916 provides that the President shall not terminate the designation of any country as a less developed country unless, at least 30 days before such termination, he has notified the Senate and the House of Representatives of his intention to terminate such designation.

Therefore, in accordance with Subsection (b) of Section 4916 of the Internal Revenue Code, please take notice that on or shortly after February , 1966, I intend to issue an Executive Order which will have the effect of terminating the designation of the following countries as less developed countries for purposes of the Interest Equalization Tax:

Abu Dhabi

Bahrain

Indonesia

Iran

Iraq

Kuwait--Saudi Arabia Neutral Zone

Libya

Qatar

Saudi Arabia

Such Executive Order will apply to all acquisitions of stock or debt obligations made on or after the date of its filing with the Federal Register, unless made pursuant to a fixed commitment which was undertaken prior to December 7, 1965, the date on which notice of my intention to issue such Executive Order appeared in the Federal Register. Acquisitions made pursuant to such fixed commitments will retain their present right to be excluded from the Interest Equalization Tax.

Sincerely,

Honorable Hubert H. Humphrey
President of the Senate
Washington, D. C.



THE SECRETARY OF THE TREASURY
WASHINGTON

JAN 10 1966

922
Through the:
Bureau of the Budget

Dear Mr. President:

There are submitted herewith for your consideration, with the recommendation that they be approved, identical letters to the President of the Senate and the Speaker of the House which, in accordance with Section 4916(b) of the Internal Revenue Code of 1954, notify the Congress of your intention to terminate by Executive Order the status of Abu Dhabi, Bahrain, Indonesia, Iran, Iraq, Kuwait--Saudi Arabia Neutral Zone, Libya, Qatar and Saudi Arabia, as less developed countries for the purposes of the Interest Equalization Tax.

The recommended action was included in the recent report of the Cabinet Committee on Balance of Payments. In a letter to me of December 2, 1965, you approved for action the recommendations contained in that report. Pursuant to this authorization, notice of this recommended action appeared in the Federal Register on December 7, 1965. The termination of the designation of these countries as less developed countries for Interest Equalization Tax purposes parallels the inclusion of these countries under the voluntary Commerce Department program.

In accordance with the provisions of Section 4916(b), the attached letters indicate that you will issue an Executive Order on or shortly after 30 days from the date of delivery of these letters, and that such Executive Order will terminate the less developed country status of the named countries for purposes of this Tax. The effect of the Executive Order will be to subject to the Interest Equalization Tax acquisitions from foreigners by U. S. persons of stock and debt obligations of those countries made on or after the date of issuance of that Executive Order, except for those acquisitions for which firm written commitments existed prior to December 7, 1965, the date on which notice of the proposed action appeared in the Federal Register.

TAB B

Executive Order 11071 of December 27, 1962 was issued in connection with the Revenue Act of 1962 and was used to differentiate between developed and less developed countries for purposes of that Act. That Executive Order also was used initially to determine those countries to which the Interest Equalization Tax would apply and those which would be exempt. An Executive Order (Numbered 11224) was issued on May 14, 1965, terminating the designation of the Bahamas, Bermuda, Ireland, Kuwait and Portugal as less developed countries for purposes of the Interest Equalization Tax. The issuance of the Executive Order proposed herein would change the status of the designated nine countries only for purposes of the Interest Equalization Tax and not for purposes of the Revenue Act of 1962, to which the list contained in Executive Order 11071 would continue to apply.

The broad economic basis for including these nine countries under the voluntary Commerce Department program and paralleling this with a termination of their exemption as less developed countries for Interest Equalization Tax purposes is the fact that they all have large reserves of internationally traded natural resources, which not only are directly associated with substantial U. S. direct investment but also are, typically, a source of substantial foreign-exchange earnings.

If you approve the issuance of the Executive Order and send the letters of notice to the President of the Senate and the Speaker of the House, the date of issuance of the Executive Order can not be less than 30 days from the date of the delivery of your notice to the Congress.

Faithfully yours,

Henry H. Fowler

Henry H. Fowler

The President

The White House

Enclosures

920 ⑦

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

JAN 15 1966

MEMORANDUM FOR MR. BUNDY

Attention: Mr. Francis M. Bator

Subject: Reclassification of nine countries for purposes of the
Interest Equalization Tax

The attached material recommends withdrawal of the "less-developed" designation from nine countries for purposes of the Interest Equalization Tax. This action will make acquisition of the securities of those countries subject to the Tax. It parallels the decision, taken by the Cabinet Committee on the Balance of Payments and approved by the President on December 2, 1965, to include the nine countries in the Commerce Department's voluntary investment restraint program.

All agency clearances on the substance of this question have been obtained through the Cabinet Committee. We have no problems with it.

Charles L.

Charles L. Schultze
Director

Attachment

TABC

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THE WHITE HOUSE
WASHINGTON

93
Peta 2/15/66

Wed., Jan. 19, 1966, 7PM

MR. PRESIDENT:

George Ball reports an approach by Hanoi to Souvanna in the attached. I think he somewhat overstates its significance, but I quite agree that it is right to follow it up quickly. Sullivan's instructions tell him to do that, and also to do it in such a way that we keep as much freedom of choice as possible on the timing of the pause.

McG. B.

McG. B.

DEPARTMENT OF STATE
WASHINGTON

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January 19, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Signal from Hanoi

Many of us have believed that at the last moment before the Communists think we may resume bombing, Hanoi will try to muddy the water by an ambiguous response. It is possible that this is now occurring through Vientiane.

Souvanna Phouma has told Ambassador Sullivan that the North Vietnamese Charge approached him on Monday to deliver a demarche under instructions from Hanoi. This demarche consisted of four general headings, two of which related directly to our fourteen points:

a. The DRV cannot accept the accusation that their troops are guilty of aggression, since there are no DRV troops in SVN (Point 13).

b. Peace can only be restored if the people are permitted to exercise free choice concerning their political and social future. There can be no free choice while US troops remain in the South (Point 8).

c. The US will never leave the South because of its agreement with Saigon and the extension of SEATO protection to the South.

d.

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E.O. 12356, Sec. 3.4

NJ 92-371

By ing NARA. Date 8-18-92

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d. The DRV denies any violation of Laos territory by the sending of 4,500 troops per month over the Ho Chi Minh trail. Again, there are no DRV troops in SVN.

Souvanna asked the Charge why he did not make these points directly to the Americans. The Charge replied that Souvanna was particularly familiar with Indochinese affairs. Souvanna then asked whether the North Vietnamese wished him to act as intermediary between Hanoi and the Americans. The Charge replied that he would seek further instructions on this point.

Souvanna raised the question as to Sullivan's authority to participate in a meeting directly between Sullivan and the Charge. Sullivan has asked for instructions and we have authorized him to talk with the Charge if Souvanna arranges it. Our telegram to Sullivan is attached at Tab A.

Why This May Be Hanoi's Response
to Our Peace Offensive

There are several reasons why it is logical for Hanoi to approach us through Souvanna:

1. It would be consistent with past conduct to use an Asian. In 1950 Peiping communicated to us regarding Korea through an Asian, the Indian Ambassador Panikkar, rather than through Eastern European Communist allies or neutrals.

2. A communication through Vientiane is less likely to be listened in on by the Soviets or Chinese than a communication through Moscow or one of the Eastern European capitals.

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3. Communications with Hanoi from Vientiane are quicker and more secure than from Rangoon since the ICC plane goes back and forth three times a fortnight.

4. The North Vietnamese know Bill Sullivan since he was at the Geneva Conference of 1962. They also know that Averell Harriman (also associated with the 1962 Conference) was recently in Vientiane.

5. Since our pause began Sullivan has reported that the North Vietnamese Charge has twice made friendly social noises to him.

The Content of the Message

The Charge's message is significant in that it is addressed to our Fourteen Points. (Peiping has publicly denounced this formulation with the phrase "to hell with the Fourteen Points.")

The most interesting point in the message is that there can be no free choice (meaning quite possibly free elections) until American troops are withdrawn. We have never taken a position on the timing of troop withdrawal but have insisted only that conditions must first be created and guarantees provided under which elections can be held free of all outside interference.

The question of our withdrawal prior to elections has been very much on Hanoi's mind as the following facts disclose:

1. The Polish ICC representative, who was in Hanoi on January 10 to 11, is reported by an authoritative Western source to have said that Shelepin had tried to persuade the Hanoi Government that unification should come about in two stages.

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Under the Soviet plan the first stage would be an election in South Viet-Nam in which all representative parties including the Liberation Front would participate in the creation of a new government.

The second stage would be an election in which both North and South Viet-Nam would determine the issue of reunification.

The Hanoi leaders reportedly told Shelepin that they disagreed with this two-stage approach but put special emphasis on the United States desire to take part in the supervision of elections.

2. The fact that the Polish ICC representative was in Hanoi and purported to know about the Shelepin proposal suggests that the Poles may have participated in planning-- or at least were familiar with--the approach that the DRV has now made to Souvanna. This may explain the implication in Rapacki's conversation on January 18 with Ambassador Gronouski that something was moving on which he could not comment.

3. On January 16, the DRV official newspaper, Nhan Dan, discussed the issue of troop withdrawal in a manner similar to that employed by the Charge to Souvanna:

"Everyone knows that there can be peace and free elections in South Viet-Nam only when American troops have withdrawn from there....US troops would never get out of South Viet-Nam or they would withdraw only on condition that the elections in South Viet-Nam are held under the US aggressors' control and will lead to the domination of South Viet-Nam by their lackeys."

Where

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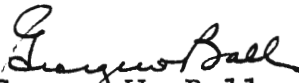
-5-

Where Do We Go From Here?

Ambassador Kohler has asked for an appointment with the North Vietnamese Charge in Moscow. He has been advised of Souvanna's conversation in Vientiane but we are instructing him not to mention it unless the other side raises the question. If in fact Hanoi has selected Vientiane as the channel of their choice we do not wish to confuse the situation.

Certainly what has been said through Souvanna so far offers no basis for a solid dialogue. It is possible, however, that it may be the prelude either to the opening of conversations through Souvanna or a direct exchange between Sullivan and the North Vietnamese Charge. We are giving Sullivan full instructions in the event such an exchange becomes possible.

As you will see from Tab A Sullivan will suggest that Souvanna go back to the DRV Charge promptly in the hope that we can get clearer evidence within the next two or three days whether the North Vietnamese Government is serious or just trying to confuse the situation.


George W. Ball
Acting

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~~SECRET~~

ACTION: Amembassy VIENTIANE

INFO: Amembassy SAIGON
Amembassy MOSCOW
~~Amembassy HONGKONG~~EXDIS
~~EXDIS~~

Vientiane's 773 and 774

Please express our appreciation to Souvanna for handling DRV approach so carefully and tell him we would be pleased have him act as intermediary. While DRV demarche ambiguous and provides no clear indication of intention to proceed to serious discussions, it is nevertheless first opening for possible dialogue with DRV which has emerged since initial bombing pause. If DRV means to follow up, it may be because they prefer work through fellow Asian (Souvanna), not too directly under Chinese observation and because of knowledge your present and past associations with Geneva Conference, all underlined by Harriman's recent visit. Therefore we are disposed to ~~take DRV approach seriously~~ DRV approach to ~~immediately~~ give it full opportunity/develop.

DECLASSIFIED

E.O. 12356, Sec. 3.4

NJ 92-371

By ing NARA. Date 8-18-92

FE:LUngr:gm 1/10/66 2030

The Acting Secretary

G - Amb. Johnson

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Corrections made on original green MUST be made on this and other flimsy work copies before delivery to Telecommunications Operations Division

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Therefore suggest as soon as convenient Souvanna call in DRV Charge, assuming latter has meanwhile taken no initiative, refer to DRV demarche and say that he thought Charge would be interested to know that Americans have indicated their willingness for Souvanna serve as intermediary. Alternatively USG would be prepared to have you meet directly with Charge. Souvanna could then pose again question whether DRV desire to undertake conversations, adding that he is persuaded this is American desire. With regard to DRV reservation on point about troop withdrawal and elections (para 3b Vimbrel 774), it is his understanding US Government has maintained position that it does not wish to nor intend to maintain forces South Viet-Nam once peace is assured and that US also desires elections be held in South without any outside pressures or interference. With regard points about US troop withdrawal and SEATO Souvanna might feel able draw on his experience Laos following 1962 Geneva Accords.

Recommend at this stage Souvanna avoid being drawn any further into discussion DRV reservations about 14 points and return to first question of whether DRV prepared open talks. (We feel it necessary guard against either (1) DRV effort put out tempting feeler only in order stave off resumption bombing, without serious intention follow up or (2) DRV effort commit us piecemeal on

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VIENTIANE

~~SECRET~~

negotiating points without revealing their position).

As noted above

/ You are correct that you are authorized speak directly with DRV Charge
if this is proposed and foregoing also provides you guidance.

We are concerned about possibility leaks re DRV approaching to Souvanna
and hope you can bottle up Dexter, UNREP and anyone in Souvanna's confidence
who is aware of what has transpired.

GP-3

END

Wednesday, January ¹⁹~~18~~, 1966, 7:15 PM

MEMORANDUM FOR THE PRESIDENT

Here is an important memorandum on the organization of this government for foreign operations which Max Taylor has prepared, pursuant to your instruction to him of last September. He has gone beyond the field of counterinsurgency, and I think he has produced a very constructive set of proposals. He has also done a very workmanlike job of clearing them around the government.

When you have had a chance to read his memorandum, I think you may want to talk with him directly, and I would be glad to join if you want me. It is quite possible that some new instructions along this line could be made to fit in very well with a plan to continue my office on a somewhat less visible scale. Max's plan in essence is to throw the responsibility at the State Department with enough White House participation to insure Presidential control and to keep other agencies from declaring their independence.

McG. B.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Wednesday - 5:30 p.m.

January 19, 1966

~~SECRET~~

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Reassignment of Tap Bennett

The transfer of Tap Bennett to Lisbon is becoming increasingly leaky, and I fear that it may appear in the press at any time. We have consulted Tap, Bunker, Vaughn, Mann and Ball about proceeding with the announcement without further delay and there is general agreement that Friday morning, January 21, would be a good time to do this. If Juan Bosch's son, who was seriously wounded by unknown assailants last night, should die between now and Friday morning, we might want to reconsider the timing of the announcement.

Besides the timing, there is the question of whether the announcement should be made from here or at State. My recommendation is that we make the release from here, which is the normal procedure.

McG. B.

McG. B.

Approve Friday announcement ☐

Prefer to wait until later ☐

Make announcement from here ☐

Let State handle announcement ☐

See me + discuss
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DECLASSIFIED
E.O. 12356, Sec. 3.4
NJ 91-239
By *ju*, NARA, Date 11-18-93

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Wednesday, January 19, 1966
2:30 pm

~~SECRET~~

MEMORANDUM TO THE PRESIDENT

SUBJECT: Lodge's weekly telegram

1. Here is Lodge's weekly telegram. His comments on the peace offensive are well worth spreading around a bit here in town, but I don't like to do that with his private telegrams to you unless you approve.

2. What Lodge says about the Peace Corps is reflected in Warren Wiggins' report to Shriver and to me today. We agreed to have Jack Vaughn look at it as a matter of urgency. If it can be done right, a Peace Corps presence in Vietnam should help us with everybody -- peaceniks, Vietnamese, et al. But if it went wrong, it could just as easily hurt us on every front, too. So I see it as a matter of practical judgment which we should make after Vaughn has had time for a good look.

McG. B.
McG. B.

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Authority NLJ 83-207

By is, NARS, Date 10-24-84

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Wednesday, January 19, 1966
1:30 P.M.

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FOR THE PRESIDENT FROM AMBASSADOR LODGE (Saigon 2588)

Herewith my weekly telegram:

1. "Peace Offensive"

As I told Secretary Rusk, I believe that you had absolutely no choice but to conduct your so-called "peace offensive." Any President would have had to try to do it and you did it with great skill. It looks now as though you have derived nothing but benefit from it and have lost nothing, and for these reasons:

A. Even the bombing pause has enabled us to transfer our bombing to useful targets in Laos and South Vietnam.

B. The total number of defectors coming in under the Chieu Hoi program for the period ending January 15 was 699. This compared with 406 for the entire month of January 1965 and 467 for the entire month of February 1965 and proves the error of those who said that the pause in the bombing had led to a reduction in number of defectors.

C. Secretary Rusk's stop here also helped mightily to convince the Vietnamese they were not being left out. A splendid opportunity arose to get some ideas across to the Vietnamese and he took advantage of it in a masterly fashion, being persuasive and lucid in the highest degree.

On the subject of defectors, it is noteworthy that in 1964 there were 1,989 and that this number rose to 9,264 in 1965. This is a real rise and not due to increases in numbers of troops, etc. It indicates a solid preference for the new Government. Next week I hope to give you some more good news about our Tet Chieu Hoi program.

2. Message to Congress

Your message to Congress was magnificent -- well-tempered, patient, and intelligent. You indicated a quiet way out of the war and there was nothing in the Message to suggest cornering the adversary and making him lose face. You made clear the solid moral ground on which our

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Authority NLS 83-209

By iss, NARS, Date 7-19-84

policy rests; yet you did it without any self-righteousness whatsoever. The Message was extremely well received here. The Prime Minister, the Foreign Minister and other high officials expressed their gratitude at the manner in which you discussed the Vietnam situation. Your words reassured them and at just the right time.

3. Military

A. American, Australian and New Zealand troops penetrated an elaborate Viet Cong tunnel complex which may have been the headquarters of the Viet Cong Special Committee for the Saigon area. Tunnels which could be destroyed were blown up. Others which could not be destroyed were contaminated with a persistent riot control agent to make them unusable. About 11,000 documents were seized and these may be of great interest to intelligence experts.

B. The Viet Cong have announced a Tet truce running from 0001 Saigon time on January 20 to 2400 Saigon time on January 23. The Government has announced that it will observe the truce from 1200 Saigon time on January 20 to 1800 Saigon time on January 23. US and other Free World forces will follow the Government's lead.

4. Peace Corps in Vietnam?

A. The visit of ^{Warren} ~~William~~ Wiggins, Deputy Director of the Peace Corps, and Ross Pitchard, head of the Peace Corps' Far East Branch, was most welcome. The way they quickly grasped the essentials in Vietnam aroused my admiration.

B. I respect and share their desire not to get involved in a war situation as an organization. There is no such thing as being "apolitical" in Vietnam. But I am much attracted by the idea that their technique and personnel can do great work in the refugee camps. Their personnel seem to me to be well qualified to get to the heart of the essential problem in Southeast Asia, which is that for years in hundreds of villages in Southeast Asia, the only people working at the grass roots for an uplift of the people's living standards have been the Communists. As soon as we on our side decided to start a grass roots movement of our own we found that we had first of all to win the military struggle.

C. There is a Vietnamese phrase -- "Tam Chung" -- which means "the three withs" i. e., eat with, sleep with, and work with. As I understand it, this is what the Peace Corps personnel can do. It is what Vietnam

needs. I hope, therefore, they can furnish larger numbers of Peace Corps "alumni" for AID and the International Volunteer Service.

D. The refugee camps are not only a great problem but they could be a great opportunity. Many of the people in them have no strong political identification, but want merely to get out of danger. Young Peace Corps graduates--eating, sleeping, and working the refugee camps could surely do much to make the most of the opportunity which these camps present.

5. Basic Political

Prime Minister Ky presided at the ceremony making 100 taxicabs and 200 three-wheeled Lambretta scooter-cabs available for ownership by individual Vietnamese drivers. The drivers will buy the vehicles from the Government on the installment plan. Three men can keep a cab going all the time, which means that three families can be supported by one taxi.

A. This is Ky's attempt to do something concrete in the way of making poor Vietnamese into individual property owners, comparable, for the city man, to making the farmer a land owner. It has had a good effect. After the ceremony he walked by the brand new taxicabs, lined up in a row, and said a few pleasant words to each driver. He did it well.

B. Ky addressed the Armed Forces Convention, reviewing his seven months in office and announced that a "Democracy Building Council" would be formed after the Vietnamese New Year, January 21. It will be a sort of constituent assembly which will take soundings throughout the country and then draft the text of a constitution to be presented to the electorate in a referendum scheduled for October 1966. The constitution is expected to be promulgated in November 1966 and to be followed by elections in 1967. This is the first overt and concrete step by the Government to move Vietnam towards constitutional democracy.

6. Psychological

Editorials in the Vietnamese language press welcomed our "peace drive" but were pessimistic as to whether positive and beneficial results would develop. This reflects Vietnamese sensitivity to the fact that great and near-great all over the world are pondering their fate. Many editorial writers held Communist China chiefly responsible for Hanoi's continued intransigence.

7. Iran

Iran entered the Free World assistance effort on January 12 when a medical team of three doctors, two technicians and 15 nurses arrived to work in Kien Hoq Province.

8. Economic

Last week general retail prices which had been rising for two weeks began to edge downward. This was a notable development since prices normally go up just before the Vietnamese New Year. The supply of food during the Tet season is ample and this reflects deliberate Government planning and US aid. It can be explained chiefly by the fall in vegetable prices as supplies temporarily cut off by the Viet Cong action returned to the market. Rice deliveries to Saigon from the Delta were down and retail prices of rice up, probably reflecting the lateness of the current rice crop. Gold and dollar prices declined, probably reflecting short-run speculative movements by importers who want to accumulate piasters so they can apply for import licenses under our commercial import program.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET PINTA~~

January 19, 1966

MEMORANDUM FOR THE RECORD:

Subject: Conversation with Ambassador Ritchie

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E.O. 12356, Sec. 3.3

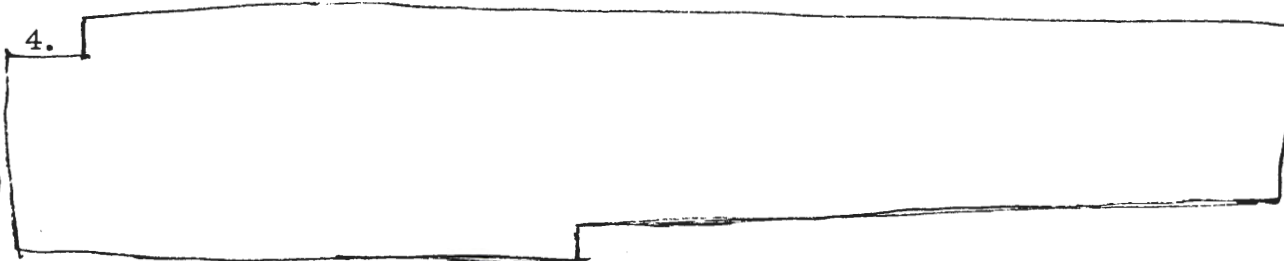
NJ 91-531

By W.D., NARA, Date 10-15-92

Ambassador Ritchie came in to see me this morning at his request. Speaking on instructions from his Government, he made the following points:

1. The Canadian Government remained most grateful to the President for sending me to explain the peace offensive to Prime Minister Pearson.
2. The Canadian Government felt that the effort so far had had most positive and useful results in many countries.
3. The Canadian Government felt that "time was of the essence" of any decision on the length of the pause.

4.



5. I told the Ambassador that as far as I could see on the evidence, these arguments would be as valid a month from now as they were today, and I asked if there was any concrete evidence to support them. The Ambassador said that he had not been given any such evidence, but would see if Ottawa had any.

I told the Ambassador that in my judgment the evidence so far showed no serious response whatever, and that if we had to judge today -- which we did not -- we would have to conclude that there was a decision in Hanoi not to respond. I told the Ambassador that we had no answer on any channel and indeed had been told explicitly by the Poles and the Soviets within the last twenty-four hours that they had no answer to give us. I called the Ambassador's attention to the fact that the pause had already gone well beyond the length of time suggested by Soviet representatives during the autumn, and also well

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beyond the period which I had initially indicated to Prime Minister Pearson and which had seemed to give him great pleasure. I told the Ambassador that in this situation we were bound to regard the situation with growing concern, and that while there would be no abrupt or irresponsible resumption, I could not give him any assurance that the pause would last significantly beyond the ending of Tet.

I did tell the Ambassador that I thought his government could expect a message from us in some appropriate form before the first bombs fell on North Vietnam, and I think myself we must be quite careful about appropriate diplomatic notice, especially to those who have been visible members of the peace offensive, like Pearson.

McG. B.

McGeorge Bundy

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THE WHITE HOUSE
WASHINGTON

Wed., Jan. 19, 1966
9:30 am

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MR. PRESIDENT:

This is a summary of my conversation with Dobrynin. You already know the essence of it. I have informed George Ball and my brother and Bob McNamara.

McG. B.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET~~ - PINTA

Tuesday, January 18, 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Ambassador Dobrynin,
January 18, 5:30 pm

1. The Ambassador came in at my request and we talked for almost exactly an hour. After the usual cheerful pleasantries I told him that I had asked him to come in because he was one of the architects of our peace offensive. I reminded him of our luncheon conversation of November 24 in which he had said that we could count on intense diplomatic activity if the bombing could be stopped for a short period. I said that the bombing had now been stopped for a longer period than the outside limit of what he had suggested, along with others (I meant Matveev, and he nodded). I said that there had indeed been intense diplomatic activity, but as far as we could tell, it had all been one way. We had had no response from Hanoi, either direct or indirect -- nothing but the public broadcasts of different agencies of that government, all of which were extremely discouraging. I said that I wanted the Ambassador to know that there was no hint of an ultimatum in what I had to say, and no change in the position announced yesterday by Mr. Bill Moyers, but that in this situation we were bound to feel a growing concern. The Ambassador twice asked me in different ways to re-state these comments, and I did so.

2. The Ambassador said in reply that he had no new information from Moscow. In particular, he had no information on the travels of Kosygin or of Brezhnev or of Shelepin. I told him that we had heard from the Poles just today (Rapacki to Gronouski) that they had reported our position to Hanoi, but that they had nothing to tell us in reply. I told him that we were following up on the suggestion which Kosygin had made to Shastri, and that Kohler would be in prompt communication with the DRV Charge, since the DRV Ambassador in Moscow was still in Hanoi.

3. Throughout our conversation it was clear that Ambassador Dobrynin fully accepted my statement that there was no response from Hanoi. The Ambassador said that he knew from his Hungarian colleague that there was no answer on that channel, and he evidently accepted my statement that there had been no answer to our communication in Rangoon.

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E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By jc, NARA, Date 7-9-03

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(page 1 of 2 pages)

1/18/66

4. The Ambassador assured me that my comments would be promptly reported to his government, and he told me that he would let me know if he should have anything in response.

5. The remainder of our conversation consisted of informal discussion of a number of other questions, in which nothing new and substantial was said on either side.

6. The Ambassador and I agreed that the fact of this conversation would be kept private. I have no doubt that he will succeed.

McG. B.

McG. B.

Thurs., Jan. 20 1966
7:30 pm

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SIT. Run
to kitchen
- 12

MR. PRESIDENT:

These are the two papers I referred to in our meeting this evening that you may wish to read. One is George Ball's brief against any resumption of the bombing. And the other is a quite careful estimate of probable reactions of the Communists and others to various possible lines of decision on this issue.

McG. B.

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THE UNDER SECRETARY OF STATE
WASHINGTON

January 20, 1966

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MEMORANDUM FOR THE PRESIDENT

Subject: Should We Resume Bombing?

After hard thought and careful exploration, I have concluded that the resumption of bombing will substantially increase the risks of escalation and may well frustrate the very political objectives we have in mind. I find no persuasive evidence that bombing the North will substantially contribute to persuading Hanoi to stop the aggression.

Bombing the North Will Not
Achieve Our Objectives

When we initiated the bombing last February, we had three objectives in mind:

1. The first and most urgent was to improve morale in the South, which was then at a very low ebb. This job has been done. In view of our massive and increasing deployments to South Viet-Nam, continued bombing of the North is no longer necessary for this purpose.

2. Our second objective was to interdict the infiltration of men and supplies into the South--or at least greatly raise the cost of such infiltration.

The evidence is clear that we cannot--by using any amount of air against North Viet-Nam--reduce the

flow

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DECLASSIFIED

Authority NLS 83-209
By is, NARS, Date 7-19-84

flow of men and materiel to the South below the level required to maintain increasing fighting strength for the Viet Cong.

The Viet Cong are fighting a small-arms war. Their forces live largely off the country. Their logistic requirements are ridiculously small by our standards--running at a present level not exceeding 12 tons a day, and, in the predictable future (with a great increase in force and intensified combat) not over 165 tons a day. The Viet Minh demonstrated in the early 1950s that one coolie with a bicycle could move 500 pounds through jungle trails. The Viet Minh, when necessary, impressed as many as 50,000 coolies for this purpose.

No doubt the intensified bombing of the North would somewhat raise the cost of supporting the Viet Cong effort. But increased cost is important only if translated into a political decision to quit. And there is no evidence whatever that even greatly increased cost would have this effect.

3. Our third objective in undertaking to bomb the North was to bring pressure on the Hanoi regime to end the war. There is no evidence that bombing has so far had any appreciable effect in weakening the determination of Ho Chi Minh and his colleagues. Whatever evidence there is points in the opposite direction--toward a hardened line and a fiercer determination.

North Viet-Nam has largely a subsistence economy with a small super-structure of industry. Even if we were to destroy the industrial economy, there is no evidence that this would end the war in the South. Intensive bombing directed against the North Vietnamese urban population might force the DRV leaders to take to the hills--but they have done this before.

In

In 1944-45, I served as a Director of the United States Strategic Bombing Survey. The Survey found both in Germany and Japan that one does not break the will of the population of a police state by heavy city or industrial bombing.

If we succeed in our objectives in South Viet-Nam, it will be because we succeed in the South--by bringing about the gradual demoralization and defection of Viet Cong individuals and units. Accumulating evidence that the Viet Cong were losing and that the movement was gradually withering away would be likely to persuade Hanoi to quit--but not a bombing offensive against the North.

The Resumption of Bombing Could
Frustrate the Achievement of An
Acceptable Solution

I am not only unpersuaded that the bombing of the North is useful; I believe it holds out great risks:

- a. Of frustrating the possibility of a favorable political decision; and
- b. of pushing us into a direct confrontation with Peiping and even Moscow.

In my view we should concentrate our strategy on imposing unacceptable losses in men and morale on the Viet Cong. For this to be translated into the right political decision we must try to prevent the center of decision shifting from Hanoi to the capitals of the big Communist powers.

Bombing North Viet-Nam runs dangerous risks of bringing about the increasing dependence of Hanoi on

Peiping

Peiping and creating a correlative commitment by Peiping to Hanoi. The result may well make it impossible for Hanoi to give up without the agreement of Peiping--which will want the fight to continue.

Prior to December 24 our bombing had already disabled the Communist powers from intervening diplomatically to encourage settlement. That is the major reason we undertook the pause. The Soviets and Eastern European Communists had made it crystal clear that they were paralyzed diplomatically so long as a fellow-Communist state was under direct air attack by the United States. The other day, Rapacki, the Polish Foreign Minister, said to Averell Harriman, "How could we possibly believe that the Soviet Union would defend us against the Germans if it did not defend a sister state--North Vietnam--against attack by the United States?"

The force of this question cannot be safely ignored; it is the other side of the coin from the formulation of our own position.

What prolonged bombing is most likely to produce is a commitment of Communist power and prestige to the point where Peiping and Moscow cannot permit Hanoi to quit any more than we could permit Saigon to quit. Already we are seeing a creeping involvement of both the Chinese and Moscow. And already we see evidence that Peiping is putting heavy pressure on Hanoi to take a hard line against negotiations. In my view we are likely only to intensify this pressure by bombing the North--which is exactly the opposite of what we would hope to achieve.

The Danger of Escalation

The risk of escalation speaks for itself. There are undoubtedly thresholds over which the Communist

powers

powers will not permit us to go in destroying the economy of North Viet-Nam without intervening themselves in a manner that could lead to major war.


I do not know precisely the height of those thresholds. Nor did we know it in Korea until too late.

Recommendation

I strongly recommend, therefore, that we not resume bombing. The arguments in favor of resumption proceed from the premise that winning the war in the South will be long and costly and that, therefore, we must do something else. But before we do something else we must be sure it is useful. No one has demonstrated to my satisfaction that resuming an air offensive against North Viet-Nam will achieve our purposes. Indeed I find evidence that it will frustrate them.

I recognize that there is pressure in the United States for the resumption of bombing, but there are strong counter-pressures for restraint. I have been impressed in my own recent experiences on the Hill by the sober views expressed by members of both the House and Senate regarding the risks of escalation.

What is needed is a careful explanation of where we are going and of the risks and limitations of an air offensive. The American people can, I think, be led to understand.


George W. Ball